



United Nations

FCCC/CP/2018/4



Framework Convention on
Climate Change

Distr.: General
26 September 2018

Original: English

Conference of the Parties
Twenty-fourth session
Katowice, 2–14 December 2018

Item X of the provisional agenda

In-session workshop on long-term climate finance in 2018

Summary report by the secretariat


Summary

This report summarizes the in-session workshop on long-term climate finance in 2018, held in conjunction with the first part of the forty-eighth sessions of the subsidiary bodies and organized by the secretariat at the request of the Conference of the Parties. In line with decision 7/CP.22, the workshop focused on the topics of articulating and translating needs identified in country-driven processes into projects and programmes, the roles of policies and enabling environments for mitigation and adaptation finance, and facilitating enhanced access.

GE.18-15942(E)



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I. Introduction

A. Mandate and objectives

1. The Conference of the Parties (COP) requested the secretariat to organize annual in-session workshops on long-term climate finance through to 2020 and to prepare a summary report on the workshops for annual consideration by the COP and at the biennial high-level ministerial dialogue on climate finance.¹

2. With a view to scaling up climate finance for mitigation and adaptation, the in-session workshops on long-term climate finance in 2017 and 2018, were to focus on experience and lessons learned in relation to:

- (a) Articulating and translating needs identified in country-driven processes into projects and programmes;
- (b) Roles of policies and enabling environments for mitigation and adaptation finance;
- (c) Facilitating enhanced access.²

3. The objective of the in-session workshop on long-term climate finance held in 2018 (hereinafter referred to as the workshop) was to contribute to ongoing efforts to scale up the mobilization of climate change finance, aiming to generate, in the measure possible, concrete findings and conclusions for consideration by the COP. The aim was also to facilitate technical and action-oriented discussions on the topics referred to in paragraph 2 above with a view to:

- (a) Gaining a better understanding of how climate finance needs identified and assessed by developing countries can be articulated and translated into projects and programmes, including through international cooperation;
- (b) Achieving greater clarity on the policy and regulatory environment needed to scale up climate finance;
- (c) Identifying steps and actions that can be taken to improve access to climate finance.

B. Scope

4. Chapter II presents the key findings highlighted during the workshop, and chapters III and IV provide detailed summaries of the discussions that took place.

C. Preparatory activities and proceedings

1. Preparatory activities

5. The secretariat undertook informal consultations with climate finance practitioners at the following regional climate finance events to gather views and experience in relation to the mandated workshop topics and to inform the design of the workshop programme:

- (a) The Green Climate Fund (GCF) structured dialogues in:
 - (i) Latin America, held in Bogota, Colombia (5–8 March 2018);
 - (ii) Africa, held in Bamako, Mali (3–6 April 2018);
 - (iii) Asia, held in Da Nang, Viet Nam (17–20 April 2018);
- (b) The climate change expert group meeting organized by the secretariat of the Union for the Mediterranean (24 and 25 April 2018).

¹ Decision 5/CP.20, paragraph 12.

² Decision 7/CP.22, paragraph 12.

6. Informal consultations were also held on 11 April 2018 during the 17th meeting of the Standing Committee on Finance, where Committee members and observers were invited to provide their views on the design and expected outcomes of the workshop.

7. Following the informal consultations, the secretariat prepared a provisional programme for the workshop in consultation with the workshop co-facilitators. The final programme is available on the dedicated workshop web page.³

2. Proceedings

8. The workshop was held on 7 and 8 May 2018 in Bonn in conjunction with the first part of the forty-eighth sessions of the subsidiary bodies and was open to all Parties and observers attending the sessions. The first day of the workshop focused on the topic of facilitating enhanced access and the second day on articulating and translating needs identified in country-driven processes into projects and programmes.

9. The workshop began with opening remarks from the COP 23 President and Prime Minister of Fiji, Mr. Josaia Voreqe Bainimarama, and the UNFCCC Executive Secretary, Ms. Patricia Espinosa. The workshop co-facilitators, Ms. Janine Felson (Belize) and Mr. Stefan Schwager (Switzerland), then gave a short introduction to the workshop.

10. Each day of the workshop started with a scene-setting presentation by the secretariat, which included a summary of the views and insights on long-term climate finance gathered from the country representatives and practitioners present at the informal consultations referred to in paragraph 5 above. Following the presentation, a panel of experts was invited to share relevant developments, experience, good practices and remaining challenges in relation to enhancing access to climate finance and articulating and translating needs into projects and programmes.

