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ANNUAL REPORT 2024

TASKFORCE ON ACCESS TO CLIMATE FINANCE

Center for Access to Climate Finance
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Contents

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The 2024 Annual Report of the Taskforce on Access to Climate Finance is the result of a collective effort of numerous dedicated individuals and organizations, each playing a vital role in advancing equitable access to climate finance.

The NDC Partnership Support Unit provided overall leadership and guidance throughout the report's development, ensuring its alignment with the Taskforce's goals and priorities.

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Glossary of Abbreviations

ADB	Asian Development Bank
AF	Adaptation Fund
AfDB	African Development Bank
BCCP	Bangladesh Climate Change Strategy and Action Plan
BCCRF	Bangladesh Climate Change Resilience Fund
BCCTF	Bangladesh Climate Change Trust Fund
BCDP	Bangladesh Climate and Development Partnership
BMZ	Germany's Federal Ministry for Economic Cooperation and Development
BTR	Biennial Transparency Reports
CBT	Climate Budget Tagging
CCDRs	Country Climate and Development Reports
CFF	Climate Fiscal Framework
CCFAH	Commonwealth Climate Finance Access Hub
CFU	Climate Finance Unit
CIF	Climate Investment Funds
COP	Conference of Parties
CPEIR	Climate Public Expenditure and Institutional Reviews
DAC	Development Assistance Committee
DAEs	Direct Access Entities (GCF)
DBJ	Development Bank of Jamaica
DRM	Domestic Revenue Mobilization
EIB	European Investment Bank
EMDEs	Emerging and Developing Economies
FCDO	UK Foreign, Commonwealth and Development Office
IBFCR	Inclusive Budgeting and Financing for Climate Resilience
IBRD	International Bank for Reconstruction and Development
GCF	Green Climate Fund
GEF	Global Environment Facility
GGCRS	Green Growth and Climate Resilience Strategy
GGGI	Global Green Growth Institute

Glossary of Abbreviations

GRID	Green, Resilient, and Inclusive Development
G20	Group of Twenty
IADB	Inter-American Development Bank
ICF	International Climate Finance
IFIs	International Finance Institutions
JICA	Japan International Cooperation Agency
KPIs	Key Performance Indicators
LDCs	Least Developed Countries
LICs	Low Income Countries
LIFE-AR	LDC Initiative for Effective Adaptation and Resilience
LoCAL	Local Adaptive Living Facility
LTV	Long-Term Vision on Complementarity, Coherence, and Collaboration (GEF & GCF)
MDB	Multilateral Development Bank
MCF	Multilateral Climate Funds
MICs	Middle Income Countries
NAP	National Adaptation Plan
NDC	Nationally Determined Contribution
NDP	National Development Plan
NCCP	National Climate Change Policy
NCFs	National Climate Funds
NCQG	New Collective Quantified Goal
OECD	Organization for Economic Co-operation and Development
P&Rs	Principles and Recommendations on Access to Climate Finance
PPCR	Pilot Program for Climate Resilience
PPPs	Public-Private Partnerships
RBCF	Results-Based Climate Finance
RGF	Rwanda Green Fund
RPSP	GCF's Readiness and Preparatory Support Programme
RSF	Resilience and Sustainability Facility
RST	Resilience and Sustainability Trust

Glossary of Abbreviations

SAP	Simplified Approval Process
SDGs	Sustainable Development Goals
SIDA	Swedish International Development Cooperation Agency
SIDS	Small Island Developing States
SLB	Sustainability-Linked Bond
STAR	System for Transparent Allocation of Resources
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WBG	World Bank Group

Executive Summary

The Taskforce on Access to Climate Finance is a joint initiative involving the participation of climate-vulnerable developing countries, bilateral and multilateral climate finance providers (including national governments, dedicated climate funds and international financial institutions) and other relevant organizations and initiatives. The Taskforce was established following the Climate and Development Ministerial, convened by the UK COP26 Presidency in March 2021, in response to the concerns of climate-vulnerable developing countries that existing mechanisms for accessing climate finance are often slow, complex, resource-intensive, uncertain and project-based, making it extremely difficult for those countries to access the finance they need at sufficient scale and speed.

In 2021, the Taskforce's Steering Committee developed and published Principles and Recommendations on Access to Climate Finance (P&Rs), which set out a new approach to climate finance access, programming and utilization. The **five principles and 22 recommendations presented** in the P&Rs provide the basis for recipient countries, climate finance providers and other partners to jointly take forward and institutionalize this new approach at both country and system level. A group of seven 'pioneer' countries (**Bangladesh, Fiji, Jamaica, Mauritius, Rwanda, Somalia and Uganda**) have been testing this approach. Lessons learned from these pioneer country trials will inform the replication of effective approaches across additional climate-vulnerable countries whilst progressively contributing to system-level change.

2024 marked a significant period of advancement. In the pioneer countries, the Taskforce and its partners strengthened their efforts to improve coordination, deployed technical expertise (independent specialist advisory support) to support country level approaches, encouraged providers to streamline accreditation and project approval processes (with progress evident in these areas), and promoted multi-year programmatic, innovative and flexible approaches to climate finance accessibility.

Technical experts have been successfully embedded in many pioneer countries and are now playing an important role in advancing P&R alignment at the country level, working with partner governments and country-based staff from the UK and other bilateral providers and international organizations – including in Fiji, Rwanda, Uganda, Mauritius and Jamaica. An advisory team will soon be embedded in Somalia.

The Center for Access to Climate Finance (Center) has been established and operationalized in the second half of 2024. The Center is hosted by the NDC Partnership Support Unit, with support from the UK Foreign, Commonwealth & Development Office (FCDO). It is providing thought leadership, sharing best practices, facilitating global knowledge exchange and South-South learning, and generating evidence to improve the international climate finance system, including by leveraging and amplifying learning from the Taskforce's country-level work. In addition, the inclusion of key elements of the P&Rs in the access section of the New Collective Quantified Goal (NCQG) agreed at COP29, alongside provisions on reporting and transparency, should help drive further progress at both system and country level. In pioneer countries, this journey of transformation is generating meaningful collaboration between climate finance providers, anchor donors and recipient countries.

Overview of progress with the P&Rs

Overall, the progress made by the Taskforce, its members and other climate finance providers who have endorsed the P&Rs remained satisfactory. Based on the desk review of key documents and interviews with stakeholders, there is evidence of increased shared commitments by these partners, improved alignment, and accelerated efforts towards the application of the P&Rs. The P&Rs have helped reframe climate finance by emphasizing principles such as country ownership, flexibility, transparency, and responsiveness to local needs. Moreover, climate finance providers have shown increased flexibility and readiness to adapt their approaches in line with the P&Rs, particularly a gradual transition from project-based financing to programmatic financing.

Progress towards Principle 1, "Country Ownership" has been “highly positive” with a clear and promising trajectory.

Both pioneer countries and climate finance providers, consulted during the development of this report, strongly believe that increasing country ownership of climate actions will build the long-term capacity needed to achieve transformational change and ensure coherence and alignment with countries’ development priorities.

There is evidence that both pioneer countries and climate finance providers continued their efforts in 2024 toward updating and refining their strategies, policies and action plans – thus ensuring stronger alignment of financial resources with countries’ climate priorities.

Embracing the principle of “country ownership” means a shift from the donor-driven, project-based financing model to a country-led, programmatic approach to climate financing. This transformational shift involves substantial reforms at both country and system level – and both pioneer countries and climate finance providers are showing considerable commitment by investing time and resources in this change. There are signs of progress toward this transformational change in pioneer countries, mainly Bangladesh, Jamaica, Rwanda, and Uganda. These recipient countries have sought greater traction over their climate finance by developing prioritized climate investment plans, mapping their available financial sources, identifying financing gaps, and establishing mechanisms to access and leverage international and private-sector financing.

Alongside these medium-to-long-term reforms, these countries continue to face significant pressure to deliver immediate responses to the escalating climate crisis. While this foundational measures are critical, partner countries are keen to see these trials and new approaches translate into tangible results in the form of greater volumes of climate finance to these countries.

Progress towards Principle 2, "Harmonization of Processes and Alignment of Finance" has been “somewhat positive”, with some ambiguity regarding the direction of travel.

In line with the guiding recommendations under this principle, climate finance providers, both individually and sometimes collectively, have aligned their support with recipient countries’ climate action priorities, and gradually started moving away from project-based approaches towards multi-year programmatic approaches.

Pioneer countries are also actively pursuing country-level reforms and striving to establish more coherent policies and structures to attract climate financing from multiple sources – including Multilateral Development Banks (MDBs), multilateral climate funds (MCF), bilateral donors and the private sector. Whilst most countries started this work many years ago, many reform efforts have been initiated recently, particularly from 2022 onwards. Hence their ultimate impact is expected to become more apparent in the coming years.

While there has been notable progress in aligning policies and developing mechanisms to mobilize climate finance, progress in streamlining MCF accreditation processes and other donors’ funding requirements remain negligible. This has led to inefficiencies, duplication of effort, and increased administrative burdens and costs for recipient countries accessing climate finance. Further steps are needed to enhance donor coherence at the country level, ensuring that key development partners are effectively engaged and working together to reduce fragmentation, align their efforts, and ultimately improve access to climate finance for recipient countries.

Progress towards Principle 3, "Responsiveness to Country Needs and Climate Vulnerability" has been “positive”, with a promising trajectory.

Climate finance providers are considering more flexible, innovative, and high-risk options to prioritize their funding for (a) climate adaptation and resilience, and (b) climate-vulnerable developing countries. During COP29, MDBs and MCFs made new commitments to enhance adaptation finance for developing nations. **The MDBs announced a unified goal to provide USD 120 billion annually by 2030** for low- and middle-income countries, with USD 42 billion specifically allocated for adaptation efforts. For example, in March 2024 the GCF committed over USD 100 million in investments and readiness support to Somalia by mid-2025, alongside a long-term pledge to empower the country to develop and implement priority projects. The increased allocation of adaptation finance is a positive development for climate-vulnerable developing countries. However, significant concerns remain regarding the ability of these countries to access these funds under the current terms and at “market rate”. Many adaptation projects are not commercially viable, meaning they do not generate sufficient financial returns to repay loans. Hence, these climate-vulnerable low-income countries are unable to accept market-based loans for climate action, which undermines the global response to the climate crisis.

Progress towards Principle 4, "Flexibility and Innovation", has been “somewhat positive” and the direction of travel is assessed to be “positive”.

The Taskforce and its partners have identified, piloted, and scaled up several flexible and innovative approaches to funding long-term programs at the country level. These initiatives include simplifying access to funds, promoting blended finance, encouraging long-term programmatic approaches, enhancing community involvement, and creating new financial instruments like green bonds. These efforts align with the Taskforce's overarching goal of ensuring sustained, inclusive and scalable financing for climate resilience and mitigation initiatives in vulnerable countries, including but not limited to the trial countries. Despite these developments, a significant proportion of international climate finance provided by MDBs and MCFs continues to be directed towards individual projects and interventions, rather than supporting programmatic finance for the broader implementation of countries’ comprehensive climate change plans and strategies. The global financial system tends to favor low-risk, high-return, and tightly managed interventions. This restricts the ability of highly indebted, low-income and vulnerable countries to trial new and innovative approaches to finance their climate action plans and strategies.

Progress towards Principle 5, "Transparency and Accountability", has been "somewhat positive", with a promising trajectory.

The overall predictability of financing has improved. Climate finance providers are making public commitments through funding pledges under the United Nations Framework Convention on Climate Change (UNFCCC), climate finance commitments via joint multi-partner initiatives and platforms, direct financial commitments to individual countries, and approved pipelines of individual climate adaptation and mitigation projects. Additionally, climate finance providers are publishing their annual reports and climate finance allocation data and dashboards, along with detailed lists of projects by criteria such as type, purpose, country and amount. Similarly, pioneer countries have either developed or are in the process of developing systems for planning, budgeting, monitoring, evaluation, accountability, and scrutiny of both international and public climate finance. These systems will enhance the evidence regarding the impact of climate-related programs and provide greater transparency and accountability. Despite these initiatives, pioneer countries still face challenges in predicting the availability of international climate finance. Whilst there are opportunities for countries to make improvements to their own national systems, without firm commitments from international climate finance providers, pioneer countries will continue to struggle to deliver on their highest possible ambition. Multi-year programmatic approaches, currently under development in Bangladesh, Rwanda and Jamaica, are beginning to provide some predictability. Yet they only partially cover the climate commitments made by these countries. The transparency and accountability measures on access agreed as part of the NCQG at COP29 should help further improve the ability to track progress on the access agenda.

Table 1 Summary table of the five principles and the associated progress assessment

Principle	Associated progress assessment
Principle 1 – Country Ownership: Programs and projects should be owned and driven by recipient governments and the communities they intend to benefit, with national priorities framing providers' support.	"Highly positive" with a clear and promising trajectory
Principle 2 – Harmonization of Processes and Alignment of Finance: 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 integrated national plans and architecture.	"Somewhat positive", with some ambiguity regarding the direction of travel
Principle 3 – 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 immediate needs and the lowest capacities to access funds, consistent with the goals of the Paris Agreement, including pursuing efforts to limit the temperature rise to 1.5°C.	"Positive", with a promising trajectory
Principle 4 – Flexibility and Innovation: Adopt more innovative and agile approaches alongside proportionate risk management processes to deliver climate finance which better responds to variations in local capacity and need.	"Somewhat positive", and the direction of travel is assessed to be "positive"
Principle 5 – Transparency and Accountability: Climate finance should be more predictable, transparent and yield measurable progress towards recipient countries' climate capabilities and climate goals.	"Somewhat positive", with a promising trajectory

Progress against recommendations from the 2023 Annual Report

The Taskforce has made significant progress in implementing the recommendations outlined in its 2023 Annual Report. An increasing number of stakeholders, including multilateral institutions, climate funds, bilateral donors, and recipient countries, are aligning their climate efforts with the P&Rs. New partners from recipient countries, climate finance providers, and other key stakeholders are joining the efforts – by directly participating in country trials or by indirectly learning from trial initiatives – to improve access to climate finance. While the extent of P&R adoption varies, there is broader agreement on core principles such as country ownership, responsiveness to country needs and vulnerabilities, and the importance of flexibility and innovation in delivering climate finance.

The Taskforce has also substantially improved its capacity to generate and share learning through the newly established Center for Access to Climate Finance. This Center has become a hub for disseminating best practices, tools, and insights. In parallel, efforts to engage the private sector have started to gain momentum, with new and innovative financing models and partnerships emerging to mobilize private investment in climate adaptation and mitigation.

In addition, notable progress has been made in enhancing coordination among climate finance providers, particularly anchor donors and recipient countries, through the development of Roadmaps. The Taskforce and embedded advisors have leveraged their convening and technical roles to promote collaboration across a broader range of stakeholders and is promoting programmatic approaches to improve access to climate finance.

Key recommendations for the Taskforce

- **Recommendation 1**
  (Country-level change):
  Where there is a need and demand from developing countries, anchor donors should (further) enhance support to pioneer countries in advancing a whole-of-government approach, facilitate collaboration between ministries, funders and recipient countries, help navigate complex financing procedures, and improve capacities to access and manage climate finance.

- **Recommendation 2**
  (System-level change):
  Building on existing efforts, such as the Multilateral Climate Funds' draft Action Plan on Complementarity and Coherence, MCFs should broaden the scope of their harmonization and alignment initiative to include mapping and aligning funding processes with other climate finance providers, such as MDBs and bilateral donors. The mapping should prioritize harmonizing funding requirements and processes to enhance synergies and improve accessibility for recipient countries.

- **Recommendation 3**
  (Country-level change, with potential to lead to system-level change):
  Pioneer countries, with the support of anchor donors and in collaboration with other initiatives, should further explore workable models for accessing adaptation finance that are aligned with their needs to address climate vulnerabilities. Recognizing that limited institutional and technical capacity remains a key barrier, climate finance providers should focus on strengthening national capacities to navigate climate finance processes effectively. In parallel, the Taskforce and its members, including donors and pioneer countries, should continue advocating for and influencing climate finance providers, mainly MDBs and MCFs, to increase the allocation of grants and concessional financing for adaptation in vulnerable countries. While increased access to adaptation finance remains vital, this should be supported alongside other nationally determined priorities, including aspirations for green growth pathways.

- **Recommendation 4**
  (Country-level change):
  Where there is a need and demand, pioneer countries should be supported and equipped to identify and implement programmatic financing models which are innovative, flexible, and have the potential to unlock additional funding at scale, including from the private sector. In doing so, the Taskforce should identify and disseminate good practices through activities such as peer learning and knowledge exchanges to support countries to adopt and adapt relevant approaches to their country contexts.

- **Recommendation 5**
  (System- and country-level change):
  Recipient countries, anchor donors and other climate finance providers should jointly define, adopt and institutionalize standardized monitoring and accountability mechanisms at country level to promote greater transparency and accountability in the access, disbursement and utilization of climate finance.
- **Recommendation 6**
  (for the Taskforce):
  The Taskforce should continue engaging climate finance providers and strengthen collaboration among existing anchor donors, climate finance providers and pioneer countries to secure greater buy-in and commitments to the P&Rs.
- **Recommendation 7**
  (for the Taskforce):
  P&Rs should evolve based on lessons learned from countries, documenting and sharing insights into what works in improving access to finance.

