Report

Rethinking readiness

Enhancing the foundations for climate finance in fragile and conflict-affected situations

Elena Kiryakova, Manisha Gulati, Yue Cao

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Contents

Executive summary / 1

1 Introduction / 4

2 Approach / 7

2.1 Methodology / 7

2.2 Country case studies / 8

3 Understanding climate finance readiness / 12

3.1 A broader conception / 12

3.2 The landscape of climate finance readiness instruments / 12

4 Readiness in practice / 16

4.1 Burkina Faso / 16

4.2 Chad / 27

4.3 Somalia / 37

4.4 Lessons from other FCAS / 43

5 Findings / 50

Finding 1: Readiness is narrowly framed around fund access and provider-specific procedures / 50

Finding 2: Readiness emphasises process outputs over intermediate outcomes / 51

Finding 3: Readiness assumes institutional capabilities that FCAS may not have / 52

Finding 4: Chronic under-resourcing of institutions prevents readiness investments from taking root / 57

Finding 5: Readiness lacks a basis for choosing which capacities to prioritise in fragile settings / 57

Finding 6: Readiness tends to neglect whole-of-government capabilities and focus on specific pockets of capacity / 59

Finding 7: Climate finance readiness remains disconnected from the wider systems needed to mobilise finance / 59

6 Adapting readiness in fragile and conflict-affected situations / 61

Redefining what success looks like / 61

What does it take to get there? / 61

References / 65

Appendix 1 Interviews and engagements conducted in support of the study / 69

Appendix 2 Landscape of climate finance readiness instruments / 70

Display items

Boxes

Box 1 Operational challenges in FCAS / 2
Box 2 Selection criteria for the review of readiness instruments / 7
Box 3 Burkina Faso's national climate policy framework / 17
Box 4 Chad's national climate policy framework / 28
Box 5 Somalia's national climate policy framework / 38
Box 6 Common design assumptions across readiness activities / 52
Box 7 Operating environment in FCAS / 54
Box 8 Challenges of building climate resilience in FCAS / 58

Tables

Table 1 Summary indicators for case study countries / 9
Table 2 Overview of climate finance-specific capacity-building in Burkina Faso as of March 2026 / 24
Table 3 Overview of climate finance-specific capacity-building in Chad as of March 2026 / 31
Table 4 Overview of climate finance-specific capacity-building in Somalia as of March 2026 / 42
Table 5 Challenges in readiness programmes' design suitability for FCAS / 55
Table A1 The Green Climate Fund (GCF) Readiness and Preparatory Support Programme / 71
Table A2 Adaptation Fund Readiness Programme for Climate Finance / 72
Table A3 Global Environment Facility (GEF) capacity-building support / 73
Table A4 Climate Investment Funds (CIF) capacity-building support / 74
Table A5 NDC Partnership / 75
Table A6 IMF Climate-Public Investment Management Assessment (C-PIMA) / 77
Table A7 World Bank Public Expenditure and Financial Accountability (PEFA) Climate Module / 78
Table A8 IMF Climate Policy Diagnostic (CPD) / 79
Table A9 World Bank Country Climate and Development Reports (CCDRs) / 80
Table A10 IMF Resilience and Sustainability Trust (RST) / 81

Figures

Figure 1 Per capita climate adaptation finance to least developed countries (LDCs) and fragile and conflict-affected countries in 2024 / 5

Figure 2 Mapping the climate finance readiness landscape / 15

Figure 3 Requests made by Government of Burkina Faso to the NDC Partnership, by activity type, between January 2020 and March 2026 / 19

Figure 4 Requests made by Government of Chad to the NDC Partnership, by activity type, between January 2020 and March 2026 / 29

Acronyms

ADB	Asian Development Bank
AfDB	African Development Bank
AU	African Union
CCDR	Country Climate and Development Report
CCU	Climate Change Unit (Yemen)
CIF	Climate Investment Funds
CNACC	National Committee on Climate Change (Burkina Faso)
CNCC	National Commission on Climate Change (Chad)
CNDD	National Council for Sustainable Development (Burkina Faso)
CNEDD	National Council for the Environment for Sustainable Development (Niger)
CONADD	National Conference on Sustainable Development (Burkina Faso)
CONEDD	National Council for the Environment and Sustainable Development (Burkina Faso)
COTNACC	National Technical Committee on Climate Change (Chad)
CPD	Climate Policy Diagnostic
C-PIMA	Climate-Public Investment Management Assessment
CSCC	Cross-Sectoral Committee on Climate Change (Somalia)
DAE	Direct Access Entity
DFI	Development Finance Institution
DoECC	Directorate of Environment and Climate Change (Somalia)
DLCC	Directorate of Climate Change (Chad)
DRR	Disaster Risk Reduction
EBRD	European Bank for Reconstruction and Development
FCAS	fragile and conflict-affected situations
FIE	Environmental Intervention Fund (Burkina Faso)
FNE	National Water Fund (Chad)
FSE	Special Fund for the Environment (Chad)
GCCA+	Global Climate Change Alliance Plus
GGGI	Global Green Growth Institute
GCF	Green Climate Fund
GEF	Global Environment Facility

HDI Human Development Index

ICAT Initiative for Climate Action Transparency

IDA International Development Association

IDB Inter-American Development Bank

IEACF Improved and Equitable Access to Climate Finance Network

IFC International Finance Corporation

IFI International Financial Institution

IMF International Monetary Fund

IRG Internationally Recognised Government (Yemen)

LDC least developed country

LoCAL Local Climate Adaptive Living Facility

MoECC Ministry of Environment and Climate Change

MDB Multilateral Development Bank

MAERAH Ministry of Agriculture, Water, Animal and Fisheries Resources (Burkina Faso)

MEEA Ministry of Environment, Water and Sanitation (Burkina Faso)

MEF Ministry of Economy and Finance (Burkina Faso)

MEMC Ministry of Energy, Mines and Quarries (Burkina Faso)

MOWE Ministry of Water and Environment (Yemen)

MoEFSD Ministry of Environment, Fisheries and Sustainable Development (Chad)

MRV Measurement, Reporting and Verification

NAMA Nationally Appropriate Mitigation Action

NAP National Adaptation Plan

NCCC National Climate Change Committee (Somalia)

NCDD National Council for Sustainable Development (Burkina Faso)

NBF FINCOAHN Needs-Based Finance Project for countries facing conflict and severe humanitarian needs

NCF National Climate Fund (Somalia)

NDA National Designated Authority

NDC Nationally Determined Contribution

ND-GAIN Notre Dame Global Adaptation Initiative

NIE	National Implementing Entity
OECD DAC	Organisation for Economic Co-operation and Development Development Assistance Committee
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PIM	Public Investment Management
PPCR	Pilot Program for Climate Resilience
RSF	Resilience and Sustainability Facility
RST	Resilience and Sustainability Trust
SIDS	Small Island Developing States
UCT	upper credit tranche
UNCDF	UN Capital Development Fund
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
WAEMU	West African Economic and Monetary Union

Executive summary

Fragile and conflict-affected situations (FCAS) are among the most vulnerable to climate change and the least equipped to adapt to and cope with climate shocks, yet they remain largely locked out of climate finance. With domestic and private resources severely constrained, climate finance needs in FCAS are expected to be met primarily through public bilateral and multilateral funding. However, available estimates suggest that current flows meet only around one quarter of identified annual climate finance needs up to 2030 (Cao, 2025). This gap reflects not only insufficient supply, but also the tendency of international climate finance to flow towards countries with stronger readiness: the institutional, fiduciary and technical capacity to access, manage, deploy and monitor climate finance effectively.

Over the past decade, the international community has invested heavily in strengthening climate finance readiness. Multilateral climate funds, Multilateral Development Banks (MDBs), the International Monetary Fund (IMF) and bilateral development agencies have supported countries through a range of readiness activities, including project preparation, climate-sensitive public financial management reforms and planning.

This report examines why these efforts have delivered uneven results in FCAS. Drawing on case studies of Burkina Faso, Chad and Somalia, supplemented by evidence from other fragile contexts including South Sudan, Niger and Yemen, it assesses readiness support across two interdependent dimensions. First, access-focused support builds the capacities needed to secure finance: accreditation of entities to funds, country programmes and project pipelines, and familiarity with funder procedures. Second, delivery-focused support strengthens the capacities needed to use finance once it arrives: budget execution, procurement, fiduciary systems, project appraisal, reporting and audit.

The findings reveal a consistent pattern across different countries. Climate finance readiness programmes assume baseline conditions that rarely exist in FCAS: stable institutions, clear mandates, adequate resources, political commitment to climate action, and the capacity to absorb finance at scale. In reality, ministries are repeatedly reshuffled, mandates are fragmented, budgets are stretched, staff turnover is high, and political attention is understandably focused on more pressing concerns such as security and basic services provision. Consequently, readiness interventions built on assumptions of institutional stability and absorptive capacity are often poorly aligned with FCAS contexts.

Box 1 Operational challenges in FCAS

In Burkina Faso, the climate portfolio has migrated across at least four ministerial configurations since 2022, dissolving technical departments and severing continuity with prior readiness investments each time.

In Chad, repeated turnover within the responsible ministry and the National Designated Authority (NDA) to the Green Climate Fund (GCF) disrupted systems, stalled the country programme and forced new officials to relearn GCF procedures. While the NDA to the GCF was set up in 2015 and the first readiness support was received in 2016, the NDA only gained full operational status seven years later in 2023.

In South Sudan, the Ministry of Environment and Forestry is one of the least-funded ministries in the country. This constrains even in-kind contributions, which remain the only viable method for meeting co-financing requirements that enable access to additional international funding.

In Yemen, war-induced economic collapse has stripped the Ministry of Water and Environment (MOWE) of the resources needed for basic ministerial functions and follow-through after readiness support.

In Somalia, trained professionals in ministries routinely leave after a few years due to the scarcity of permanent positions, variable adherence to meritocratic principles, and the acute differential between government salaries and consultancy rates.

Across the case studies, readiness support has generated important outputs, including climate strategies, project concepts and accreditation to climate funds. However, these outputs have not consistently translated into large-scale climate finance mobilisation or sustained institutional capacity. The report identifies several interrelated challenges.

Readiness support remains fragmented across institutions and types of intervention. Programmes focused on climate finance access are often delivered separately from efforts to strengthen Public Financial Management (PFM), Public Investment Management (PIM) and wider state capabilities. As a result, environment ministries and finance ministries frequently engage with different readiness initiatives that operate on separate timelines and pursue different objectives, with limited coordination between them. This fragmentation limits the cumulative impact of readiness investments.

The evidence does not suggest a lack of ambition on the part of countries. The experience of Burkina Faso, Chad, Somalia and Yemen shows a genuine commitment to engaging with international climate finance providers, alongside real but often still fragile progress. Rather, the challenge reflects a mismatch between prevailing

readiness models and the institutional realities in which they operate.

Readiness programmes are often narrow in scope, short-term, episodic, centred on individuals and preoccupied with access to specific international climate funds. Many countries have improved their understanding of specific providers' procedures but they have not received adequate support to develop independent investment pipelines or to identify diverse financing pathways for climate projects.

In Niger, national entities seeking accreditation face operational shortcomings that have discouraged international partners or led to suspended partnerships. In Burkina Faso, NDA staff continued to lack sufficient skills even after multiple rounds of training. In one case, only one of four technical staff was trained on project cycle management. In Somalia and Chad, finance ministries are now stepping in to lead climate finance mobilisation but lack the know-how to serve as national coordination hubs.

Recent innovations in readiness support, including multi-year programmatic approaches or embedded technical advisors and in-country support, represent important progress in the right direction. The risk, however, is that these approaches are treated as discrete solutions to specific capacity constraints, rather than as steps in a continuous process of building towards the deeper institutional capabilities required to sustain climate finance mobilisation over time.

Addressing this requires a fundamental rethinking of how readiness programmes are designed and implemented in FCAS.

The findings point to four broad principles for strengthening climate finance readiness in FCAS:

- **Anchor readiness in the political reality of the country** by designing interventions around incentives, authority structures, resource constraints and competing political priorities.
- **Bridge the access-delivery divide through coordinated whole-of-government engagement** by connecting climate finance access support with wider reforms to PFM, PIM and implementation systems.
- **Take a systems approach to strengthen institutions** by prioritising investments in systems and processes for institutional continuity and organisational development over short-term discrete interventions.
- **Reorient readiness towards core competencies** that transfer across financing sources by strengthening countries' ability to identify financing pathways, develop investment-ready pipelines, and engage diverse financing partners.

1 Introduction

International climate finance flows remain poorly aligned with the scale and intensity of needs in fragile and conflict-affected situations (FCAS).[1] Despite being among the countries most vulnerable to climate change, FCAS continue to receive a disproportionately small share of global climate finance. Available estimates suggest that current flows meet only around one quarter of identified annual climate finance needs up to 2030, pointing to a substantial and persistent financing gap (Cao, 2025). In per capita terms, almost all FCAS received less climate finance in 2024 than the median of $20 across least developed countries (LDCs) (Figure 1).

This disparity reflects the well-understood pattern that global climate finance tends to flow towards countries with stronger capacity to plan for, access, manage, deploy and monitor finance effectively. These institutional, technical and governance capacities are collectively described as readiness (UNDP, 2012). Countries that score more highly on measures of readiness such as financial absorptive capacity and ability to leverage public and private investment consistently attract more climate finance, regardless of their vulnerability to climate impacts (Jones et al., 2024). Strengthening these capacities is a core challenge for fragile and conflict-affected countries seeking to mobilise greater volumes of climate finance.

This challenge is amplified by the complex international public climate finance architecture. Accessing resources from multilateral climate funds, Multilateral Development Banks (MDBs) and bilateral development agencies requires countries to navigate difficult accreditation processes, develop investment pipelines, meet fiduciary standards and comply with extensive monitoring and reporting requirements. These processes demand significant upfront investments of time and expertise, often without any guarantee of subsequent funding.

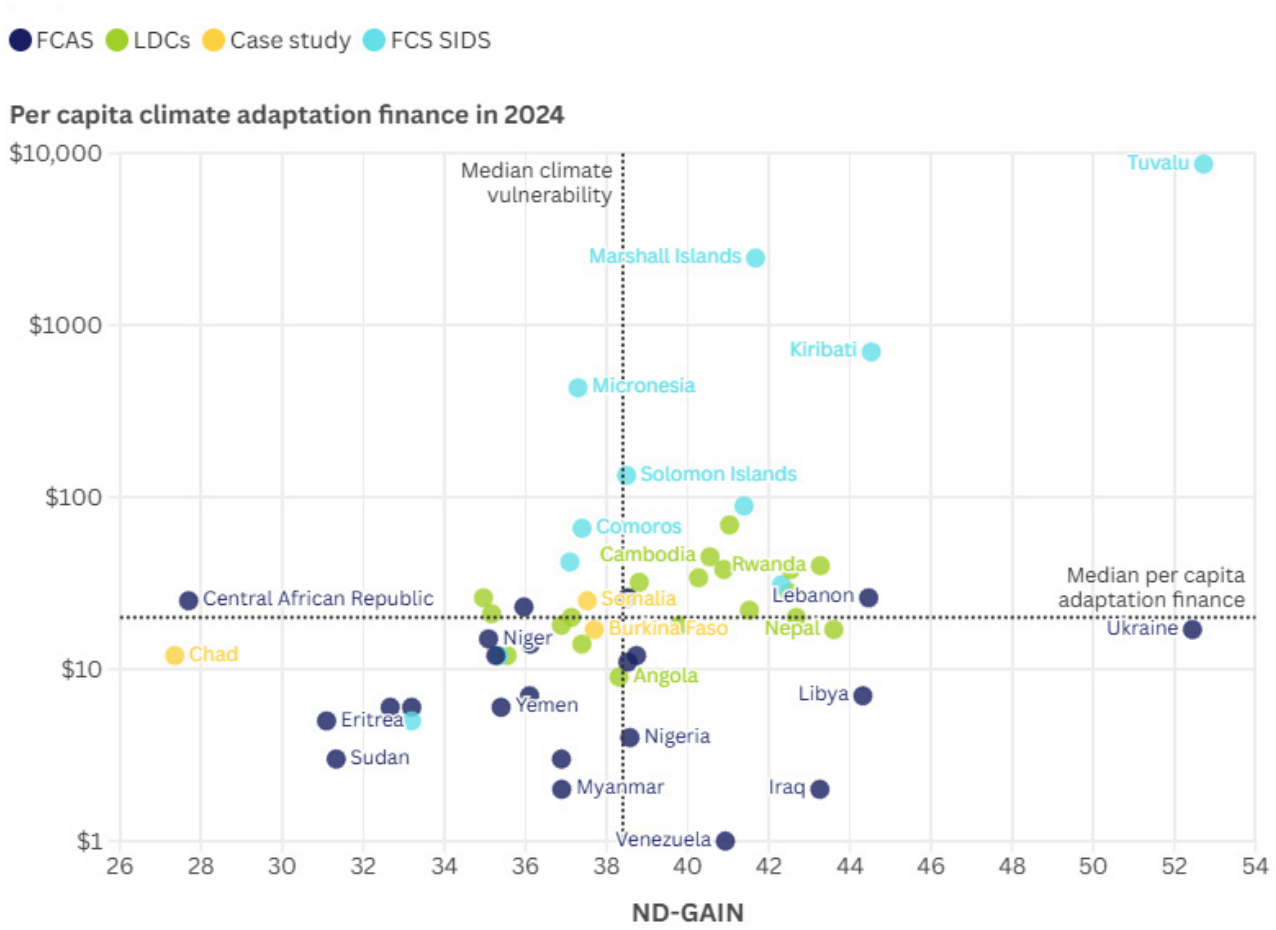
Readiness support has emerged as the international community's principal response to these constraints. Over the past decade, substantial resources have been invested in supporting countries to strengthen their capacities to mobilise, manage, deliver and account for climate finance effectively. Organisations providing this support include the United Nations Framework Convention on Climate Change (UNFCCC)-mandated climate funds such as the Green Climate Fund (GCF), the Adaptation Fund, and the Global Environment Facility (GEF); MDBs, and the International Monetary Fund (IMF); and intergovernmental coalitions such as the NDC Partnership. The scope and purpose of these readiness initiatives vary. Some focus on building the institutional capacity and systems needed for effective engagement with a single funder (access-focused readiness), while others aim to create enabling environments by strengthening systems and capacities needed for accessing and deploying broader sources of climate finance effectively (delivery-focused readiness).[2]

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1 In this report, FCAS refers to countries included on the World Bank's FY26 FCAS list. Fragility is a dynamic and contested concept, and no universally accepted definition exists. See Box 8 for details.

2 See section 3 for details on the scope of these activities.

Figure 1 Per capita climate adaptation finance to least developed countries (LDCs) and fragile and conflict-affected countries in 2024[3]



Source: Compiled by authors based on OECD DAC (2026), World Bank and ND-GAIN Index data

Note: Countries are classified as fragile and conflict-affected based on the World Bank FY26 fragile and conflict affected states (FCS) list. FCS SIDS refers to fragile and conflict-affected Small Island Developing States. Data covers annual climate-related commitments for adaptation projects in 2024. All figures are in constant 2024 prices. The ND-GAIN Index scores are for 2023, the latest year available.

3 Climate vulnerability is measured using the Notre Dame Global Adaptation Initiative (ND-GAIN) index, developed by the University of Notre Dame. The index assesses a country's exposure, sensitivity, and adaptive capacity to climate hazards, alongside its readiness to leverage private and public sector investments for adaptation. A lower overall score indicates higher vulnerability and weaker capacity to respond.

The growth of readiness support raises an important question. If readiness is intended to strengthen countries' ability to access and deploy climate finance, why has climate finance mobilisation in many FCAS remained slow, uneven and concentrated within a relatively limited number of financing channels?

The evidence presented in this report suggests that the effectiveness of readiness support in FCAS is often constrained by a mismatch between the design of prevailing interventions and the institutional realities in which they are implemented. This challenge is likely to become more acute as climate finance needs continue to grow. To date, the GCF alone has provided approximately $141 million in readiness support to FCAS. Given that readiness itself requires scarce financial resources, improving the effectiveness of existing support is likely to be as important as increasing its volume. More fundamentally, unless readiness is conceived more broadly than the discrete, provider-specific interventions that often characterise current support, it risks becoming an end in itself rather than a means of mobilising climate finance at scale.

Against this backdrop, this report addresses three questions:

- What climate finance readiness support is currently available to FCAS?
- To what extent do existing readiness approaches respond to the realities of fragility and conflict?
- How can readiness support be adapted to facilitate more diverse pathways for climate finance mobilisation in FCAS?