11. After the panel discussion, participants engaged in breakout group discussions facilitated by discussion leaders, who then reported back to the plenary, which provided space for further expert input and reflections on the key issues discussed. The workshop programme, presentation slides and video recordings are available on the dedicated workshop web page.

II. Key findings

12. A wide range of stakeholders, including Parties, international organizations, United Nations agencies, private sector entities and civil society organizations, engaged in fruitful discussions at the workshop. Participants exchanged views and insights on various aspects of accessing climate finance and articulating and translating needs identified in country-driven processes into projects and programmes. This chapter highlights the key findings that emerged from the plenary and breakout group discussions.

13. On facilitating access to climate finance:

(a) There is a lack of clarity on how to distinguish between climate finance and development finance and how to disentangle adaptation from development, which causes difficulties in setting climate objectives when preparing project proposals;

(b) Multilateral climate funds should further simplify the process of accessing climate finance resources, for example by using the simplified approval process of the GCF as a model;

(c) Accreditation to multilateral climate funds can be time-consuming and resource-intensive but it brings multiple benefits to developing countries in addition to access to financial resources, such as strengthened institutional capacity to meet the standards and criteria set by the funds and the ability to attract additional financial resources from other international sources;

³ <https://unfccc.int/topics/climate-finance/events-meetings/ltf-meetings/long-term-climate-finance-events-in-2018>.

(d) Cost-benefit analysis could be used by developing countries to decide between using existing regional implementing entities to access funding or applying for direct access;

(e) Capacity-building and readiness support for accessing climate finance should be more specifically designed to address the needs of the recipient countries and be provided across the entire project cycle;

(f) South-South cooperation and regional dialogues should be further promoted to encourage peer-to-peer learning and knowledge exchange;

(g) In-country climate finance coordination mechanisms need to be strengthened to determine the financing priorities of projects and programmes;

(h) Subnational and local actors' opportunities to access climate finance should be more clearly articulated by countries and multilateral climate funds;

(i) Governments and international climate finance providers should clearly articulate opportunities for small and medium-sized enterprises to access climate finance, for example through enhanced public-private partnership support so as to de-risk private investment, particularly at the project inception phase.

14. On articulating and translating needs into projects and programmes:

(a) Integrating climate change into national budgetary processes and the risk management framework of the private sector will be useful for generating information on national climate finance flows and better managing resources for mitigation and adaptation activities;

(b) National climate finance strategies can serve as a stepping stone to translating nationally determined contributions (NDCs) into projects and programmes;

(c) Project preparation support should help countries to identify funding opportunities from a variety of sources of climate finance, including the GCF;

(d) Institutional arrangements, with ministries of finance playing a key role, are essential to integrating the climate change narrative into development priorities and to prioritizing projects and programmes in line with national priorities and available resources;

(e) Developing countries and financing and implementing institutions should pursue long-term engagement and cooperation in order to deepen the mutual understanding of needs and challenges;

(f) Capacity-building and readiness support should be provided with a long-term perspective and be extended to the subnational and community level to enhance actors' awareness, knowledge and capacity;

(g) Developing countries and international climate finance providers should promote programmatic approaches, which would help to foster a longer-term perspective on addressing country needs and priorities, deepen the engagement of subnational and local actors and attract additional international climate finance;

(h) Political commitment to climate change action and enabling environments will help to create a common and attractive narrative for enhancing stakeholder participation and strengthening the public institution ownership of ambitious climate action;

(i) As public and private sector entities continue to search for suitable funding for project proposals, matchmaking their needs with financial sources and investment is becoming more important.

III. Facilitating enhanced access to climate finance

15. The first day of the workshop focused on sharing experience and lessons learned in relation to facilitating enhanced access to climate finance. First, the secretariat presented

the relevant views and insights that emerged from the outreach activities referred to in paragraph 5 above (see box 1 for a summary).

Box 1

Findings from the secretariat's outreach activities on how to enhance access to climate finance

On enhancing access to climate finance at the national level:

- Countries need better information to navigate the complex climate finance architecture to identify the resources needed;
- In-country climate finance coordination mechanisms need to be strengthened to clarify financing priorities of projects and programmes;
- Opportunities for the private sector to access finance should be more clearly articulated, especially for small local companies.