This 2024 Annual Report of the Taskforce on Access to Climate Finance provides a comprehensive review of the progress made by the Taskforce. Findings and recommendations do not solely reflect the contributions made by the Taskforce or its members; rather, it provides a comprehensive stocktake of progress made by pioneer countries and key climate finance providers.

Background

The Taskforce on Access to Climate Finance[1] was established following the Climate and Development Ministerial convened by the UK COP26 Presidency in March 2021, in recognition of climate-vulnerable developing countries' concerns that existing mechanisms for accessing climate finance are often slow, complex, resource-intensive, uncertain, and project-based, making it extremely difficult for those countries to access the finance they need at sufficient scale and speed. The Taskforce is a joint initiative involving the participation of climate-vulnerable developing countries, bilateral and multilateral climate finance providers, dedicated climate funds and other relevant organizations and initiatives.

The Taskforce's Steering Committee has developed and published five principles and 22 recommendations[2] (Principles and Recommendations) that set out a new approach to climate finance access, programming and utilization. This approach builds on established global commitments, including climate finance targets, the Sustainable Development Goals (SDGs), and the Paris Declaration on Aid Effectiveness. The approach aims to deliver a transformational improvement in access to climate finance at the national and local levels, while promoting shifts in the broader climate finance architecture that enhance predictability, flexibility, transparency, affordability, and speed of disbursement.

Principle 1 – **Country Ownership:** Programs and projects should be owned and driven by recipient governments and the communities they intend to benefit, with national priorities framing providers' support.

Principle 2 – **Harmonization of Processes and Alignment of Finance:** 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 integrated national plans and architecture.

Principle 3 – **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 immediate needs and the lowest capacities to access funds, consistent with the goals of the Paris Agreement, including pursuing efforts to limit the temperature rise to 1.5°C.

Principle 4 – **Flexibility and Innovation:** Adopt more innovative and agile approaches alongside proportionate risk management processes to deliver climate finance which better responds to variations in local capacity and need.

Principle 5 – **Transparency and Accountability:** Climate finance should be more predictable, transparent and yield measurable progress towards recipient countries' climate capabilities and climate goals.

1 https://ndcpartnership.org/climate-finance/center-access-climate-finance

2 Principles and Recommendations on Access to Climate Finance (https://ndcpartnership.org/sites/default/files/2023-12/principles-and-recommendations-access-climate-finance.pdf)

The Principles and Recommendations on Access to Climate Finance (P&Rs) provide the basis for recipients of climate finance, climate finance providers and other partners to jointly take forward and institutionalize this approach at both system and country levels, including testing the approach in **seven 'pioneer' countries**.[3] Lessons learned from these pioneer country trials are intended to inform the replication of effective approaches across additional climate-vulnerable countries whilst progressively contributing to system-level change. Country-level experiences will also inform further refinement of the Principles and Recommendations. The pioneer country trials are structured around these key stakeholders:

- **Climate-vulnerable developing countries:** Bangladesh, Fiji, Jamaica, Mauritius, Rwanda, Somalia and Uganda joined as pioneer countries to pilot and test new programmatic approaches aimed at improving methods of accessing climate finance. Other climate-vulnerable developing countries, such as Bhutan, Belize, Malawi and Senegal, are members of the Taskforce, are committed to the P&Rs and engaged in adopting the principles and testing approaches in their contexts. This diverse group includes both Least Developed Countries (LDCs) and Small Island Developing States (SIDS), representing some of the most climate-vulnerable nations.
- **Anchor donors:** Germany, Sweden, the UK and the USA are anchor donors, providing dedicated support for the country-led trials. Their involvement aims to support a coordinated, long-term approach to climate finance that aligns with national priorities and emphasizes country ownership.
- **Climate finance providers:** Multilateral development banks (MDBs), climate funds and bilateral donors – including institutions like the World Bank, Asian Development Bank (ADB), African Development Bank (AfDB) and Green Climate Fund (GCF) – provide both technical and financial support. Many of these providers have formally acknowledged the P&Rs and are committed to aligning their efforts accordingly.

The Center for Access to Climate Finance (the Center) is an initiative of the Taskforce established to gather and disseminate evidence on access to climate finance, facilitating knowledge-sharing among climate-vulnerable countries. The Center captures lessons learned (including from the pioneer trials), supports the scaling up of successful approaches, and advances the global dialogue on climate finance access, including system-level reform. Additionally, it serves as the Secretariat for the Taskforce, coordinating activities and engagements across all members.

3 Center for Access to Climate Finance | NDC Partnership (https://ndcpartnership.org/climate-finance/center-access-climate-finance)

About the 2024 Annual Report

Purpose

The 2024 Annual Report of the Taskforce on Access to Climate Finance provides a comprehensive review of the progress made by the Taskforce, including its seven pioneer country trials (Bangladesh, Fiji, Jamaica, Mauritius, Rwanda, Somalia and Uganda), and its engagement with keyclimate finance providers (including anchor donors) and other stakeholders in aligning with and implementing the Taskforce principles and 22 associated recommendations.

This 2024 report is the third Annual Report of the Taskforce.[4] It aims to facilitate informed decision-making by analyzing progress, presenting evidence-based findings, and proposing strategic recommendations to help the Taskforce Steering Committee, relevant stakeholders and the wider climate finance community achieve their shared objective of accessible, responsive and impactful climate finance.

More specifically, the 2024 report serves two key purposes:

- It evaluates the overall effectiveness of the Taskforce in advancing its mandate to unlock climate finance and steer a system-level change in line with the priorities of the countries.
- It offers a detailed analysis of the progress made by both recipient countries and climate finance providers in applying key principles and recommendations for accessing climate finance – including country ownership, harmonization of processes, responsiveness to needs, flexibility and transparency.

Approach

The 2024 Annual Report has been prepared based on a comprehensive P&Rs Measurement Methodology Note. The data collection on progress against the P&Rs was conducted in September and October 2024 and included both primary and secondary data sources. This process started with an in-depth desk review of key documents relating to the Taskforce, the Center, and the actions taken by climate finance providers and recipient countries in response to the P&Rs. This review provided a basis for identifying, assessing, documenting, and reporting progress against each P&R, while capturing evidence on "what worked well" and "what didn't" through key findings, lessons learned, insights, and recommendations.

To further substantiate the initial findings from the document review, 26 semi-structured interviews were conducted with a diverse group of stakeholders, including most representatives from recipient countries, climate finance providers, and other Taskforce members and partners.

This Annual Report 2024 synthesizes the insights gathered from this comprehensive data collection and analysis process. It presents an overview of the progress towards P&Rs (including direction of travel: positive, neutral or negative). The report also provides key lessons learned and recommendations for the climate finance providers, the pioneer countries, and the Taskforce.

4 Annual Report on the Taskforce on Access to Climate Finance 2022 (https://webarchive.nationalarchives.gov.uk/ukgwa/20230105150801/https:/ukcop26.org/wp-content/uploads/2022/11/Annual-Report-on-the-Taskforce-on-Access-to-Climate-Finance-Produced-by-DAI.docx)

Key considerations and limitations

The 2024 Annual Report aims to capture the progress made by seven pioneer countries (Bangladesh, Fiji, Jamaica, Mauritius, Rwanda, Somalia and Uganda) and key climate finance providers, including anchor donors, in adopting and implementing the five core principles and 22 specific recommendations. Despite employing a rigorous approach, including the use of published sources of evidence and information, the report should be read with the following caveats and limitations.

- The 2024 Annual Report provides a comprehensive stocktake of progress made by pioneer countries and key climate finance providers aligned with the P&Rs. Given its systemic and interconnected nature, the reported progress cannot be solely attributed to the Taskforce or the actions supported under the trial initiative. Although the 2024 Annual Report is intended to capture progress made during the reporting year, it includes both a snapshot of annual progress and a broader assessment of the trajectory of efforts toward the P&Rs. Given the nature of the P&Rs and the Taskforce's recommendations, progress in some areas spans multiple years, and cannot be solely classified as progress within the reporting year. Hence while there was an emphasis on capturing progress made during the reporting period, the report would be incomplete without a broader context that considers the direction of travel – especially in areas where long-term initiatives are underway, or where foundational work was completed in previous years.
- The adoption of the P&Rs by recipient countries, climate finance providers and Taskforce members is non-binding. Hence no mandatory action plans exist for implementing or enforcing these principles. Consequently, reporting on P&R progress remains a semi-formal process, with some stakeholders adopting more structured methods for data collection and reporting, and others relying on less formal and structured approaches. Some of the insights are based on qualitative data gathered through key informant interviews, which may represent an incomplete picture, and potentially reflect the biases of individual respondents. That said, data has been triangulated across sources to minimize such bias.
- Due to contextual variations and different levels of adoption and implementation of the P&Rs, the report may not fully capture all aspects of ongoing efforts or provide a complete understanding of the intended or long-term outcomes of the transformative shifts being pursued by the Taskforce, recipient countries and climate finance providers. In cases where initiatives are still in their early stages of experimentation/ implementation, the report avoided making premature judgments about the effectiveness of these approaches. Assessing the impact of such transformation shifts and their effectiveness would require a longer-term evaluation approach which is beyond the scope of this Annual Report.

Highlights of Progress Made by the Taskforce in 2024

2024 marked a significant period of advancement for the Taskforce on Access to Climate Finance. The Taskforce strengthened its efforts by improving coordination, embedding technical expertise to support country-led approaches, encouraging climate finance providers to streamline accreditation and project approval processes, and promoting multi-year programmatic, innovative and flexible approaches to climate finance accessibility. Key developments include:

i. **Securing Buy-In and Commitments:** The Taskforce secured further buy-in and commitments from key climate finance providers and anchor donors on the P&Rs. This led to enhanced collaboration between pioneer countries and anchor donors on joint development of Roadmaps for trials in the pioneer countries. These Roadmaps are at different stages in pioneer countries, who are gradually developing clear steps for implementing P&Rs – with a special focus on building institutional capacities at the country level, and piloting innovative solutions.

ii. **Establishing and Strengthening Coordination Mechanisms:** The Taskforce and its embedded experts continued to support pioneer countries in establishing and strengthening coordination mechanisms to align stakeholder activities, including anchor donors and climate finance providers, in line with the P&Rs. These mechanisms were designed to improve collaboration at country level, promote synergies, and create a more cohesive approach to mobilizing international, public and private financing for climate action. Key examples include the establishment of Bangladesh's inter-agency Climate Finance Coordination Committee, Fiji's Climate Finance Working Group, Rwanda's Taskforce Coordination Group, Somalia's Friends of the Environment Group, and Uganda's Climate Finance Forum. In addition, the inclusion of key elements of the P&Rs in the access section of the New Collective Quantified Goal (NCQG) agreed at COP29, alongside provisions on reporting and transparency, should help drive further progress at both system and country level. In pioneer countries, this journey of transformation is generating meaningful collaboration between climate finance providers, anchor donors and recipient countries. While these efforts have led to notable improvements, further progress is needed in crowding in and effectively coordinating development partners in some trials to maximize their impact on climate finance mobilization.

iii. **Embedding of Technical Experts:** Technical experts were successfully embedded in most pioneer countries, including Fiji, Rwanda, Uganda, Mauritius and Jamaica; and a team will soon be embedded in Somalia. These experts played an important role in securing country-level stakeholders' buy-in to P&Rs, enabling pioneer countries' engagements with anchor donors and other climate finance providers, and building institutional and human capacities to address barriers to access, and improve the effectiveness of international climate finance.

iv. **Transition of the Secretariat Role:** The transition of the Taskforce Secretariat role from FCDO to the NDC Partnership Support Unit was a strategic shift aimed at leveraging the NDC Partnership's established networks and expertise. The decision was made collaboratively by the UK Government and the NDC Partnership Support Unit, in consultation with members of the Taskforce and the NDC Partnership's Steering Committees. This transition was aligned with the evolving role of the Taskforce and the desire to institutionalize its efforts within an established global platform.

v. **Operationalization of the Center for Access to Climate Finance:** The Center is hosted by the NDC Partnership Support Unit, with the support of FCDO. It was established and operationalized to leverage and amplify 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.

vi. **Collaboration and knowledge sharing.** The Center developed knowledge products and organized peer exchanges to promote learning, knowledge-sharing and collaboration among recipient countries, climate finance providers and a wider range of actors in the climate space. In June 2024, at the **2024 Bonn Climate Change Conference (SB 60)**, the NDC Partnership convened more than 30 countries and development partners to review strategies for mobilizing climate finance. Participants provided input to enhance the **Climate Investment Planning and Mobilization Framework (CIPMF)**, and engaged in discussions guided by the Principles and Recommendations on Access to Climate Finance. Similarly, in September 2024 the fourth East Africa Climate Finance Directors' Level Meeting (EACFDLM) was held in Kampala, Uganda. The meeting was organized by the Ugandan Ministry of Finance, Planning and Economic Development in collaboration with the UK. Its aim was to jointly review progress on the agreed actions, harmonize position among member countries (Rwanda, Uganda, Tanzania, Burundi, Democratic Republic of Congo, South Sudan, Somalia and Kenya) ahead of COP 29; and agree on ways the region can harness the opportunities from this collaborative approach. In October 2024, the NDC Partnership Support Unit organized **a peer exchange event during the NDC 3.0 Regional Forum for Africa** in Kigali, Rwanda. This involved 150 participants in discussions on how the P&Rs could support access to finance. In addition, responding to members' growing interest, the Center facilitated a **high-level event at COP29**, and developed a policy brief on Climate Finance Units (CFUs) which will be ready for publication in January 2025.

Anchor Donors, their Role and Contribution to the Taskforce Initiative

Anchor donors play a critical role in supporting partner governments to implement pioneer country trials. Through a country-led approach, they assist in identifying climate finance priorities, coordinating the efforts of other finance providers and parallel initiatives, and ensuring alignment with the P&Rs. Specifically, anchor donors deliver need-based and demand-driven technical assistance, provide embedded resources, and offer programmatic finance to support transformative climate action.

A key assumption underpinning the Taskforce's success is the willingness of recipient countries, anchor donors and other stakeholders to collaborate effectively in mobilizing funding at the scale necessary for transformative change.

The table below explains the support provided by anchor donors, demonstrating a flexible and context-specific approach tailored to the needs and priorities defined by each partner government.

Table 2 Recent contributions by anchor donors

Anchor donors	Brief explanation of contribution to country trials
Germany 	Germany (together with Sweden) is the anchor donor in Rwanda. The support provided to Rwanda is largely delivered through the Rwandan German Climate and Development Partnership, which was launched in 2022 with a commitment of €39.5 million. The partnership is embedded in the Taskforce on Access to Climate Finance and other global climate initiatives. Commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ), the German Development Bank KfW and the Deutsche Gesellschaft für International Zusammenarbeit (GIZ) are supporting Rwanda in embarking on a sustainable development path and promoting climate change adaptation. As part of the climate and development partnership, the BMZ has committed a total of around €220 million so far, including funds flowing into the Rwanda Green Fund (RGF). In 2024, Germany provided technical guidance and financing for the Climate and Nature Finance Strategy, which was developed and led by the Rwandan Ministry of Finance and Economic Planning (MINECOFIN).
Sweden 	Sweden (together with Germany) is the anchor donor in Rwanda. Sweden works with the Rwanda government on all levels, the private sector, and civil society in implementing the Rwandan NDC. In 2024, Sweden and Rwanda signed a Memorandum of Understanding (MoU) to cooperate on the implementation of Article 6 of the Paris Agreement. Country ownership is critically important to Sweden's development cooperation in Rwanda, and Sweden has bilateral, regional and global programs that benefit the cooperation. Sweden actively participates in the quarterly Taskforce Steering Committee meetings in Rwanda, which enable dialogue to take place between government, private-sector representatives and development partners on climate finance priorities. The Rwandan country trial is also focusing on advancing the programmatic approach and providing demand-driven technical assistance.

United Kingdom	The UK has played a leading role as Taskforce Co-Chair, interim Secretariat and anchor donor in four of the seven pioneer countries: Bangladesh, Fiji, Mauritius and Uganda. The UK is also co-anchoring the trial in Jamaica and Somalia with the USA. **The UK committed £100 million to support implementation of the new approach**, both through the country trials and by driving system-level reforms to improve access to climate finance. Some recent contributions include: In Bangladesh, the UK is supporting the design of the Bangladesh Climate and Development Partnership (BCDP) in alignment with the P&Rs; in Fiji, partnerships have been strengthened between the British High Commission Suva and the Government of Fiji, and strategic priorities for the trial have been agreed; in Mauritius, the UK has supported development of a Roadmap for the Pioneer Country trial, and recruited an in-country FCDO Senior Cooperation Adviser; in Uganda, the UK has supported the establishment of the Government of Uganda's CFU, which is now staffed and functional – a key Taskforce deliverable brought about through strong partnership-working between the Government of Uganda, the British High Commission Kampala and the Global Green Growth Institute (GGGI) as CFU implementing partner. In support of the trial in Rwanda, the UK pledged £7 million investment for the Ireme Invest (specifically its Project Preparation Facility), launched at COP27 through the momentum generated by an International Monetary Fund (IMF) led coordination group. An MoU was signed in March 2024, and donor funding helped secure a USD 42 million investment from the GCF.
United States	The US is a co-anchor donor in Jamaica and Somalia with the UK. In Jamaica, the emerging focus has been to support the country in establishing a country-led, country-owned Blue Green Facility to be hosted by the Development Bank of Jamaica (co-designed with GCF) and an associated Project Preparation Facility (PPF) to generate a pipeline of bankable public and public-private projects. In Somalia, the support has focused on the development of in-country programming capacity. In 2024, this included supporting the partner government to submit a comprehensive proposal to the GCF for a multi-year project on climate-resilient agriculture. The seven-year, **USD 94.9 million project was approved by the GCF Board on 24 October 2024**.