The analysis combines a review of the climate finance readiness landscape with detailed case studies of Burkina Faso, Chad and Somalia. The three countries were selected to illustrate different manifestations of common challenges: the effects of conflict and institutional disruption (Burkina Faso); persistent capacity and implementation constraints (Chad); and the challenges of building sustained climate finance systems in a context of ongoing institutional formation and dependence on external support (Somalia). Evidence from other FCAS is used throughout the report to triangulate the findings.

The remainder of the report is organised as follows: Section 2 outlines the methodology and analytical approach; Section 3 maps the landscape of climate finance readiness support; Section 4 examines how readiness support operates in practice through case studies; Section 5 draws on a review of readiness programmes and FCAS experiences to identify the principal barriers that continue to constrain the effectiveness of readiness investments; and Section 6 concludes with recommendations for adapting readiness support to better reflect the realities and needs of FCAS.

2 Approach

2.1 Methodology

The study adopted a structured analytical approach to examine the challenges and opportunities for strengthening capacity development for climate finance mobilisation in FCAS.

The analysis covers five key dimensions:

- **Review of FCAS context** to assess the defining characteristics of FCAS and the implications for capacity development and institutional strengthening. Institutions in this report refer to the public organisations (and the formal rules and procedures that govern them), including finance and planning ministries, NDAs, national climate funds and accredited entities.
- **Review of readiness diagnostic tools and capacity-building programmes** to evaluate the suitability of existing instruments for use in FCAS. These were selected based on the criteria outlined in Box 2.
- **Analysis of the state of play of capacity-building** to assess the effectiveness of current efforts to strengthen climate finance capacity in FCAS.
- **Formulation of recommendations** to identify how readiness support can be better aligned to the realities and constraints of FCAS.
- **Application of recommendations** using a case study of a country in the early stages of engaging with international climate finance providers to explore how these insights can inform readiness design.

Box 2 Selection criteria for the review of readiness instruments

This report examines readiness programmes and diagnostic tools that meet three criteria:

- **An explicit mandate connected to climate finance**: The programme or assessment tool must have climate finance access, management or delivery as a stated objective, rather than as a secondary spillover or co-benefit. This includes instruments specifically designed with a climate finance rationale and excludes general PFM reform programmes, broader capacity-building initiatives, and Development Finance Institutions (DFIs) that may incidentally touch on climate.
- **Systematic and replicable methodology**: The instrument must operate through a defined methodology, framework or set of procedures applied across countries. This excludes ad hoc bilateral technical assistance and one-off consultations.
- **Accessibility to FCAS in principle**: The instrument must be accessible to fragile and conflict-affected states, whether or not it has been applied in such settings before.

The full landscape of the readiness activities that were considered can be found in Appendix 2.

Source: Compiled by authors

The methodology is primarily qualitative and draws on both primary and secondary data from several sources:

- **Literature review**: a comprehensive desk review of reports, policy briefs and climate finance frameworks produced by MDBs, vertical climate funds, bilateral agencies, implementing partners and national authorities. The review also incorporates proceedings and outcomes from key global forums, including those convened by the Coalition for Climate Action in Conflict and Fragile Settings, the UNFCCC Needs-Based Finance Project for countries facing conflict and severe humanitarian needs (NBF FINCOAHN), and the Improved and Equitable Access to Climate Finance (IEACF) Network.
- **Interviews and engagements**: semi-structured interviews with government representatives, development partners and climate finance experts, complemented by engagements with these stakeholders at relevant global and national events.
- **Case studies**: in-depth analysis of three countries to examine the effectiveness and contextual relevance of climate finance-related capacity-building interventions.
- **Cross country synthesis**: lessons from other FCAS that are benefiting from a range of readiness support. The study also draws on ODI Global's extensive experience in 17 FCAS, as well as political and strategic influencing of climate finance providers to draw insights and lessons on the challenges of mobilising climate finance in FCAS and to inform context-sensitive recommendations for FCAS.

Unless otherwise specified, the findings in this report are derived from stakeholder interviews and ODI Global's experience in 17 FCAS. The findings should be interpreted with two caveats: the readiness instruments reviewed differ significantly in their objectives, mandates, design and duration, which constrains direct comparison across programmes; moreover, while the case studies provide rich insights into how readiness operates in practice, they are intended to illustrate common mechanisms and constraints rather than support generalisable conclusions across all FCAS.

2.2 Country case studies

The report draws primarily on case studies from Chad, Burkina Faso and Somalia, selected to capture how readiness programmes function across materially different fragile contexts. The selection is based on five variables (see Table 1) designed to provide variation across different degrees of fragility, climate vulnerability, stage of climate finance engagement and levels of human development. In selecting the case studies, the objective is not to identify similarities across contexts, but to draw insights from diverse settings. This approach allows for a broader understanding of what can be learned across different environments, without implying that readiness approaches are uniformly ineffective (or effective) across different contexts of fragility and conflict.

Table 1 Summary indicators for case study countries

Burkina Faso	Chad	Somalia
Fragility/conflict status		
Entrenched conflict since 2021	Institutional and social fragility	Pronounced fragility and conflict, and instability
Climate vulnerability (ND-GAIN Index rank, 2025)		
161/187	187/187 (most vulnerable globally)	162/187
Key national climate finance institutions		
Environmental Intervention Fund (FIE) (accredited to the GCF)	Special Fund for the Environment (FSE) Ministry of Finance (both seeking accreditation to the GCF)	National Climate Fund (NCF) (seeking accreditation to the GCF)
Per capita climate adaptation finance (2024)[4]		
$17	$12	$25
Human Development Index (HDI) (2023)		
0.459	0.416	0.404 (192 of 193 countries globally)

Source: Compiled by authors based on World Bank FY26 FCS list, ND-GAIN Index (2025), OECD DAC (2026) and HDI (2023) data

Burkina Faso

Burkina Faso is highly exposed to climate variability, with increasing pressures on water resources, agriculture and food systems. The country ranks 161 out of 187 countries on the World Bank and Notre Dame Global Adaptation Initiative (ND-GAIN) Index, reflecting high vulnerability and limited adaptive capacity. Since 2016, escalating conflict has plunged Burkina Faso into a humanitarian crisis. Its trajectory on the World Bank's FCAS classification shows a rapid shift from medium-intensity to entrenched conflict status 2021.

Climate risks interact with conflict dynamics (IMF, 2026a). Burkina Faso is affected by an insurgency of non-state armed groups and ethnic tensions with pastoralist communities (IMF, 2026a). It ranks highest on the Global Terrorism Index with terrorist groups controlling parts of the country (IMF, 2026a). In turn, terrorism and conflicts increase the vulnerability of communities by destroying lives, livelihoods and capital, and displacing about 2 million people (IMF, 2026a).

Political instability continues to shape the environment. Two coups in 2022 led to military rule and the suspension of the country from the African Union (AU), along with sanctions. Following the January 2022 coup, several

4 In the same year, the average per capita climate adaptation finance across non-FCAS African countries was $21.

Organisation for Economic Co-operation and Development Disaster Assistance Committee (OECD DAC) donors suspended development assistance as well as direct budget support (NRC, 2024).[5] After initially stopping disbursements, the World Bank, the IMF and the African Development Bank (AfDB) have all reengaged in support of development gains (NRC, 2024). Some bilateral donors such as Germany maintained support, notably through cooperation with the United Nations Development Programme (UNDP) on selected projects in the security sector between 2020 and 2024 (Federal Foreign Office of Germany, 2025).

Against this backdrop, Burkina Faso has continued to engage with climate finance systems. It is one of the few FCAS with a nationally accredited entity to the GCF, and per capita climate adaptation finance remained around the median for FCAS and LDCs in 2024, although still insufficient relative to needs (Figure 2).

Chad

Chad ranks 187 out of 187 countries on the ND-GAIN Index 2025, making it the most vulnerable country in the world to climate change and other global challenges. Landlocked and isolated from global trade routes, it is also one of the world's lowest-income countries. Current levels of inequality reflect disparities in income and wealth, weak social cohesion, and weaknesses in the functioning of markets and the role of government (World Bank, 2022b).

Chad faces a legacy of domestic and regional conflict and has been considered a fragile state since the World Bank introduced the classification in 2006 (World Bank, 2022b). While its subcategory has shifted over time (currently classified under institutional and social fragility), its status remains high-risk. Its fragility is high, driven by internal political repression, intercommunal violence and spillover from Sudan's civil war, including refugee influxes and border instability (Lyons, 2026).

Chad has been working for several years to secure accreditation for a national entity to the Adaptation Fund and the GCF, without success. In response to these constraints, Chad has stepped up its engagement in climate diplomacy, including with climate funds, MDBs and bilateral donors. The country has also developed partnerships with other FCAS to develop a more coordinated voice on climate issues, including through its membership of the IEACF Network. Several development and technical partners have supported these efforts by advocating for increased access to climate finance and helping the government to navigate complex funding mechanisms.

Somalia

Somalia is highly exposed to climate risks. Between 2020 and 2023, five consecutive failed rainy seasons brought the country close to famine. It currently ranks 162 out of 187 on the ND-GAIN Index. The country records extremely

5 Before the 2022 coup, Burkina Faso had maintained relatively stable relations with OECD DAC donors, who provided substantial Official Development Assistance (ODA), including direct budget support from France.

low human development outcomes, ranking near the bottom of the UNDP Human Development Index (HDI) in 2023, with 54% of the population living below the national poverty line in 2022, and limited access to basic services such as health, education and clean water.

These pressures interact with a long history of fragility and insecurity. Since the mid-1980s, Somalia has experienced repeated cycles of conflict and violence, including a civil war that led to state collapse, destroyed institutions and created widespread vulnerability. Over the past decade, there have been signs of progress in stability, state-building and macroeconomic reform, qualifying Somalia for full and irrevocable debt relief. This has created some additional fiscal space and improved access to external concessional financing.

Despite these gains, Somalia remains extremely fragile. Armed groups control significant parts of the country and pose risks of violent extremism. There is also a visible absence of a functioning state in parts of the country. The country faces an unfinished political settlement, continued macroeconomic challenges, weak institutional capacity for service delivery, and communal tensions.

At the same time, Somalia has begun to make notable progress in mobilising climate finance. The country has engaged with major climate finance mechanisms, and expanded partnerships with technical partners, donors and other fragile and conflict-affected states, including through its membership in the IEACF Network.

3 Understanding climate finance readiness

3.1 A broader conception

As set out in the introduction, readiness for climate finance can be understood as the broad capacities of countries to plan for, access, manage, deploy and monitor climate finance from domestic and international sources (UNDP, 2012). In practice, however, the concept has narrowed. Readiness is typically associated with the specific institutional, fiduciary and technical capacities needed to access finance from specific international providers, principally the UNFCCC climate funds.[6]

This report adopts a broader understanding. Climate finance includes the full range of public and private financial resources, international and domestic, directed toward climate adaptation and mitigation objectives. Climate finance readiness therefore refers to the institutional, fiscal and regulatory foundations required to mobilise, manage and account for these resources effectively. This extends beyond securing access to a subset of international climate funds and includes the capacity to identify, prioritise and implement climate-responsive investments within constrained fiscal envelopes.

Building this broader readiness is especially critical in FCAS, where narrow, fund-specific capacity is both harder to build and more fragile once built.

3.2 The landscape of climate finance readiness instruments

The concept of climate finance readiness was formalised during the early 2010s through a number of analytical frameworks, including those developed by UNDP and by ODI Global and GIZ.[7] These frameworks helped governments to conceptualise and broadly understand where they stand in terms of meeting the various capacities required to access and spend climate finance effectively. They also influenced a variety of subsequent programmes and tools to improve countries' readiness to access and absorb climate finance.

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6 These readiness frameworks are rooted in the UNFCCC definition of climate finance, which emphasises the provision of new and additional financial resources from developed to developing countries to support climate mitigation and adaptation efforts. This framing also shapes the treatment of readiness under the Paris Agreement. Article 9 states that institutions serving the Agreement, as well as the operating entities of the Convention's Financial Mechanism (including the GEF, GCF and Adaptation Fund), should 'aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States, in the context of their national climate strategies and plans' (UNFCCC, 2015) (GCF IEU, 2021).

7 See UNDP (2012) and Nakhooda et al. (2013). More recently, the GCF and NDC Partnership have jointly developed the Climate Investment Planning and Management Framework (CIPMF) which guides countries through the steps from climate planning to finance mobilisation and maps available support from the two organisations' readiness activities.

In practice, bilateral and multilateral development partners support a wide range of capacity development activities designed to strengthen climate action in developing countries (Casado-Asensio et al., 2022). Many also provide ad-hoc technical assistance outside formally designated 'readiness' instruments. This report focuses on the landscape of systematic assessments and support programmes available to FCAS to facilitate access, management or implementation of climate finance (Box 2). The boundary between climate finance-specific readiness and broader climate finance-relevant support is often blurred in practice, however, and the case studies therefore also consider climate finance-relevant interventions where they contribute to the longer-term capabilities required to achieve these aims.

Under the broad conception of readiness adopted in this report, readiness instruments can be grouped into three main categories:

Climate finance access and capacity-building programmes

These programmes provide funding, training and institutional support to strengthen countries' ability to engage with climate finance. They are generally funder-specific by design and focus on upstream activities such as project planning and accreditation processes. The capacity-building activities considered in this review include:

- GCF Readiness and Preparatory Support Programme
- Adaptation Fund Readiness Programme for Climate Finance
- GEF capacity-building activities
- Climate Investment Funds (CIF) capacity-building activities
- NDC Partnership capacity-building activities

Formally, these capacity-building programmes are country-owned and country-driven. Countries request support through a designated interlocutor such as a Nationally Designated Authority (NDA) or focal point, but rarely implement programmes themselves. In practice, implementation often falls to an external delivery partner. Delivery partners bring their own mandates and established institutional counterparts, which shape what a readiness intervention covers and which parts of government it reaches.

Diagnostic assessments

These assessments evaluate climate-related institutional capabilities and often produce reform recommendations. Many focus on Public Financial Management (PFM) and Public Investment Management (PIM) systems, while others examine broader policy, institutional and investment constraints. The diagnostic assessments considered for this review include:

- IMF Climate-Public Investment Assessment (C-PIMA)
- World Bank Public Expenditure and Financial Accountability (PEFA) Climate Module
- IMF Climate Policy Diagnostic
- World Bank Country Climate and Development Reports (CCDRs)

Reform-linked financing instruments

These instruments condition concessional financing on the implementation of climate-related reforms. The IMF's Resilience and Sustainability Facility (RSF) is the principal instrument in this category and provides direct financial incentives for countries to act on diagnostic recommendations such as strengthening domestic PFM systems, climate-

related fiscal risk management and climate data infrastructure. Such reforms can, in turn, improve countries' capacity to mobilise climate finance from other sources. To date, all countries approved for RSF support have engaged with at least one IMF or World Bank climate diagnostic instrument (Hart and Pudussery, 2025).

Climate finance readiness spans two distinct but closely related dimensions, referred to in this report as **access-focused readiness** and **delivery-focused readiness**.

Access-focused readiness

Access-focused readiness refers to the institutional capacities, systems and knowledge needed to secure climate finance from international providers. This includes the accreditation of national entities to climate funds, the establishment of functioning NDAs and focal points, the development of country programmes and bankable project pipelines, the formulation of National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs), and familiarity with the specific procedures and requirements of different funders.

Delivery-focused readiness

Delivery-focused readiness refers to the systems and capacities required to ensure that climate finance, once received, is spent effectively, transparently and accountably. This is sometimes termed 'absorptive capacity' or the ability of a recipient to make efficient and effective use of the financial resources available to it (Presbitero, 2016; Jones et al., 2024). This includes budget planning and execution, fiduciary systems, procurement systems, project appraisal and selection, financial reporting, audit, and monitoring and evaluation. While these capabilities have traditionally been viewed as separate from climate policy, there is growing recognition that robust public sector systems are critical for the effective management of climate finance and climate-related investments. As a result, 'green PFM', or the adaptation of existing PFM practices such as procurement, debt management, accounting, audit and budgetary transparency to support climate-sensitive policies, has gained traction and many standard PFM diagnostics have been expanded to incorporate a climate component.

This distinction is intended as a simple analytical framework rather than a claim that the two categories are independent or exhaustive. In practice, they are interdependent. Accreditation requirements for multilateral climate funds like the GCF increasingly demand evidence of robust fiduciary standards, PFM systems, and strong Measurement, Reporting and Verification (MRV) mechanisms (IMF, 2021; Jones et al., 2024). Countries that strengthen their budget execution and procurement processes are better positioned to absorb and deploy finance at scale. The value of distinguishing between access-focused and delivery-focused readiness is that it shows how readiness support is structured across the climate finance landscape. The two dimensions are often provided by different organisations, target different government stakeholders and operate on different timelines. The next section examines how the readiness landscape plays out in practice.

Figure 2 Mapping the climate finance readiness landscape

Access focus	Delivery focus
Climate finance access and capacity-building programmes	**Diagnostic assessments**
GCF Readiness and Preparatory Support Programme	IMF C-PIMA
Adaptation Fund Readiness Programme for Climate Finance	World Bank PEFA Climate module
GEF capacity-building activities	IMF Climate Policy Diagnostic
CIF capacity-building activities	World Bank CCDRs
NDC Partnership capacity-building activities	**Reform-linked financing**
	Reform-linked financing that conditions concessional lending on the implementation of climate-related reforms (IMF RST)

Source: Compiled by authors

4 Readiness in practice

4.1 Burkina Faso

Institutional overview

Burkina Faso has established extensive institutional arrangements for climate policy-making, implementation and the integration of climate considerations into sectoral planning and budgeting (Box 3). Following a series of ministerial restructurings, responsibility for the government's climate change portfolio currently rests with the Ministry of Agriculture, Water, Animal and Fisheries Resources (MAERAH).[8]

At the same time, climate governance responsibilities are shared across several institutions. These include the National Council for Sustainable Development (CNDD) and its Permanent Secretariat, the Directorate General for Green Economy and Climate Change located in the Ministry of Energy, Mines and Quarries (MEMC),[9] MAERAH, the Sustainable Development Commission, and the National Committee on Climate Change (CNACC) (Burkina Faso, 2025; IMF, 2025a). Additional coordination units were established through the updated Nationally Determined Contribution (NDC) 2021, as well as three high-level committees and regional dialogue frameworks listed in the NAP 2024–2026 (IMF, 2025a). Other institutions involved include the REDD+ Permanent Secretariat, the NAP National Technical Steering Committee, the National Conference on Sustainable Development (CONADD), and the National Council for the Environment and Sustainable Development (CONEDD).

Burkina Faso has also established the institutional arrangements required to engage with the UNFCCC climate finance mechanisms. The NDA to the GCF is located within the Prime Minister's office, while the Adaptation Fund Designated Authority sits in the General Directorate of Cooperation in the Ministry of Economy and Finance (MEF).[10] MEF also serves as the political focal point for the GEF, while the Ministry of Agriculture, Water, Animal and Fisheries Resources (MAWAFR) acts as the GEF Operational Focal Point (OP). Previously the Permanent Secretariat of the CNDD performed this role.

The country has also strengthened national institutions to become Direct Access Entities (DAEs) to major climate funds and manage projects directly, supported by readiness programmes. The FIE obtained GCF accreditation in February 2025 after a readiness process of less than 12 months, making Burkina Faso one of the few FCAS with a nationally accredited GCF entity. The government is now pursuing the accreditation of Coris Bank International (CBI) to expand private sector engagement and facilitate domestic climate finance mobilisation.

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8 Ministère de l'Agriculture, de l'Eau, des Ressources Animales et Halieutiques.
9 Ministère de L'Énergie, des Mines et des Carrières.
10 Ministère de l'Économie et des Finances.

Box 3 Burkina Faso's national climate policy framework

Burkina Faso's commitment to address climate change is anchored in a broad set of national policy instruments that collectively articulate long-term climate objectives, sectoral priorities and investment needs. These include:

- **National development policies and strategies:** 2050 Vision for Low-Carbon and Climate-Resilient Development, National Sustainable Development Policy 2013, National Plan for Economic and Social Development (PNDES-II) 2021–2025, and the National Green Economy Strategy 2019.
- **National climate policy documents:** Resilient Development Vision 2050 (LT-LEDS), National Adaptation Programme of Action (NAPA), the National Adaptation Plan (NAP), Nationally Determined Contributions (NDCs/updated NDC 2021, NDC 3.0), National Climate Security Strategy (2025–2029) and Nationally Appropriate Mitigation Action (NAMA).
- **Sectoral strategies:** National Renewable Energy Action Plan 2015–2030, the National Energy Efficiency Action Plan 2015–2030, the 2021–2025 National Strategic Plan for Agro-Pastoral Investment, REDD+ Strategy, National Water Policy, and the Action Plan for Integrated Water Resources.

