

Climate Capital Marketplace Report

Executive summary

Over two days, the Climate Capital Marketplace brought together countries, climate funds, regional organizations, development partners and implementing agencies around a blunt but practical conclusion: the main barrier to climate finance for vulnerable countries is often not the absence of finance, but the difficulty of turning national priorities into financeable, implementation-ready pipelines. Across the discussions, participants repeatedly identified the same break point — upstream, before projects even reach concept or approval stage — where weak coordination, limited technical preparation, insufficient data, lack of protected human resources, and fragmented institutional mandates prevent promising ideas from becoming investable programmes.

The Marketplace therefore shifted the conversation away from general appeals for “more finance” and toward the harder operational question of how countries, especially SIDS, LDCs and fragile and conflict-affected states, can move from NDCs, NAPs and national priorities to credible project pipelines and implementation. Participants stressed that climate finance must be treated less as a silo and more as a tool for protecting core development outcomes — in food systems, water security, infrastructure, resilience and fiscal stability. That framing helped connect climate finance more directly to the practical concerns of ministries of finance, planning, infrastructure and sector agencies.

A strong area of convergence was the need for more regional and programmatic approaches. For many small and vulnerable countries, especially small island states, stand-alone national projects are often too small, too costly to prepare, or too fragmented to move efficiently through the system. Participants highlighted regional project preparation facilities, pooled readiness, country and regional platforms, standardized tools, peer-to-peer exchanges, and shared technical capacity as more viable ways to reduce transaction costs and build scale. At the same time, there was clear caution that these mechanisms must remain country-owned, linked to real pipelines, and focused on implementation rather than adding another layer of meetings or process.

The two days also showed that the climate finance architecture is evolving in response. Sessions highlighted a strengthened readiness agenda, including a USD 500 million readiness envelope, access of up to USD 4 million per country for integrated programming, dedicated support for NAP formulation and implementation, a strong emphasis on proposal pipeline development, and new use of pre-qualified service providers to help countries procure technical assistance more efficiently. Participants also heard about the continued role of liaison officers, direct access entity support, project preparation resources, and simplified results frameworks intended to move readiness away from fragmented activities and toward medium-term strategic programming.

Important signals also came from across the wider funding ecosystem. Discussions highlighted complementarity between major climate funds, expanding use of project preparation and pre-accreditation support, and a more streamlined startup approach under the Fund for Responding to Loss and Damage, including a USD 250 million pilot grant envelope, simplified access features, multi-country options, and explicit prioritization of SIDS and LDCs. Together, these developments pointed to a broader effort to reduce procedural burdens while improving the ability of vulnerable countries to access finance faster and with greater flexibility.

One of the clearest lessons was that readiness alone is not enough if countries lack the human and institutional backbone to use it. Repeatedly, speakers came back to the same issue: countries need protected staff time, embedded technical support, functioning coordination systems, and practical tools such as project databases, MRV and MEL systems, and local delivery capacity. The point was made plainly: templates may look simple on paper, but in practice they are often beyond the reach of overstretched institutions, particularly in fragile settings. This is why participants placed such emphasis on coalition support, peer learning, technical accompaniment, and financing models that bridge the gap between early idea formation and formal fund access.

Several concrete examples helped move the discussion from theory to practice. Presentations showcased how pre-feasibility support and green ODA can unlock later climate finance; how blended structures can support island energy and food systems; how early warning systems can be built through coordinated partnerships; how schools can be retrofitted as climate-resilient safe havens; and how fragile countries may need step-by-step institutional strengthening before they can credibly absorb larger volumes of finance. These examples reinforced a central message of the Marketplace: countries are not short of needs or ideas; what is missing is a more coherent bridge between country demand, technical preparation, and the right financing instruments and partners.

The Marketplace closed with a shared sense that the real test now lies beyond the event itself. Participants underscored that follow-up must focus on impact rather than event management: targeted regional work, continued facilitation of partnerships, practical support to remove bottlenecks, and sustained efforts to help countries translate identified priorities into financeable action. In that sense, the two days did not present climate finance as a shortage of ambition, but as a systems challenge — one that can be improved if readiness, project preparation, country ownership, regional cooperation and partner coordination are treated as parts of a single implementation chain rather than separate conversations.