Progress Made by Climate Finance Providers and Recipients Against P&Rs

Progress markers

Highly positive	Indicates that substantial progress has been achieved towards the relevant P&Rs, with a strong indication that this positive trajectory will be sustained in the coming years.
Positive	Indicates that satisfactory progress has been made towards relevant P&Rs, with a good likelihood of steady advancement in the coming years.
Somewhat positive	Indicates progress in certain areas, although other areas require further enhancement to build momentum towards achieving substantial progress on the P&Rs.

Overall, the progress made by the Taskforce, its members and other climate finance providers that endorsed the P&Rs, remained positive. There is increased evidence of shared commitments, improved alignment and accelerated efforts towards application of the P&Rs. There is strong evidence that the P&Rs are building momentum towards country-led, programmatic approaches – and a paradigm shift from predominantly donor-driven development models to more inclusive approaches that prioritize and empower countries and communities facing the brunt of climate change.

The P&Rs have helped reframe climate finance by emphasizing principles such as country ownership, flexibility, transparency and responsiveness to local needs. This shift is steering the focus towards creating mechanisms that are more accessible and responsive to recipient countries, allowing them to assume greater leadership in shaping and implementing climate action plans. As a result, recipient countries have started to take a proactive role in designing and implementing tailored strategies that integrate climate finance into their national development frameworks.

Moreover, climate finance providers have shown increased flexibility and readiness to adapt their approaches in line with the P&Rs. For example, they are exploring ways to streamline and harmonize their processes, reduce procedural complexities and enhance flexibility in funding disbursements. The commitment of climate finance providers – including the MDBs, vertical funds and bilateral donors – to align their strategies with the P&Rs is further evidence of a gradual transition towards this paradigm shift. However, challenges remain – particularly in translating these commitments into fully workable models and financing arrangements.

In pioneer countries, this journey of transformation is generating meaningful collaboration between climate finance providers, anchor donors and recipient countries. More specifically, in2024 this collaboration led to foundational work and contributed to setting the direction for more substantial reforms to improve the accessibility, predictability and effectiveness of climate finance. For example, pioneer countries and anchor donors have jointly developed (or are at an advanced stage of developing) trial country Roadmaps to implement a range of bold initiatives. These include adopting programmatic approaches, streamlining processes by climate finance providers, increasing grants and concessional adaptation financing mechanisms to those with the greatest need and highest vulnerability.

Principle 1. Country Ownership

The overall progress made by the Taskforce and its partners towards Principle 1, "Country Ownership" has been "highly positive" with a clear and promising trajectory. Stakeholders strongly believe that increasing country ownership of climate actions will build the long-term capacity needed to achieve transformational change.

In line with this principle, there is evidence that:

- **Pioneer countries** have updated their climate change strategies, policies and action plans to (i) clearly define climate action priorities and to develop project pipelines for adaptation and mitigation; (ii) integrate and mainstream these priorities into national and subnational development plans and budgets; and (iii) create flexibility for long-term, programmatic approaches to climate resilience and sustainability.
- **Climate finance providers and anchor donors** have: (i) introduced and started gradually rolling out country programs and financing strategies that are based on stakeholder engagement and aligned with national climate priorities, including NDCs and National Adaptation Plans (NAPs); (ii) started enhancing their funding to strengthen national and subnational capacities to identify, coordinate, integrate, implement and monitor climate priorities; and (iii) expanded financing mechanisms such as budgetary support, policy-based lending, financing through national development banks, direct access modalities, public-private partnerships (PPPs), green bonds, green funds and intermediary financial institutions, to channel funds effectively through country systems and broaden the range of recipients at all levels.

Pioneer Countries:

Each pioneer country has developed several climate-related strategic planning documents (including NDCs and NAPs), that guide the design and implementation of their climate programs and projects across sectors. All pioneer countries have developed or updated new climate plans in the last two years, and report that these strategic plans are aligned with their respective national development plans and/or country visions. The updated climate plans take a long-term, programmatic approach to achieving climate resilience and sustainability. These plans integrate climate adaptation and mitigation measures across multiple sectors and are supported by a range of international partners – including the NDC Partnership, GCF, World Bank and regional development banks. Over the past year, the pioneer country trials have contributed to improved collaboration and communication between development partners, government representatives and the private sector. The following country summaries provide a synthesis of relevant evidence about recent pioneer country progress, and the contribution of the Taskforce to those efforts (with a focus on contributions in 2024).

Bangladesh

Bangladesh has several national strategic plans guiding the alignment of programs and projects with national priorities. The Ministry of Environment, Forest and Climate Change (MoEFCC) provides institutional coordination across sectors, so that ministries and departments use these plans to guide climate-related planning, budgeting and policy actions.

In October 2023, the **Mid-term Implementation Review of the Eighth Five Year Plan**[5] noted good progress in integrating climate resilience and environmental sustainability into national policies and development initiatives, focusing on sectors most vulnerable to climate impacts, such as agriculture, water and energy. A key component of this integration is the Bangladesh Climate Fiscal Framework (CFF), updated in 2020, which aligns national budgeting with climate change priorities. The government conducts an annual Climate Budget Tagging exercise and publishes a Budget Report, as seen in the 2023-24 report Climate Financing for Sustainable Development (June 2023).[6] This framework identifies and tracks expenditures related to climate change across ministries, ensuring that climate-related activities are systematically included in the annual budget process. This approach promotes transparency in how national budget allocations are directed towards mitigation and adaptation efforts.

In 2024, through its role as an anchor donor for the Bangladesh country trial, the UK and other partners supported the launch of the Bangladesh Climate and Development Partnership (BCDP) in alignment with the P&Rs. This initiative is a collaboration between the Government of Bangladesh, several members of the Taskforce (ADB, GCF, World Bank Group (WBG) and the UK) and other partners European Unit (EU), EIB, France, Japan and South Korea) to scale Bangladesh's mitigation and adaptation through a platform approach, centered on a climate project pipeline and integrated with a financing strategy. This collaborative approach is delivered in the context of the IMF Resilience and Sustainability Facility (RSF) arrangement. The BCDP provides a potential modality through which to deliver the thematic priorities identified in the trial roadmap developed in partnership with the Government of Bangladesh and validated in December 2023.

5 Bangladesh: Mid-term Implementation Review of the Eighth Five Year Plan, October 2023 (https://gedkp.gov.bd/wp-content/uploads/2024/02/Mid-term-Implementation-Review-of-the-8th-Five-Year-Plan-Book.pdf)

6 Climate Financing for Sustainable Development Budget Report 2023-24 (https://mof.portal.gov.bd/sites/default/files/files/mof.portal.gov.bd/page/6e496a5b_f5c1_447b_bbb4_257a2d8a97a1/Climate%20English.pdf)

travelview / Adobe Stock

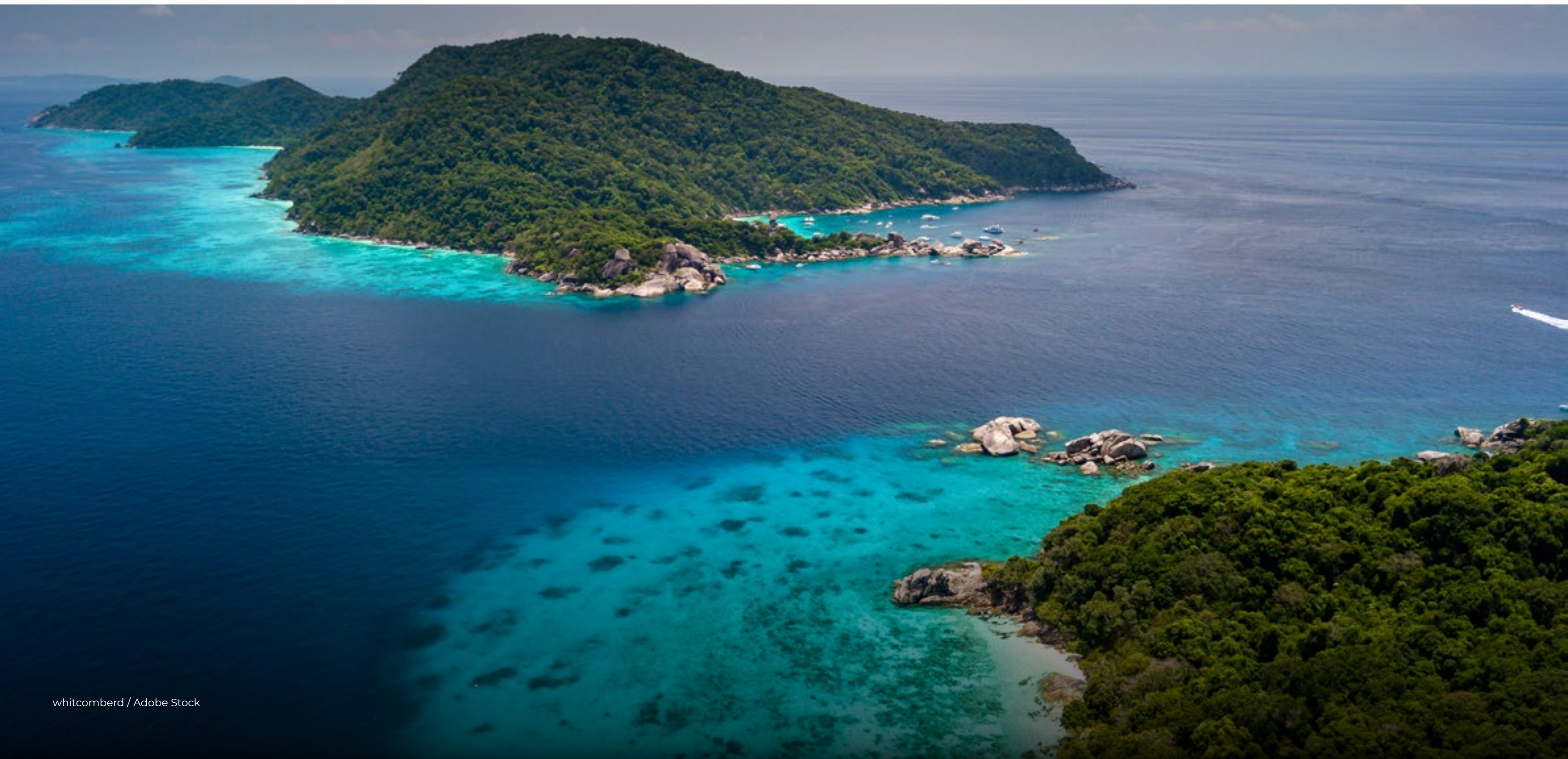
Fiji

Fiji has several national strategic plans that guide program and project development. In 2024, Fiji launched its **National Development Plan 2025-2029 and Vision 2050**,[7] which outline pathways for sustainable economic growth while addressing climate vulnerabilities. The plan aims to align economic development with climate resilience, placing significant emphasis on sectors such as agriculture, energy and infrastructure to promote low-emission growth. Additionally, **Fiji's National Climate Finance Strategy (NCFS), launched in 2022**, outlines climate-related policies, interventions, targets and projects across 12 economic sectors to adapt the economy to climate impacts by 2030. The strategy indicates that over 40% of climate spending will come from international funders, with the remainder funded by the Fiji government.

Fiji has also linked its climate priorities with national budgets through innovative financing mechanisms, being a pioneer in issuing sovereign green and blue bonds to fund climate mitigation and adaptation projects. These bonds support initiatives like renewable energy development and climate-resilient infrastructure, demonstrating Fiji's commitment to integrating climate goals into financial planning and economic growth strategies.

In 2024, a gradual strengthening of the partnership between the British High Commission Suva (representing the UK as an anchor donor for the trial) and the Government of Fiji has helped rebuild momentum after an initially slow start to the Fiji country trial. The recent increase in partnership working has led to an agreement on strategic priorities for the trial. The plan for the trial draws attention to Fiji's private-sector engagement strategy and the measures required to build an understanding of context-specific engagement mechanisms and modalities. There is optimism that the country trial will help encourage greater collaboration and cooperation between the private sector and government representatives. This is expected to stimulate private-sector engagement in climate-related initiatives, leading to an increase in the number and quality of idea notes and project concepts, as well as a rise in new and innovative private-sector solutions.

7 Fiji National Development Plan 2025-2029 and Vision 2050 (https://www.finance.gov.fj/wp-content/uploads/2024/09/NPDF_final-9.pdf)



whitcomberd / Adobe Stock

Jamaica

Jamaica also has several strategic plans intended to guide the alignment of programs and projects with national priorities. **The NDC was updated in 2020**,[8] with an NDC Implementation Plan also currently in place. Jamaica is now preparing its NDC 3.0 for submission by 2025. An updated NDC Implementation Plan will accompany the NDC 3.0 finalization. Consultant support has been identified and introduced to deliver a multi-stakeholder cross-sector consultation to inform detailed design of a new CFU. The government is seeking to capture lessons on programmatic approaches from **Jamaica's Local Climate Adaptive Living Facility (LoCAL) project**. This readiness project aims to support the 14 parishes in Jamaica on a long-term basis and will consider the technical and systemic infrastructure required to base climate planning on local priorities.

To strengthen adaptation efforts, Jamaica is in the process of developing its NAP (with financial support from the GCF), which will align with the country's Vision 2030 development goals. In addition, Jamaica is actively advancing its climate adaptation and mitigation initiatives through its National Climate Change Policy Framework (NCCPF), updated in July 2022. This serves as a comprehensive strategy for mainstreaming climate considerations into national policies and development plans. In 2024, the anchor donors for the country trial (the USA and the UK) supported the government to pursue early design work for a country-led, country-owned Blue Green Facility. Whilst it is still being developed, the Blue Green Facility will be hosted in the Development Bank of Jamaica with an associated PPF to generate a pipeline of bankable public-sector and public-private-sector projects. The PPF will consider the country's systemic climate risks, including by identifying climate hotspots through the Jamaica Systemic Risk Assessment Toolkit (J-SRAT), prepared with the help of Oxford University and financing from the UK.

The anchor donors are also helping build on the momentum generated by an IMF-led coordination group to define deliverables for the PPF and Blue Green Facility (under development in line with the Taskforce P&Rs).

8 Jamaica updated NDC, June 2020 (**https://unfccc.int/sites/default/files/NDC/2022-06/Updated%20NDC%20Jamaica%20-%20ICTU%20Guidance.pdf**)

PhotoSpirit / Adobe Stock

Mauritius

Mauritius submitted its second NDC in October 2021.[9] The country is now preparing its NDC 3.0 for submission by August 2025. This progression aligns with the requirement of the Paris Agreement and reflects increased ambition and incorporation of lessons learned from previous submissions. A NAP will be developed in follow-up to the NDC to identify specific sectoral risks and climate change priorities (the Taskforce assisted a GCF readiness submission for NAP development in December 2024). The Bank of Mauritius Climate Change Centre has a mandate to integrate climate-related and environmental financial risks into the Bank's regulatory, supervisory and monetary policy frameworks. The UK (through its role as an anchor donor) has collaborated closely with the government and other partners to develop a comprehensive roadmap for the Mauritius country trial throughout 2024.

The Taskforce has contributed to the organization of several multi-stakeholder consultations to inform the roadmap. A climate event targeted at the private sector in collaboration with the Mauritius Institute of Directors and HSBC Bank was attended by four ministers/deputy ministers from Finance and Environment in December 2024. As a result of these initiatives, a new stakeholder platform has been established on climate in Mauritius. Going forward, this can be leveraged to strengthen broader stakeholder engagement and meaningful participation in decision-making on climate, particularly for the NDC 3.0. In 2024, the Taskforce also advanced its in-country advisory support by recruiting an in-country FCDO Senior Cooperation Adviser (August 2024) to complement the work of the international strategic advisor (in place since August 2023).

9 Mauritius First NDC (Updated submission) | UNFCCC (https://unfccc.int/documents/497765)


Sapsiwai / Adobe Stock

Rwanda

Rwanda has a variety of strategic plans that guide the country's climate response. Climate priorities are articulated in the **government's 2020 Updated NDC**, which the NDC 3.0 due to be submitted in 2025 will build upon. The **Green Growth and Climate Resilience Strategy (GGCRS)**[10] sets out a longer-term vision for the country's response to climate change and seeks to guide multi-year programmatic approaches. The Ministry of Environment (MoE), the **Rwanda Green Fund (RGF)**,[11] and the Rwanda Environment Management Authority (REMA) are the main entities in charge of climate change in Rwanda. Other relevant ministries that have been primarily targeted for climate mainstreaming include the Ministry of Finance and Economic Planning (MINECOFIN), the Ministry of Agriculture (MINAGRI), the Ministry of Infrastructure (MININFRA), the Ministry of Industry and Trade (MINICOM) and the Ministry of Local Government (MINALOC).