A Disaster Risk Reduction (DRR) Strategy is currently under preparation.

Source: Burkina Faso (2025), IMF (2025a, 2026)

In parallel, Burkina Faso has established coordination mechanisms to support climate finance mobilisation. In 2022, the MEF and the then Ministry of Environment, Water and Sanitation (MEEA)[11] created the National Consultation Framework on National Focal Agencies for Climate Finance, bringing together government institutions, global funds and development partners to coordinate resource mobilisation efforts (IMF, 2025a). Meetings are held biannually, and potential partners invited when financing opportunities arise. In 2024, a three-year action plan was drafted to optimise resource mobilisation focusing on designing climate finance tools and instruments, monitoring and evaluation, and stakeholder engagement. The action plan is available internally with an intention of broader dissemination in due course. Additionally, the Government of Burkina Faso is collaborating with the World Bank to prepare a national climate finance strategy.

Readiness support accessed by Burkina Faso

Over the last decade, Burkina Faso has benefited from extensive capacity-building support focused on strengthening institutions to mobilise climate finance, enhancing policy frameworks, developing a pipeline of bankable climate projects and

11 Ministère de L'Environnement, de l'Eau et de l'Assainissement.

strengthening access procedures for international climate funds. This has been delivered through a range of providers, including the GCF, the Adaptation Fund, MDBs, and even non-government organisations (NGOs)/civil society organisations (CSOs), such as the Association for Education, Environment and Human Rights (AACJ, 2024) (Table 2). The GCF alone has provided readiness support through nine activities.

Additionally, organisations such as the Global Green Growth Institute (GGGI) have supported broader capacity-building activities such as the execution of NDCs, which indirectly underpin climate finance mobilisation. GGGI supported 121 capacity-building activities between 2018 and 2023 within the wider remit of the PNDES, as well as relevant green growth and climate policies (GGGI, 2025). Although a disaggregation of these activities is not available, capacity-building in the context of green growth and climate policies would enable the government to mobilise climate finance in the long run.

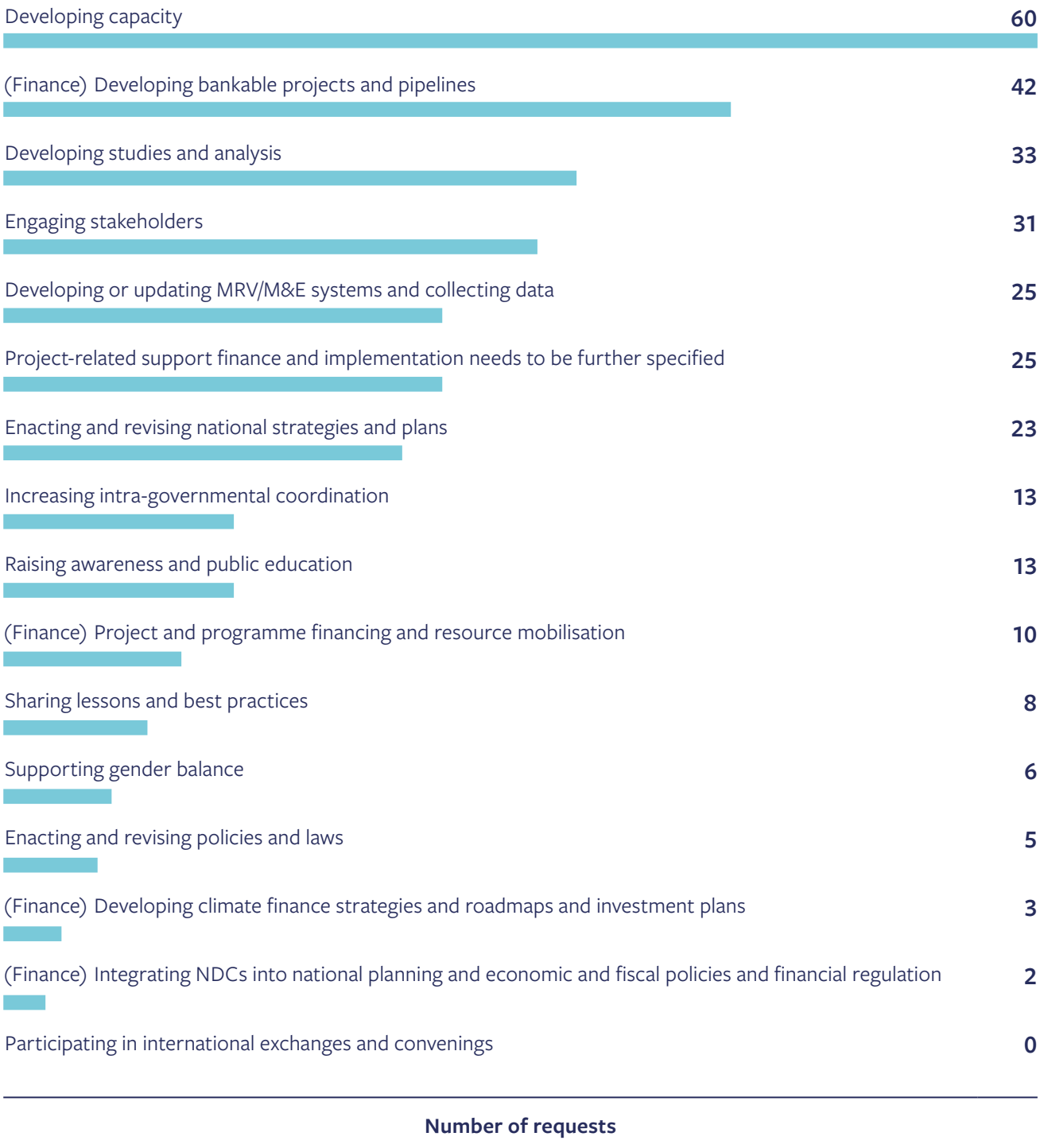
The NDC Partnership supported capacity-building training sessions as part of a regional capacity-building series on adaptation finance for Francophone African countries (NDC Partnership, 2024). The NDC Partnership has also facilitated capacity-building through a range of development partners. A review of requests received by the NDC Partnership from the Government of Burkina Faso as part of the implementation of the NDC indicates that capacity-building featured in 60 out of 161 support requests made by the Government of Burkina Faso and support for developing bankable projects and pipelines featured in 42 out of 161 requests (Figure 3). In total, 34 requests covering capacity-building and 15 requests for developing bankable projects and pipelines were fully supported or partially supported.

The Capacity-Building Initiative for Transparency (CBIT) is supporting the country to strengthen institutional arrangements for climate transparency as well as to track and report progress of the NDC and NAP, including public and private investments, especially in Agriculture, Forestry and Other Land Use (AFOLU) and waste sectors. This will ultimately help mobilise climate finance by increasing investor confidence and reducing risks.

KfW has helped to strengthen capacity in the MEF to conduct green budget tagging (IMF, 2026a). Most recently, the IMF has supported climate finance readiness through an assessment of the integration of climate aspects into PIM practices using the C-PIMA module and provision of recommendations (IMF, 2026a, 2026b; Raoilisoa et al., 2026). The IMF has also approved a new RSF arrangement of about $124.3 million through September 2027 to strengthen external stability and climate resilience (IMF, 2026a).

The UN Capital Development Fund's (UNCDF) Local Climate Adaptive Living Facility (LoCAL) has provided technical support to three local governments, building capacity to integrate adaptation into local planning, budgeting and implementation, and to establish a country-based mechanism for channelling climate finance to local authorities. Capacity-building support took the form of training and institutional strengthening and covered aspects of effective local decision-making processes for risk-informed planning, budgeting and implementation of adaptation options that respond to locally identified needs.

Figure 3 Requests made by Government of Burkina Faso to the NDC Partnership, by activity type, between January 2020 and March 2026



Source: NDC Partnership (2026)

Why has readiness not translated into climate finance mobilisation?

Burkina Faso has made strong progress towards a country-driven climate finance mobilisation effort. The country has taken decisive steps to build a robust project portfolio that targets many of its priority areas and has successfully used readiness to secure GCF accreditation for a national entity. Despite these achievements, the substantive investments made in readiness support have yet to translate into climate finance at the scale envisaged.

The evidence suggests that the principal challenge is not a lack of readiness support, but a mismatch between the conceptual focus of many readiness interventions, and the bottlenecks that most limit climate finance mobilisation in practice.

Socio-political and institutional instability

Burkina Faso's institutional environment has been marked by persistent political and administrative instability. Following the two military takeovers in 2022, ministerial responsibilities have been restructured, consolidated and reassigned. Responsibility for the climate change portfolio has moved across multiple ministries, from the Ministry of the Environment, Green Economy and Climate Change to the Ministry of the Environment, Energy, Water and Sanitation and then to MEEA. In January 2026, MEEA was dissolved and its responsibilities were merged into MAERAH. As a result, the Department for the Environment and its technical departments were also dissolved. This churn has led to loss of institutional memory, forced institutions to build capacity from scratch and weakened project ownership within the government, with many decision-makers lacking a full understanding of climate issues and the shifting political framing of climate priorities.

Overlapping and unclear institutional mandates

There is no central authority with a clear mandate to coordinate climate-aligned investment decisions or mobilisation (IMF, 2025a). Responsibilities for climate policy, project development and resource mobilisation are dispersed across multiple institutions, leading to overlapping responsibilities, weak coordination and inefficiency (IMF, 2025a). The CNDD's Permanent Secretariat acts as the main climate coordinator but relies on informal arrangements and operates within an inefficient administrative system (IMF, 2025a). Challenges include fragmented leadership since CNDD is in the Prime Minister's Office but its Secretariat is in MEMC, and reliance on ad-hoc committees and working groups in place of formalised and permanent channels (IMF, 2025a). This has contributed to high staff turnover and disrupted the transfer of knowledge and continuity of the programme (IMF, 2025a). Key stakeholders like the MEF are not actively involved in climate action, despite their central role in fiscal policy and investment planning.

Lack of resourcing for national institutions

After the two military takeovers in 2022, the government has shifted its attention extensively to security and humanitarian needs, resulting in reduced investment spending and increased military and humanitarian expenditures (US Department of State, 2025). This shift has left domestic institutions underfunded and reliant on external resources for climate-related activities and project development. Many domestic coordination mechanisms lack funding and remain inactive, further straining the system (IMF, 2025a). For example, the CNACC has only met once since it was established in 2024 (IMF, 2025a). Limited domestic financing has also increased reliance on externally financed technical

assistance for climate policy development, project preparation and proposal development (IMF, 2025a), which can translate to lack of political ownership of policies and projects.

Narrow and training-oriented readiness support

Government institutions continue to have limited capacity in identifying, preparing, managing and financing climate projects. The GCF has dominated capacity-building efforts related to climate finance, with the result that capacity to mobilise climate finance has been skewed towards the GCF. Few initiatives have provided capacity-building aimed at navigating the global climate finance architecture. Even in the case of GCF readiness initiatives, capacity-building was skewed towards general training rather than comprehensive, in-depth training on mitigation, adaptation and climate finance (FIE, 2024).

GCF readiness programmes have also yielded mixed results, often failing to build deep institutional knowledge. For instance, successive GCF readiness proposals have shown that NDA Executive Secretariat staff lack sufficient knowledge and skills for their roles. In one case, just one of four technical staff received training on project cycle management, which was insufficient for the NDA to be able to train other stakeholders on GCF standards and processes (IUCN, 2021).

Even the FIE reported deficiencies in its knowledge of GCF procedures and fiduciary standards when requesting GCF readiness support for its accreditation. The FIE also cited specific capacity gaps including technical and institutional capacity to develop and manage climate projects for low-carbon and climate-resilient development. These gaps persisted despite previous GCF readiness activities targeting capacity-building of national actors on project pipeline development and management of climate projects.

An analysis of capacity-building requests under the NDC Partnership shows that much of the support has been directed at the ministry responsible for the climate portfolio, whereas support for developing bankable projects and pipelines was directed almost entirely to the Directorate General for Green Economy and Climate Change within MEMC. Most line ministries lack sufficient capacity to develop climate projects and have limited knowledge of climate finance and mobilisation processes. Few environmental units exist within sectoral ministries or at subnational levels due to capacity issues, despite their critical role in planning and resource management (IMF, 2025a).

Capacity-building measures have not targeted government actors such as the steering and technical advisory committees that supervise climate finance activities. Many of these individuals lack experience in project cycle management, including planning, monitoring, evaluating climate actions and appraising projects, particularly when it comes to screening them for climate investment. Additionally, they do not have the skills and tools necessary to monitor and evaluate the performance of the climate action portfolio, which is a crucial component in developing a robust and relevant track record and future pipeline that benefits the country.

Finally, readiness support has not built the government's ability to mobilise private sector financing for climate-related priorities despite this being high on the government's goals. Readiness has not sufficiently helped institutions understand what it takes to mobilise private investment nor how to reform sectoral policies,

regulations or public-private partnership (PPP) frameworks.

Insufficient focus on delivery-side readiness

National institutions continue to lack adequate absorption and implementation or management capacities. There is limited evidence to suggest that readiness support and capacity-building initiatives have targeted strengthening of implementation capacity. While readiness support has supported the accreditation of the FIE to the GCF, there remains a requirement for enhanced transparency and strengthened fiduciary practices for the FIE and other funds seeking accreditation, in alignment with international best standards (IMF, 2025a). The capacity of the FIE to develop a bankable project pipeline also remains untested as the FIE has yet to submit a single project proposal to the GCF.[12]

Limited readiness support has been directed to subnational actors, leading to a considerable disparity in technical capability and financial preparedness between national and subnational entities. Weak monitoring and evaluation systems further undermine preparedness for managing climate finance. Without strong mechanisms for monitoring, reporting and evaluating, it becomes difficult to assess the effectiveness of climate finance projects and uphold transparency and accountability.

The government aspires to become a delivery partner for projects, which requires institutional reforms, operational and technical capacity, as well as funds to co-finance projects (IMF, 2025a). Yet, current policy deprioritises investments in operational, technical or institutional capacities, leaving institutions without necessary tools or capacity for planning and project development. One example is that partners, including NGOs, allocate at least 85% of funds towards capital expenditure. While intended to promote community-focused local development, this resourcing constrains project management. Without adequate human resources or capacity-building in project management and operations, financing partners worry about sustainability, which could hinder future funding.

Lessons from Burkina Faso to inform readiness design

Design around political realities

Readiness did not account for the shifting government priorities, which left climate institutions under-resourced, forcing reliance on externally financed technical assistance. Readiness support must be tailored to the country's political reality, including institutional incentives, power structures, resource constraints and competing government priorities.

Broaden scope and beneficiaries

Readiness was concentrated within a small set of institutions and heavily oriented towards GCF processes. Readiness support must broaden from individual institutions and climate ministries to a whole-of-government approach and strengthen understanding of the wider climate finance landscape and opportunities for both public and private finance mobilisation.

Connect readiness dimensions

Accreditation and project preparation support alone were insufficient to mobilise finance at scale in the absence of operational, fiduciary

12 Based on stakeholder interviews conducted for this study and confirmed through publicly available data from the GCF as of 30 June 2026.

and project management capacities. Readiness programmes should systematically connect access-focused interventions with investments in implementation capacity.

Prioritise institutional capability over training outputs

Training-heavy and narrowly focused readiness did not translate into sustained institutional capability or robust implementation systems. Readiness programmes should move beyond dispersed, short-term trainings towards building sustained systems, processes and organisational functions.

Table 2 Overview of climate finance-specific capacity-building in Burkina Faso as of March 2026

Programme/activity	Objective
Provider: Association for Education, Environment and Human Rights	
African Activists for Climate Justice (AACJ) Program	Enhance the skills and knowledge of national experts in climate project formulation to mobilise climate finance for adaptation and mitigation projects, reduce greenhouse gas emissions, and strengthen the resilience of human and ecological systems.
Start: 2024	Readiness type (access/delivery): Access
Provider: Adaptation Fund	
Readiness package grant proposal for accreditation support	Provide support for accreditation of the FIE to the Adaptation Fund by developing and updating the FIE's policies manuals (project cycle management guide, monitoring and evaluation guide, grievance management manual, procurement manual, anti-fraud and anti-money laundering policies).
Start: 2024	Readiness type (access/delivery): Access
Provider: AfDB	
Strengthening institutional and technical capacities for the mobilisation of climate finance for the prevention and management of climate risks (RECFIC) project	Enhance the institutional and technical capacities of the beneficiary countries (Burkina Faso, Djibouti, Niger, Central African Republic, Democratic Republic of Congo and Chad) on climate finance. Facilitate increased access to climate finance for these countries to support effective climate risk prevention and management measures, which are crucial for mitigating the effects of climate change and strengthening the resilience of vulnerable communities.
Start: 2024	Readiness type (access/delivery): Access
Provider: GCF	
Building the engagement of Burkina Faso with the GCF. Establishing and strengthening national institutions to engage with the GCF and formulate a country programme	Strengthen the nominated Focal Point (or NDA) of Burkina Faso to enable engagement with the GCF.
Start: 2017	Readiness type (access/delivery): Access
Assessing forest and land use sector opportunities in Burkina Faso to support climate change adaptation and mitigation interventions, particularly under the Great Green Wall (GGW) African initiative	Identify the adaptation and mitigation measures for the GGW and develop a GCF funding proposal.
Start: 2018	Readiness type (access/delivery): Access

Programme/activity	Objective
Provider: GCF	
Support for Accreditation of Direct Access Entities, Pipeline Development and Private Sector Mobilization in Burkina Faso	Provide accreditation support to the FIE. Provide accreditation support to a second entity ideally for on-lending and/or blending fiduciary function, as identified through the readiness proposal. Support for private sector engagement and awareness-raising by the NDA to the GCF to inform private sector about GCF financing opportunities for mitigation and adaptation and to better understand the challenges towards enhanced private capital involvement in climate projects.
Start: 2019	Readiness type (access/delivery): Access
Improving technical and operational capacities of the NDA and its network to provide strategic support to stakeholders of the GCF's activities in Burkina Faso	Improve skills and knowledge on GCF standards, procedures and tools for the staff of the Executive Secretariat of the NDA, and on climate project development to members of the Scientific and Technical Committee that supports the NDA. Support capacity-building on GCF processes for executing entities, regional and municipal councillors, local associations and NGOs. Develop relevant partnership framework for autonomous institutional capacity development to support the strong development and implementation of GCF activities in Burkina Faso.
Start: 2021	Readiness type (access/delivery): Access
Mainstream Adaptation into Subnational Planning, Strengthen Institutional Frameworks, and Develop Financing Strategy and Project Concept Notes for Burkina Faso's NAP Implementation	Support the implementation of Burkina Faso's NAP by mainstreaming adaptation into subnational planning, strengthening institutional frameworks and developing financing strategy and concept notes to be submitted to the GCF.
Start: 2022	Readiness type (access/delivery): Access
Strengthening sectoral expertise and strategic framework to support the implementation of Climate Appropriate Portfolios of Tree Diversity (CAPTD) for productive and resilient landscapes and livelihoods in AFOLU across Burkina Faso (R-CAPTD)	Build sectoral expertise, programme pipeline, know-how and partnerships to implement climate-appropriate portfolios of tree diversity as part of the country's NDC and Land Degradation Neutrality targets by 2030 as well as associated targets of the National Biodiversity Strategy and Action Plan and Sustainable Development Goals 2, 13 and 15.
Start: 2023	Readiness type (access/delivery): Access

Programme/activity	Objective
Provider: GCF	
Strengthening West African Economic and Monetary Union (WAEMU) subnational governments' capacities to access climate finance and develop a pipeline of projects to support their countries' climate goals†	Strengthen the capacities of institutions at the local level of the WAEMU to allow for a better understanding and integration of climate change in local development plans through technical assistance and training workshops. Promote access to climate finance at the local level and make necessary financial resources available to local governments in WAEMU countries to access, execute and manage climate funding at the local level. Strengthen local coordination by establishing a partnership framework that functions as a long-term sustainable coordination mechanism.
Start: 2023	Readiness type (access/delivery): Access
Strengthening ECOWAS institutional capacities and Member States' access to climate finance to support the implementation of the agriculture sectoral priorities of the Economic Community of West African States (ECOWAS) Regional Climate Strategy	Facilitate the implementation of ECOWAS's Regional Climate Strategy which helps Member States accelerate access to climate finance in support of low-emission development and a climate-resilient agricultural sector.
Start: 2023	Readiness type (access/delivery): Access
Building national capacity to improve access to climate finance	Strengthen the capacity of Direct Access applicants and accredited entities to the GCF, in particular the FIE, to meet and maintain the GCF's accreditation standards and to develop a pipeline of projects and effectively implement GCF-funded activities.
Start: 2024	Readiness type (access/delivery): Access
Provider: IMF	
Resilience and Sustainability Facility (RSF) arrangement	Strengthen fiscal resilience to shocks, integrate climate considerations into PFM, enhance the performance of state-owned enterprises in climate-sensitive sectors, and catalyse green financing.
Start: 2026	Readiness type (access/delivery): delivery
Provider: UNCDF's LoCAL	
Supporting local governments to build resilience to climate change through performance-based climate resilience grants and technical and capacity-building support	Strengthen the capacity of local authorities in Burkina Faso to access climate finance for the realisation of investments for adaptation to climate change. Establish a standard and internationally recognised country-based performance-based transfer mechanism to channel climate finance (national and international) to local authorities.
Start: 2021	Readiness type (access/delivery): Access

Note: This list is not exhaustive. † This readiness support did not directly target the local governments of the WAEMU region. It was targeted to benefit WAEMU countries' NDAs to the GCF, ministries of local governments/decentralisation, and the Local Associations of Mayors.