On improving access to multilateral climate funds:

- Climate funds should harmonize and simplify the terms used in their project policies and requirements;
- Consistency should be ensured in the application of project policies across climate funds;
- Understanding the context (e.g. decisions of the Conference of the Parties) of the climate funds' policies is important for developing projects;
- Multilateral climate funds should allow flexibility with regard to technical data requirements;
- Project requirements should be differentiated depending on the type and scale of the project proposed.

On enhancing capacity-building for accessing climate finance:

- Climate funds should provide stand-alone capacity-building projects to strengthen country capacities to implement projects and programmes;
- Capacity-building should be long term across the entire project cycle;
- More platforms for exchanging lessons learned from utilizing direct access modalities are needed.

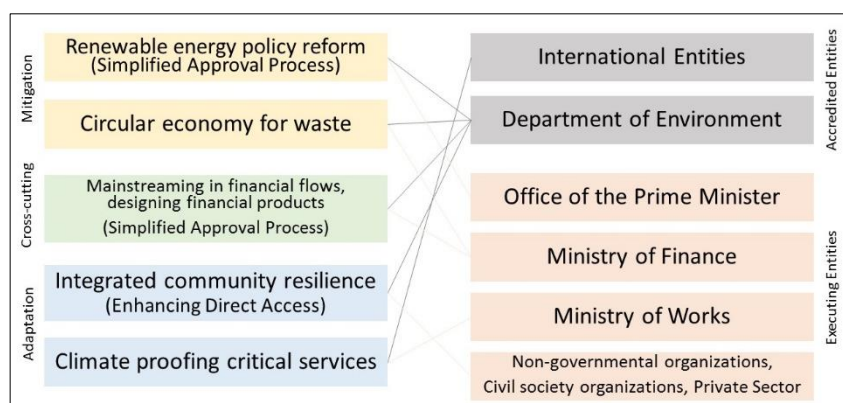
16. The scene-setting presentation was followed by short presentations by **a panel of experts** on relevant developments and experience, good practices and remaining challenges in relation to facilitating enhanced access.

17. A representative of the Department of Environment (DOE) of Antigua and Barbuda shared her country's experience in accessing resources from multilateral climate funds via direct access and using country programming to prepare and implement mitigation and adaptation projects.

18. Experience shows that it can be time-consuming to build the institutional capacity to gain accreditation to multilateral climate funds as well as to prepare project proposals that will be approved by the funds. However, the capacity of the institution seeking to access climate finance can be strengthened through the interactive learning process of applying for accreditation, preparing project proposals and utilizing readiness support.

19. DOE has adopted a programmatic approach to implementing the NDCs of Antigua and Barbuda and has prioritized the projects with the highest mitigation potential and adaptation impact. As illustrated in the figure below, Antigua and Barbuda uses GCF country programming to set out a plan to access international climate finance to support its priority areas in mitigation, adaptation and cross-cutting programmes.

Snapshot of the Green Climate Fund country programming of Antigua and Barbuda



Source: Presentation by the representative of the Department of Environment of Antigua and Barbuda at the in-session workshop on long-term climate finance in 2018.

20. In terms of post-accreditation activities, DOE plans to shorten the project development time to expedite project implementation and reduce preparation cost; build the capacities of the executing entities at the national level; unlock domestic climate finance, including for the local insurance sector; expand partnerships with international support providers, capitalizing on its capacity strengthened through the accreditation and project preparation processes; and help other small island developing States to build their capacity via the Adaptation Fund (AF) South–South cooperation grants.

21. On the issue of long-term climate finance, the panellist stressed the importance of the AF securing sustainable financial resources, including through market mechanisms; ensuring an ambitious first replenishment of the GCF; and shifting the climate resilience baselines of the operations and portfolios of GCF-accredited entities.

22. The secretariat of the Adaptation Fund Board shared its experience relating to accreditation. The accreditation processes of multilateral climate funds can be challenging for the applying organizations but the accreditation criteria and standards cannot be lowered because the applicants need to comply with international fiduciary standards. However, seeking accreditation not only helps to strengthen the capacity of the applying organizations but can also help to attract additional financial resources from other international sources.

23. Building the capacity of applying organizations is crucial. The AF promotes peer-to-peer support between its accredited entities and the organizations seeking accreditation, aiming to help countries to build their capacities. Furthermore, the AF regularly organizes workshops on accreditation and readiness to improve communication with potential applicants on the accreditation requirements.