To align financial flows with climate goals under the NDC and GGCRS, Rwanda launched a **Climate and Nature Finance Strategy**[12] in October 2024. The strategy reinforces Rwanda's commitment to strengthen the capacity of the Ministry of Finance by creating a Climate Finance and Green Economy Department, which will play a pivotal role in coordinating climate and nature finance efforts. In April 2024, the RGF made public (for consultation) the first of three draft Investment Plans (IPs) for the Nature, People and Climate Program of the GGCRS. Delivery of the IPs will be overseen by a multi-stakeholder and cross-sector Steering Committee at the national level, and by district authorities at the local level.

10 Rwanda Revised Green Growth and Climate Resilience, September 2022 (**https://www.rema.gov.rw/fileadmin/user_upload/Rwanda_Green_Growth___Climate_Resilience_Strategy_06102022.pdf**)

11 Home Circle | Rwanda Green Fund (**https://greenfund.rw/**)

12 Rwanda's National Climate and Nature Finance Strategy (**https://www.minecofin.gov.rw/news-detail/rwanda-officially-launches-national-climate-and-nature-finance-strategy-to-drive-sustainable-development**)

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The Taskforce pioneer country trial has been particularly effective at strengthening country ownership and development partnerships in Rwanda over the past 12 months. In 2024, the Rwanda country trial continued to advance and benefit from strong cross-government engagement and ownership. The anchor donors for the country trial (Germany and Sweden), supported by the UK Government, have provided support to Rwanda aligned with the Taskforce P&Rs across a range of areas. The Taskforce has contributed to country-led initiatives and dialogues (notably through the quarterly Rwanda Taskforce Steering Committee meetings) which have contributed to positive actions by the government aligned with the P&Rs – e.g., integration of the programmatic approach within the above-mentioned IPs overseen by MINECOFIN.

Rwanda, with the assistance of development partners, also designed a Green Investment Facility (Ireme Invest). There is ongoing work to further align Ireme Invest with the Taskforce P&Rs, including through the Ireme Invest Steering Committee. In March 2024, the UK pledged a £7 million investment for Ireme Invest (specifically its Project Preparation Facility), while donor funding has helped secure a USD 42 million investment from GCF alongside other financing.

As an anchor donor, Sweden has actively supported the Government of Rwanda to scale country-led climate adaptation and mitigation measures. The Taskforce trial has contributed to the advancements in programmatic approaches and the provision of demand-driven technical assistance. Sweden is currently aligning support to advance Rwanda's NDC (and work on carbon markets) with the Taskforce approach and the country trial, making it a priority to build strong country ownership. The Rwanda Taskforce Steering Committee meetings are working well to strengthen dialogues between government and development partners. Meanwhile, Germany's support is delivered in the context of the Rwandan-German Climate and Development Partnership (launched in 2022). According to MINECOFIN, this support is "embedded in the Taskforce and other global climate initiatives". The German Federal Government is financing the RGF and has committed a total of around €220 million with €46 million dedicated to grant financing of public-sector projects through Intego facility – consisting largely of low-interest loans combined with redemption grants (KfW, 2024). In 2024, Germany also provided technical guidance and financing for the Climate and Nature Finance Strategy.

Somalia

Somalia has articulated and mainstreamed its climate action priorities through a combination of national policies, adaptation strategies and international partnerships, with a strong emphasis on building resilience to droughts, food insecurity and water scarcity. The first NDC Implementation Plan was launched at COP28 for the period 2023–2030. Somalia is commencing the NDC 3.0 update process, which will consist of a scoping sectoral analysis of NDC 2.0 with the support of United Nations Development Programme (UNDP). Meanwhile, Somalia's National Development Plan (NDP) 2020-2024 is currently being revised into a National Transformation Plan for the period 2025-2029, and climate will be embedded within this. In June 2024, a Presidential Decree was issued announcing the creation of a National Climate Fund. The Somalia Country Climate and Development Report (CCDR) will guide the government's future climate investments (currently under development by the government and the World Bank). Additionally, the Ministry of Environment is developing a Climate Finance Strategy, supported by Canada; but it is not yet fully integrated with other processes.

In 2024, the USA and the UK (in their roles as anchor donors) have focused Taskforce support on the development of in-country programming capacity, including supporting the partner government to submit a comprehensive proposal to the GCF for a multi-year project on climate-resilient agriculture. This seven-year, USD 94.9 million project was approved by the GCF Board on 24 October 2024.

These initial deliverables of the country trial demonstrate the value of delivering the 'new approach' in a Fragile and Conflict Affected State (FCAS) context. There is ongoing work by the Taskforce and the Center to capture insights from the Somalia country trial about the unique challenges, experiences and solutions accessing climate finance in FCAS, and demonstrate and amplify identified successes in similar contexts.

Susanne / Adobe Stock

Uganda

Uganda articulates its national climate action priorities in the **Updated NDC**[13] of September 2022. This Updated NDC is informed by key national policies and strategies, including the **National Climate Change Act (2021)**, the National Climate Change Policy (2015), the **Uganda Green Growth Development Strategy (2017/18 – 2030/31)**, the **NDC Partnership Plan (2018 – 2020)** and **Uganda's Long-term Climate Strategy 2050**, among others. The alignment ensures a cohesive approach to achieving Uganda's climate goals while addressing cross-sectoral priorities. As of October 2024, NDP III was being developed into NDP IV. Sector-level plans exist for the water and agriculture sectors. Some sectoral NAPs and new strategies are also being developed, including a national climate financing strategy and a strategy for NDC implementation. Multi-stakeholder engagement is facilitated by the Climate Finance Forum, which brings together government departments, the **Climate Finance Unit (CFU)** and development partners.

In 2022, the UK (the anchor donor) supported the establishment of the CFU, which is now staffed and functional. This key deliverable of the Taskforce has been achieved through strong partnership-working between the Government of Uganda, the British High Commission Kampala and the GGGI as the CFU implementing partner. The CFU now plays a large role in prioritization and coordination. A notable development for country ownership in 2024 has been the invitation for the CFU to sit on the government's ministerial Development Committee. The Uganda Taskforce team has also contributed to the organization of Bi-annual East Africa Climate Finance Director meetings for the sharing of good practices across neighboring East African countries. These meetings are well attended and highly valued by participants. There is evidence that these events have contributed to increased opportunities for learning and information exchange on implementing approaches aligned with the P&Rs across the region. The meetings have also helped to strengthen relationships, which pursued further conversations about best practices bilaterally – including between countries that are Taskforce members (e.g., Rwanda, Uganda), and countries that are not (e.g., Tanzania).

13 Updated NDC Uganda_2022 Final (**https://unfccc.int/sites/default/files/NDC/2022-09/Updated%20NDC%20_Uganda_2022%20Final.pdf**)

Climate Finance Providers:

In adherence to the principle of country ownership, the climate finance providers are developing their country programs and climate financing strategies, based on stakeholder engagement and consultation and in line with the countries' climate change priorities, including NDC commitments. In addition, climate finance providers are further expanding their financing mechanisms to disburse climate finance through country systems and institutions and broaden the range of recipients at a national and subnational level. These financing mechanisms now include budgetary support, policy-based lending, project-based financing, financing through national development banks, direct access modalities (national/regional organizations), PPPs, green bonds, green funds, and intermediate financial institutions.

In December 2023, the heads of the Adaptation Fund (AF), Climate Investment Funds (CIF), GEF and GCF **issued a joint declaration** aimed at enhancing access to climate finance and maximizing its impact. The declaration underscored the importance of adopting a comprehensive "all of-economy, all-of-society" approach to address climate challenges across systems and sectors. As part of this, the MCFs reaffirmed their commitment to reforming the international climate finance architecture and establish a unified framework for complementarity and coherence. **The Long-Term Vision on Complementarity, Coherence, and Collaboration** between the GCF and the GEF, now entering its third year of implementation, exemplifies this shared commitment to harmonizing efforts and advancing transformative climate action.

Specific actions taken by the climate finance providers to pursue country-led climate action are explained below.

Green Climate Fund (GCF):

The **GCF Updated Strategic Plan (2024-2027)** reemphasizes GCF's commitment to making a significant and ambitious contribution to global efforts to attain the goals set by the international community to combat climate change. Among other things, the Strategic Plan aims to achieve this by pursuing a country-driven approach and promoting and strengthening engagement at country level through the effective involvement of relevant institutions and stakeholders. In addition, the GCF has recently launched the **draft Partnership and Access Strategy**[14] (2024) aimed at enhancing the effectiveness of partnerships and improving access to climate finance for a diverse set of stakeholders, including the private sector, civil society organizations, and local and subnational governments. This strategy is focused on addressing existing challenges and closing gaps in accessing GCF resources, strengthening partnerships, and ensuring that funding supports country ownership and aligns with national climate goals.

Furthermore, the GCF has reformed its Readiness and Preparatory Support Programme (RPSP) to provide more flexible financing, enabling countries to enhance their national and subnational capacities to plan, implement and monitor climate actions in alignment with their climate strategies. For example, in March 2024 the GCF committed[15] over **USD 100 million in investments and readiness support to Somalia** by mid-2025, alongside a long-term pledge to empower the country to develop and implement priority projects. In addition, the GCF has worked closely with other climate finance providers to promote a more coherent and coordinated response to countries' climate change priorities.

A notable development is the **Long-Term Vision on Complementarity, Coherence and Collaboration (LTV) between the GCF and the GEF**. Under this initiative, both funds have made significant progress in embedding the principles and objectives of the LTV into their respective strategic plans, mainly the GEF-8 and the GCF Strategic Plan. Other developments include the establishment of a joint LTV Steering Committee and the expansion of joint programming initiatives, demonstrating a strong commitment to aligning efforts and maximizing impact. Specific examples undertaken during the 2022-2023 LTV implementation period include a Joint Programming Consultation, held in Rwanda on 15 December 2022, and organized by the Rwanda Environmental Management Authority (REMA) in collaboration with the GEF and GCF Secretariats. As an outcome of the consultations, Rwanda decided to use most of its available GEF-8 System for Transparent Allocation of Resources (STAR) allocation to fund the first phase of a large ecosystem restoration program in its South Province. This included an expectation that GCF and other partners could consider supporting Rwanda in financing complementary building blocks of the same program, contributing to its subsequent phases.

To ensure GCF is fit for purpose, the Fund launched an internal initiative in December 2023 called "**Efficient GCF**", which is focusing on re-examining project review and approval processes, and transforming how the GCF partners do business with them. Key reforms include (i) providing a single point of contact throughout the project appraisal process to accredited entities (AEs); (ii) streamlining documentation for all new Concept Notes (CNs) and Funding Proposals (FPs); and (iii) optimizing investment pipeline while demonstrating GCF's duty of delivering on climate impact.

These above reforms are examples that reaffirm the GCF's commitment towards the principle of country ownership, which is built on inclusive partnerships and impactful climate actions and aimed at enabling climate-vulnerable countries with the capabilities and resources needed to achieve sustainable climate resilience.

14 GCF draft Partnership and Access Strategy, 2024 (https://www.greenclimate.fund/document/gcf-b39-18-rev01)

15 Green Climate Fund and Somalia: Accelerated USD 100 million investment partnership | Green Climate Fund

Asian Development Bank (ADB):

The ADB has established policies, systems and processes to ensure that its climate finance is distributed through country systems and institutions and that a broad range of recipients, including national and subnational entities, benefit from this financing. The ADB achieves this by using country-owned financial systems, procurement processes, and monitoring mechanisms. The **ADB's Country Partnership Strategies (CPS)** serve as the primary platform for designing operations to deliver development results at the country level. CPSs are developed in close consultation with national governments and focus on key development areas (including climate action) to ensure that ADB's investments support national priorities. For example, in Bangladesh the CPS emphasizes ADB's support for climate resilience in agriculture, disaster risk management and infrastructure development.

The ADB channels financing directly to national and subnational institutions, including local governments and municipalities. This approach allows climate finance to reach more localized actors who are directly responsible for implementing climate adaptation and mitigation measures, an example is the work being done under the **Community of Resilience Partnership Program (CRPP)**. For this, the ADB is using its financial modalities and instruments, such as project loans, sector loans, financial intermediation loans, emergency assistance loans, multi-tranche financing facilities, policy-based lending, and results-based lending. For example, the ADB is supporting the **renewable energy transition in Fiji through PPPs (October 2024)**. Similarly, on 8 December 2023 the ADB approved a **USD 400 million policy-based loan to support the Government of Bangladesh** in implementing its NAP (2023–2050) and Updated NDC (2021) to achieve climate-focused inclusive development.

Overall, in 2023 the **ADB committed**[16] USD 10.7 billion in climate finance. Of this, USD 6.1 billion (57.4%) is expected to contribute to climate change mitigation and USD 4.6 billion (42.6%) to climate change adaptation. This is in line with ADB’s ambition to deliver USD 100 billion in climate finance between 2019-2030. Specifically, 1% of the yearly commitments (i.e., over USD 100 million) were for technical assistance to strengthen national and subnational capacities for long-term climate resilience and governance across several member countries.

African Development Bank (AfDB):

The **AfDB’s Ten-year Strategy 2024-2034** sets out to actively promote country ownership, especially of its multi-year programs. AfDB’s approach to country ownership focuses on strengthening country platforms, defined as initiatives bringing together various partners around a common goal. Country ownership is one of six guiding principles and a core assumption of the implicit theory of change articulated in the Ten-Year Strategy 2024-2034. The **AfDB’s 2021 Climate Change and Green Growth Strategic Framework 2021-2025** articulates how the Bank will work with African countries to address climate change and promote green growth. It comprises three instruments: a Policy (open-ended), a Strategy (2021–2030) and an Action Plan (2021–2025). The Strategic Framework outlines an approach to strengthening countries’ access to domestic, international, and public and private sources of climate finance, including through partnerships. This country-led climate programming approach includes the aim to collaborate with other MDBs (via the MDB Working Group on LTSs) to facilitate technical assistance to 15 countries by 2025 in support of NDCs/NAPs/Long-Term Climate Strategies (LTSs).

16 2023 Joint Report on Multilateral Development Banks Climate Finance (**https://publications.iadb.org/en/2023-joint-report-multilateral-development-banks-climate-finance**)

World Bank Group (WBG):

The **WBG Climate Change Action Plan 2021–2025**[17] represents a shift away from efforts to "green" individual projects, towards greening entire economies by helping countries and private-sector clients prepare for and adapt to climate change while pursuing broader development objectives through the Green, Resilient and Inclusive Development (GRID) approach. To advance country-led integrated climate and development agendas, the WBG develops and publishes Country Climate and Development Reports (CCDRs). These reports provide a strong foundation for governments, citizens, the private sector and development partners to engage in meaningful dialogue on climate and development priorities. They also promote enhanced coordination at the country level, aligning efforts to achieve shared goals. CCDRs further identify high-impact actions that have the potential to attract funding from a range of sources, including concessional and commercial financing from development financiers, non-traditional donors and the private sector. This in turn unlocks opportunities for transformative climate and development investments. **Lessons from early operationalization of CCDRs** were recently published, identifying five key channels through which CCDRs have had an impact in countries. As of November 2024, the WBG has developed and published CCDRs for several countries, including two pioneer countries: Bangladesh (2022) and Rwanda (2022).

The WBG has launched several programs and initiatives that are promoting structural shifts, including technical, financial and policy support to enable countries to pursue their climate actions in the long run.

For example: **The NDC and LTS Support program** is a strategic initiative within the Climate Support Facility (CSF) that seeks to promote and support the development, enhancement and implementation of NDCs and Long-Term, Low-Emission Development Strategies (LTSs) in World Bank client countries. The CSF has already allocated USD 15 million to the program to be distributed across the Bank's seven regional units. Moreover, activities under this program are implemented in close coordination with the country engagement process of the NDC Partnership. Overall, in FY 2024, the WBG committed USD 42.6 billion to climate finance,[18] with a commitment to ensuring that 50% of its public-sector climate finance was allocated through the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD) adaptation. A significant portion of this funding is channeled through national and subnational systems and focuses on climate adaptation projects – often involving local governments – in sectors like agriculture, water management and disaster resilience.

17 WBG Climate Change Action Plan 2021–2025 (**https://openknowledge.worldbank.org/entities/publication/ee8a5cd7-ed72-542d-918b-d72e07f96c79**)

18 Climate Finance Fiscal Year 2024 Snapshot (**https://www.worldbank.org/en/news/press-release/2024/09/19/climate-finance-fiscal-year-2024-snapshot#:~:text=WASHINGTON%2C%20September%2019%2C%202024%20%2D%2D,resilient%20communities%2C%20and%20stronger%20economies.**)

Principle 2. Harmonization of Processes and Alignment of Finance

The overall progress made by the Taskforce and its partners towards Principle 2, "Harmonization of Processes and Alignment of Finance" has been "somewhat positive", with some ambiguity regarding the direction of travel.