Introduction

The Climate Capital Marketplace, convened by the UNFCCC in Yeosu during Korea's Climate Week on 23–24 April 2026, set out to reframe discussions on climate finance. Instead of another broad forum bemoaning the lack of resources, it created a working

space where countries, funds, donors and technical partners could grapple with why climate finance is not flowing to where it is most needed. The Marketplace was organised under the UNFCCC's Needs-Based Climate Finance (NBF) and FINCOAHN initiatives, both of which aim to empower developing countries – particularly small island developing states (SIDS), least developed countries (LDCs) and fragile and conflict-affected states (FCAS) – to chart their own climate-finance pathways. Despite increasing global flows of climate finance, these countries face capacity bottlenecks, including high transaction costs, fragmented support, complex accreditation requirements and limited baseline data[1]. Without the ability to turn national policies – Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) – into bankable concept notes, they remain stuck in a “getting ready to get ready” mode.

The Marketplace therefore shifted the focus from advocacy to pre-readiness: building the institutional and informational foundations on which future readiness and project preparation can stand. It also emphasised matchmaking and partnership development by connecting countries with Accredited Entities, technical assistance providers and investors in curated deal rooms. Finally, it sought to leave no one behind: the programme was deliberately designed to lift the voices of SIDS and FCAS and to surface the distinct challenges faced by countries at different stages of readiness.

Objectives and structure

Consistent with the broader NBF approach, the Marketplace aimed to move beyond general dialogue and provide a practical space for structured engagement, targeted matchmaking and follow-up on specific country and regional needs. This is consistent with how recent NBF marketplace events have been convened, including the Pan-African marketplace, which emphasized moving concepts closer to implementation through strategic feedback, alignment with funder priorities and new partnerships.

Four objectives guided the event.

1. First, to demystify climate funds: technical teams from the Green Climate Fund (GCF), Global Environment Facility (GEF), Adaptation Fund (AF) and Fund for Responding to Loss and Damage (FRLD) explained their modalities and readiness windows and answered detailed questions.
2. To identify practical pre-readiness barriers that prevent countries from moving from priorities to readiness requests, concept notes and funding proposals;
3. To connect countries and regional bodies with accredited entities, technical assistance providers and other potential partners around clearly defined needs; and
4. To support follow-up through action-oriented discussions on next steps, indicative timelines and possible partnership pathways.

Rather than a series of speeches, the Marketplace was structured around dialogues and working sessions. Each day blended scene-setting remarks with deep dives into specific topics, breakout discussions and a marketplace for proposals. Participating delegates

included officials from the Indian Ocean, Pacific, Caribbean and FCAS (fragile and conflict affected states) contexts as well as representatives from the Pacific Islands Forum Secretariat (PIFS), Caribbean Community (CARICOM), g7+ Secretariat, donors such as KOICA and the World Food Programme (WFP), Accredited Entities, National Implementing Entities and private-sector partners.

Senior and technical representatives¹ from the Green Climate Fund (GCF), Global Environment Facility (GEF), and Fund for Responding to Loss and Damage (FRLD) provided updates on available support windows and responded to country questions on access pathways, readiness support and pipeline development.

Day 1: Engaging with funds and exploring platforms

Setting the scene

The opening dialogue framed the Marketplace's core dilemma: countries cannot access climate finance because the capacity and data prerequisites are missing. Grant Kirkman of the UNFCCC Secretariat traced the evolution of the NBF project, underscoring the UNFCCC's role in linking intergovernmental negotiations with country-level needs and highlighting why pre-readiness is essential. Song Hee Sun, speaking for KOICA's leadership, delivered a keynote that resonated throughout the two days: while global climate finance is rising, SIDS, LDCs and FCAS remain on the margins because they lack baseline data, institutional mandates and concept-development capacity. She called for a collective effort to unlock finance and spotlighted KOICA's partnership with the UNFCCC.

These scene-setting remarks helped participants confront uncomfortable truths: that current readiness programmes often presuppose functional institutions and robust data systems, conditions that rarely exist in FCAS. By making this gap explicit, the Marketplace invited countries and partners to propose solutions rather than lament barriers.

Regional perspectives and country realities

A moderated dialogue drew out the diverse experiences of the Maldives, Pacific Island countries, Caribbean states, Papua New Guinea and Chad. Speakers described high transaction costs, fragmented assistance and few partnerships with accredited entities. They illustrated how the interplay of political instability, limited data and weak institutional mandates prevents them from turning their NDCs and NAPs into fundable projects. The moderator challenged participants to consider whether the bottlenecks were primarily political, institutional, technical or financial – and whether country platforms, if designed properly, could help coordinate support without adding bureaucracy.

¹ The adaptation fund (AF) was not able to attend the CW-3 in way or form due to conflicting events.

This session signalled that there is no one-size-fits-all diagnosis. Some countries are constrained by a lack of baseline climate-finance assessments; others by fragmented donor support or by difficulties finding accredited entities willing to sponsor them. Yet, across these differences, a consistent message emerged: solutions must be localised and inclusive of vulnerable communities.