4.2 Chad

Institutional overview

Chad has built a climate governance architecture that combines political-level coordination, technical climate institutions and domestic financing mechanisms for climate-related projects. At the political level, the Office of the Prime Minister provides overall coordination on climate issues. Operational responsibility for climate policy and climate finance mobilisation lies with the Ministry of Environment (MoE), within the Ministry of Environment, Fisheries and Sustainable Development (MoEFSD). Within MoE, the Directorate of Climate Change (DLCCC) leads the development and implementation of climate strategies, action plans and programmes, supported by specialised directorates for mitigation and adaptation.

The DLCCC also provides the governance architecture for implementation, including climate finance coordination. It houses the Climate Finance Resource Mobilisation Department mandated to mobilise national and international financial resources for climate-relevant actions, strengthen the capacities of national actors to mobilise climate finance, and ensure synergy between NDAs, focal points to UNFCCC climate finance mechanisms, accredited entities and other stakeholders. In parallel, the Directorate of Resource Mobilisation in the Ministry of Economy, Development Planning and International Cooperation is responsible for mobilising partnerships for development programmes, including climate-relevant projects, and for contract management. All international agencies are required to inform this ministry of their projects and obtain its endorsement for funding.

Chad has established several institutional mechanisms to coordinate climate action and engagement with international climate finance providers. These include:

- the National Commission on Climate Change (CNCC)
- the National Technical Committee on Climate Change (COTNACC)
- the Permanent Committee on the Conference of the Parties (COP), which supports Chad's preparation and participation in COP negotiations, including in high-level engagements on resource mobilisation.

Chad has established two domestic financing mechanisms to receive and administer climate finance. The Special Fund for the Environment (FSE) is responsible for implementing environmental and climate change adaptation efforts. The National Water Fund (FNE) is responsible for receiving and administering funds to support water management and access to drinking water countrywide. The FNE serves as a mechanism to mobilise and deliver resources for climate change-relevant projects focused on water-related issues.

The FNE initiated accreditation to the GCF in 2018, successfully completing GCF's financial management capacity assessment with a score of 95%, enabling it to serve as an implementing partner for GCF projects in Chad. The government subsequently aimed for accreditation of both the FSE and the FNE to the GCF and Adaptation Fund and is now pursuing accreditation of the Ministry of Finance, Budget, Economy and International Cooperation to the GCF. The Ministry of Finance has set up a directorate for climate finance within its purview.

Box 4 Chad's national climate policy framework

Chad has developed a comprehensive suite of national climate change policies that provide the strategic foundation for its climate action and engagement with international climate finance providers:

- 2009 National Adaptation Programme of Action (NAPA)
- 2015 First Nationally Determined Contribution (NDC)
- 2017 National Climate Change Strategy
- 2021 Updated NDC
- 2022 National Adaptation Plan (NAP)

These strategies contribute to and build upon 'Vision 2030: the Chad we want', which integrates climate change into macroeconomic and socioeconomic development planning. They are complemented by a financing plan for Chad's NDC, a strategy on gender and climate change, and a National Action Plan for Capacity-Building in Disaster Risk Reduction and Emergency Preparedness and Response.

Source: Desktop research

Readiness support accessed by Chad

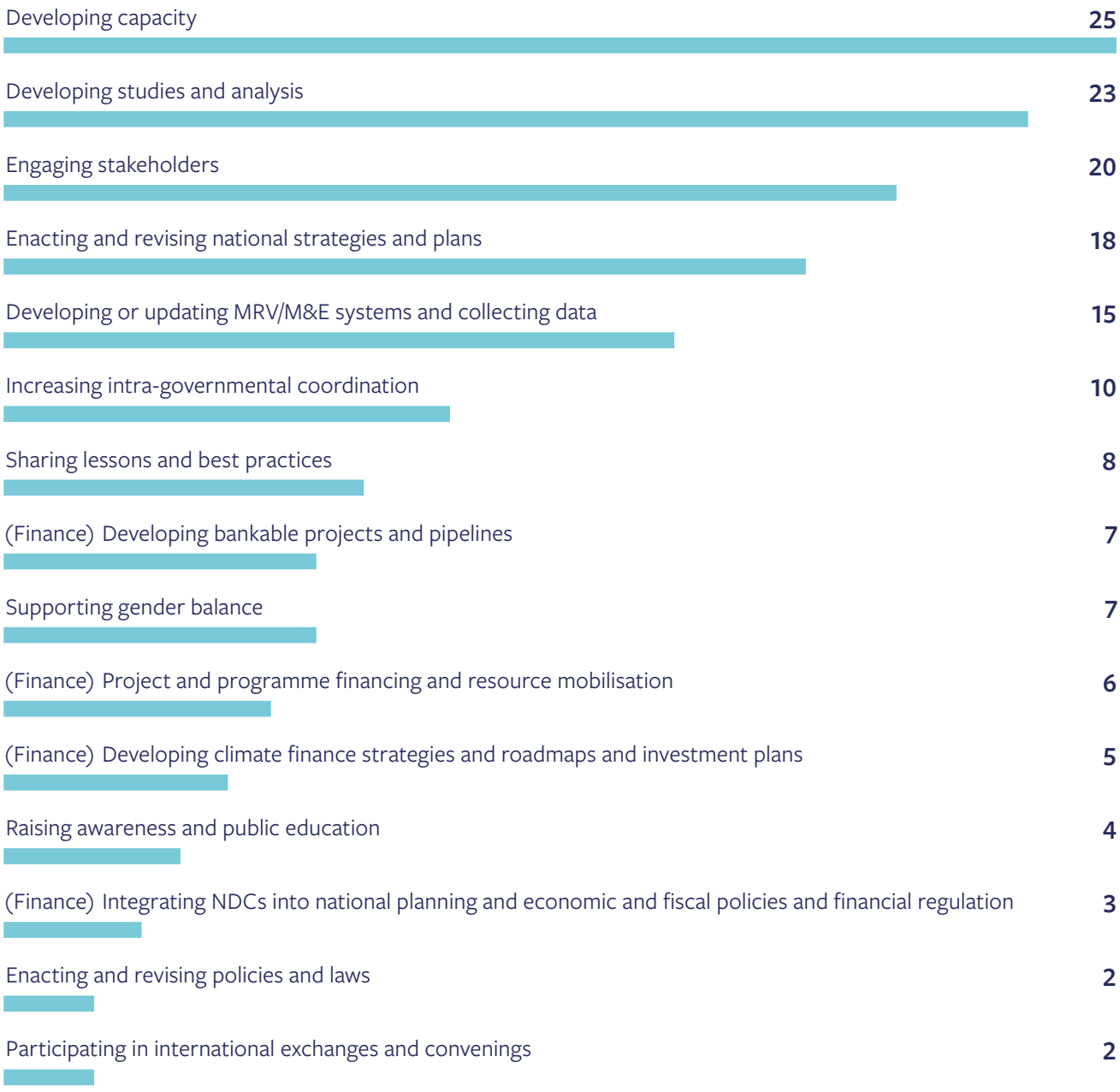
Over the last decade, Chad has received climate finance readiness support aimed at strengthening institutional capacity, developing policy frameworks, accessing climate funds, strengthening PIM, and monitoring and reporting of climate finance.

A review of readiness efforts in Chad (see Table 3) identified 10 readiness activities funded by the GCF, 1 activity funded by the Adaptation Fund, and support by the Global Climate Change Alliance Plus (GCCA+) for the NDA to the GCF.

Chad has also benefited from capacity-building delivered under the programme of the NDC Partnership, ultimately aimed at supporting climate finance mobilisation. This has included participation in peer-to-peer learning workshops and a regional capacity-building series on adaptation finance for Francophone African countries (NDC Partnership, 2024). These sessions strengthened skills in climate investment planning and improved understanding of finance mobilisation strategies.

A review of requests received by the NDC Partnership from the Government of Chad indicates that capacity-building featured in 25 out of a total of 39. These requests focused on capacity-building on gender equality and human rights, climate mainstreaming, finance and investment, NDC revision and the NAP. Of the 25 requests, 10 were fully supported by the NDC Partnership. While not always directly linked to climate finance readiness, the capacity-building linked to the specified areas is expected in the long run to support countries to mobilise climate finance.

Figure 4 Requests made by Government of Chad to the NDC Partnership, by activity type, between January 2020 and March 2026



Source: NDC Partnership (2026)

Several partners have provided capacity-building support that ultimately contributes to Chad's long-term capacity to mobilise climate finance by transforming high-level climate commitments into transparent, investment-grade projects, building donor confidence and reducing risk. These include the Initiative for Climate Action Transparency (ICAT), as well as GCCA+ which provided support towards building capabilities for monitoring and reporting on climate finance. The Food and Agricultural Organization (FAO) has given technical and financial support to state institutions on climate-relevant issues, as well as training on resource mobilisation at the community and national level.

Table 3 Overview of climate finance-specific capacity-building in Chad as of March 2026

Programme/activity	Objective
Provider: Adaptation Fund	
South-South Cooperation Grant	Support for accreditation of a National Implementing Entity (NIE) to the Adaptation Fund.
Start: 2015	Readiness type (access/delivery): Access
Strengthening institutional and technical capacities for the mobilisation of climate finance for the prevention and management of climate risks (RECFIC) Project	Enhance the institutional and technical capacities of the beneficiary countries (Burkina Faso, Djibouti, Niger, Central African Republic, Democratic Republic of Congo and Chad) on climate finance. Facilitate increased access to climate finance for these countries to support effective climate risk prevention and management measures, which are crucial for mitigating the effects of climate change and strengthening the resilience of vulnerable communities.
Start: 2024	Readiness type (access/delivery): Access
Provider: GCCA+	
Adaptation to the effects of climate change and the development of renewable energies	Improve climate change governance through the integration of climate change into a few key sectoral policies and the implementation of field projects in line with the NAPA priorities and priorities. 4 field pilot projects.
Start: 2023	Readiness type (access/delivery): Access
Strengthening governance and climate resilience in Chad	Improve climate governance and access to climate finance. Scale up innovative climate-smart agriculture actions and low-carbon energy production systems.
Start: 2021	Readiness type (access/delivery): Access
Provider: GCF	
NDA Strengthening and Country Programming support for Chad through CSE	Strengthen the capacity of the Focal Point (NDA once nominated) of Chad to effectively discharge the GCF-related roles and responsibilities. Develop a strategic framework for national engagement with the GCF and a GCF country programme.
Start: 2016	Readiness type (access/delivery): Access
Adaptation planning support for Chad through the National Water Fund and increasing the resilience of Chad communities to climate change impacts	Develop an integrated information system, including a database of climate and socioeconomic data to support the integration of adaptation into decision-making processes. Strengthen institutional capacities in key sectors and regions to facilitate the integration and monitoring and evaluation of climate change adaptation into planning and budgeting. Sensitise and train the private sector, women, youth, indigenous peoples and civil society in mainstreaming climate change adaptation into their planning.
Start: 2019	Readiness type (access/delivery): Access

Programme/activity	Objective
Provider: GCF	
Strengthening capacities and partnerships for assessing mitigation and adaptation opportunities and enabling their implementation in the forestry and land use sectors in the context of the GGW	Identify and support training and knowledge-sharing among stakeholders on climate change impacts and potential interventions in the land use and forestry sector. Generate evidence-based data for targeted climate change adaptation and/or mitigation interventions. Identify adaptation and mitigation technologies in the Land Use, Land-Use Change and Forestry (LULUCF) sector to refine priority interventions for the country's GGW strategy and show their relevance in the regional Scaling-up Resilience GGW project. Assess opportunities for collaboration and engagement with the private sector to strengthen their role and support climate finance mobilisation.
Start: 2019	Readiness type (access/delivery): Access
Supporting the creation of 'REDD+ Catalytic Fund' pipeline of projects (multiple countries), the Central African Forest Commission (COMIFAC)	Support the creation of a REDD+ Catalytic Fund, led by the Coalition for Rainforest Nations, with a special focus on Central African countries, enabling public and private investment in forest preservation actions aligned with international environmental and climate agreements.
Start: 2020	Readiness type (access/delivery): Access
Updating and operationalising the Chad Country Programme through increased national capacity and a strong pipeline of projects	Operationalise the Country Programme through increased national capacity and a strong pipeline of projects. Strengthen capacity of key climate stakeholders, particularly the NDA, to lead and coordinate national climate action, with a focus on closing gaps that limit access to international climate finance, especially the GCF. Develop a pipeline of projects targeted to the GCF. Mobilise the national private sector to engage with the GCF and invest in climate mitigation and adaptation.
Start: 2020	Readiness type (access/delivery): Access
Accelerating the financing and implementation of low-carbon and climate – resilient priorities in agriculture and energy for agriculture in African countries	Capacity-strengthening, climate risks assessments and policy alignment to support and coordinate climate action and finance for low-carbon and climate-resilient priorities in agriculture.
Start: 2021	Readiness type (access/delivery): Access

Programme/activity	Objective
Provider: GCF	
Strengthening the institutional capacity of the Economic and Social Development Agency (ADES) to become a GCF Direct Access Accredited Entity and support the implementation of Chad's climate change programmes and strategies	Build the institutional capacity of ADES to become a Direct Access Entity (DAE) of the GCF including updating policies, standards and organisational guidelines/procedures to align with GCF standards. Strengthen the capacity of ADES staff to develop and execute high-quality climate projects that align with the GCF investment criteria. Develop a long-term strategic plan for engaging with the GCF and support the NDA in executing Chad's country programme.
Start: 2022	Readiness type (access/delivery): Access
Chadian private sector support for low carbon and climate-resilient development	Strengthen NDA's private sector engagement capacity to unlock private sector resources for climate action.
Start: 2024	Readiness type (access/delivery): Access
Readiness support for the Africa Union Multi-Country Program to Accelerate Water and Climate Resilience Investments through the Africa Water Investment Programme	All participating countries have improved climate-resilient planning for the water sector by: 1. strengthening institutional capacity for climate finance programming and Direct Access to support water-related activities 2. developing strategic frameworks for climate-resilient water investment management and water investment programmes aligned with the Continental Africa Water Investment Programme (AIP), GCF guidance, investment criteria, and the 2024–2027 GCF strategy 3. advancing project pipelines through concept note development 4. building a continental knowledge platform under the AIP climate-resilient investment facility, with ongoing engagement, co-finance mobilisation and project advancement from concept to full investment.
Start: 2024	Readiness type (access/delivery): Access

Note: This list is not exhaustive.

Why has readiness not translated into climate finance mobilisation?

Over the years, Chad has demonstrated both the ambition and the political will to engage with international climate finance providers. While the mobilisation of climate finance has progressed more gradually than the breadth of capacity-building support might suggest, there are clear signs of momentum. A notable example is Chad's evolving relationship with the GCF: although successive rounds of GCF readiness support did not deliver a single-country project for an extended period, sustained engagement resulted in a high-level GCF mission in January 2026, led by the GCF's Executive Director, with a commitment to mobilise at least $100 million for Chad. This culminated in the approval of Chad's first single-country GCF project in March 2026.

Despite this progress, important gaps remain. For instance, although the FNE succeeded in meeting GCF accreditation standards, this pathway was not pursued; the reasons remain unknown. Several structural factors continue to constrain the translation of the readiness landscape into climate finance flows at pace and scale in Chad.

Institutional instability

The institutional environment for mobilising climate finance has been marked by significant instability and repeated restructuring. At the ministerial level, frequent changes in the structure and mandate of the ministry has responsibility for for the climate change portfolio, driven by shifts in the composition of government, have resulted in the rotation politically of ministers, as well as high staff turnover. This has led to the loss of climate change champions, the erosion of institutional memory, and reduced opportunities to apply skills built through capacity-building (Laville et al., 2024).

Leadership changes within MoE have also caused delays in the implementation of systems developed through capacity-building (Laville et al., 2024). For instance, ICAT provided support to design a national MRV system and NDC tracking framework. But these efforts did not result in an operational national MRV system due to leadership transitions and lengthy multi-ministerial approval processes. Chad subsequently received further assistance from GCCA+ to develop an MRV system, with the process having to restart. Institutional instability in MoE has also meant that coordination mechanisms related to climate action and climate finance mobilisation have not been sufficiently implemented.

Institutional instability has also affected the structures needed to access specific climate finance providers. For example, Chad nominated its GCF focal point in May 2015 and received its first readiness support in 2016. The NDA was formally established in 2018. However, since it operated as a one-person office, the focal point doubled as the NDA, and a change in the focal point in April 2020 disrupted operations and stalled the country programme submitted to the GCF in 2019. Subsequent focal point changes further slowed progress, requiring each new appointee to relearn GCF protocols and rebuild domestic processes. The NDA only gained full operational status in November 2023 (Laville et al., 2024). Upon becoming operational, however, it was not completely familiar with the GCF's accreditation criteria. Frequent changes in the NDA also meant that institutional knowledge of GCF processes had not been transferred to line ministries or other national stakeholders.

These disruptions also stalled the development of project pipelines. For example, GCCA+ had trained the GCF NDA in developing GCF concept notes, leading to the formulation of a multisector,

multi-donor project. But focal point changes meant the concept note was never finalised into a project proposal (Laville et al., 2024).

With the establishment of a climate finance directorate within the Ministry of Finance, it remains unclear where responsibility for climate finance mobilisation will sit or how responsibilities will be divided.

Under-resourced national institutions

Chad's government faces severe resource constraints that limit climate-related institutional investments. Budget limitations mean that critical sectors such as agriculture, health, education and energy absorb the resources that are available, leaving little for climate change mitigation or adaptation (Ministry of the Environment, Fisheries and Sustainable Development, 2024). Institutional mechanisms for climate coordination are underfunded amid other urgent socioeconomic issues, restricting the frequency with which coordination mechanisms are convened, notably the CNCC (Ministry of the Environment, Fisheries and Sustainable Development, 2024).

Limited and irregular funding of institutional structures has in the past left focal points to the climate funds unpaid, hindered technical staff recruitment and continuity within key institutions, and undermined readiness gains (Laville et al., 2024). Domestic financing mechanisms such as the FSE have suffered from delayed transfers from the Treasury and insufficient funding, limiting their ability to disburse resources (Laville et al., 2024). Up to 2023, the FSE was only able to complete one funding window (Laville et al., 2024).

Short-term focus of readiness support

Although readiness activities had increased awareness and trained individuals, institutions were not necessarily stronger when individual programmes ended. This is because activities attempted capacity-building through short-term workshops and visiting expertise rather than sustained institutional support.

Government agencies in Chad often lack sufficient staff, tools and resources to design and track effective projects (Ministry of the Environment, Fisheries and Sustainable Development, 2024). The absence of sustained institutional support in an environment of institutional instability has meant that institutions have not been able to build sufficient capacity to sustain a pipeline of projects that directly translate NDC and NAP priorities into bankable programmes (ACTED, 2026).

Narrowly focused readiness programmes

A key gap is that competencies to access climate finance beyond the GCF remain underdeveloped. Climate finance capacity-building has overwhelmingly focused on GCF-specific processes and compliance, resulting in a limited broad-based understanding of the wider global climate finance architecture and how to leverage it effectively. Existing coordination mechanisms do not appear to facilitate cross-ministerial coordination to mobilise climate finance from non-GCF sources. Training also often takes the form of short-term workshops.