- In line with the guidance (recommendations) under this principle, climate finance providers, both individually and sometimes collectively, have aligned their support with recipient countries' climate action priorities and have gradually started moving away from project-based approaches towards multi-year programmatic approaches.
- However, progress remains slow in three key areas. First, **climate finance is typically allocated to projects** rather than systemic interventions, and is not usually designed to change policies and ecosystems for a more transformative impact. Second, climate finance providers often pursue bilateral initiatives with recipient governments. In some cases, due to their different mandates, providers are engaging with different focal points (ministries/ divisions) in a country, which sometimes leads to duplication of effort and inefficiencies. Third, there has been negligible progress in streamlining accreditation processes and funding requirements. This has led to inefficiencies, duplication of effort, and increased administrative burdens and costs for recipient countries accessing climate finance.

Climate finance providers have made some progress in streamlining and coordinating the processes required to improve the accessibility of climate finance, with some noticeable institutional changes to recipients. However, these shifts remain more incremental than transformative – i.e., smaller-scale adjustments that are gradually building momentum rather than system-wide reforms. An important lever of change has been the collaborative effort by the MDBs to establish joint climate finance targets and to track, discuss, report and explain progress toward their annual collective climate finance commitments. There are early signs that this collective approach, implemented in the context of the joint statement by the MDBs at COP21 in Paris **(Delivering Climate Change Action at Scale: Our Commitment to Implementation)**, is starting to effect small but promising changes in the system. For instance, the **Joint Report on Multilateral Development Banks' Climate Finance**, released in September 2024, demonstrates joint coordination between MDBs on the setting, monitoring and reporting of climate finance commitments. Most recently, during COP29, MDBs and multilateral climate funds made commitments to enhance adaptation finance for developing nations. The MDBs announced a unified goal to provide USD 120 billion annually by 2030 for low- and middle-income countries, with USD 42 billion specifically allocated for adaptation efforts.

The multilateral climate finance providers have started to respond to long-standing calls for long-term capacity-building to facilitate future access. However, the pace of these changes remains slow, and recipient countries – including those belonging to the group of pioneer countries – have yet to see meaningful harmonization in practice.

Harmonize and streamline processes

Below are some examples that demonstrate the ongoing efforts to harmonize and streamline processes:

- **The 2023 Joint Report on MDBs' Climate Finance** highlights the collective mobilization of USD 125 billion in climate finance, providing a unified framework for reporting and accountability.
- **In 2024, Brazilian G20 Presidency and the G20 Sustainable Finance Working Group** published a report on **Accelerating Sustainable Finance for Emerging Markets and Developing Economies,** which provides an independent high-level expert group review of the vertical climate and environmental fund, including AF, CIFs, GCF and GEF.
- **The NDC Partnership** serves as a neutral platform where bilateral donors, MDBs and other finance providers align their support with countries' climate goals, helping recipient countries navigate different funding mechanisms more efficiently.
- **The Common Principles for Climate Mitigation Finance Tracking**, **revised in December 2023**,[19] offer a set of definitions, guidelines and eligible activities, enabling consistent accounting and reporting of financial flows for climate mitigation. This framework reduces the administrative burden on countries, which would otherwise have to comply with varying methodologies and standards.
- **The Pilot Program for Climate Resilience (PPCR)**, part of the CIFs, demonstrates a coordinated effort to support climate adaptation. Through the PPCR, MDBs such as WB, ADB and AfDB collaborate to finance and implement resilience projects, simplifying access to resources and coordinating funding across various sectors.
- **Joint Statement by the Multilateral Development Banks at Paris**, COP21 Delivering Climate Change Action at Scale: Our Commitment to Implementation.
- **The GCF's Readiness and Preparatory Support Programme (RPSP)** aims to strengthen the capacity of National Designated Authorities (NDAs), Direct Access Entities (DAEs) and other national institutions to better plan, manage and implement climate projects. As part of this initiative, GCF collaborates with other MDBs and bilateral agencies to provide technical assistance and training, enabling national entities to meet the compliance and reporting requirements of the GCF and other climate finance providers.
- **The Long-Term Vision** on Complementarity, Coherence and Collaboration between the GCF and the GEF, as highlighted in the **2024 Joint Progress Report**. Under this initiative, both funds have made significant progress in embedding the principles and objectives of the LTV into their respective strategic plans, mainly the GEF-8 and the GCF Strategic Plan. Other developments include the establishment of a joint LTV Steering Committee and the expansion of joint programming initiatives, demonstrating a strong commitment to aligning efforts and maximizing impact.

19 https://documents1.worldbank.org/curated/en/514141645722484314/pdf/Common-Principles-for-Climate-Mitigation-Finance-Tracking.pdf

Alignment of finance through programmatic approaches

There is some evidence that these system-level reforms are moving internal processes of climate finance providers in the right direction – bringing climate finance more in line with recipient country priorities, increasing the use of multi-year programmatic approaches, and improving predictability of climate finance. Below are examples of more coordinated, multi-year, and country-responsive climate financing initiatives being implemented by climate finance providers in pioneer countries.

Rwanda's programmatic, multi-year approach to climate finance Rwanda has adopted a programmatic, multi-year approach to climate financing, seamlessly integrating climate action into its national development agenda. This approach aligns with Rwanda's NDCs and the National Strategy for Transformation (NST) and is widely supported by a range of climate finance providers.

To bring these approaches to life, Rwanda has developed comprehensive strategies to mobilize and effectively utilize climate finance. This includes the National Climate and Nature Finance Strategy (CNFS), launched in October 2024, which serves as a roadmap for sustainable public- and private-sector investments, aiming to unlock new funding streams for climate mitigation, adaptation, and nature conservation from 2024 to 2030. Another notable initiative is the Rwanda Climate Finance Partnership, launched in 2023. This partnership promotes public-private collaborations to scale up climate finance and is supported by entities such as the Agence Française de Développement (AFD), EIB, and International Finance Corporation (IFC). Rwanda has also advanced the development of a Green Taxonomy to promote green investments through innovative approaches.

To operationalize these strategies and ensure a coordinated response to national climate change priorities, Rwanda has established and maintained a strong institutional structure, including:

- Rwanda Green Fund (RGF): Established by the Government of Rwanda in 2012, the RGF invests in public and private projects with transformational potential, builds an ecosystem to incubate and grow high-impact green ventures, and plays a catalytic role in attracting climate finance and green investment. To date, the RGF has mobilized approximately USD 247 million and supported 46 projects across various sectors.
- Development Bank of Rwanda (BRD): Established in 1967, BRD drives Rwanda's economic transformation by providing long-term financing for strategic sectors, including ambitious climate goals. The Bank aligns its investments with national priorities, fosters private-sector growth, promotes inclusive economic opportunities, and supports innovative green initiatives.
- Ireme Invest: Established in 2022 as a "One-Stop Centre for Green Investment", Ireme Invest supports private-sector green business growth and enhances the country's climate change response. The facility offers tailored financial products and services to fast-track green investments.
- Climate Finance and Green Economy Department: Created in 2024 within Rwanda's Ministry of Finance, this department plays a pivotal role in coordinating climate and nature finance efforts, as defined in the CNFS 2024.

Through these strategic initiatives, Rwanda aims to secure approximately USD 6.2 billion between 2024 and 2030 to implement the CNFS and achieve its climate and development goals. The Rwanda Climate Finance Partnership has already attracted €300 million in additional funding to support climate resilience initiatives. These efforts are complemented by the IMF-supported RSF and other multilateral financing instruments.

Since the last Annual Report, Rwanda has successfully mobilized multi-year programmatic financing from several sources, including:

- December 3, 2023: Rwanda signed a €20 million Line of Credit and Technical Assistance Grant with the EIB to boost its climate financing.
- December 18, 2023: The Government of Rwanda, BRD, and the German Development Bank signed Rwandan Franc (RWF) 20 billion grant (approx. USD 15.85 million) for the Export Credit Guarantee Facility (ECGF) to boost economic growth and employment.
- August 2024: The BRD launched its second Sustainability-Linked Bond (SLB) as part of a broader RWF 150 billion Medium Term Note (MTN) program. This issuance, approved by the Rwanda Capital Market Authority, aims to raise RWF 30 billion, with an additional option to issue up to RWF 5 billion. It underscores Rwanda's commitment to sustainable financing and aligns with global trends in responsible investment.

By integrating policy reforms, fostering strategic partnerships, and mobilizing targeted investments, Rwanda is setting an example for effective climate action and sustainable development.

Bangladesh's programmatic, multi-year approach to climate finance

Bangladesh has also made significant progress towards a programmatic, multi-year strategy for climate financing. This approach is aligned with Bangladesh's NDCs and the Bangladesh Climate Change Strategy and Action Plan (BCCSAP), updated in 2022, with support from various climate finance providers. To operationalize the multi-year programmatic approach to mobilizing and effectively utilizing climate finance, Bangladesh has made the following policy and institutional arrangements:

- Bangladesh Climate Fiscal Framework (CFF), updated in 2020, serves as a guideline for integrating climate change into fiscal policies and budgeting processes. It provides principles and tools for climate fiscal policymaking, helping to identify the demand and supply sides of climate funds and to ensure that climate fiscal policies are transparent and sustainable in the long term.
- Bangladesh Climate Change Trust Fund (BCCTF), established in 2010, is a government-managed fund that finances projects addressing climate change impacts. It collaborates with government ministries, NGOs, and the private sector to implement and evaluate climate change mitigation projects.
- Bangladesh Climate Change Resilience Fund (BCCRF), is a multi-donor trust fund, created to collect and disburse climate adaptation funding for Bangladesh. It supports the implementation of the BCCSAP by financing projects that enhance the country's resilience to climate change.

- Most recently, in December 2023 the Government of Bangladesh in collaboration with international financial institutions, bilateral donors, and private sectors announced the establishment of the Bangladesh Climate and Development Platform (BCDP), a project preparation facility, and financial commitments for public and private investments for adaptation and mitigation in Bangladesh following the RSF arrangement. This is expected to leverage additional private-sector investment in the future.
- Finance Division's Climate Finance Unit: This unit within the Ministry of Finance oversees the integration of climate change into fiscal policies and coordinates climate finance activities across various sectors.
- Inclusive Budgeting and Financing for Climate Resilience (IBFCR) Project: Supported by the UNDP, the IBFCR project aims to develop climate-related capacity within the Finance Division and foster collaborative partnerships with major climate stakeholders.

Through these strategic initiatives, Bangladesh has secured substantial multi-year, programmatic funding to advance its climate mitigation and adaptation initiatives. Key sources and programs include:

- In December 2023, the **ADB approved a USD 400 million policy-based loan** (PBL) for the Climate-Resilient Inclusive Development Program (Subprogram 1) in Bangladesh. This program supports the government's climate priorities as outlined in the updated (2021) and the NAP 2023–2050. The PBL is structured in coordination with development partners, with expected co-financing from AFD .
- In January 2023, the **IMF approved a USD 1.4 billion RSF arrangement for Bangladesh** to support policy reforms and investments that enhance climate resilience and sustainability. The RSF complemented reforms under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) arrangements by supporting the authorities' efforts in tackling climate change challenges to build resilience and catalyze additional official and private finance.
- These programmatic funding sources have been instrumental in supporting Bangladesh's efforts to mitigate and adapt to climate change, fostering sustainable development and enhancing resilience across various sectors.

By integrating policy reforms, fostering strategic partnerships, and mobilizing targeted investments, Bangladesh exemplifies a proactive approach to effective climate action and sustainable development.

Jamaica's programmatic, multi-year approach to climate finance

Jamaica is also embracing a programmatic, multi-year approach to climate financing, embedding climate action into its broader national development strategy to strengthen its resilience and address the challenges of climate change systematically and sustainably.

The country has also made significant progress in strengthening institutional frameworks. The Development Bank of Jamaica (DBJ), for example, became accredited as a direct access entity by the GCF in 2023. This accreditation allows DBJ to access GCF funding directly and implement large-scale climate projects exceeding USD 250 million.

As a result of these and other related developments, Jamaica could secure programmatic, multi-year finance through multiple donors. The most prominent development is the establishment of a Blue Green Facility – a blended financing structure–of up to USD 500 million over five years, which includes contributions from the Government of Jamaica as well as international climate finance providers including the GCF, Inter-American Development Bank (IDB), the WBG, EIB, United States Agency for International Development (USAID), and the UK. Such a programmatic approach will help catalyze climate finance by introducing systematic, coherent, and scalable approaches towards adaptation and mitigation needs.

Through these efforts, Jamaica demonstrates its commitment to addressing climate challenges with innovative solutions and collaborative partnerships. By focusing on policy reforms, strategic investments, and leveraging international support, Jamaica is setting an inspiring example of how small island nations can tackle climate change while pursuing sustainable development goals.

Since most of these country-level and system-level reforms took place in recent years, mainly 2022-2024, there is little evidence on whether these have started to improve predictability, flexibility, transparency, affordability, and speed of disbursement of climate finance to pioneer countries. However, in parallel, the recipient countries continue to face considerable challenges in accessing international climate finance to respond to urgent climate priorities. Moreover, the penetration of these climate strategies and related documents often creates additional complexities for both recipient countries and climate finance providers in aligning their efforts. Additionally, overlapping roles and responsibilities among national institutions involved in climate adaptation and mitigation planning, management, coordination, monitoring, and reporting add further complexity. These overlaps lead to inefficiencies, duplication of efforts, and increased administrative burdens and costs for recipient countries.

Principle 3. Responsiveness to Country Needs and Climate Vulnerability

The overall progress made by the Taskforce and its partners towards Principle 3, "Responsiveness to Country Needs and Climate Vulnerability" has been “positive”, with a promising trajectory.

- Climate finance providers are considering more flexible, innovative, and high-risk options to prioritize their funding for (a) climate adaptation and resilience, and (b) climate-vulnerable developing countries. There is still a long way to go, but climate financing strategies and the annual allocations published by climate finance providers confirm their commitment (please see below for details on allocations.)
- During COP29, MDBs and multilateral climate funds made significant commitments to enhance adaptation finance for developing nations. The **MDBs announced a unified goal to provide USD 120 billion annually by 2030** for low- and middle-income countries, with USD 42 billion specifically allocated for adaptation efforts. They also reaffirmed their commitment to reforming the international climate finance architecture to enhance access and increase the impact of adaptation finance; a commitment that has been further underpinned by the position on access agreed as part of the NCQG.
- However, pioneer countries that are highly vulnerable to the impacts of climate change still face substantial financing gaps with 60-70% of their **NDC commitments and NAP targets** dependent on international climate finance. International climate finance is not only crucial for financing projects and programs but also vital for unlocking additional public and private resources for climate adaptation and mitigation. The recipient countries’ access to global climate finance remains limited due to both institutional and governance challenges at the country level for accessing climate finance and the low-risk appetite of climate finance providers.
- According to the 2023 Joint Report on MDBs' Climate Finance, approximately 28% of adaptation finance was provided through grants and concessional loans, while the remaining 72% was allocated as investment loans or other forms of market-based financing. Many adaptation projects are not commercially viable, meaning they do not generate sufficient financial returns to repay loans. Therefore, these climate-vulnerable low-income countries are unable to accept market-based loans for climate action which could undermine the global response to the climate crisis.

Climate Finance Providers:

Climate finance providers, particularly MDBs, are increasingly integrating climate considerations across all new development interventions to address the core drivers of climate vulnerabilities and to enable climate-vulnerable, low-income countries to pursue their long-term aspirations for green growth pathways. This is evident in the annual budgets of these MDBs, which show a steady but progressive increase in the allocation of funds for climate-related initiatives. The WBG and other MDBs have committed to scaling up climate financing by 2025, **to direct at least 35% of their total financing to support climate-related projects**.

For example,

- The WBG's climate financing[20] was 44% of total financing in fiscal year 2024 (FY2024), which reached USD 97 billion – making a 10% increase in climate finance compared to the previous year.
- The ADB set an ambitious target to allocate 75% of its total operations to climate change mitigation and adaptation by 2030. By the end of 2023, the ADB[21] had already surpassed this goal, with 79% of its operations supporting climate action.
- Similarly, the AfDB's climate financing was 55% of total financing in 2023. The AfDB's Climate Change and Green Growth Strategy (2021-2030) commits AfDB to be fully aligned with the Paris Agreement by 2025 and sets targets of spending at least 50% of its overall allocation on climate adaptation and resilience i.e. USD 25 billion between 2020 and 2025. The **AfDB Climate Change and Green Growth – 2023 Annual Report** (published September 2024) reports that, out of USD 10.6 billion in financing allocated by the Bank for 159 new operations in 2023, approximately USD 5.8 billion (55%) was directed towards climate finance. This represents the highest share to date (an increase on the 45% achieved in 2022), meaning that the AfDB has surpassed its 50% climate finance target.

Overall, adaptation finance more than doubled between 2018 and 2022, reaching USD 76 billion in 2022. The public sector continued to provide the bulk of adaptation flows (92% in 2022). Information on climate adaptation finance from public domestic budgets and the private sector remains opaque. The total amounts remain highly insufficient, given that LDCs and SIDs are among the most vulnerable to climate impacts. USD 12 billion is required annually across SIDS, which face some of the greatest risks of climate disaster. However, the annual flows are currently at just one third of the volume required by 2030 in emerging and developing economies (EMDEs) alone. In 2022, 19% (USD 14.5 billion) of adaptation finance went to LDCs, and 2% (USD 1.5 billion) to SIDS.