Insights from the funds

Technical teams from the GCF, GEF and AF used the Marketplace to clarify what their funds can and cannot do. The GCF showcased its country-driven approach and diverse financing instruments, emphasizing that it has mobilized US\$20 billion to date and aims to reach US\$50 billion by 2030. Its representatives explained that the readiness programme supports institutional strengthening, enabling environment reforms, pipeline development and knowledge sharing, and that it is guided by a 2024–2027 strategy. They introduced a new Climate Investment Planning and Mobilization Framework, developed with the NDC Partnership, which helps countries translate their NDCs and NAPs into bankable projects.

The GEF highlighted its ninth replenishment (GEF-9) programming directions, which integrate biodiversity, climate change, land degradation and chemicals. Notably, at least 20 % of resources will go to local communities and indigenous peoples, and a new blended-finance window has been established. The Adaptation Fund underscored its readiness grants and the advantages of direct access.

A significant addition was the presence of the FRLD Secretariat, which outlined the Barbados Implementation Modalities – a US\$250 million grant envelope for 2025–2026 that prioritizes SIDS and LDCs, offers direct budget support to national ministries and employs simplified procedures. Many delegates were unaware of these modalities, underscoring the value of the Marketplace for information sharing.

Country Platforms

The afternoon pivoted to a discussion on country platforms. Participants debated whether country platforms help coordinate support or simply add another layer of meetings. They agreed that platforms should be voluntary, owned by the country and have clear mandates; otherwise they risk fatigue. Supporting this agenda, the Global Capacity Building Coalition highlighted the importance of the wider enabling ecosystem around country platforms and implementation. Its proposed Country Platform Knowledge Portal and related technical assistance aim to help governments and partners with platform design, governance, stakeholder coordination and practical delivery, reinforcing the message that scaling climate finance is not only about funding envelopes, but also about the systems, knowledge and institutional support needed to use them effectively. At the same time, several speakers cautioned that platforms risk becoming an additional process burden if they are not clearly anchored in national institutions and practical delivery needs.

Strategic direction

The GCF invited stakeholders to contribute to forthcoming GCF third strategic plan (2028–2031), which aims to enhance access and country ownership, attract catalytic private finance and strengthen institutional performance, guided by principles of being strategic, action-oriented and inclusive. It provided an opportunity for developing country representatives to highlight practical issues affecting access, including the need for simpler procedures, more sustained support for capacity and readiness, and greater responsiveness to the realities of SIDS, LDCs and FCAS.

Day 1 synthesis

By day's end, the Marketplace had surfaced several cross-cutting insights. First, the pre-readiness gap is real: many countries lack the baseline data, fiduciary systems, coordination mechanisms and technical teams necessary to even request readiness funding. Second, there is fragmentation of support – multiple donors and readiness programmes operate in silos, imposing heavy reporting burdens on small government teams. Third, country ownership and localisation are paramount; interventions must be rooted in national strategies and attentive to community needs. Across these discussions, participants repeatedly returned to the importance of linking readiness support, project preparation, technical assistance, concessional finance and broader development cooperation in a more coherent way. Several speakers stressed that countries need not only tools and templates, but also protected staff time, embedded technical accompaniment, functioning coordination systems and delivery capacity.

Day 2: Deal Room and Marketplace

The second day opened with an interactive workshop that put countries and funds on equal footing. Participants ranked their most pressing constraints: lack of capacity; weak stakeholder coordination; absence of climate strategy frameworks; thin project pipelines; and difficulties locating or partnering with accredited entities. Through scenario-based group exercises, countries designed readiness projects for contexts such as conflict-affected states, island economies and nations with few existing projects. The exercise illuminated that pre-readiness activities are not optional. Baseline data collection, institutional mapping and concept-note coaching must precede readiness proposals. Representatives from the Maldives, Papua New Guinea and Chad presented project ideas and institutional support needs, including requests related to concept development, readiness support, accreditation pathways, technical assistance, co-financing and broader project maturation support. A recurring conclusion was that many countries are not short of priorities or ideas; rather, they need more coherent bridges between country demand, project preparation, technical support and appropriate financing partners and instruments.

Targeted responses from partners

Following the diagnosis, donors and partners offered rapid responses. The World Food Programme (WFP) emphasised the need for dedicated human resources and sustained technical support to build project pipelines, citing success in taking a GCF project for South Sudan from concept to approval in nine months. WFP argued for integrated financing approaches that align climate funds with humanitarian and development resources. UNDP also provided commentary on project development considerations and possible areas for support.