Moreover, readiness has often focused on specific institutions rather than adopting a comprehensive, cross-sectoral approach. For example, a GCF-supported readiness activity commissioned a private sector landscape analysis to support the NDA's strategy for mobilising climate-relevant investments. However, the

GEF focal point, Adaptation Fund NDA and relevant ministries had limited involvement in this effort, despite the need for these actors to strengthen their own engagement and investment mobilisation capacities (Laville et al., 2024).

Line ministries and ministries of finance and planning have frequently been excluded from readiness activities, leaving staff with insufficient knowledge of climate finance requirements and limited ability to develop fundable projects or programmes. This has also constrained the DLCCC's ability to draw on national actors to fill capacity gaps related to climate finance mobilisation.

Insufficient focus on delivery-side readiness

Readiness activities have overwhelmingly focused on building capacities to access climate finance. There is limited evidence to suggest that readiness support and capacity-building initiatives have targeted the strengthening of implementation capacity.

National institutions continue to lack adequate absorption and implementation or management capacities. Readiness support has also not been directed to subnational actors, leading to a considerable disparity in technical capability and financial preparedness between national and subnational entities.

Lessons from Chad to inform readiness design

Account for institutional fragility

Readiness did not take root in a context of institutional instability and frequent restructuring that eroded capacity and institutional memory. Readiness programmes must prioritise continuity and sequencing by moving beyond individual training to invest in systems and processes that can withstand staff turnover. Longer-term, flexible approaches such as embedded advisory support with built-in flexibility to respond to institutional changes could help sustain momentum through institutional change.

Assess for resource sustainability

Chronic under-resourcing of climate institutions and coordination mechanisms left the domestic system unable to absorb and sustain readiness support. Readiness programmes should include explicit assessments of resourcing sustainability and, where necessary, support to develop domestic financing arrangements for institutional upkeep.

Broaden scope and beneficiaries

Readiness was concentrated within a small set of institutions and did not take a whole-of-government approach. Readiness also did not expand to the wider global climate finance architecture, limiting the capacity to tap into a wider range of financing options. Readiness programmes should build general climate finance literacy and cultivate competencies to access a broader set of climate finance sources while creating a deeper pool of capacity to enable the development of fundable, investment-grade projects that reflect national priorities.

Align access-focused readiness with PFM and domestic financing mechanisms

Readiness did not support national institutions to build absorption and implementation capacities. Readiness programmes should link access-focused readiness to budget processes, climate-relevant public investment planning, and improving the functioning and resourcing of domestic climate-related funds, so they can act as effective channels for climate finance.

Redefine success

Readiness outcomes were measured through outputs such as workshops that did not translate into sustained institutional capability. Readiness programmes should measure success through functioning systems, accredited institutions, credible pipelines and approved investments.

4.3 Somalia

Institutional overview

Somalia has gradually established a climate governance architecture to lead national climate responses and coordinate climate finance. The Directorate of Environment and Climate Change (DoECC) in the Office of the Prime Minister was initially responsible for federal climate policy, UNFCCC focal point functions, and serving as NDA to the GCF and Adaptation Fund. In 2022, DoECC was elevated to the Ministry of Environment and Climate Change (MoECC), mandated to provide national leadership on climate change, including NDC implementation, NAP coordination, REDD+ and land degradation neutrality processes, and engagement with multilateral environmental agreements. However, no central body was mandated to coordinate climate finance access and delivery (Global Water Partnership Organisation, 2023).

In 2024, the Federal Government of Somalia addressed this gap through the establishment of the National Climate Fund (NCF) – with a dedicated Executive Director appointed in June 2024 – under the Office of the President with the mandate to strategically plan, access, mobilise, disburse and track climate finance at the national and subnational levels. The NCF assumed the role of NDA to the GCF and Adaptation Fund, while MoECC remains the focal point for the Global Environment Facility (GEF).

The Ministry of Finance is involved in developing the NCF. It is also stepping in to take a lead in the overall climate finance architecture by overseeing climate finance coordination, fiscal oversight and alignment of climate investments with national budgets and PFM systems.

Box 5 Somalia's national climate policy framework

Somalia has developed a suite of national climate-related policies and strategies that frame its climate action and investment priorities:

- National Climate Change Policy 2020 (NCCP, endorsed in 2023)
- Nationally Determined Contributions (NCDs) (latest submitted November 2025)
- National Adaptation Plan (NAP) 2026–2030
- National Disaster Risk Management Policy 2020
- Somalia Preparedness Plan for Food and Nutrition Security Crises 2024

Source: Desktop research

High-level coordination is provided by the National Climate Change Committee (NCCC), a multi-stakeholder platform established in 2020 to oversee implementation of the National Climate Change Policy. This brings together federal and member state governments, private sector and civil society. Complementing this, the Cross-Sectoral Committee on Climate Change (CSCC) convenes government officials working on climate issues to facilitate information exchange, consultation and policy alignment, and to coordinate sectoral and cross-sectoral planning and implementation.

Readiness support accessed by Somalia

Since the establishment of MoECC, Somalia has accessed readiness support for its objectives to mobilise climate finance (Table 4). Additionally, Somalia is benefiting from support from different international agencies wherein the planned activities are aimed at improving the country's ability to prepare concept notes through technical structuring of projects, improved climate rationale, ESS integration, and financial modelling to ensure pipeline projects become eligible for PPF support.

Why has readiness not translated into climate finance mobilisation?

Institutional flux

Somalia's climate finance architecture has evolved rapidly, but domestic players gradually weakened and restructured coordination arrangements to reflect their preferences better. The resulting institutional restructuring has caused instability and delays. The elevation of DoECC to MoECC and the later establishment of the NCF as NDA to the GCF altered roles and responsibilities and weakened previously established coordination arrangements. These changes delayed implementation of GCF projects and the commencement of readiness support, with the turnover of personnel following the realignment between MoECC and the NCF dispersing institutional memory as well as the outputs and results of earlier capacity-building.

Institutional uncertainty continues to prevail despite the establishment of the NCF. It remains unclear whether the NCF will function as a financing vehicle, and if so what the source of funds would be, or primarily as a facilitator, although the two roles are not mutually exclusive

(World Bank, 2026). It is also unclear how the NCF's role and responsibilities will relate to MoECC and the Ministry of Finance (World Bank, 2026). Amidst this continued lack of clarity on roles and responsibilities, the government has yet to take decisions on the institution that would lead engagements with the Fund for Responding to Loss and Damage (FRLD).

Although the NCF has formally assumed the responsibilities of NDA to the GCF and the Adaptation Fund, its ability to fulfil this mandate is constrained by its limited technical, operational and human resource capacity. Screening, prioritisation and endorsement procedures for climate investments are only partially defined and not yet fully formalised, so project decisions are made on an ad-hoc basis rather than through a consistent, transparent framework.

Overlapping mandates among ministries pose challenges to integrating climate finance priorities into broader development planning (AU and AIP, 2025). Weak inter-ministerial collaboration and disjointed governance structures undermine the effectiveness of existing coordination mechanisms and further impede cohesive climate action and undermine the ability to mobilise climate finance (AU and AIP, 2025). The country continues to lack a clear institutional framework capable of binding together multiple stakeholders from different sectors, scales and geographic areas of governance. Coordination remains largely project-driven instead of institutionalised, and structured engagement with Federal Member States, private sector actors, CSOs, women-led organisations, youth groups and vulnerable communities is weak and irregular. This inhibits both ownership and implementation of activities.

Other ministries with functions that have a bearing on climate resilience face similar challenges, to varying degrees, with overlapping mandates and resource constraints impeding the integration of climate priorities into broader development planning (AU and AIP, 2025). These constraints are compounded by the structure of Somalia's public finances. Bilateral and multilateral donors fund approximately two-thirds of the national budget, and state institutions depend on external support even for salary payments. Domestic revenue generation remains low and the limited resources it yields are directed towards immediate priorities such as short-term political cycles and internal conflict and counterterrorism. This leaves little fiscal or political space for protection against risks that materialise over longer horizons, such as climate risks. In this context, government ministries, particularly the Ministry of Finance and MoECC, are likely to to regard climate finance as an additional revenue stream, which fuels inter-ministerial competition.

Risks of duplicate coordination mechanisms also abound. The NAP 2026–2030, for instance, proposes a Climate Finance Coordination Framework in the form of a National Climate Finance Taskforce under MoECC, to oversee financing activities, align efforts and manage stakeholder engagement. Meanwhile, Somalia still lacks an institutionally formalised climate finance coordination mechanism spanning the GCF, MDBs, vertical funds and bilateral partners. This prevents readiness activities from coalescing into a coherent, country-owned climate finance strategy and portfolio.

Engagement from line ministries is uneven. The Ministry of Agriculture and Irrigation, Ministry of Livestock, Forest and Range, and Ministry of Planning, Investment and Economic Development

are all key to implementing climate-resilient strategies, yet their positions are characterised as neutral or opposed to these strategies, complicating alignment with national climate goals (AU and AIP, 2025). Institutional priorities are also noticeably misaligned with climate finance objectives in the Ministry of Finance and Ministry of Energy and Water Resources (AU and AIP, 2025). Combined with fragmented governance structures, this leaves the NDA with limited traction to coordinate across those ministries whose mandates matter most.

Under-resourced national institutions

National institutions operate under severe budgetary and staffing constraints. In 2024, MoECC had a budgetary allocation of only $1.46 million and only 23 permanent employees (World Bank, 2026). Permanent staff constituted 18% of the more than 127 employees working at the ministry: 68% were temporary and the remaining 14% were externally financed (World Bank, 2026). In 2025, only 15% of staff in the new NDA, i.e. the NCF, had formal training in climate finance (AU and AIP, 2025).

Somalia's fiscal base is extremely weak. Donors fund approximately two-thirds of the national budget, and state institutions depend on external support for salary payments. Revenue generation is often focused on personal and political survival rather than addressing climate and conflict-related challenges. Moreover, resource allocations are driven by humanitarian needs. In this context, climate finance is frequently regarded as an additional revenue stream, creating inter-ministerial competition rather than coordinated mobilisation. This competition is particularly stark when projects involve concessional finance rather than grants and require interventions from the Ministry of Finance. Insufficient resources also mean that feasibility studies and pre-investment analyses are not systematically financed, thereby constraining the development of investment-grade projects.

Somali institutions face acute capacity gaps. Staff retention and motivation pose challenges, given the scarcity of permanent positions and variable adherence to meritocratic principles (World Bank, 2026). Staff are also aware of the acute differential between their salaries and those of consultants deployed to support the government under capacity-building programmes. Trained professionals often leave after a few years, requiring continuous rebuilding of technical capacity and eroding institutional memory (World Bank, 2026).

Narrow scope of readiness

Although the landscape of readiness is growing, the overwhelming focus on accessing the GCF is constraining the capacity build-up necessary to mobilise climate finance flows. Much of the national discussion around climate finance is focused on mobilising and managing additional resources from UNFCCC climate finance mechanisms (World Bank, 2026).

Policy priorities are yet to be translated into costed investment pipelines. Financing needs assessments are incomplete and mapping of available sources beyond the GCF is limited. Even in the context of GCF projects, technical capacity to implement GCF-funded programmes remains constrained. Stakeholders also raised concerns that readiness funding often leaves the national system due to an overreliance on external consultants. This also results in reports that are insufficiently tailored to the country context.

Readiness support has not adequately strengthened institutional capacities for climate investment planning and project development,

nor has it built the fiduciary, safeguards and compliance systems needed to meet international accreditation and funding requirements. Capacities to address gender equality and social inclusion considerations into project pipeline screening remain particularly weak.

Finally, readiness programmes are limited in scope. Focused on access, they do not, for example, cover capacity-building for the financial sector to integrate climate risk into lending and insurance; the development of green taxonomies, climate disclosure standards and de-risking instruments; and the integration of climate risks into planning, budgeting and PFM systems.

Lessons from Somalia to inform readiness design

Manage for institutional instability

Institutional restructuring and staff turnover delayed implementation and disrupted previous capacity-building gains. Readiness programmes should build in adaptive management provisions, invest in institutional memory systems, and cultivate capacity across multiple actors.

Sequence support strategically

Readiness is less effective when the foundation for mobilising climate finance remains weak, i.e. costed investment pipelines are not prepared, financing needs assessments remain incomplete, and available funding sources are poorly mapped. Programmes should build foundational capacity before or alongside project preparation, use modular rather than time-bound support, and consider longer-term advisory assistance.

Link readiness to sustainable financing pathways

Under-resourcing of institutions has perpetuated heavy dependence on donor funding. The current ecosystem of incentives undermines governance and institutional working. Readiness programmes should support the creation of predictable, long-term funding streams for institutions.

Table 4 Overview of climate finance-specific capacity-building in Somalia as of March 2026

Programme/activity	Objective
Provider: UNDP	
UNDP Climate Promise and NAP support	NDC enhancement (NDC 3.0) NAP development Climate policy alignment
Start: 2020	Readiness type (access/delivery): Access
Provider: UK- and UN-Supported Gender and Climate Planning Initiatives	
UK- and UN-supported gender and climate planning initiatives	Gender-inclusive climate planning Conflict-sensitive adaptation integration Capacity-strengthening
Start: 2021	Readiness type (access/delivery): Access
Provider: GCF	
Somalia GCF Readiness and Preparatory Support Programme (Phase I)	Strengthen NDA institutional capacity Develop Country Programme Establish an Inter-Ministerial Technical Committee Develop NDA operational manual and procedures Initiate climate project pipeline
Start: 2022	Readiness type (access/delivery): Access
African Union Multi-Country GCF Readiness Programme (water and climate resilience)	Strengthen climate investment planning Enhance water-related resilience capacity Regional knowledge exchange and technical support
Start: 2023	Readiness type (access/delivery): Access
Provider: Global Shield Secretariat/G7 partners	
Global Shield Against Climate Risks – Somalia engagement	Climate and disaster risk financing awareness Fiscal resilience strengthening Risk financing instruments exploration
Start: 2024	Readiness type (access/delivery): Access
Provider: African Development Fund	
African Development Fund Climate Resilience Grant	Climate-resilient livelihoods Water infrastructure Climate-smart agriculture Disaster preparedness
Start: 2025	Readiness type (access/delivery): Access

Source: Somalia National Climate Fund

4.4 Lessons from other FCAS

South Sudan

Ranking amongst countries most vulnerable and least ready to adapt to climate change,[13] South Sudan is highly vulnerable to climate change, due to its geographic diversity and landlocked location. Its exposure to climate hazards is compounded by the lack of socioeconomic development, poor service provision and widespread dependence on climate-sensitive sectors (agriculture, livestock and forestry, political instability, institutional fragility and long-running conflict) (World Bank, 2022a). The country's history has been marked by escalations into high-intensity conflict and contestation, with the risk that the country is currently facing another such escalation.

In recent years, there has been increasing attention on climate action in the country. The Ministry of Environment and Forestry (MoEF) is designated as the lead agency responsible for addressing climate change over the medium and long term; serves as the primary coordinator of climate action across government; the primary implementing line ministry; NDA to the GCF; and the UNFCCC focal point.

Although existing flows of climate finance are largely oriented towards shorter-term emergency response and assistance, i.e. responding to the impacts of climate change, conflict and fragility, new possibilities have emerged in 2024 and 2025 for mobilising climate finance for addressing long-term risks and building resilience and/or adaptive capacity. These possibilities also centre around improving the country's readiness and capacity to absorb finance, and an increased level of concrete engagement with funders.

On capacity-building, South Sudan is part of a cohort of countries affected by conflict and high levels of humanitarian needs. The country receives support through the UNFCCC's Needs-Based Finance Project for countries affected by conflict and severe humanitarian needs (NBF FINCOAHN).[14] This will generate a suite of analytic and strategic documents for use by the government to identify 'bankable' climate projects and to match them to potential funders.

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13 Due to its short history and lack of historic data, South Sudan is not included in the ND-GAIN (composite) Index on climate vulnerability and readiness. Yet it is consistently ranked as among the most vulnerable to climate change according to metrics used by the World Bank, the United Nations Office for Disaster Risk Reduction (UNDRR), and Verisk Maplecroft Climate Change Vulnerability Index. South Sudan's data is factored into the ND-GAIN Index through Sudan's rating until the 2016 ranking: in that year, Sudan was ranked 176th out of 181 countries in terms of vulnerability and readiness to adapt (ND-GAIN, 2016).

14 In response to mandates provided by the Conference of the Parties (COP) to the UNFCCC Secretariat, the Needs-Based Climate Finance (NBF) project facilitates collaboration with partners to support the access and mobilisation of climate finance. It is mandated to cooperate with the operating entities of the financial mechanism under the Paris Agreement, UN agencies, and other partners. Its latest phase – known as NBF FINCOAHN – focuses on least developed countries (LDCs) and Small Island Developing States (SIDS) facing conflict and severe humanitarian needs. NBF FINCOAHN is implemented through a partnership between the UNFCCC, the World Food Programme (WFP), and the Group of Seven Plus (G7+), representing the coordination mechanism for the CRRP (Climate, Relief, Recovery and Peace) agenda (COP28), which includes ODI Global and the Anwar Gargash Diplomatic Academy (AGDA), with financial support from the Korea International Cooperation Agency (KOICA). South Sudan is one of five countries in this cohort, alongside Chad, Papua New Guinea, Timor-Leste and Yemen. See FINCOAHN NBF Inception Meeting – Summary Report | UNFCCC

Capacity-building is also part of several other investments and projects. For example, a high-level visit by the GCF in March 2025 led to South Sudan gaining access to a ~$7m readiness programme to build capacity and develop a bankable project pipeline. The country also received its first single-country GCF project of $50 million at the October 2025 GCF Board – from project conceptualisation to approval in a record eight months. The World Bank's Regional Climate Resilience Programme for Eastern and Southern Africa (2023–2028) committed $74m to South Sudan under its initial phases (subject to an extension). This includes the assignment of a consultant – to be embedded within the government – to support institutional readiness and capacity to implement the remainder of the project.

Mobilisation of climate finance is however constrained by several barriers. First and foremost, the government places peace, conflict and security at the top of its formal policy agenda, making climate a lower priority. It is also focused on addressing urgent humanitarian needs. Consequently, it often misses strategic engagement opportunities with international donors and climate funds. Additionally, it does not lead long-term planning, lacks policies and legal frameworks for accessing and delivering international climate finance, and includes projects in financial bills without clear legal instruments or guidelines outlining how funds will be spent or projects will be implemented. These challenges also make it difficult for both international partners and government officials to make decisions about climate programming and planning.

Second, there are major funding gaps in national budgets. Budgets are allocated in principle but in practice they are backed by insufficient funding. This, and the lack of political prioritisation of climate action, has left MoEF facing budget deficits which have sometimes touched 80% due to absent central funds. In 2025, less than 0.05% of the national budget went to MoEF, placing it amongst the least-funded ministries, departments and agencies in the country (World Bank, 2026). Budget constraints restrict essential fiscal inputs such as staff pay, basic equipment and investment into technologies, and weaken the systems managing environmental, social and fiduciary risks. As a result, government co-financing or contributions for projects – typically provided in kind – rarely materialise, creating challenges to the fulfilment of project commitments. However, given the government's financial situation and the country's economic outlook, in-kind contributions often remain the only viable means of meeting the co-financing requirements that will enable access to additional international funding.

Third, means for implementation remain constrained. Although skilled personnel are available, albeit in insufficient numbers, inadequate governance structures and inconsistent civil service salary payments mean government staff seek positions that offer greater job security and improved working conditions after training. Political instability has caused substantial reductions in government staffing at both state and county levels. Frequent turnover and staffing cuts have hindered the delivery of services and diminished institutional memory, further constraining implementation capacity. This has contributed to slowing down and complicating the delivery of the aforementioned GCF readiness funding. The ability to identify and develop viable projects that can secure funding is still significantly limited, though a few initial programmes have begun in partnership with international climate finance organisations.

Fourth, the national approach to coordinating climate action is highly fragmented, preventing full and optimal utilisation of resources that are available. Mandates for climate action and finance are managed by a small team in MoEF that is not always empowered to fulfil them. Operational and technical capacity to implement climate projects is dispersed among numerous government agencies including those handling agriculture, water, housing, disaster management, as well as the Ministry of Finance which manages international financial relations. The lack of effective internal coordination in government has stalled the country's ongoing GCF readiness support.

Finally, and most important, the current state of government in South Sudan is marked by escalating political instability, deepening divisions within the ruling coalition and a stalled peace process. The government is experiencing a severe internal crisis. Consequently, capacity-building is not delivering optimal results for mobilising climate finance, as persistent institutional and operational constraints limit its effectiveness.