In response to the needs and vulnerabilities of recipient countries, climate finance providers are increasingly prioritizing adaptation finance. For instance:

20 Climate Finance Fiscal Year 2024 Snapshot (https://www.worldbank.org/en/news/press-release/2024/09/19/climate-finance-fiscal-year-2024-snapshot#:~:text=WASHINGTON%2C%20September%2019%2C%202024%20%2D%2D,resilient%20communities%2C%20and%20stronger%20economies.)

21 2023 Joint Report on Multilateral Development Banks Climate Finance (https://publications.iadb.org/en/2023-joint-report-multilateral-development-banks-climate-finance)

Green Climate Fund (GCF):

GCF continued to provide support to developing countries through its funding windows to pursue low-emission and climate-resilient development pathways. Following the 40th meeting of the GCF Board (B.40), **GCF funding for climate change action increased to USD 15.9 billion**, thus bringing the current portfolio value, including co-financing, to USD 61.5 billion. The projects and programs are expected to abate a total of 3.1 billion tons of carbon dioxide equivalent to greenhouse gases and reach 1.3 billion direct and indirect beneficiaries. The private and public sectors account respectively for 37% and 63% of the GCF funding in nominal terms. The GCF portfolio allocation stands in grant equivalent terms at 56% for adaptation (USD 5.6 billion) and 44% (USD 4.3 billion) for mitigation. The GCF Secretariat and accredited entities continue to boost the rate of implementation, with 235 projects and programs totaling USD 12.6 billion of GCF-approved funding, being under implementation as of 31 October 2024. In terms of adaptation allocation, 65% of adaptation finance is allocated for vulnerable countries, including LDCs, SIDSs, and African states, taking into account their urgent and immediate needs – thus going above the GCF's second replenishment (GCF-2) target floor of 50%.

Under the Readiness and Preparatory Support Programme, GCF has approved 802 readiness requests covering 142 countries, which includes requests for support for the formulation of national adaptation plans and other adaptation planning processes. USD 641.58 million has been committed in the form of grants and technical assistance. In addition, GCF has provided in-kind accreditation support to 415 entities nominated by the national designated authorities and focal points of 118 countries in the regions of Africa, Asia-Pacific, Eastern Europe, and Latin America and the Caribbean.

Asian Development Bank (ADB):

ADB allocated USD 10.7 billion to climate finance in 2023, with USD 4.6 billion (42.6%) earmarked for climate adaptation – surpassing the 33% average allocation by MDBs. Approximately 95.5% of ADB's climate finance is delivered through loans, while the remaining 4.5% consists of equities, grants, guarantees and technical assistance. ADB's target is to ensure that 75% of the number of its committed operations (on a three-year rolling average, including sovereign and non-sovereign operations) will be supporting climate change mitigation and adaptation by 2030. By the end of 2023, ADB surpassed this goal – with 79% of the number of its committed operations from 2021-2023 supporting climate action. Further, in 2024, ADB updated its target to deliver more than USD 100 billion in cumulative climate finance (2019–2030), and for climate finance to reach 50% of the total committed financing volume, by 2030.

These efforts demonstrate a growing responsiveness to the specific needs and vulnerabilities of recipient countries, reinforcing the commitment of climate finance providers to adapt their approaches in line with the evolving climate landscape.

African Development Bank (AfDB):

Of **the USD 5.8 billion of total climate finance allocated by the AfDB in 2023**,[22] USD 3.078 billion was adaptation finance and USD 2.771 billion was mitigation finance. In 2024, with the launch of its Ten-year Strategy (2024-2034), the AfDB committed to further bolster access to climate finance beyond the levels anticipated under the Climate Change and Green Growth Strategic Framework (2021-2030). This included a commitment to redouble AfDB's efforts to mobilize financing, including from the private sector and through the Climate Action Window (est. 2022) which seeks to provide a dedicated source of climate finance for the African countries most vulnerable to climate change.

World Bank Group (WBG):

In the 2024 fiscal year, the **WBG delivered USD 42.6 billion** in climate finance, with a major emphasis on supporting the most vulnerable countries. Approximately USD 10.3 billion of this total specifically supported investments in adaptation and resilience. Furthermore, a large portion (approximately USD 8.017 billion, FY2024) consists of either interest-free loans or grants to support climate actions in low-income and vulnerable countries. These grants and concessional funds help recipient countries strengthen their capacities to implement NDCs and other climate priorities, particularly in areas such as disaster risk reduction, water resource management, and agriculture.

Pioneer Countries:

At the country level, recipient countries and climate finance providers are adopting innovative tools such as Climate Budget Tagging (CBT), Climate Public Expenditure and Institutional Reviews (CPEIR), Green Budgeting, National Climate Funds (NCFs), and Results-Based Climate Finance (RBCF). These reforms aim to better align national development plans and budgets with climate adaptation and mitigation priorities. By doing so, they enhance transparency, accountability, and efficiency in climate finance allocation, enabling countries to track and report their progress towards achieving climate goals as outlined in their NDCs and national climate plans.

Several recipient countries have already begun implementing these tools. Bangladesh, Rwanda and Jamaica have initiated CBT with support from the WBG, IMF and GCF, while other countries – such as Uganda, Fiji, Mauritius and Somalia – are in the process of adopting it. Additionally, Bangladesh, Rwanda, Fiji and Jamaica have conducted full or sector-level CPEIRs. Uganda and Mauritius are part of ongoing CPEIR initiatives, while Somalia is currently working with international partners to develop its CPEIR processes.

The trial countries have made significant progress in integrating and institutionalizing climate adaptation and mitigation priorities in their national and subnational development policies, plans, strategies and interventions. For example:

22 AfDB (2024b) Climate Change and Green Growth - 2023 Annual Report. https://www.afdb.org/en/documents/climate-change-and-green-growth-2023-annual-report

Bangladesh

Bangladesh's **Mujib Climate Prosperity Plan (2022-2041)** is designed to shift Bangladesh from a position of climate vulnerability to one of climate prosperity. The plan integrates sectoral/thematic priorities, such as (a) climate adaptation priorities like resilient infrastructure, water resource management, climate-smart agriculture, and ecosystem-based adaptation; (b) climate mitigation priorities like renewable energy expansion, energy efficiency, reforestation and afforestation, and sustainable transportation; (c) climate finance mobilization, such as access to international climate finance, PPPs, green bonds, and other innovative financing.

Additionally, Bangladesh has instituted several mechanisms – including vulnerability and risk assessments, multi-stakeholder consultations processes, and a Global Hub on Locally Led Adaptation (LLA) in Dhaka – which ensure that climate change strategies and action plans, including allocation of resources, are informed by a robust assessment of needs and climate vulnerabilities, and incorporate data-driven risk assessments, stakeholder inputs and global standards.

Fiji

Fiji's 2025-2029 National Development Plan and Vision 2050 (2024) and National Climate Change Policy (NCCP) 2018-2030 are well aligned and reflect Fiji's long-term vision focusing on green growth, improving infrastructure, and climate-smart agriculture. These documents integrate (a) adaptation with a focus on community-based adaptation, coastal protection, and resilient infrastructure; and (b) mitigation through low-carbon development strategies, which incorporate renewable energy and sustainable transport into national, subnational and sectoral policies and action plans.

Fiji also used multiple approaches and tools, such as the national stocktake, multi-criteria analysis, consultation sessions, validation workshops, low-emission development strategy (LEDS) sectoral studies, and climate finance and resource mobilization needs assessments, to formulate its NDC, NAP, Climate Financing Strategy and other related documents. In 2018, Fiji conducted its first comprehensive Climate Vulnerability Assessment Report (CVA), which provides a comprehensive assessment of the country's exposure to climate-related risks and identifies strategies to mitigate and adapt to these impacts. Some recent examples of using needs assessments and stakeholder consultations to inform climate programming include (i) in April 2024, a group consultation on Fiji's Carbon Budget, Transport Decarbonization Strategy, and Reporting on Fossil Fuel under the Climate Change Act (CCA) 2021; (ii) in March 2024, a National Carbon Market Strategy Roadmap Validation Workshop to consider Fiji's Action Plan; and (iii) in May 2023, a Climate Change Act 2021 Roadmap Workshop. Apart from formal needs/vulnerability assessments, the Climate Change Division (CCD) in Fiji's Ministry of Environment and Climate Change organizes regular consultative sessions and assessments to inform/ adapt its official climate plans and strategies.

Jamaica

Jamaica's Vision 2030 – National Development Plan (2019) integrates its NDC commitments and climate adaptation and mitigation priorities across various sectors. The plan seeks to build a resilient, low-carbon economy by promoting renewable energy, sustainable agriculture, resilient infrastructure, and disaster risk reduction. Through these measures, Vision 2030 ensures that Jamaica can meet its climate goals while advancing its economic and social development agenda.

Throughout 2024, the Government of Jamaica has been identifying systemic climate risks and 'climate hotspots' – including through the Jamaica Systemic Risk Assessment Tool (J-SRAT), which was prepared with the help of Oxford University with financing from the UK. The J-SRAT is intended to inform a wider set of initiatives supported by the Oxford Environmental Change Institute (ECI), the IDB, the GCF and the EIB.

Other mechanisms include the establishment of climate change advisory committees at the national level to help ensure continuous stakeholder engagement. These committees include representatives from government agencies, civil society, the private sector, academia and local communities. Regular consultations provide valuable input on local needs and help refine climate policies. Participatory needs assessments involve local communities to capture their specific concerns and priorities. This bottom-up approach allows communities to voice their climate challenges and ensures that the resulting plans are both inclusive and locally relevant.

Mauritius

Mauritius Climate Change Act (2020) is the foundational legislative climate framework that establishes climate-focused institutions and bodies, and prescribes their responsibilities, implementation parameters and enforcement structures. It also creates additional national climate-related policies, strategies and action plans, and amends existing national policies with climate-related clauses. In addition, Mauritius Vision 2030 is a strategic plan and budget document that delineates country strategies for sustainable development and other national-level goals. Climate action is included throughout sector-specific plans and is a key tenet in the mission statement for sector-specific plans focusing on the environment.

The climate adaptation component of the NDC – which is due in August 2025 – is not expected to be detailed, given the limited time to complete the required risk and needs assessments. The NAP will be developed as a follow-up to the NDC and will provide a more comprehensive assessment and response to identified risks. There are discussions with the NDC Partnership about accessing support for needs assessments. The Taskforce trial is considering using the Systemic Risk Assessment Tool (SRAT) developed by the University of Oxford as the climate risk assessment tool for the NAP and NDC. Also, in 2024, a research group from the Climate and Ocean Risk Vulnerability Initiative (CORVI) project conducted an in-depth look at the climate vulnerabilities facing Mauritius, delineated by 35 selected indicators across ecological, economic and social risk categories. The Stimson Center, Commonwealth Blue Charter and the Mauritius Ministry of Blue Economy, Marine Resources, Fisheries and Shipping conducted a CORVI Rapid Assessment on the main island of Mauritius. The recommendations of the report are intended to inform future pipeline development and programming.

Rwanda

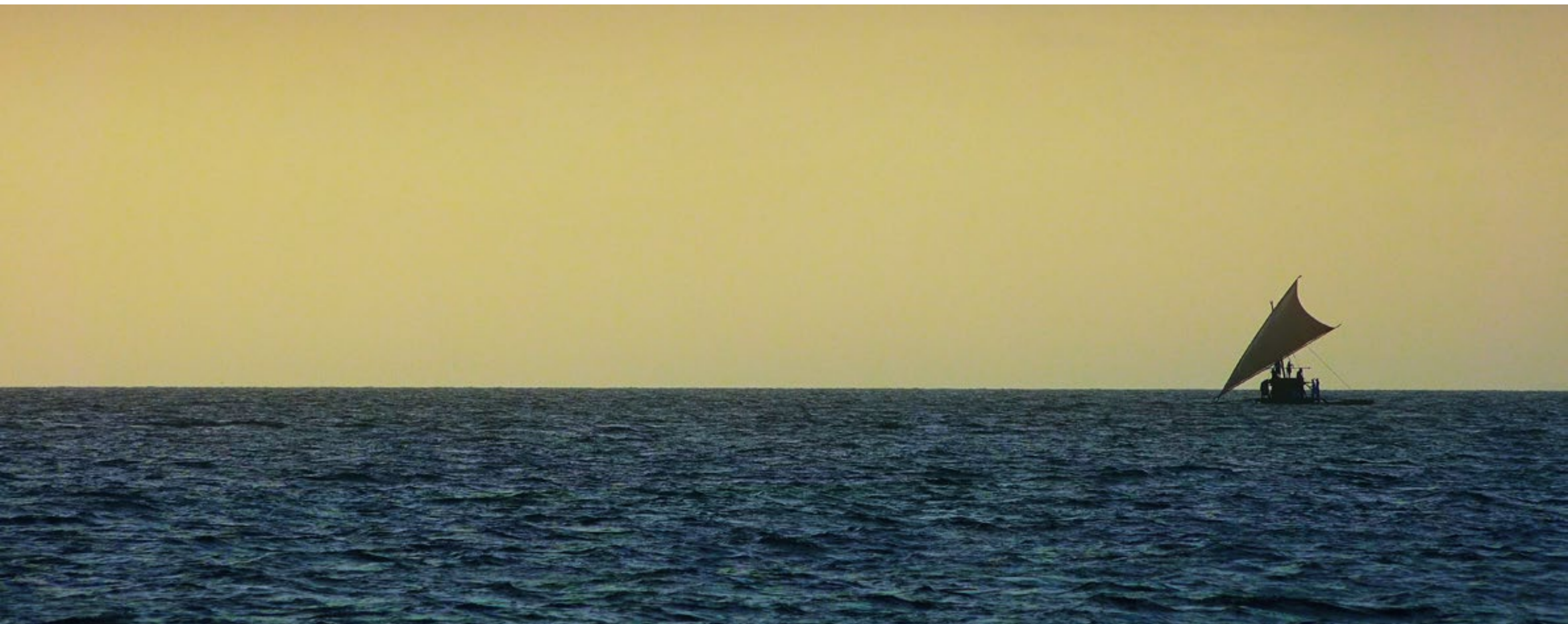
Rwanda's Vision 2050 (2020) and Revised Green Growth and Climate Resilience (2022) are aligned and consistent in communicating climate change mitigation and adaptation priorities. These documents integrate (a) adaptation by focusing on sustainable land management and agriculture, disaster risk management; and (b) mitigation by focusing on energy transition, forestation initiatives, and waste and energy efficiency, among others.

The Rwanda Environment Management Authority (REMA) is the responsible agency for country-level climate change vulnerability assessments. In 2018/19, the REMA conducted a climate change vulnerability assessment aimed at tracking changes and updating data for the national climate change vulnerability indicators for 2015 and 2018; assessing and providing a household-based index of climate change vulnerability at district and province levels; and providing updated policy and strategy recommendations to address any identified vulnerabilities as necessary.

Somalia

Somalia's National Development Plan (NDP) 2020-2024 is a comprehensive document that lists several policy priorities – from inclusive politics and the rule of law, to achieving long-term sustainable economic development. The Plan, particularly Pillar 3 (economic development), emphasizes "the strategy to transform the economy by improving the resilience of the traditional livestock and crop production industries to better meet the growing challenges from climate change".

On the assessment of country needs, there have not been significant advances in the identification of climate risks in Somalia over the last 12 months. Somalia signed up for the Global Shield on climate risk in April 2024. This is a program that provides climate-related insurance to vulnerable countries. In 2025, Somalia is expected to benefit from the In-Country Process (ICP) for Global Shield support, which facilitates the identification of country-specific needs and options for interventions/ instruments. There has also been some climate risk assessment work completed by development partners (including the World Bank and others) to inform the country's NDC. In previous years, the government conducted a Drought Impact Needs Assessment and used the findings to inform the development of the NAP Framework (2022) and the Recovery and Resilience Framework (RRF).



Uganda

Uganda's National Development Plan (NDP) III (2020/21 – 2024/25) focuses on integrating: (a) adaptation in agriculture, water resources, and infrastructure, including resilient infrastructure and water resource management; (b) mitigation in renewable energy development, afforestation programs and energy efficiency, among other cross-sectoral plans and priorities. Specifically, NDP III provides strategic guidance and interventions to stop, reduce and reverse environmental degradation and the adverse effects of climate change, as well as improve the utilization of natural resources for sustainable economic growth and livelihood security.

In addition, there is positive progress towards strengthening evidence-based and risk-informed climate planning. Uganda's CFU and Ministry of Water are currently utilizing the World Bank's Climate and Disaster Risk Screening tool to inform planning. In future, the use of the tool is expected to be scaled up, especially to inform local-level project-preparation processes – with opportunities identified for strengthening the design of community-based adaptation initiatives and local government-led solutions. It is expected to assist with the development of locally owned plans and pipelines. A specific document – the State of Climate Finance in Uganda – is under development by the CFU, with the support of the Embassy of Belgium.

Principle 4. Flexibility and Innovation

The overall progress made by the Taskforce and its partners towards Principle 4, "Flexibility and Innovation", has been “somewhat positive”, with a promising trajectory.