KOICA's Green ODA offering was especially significant. KOICA believes that readiness support presupposes institutional functionality and that Green ODA can fund the pre-readiness tasks – baseline assessments, feasibility studies and concept development – that climate funds do not finance. KOICA's mid-term strategy (2021–2025) supports low-carbon transitions and adaptation, while its climate mainstreaming plan (2026–2030) links UNFCCC goals with Korea's 2050 carbon-neutrality commitment. With an annual ODA budget of US\$881.6 million and 35 % of bilateral assistance classified as climate finance, KOICA pledged US\$300 million to GCF's second replenishment and became an accredited entity in March 2026. KOICA offered to:

- Develop FINCOAHN project pipelines and co-develop action notes for pilot countries.
- Provide country-specific advisory support, such as adaptation finance planning in Chad, coordination strategies in South Sudan, climate finance strategy consultations in Papua New Guinea and law alignment in Timor-Leste and Yemen.
- Replicate the Ethiopia urban nature-based solutions model, where KOICA acted as accredited entity and contributed US\$22 million in co-finance.
- Initiate bilateral engagement through a project concept paper process that moves from identification to feasibility studies, design and implementation over two to three years.

KOICA's case studies illustrated how ODA can catalyse climate finance. In the Guatemala Highlands, KOICA funded pre-feasibility studies and small grants that enabled indigenous communities to access forestry subsidies and paved the way for a US\$38 million GCF investment. In Fiji, KOICA financed the full concept development and absorbed low-return components of an agrophotovoltaic project, making it attractive to private equity. In Ethiopia, KOICA moved beyond co-financing to act as accredited entity, committing US\$22 million to a US\$47 million urban climate resilience project.

Across these examples, KOICA distilled lessons: fund the entire preparation pipeline, provide confirmed co-finance, target low-return but high-impact components, invest in institutional capacity and follow a learning trajectory from co-financier to accredited entity. It also set out principles to ensure follow-up remains country-led: start with existing national plans, empower national focal points, use country-owned action notes, maintain national ownership throughout the project cycle and plan for exit.

UNICEF offered a complementary perspective from Papua New Guinea. The KOICA-funded project there aims to strengthen water, sanitation, health and child protection systems in Morobe and Central provinces. Challenges include translating climate data into actionable information, limited provincial data, weak inter-institutional coordination and difficulties reaching remote communities. UNICEF is working with the National Weather Service on early-warning systems and a child-focused climate risk index. Their experience underscores that pre-readiness work must be integrated into existing government systems and accompany long-term capacity building.

In the afternoon, the Marketplace took the form of a deal room where countries and entities pitched projects, articulated their “asks” and identified immediate barriers to progress. Countries such as the Maldives and Chad described project ideas ranging from renewable energy microgrids to coastal resilience. The interactive format allowed funds and technical partners to provide direct feedback and explore matchmaking. Delegates noted that this was more productive than typical conference side events because it focused on solving concrete bottlenecks. The event closed with a commitment to produce action notes capturing partnerships and timelines and to convene write shops to refine concept notes.

Cross-cutting challenges and opportunities

Several common messages emerged across the two days:

- The main break point for many vulnerable countries is upstream, before projects reach formal concept, readiness or approval stages;
- Pre-readiness matters, including baseline data, institutional mapping, project origination, concept development, coordination and human capacity;
- Regional and programmatic approaches can help reduce transaction costs and pool capacity, especially for small and highly vulnerable countries, but must remain country-driven;
- Readiness support is most effective when linked to practical pipeline development and longer-term institutional strengthening;
- Countries need better alignment across climate funds, bilateral support, technical assistance and accredited entities; and
- Follow-up should focus on concrete support to remove bottlenecks and move identified priorities toward financeable action.

The dialogues, and case studies converged on several overarching themes:

- **Data and evidence gaps:** Many countries lack comprehensive data on climate-finance flows, risks and vulnerability. Investments in national data architectures, early-warning systems and provincial climate-risk indices are critical.
- **Capacity and coordination:** Limited technical capacity, overstretched teams and weak inter-ministerial coordination remain pervasive. Fragmented support from

donors compounds the problem. Strengthening national focal points and accredited-entity systems is essential.

- **Pre-readiness and pipeline development:** Pre-readiness – assessing needs, gathering data, designing concept notes – emerged as the missing link between climate ambitions and funding. ODA has a catalytic role here.
- **Country ownership and sustainability:** Interventions must be country-led, aligned with national strategies and integrated into existing systems. Exit strategies are required so that countries can eventually access climate finance independently.
- **Integrated financing and partnerships:** Blended-finance structures can de-risk private investment and accelerate project approvals. Partnerships among donors, accredited entities and national ministries – like KOICA’s collaborations with IUCN, the Fiji Development Bank and Ethiopian institutions – demonstrate the power of coordinated preparation and co-financing.