24. A representative of the Adaptation Fund Board presented the work undertaken by the AF to improve the efficiency of accreditation. The AF and the GCF are aligning their accreditation processes, whereby the GCF fast-tracks the accreditation of implementing entities accredited by the AF and the AF fast-tracks the reaccreditation of implementing entities accredited with the GCF up to four years prior to the submission of the reaccreditation request to the AF.

25. A representative of the United Nations Environment Programme shared the perspectives of an international support provider on facilitating enhanced access, including on challenges and lessons learned in supporting countries in building their capacity to access climate finance.

26. The panellist shared the following challenges and lessons learned in relation to delivering the GCF Readiness and Preparatory Support Programme:

- (a) Stakeholder engagement is needed at the national level;

(b) Good communication between the GCF and the national designated authorities and direct access entities is key to understanding the latest standards, templates, requirements and processes of the GCF;

(c) Accredited entity applicants need to be selected carefully by national designated authorities;

(d) Further capacity-building is required after accreditation to help countries to design project proposals;

(e) The GCF project approval process needs to be further enhanced;

(f) Private financial institutions need to be offered suitable financial instruments to scale up their engagement in climate finance.

27. During the **open plenary discussion**, participants discussed the issue of accreditation to multilateral climate funds in more detail. An organization can apply for accreditation to multiple climate funds simultaneously owing to: (1) the overlapping nature of the preparatory work required for accreditation; (2) the availability of fast-track accreditation by the GCF; and (3) the alignment of the accreditation processes of the AF and the GCF. Accreditation requests to the AF have not decreased since the GCF started to disburse funding for adaptation and countries have continued interest in accessing the AF for adaptation projects worth up to USD 10 million.

28. Participants also discussed ways to enhance access to climate finance for small private sector enterprises and the support available to them. At the country level each executing entity of a project needs to customize its engagement with small private sector enterprises depending on the project profile, country context and needs of the small enterprise. As for the available support for small enterprises, the United Nations Environment Programme is designing a framework to support the financial institutions in developing countries with a view to providing financial services and technical support to small and medium-sized enterprises. Collaboration with small private sector entities is at a nascent stage under the AF but is becoming more frequent.

29. Tables 1 synthesizes the outcomes of the breakout group discussions on the issue of facilitating access to climate finance.

Table 1

Challenges in accessing climate finance and possible solutions and examples

<i>Challenge</i>	<i>Possible solutions and examples</i>
<i>Accreditation to climate funds</i>	
<ul style="list-style-type: none"> The accreditation process is time-consuming and resource-intensive, sometimes causing a trade-off between accessing resources and actual project formulation and implementation 	<ul style="list-style-type: none"> Support is available to assist developing countries with accreditation, for example through international support providers and South–South cooperation Accreditation support needs to be scaled up Cost–benefit analysis could be used to decide between using existing regional implementing entities to access funding or applying for direct access
<i>Capacity-building</i>	
<ul style="list-style-type: none"> Some capacity-building activities are too generic and/or organized as one-off events 	<ul style="list-style-type: none"> Capacity-building support needs to be: <ul style="list-style-type: none"> Conducted over the long term across the whole project cycle Tailored to the needs and opportunities of the recipient country and to specific sectors and expertise (economic pre-feasibility studies, gender mainstreaming, etc.) Region-specific capacity-building can be facilitated via South–South cooperation Examples of long-term capacity-building support programmes

*Challenge**Possible solutions and examples*

provided during the breakout group discussions include:

- The Regional Technical Support Mechanism^a of the Pacific Regional Environment Programme, focusing on long-term regional technical support
- The Climate Change Competence Center of Morocco,^b focusing on regional cooperation and exchange of experience and know-how

- Capacity is not sustained owing to brain drain and leakage of institutional memory
- Developing a roster of experts at the regional and national level may be helpful to bring in relevant expertise for project development

National coordination and the roles and functions of the focal points of climate funds

- The roles and functions of the focal points of the different climate funds are not clear
- Governments should define the roles and functions of the focal points more clearly
- The focal points should prioritize facilitating the coordination of the political priorities and agendas of the various government ministries:
 - Engaging with the ministry of finance is crucial for government- and economy-wide mainstreaming of climate change and facilitates interministerial cooperation
 - Examples of coordination initiatives in which finance ministries play a key role include:
 - The Climate Action Peer Exchange of the World Bank^c
 - Ghana's South-South cooperation initiative on enhancing interministerial coordination and facilitating a better understanding of budget allocation and funding flows at the national level
- The focal points should engage international financial institutions in identifying investment opportunities and building project pipelines to get the necessary buy-in and to align access requirements