- Members of the Taskforce have identified, piloted, and scaled up several flexible and innovative approaches to funding long-term programs . These initiatives include simplifying access to funds, promoting blended finance, encouraging long-term programmatic approaches, enhancing community involvement, and creating new financial instruments like green bonds. The goal is to ensure sustained, inclusive and scalable financing for climate resilience and mitigation initiatives in vulnerable countries, including trial countries.
- However, climate finance providers still face limitations in financing countries’ overall climate change plans and strategies, including the implementation of NDCs and NAPs. This challenge is inked to the broader global financial system, which restricts the ability of highly indebted, low-income and vulnerable countries to access climate finance on favorable terms to support their climate action plans and strategies. There is also significant untapped potential for recipient countries to leverage domestic sources of private-sector finance for climate action – e.g., proactively mapping domestic sources of climate finance, and identifying/addressing the gaps via context-appropriate initiatives such as blended finance, PPPs and Domestic Revenue Mobilization (DRM).
- To make significant progress on this principle, climate finance providers need to (as per P&Rs – recommendation 15) "explore opportunities to re-evaluate climate finance allocation models.”

While there has been moderate progress, the overall direction of travel is considered “positive”. This is because climate finance providers still have limited avenues and established modalities to finance countries’ overall climate change plans and strategies, despite efforts by countries and development partners to strengthen country platforms in recent years.

There are numerous examples where members of the Taskforce have identified, piloted and/or scaled up new, more flexible, and innovative approaches to funding long-term programs. These include simplifying access to funds, promoting blended finance, encouraging long-term programmatic approaches, enhancing community involvement, and creating new financial instruments like green bonds. The goal is to ensure sustained, inclusive and scalable financing for climate resilience and mitigation initiatives in these vulnerable nations.

Flexible and innovative approaches

The examples given below help to illustrate how climate finance providers have used (or supported the use of) more flexible and innovative approaches in pioneer countries. The direction of travel is positive, as the climate finance providers are moving away from short-term, project-based funding towards long-term programmatic approaches that aim to integrate climate resilience into national development plans over multiple years, ensuring sustained financial support for climate action.

i. **Country platforms to support long-term programs:** In line with the principles of a programmatic approach, the GCF, IDB, WBG, EIB, USAID and the UK are supporting the Government of Jamaica to establish a Blue Green Facility. This is intended to operate as a blended financing structure that can mobilize up to **USD 500 million over five years** to help catalyze climate finance. Other examples include support for Rwanda's Green Fund (RGF), and the design and operationalization of the Bangladesh Climate and Development Partnership (BCDP). The Taskforce anchor donors for the pioneer country trial in Rwanda (Sweden and Germany), as well as the UK, have collaborated in various forms with the Government of Rwanda, the GCF, WBG, EIB, AFD, IFC and GGGI to support RGF. Meanwhile, the WBG, ADB, GEF and Islamic Development Bank (IsDB), along with bilateral development partners such as Japan International Cooperation Agency (JICA), KfW, GIZ, USAID and Swedish International Development Cooperation Agency (SIDA), have supported Bangladesh's BCDP. These initiatives from pioneer countries are good examples of how blended finance models can be used to mobilize both public- and private-sector resources to support large-scale climate resilience and green growth projects. By de-risking investments and offering flexible financing options, these models have facilitated the flow of private capital into high-impact sectors like renewable energy, sustainable infrastructure and green Small and Medium Enterprises (SMEs). These examples also demonstrate how innovative partnerships can unlock and enable blended finance (such as the partnership between RGF and the Rwanda Development Bank) and eventually incentivize the private sector to provide additional investments to meet climate adaptation and mitigation needs.

ii. **Readiness:** In September 2024, GCF launched **a new readiness strategy (2024-2027)** that is now more firmly focused on delivering measurable, tangible outcomes that align with country priorities and the GCF Strategic Plan 2024-2027. Particularly, as part of the country support modality, developing countries, through NDAs/focal points, will have access to support for addressing capacity gaps holistically, covering all three Readiness objectives. This support comprises (a) up to USD 4 million per country over four years, to provide support to NDAs or focal points to address capacity gaps pertaining to achieving climate action; (b) up to USD 0.32 million for direct access by LDCs/SIDS per country over four years, to support NDAs or focal points catering for specific human and institutional capacity challenges, to enable these countries to continuously engage with GCF and fulfil their climate objectives; and (c) up to USD 3 million per country support to NDAs or focal points for NAP development and adaptation planning. This GCF Readiness support helped set the foundations for long-term programming in some pioneer countries (such as Somalia and Uganda).

iii. **Country-owned climate investment plans:** Countries such as Jamaica and Rwanda are developing comprehensive Climate Investment Plans with technical assistance from development partners. For example, the AfDB is supporting climate investment planning through its role as an implementing entity of the Climate Investment Funds (CIFs). As of December 2023, the **AfDB had supported 43 climate investment plans across 27 African countries**, including Rwanda. Similarly, **Jamaica's Pilot Program for Climate Resilience (PPCR)**, supported by CIF, is developed to coordinate national and international climate financing efforts around priority sectors such as agriculture, water and energy. In April 2024, the Rwanda Green Fund (RGF) made public (for consultation) the first of three draft Investment Plans (IPs). In addition, in June 2024, the governing board of CIF endorsed Rwanda's Nature, People, Climate Program with approval of USD 31 million. This included support to the launch of the Rwanda Wildlife Conservation Bond, an innovative capital market structured bond to promote biodiversity in the area. These investment plans are intended to support the implementation of the country's Green Growth and Climate Resilience Strategy (GGCRS), which sets out a longer-term vision for the country's response to climate change and seeks to guide multi-year programmatic approaches.

iv. **Direct access modalities:** **Direct access modalities** are promoted by the GCF to allow countries to have national implementing entities (DAEs) that can directly access funds from international climate finance providers. As explained above, Rwanda has been a pioneer in this, with its RGF playing an instrumental role in positioning the country to directly channel climate finance toward national priorities without going through international intermediaries.

v. **Scaling climate investments through PPPs:** Several of the pioneer countries' trials are using public-private partnerships (PPPs) as a mechanism for leveraging climate finance, especially in sectors like energy, infrastructure and agriculture. Jamaica has been a leader in this area, engaging with private companies to co-finance renewable energy projects such as solar and wind energy plants. By reducing risks for private investors through government guarantees or concessional loans, these partnerships mobilize private capital for climate resilience.

vi. **vi) Green bonds:** In Fiji, Uganda and Mauritius, initial work and engagement have been conducted to establish support for green bond development. The ADB and WBG are doing significant work on green bonds. For example, in FY2023, the proceeds from World Bank Green Bonds contributed USD 955 million in disbursements to projects helping member countries pursue a transition to low-carbon and climate-resilient development and growth. Some examples at the country level include:

- Fiji has been a pioneer in issuing sovereign green and blue bonds, with proceeds directed toward climate mitigation and adaptation projects.
- Rwanda has utilized green bonds and intergovernmental fiscal transfers, facilitated by the WBG, to channel climate finance to subnational levels.
- Mauritius is exploring climate bonds to finance renewable energy projects and climate-resilient infrastructure, and in October 2023, Envolt launched a pioneering USD 45 million green bond program for major solar energy projects in Mauritius, supported by MCB Capital Markets and FSD Africa.

vii. **Climate risk mechanisms:** Somalia and Jamaica are engaging in climate risk insurance initiatives as part of developing broader financial safety nets. Climate insurance mechanisms allow for immediate financial support in the aftermath of climate-related disasters, ensuring quick recovery without the long delays typically associated with emergency funding requests.

- In May 2024, AfDB and the GEF **approved the Somalia Climate Disaster Risk Financing Project** to enhance the resilience and response to climate shocks in Somalia by improving the management of climate disaster risks. Also, Somalia has been a member of the African Risk Capacity (ARC) since 2018. In 2023, the Federal Government of Somalia, African Risk Capacity and the UK Government collaborated with Start Network to secure USD 4.2 million of new funding to help protect people in Somalia from worsening drought.
- Similarly, Jamaica is a founding member of the Caribbean Catastrophe Risk Insurance Facility (CCRIF), which provides parametric insurance to Caribbean and Central American countries to help manage the financial impact of natural disasters.
- An alternative type of climate risk mechanism is used by the AfDB in the form of a Climate Relief Facility (CRF). This encourages the use of disaster risk clauses in financing agreements to give greater flexibility in redeploying undisbursed loans and grants in times of crisis, and to promote the use of risk mitigation tools. In 2024, the AfDB also announced a review of its framework for dealing with natural disasters and shocks to strengthen systematic and efficient responses to crises through enhanced flexibility and speed.

viii. **Insurance solutions,** such as the Disaster Risk Financing and Insurance (DRFI) program, help countries manage financial shocks from climate-related disasters, providing liquidity and stability. The DRFI program is an example of Taskforce members and anchor donors collaborating to advance progress on investment risk. Key donors to DRFI include the UK, USA and Germany.

- The UK supports DRFI's broad agenda to build disaster financial resilience in vulnerable countries, and implements a project managed by the DRFI program aimed at improving the evidence base for sovereign DRFI and developing new and innovative ways of managing risk.
- The US is a key supporter of DRFI with USAID partnering with DRFI on several initiatives.

ix. **Climate and Disaster Risk Finance and Insurance:** Germany supports the V20/G7 initiative "**Global Shield against Climate Risks**". This aims to increase and improve access to pre-arranged finance to help countries respond effectively to climate-related risks, loss and damage, and better financially protect vulnerable people and communities. The Global Shield Financing Structure encompasses three complementary vehicles: the Global Shield Solutions Platform (GSSP); the Global Shield Financing Facility (GSFF), which is the reformed Global Risk Financing Facility (GRiF); and the Climate Vulnerable Forum (CVF) & V20 Joint Multi-Donor Fund.

Private climate finance flows

The **ADB** is using innovative instruments in the Pioneer Countries of Bangladesh and Fiji. In December 2023, ADB approved a **USD 400 million policy-based loan** to support Bangladesh in implementing its NAP and NDC. Disbursed in July 2024, this funding was issued in alignment with **ADB's green bond framework**. Eligible projects funded under this framework must focus on climate-resilient and low-carbon growth and be identified using the joint multilateral development bank approach for tracking and reporting climate change mitigation and adaptation finance. Meanwhile, in August 2024, the ADB and the **Government of Fiji signed a USD 70 million policy-based concessional loan agreement** to support Fiji in building resilience against disasters, and to help spur sustainable growth in the country. The Sustainable and Resilient Growth Program supports a sub-program in 2024 and is expected to support a second sub-program in 2026.

The ADB has been working on an **Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP)** to mobilize significant capital for climate finance. It includes a leveraged guarantee mechanism to enable the release of capital for climate projects and grants for project preparation and knowledge sharing. Taskforce Steering Committee members (the UK, USA and Sweden) are among the initial partners. IF-CAP was operationalized in November 2024. The first IF-CAP-enabled projects were committed in December 2024. In addition, ADB has scaled up efforts on transition finance, through its Energy Transition Mechanism, to support the decarbonization of hard-to-abate sectors (including developing taxonomies to scale up transition finance).

The **World Bank Group (WBG)** is also using innovative instruments in pioneer countries. For example, in 2023, the WBG Board of Directors approved an additional credit of USD 100 million in International Development Association (IDA) financing to support Rwanda in increasing access to finance and supporting businesses' recovery and resilience in the post-pandemic period. This additional finance scales up investments under the Access to Finance for Recovery and Resilience project by providing businesses with financial relief, risk-sharing instruments and long-term sources of funding. The additional financing also supported the innovative Sustainability-Linked Bond (SLB) instrument of the World Bank. The bond was issued by the Development Bank of Rwanda (BRD) in local currency, to enable greater mobilization of private capital.

The SLB-Rwanda case is a good example of the MDB system pioneering innovative approaches. The type of transaction was the first for any World Bank operation and any development bank globally. It intended to provide a model that could be scaled up in Rwanda and elsewhere in the region. The aim was to support institutional strengthening in Rwanda, by helping to diversify its funding sources via capital markets.

On the other hand, some **pioneer countries** are finding that gradual changes in the domestic enabling environment are contributing to increased incentives for the private sector. The case of Rwanda is a positive example of the use of public climate flows to strengthen an enabling environment to attract private flows of climate finance. **Rwanda has advanced the development of a Green Taxonomy for the country to promote green investment through innovative approaches**. In this regard, Rwanda's Ministry of Finance and Ministry of Environment published a working paper on Rwanda's Green Taxonomy in December 2023, supported by the Government of Germany through the Federal Ministry for Economic Cooperation and Development and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The framework aims to define sustainability criteria, foster a common understanding, build trust, and prevent greenwashing.

Similarly, the process of developing a Roadmap for the pioneer country trial in **Mauritius** has identified what gaps need addressing to strengthen the domestic enabling environment and stimulate private (and public) flows of climate finance. In November 2024, the Government of Mauritius with UK support began this process through an event to catalyze multi-stakeholder dialogues about what changes are needed to create an enabling environment to increase the flow of private climate finance. The event was organized through a cross-sector partnership between the pioneer country trial /Taskforce team, HSBC and the Mauritius Institute of Directors (MID). It involved a panel session to mark the launch of a survey of MID Directors on how the various MID members identify and respond to climate risks and was attended by four ministers / deputy ministers. The dialogue and subsequent data collection process will inform the Green Typology that is being developed by Mauritius with the support of the trial, whilst also informing efforts to align the private sector with the country's existing (as yet untapped) banking capital for financing climate action.

Pioneer countries are making positive progress in this area, but it is somewhat slow. There are opportunities to establish or empower existing units with expertise in private-sector finance, who could coordinate the range of possible (domestic and international, public and private) climate investments. Capacity development will continue to be important to build the required engagement and commitment of pioneer countries. Across the different climate and development contexts reviewed for this Annual Report, there is a need for stronger coordination and expertise in domestic sources of finance. This would allow existing sources to be mapped and/or enabled, helping to identify what the government can finance domestically and from its own sources, and where the gaps are. Building on this understanding, there is a need for mechanisms to manage how these gaps are filled – either through existing domestic banking capital or business-related investment, or by accessing international climate finance from the MDB system, vertical funds or bilateral aid. A common lesson from the pioneer country trials is that access to international climate finance becomes more challenging without the necessary government engagement and commitment to explore and mobilize finance from all types of sources.

Principle 5. Transparency and Accountability

The overall progress made by the Taskforce and its partners towards aligning with Principle 5, "Transparency and Accountability", has been "somewhat positive”, with a promising trajectory.

- The overall predictability of funding has improved. Climate finance providers are making public commitments through funding pledges under the UNFCCC, climate finance commitments via joint multi-partner initiatives and platforms, direct financial commitments to individual countries, and through an approved pipeline of individual climate adaptation and mitigation projects. Additionally, climate finance providers are publishing their annual reports and climate finance allocation data and dashboards, along with detailed lists of projects by type, purpose, country and amount.
- Similarly, five out of seven pioneer countries have developed systems for monitoring, evaluation, accountability, and scrutiny of both international and public climate finance. While the degree of independence varies across countries, these systems are generally in place and operational. The other two countries, Mauritius and Somalia, are in the process of developing their systems.
- Despite these improvements, pioneer countries still face challenges in predicting the availability of international climate finance. Without firm commitments from international climate finance providers, pioneer countries struggle to deliver on their highest possible ambition. Multi-year programmatic approaches, currently under development in Bangladesh, Rwanda and Jamaica, are beginning to provide some predictability. However, they only partially cover the climate commitments made by these countries.

Predictability

The overall direction of travel is “somewhat positive”. However, the predictability of funding for countries remains a challenge. Developing countries face challenges in knowing the amount of finance available from the above-mentioned sources, as well as when it will be disbursed and through which potential financial instruments.

To enhance the predictability of climate finance, providers such as MDBs, MCFs, international institutions and developed countries have made commitments across four key levels: (i) overall funding pledges; (ii) contributions through joint, multi-partner initiatives and platforms; (iii) direct financial commitments to individual countries; and (iv) specific commitments to finance individual climate adaptation and mitigation projects.

i. **Overall funding pledges under UNFCCC:** All major climate finance providers have collectively and individually notified their commitment and allocation of climate finance for the next few years, with more precise estimates of climate finance allocations for the next fiscal year. These are mostly reflected in the climate finance strategies of these providers, and reports submitted to UNFCCC under their international obligations in line with the Enhanced Transparency Framework of the Paris Agreement. Specifically, this includes biennial reports prior to 2024, and Biennial Transparency Reports (BTRs) from 2024 onwards. The transition to BTRs from the start of 2024 is intended to enhance transparency and accountability in climate action.

ii. **Climate finance commitments through joint, multi-partner initiatives and platforms:** In addition to the overall allocations, climate finance providers have also confirmed their commitments through special initiatives/platforms where they have already allocated/disbursed finances for future years. For example, the CIF Pilot Program for Climate Resilience (PPCR) confirms a commitment of USD 1 billion made by several MDBs, including the WBG, ADB and AfDB, to champion pioneering resilience strategies and approaches in the countries and regions most vulnerable to climate change.

iii. **Direct financial commitments to individual countries:** Climate finance providers are increasingly committing finance directly at country levels, helping countries predict the availability of funds, identify financing gaps, and set the level of ambition for their climate actions. For example:

- **In April 2024**, in Jamaica, international financial institutions and donors collaborated to establish a programmatic approach (the design of the Blue Green Facility) to finance climate needs. As explained under Principle 4, this is a blended financing model, which would include a contribution from the Government of Jamaica.

iv. **Commitments to finance individual climate adaptation and mitigation projects:** Pioneer countries have identified pipelines of climate adaptation and mitigation projects through their (NDCs, climate change strategies and action plans, and sectoral plans. These strategies and plans also highlight the funding needs, gaps, and the critical requirement for additional international climate finance to support their goals. In alignment with these national priorities, climate finance providers are committing to financing individual projects and programs. For example,

- The ADB maintains an online pipeline of projects for countries such as Bangladesh & Fiji[23]
- The World Bank publishes a pipeline of technical assistance projects in climate change for Africa[24]
- GCF also provides a detailed pipeline of projects, both approved and under implementation, reflecting its support across various regions.