Niger

Niger is one of the poorest countries in the world (BMZ, 2026) with more than more 45.3% of the population living in extreme poverty as of 2024 (World Bank, 2025). At 54 years, life expectancy is low, while child mortality is high (BMZ, 2026). At the same time, Niger ranks amongst the top 10 countries most vulnerable and least ready to adapt to climate change (Bilquin and Pichon, 2023).[15] Over 80% of its population depends on agriculture, with smallholder farmers particularly exposed to climate variability. Over the past two decades, the country has experienced at least nine major droughts and five significant floods, contributing to recurrent food crises and widespread food insecurity. These structural vulnerabilities underscore the critical importance of mobilising climate finance to support adaptation and resilience-building efforts.

Until 2023, climate resilience featured prominently in government priorities although political instability consistently undermined the translation of stated ambitions into concrete action. The military coup of July 2023 marked a significant inflection point. Since then, climate action has become less prominent on the national agenda. The military government is understood to have overridden existing policies, including those underpinning climate action. Spending priorities have shifted decisively toward security and salary obligations especially for military personnel, leaving limited domestic resources available for climate-related investments or project preparation.

Leadership positions within key ministries are often occupied by political appointees with limited incentive to engage substantively on climate issues. Decision-making is also centralised within the security apparatus, with ministers and senior officials understood to be reluctant to act without explicit clearance. In this context, political ownership of the climate agenda is weak, limiting access points for discussions on climate action and finance.

The political crisis in Niger also triggered the country's suspension from the AU, as well as economic sanctions, leading to a reduction in financial support from traditional donors and restricted access to regional markets under the West African Economic and Monetary Union

15 See https://gain.nd.edu/our-work/country-index/rankings/

(WAEMU). Although relations with WAEMU have since normalised, this interim disruption has had lasting effects on Niger's financing landscape.

Institutionally, Niger has a well-established governance architecture for climate finance with several institutional coordination mechanisms in place. Committees have been created to coordinate mobilisation of climate finance, but it is unclear whether they function and/or are effective. The National Council for Environment and Sustainable Development (CNEDD) within the Prime Minister's office is mandated to play a central coordinating role and is also the focal point for the UNFCCC climate funds. For a long time, the Head of CNEDD fulfilled the NDA role and its responsibilities in an individual capacity.

CNEDD has convened only once since its inception and is widely perceived as difficult to access, unresponsive and disengaged from cross-ministerial processes. Tensions between CNEDD and other ministries, particularly the Ministry of Environment, coupled with deliberate gatekeeping by CNEDD of climate project proposals and access to international partners that support access to climate finance, further constrain collaboration and undermine climate finance mobilisation.

Niger has received substantial readiness support from the GCF, including six country-specific and two multi-country initiatives. There is limited evidence on the extent to which these efforts have translated into sustained institutional capability or resource mobilisation. A key issue is the absence of post-readiness implementation strategies. This is because climate finance is considered a revenue stream for those institutions who have the mandate for climate action. As a result, capacity-building activities remain disconnected from practical application and follow-through.

The prominence of GCF readiness has also meant that efforts to mobilise climate finance are narrowly focused towards the GCF. Although Niger had an entity accredited to the Adaptation Fund and is seeking reaccreditation, there is no internal plan to systematically access this fund, nor the GEF and other sources. Even with the GCF, government engagement has been inconsistent and insufficient since the military government's takeover, as evidenced by non-participation in key GCF dialogues, despite available support.

Readiness has not contributed to a diversified financing strategy that enables access to a broader range of funding sources. This gap has resulted in missed opportunities, even where external financing is available. For instance, due to the absence of a credible project pipeline, Niger has been unable to take advantage of initiatives from institutions such as the Africa Finance Corporation and AfDB.

Where capacity-building support has been used to develop a project pipeline, this has not been discussed with funders. For example, CNEDD and the Agricultural Bank of Niger have developed nine concept notes in line with the GCF application format with support from the French consultancy firm 'Energie 2050'. Although these concept notes were developed in 2020, they have yet to be submitted to the GCF.

Underlying these challenges are system capacity constraints, including limited human capital, high staff turnover and weak institutional systems. National entities, which are potential candidates for (re) accreditation to international climate funds, have faced significant operational shortcomings. This includes inadequate fiduciary

standards, lack of audit reports, weak financial tracking systems, and the absence of monitoring and evaluation frameworks. As a result, international partners are reluctant to assume the associated fiduciary risks. Several agencies, including FAO and the International Fund for Agricultural Development (IFAD), have reported difficulties in collaborating with these institutions, and some partnerships have been suspended due to the internal governance issues in these national entities.

Yemen

Yemen ranks among the world's top 15 worst affected countries across three compounding dimensions: climate vulnerability, adaptive capacity and human development.[16] Decades of maladaptive governance has resulted in severe pressures on the natural resources and ecosystems underpinning the country's livelihoods and economic development. By most normative standards, water scarcity and food-related governance are beyond crisis point, with 21 million households below the humanitarian threshold of 15 litres of water per day and over 18 million people food-insecure (OCHA, 2026). Anthropogenic climate change is further exacerbating these existing fragilities. More than 2.3 million people have been affected by flooding since 2020 (EM-DAT, 2025).

The ongoing conflict and the ensuing humanitarian crisis in Yemen have resulted in climate change being deprioritised from the political agenda, in favour of more immediate survival concerns. In the next 1–2 years, the Internationally Recognised Government (IRG) in the South is focused on stabilising the exchange rate, increasing revenue generation, providing essential services, enhancing security and improving governance. Nevertheless, the conflict has produced a self-reinforcing dynamic in which control over natural resources and economic infrastructure functions simultaneously as a strategic objective and a mechanism for sustaining armed factions. Dominance over water, land, energy and supply chains – and the revenues they generate – is now deeply embedded in the political settlements of the main conflict parties (ODI Global, 2025). Thus, achievement of the government's goals are embedded in interlinked climate security aspects that cannot be ignored.

The policy framework for climate change in the IRG has significant gaps. Due to the political situation, the country does not have a long-term development strategy incorporating climate priorities that set a trajectory for mitigation and adaptation investments. Older climate-specific policies, such as the Intended Nationally Determined Contributions (INDC) and the National Adaptation Programme of Action (NAPA) – do exist but date to before the conflict, and some sectoral policies incorporate climate elements. The ongoing development of the NDC, NAP and LT-LEDS, supported by GCF Readiness funding, is providing a cross-government planning space that otherwise would not exist for climate change. Overall, all key governance functions for climate change in Yemen remain under development (World Bank, 2024).

The Ministry of Water and Environment (MOWE) has formal responsibility for climate policy, though it operates under structural constraints, to drive a coordinated, whole-of-government response to climate change. First, the legal framework inherited by the IRG predates the conflict in Yemen: it was built around

16 As measured by ND-GAIN Index and the Human Development Index (HDI) (UNDP, 2025).

water, environmental protection and disaster management rather than specifically climate and does not reflect the country's current North–South/East territorial fragmentation. Second, the war-induced economic collapse and the IRG's hasty relocation to Aden has stripped MOWE of the budgetary and human resources needed to carry out its ministerial functions. Third, the institutional machinery for coordination has effectively stalled: the cross-ministerial Climate Change Coordination Mechanism, established in 2009 under the National Climate Change Committee (NCCC), has been suspended by the prolonged conflict. Recently, MOWE has begun reactivating the NCCC by updating its operational manual.

Against this backdrop, the Climate Change Unit (CCU) – established within MOWE in 2024 – has nonetheless carried out important reforms with continued GCF and GEF support (around $3 billion from the GCF and $3 billion from the GEF respectively between 2021 and 2025), demonstrating that results can be achieved even in highly challenging circumstances.

Policy-wise, Yemen's climate framework is undergoing revision: the Technology Needs Assessment (2023) and its Action Plan (2024), alongside the GCF Country Programme (2024) and its Action Plan (2025), have updated earlier priorities and identified fundable interventions, Meanwhile, the forthcoming NDC and NAP will cost needs more comprehensively across mitigation, adaptation and means of implementation.

On finance, CCU has worked to establish a more structured process for intermediated access to the vertical climate funds. This is to keep the projects that have been proposed by implementing agencies aligned with national and local priorities – since they frequently compete for the same funding and pursue divergent interests – and to anchor delivery in partnership with government and domestic institutions, strengthening local capacity in the process. This is conceived as an interim step before building the capacity for Direct Access within a national institution.

These efforts have resulted in an initial mobilisation of climate finance, with the Adaptation Fund's approval of a $10 million project to increase climate change resilience to water scarcity and flooding in the Tuban Delta in 2025. They are also providing a foundation upon which to build broader climate strategies and greater climate coordination. The CCU has moreover submitted project proposals to the GEF, GCF and FRLD in 2026 and is furthermore working on developing a project pipeline for future submissions to vertical climate funds.

MOWE's emphasis on developing systems to mobilise climate fund resources, particularly from the GCF, has been pragmatic, reflecting the financial realities the ministry currently faces. Understandably, this focus has meant that its other strategic functions – designing, monitoring and enforcing environmental standards and regulations – have received less attention.

There is also scope to connect this finance mobilisation more closely with the broader economic governance reforms aimed at mobilising domestic resources and attracting international climate investment from international financial institutions (IFIs) and the private sector. Such reforms include strengthening PFM; improving the quality of economic data for effective policy-making; increasing government revenues through better tax administration and efforts to curb illicit

markets; stabilising the exchange rate; controlling inflation; and expanding banking coverage. Bringing these two tracks into closer alignment creates a valuable opportunity to place climate readiness on a broader and more durable footing.

Lessons to inform readiness design

The experiences of South Sudan, Niger and Yemen point to a common pattern: readiness builds plans, capacities and pipelines, but these rest on institutional and political foundations that are too unstable, under-resourced or fragmented to convert readiness into executed climate investment. Climate is secondary politically to peace, security and immediate humanitarian needs, leaving strategic engagement with climate finance providers intermittent, reactive and often missed altogether.

Implementation capacity and institutional continuity are also weak. Project pipelines prepared under readiness are not discussed with funders or advanced to full proposals, and MRV and tracking systems designed under technical assistance stall when leadership changes or political crises intervene. Chronic underfunding of climate institutions and fragmented coordination compounds this. These experiences suggest several lessons for readiness design in FCAS:

Anchor in political realities

Explicitly account for the primacy of security and humanitarian priorities and aim to integrate climate into peace, security and fiscal agendas, rather than treating climate finance as a standalone technical stream.

Design for institutional depth not breadth

Invest in systems and not just trained individuals so that knowledge survives personnel changes.

Assess resourcing sustainability before building new functions

Evaluate whether institutions can sustain new roles and responsibilities, and support domestic resourcing arrangements for institutional upkeep where necessary.

Broaden the stakeholder base

Build climate finance literacy systematically, not as an adjunct to compliance with fund-specific processes.

Prioritise implementation and absorption capacity

Support the development of pathways from readiness outputs to financed projects.

Connect readiness to the broader financing landscape

Build capabilities for diversified finance strategies and embed climate finance access within wider economic and PFM reform agendas.

Deliberately strengthen coordination

Strengthen coordination across climate, finance, planning and sectoral ministries, and reach subnational levels, so that pipelines are jointly owned, politically viable and implementable rather than remaining isolated, technocratic outputs.

5 Findings

The three country case studies (Burkina Faso, Chad and Somalia), together with evidence from other FCAS (South Sudan, Niger and Yemen), suggest that countries have benefited from an extensive array of readiness interventions. However, progress in converting readiness support into actual climate finance flows has been limited, slow and uneven. Critically, readiness investments have not translated into a pipeline of bankable projects capable of meeting investor requirements.

These are not isolated country-specific shortcomings. Across FCAS, readiness has been necessary but insufficient for mobilising meaningful climate finance flows. A review of the main readiness instruments, country experiences, and the systemic barriers to converting readiness into climate finance points to seven main reasons that limit the effectiveness of current approaches.

Finding 1: Readiness is narrowly framed around fund access and provider-specific procedures

Readiness has become closely tied to a small set of UNFCCC climate funds, particularly the GCF, rather than the broader capabilities needed to navigate the full climate finance system. Experience from all countries confirms that readiness is largely helping governments engage climate funds procedurally through NDAs, country programmes, accreditation support, concept note development and fund-specific training.

This reflects the institutional mandates of UNFCCC climate funds and the fact that support for other dimensions of readiness, such as climate-responsive PFM and PIM, remains within the mandates of MDBs and IFIs, but it has had unintended consequences. The fund-centric and procedural focus builds narrow provider-specific competencies, rather than the ability to identify, independently access and strategically combine alternative sources of finance or reposition unsuccessful proposals to other financiers. Even technical assistance requests for climate-related investments are typically framed narrowly around preparing projects for the UNFCCC climate funds. Overall, this reduces the scope for aligning climate finance with countries' broader climate and development priorities.

Countries' prioritisation of attracting access-focused readiness also comes at the expense of engaging less with delivery-focused readiness, which concerns the institutional capacity to implement and manage funded projects. Burkina Faso's experience is illustrative here: while accreditation of a national entity to the GCF has progressed, implementation capacity, fiduciary strength, monitoring and evaluation systems and subnational readiness remain weak, creating uncertainty over whether national entities can manage a real project pipeline. Even the FIE still needs stronger transparency and fiduciary practices and has yet to submit a project proposal to the GCF.

Similar challenges are visible elsewhere. In Niger, national entities that are candidates for accreditation to international climate funds face significant operational shortcomings that have discouraged international partners from collaborating or led to suspensions of existing partnerships.

Where delivery-focused support exists, it consists largely of diagnostics with limited follow-through. In theory, the IMF's RSF links diagnosis to resourced reform but its reach in FCAS has been narrow to date as it requires countries to have an existing upper credit tranche (UCT)-quality programme.[17] Meanwhile, climate-sensitive macro-fiscal and PIM support typically runs on a separate funding track that engages finance ministries but excludes or only partially involves environment ministries and national entities seeking accreditation to climate funds and therefore needing to meet fiduciary and PIM standards.

The result is a fragmented approach that improves procedural preparedness more than strategic climate finance capability. Missed opportunities in enhancing complementarity across different readiness programmes limits their cumulative impact and reduces the likelihood that readiness investments translate into climate finance mobilisation at speed and scale. At the same time, multiple disconnected readiness initiatives impose transaction costs on governments as a whole (Table 5). Parallel assessments, reporting requirements and consultations can create significant administrative burdens, absorbing scarce staff time and managerial attention in already capacity-constrained environments.

Finding 2: Readiness emphasises process outputs over intermediate outcomes

Readiness has largely been a procedural, technical exercise with the tendency to prioritise how systems are structured on paper over how well they perform in practice and/or whether they are politically and administratively durable in FCAS contexts. On the access-focused side, readiness interventions lead to technical fixes that ultimately unlock relatively small volumes of funding. As seen in Chad, the first single-country GCF project was only approved in March 2026, after 10 GCF readiness activities over a period of a decade. Burkina Faso's FIE used readiness support to get accredited to the GCF but has not submitted a single proposal following accreditation, and so has not unlocked any funding from the GCF since it was accredited.

Even PIM diagnostic tools such as the C-PIMA are procedural in nature and tend to focus on alignment with 'best practice' rather than what is functionally achievable in a given context, and it is unclear whether support has gone beyond mimicking good practice. This misses the opportunity to shape reform measures through other technical assistance such as the IMF's RSF.

The result is outputs, not outcomes: plans, analytical documents and concept notes without clear pathways to implementation or finance mobilisation. In some cases, readiness has become an end in itself without a clear strategy on how it will translate into tangible mobilisation and deployment of resources. For example, in Niger, nine GCF-format concept notes developed with external support in 2020 remain unsubmitted. There is limited evidence of post-readiness implementation strategies, further disconnecting capacity-building from practical application and follow-through. In Somalia, concerns have been raised that readiness funding tends to leave the national system due to an overreliance on external consultancy arrangements.

17 Having an upper credit tranche (UCT) programme typically reflects recent macroeconomic imbalances affecting the balance of payments. Arrangements under a UCT usually entail policy adjustments such as fiscal consolidation and monetary tightening.

The bias towards outputs also shows up in cross-cutting areas. Some readiness providers have produced gender mainstreaming and conflict sensitivity tools but these have not consistently translated into institutional practices. Line ministries, which are typically responsible for project design, often receive only one-off training with little follow-up support so these competencies are weakly embedded in project design.

Training- and workshop-centric approaches delivered by short-term external experts tend to produce superficial capability gains that neither survive personnel changes nor translate into durable institutional capabilities. In Chad, although readiness activities increased awareness and trained individuals, institutions were not necessarily stronger when individual programmes ended. In Burkina Faso, successive GCF readiness programmes have shown that NDA staff continue to lack sufficient knowledge and skills for their roles, even after multiple rounds of training. In one instance, only one of four technical staff received training on project cycle management.

Finding 3: Readiness assumes institutional capabilities that FCAS may not have

Readiness programmes are generally designed around assumptions of institutional stability and continuity, predictable coordination and absorptive capacity (Box 6). As outlined in Box 7, these assumptions often do not apply in FCAS where the operating environment is fluid. Frequent restructuring, leadership changes and disjointed governance structures erase readiness gains. Some of the design assumptions taken to be a starting point for programming are at best the intermediate outcomes that programmes should aim towards – but currently they do not (Finding 2).

Box 6 Common design assumptions across readiness activities

The readiness instruments reviewed in this report share a set of implicit design assumptions, including the following:

- Institutional continuity, with mandates and structures remaining stable over time
- Capacity absorption and retention, enabling skills and systems to be embedded and sustained
- Adequate baseline resourcing, including operational funding and staffing for core government functions
- Effective inter-ministerial coordination, particularly across finance, planning and sectoral ministries
- A permissive operating environment, with sufficient security, access and administrative functionality to implement programmes
- Political prioritisation of climate, reflected in sustained government commitment and ownership

Source: Compiled by authors

In Burkina Faso, the climate portfolio has migrated across at least four ministerial configurations since 2022. Each restructuring has dissolved technical departments, forcing institutions to rebuild capacity from scratch and severing continuity with previous readiness investments. In Chad, repeated turnover in relevant ministries and the NDA disrupted systems, stalled the country programme, forced new officials to relearn GCF procedures, and prevented concept notes from progressing into proposals. The country nominated its GCF focal point in May 2015 and received its first readiness support in 2016. But the NDA only gained full operational status seven years later in November 2023.

In Somalia, the elevation of DoECC to MoECC, followed by the creation of the NCF within the Ministry of Finance, all within a few years, has repeatedly altered roles, responsibilities and coordination arrangements, delaying implementation and dispersing the outputs of earlier capacity-building. Meanwhile, in South Sudan, institutions receiving readiness are not empowered politically and therefore cannot translate capacity gains into tangible actions to mobilise climate finance.

Capacity constraints in fragile and conflict-affected states have been documented in the IMF's own analysis of the impact of the RSF on mobilising climate finance, namely that climate finance coordination units were not established in any of these countries (Diallo et al., 2026).

In response to these challenges, some institutions have introduced more flexible modalities, including multi-year programmatic approaches or embedded technical assistance and in-country support. But most readiness initiatives do not systematically differentiate between stable countries and FCAS nor incorporate political economy and institutional analysis into programme design (Table 5). Readiness is often treated as an apolitical and technical exercise, overlooking governance constraints or incentives that ultimately determine effectiveness and sustainability.

Box 7 Operating environment in FCAS

FCAS present a distinct operating environment compared with other low- and middle-income countries, shaping both access to and the effective use of climate finance. These contexts are characterised by overlapping institutional, fiscal and security constraints that increase complexity and limit the applicability of standard readiness approaches. Institutional capacity is often fragmented and unstable. Core functions, such as planning, coordination and PFM, are weakened by unclear mandates, high staff turnover, elite capture and limited operational resources. On the supply side, providers of readiness support may also overestimate institutional capacity and legitimacy, resulting in misaligned interventions.

FCAS typically face binding budgetary constraints, driven by weak domestic revenue mobilisation and elevated public debt, which compress fiscal space for climate-related investment and constrain the capacity to absorb and sustain external financing. These challenges are exacerbated by weaknesses in PFM and fiduciary systems which increase both perceived and actual risks related to financial oversight and institutional credibility, thereby limiting the ability to meet the access requirements of multilateral climate funds. A high proportion of 'off-budget' external financing further weakens government planning and coordination. In high-intensity conflict settings, much development and climate finance bypasses national budgets, reducing opportunities for reform and integration into financial planning. This leads to weak government ownership and accountability, as authorities are often not fully involved in managing investments.