Enhancing the engagement of subnational and local actors

- Subnational and local actors are often sidelined in accessing international climate finance
- Enhancing the engagement of subnational and local actors is crucial to making processes country-driven
- A programmatic approach requires a holistic approach to designing project pipelines and a longer-term perspective on how to address the needs and priorities of national and subnational actors
- Engaging subnational and local actors in formulating and implementing projects will increase their opportunity to utilize climate finance, thereby contributing to more cohesive vertical integration
- A national framework that measures and reports climate change activities of subnational and community-level actors will be conducive to increasing the participation and accountability of local actors

Scaling up private sector engagement in accessing climate finance

- The expected project time frame
- Support for private sector actors to access climate finance should be

<i>Challenge</i>	<i>Possible solutions and examples</i>
for revenue generation associated with utilizing international climate finance often does not meet the expectations and requirements of the private sector	strengthened, especially during the inception phase of a project to de-risk the investment, by using public–private partnerships and international support. Examples include: <ul style="list-style-type: none"> ○ Bilateral support for energy transformation and business engagement (Denmark) ○ Support for renewable installation and private sector engagement in Côte d’Ivoire (World Bank)
<ul style="list-style-type: none"> • Climate finance needs to be translated into the private sector’s language 	<ul style="list-style-type: none"> • The investment opportunities that climate change action provides, as well as policy guidance on climate finance, need to be better translated and communicated to the private sector by articulating both business opportunities and societal benefits • The focal points of the different funds have a role to play in enhancing communication and engagement between the funds and the private sector
<ul style="list-style-type: none"> • Some private sector actors, such as small and medium-sized enterprises, lack the capacity and human resources to access climate finance and green their investments 	<ul style="list-style-type: none"> • Governments should seek ways to raise awareness of how to scale up climate-friendly investments and increase the training opportunities for local private sector actors, such as training for local bank officials on green lending • The entry points for accessing climate finance for private sector actors should be decentralized to increase their opportunities to engage
<i>Discussions on enabling environments</i>	
<ul style="list-style-type: none"> • Enabling environments and policy frameworks, such as the national institutional set-up, and the legal basis, such as national climate change law, will promote cooperation among stakeholders, both public and private, to reach the national climate targets • Lack of relevant data hinders many countries in formulating project proposals; climate funds should provide direct support for data gathering; there is available international support for enhancing national data gathering, such as a Swedish programme for capacity-building in Africa focusing on data management 	

^a See <http://rtsm.pacificclimatechange.net>.

^b See <https://www.4c.ma/en>.

^c See <https://www.worldbank.org/en/topic/climatechange/brief/cape>.

IV. Articulating and translating needs identified in country-driven processes into projects and programmes

30. The second day of the workshop focused on sharing experience and lessons learned in relation to articulating and translating needs identified in country-driven processes into projects and programmes.

31. First, the secretariat presented the relevant views and insights that emerged from the outreach activities referred to in paragraph 5 above (see box 2 for a summary).

Box 2

Findings from the secretariat’s outreach activities on how to better articulate the needs of developing countries and translate them into projects and programmes

On articulating developing countries’ support needs:

- Lack of available climate data remains a hindrance;
- Countries are seeking technical support, guidance and peer-learning opportunities to enhance stakeholder engagement in needs assessment;
- Government institutions need to take the ownership of institutionalizing needs

assessment;

- Local adaptation plans are needed to articulate and translate the most vulnerable communities' needs into projects and programmes.

On translating needs into projects and programmes:

- Countries are facing barriers such as:
 - Difficulty in identifying appropriate funding sources;
 - The complexity of stakeholder consultations;
 - The high cost associated with project preparation (e.g. for technical studies and analyses);
- National institutional arrangements play a key role in facilitating consultation among government agencies and prioritizing projects and programmes in line with national priorities and available resources;
- Many countries have interministerial groups on climate change, with their ministries of finance playing a key role;
- Readiness initiatives and capacity-building support are available to help developing countries to strengthen their institutional arrangements;
- Capacity-building should have a long-term perspective and be tailored to meet the various needs of different national actors;
- Project preparation support should enable countries to target funding opportunities from various sources of climate finance;
- National climate finance strategies can serve as a stepping stone to preparing projects and programmes.