Continued progress to improve the predictability of funding will depend on the strength of implementation (and tracking) of the **new collective quantified goal on climate finance (NCQG)**. The NCQG was agreed at COP29 in Baku, Azerbaijan (November 2024). The new goal of funding at least USD 300 billion annually by 2035 (triple the previous goal of USD 100 billion annually by 2020 and through 2025) will need to be considered as part of the Global Stocktake before 2035. Effective implementation of the NCQG will be critical to support better planning by recipient countries, so that they can implement climate-related investments in line with their country-owned priorities.

23 https://www.adb.org/projects/country/bangladesh/country/fiji

24 https://www.worldbank.org/en/programs/africa-climate-business-plan/technical-assistance#2

Reporting systems

In addition to the published data on climate finance commitments, climate finance providers publish reports on climate finance disbursements via their development aid reporting systems. These are listed below, alongside the providers' respective 2024 scores from the Aid Transparency Index (2024):

- Germany's Federal Ministry for Economic Cooperation and Development (BMZ) manages climate-related development aid reporting in line with the OECD Development Assistance Committee (DAC) standards. In the results of the Aid Transparency Index 2024, Germany (BMZ) was rated 'Good.'
- The Swedish International Development Cooperation Agency (SIDA) provides detailed information on Swedish development aid projects and financial flows using the Openaid platform. In the results of the Aid Transparency Index 2024, Sweden was rated 'Good.'
- The UK uses the Development Tracker system, which is part of the International Aid Transparency Initiative (IATI), to track and report on the UK's Official Development Assistance (ODA) spending. In the results of the Aid Transparency Index 2024, the UK (FCDO) was rated 'Very Good.'
- USAID provides data on U.S. international aid projects and financial flows using the Development Experience Clearinghouse (DEC) and the Development Information Solution (DIS) systems. In the results of the Aid Transparency Index 2024, the US (USAID) was rated 'Good.'

The development aid reporting systems used by the MDB providers, as of October 2024, are as follows:

- AfDB uses the MapAfrica platform and the Projects Data Portal. The AfDB's sovereign portfolio achieved first place in the 2024 Aid Transparency Index and was rated 'Very Good.'
- The ADB uses its Development Effectiveness Review (DEfR) and the e-Operations system to manage and report on its development projects and results.
- The World Bank uses the WBG Corporate Scorecards (CSC) and the IDA Results Measurement System (IDA RMS). Progress on indicators is reviewed and discussed with IDA Donors.
- The GEF uses the Results Measurement Framework and the Corporate Scorecard to monitor and report on the effectiveness of its investments and projects.
- The GCF Dashboard provides portfolio-level data and progress against key strategic priorities and investment parameters.

Climate finance providers are meeting their reporting obligations under the Paris Agreement and transitioning to the new reporting requirements under the Enhanced Transparency Framework (ETF) in 2024.

The Taskforce Steering Committee meetings provide a useful additional and complementary space for recipient countries to stay updated about the reforms and actions of climate finance providers – from information on transparency and accountability to wider system-level shifts under consideration related to access.

Pioneer Countries

To ensure independent scrutiny of climate finance and climate-related development public finance, the pioneer countries have established and operationalized several mechanisms and processes. Some of these include:

i. Parliamentary Standing Committees: Pioneer countries, including Bangladesh, Fiji, Jamaica, Rwanda and Uganda, have established these parliamentary oversight committees, which regularly review the government's climate finance policies and budget allocations, and act as a formal platform for independent scrutiny and debate on relevant legislation, budgetary allocations/utilization and other policy matters.

ii. Public Accounts Committees (PAC): Except for Somalia and Mauritius, all pioneer countries have well-established and functional PACs with a mandate to review audit reports, including climate finance expenditures, and hold hearings with government officials to address any findings of mismanagement or inefficiency. This parliamentary oversight process ensures an additional layer of accountability for climate-related public finance.

iii. Independent Monitoring and Evaluation Units/Divisions (IM&E): Pioneer countries, including Bangladesh, Fiji, Jamaica, Rwanda and Uganda, have established independent M&E units (usually in ministries of planning, finance, economy, environment and climate change) that perform monitoring and evaluation of climate change policies, strategies, development investments, projects and programs – including those financed by international donors.

iv. NDC Roadmap/Action Plan and National Adaptation Plan: These plans also have in-built M&R frameworks with key performance indicators, performance targets, measurement methods and reporting arrangements. They include the results-based NDC Implementation Plans developed by pioneer countries with support from the NDC Partnership (in five of the seven pioneer countries).

v. Project/program level monitoring, evaluation, reporting and accountability mechanisms: Almost all projects in pioneer countries have project-specific monitoring and evaluation plans, and most of these are part of the project management and monitoring arrangements.

Overall, these mechanisms provide a certain degree of assurance to stakeholders, including international climate finance providers, about the transparency of climate finance and climate-related development public finance.

Key Findings and Recommendations

Finding 1 (Principle 1. Country Ownership): Capacity limitations among recipient countries, coupled with stringent requirements set by climate finance providers, continue to contribute to low rates of climate finance access, disbursement and absorption.

While climate finance providers are committing more funds to support countries' climate change strategies and project pipelines, some pioneer countries still face capacity challenges in successfully accessing, disbursing and absorbing these. The capacity-strengthening needs of countries are multi-dimensional and vary by context. The complex requirements, i.e., compliance, financial, environmental and social requisites set by climate finance providers continue to be overly burdensome on countries and limit their capacity to access, disburse and absorb funds.

Recommendation 1 (Country-level change): Where there is a need and demand from developing countries, anchor donors should support further pioneer countries in adopting a whole-of-government approach, facilitate collaboration between ministries, financiers and recipient countries, and help navigate complex procedures to improve their access to and management of climate finance.

Specifically:

- **1.1.** In collaboration with pioneer countries, the Taskforce should consider developing country-level diagnostic studies to unpack the multi-dimensional country-specific constraints, and potential levers required to achieve a paradigm shift in the way how international finance is disbursed and absorbed by national and local actors including climate-vulnerable communities. The insights should guide specific actions of identified groups of actors that are empowered to address barriers at the country and subnational level and enhance the disbursement and absorption of available climate finance where it is needed most.
- **1.2.** Where there is a need and demand from pioneer countries, anchor donors should help channel efforts to align and deliver readiness support to address the multi-dimensional constraints on access and absorptive capacity unique to individual country contexts. Diverse country contexts should be seen as a test bed for the Taskforce to trial different approaches, learn lessons and identify opportunities for replication in similar contexts.
- **1.3.** Recognizing that limited institutional and technical capacity remains a key barrier, climate finance providers should focus on strengthening national capacities to navigate climate finance processes effectively.

Finding 2 (Principle 2. Harmonization of Processes and Alignment of Finance): Efforts to streamline processes and funding requirements are key to improving the efficiency and effectiveness of the climate finance architecture.

There is some evidence of progress toward aligning internal processes within climate finance providers' processes and requirements to better match recipient country priorities, increase the use of multi-year programmatic approaches, and improve standardization. However, these efforts mostly remain uncoordinated across different providers. This lack of coordination limits the potential for an efficient and cohesive global climate finance system that can serve the needs of recipient countries.

Recommendation 2 (System-level change): Building on existing efforts, such as the Multilateral Climate Funds' (MCFs') draft Action Plan on Complementarity and Coherence, MCFs should broaden the scope of their harmonization and alignment initiative to include mapping and aligning accreditation and funding processes with other climate finance providers, such as MDBs and bilateral donors. The mapping exercise should prioritize simplifying funding requirements and processes to reduce complexities and enhance accessibility for recipient countries.

Specifically, the climate finance providers (including MCFs, MDBs and bilateral donors) should:

- **2.1.** Prioritize the perspective, experiences and challenges of recipient countries in dealing with these varied processes, and identify barriers that impact their ability to access climate finance; and
- **2.2.** Identify and address opportunities for harmonization and standardization, with a focus on key areas such as accreditation criteria, proposal submission requirements, reporting templates, and other compliance requirements.

Finding 3 (Principle 3. Responsiveness to Country Needs and Climate Vulnerability): Prioritization of adaptation finance for climate-vulnerable developing countries remains critical

According to the **2023 Joint Report on MDBs' Climate Finance**, approximately 28% of adaptation finance was provided through grants and concessional loans, while the remaining 72% was allocated as investment loans or other forms of market-based financing. Many adaptation projects are not commercially viable, meaning they do not generate sufficient financial returns to repay loans. Hence, these climate-vulnerable low-income countries are unable to accept market-based loans for climate action, which could undermine the global response to the climate crisis.

Recommendation 3 (Country-level change, with potential to lead to system-level change): Pioneer countries, with the support of anchor donors and in collaboration with other initiatives, should further explore workable models for accessing adaptation finance that is aligned with their needs and contexts. In parallel, the Taskforce and its members, including donor and pioneer countries, should continue advocating for and influencing climate finance providers, mainly MDBs and MCFs, to increase the allocation of grants and concessional financing for adaptation in vulnerable countries. While increased access to adaptation finance remains vital, this should be supported alongside other nationally determined priorities, including aspirations for green growth pathways.

Specifically:

- **3.1.** Joint efforts and collaboration by the Taskforce and its members should focus on identifying relevant initiatives and evidence-based examples from countries that have successfully increased financing for adaptation in climate-vulnerable regions. The aim should be to inform the choices of both pioneer countries and climate finance providers in scaling up adaptation finance effectively, while developing a conducive environment to attract climate finance.
- **3.2.** The anchor donors should provide pioneer countries with more responsive and demand-driven technical and capacity building support, to help them develop commercially viable adaptation projects and access climate finance on more favorable terms.
- **3.3.** The Taskforce should advocate for climate finance providers to increase the allocation of grants and concessional financing for adaptation in vulnerable countries.
- **3.4.** Climate finance providers, including MDB and MCF Taskforce members, should prioritize the use of financing models, such as debt swaps, debt relief, policy-based lending and scaled IMF RSF, that are tailored to specific national contexts, address countries' climate vulnerabilities, and do not excessively increase the financial burden on already heavily indebted economies.

Finding 4 (Principle 4. Flexibility and Innovation): Climate finance providers and anchor donors are increasingly testing new financing models to respond to the needs and climate vulnerabilities of partner countries. However, both climate finance providers and recipient countries continue to face challenges in applying these innovative solutions.

Members and partners of the Taskforce have identified, piloted and scaled up several flexible and innovative approaches to financing long-term programs at the country level. These initiatives include simplifying access to funds, promoting blended finance, encouraging long-term programmatic approaches, enhancing community involvement, and creating new financial instruments like green bonds. Despite these developments, a significant proportion of international climate finance provided by MDBs and MCFs continues to be directed towards individual projects and interventions, rather than supporting programmatic finance needed to support the broader implementation of countries' comprehensive climate change plans and strategies. The global financial system tends to favor low-risk, high-return, and tightly managed interventions. This restricts the ability of highly indebted, low-income and vulnerable countries to trial new and innovative approaches to finance their climate action plans and strategies.

Recommendation 4 (Country-level change): Where there is a need and demand, pioneer countries should be supported and equipped to identify and implement programmatic financing models which are innovative, flexible, and have the potential to unlock additional funding at scale, including from the private sector. In doing so, the Taskforce should identify and disseminate good practices through activities such as peer learning and knowledge exchanges to support countries to adopt and adapt relevant approaches to their country contexts.

Specifically:

- **4.1.** The Center should play an important role in identifying best practices, generating insights, and guiding discussions on innovative finance models and vehicles for mobilizing and enhancing the access to long-term and programmatic public/private/domestic/international climate finance. It should also respond to the need to assess the strengths, weaknesses, opportunities and threats related to country platforms and programmatic approaches under design or implementation in the pioneer countries – especially in contexts where the replicability of these approaches may be limited. For example, more evidence is needed about the applicability of programmatic approaches for FCAS contexts, and other countries' preferences for mixed approaches (including project and programmatic finance).
- **4.2.** Climate finance providers from the Taskforce should evaluate their existing financing instruments and respond to emerging questions from pioneer countries about the compatibility of existing models with individual country contexts.
- **4.3.** Pioneer countries shall assess what types of capacity constraints they need to address before they can pilot innovative models. How can these capacity gaps be filled, and in collaboration with whom?
- **4.4.** Based on the knowledge gathered (4.2 and 4.3), the Taskforce and Center could play a convening role to enhance exchange and learning, as well as facilitate dialogue between pioneer countries and climate finance providers to discuss modalities and identify solutions.

Finding 5 (Principle 5. Transparency and Accountability): To enable recipient countries to deliver on their climate adaptation and mitigation priorities, including NDC targets, more predictable climate finance is needed.

The overall predictability of funding has improved as climate finance providers are making public commitments through funding pledges under the UNFCCC, joint multi-partner initiatives and platforms, direct financial commitments to individual countries, and approved pipelines of climate adaptation and mitigation projects. Despite these initiatives, pioneer countries face challenges in accessing predictable finance to implement their highest possible ambition. This is largely because recipient countries have submitted their NDC commitments with both unconditional and conditional targets to reduce emissions by 2030, requiring them to plan initiatives now to meet their commitments. Without firm commitments from international climate finance providers, pioneer countries struggle to initiate their climate adaptation and mitigation projects and programs. While multi-year programmatic approaches are being piloted across several countries, including pioneer countries, they only partially cover the climate-development priorities and targets set by these countries.

Recommendation 5 (System- and country-level change): Recipient countries, anchor donors and other climate finance providers should jointly define, adopt and institutionalize standardized monitoring and accountability mechanisms at country level to promote greater transparency and accountability in the access, disbursement and utilization of climate finance.

Specifically:

- **5.1.** Recipient countries, anchor donors and other climate finance providers should jointly define standardized country-level monitoring and accountability mechanisms and systems for managing and reporting public, private and international climate finance.
- **5.2.** Where there is a need and demand from developing countries, anchor donors and other climate finance providers should support pioneer countries in developing and institutionalizing systems and mechanisms for transparent and accountable climate finance management and enhanced reporting practices. These systems/ mechanisms should be integrated into national and subnational governance and management structures to ensure greater ownership by country-level stakeholders.

Finding 6 (Taskforce). To address persistent challenges faced by pioneer countries in implementing their Roadmaps and mobilizing climate finance, there is a need for deeper, and more structured collaboration.

The Taskforce's ongoing engagement with climate finance providers and anchor donors has facilitated incremental progress in securing buy-in and aligning efforts to support the P&Rs. However, the findings highlight the need for deeper, more structured collaboration to address persistent challenges faced by pioneer countries in implementing their Roadmaps and mobilizing climate finance. While existing engagements have fostered high-level dialogue and commitments, they have yet to translate into streamlined processes or significant and long-term financial commitments that align with country needs. In addition, pioneer countries have identified the importance of engaging additional climate finance providers to scale up ambition, and bridge gaps in resources and capacity. Enhanced collaboration between anchor donors, climate finance providers, and recipient countries will be critical in advancing climate ambition, addressing barriers to access, and achieving transformative outcomes under the P&Rs.

Recommendation 6 (for the Taskforce): The Taskforce should continue engaging climate finance providers and strengthen collaboration among existing anchor donors, climate finance providers and pioneer countries to secure greater buy-in and commitments to the P&Rs.

Specifically:

- **6.1.** The Taskforce should gather and consolidate insights from pioneer countries on what is working well and where challenges persist to advance with their Roadmaps and climate finance mobilization efforts. These findings should contribute to improved collaboration with and between anchor donors.
- **6.2** The Taskforce shall explore and engage additional climate finance providers to support country-level processes and climate ambition.

Finding 7 (P&Rs). The P&Rs have catalyzed progress in improving access to climate finance; however, their effectiveness depends on the ability of Taskforce members and partners to adapt these to emerging needs and contexts.

Insights from pioneer countries and climate finance providers reveal the importance of a continuous feedback loop to refine the P&Rs, ensuring they remain relevant and responsive to both country-contexts and system level challenges. The review process will be critical in enhancing the P&Rs' applicability and impact, and in promoting more speedy and predicable access to climate finance.

Recommendation 7 (for the Taskforce): P&Rs should evolve based on lessons learned from countries, documenting and sharing insights on what works in improving access to finance. As part of this evolution, greater emphasis should be given on programmatic approaches and strengthening the enabling environment for private sector engagement to enhance long-term financing solutions.

Specifically:

› **7.1.** Building on the lessons learned from pioneer countries since the launch of the Taskforce and the country trials, a review of the P&Rs shall be considered to ensure that learning is incorporated, ensuring the P&Rs reflect emerging needs and challenges both at country and system-level.

› **7.2.** To further enhance access to climate finance, the P&Rs should promote programmatic approaches, complemented by a stronger focus on private sector engagement and enabling conditions.

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