Decision-making frequently operates on short-term, reactive cycles influenced by humanitarian needs and conflict dynamics, which constrains the transition towards longer-term, resilience-oriented planning required for effective engagement with climate finance providers. Security concerns and ongoing conflict disrupt government operations and deter skilled professionals, undermining continuity and institutional memory. Limited expertise in climate finance and project management affects both government and local partners. Fragility hampers the development of effective policies, laws and plans, and hinders data collection and analysis. Weak or non-existent monitoring and evaluation systems in many FCAS make it difficult to track progress or adjust programmes as needed.

Source: Authors based on ICRC and ODI (2024), Gulati (2025)

Table 5 Challenges in readiness programmes' design suitability for FCAS

Readiness instrument	FCAS-specific considerations
GCF Readiness and Preparatory Support Programme	Accreditation is burdensome for fragile, under-resourced institutions and political instability can disrupt NDAs. Reliance on international delivery partners can build project-level capacity without strengthening national institutions. The GCF Placement Scheme embeds experts within national agencies in LDCs and SIDS, but its long-term effectiveness in FCAS is yet to be seen. The shift from annual cycles to four-year programmatic cycles matches the pace of institutional development in fragile states.
Adaptation Fund Readiness Programme for Climate Finance	Emphasis on Direct Access is well-suited to building national ownership but the limited pool of institutions in FCAS capable of achieving accreditation narrows the programme's reach. Reliance on intermediaries for the Readiness Package Grant means that support depends on the availability and willingness of existing accredited entities.
GEF capacity-building support	Support tends to be small-scale and fragmented. Recent guidance addresses conflict sensitivity but focuses on informing decisions about the use of GEF resources rather than on sustaining country level impact.[18]
Climate Investment Funds (CIF) capacity-building support	Readiness support is largely project-linked as it is delivered to unlock a specific MDB-financed investment programme. Institutional gains are tied to the project's lifecycle and may not persist once projects close.[19]

18 The GEF has issued guidance on fragile and conflict-sensitive programming, including considerations for enhancing local and institutional capacity to understand fragility and conflict risks and to improve adaptive capacity as part of project design (GEF, 2024; GEF IEO, 2024). However, an independent evaluation of the Country Engagement Strategy (CES) found its design did not offer guidance on the timing and sequencing of activities, or on tailoring advice to country-specific needs and institutional capacities – as a result, CES activities focused on informing decisions about the use of GEF resources rather than their impact at the country level (GEF IEO, 2026).

19 The CIF's own Independent Evaluation of the Pilot Program for Climate Resilience (PPCR) found that fewer than a quarter of project completion reports showed evidence addressing the four drivers of sustainability (resources, partnership, capacity, ownership) jointly, and that capacity gains were frequently eroded by high government staff turnover (ICF, 2025).

Readiness instrument	FCAS-specific considerations
NDC Partnership	Low barriers to entry (no accreditation requirements) and a demand-driven model give it the potential to surface FCAS-specific needs but effectiveness depends on the willingness and capacity of members to provide support. Model relies on a functioning government focal point to articulate requests, a position that is vulnerable to institutional turnover. Option of placement of embedded advisors within governments is meant to address the issue of staff turnover and create buy-in and NDC ownership across government in fragile contexts.[20]
IMF C-PIMA	Evaluates a country's PIM system against international good practice but scores institutional design rather than effectiveness.[21] Reform roadmaps may be hard to implement in fragile contexts. In theory, can help countries unlock climate finance from finance providers that require detailed PFM/PIM accreditation.
World Bank PEFA Climate Module	Assessment requires a functioning baseline PFM system for meaningful results and there is limited diagnostic value in countries where core PFM indicators score poorly. Benchmarks PFM climate-responsiveness but does not generate a reform roadmap or action plan.
IMF Climate Policy Diagnostic (CPD)	One-off diagnostic with no built-in follow-up or implementation support component. Recommendations feed into RSF reform measures where an RSF exists. In the absence of an RSF, follow-up depends on other IMF capacity development activities or the country's own reform agenda.
World Bank Country Climate and Development Reports (CCDRs)	Analytical depth varies by country depending on data availability and country team capacity. As a World Bank-owned document rather than government-owned assessment, political ownership of recommendations can be limited.
IMF Resilience and Sustainability Trust (RST)/Resilience and Sustainability Facility (RSF)	Includes FCAS-specific provisions such as flexibility in reform sequencing and tailored conditionality,[22] but eligibility requires a concurrent UCT programme. Application in FCAS remains so far limited, and evidence from the existing cases highlights persistent capacity constraints.

Note: See Appendix 2 for details on the readiness instruments.
Source: Compiled by authors

20 See NDC Partnership (2026).
21 A formal scoring system for effectiveness of institutional design is planned for the future (IMF, 2025b).
22 The IMF's Updated Operational Guidance Note on the RSF emphasised the importance of sequencing and phasing of reform measures, and tailored conditionality that accounts for capacity constraints in fragile and conflict-affected countries (IMF, 2025c).

Finding 4: Chronic under-resourcing of institutions prevents readiness investments from taking root

Climate institutions in FCAS are severely under-resourced in both budget and human capital. This is an operating condition not a marginal problem and it fundamentally limits the extent to which readiness investments can take root. Under-resourced institutions cannot sustain the systems, processes and pipelines that readiness is meant to build. In these situations, readiness programmes and climate finance are treated as a revenue stream and there is a lack of follow-through once readiness support ends. Yet readiness programmes routinely build institutional functions without assessing whether recipient governments have the resources to sustain these functions in the long run.

In South Sudan, MoEF has faced budget deficits of up to 80%, receiving less than 0.05% of the national budget in 2025 and making it one of the least-funded ministries in the country. In Yemen, the war-induced economic collapse stripped MOWE of the resources needed to carry out even basic ministerial functions. In Burundi, staff within the NDA to the GCF operate in a volunteer-like capacity, with limited training or institutional support for skills development, and without adequate infrastructure.

Fiscal weaknesses in FCAS also have direct operational consequences. In Chad, the FSE suffered from delayed transfers from the Treasury and insufficient funding, completing only one funding window up to 2023. In Niger, the fiscal space for climate action contracted following the military coup of July 2023, which shifted spending priorities decisively toward security and salary obligations.

Staff retention poses acute challenges. In Somalia, trained professionals routinely leave after a few years due to the scarcity of permanent positions, variable adherence to meritocratic principles, and the acute differential between government salaries and consultancy rates. In South Sudan, inadequate governance structures and inconsistent civil service salary payments lead trained government staff to seek positions with greater job security, following capacity-building, eroding the returns on investment in readiness.

Finding 5: Readiness lacks a basis for choosing which capacities to prioritise in fragile settings

Fragility and conflict exist on a constantly evolving spectrum (Box 8). Depending on the context and how it varies over time within the same country, the climate agenda can be politically subordinate to peace, security and other immediate needs. This has consequences for the conditions under which readiness takes place and determines post-readiness implementation even where institutional capacity is built to mobilise climate finance.

Governments miss strategic engagement windows with climate finance providers, ministries deprioritise climate project development, and climate coordination mechanisms are convened infrequently or not at all. Yet, most readiness activities do not engage with this political economy challenge or adapt as circumstances change.

Box 8 Challenges of building climate resilience in FCAS

The term FCAS or fragile and conflict-affected situations covers a broad array of situations, from institutional fragility and protracted conflict to contested territories and high-intensity violence. In contexts of high institutional fragility, financial and capacity constraints hinder the consistent implementation of resilience-building plans, environmental protection policies, and climate adaptation strategies. Protracted conflicts further weaken institutions and divert government attention toward restoring security, limiting focus on long-term development and data collection needed for effective planning and modelling.

Access to finance is constrained by weak institutions, limited absorption capacity, restrictive measures, and unfavourable financing modalities. In high-intensity conflicts, responses centre on emergency needs. Finally, in contested territories where both state and non-state-controlled areas exist the absence of government services, restricted access, volatile security conditions, and tight funding constraints often exclude non-state-controlled territories from interventions beyond emergency relief.

Importantly, these contexts often coexist within a single country, with some regions experiencing peace and stability while others endure ongoing conflict or shifting control between government and armed groups. Critically, these conditions fluctuate and periods of calm may give way to violence and vice versa. What is feasible during institutional fragility is very different to from what can be achieved amid intense conflict.

Source: ICRC and ODI (2024)

In Burkina Faso, high-intensity conflict and territorial contestation have pushed climate change lower down the government's priorities and shifted spending towards military expenditures. As a result, there is continued reliance on external resources for climate-related actions and project development even though national institutions have strengthened their capacity through readiness activities to access climate finance. In Niger, the 2023 military coup displaced climate priorities within the national agenda and concentrated decision-making in the security apparatus. Ministers are reluctant to act without explicit clearance.

In South Sudan, recurring escalations into high-intensity conflict divert government attention towards immediate security concerns, causing missed engagement opportunities with climate finance providers. In Yemen, readiness has helped refresh policy frameworks and secure an Adaptation Fund project, but conflict and institutional fragmentation constrain broader translation of readiness gains into climate finance. In Somalia, political contestation complicates institutional coordination even when institutional capacity is established.

Finding 6: Readiness tends to neglect whole-of-government capabilities and focus on specific pockets of capacity

Readiness efforts have consistently failed to build capacity across the full range of institutions that need to be engaged for climate finance to be mobilised. Access-focused readiness programmes tend to concentrate on environment ministries and NDAs, given their formal role in interfacing with these mechanisms. Meanwhile under-engaging ministries of finance and planning, sectoral agencies, subnational institutions and other actors need to move from policy ambition to financed implementation. Finance ministries are particularly important for climate action because they shape how climate finance, debt and public investment decisions are assessed and managed. Their influence over IFIs and MDBs also helps align International Development Association (IDA) and MDB resources with national development and climate resilience goals.

In Burkina Faso, capacity-building under the NDC Partnership was directed almost entirely at the ministry responsible for the climate portfolio and the Directorate General for Green Economy and Climate Change. In Chad, a GCF-supported private sector landscape analysis engaged the NDA but did not involve the GEF focal point, the Adaptation Fund NDA, or relevant ministries.

Environment ministries and NDAs often lack the authority, resources and political leverage to convene the other key ministries (such as finance, transport, energy and agriculture) critical for climate action. This reinforces existing silos rather than enabling integrated climate finance planning and execution. Where other institutional actors are involved, it is typically through one-off workshops which are insufficient to build lasting capacity across institutions. Knowledge cascading from ministries of environment and NDAs across government on the climate finance ecosystem is itself constrained by budget, staffing, weak inter-institutional coordination and high staff turnover.

This narrow institutional focus creates pockets of expertise without building the cross-government capability required to identify priorities, prepare project pipelines, align budgets and manage implementation. As seen from Somalia's experience, policy priorities have yet to be translated into costed investment pipelines. In both Somalia and Chad, finance ministries are now stepping in to lead climate finance mobilisation but lack the know-how to become national hubs for climate finance coordination and programming.

This also weakens ownership of readiness outputs since institutions responsible for delivery are often not fully involved in their design, leaving outputs vulnerable to leadership change. As seen in Chad, ICAT supported the design of a national MRV system and NDC tracking framework but these did not result in an operational system due to leadership transitions. Chad subsequently had to restart the MRV development process under a different provider.

Finding 7: Climate finance readiness remains disconnected from the wider systems needed to mobilise finance

Readiness has not contributed to diversified financing strategies capable of mobilising a wide range of public and private resources, resulting in missed opportunities even where varied financing sources are available. Niger illustrates this challenge: despite prior Adaptation Fund accreditation and efforts toward reaccreditation, Niger lacks a plan to systematically access the

Adaptation Fund, GEF, or other providers, and has missed opportunities such as with the Africa Finance Corporation due to weak project pipelines and limited engagement. The country has also not used readiness-built capacity to redirect nine GCF-format concept notes to other funders. Similarly, the focus in Somalia on accessing the GCF has constrained the capacity build-up necessary for broader climate finance mobilisation, with incomplete financing needs assessments and limited mapping of sources beyond the GCF.

Attention to building capacity to mobilise private finance, which is a recurring objective in climate policy discourse, has been particularly limited. Where addressed, it is confined to GCF-specific modalities or general awareness-raising and engagement within NDC processes, as seen in several FCAS, with limited emphasis on building sustained capacity to originate and structure investable pipelines. As shown in Burkina Faso, readiness support has not strengthened the government's ability to mobilise private sector financing for climate-related priorities despite this being a stated priority.

The long-term ability of countries to mobilise climate finance depends on more than access to UNFCCC climate funds. Evidence from Somalia suggests that stakeholders consider the integration of climate risks into financial sector lending practices, the development of green taxonomies, climate disclosure standards and de-risking instruments as key to mobilising climate finance from a wide range of sources. It requires stronger macroeconomic conditions and fiscal capacity, deeper domestic financial markets and a better investment climate.

However, as demonstrated in Burkina Faso, Chad and Somalia, readiness activities have focused narrowly on access to public multilateral climate finance and not connected to the broader set of instruments that shape a country's capacity to mobilise climate investment at scale. In fact, these workstreams run parallel with, rather than being integrated into, access-focused climate finance readiness programming (Finding 1).

Evidence from Burkina Faso, Chad and Somalia shows that readiness has also not adequately supported governments to realise the full suite of domestic resource mobilisation measures, although some diagnostics such as the World Bank PEFA Climate module and CCDRs consider the revenue implications of climate policies such as carbon taxes or environmental levies. As a result, readiness activities are often weakly connected to the broader set of policy, fiscal and institutional reforms that shape a country's capacity to mobilise climate finance at scale and from diverse sources.

6 Adapting readiness in fragile and conflict-affected situations

Redefining what success looks like

Readiness is often treated as a destination. Countries are judged 'ready' once strategies are written, committees convened and accreditations secured. This confuses the means with the end. The real destination is finance mobilised at scale and converted into investment, and effective readiness support is one possible step towards it. Readiness is also not a one-off investment nor a single project. In FCAS, institutions are reorganised, staff move away and mandates change, so readiness is better understood as a continuous process where the direction is towards building the capacities to manage such transitions.

Viewed this way, successful readiness would be reflected in three inter-related capacities:

- **The capacity to create spaces for discussion and prioritisation**: the ability to convene across government, finance providers and project developers so as to define problems and agree investment priorities for strategic and intermediate outcomes collectively and incrementally.
- **The capacity to establish and sustain relationships**: the ability to build and manage productive relationships across government, development partners, private investors and climate finance providers without continuous reliance on external intermediaries.
- **The capacity to adapt and iterate**: the ability to respond to political change, institutional restructuring and external shocks while preserving memory, maintaining momentum and adjusting approaches as circumstances evolve.

What does it take to get there?

The findings suggest several considerations for the design and delivery of viable readiness support in FCAS. While context-specific adaptation will remain essential, these principles provide a framework for reorienting readiness towards more durable climate finance mobilisation.

Principle 1: Anchor readiness in political reality

Readiness programmes in FCAS operate in environments where security and humanitarian response dominate government attention. Climate finance is rarely a political priority. Treating capacity-building as a technical exercise detached from political incentives and power structures produces outputs and institutions that exist on paper but cannot function in practice. Readiness should be designed to reflect this reality.

For countries

- Align climate finance objectives with wider national priorities, including fiscal management, reconstruction, development planning and resilience-building efforts.

For providers

- Establish political economy and institutional context analysis as a core design component for all readiness interventions in FCAS.

- Identify the institutions with legal authority, budgetary influence and political convening power to drive climate finance decisions and ensure that readiness support is anchored within those institutions.
- Identify the political entry points for climate finance engagement, particularly where climate intersects with fiscal priorities, security agendas or reconstruction planning, and anchor readiness within those agendas rather than treating climate finance as a standalone technical stream.
- Assess the sustainability of resourcing before creating new functions, including whether recipients of readiness support have the staffing, resources and authority needed to maintain those functions over time.

Principle 2: Bridge the access-delivery divide through coordinated whole-of-government engagement

The readiness support landscape is fragmented. Access-focused support from climate funds is primarily directed towards environment ministries and NDAs, while delivery-focused diagnostics and reform support from the IMF and World Bank target finance and planning ministries. These tracks operate in parallel, placing additional coordination burdens on already capacity-constrained governments.

Readiness support programmes are also typically small, targeted instruments. They cannot substitute for broader reforms to PFM and public administration. Their effectiveness therefore depends in part on how well they connect to wider institutional and reform processes. The objective should be to move from fragmented interventions towards an integrated, country-led readiness system that brings together the actors responsible for climate policy, public finance, investment planning and implementation. Stronger collaboration between the IMF, multilateral and regional development banks, bilateral DFIs and climate funds can increase sustainability and the long-term impact of readiness efforts.

For countries

- Establish or strengthen a permanent, whole-of-government coordination mechanism for climate finance, ideally tied to a recurring decision process, such as budget preparation or public investment appraisal, so that it convenes because decisions depend on it rather than because it has been scheduled.
- Introduce shared systems for pipeline management, information-sharing and tracking progress across readiness initiatives.

For providers

- Treat coordination between parallel access-focused and delivery-focused readiness support providers as a minimum design requirement for interventions in FCAS and conduct joint or coordinated assessments of readiness needs and institutional capacity wherever possible.
- Use existing country-level platforms and processes to align support, including the NDC implementation process and national climate finance strategies.

Principle 3: Take a systems approach to strengthen institutions

Readiness in FCAS should be approached as a long-term process of institutional development rather than a series of isolated capacity-building interventions. In reality, it is undermined by the assumption that knowledge invested in individuals will be retained by institutions. The objective should be to reduce institutions' dependence on any single individual. Readiness support should

therefore focus on building systems, processes and organisational functions that can survive changes in personnel and political leadership.

This also implies that readiness support must be resourced for depth rather than breadth: the current models spread resources widely across many outputs (training workshops, reports, consultants) in part because dispersed activity is easier to control and account for. If the objective however is continuity, the resourcing implication is to focus on fewer functions, funded deeper and longer. This includes embedded advisers on multi-year terms, permanent government positions and operating budgets.

For countries

- Assess the long-term resource requirements of climate finance functions to be able to develop sustainable financing. arrangements to maintain them over time and reduce attrition.
- Legally formalise key climate finance functions and pipeline management systems through formal administrative arrangements that increase investor confidence in predictability and continuity.

For providers

- Shift from short-term project-based readiness interventions to programmatic commitments with multi-year horizons.
- Sequence support around institutional maturity, addressing foundational organisational capabilities before more advanced project preparation requirements.
- Shift capacity-building to a 'learning-by-doing' adaptive model that can respond to institutional change without losing momentum.
- Expand the use of embedded long-term technical advisors to support learning and continuity.
- Evaluate whether institutions can sustain new roles and responsibilities, and support domestic resourcing arrangements for institutional upkeep where necessary.

Principle 4: Reorient readiness towards core competencies that transfer across financing sources

Access to finance from specific providers is only one step in a much longer chain from climate planning to investment delivery, and capabilities built around one provider's requirements rarely transfer to the next. Readiness should therefore be reoriented towards building core competencies that hold across financiers and are reinforced as new sources of finance become available. These include assessing financing needs, identifying investor-appropriate pathways, matching projects to suitable instruments, repositioning projects when one financing avenue closes, and strategically combining resources from multiple public and private sources.

For countries

- Develop and maintain a national pipeline of 5–10 bankable projects aligned with NDC/NAP priorities, supported by pre-feasibility studies and concept notes which can be flexibly redirected to different funders.

For providers

- Build foundational climate finance literacy by supporting countries to develop a working understanding of the global climate finance architecture, including the roles of different providers, the different financing instruments available and what conditions are needed to attract these.
- Support countries to develop diversified financing strategies that combine public,

private, domestic and international sources of finance.

- Support the development of credible project pipelines that signal investment-ready opportunities.
- Develop and use cooperative 'learning-by-doing' models where domestic experts or government staff work together with international consultants to ensure that domestic experts can do the job next time with no or less international support.
- Strengthen capabilities related to project prioritisation, investment planning, financial structuring and identification of investor-appropriate financing pathways.