On how to catalyse private sector engagement:

- Public interventions are necessary to:
 - Mitigate the risks faced by small private sector actors, including through guarantees and credit financing;
 - Set up conducive policy frameworks for the private sector;
- A broader array of financial instruments, such as green bonds, could be used to harness scaled-up private investment.

32. Following the scene-setting presentation, **a panel of experts** shared relevant developments and experience, good practices and remaining challenges in relation to articulating and translating needs identified in country-driven processes into projects and programmes.

33. A representative of the Environmental Protection Agency (EPA) of Liberia shared his country's experience in formulating and implementing its national adaptation plan (NAP) project and using finance from the GCF to support the process. In 2016 Liberia was approved by the GCF to receive USD 2.2 million from the GCF Readiness and Preparatory Support Programme for the process to develop the country's NAP. Liberia was among the first countries to receive financial support from the GCF to develop its NAP.

34. EPA, as the focal agency on climate change in Liberia, led a consultative and participatory process to formulate the NAP project proposal for the GCF. It was a challenge to gather the required data from various ministries and agencies, but EPA sought assistance from the United Nations Development Programme to identify and collect the required data.

35. Liberia started to implement the project in 2018 by undertaking vulnerability assessment, focusing on the community and local level. The Ministry of Finance and Development Planning is closely engaged in implementing the NAP project for the purposes of economic analysis and budgetary allocation for adaptation projects.

36. A representative of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) shared its perspective on the issue of translating needs into projects and programmes as an international support provider, focusing on its experience in supporting countries in preparing national climate finance strategies to translate their NDCs into projects and investments.

37. As part of its climate finance readiness programme, GIZ helps countries to prepare climate finance strategies for the implementation of their NDCs. A national climate finance strategy assesses the funding needs of different sectors covered by the NDC and identifies suitable financing options that can fulfil the needs identified. This is done by matching the funding needs assessed (i.e. the demand) against the available public and private financing sources and instruments (i.e. the supply). The climate finance strategy should outline options for closing any financing gap between demand and supply and identify ways to mobilize additional resources, including from international climate finance sources.

38. It is noteworthy that a nuanced approach is required in interpreting and addressing any financing gap identified in the national climate finance strategy. In the experience of GIZ, the aggregated financial demand is prone to inflation because it comprises cases of not only bankable projects that face market failure and require public intervention but also of unsustainable business models that do not merit such intervention. Market failures vary by sector and therefore the analyses and interventions must be adjusted accordingly.

39. A representative of the Lightsmith Group, a private sector entity, presented on how the private sector and innovative financial instruments can contribute to promoting investment in adaptation and building resilience in developing countries.

40. The Climate Resilience and Adaptation Finance and Technology Transfer Facility is an equity fund that invests in companies that provide either resilience intelligence, such as data analytics, modelling and forecasting, or resilience solutions, including products and services that address climate risks in sectors such as water and agriculture. Supported by the Global Environment Facility and the Nordic Development Fund, the Facility is planning to scale up its fund to USD 500 million, which could help to open up a broader market for climate resilience solutions and provide the benefit of reducing the vulnerability of developing countries and business communities by building resilience.

41. During the open plenary discussion, participants discussed ways to enhance national coordination among the different stakeholders, and the roles and experience of international support providers in that regard. Coordination of stakeholders requires local knowledge and an institutional network in the country, which can only be accumulated over the long term and with continued cooperation between national stakeholders and international support providers. Public actors take the lead in coordinating stakeholders and therefore building the capacity of public actors is key. Preventing brain drain and retaining knowledge and capacity within the public sector remain challenges.

42. Participants also discussed their experience of articulating climate objectives in preparing project proposals. Preparing an in-depth feasibility study for adaptation project proposals can be time-consuming and resource-intensive for developing countries. In this context, feasibility studies and analyses should be launched as early as possible in the project preparation phase and be considered a priority in designing any climate-related projects and programmes. Furthermore, enhanced technical support is required to help countries to integrate the climate change narrative into their projects and programmes in various sectors.

43. Tables 2 synthesizes the outcomes of the breakout group discussions on the issue of articulating and translating needs into projects and programmes.