Recommendations

Drawing from the two-day discourse, case studies and analysis, the following recommendations are offered:

1. **Invest in pre-readiness.** Donors and development partners should finance baseline assessments, institutional strengthening and concept design. Climate funds should acknowledge pre-readiness as part of the readiness continuum, perhaps through joint ODA-climate fund windows.
2. **Streamline support and enhance coordination.** Establish or revitalise country platforms with clear mandates to coordinate support, reduce duplication and align programmes.
3. **Empower national institutions and ensure ownership.** Channel assistance through national focal points, build accredited-entity capacity and use country-owned action notes and co-signed records to formalise commitments.
4. **Leverage blended finance and co-financing.** Provide confirmed grants that absorb preparatory risk and low-return components, encouraging private investment and climate fund participation. Donors should plan for a learning trajectory from co-financier to accredited entity.
5. **Prioritise data systems and knowledge sharing.** Support countries in building climate data and early-warning systems, producing provincial vulnerability indices and sharing lessons across regions.

6. **Tailor interventions to context.** Recognise that FCAS and SIDS require bespoke approaches. Provide country-specific advisory support and adapt fund policies and monitoring frameworks to fragile contexts.
7. **Invest in integrated early-warning systems and child-centred risk assessments.** Funders should support the development of national multi-hazard early-warning systems and sub-national climate-risk indices, such as those proposed by UNICEF and Papua New Guinea, to ensure that climate information reaches vulnerable communities and informs project design.
8. **Adapt climate-finance mechanisms for conflict-affected states.** Climate funds and donors should reform accreditation and access procedures to be more flexible and responsive to conflict-affected contexts, recognising the climate-conflict nexus and enabling fragile states to lead and implement adaptation programmes.
9. **Support knowledge platforms and country-platform hubs.** Governments and partners should engage with initiatives like the Global Capacity Building Coalition's Country Platform Hub to access curated knowledge, technical assistance and matchmaking services. Building robust coordination platforms will reduce fragmentation and accelerate the translation of national climate strategies into investment pipelines.

Next steps and conclusion

Going forward, the priority is to turn action notes into implementation, ensure that country ownership remains central, and build a coalition of donors willing to invest in the unglamorous but indispensable work of pre-readiness.

Participants and organizers identified the following immediate next steps:

1. **Targeted follow-up with participating countries and partners.** The discussions initiated during the Deal Room and Marketplace will be taken forward through follow-up exchanges to clarify possible partnership roles, support needs and indicative timelines for next actions.
2. **Regional follow-up engagements.** Building on the issues raised during the Marketplace, the process is expected to continue through targeted work in the Pacific, Caribbean and Indian Ocean contexts, with a view to further connecting countries with relevant support providers and helping address practical barriers to implementation.
3. **Further support to pipeline development and pre-readiness.** The event confirmed the need for continued support on upstream issues such as concept development, institutional coordination, project preparation and accreditation pathways, especially for FCAS, LDCs and SIDS.
4. **Briefing and knowledge-sharing during the UNFCCC sessions in Bonn.** Participants noted the importance of carrying the lessons from the Marketplace into further discussions during the Subsidiary Body sessions, including to help inform broader work

on climate finance access and implementation challenges faced by vulnerable countries.

The Climate Capital Marketplace in Yeosu marked a further step toward closing the gap between national climate ambitions and the ability to access finance. By confronting the pre-readiness challenge and providing space for countries, funds and partners to co-create solutions, the event moved beyond rhetoric. Participants showed that readiness assumes a foundation that many vulnerable countries lack, and that Green ODA can provide a foundation by funding diagnostics, feasibility studies and institutional reforms. The Marketplace also demonstrated the value of curated deal rooms in facilitating partnerships and accountability.

The Climate Capital Marketplace created a practical space for countries, climate funds and partners to focus on the upstream barriers that continue to slow access to climate finance for the most vulnerable countries. The discussions confirmed that many of the key obstacles lie before formal project approval, in the areas of pre-readiness, coordination, project preparation, data, accreditation support and institutional capacity.

The event also demonstrated strong interest in more targeted and coordinated support, including through regional approaches, technical partnerships and closer alignment between readiness, development cooperation and project preparation. The priority now is to maintain momentum through practical follow-up and continued efforts to help countries move from identified needs and priorities toward implementation-ready, financeable action.