Table 2

Challenges in articulating and translating needs into projects and programmes and possible solutions and examples

<i>Challenge</i>	<i>Possible solutions and examples</i>
<i>Integrating the climate change narrative into project proposals</i>	
<ul style="list-style-type: none"> Countries are facing difficulties articulating the climate change narrative in project proposals in different sectors This difficulty is often exacerbated 	<ul style="list-style-type: none"> There are technical support and capacity-building initiatives that may help countries, including: <ul style="list-style-type: none"> The EUROCLIMA+ initiative,^a a regional cooperation programme set up by the European Union to assist Latin

<i>Challenge</i>	<i>Possible solutions and examples</i>
by the lack of capacity and human resources to write the project proposals	<p>American countries to integrate climate change mitigation and adaptation strategies into public development policies and plans</p> <ul style="list-style-type: none"> ○ Regional ‘write shops’, organized jointly by the United Nations International Strategy for Disaster Reduction and the Stockholm Environment Institute to build developing country officials’ capacity to write clear project proposals • There should be more South–South peer-learning opportunities, for example in the form of regional workshops that could focus on sectoral guidelines and how to highlight climate change narratives in different sectors; attending such workshops should not place an additional burden on participants and web-based interactions could also be considered, but regions with limited Internet access should be taken into consideration
<i>Matching identified needs with financial resources</i>	<ul style="list-style-type: none"> • The complex landscape of climate finance renders it difficult to navigate accessible funding sources and support • The Climate Finance Accelerator initiative^b aims to matchmake countries and other project proponents with potential investors • Online guidance tools, such as the Climate Finance Navigator of the Pacific Regional Environment Programme,^c can be useful for identifying the financial resources needed to address the priorities of the project proponent as well as for locating the technical support needed • Countries could utilize the regional hubs under the national determined contribution (NDC) Partnership to enhance cooperation among countries to identify the necessary financial support and technical knowledge required for NDC implementation
<i>Climate risk information</i>	<ul style="list-style-type: none"> • Lack of climate-related information and data at the regional and national level is a hindrance • Resilience intelligence products and services, such as for climate catastrophe risk modelling and infrastructure risk analysis, could be further promoted to fill the data and knowledge gaps in assessing the risks and impacts of climate change • The latest reports and findings of the Intergovernmental Panel on Climate Change could be referred to for international and regional data • Countries could seek bilateral support for generating, interpreting and communicating climate data and providing meteorological services (e.g. Australia is supporting Pacific countries)
<i>National coordination and stakeholder engagement</i>	<ul style="list-style-type: none"> • Developing countries are facing difficulties: <ul style="list-style-type: none"> ○ Establishing institutional arrangements conducive to ensuring the continuity of national climate change priorities ○ Engaging the right stakeholders to assess and implement their needs • In-country round tables with relevant stakeholders, including small-scale actors and local communities, could help to find a common language and understanding • Enabling environments, such as an economy-wide climate change action plan, and the legal and regulatory framework will help to bring together stakeholders • The model of establishing hubs in European governments could be used as an example of bringing different actors together for planning and coordination

*Challenge**Possible solutions and examples**Long-term planning*

- In many cases the stakeholders involved have short-term, project-based perspectives instead of a long-term vision and planning based on NDCs
- Shifting to programmatic approaches by using NDCs as a basis for long-term planning and implementation will help to attract additional international climate finance resources and to more closely engage with local communities
- Finance ministries need to be closely engaged in preparing national climate change strategies and long-term plans
- Developing countries and financing and implementing institutions should pursue long-term engagement and cooperation in order to deepen the mutual understanding of needs and challenges

Mainstreaming climate change in the national budget system

- Policymakers and proponents of climate change projects do not have enough information on national climate finance flows
- Integrating climate change into financial assessment will help countries to generate the necessary information and data to better understand their needs and better manage resources for mitigation and adaptation activities. Useful initiatives and support available include:
 - United Nations Development Programme development finance assessments
 - The Capacity-building Initiative for Transparency^d
 - An online climate finance tracking system in Colombia^e
- Recommendations emanating from the European Union high-level expert group on sustainable finance^f include:
 - Creating a common taxonomy for accounting climate finance investments
 - Internalizing climate change in the risk management system

^a See <http://euroclimaplus.org/index.php/es/> (in Spanish).

^b See <http://climatefinanceaccelerator.global>.

^c See <https://cfn.pacificclimatechange.net>.

^d See <https://www.thegef.org/topics/capacity-building-initiative-transparency-cbit>.

^e See <http://mrv.dnp.gov.co/Paginas/inicio.aspx>.

^f See https://ec.europa.eu/info/publications/180131-sustainable-finance-report_en.