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Appendix1 Interviews and engagements conducted in support of the study

African Development Bank Transition States Facility

Directorate of Climate Change, Ministry of Environment, Fisheries, and Sustainable Development, Chad

Chad Climate Finance Expo 2.0 (25–27 March 2026, N'Djamena)

Former officers of NDA of Burkina Faso to the GCF

G7+ Secretariat

Green Climate Fund

GIZ Burkina Faso

National Climate Fund, Somalia

NDC Partnership In-Country Facilitators

NDC Partnership Support Unit

Members of Needs-Based Finance Project for countries affected by conflict and severe humanitarian needs (FINCOAHN NBF) (Chad, Papua New Guinea, South Sudan, Timor Leste, Yemen)

Members of the Access to Climate Finance working group, Chad

Members of Improved and Equitable Access to Climate Finance (IEACF) Network (Burundi, Chad, Iraq, Islamic Republic of Mauritania, Papua New Guinea, Sierra Leone, Somalia, South Sudan, Timor-Leste, Yemen)

Office of the NDA of Burkina Faso to the GCF

Ready for Readiness – Closing the pre-readiness gap to unlock climate finance in fragile and conflict-affected countries roundtable held In Bonn on 16 June 2026

Special Fund for the Environment, Chad

The World Bank

UNCDF Burkina Faso

UNDP Burkina Faso

UNFCCC Means of Implementation Division

UNFCCC Regional Collaboration Centre West and Central Africa

World Food Programme

Appendix 2 Landscape of climate finance readiness instruments

This Appendix provides descriptions of the main readiness support programmes and diagnostic tools that were reviewed for this study. The selection is illustrative rather than exhaustive.

A2.1 Access focus

Table A1 The Green Climate Fund (GCF) Readiness and Preparatory Support Programme

GCF Readiness and Preparatory Support Programme	
Purpose and scope	Strengthen national institutions, governance and planning to access and manage GCF resources for both mitigation and adaptation
Core components	Capacity-building, strategic frameworks, accreditation support, pipeline development, adaptation planning, expert placements
Users and access	National Designated Authorities (NDAs) and focal points request support; Direct Access Entities (DAEs) and delivery partners implement
Key outputs	Country programmes, NAPs, accredited entities, bankable project pipelines
Funding envelope	Up to $7 million per country over 4 years (country window); up to $1 million per DAE over 4 years (DAE window); additional $320,000 for LDCs/SIDS via the GCF Placement Scheme
Strengths	Dedicated per-country allocation; multi-year programming cycles; embedded expertise model (Placement Scheme); explicit pipeline development focus

What it offers

The Green Climate Fund (GCF) Readiness and Preparatory Support Programme is a dedicated grant facility to help developing countries strengthen institutional capacities, governance mechanisms, and frameworks to access, manage and deploy climate finance resources. The programme is available to all developing country Parties to the UNFCCC and has been operational for nearly 10 years. In response to countries' feedback about the difficulty in accessing funds, the GCF adopted the 2024–2027 Readiness Strategy in October 2023, shifting from annual grant cycles to four-year programming cycles (GCF, 2023). The revised strategy focuses on three priorities: (1) effective climate finance coordination and sequencing for investment planning; (2) paradigm-shifting pipeline development (which receives 60% of the budget); and (3) knowledge-sharing and learning (G20 IHLEG, 2024).

How it works

Readiness support is provided to countries through National Designated Authorities (NDAs) or focal points, which are the only entities that can formally request readiness support. They may channel implementation through delivery partners (e.g., UNDP, FAO, GIZ, regional banks, NGOs) or DAEs once accredited. The programme consists of two financing modalities: a country financing modality ('country window') and a DAE financing modality ('DAE window'). The country window provides countries with access of up to $7 million over four years. The DAE window provides up to $1 million over four years to support accredited and candidate DAEs. For LDCs and SIDS, the GCF Placement Scheme is an optional instrument that covers the cost of placing a local liaison officer within the NDA or a relevant agency to support country programming, origination efforts for mainstream funding, readiness oversight, and monitoring and reporting (GCF, 2025).

Table A2 Adaptation Fund Readiness Programme for Climate Finance

Adaptation Fund Readiness Programme for Climate Finance	
Purpose and scope	Strengthen National Implementing Entities (NIEs)/implementing entities to access and manage finance via Direct Access; build accreditation and project formulation capacity
Core components	Support to accredited implementing entities, partnerships, accreditation support, knowledge management
Users and access	National Designated Authorities (NDAs) and NIEs/implementing agencies request support; intermediaries may channel accreditation grants
Key outputs	Accredited NIEs, project concepts, strengthened safeguards and gender systems, peer-learning
Funding envelope	Small grant facilities: Readiness Package Grant (up to $150,000), Project Formulation Grant (up to $150,000), Technical Assistance grants, Project Scale-up grants (up to $100,000)
Strengths	Entity-focused; promotes Direct Access; flexible grant windows

What it offers

The Adaptation Fund's Readiness Programme for Climate Finance aims to strengthen the capacity of national and regional implementing entities to receive and manage climate finance, particularly through the Fund's Direct Access modality. It has been operational since 2014 and functions through four focal areas: support to accredited implementing entities (including peer-to-peer learning and small grants); cooperation and partnerships with climate finance readiness providers; support to countries seeking accreditation (through small grants, seminars, and guidance materials); and knowledge management (case studies, media outreach, and lessons learned).[23] Four small grant facilities support readiness activities. The Readiness Package Grant (up to $150,000 per NIE) supports accreditation through an intermediary accredited entity. The Project Formulation Grant (up to $150,000 per large single-country project) supports NIEs at the concept development stage with feasibility studies, vulnerability assessments, gender studies and other technical assessments.[24] Technical Assistance grants support implementation of environmental and social policies and gender policies (up to $25,000 per NIE). Project Scale-up grants (up to $100,000 per project) support NIEs in planning and developing scaling-up pathways for successful projects, with the expectation that scaled-up implementation would be funded by various sources including other climate funds and private sector investments.

How it works

The NDA of an eligible developing country identifies an accredited implementing entity that can act as an intermediary to deliver support for accreditation through the Readiness Package Grant. The country and intermediary jointly prepare a proposal based on an assessment of accreditation needs, gap and required solutions (G20 IHLEG, 2024). Other grants are accessed directly by accredited NIEs through the Adaptation Fund's standard processes.

23 www.adaptation-fund.org/readiness/
24 www.adaptation-fund.org/readiness/readiness-grants/project-formulation-grants/

Table A3 Global Environment Facility (GEF) capacity-building support

GEF capacity-building support	
Purpose and scope	Build foundational capacity for reporting, planning and integrating climate into national systems
Core components	Country Engagement Strategy (CES), Capacity-Building Initiative for Transparency (CBIT)
Users and access	National governments (via Operational Focal Points – OPs) access CES support directly from the GEF Secretariat and CBIT support from GEF Implementing Agencies
Key outputs	National reports to UNFCCC, MRV systems, capacity-building outputs, country programming support
Funding envelope	$40.2 million allocated for CES, $75 million for CBIT under GEF-8
Strengths	Long-standing experience; trusted by many governments; transparency focus; South–South knowledge-sharing

What it offers

The Global Environment Facility (GEF) does not operate a single branded 'readiness programme' like the GCF or the Adaptation Fund. Instead it delivers capacity-building through several instruments. Under the GEF-8 replenishment cycle (July 2022–June 2026) the GEF approved a Country Engagement Strategy (CES) which aims to support recipient countries with the capacity, technical guidance and stakeholder coordination needed to increase ownership over their GEF resources. This includes several interconnected components: upstream technical dialogues, national dialogues to convene all relevant national stakeholders to jointly discuss programming, GEF workshops, introduction seminars, constituency meetings, knowledge exchange and learning.[25] GEF also operates the Capacity-Building Initiative for Transparency (CBIT) which strengthens countries' technical capacities to meet the transparency requirements of the Paris Agreement (G20 IHLEG, 2024).

How it works

The CES is managed directly by the GEF Secretariat. An Operational Focal Point (OP), typically a government official responsible for coordinating GEF engagement in-country, may request support such as a national dialogue, technical seminar or workshop, which the Secretariat coordinates and delivers. CBIT, in contrast, is project-based and delivered through GEF Implementing Agencies (e.g. UNDP, UNEP) following the GEF's standard project cycle.

25 www.thegef.org/sites/default/files/documents/2022-11/EN_GEF.C.63.05_Country%20Engagement%20Strategy%20Implementation%20Arrangements-CG_0.pdf

Table A4 Climate Investment Funds (CIF) capacity-building support

Climate Investment Funds (CIF) capacity-building support	
Purpose and scope	Early-stage investment planning and institutional strengthening before major MDB-supported investments
Core components	Project-specific support (PPCR, SREP) and dedicated Technical Assistance Facility (TAF)
Users and access	Governments work with MDBs
Key outputs	Sector-specific feasibility studies and investment plans, policy assessments, TAF technical assistance reports
Funding envelope	TAF funds individual technical assistance grants on a rolling, call-for-proposals basis[26]
Strengths	Strong MDB co-financing and technical backing; country-led investment roadmaps

What it offers

The Climate Investment Funds (CIF) does not operate a standalone readiness programme; its capacity-building activities mainly comprise front-loaded planning and institutional strengthening before investment disbursement delivered through six multilateral development banks. CIF offers grants for project preparation and policy dialogue integrated within supported projects, which can cover a wide range of technical assistance needs determined by the implementing MDB (G20 IHLEG, 2024). Examples of programmes include the Pilot Program for Climate Resilience (PPCR) and the Scaling Up Renewable Energy Program in Low Income Countries (SREP). The former finances the preparation of Strategic Programs for Climate Resilience (SPCRs) which are national-level development plans developed by governments in consultation with MDBs, civil society and the private sector. SPCRs are adaptation investment roadmaps, which strengthen institutional capacity to mainstream climate risks into development planning, and preparation is accompanied by technical assistance to build the skills to design and implement investments. SREP provides early-stage support to develop investment plans for renewables, often the first comprehensive renewable energy strategies in low-income contexts. It includes capacity-building for regulators, utilities and ministries of energy. CIF also maintains the Technical Assistance Facility (TAF) which aims to support countries to create the enabling conditions for market development of clean energy. The scope of activities under TAF includes strengthening regulatory and policy frameworks, building local institutional and human capacities, and designing innovative financing instruments and business models to enhance the investment environment (G20 IHLEG, 2024).

How it works

CIF channels all of its project-specific resources through its six partner MDBs (the World Bank, IFC, AfDB, ADB, EBRD, and IDB), which act as the sole implementing agencies. Support follows a multi-stage process in which the national government works with its MDB partners to design a CIF investment plan aligned with national development and climate strategies, and CIF stakeholders prepare the specific projects identified in the investment plan. In the final stage, funds are disbursed directly by the MDBs. In contrast, TAF support is accessed through periodic calls for proposals, through which MDBs submit applications on behalf of countries.

26 www.cif.org/sites/cif_enc/files/meeting-documents/joint-ctf-scf_tfc.32_info.05_taf_results_report_05132025_0.pdf

Table A5 NDC Partnership

NDC Partnership	
Purpose and scope	Coordination and brokering platform that matches countries' requests for climate action support with technical and financial assistance from its member network
Core components	NDC investment planning and costing, institutional strengthening and mainstreaming of climate into national development strategies, climate finance strategy development
Users and access	Countries engage through a government-nominated focal point
Key outputs	Partnership plans that map country needs and matched support, NDC investment plans and sector-specific costing, NDC roadmaps and implementation strategies, climate finance mobilisation strategies, institutional capacity assessments, knowledge products
Funding envelope	The bulk of resources mobilised comes from members' own programmes and budgets; PAF had a capitalisation of $46.46 million for the 2021–2025 period[27]
Strengths	Country-driven model that starts from nationally articulated needs, countries can access a wide range of expertise through a single-entry point; low barriers to entry

What it offers

The NDC Partnership is a single platform through which developing countries can articulate their climate action technical assistance needs and be matched to providers who have the expertise and resources to respond. It brings together more than 140 countries and more than 120 member institutions. In the new work programme (2026–2030) member partners will prioritise capacity development and coordination as part of all support provided in country (NDC Partnership, 2025b). The specific activities and support that countries receive through the NDC Partnership will vary depending on in-country readiness and capacity and the financial actors countries aim to connect with. However, requests for finance-related support fall into five overall categories: (1) climate finance strategies, investment plans and roadmaps; (2) integration of NDCs into core planning and investment frameworks; (3) project pipeline development and resource mobilisation; (4) engagement with the private sector; and (5) cross-cutting knowledge, learning and capacity-building (NDC Partnership, 2025b). Countries can also receive embedded advisory support, such as placements of economic and finance experts directly within Ministries of Finance (NDC Partnership, 2025a). The NDC Partnership also offers the Partnership Action Fund (PAF) which is a backstopping funding mechanism (with current capitalisation of over $46 million) to fill gaps when members cannot fulfil capacity-building requests using their own resources.[28] Additionally, countries may request embedded advisory support through economic and finance experts placed within Ministries of Finance.[29]

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27 https://ndcpartnership.org/climate-action-special-initiatives/partnership-action-fund
28 https://ndcpartnership.org/climate-action-special-initiatives/partnership-action-fund
29 https://ndcpartnership.org/sites/default/files/2025-10/information-note-ndc-partnership-support-ministries-financev4.pdf

How it works

Country focal points are responsible for engagement with the NDC Partnership. Governments identify their NDC implementation priorities and the type of support that is needed to translate them into actionable policies and programmes. To help with identifying the type of support needed, the NDC Partnership and the GCF have co-developed the Climate Investment Planning and Mobilization Framework (CIPMF) which guides countries across six stages of investment planning and finance mobilisation.[30] Based on countries' capacity-building requests, the NDC Partnership members offer a tailored package of expertise, technical assistance and funding. Requests can cover any aspect of the NDC cycle.

30 https://climateinvestment.ndcpartnership.org/

A2.2 Delivery focus

Table A6 IMF Climate-Public Investment Management Assessment (C-PIMA)

IMF C-PIMA	
Purpose and scope	Diagnostic tool to assess how effectively public investment systems incorporate climate considerations
Core components	5 institutional practices: (1) climate-aware planning; (2) coordination; (3) project appraisal and selection; (4) budgeting and portfolio management, and (5) risk management
Users and access	Governments request via IMF; implemented by IMF Fiscal Affairs Department
Key outputs	Assessment report with scores across 15 dimensions, sequenced reform roadmap
Funding envelope	No dedicated budget line or country-level allocation (missions are funded through the IMF's overall capacity development budget)
Strengths	Links PIM reforms with climate finance; credibility with finance ministries; structured reform prioritisation

What it offers

The Public Investment Management Assessment (PIMA) is a framework developed by the IMF to evaluate how effectively countries manage public investment for infrastructure, examining 15 key institutional practices across the planning, allocation and implementation phases. Climate-PIMA (C-PIMA) adds a climate-responsive lens, assessing how well public investment systems incorporate climate considerations, such as low-carbon pathways or climate resilience, into infrastructure planning and execution. The C-PIMA evaluates whether a country's formal PIM system (including policies, strategies and legislation) is aligned with international good practice (IMF, 2025b). The C-PIMA helps governments identify potential improvements in public investment institutions and processes by examining five practices: (1) climate-aware planning (including national and sectoral planning, spatial and urban planning, centralised guidance on costing); (2) coordination and oversight between entities (across central government, subnational government and public corporations); (3) project appraisal and selection (climate risk analysis, PPP frameworks, selection criteria); (4) budgeting and portfolio management (climate budget tagging, ex-post reviews and audits, asset management and maintenance); and (5) risk management (disaster risk management, ex-ante financing mechanisms, fiscal risk analysis) (IMF, 2025b).

How it works

Countries formally request the assessment, often during dialogues with the IMF (1–2 months). This is followed by a pre-assessment which includes a preparatory workshop to help authorities understand the framework, data requirements and to conduct an initial self-assessment (6–8 weeks before fieldwork). During the assessment phase, the IMF team shares a draft report including recommendations and an action plan for sequencing reforms (two weeks). Stakeholders interviewed could include Ministries of Finance, Ministries of Planning/Development/Infrastructure, Ministries of Energy or Climate Change, State-owned enterprises, Regulators, the Auditor General Office, and

private sector partners.[31] In the post-assessment phase authorities and IMF headquarters staff comment on the draft report, and once the final report is delivered to country authorities, it may be published for transparency (6 weeks post C-PIMA).[32]

Table A7 World Bank Public Expenditure and Financial Accountability (PEFA) Climate Module

World Bank PEFA Climate Module	
Purpose and scope	Diagnostic tool to assess whether PFM systems are climate-responsive
Core components	14 indicators across 7 pillars of PFM
Users and access	Governments request via the PEFA Secretariat (housed at the World Bank)
Key outputs	Assessment report scoring 14 climate-responsive PFM indicators, with narrative analysis of each score
Funding envelope	No dedicated funding window; assessments are funded through World Bank country programme budgets
Strengths	Builds on established PEFA methodology, which is widely recognised and trusted by ministries of finance

What it offers

The Public Expenditure and Financial Accountability (PEFA) Climate Assessment is an extension of the widely used PEFA Framework, designed to assess how effectively a country's PFM system supports climate-related policies, strategies and commitments. It is intended to be conducted on a voluntary basis at the discretion of country authorities and may be done as a standalone activity or concurrently with a PEFA Assessment (to assess PFM per se). The PEFA Climate Assessment focuses on systemic, cross-government financial process that include components such as climate-responsive budget circular, climate-responsive public procurement, climate-responsive tax administration and legislative scrutiny (PEFA, 2024). The final report does not provide recommendations but results may be used to design action plans and inform climate finance engagements as part of a dialogues between relevant stakeholders following the benchmarking (PEFA, 2024).

How it works

The PEFA Climate Assessment is formally requested by governments via the PEFA Secretariat. The diagnostic process is jointly performed by PFM and climate specialists, with consultations with domestic stakeholders across line ministries, finance and planning authorities. The diagnostic findings are summarised in a PEFA Climate Assessment Report.

31 https://cfrr.worldbank.org/sites/default/files/2024-06/9_15_3_Sage%20De%20Clerck.pdf
32 https://infrastructuregovern.imf.org/content/PIMA/Home/PimaTool/ClimatePIMAProcess.html

Table A8 IMF Climate Policy Diagnostic (CPD)

IMF Climate Policy Diagnostic (CPD)	
Purpose and scope	Diagnostic assessment of countries' mitigation and adaptation policies, and enabling institutions
Core components	Structured along three pillars: (1) mitigation support; (2) macro-fiscal analysis and adaptation support and (3) enabling institutions
Users and access	Available to all IMF member countries
Key outputs	Country-specific technical assistance report
Funding envelope	No dedicated budget line or country-level allocation (missions are funded through the IMF's overall capacity development budget)
Strengths	Integration with the IMF's broader engagement

What it offers

The IMF's Climate Policy Diagnostic (CPD) is a diagnostic assessment that provides countries with an analysis of their climate policies, focusing on mitigation and adaptation strategies, and the institutional and legal frameworks to support them.[33] It was developed by the IMF's Fiscal Affairs Department as part of the IMF's expanding climate capacity development offering. The assessment evaluates whether a country's fiscal policies, pricing regimes and institutional arrangements are configured to deliver on its climate commitments and quantifies the economic consequences of reform options. The CPD provides a detailed set of recommendations which can be used to support requests under the Resilience and Sustainability Facility and to inform the design of climate-related macro fiscal reform measures (IMF, 2023). It is a tailored qualitative and quantitative policy analysis rather than a scored assessment or benchmarking exercise (e.g., C-PIMA or PEFA Climate).

How it works

There is no formal eligibility requirement. The assessment can be requested by the country authorities in the same standard process as for other IMF capacity development services. The IMF's Fiscal Affairs Department conducts the country-specific assessment, often jointly with other departments (IMF, 2023).

33 www.imf.org/en/topics/climate-change/climate-policy-diagnostic

Table A9 World Bank Country Climate and Development Reports (CCDRs)

World Bank Country Climate and Development Reports (CCDRs)	
Purpose and scope	Core World Bank diagnostic integrating climate change and development analysis, intended to inform Country Partnership Frameworks (CPFs) and World Bank lending and advisory pipelines
Core components	Analysis of climate vulnerabilities and exposure, assessment of mitigation and adaptation priorities, quantification of investment needs and financing gaps, macroeconomic and fiscal implications of climate action, institutional and governance arrangements for climate response
Users and access	Produced by World Bank staff with government consultation
Key outputs	Published diagnostic report with policy recommendations
Funding envelope	No dedicated funding window, production costs are absorbed within regional budget allocations
Strengths	Comprehensive diagnostic lining climate vulnerability analysis to macroeconomic and fiscal implications

What it offers

The Country Climate and Development Reports (CCDRs) are the World Bank's flagship country-level diagnostic tool integrating climate change and development priorities into a single economic and policy framework. They apply scenario-based modelling to assess how countries can align decarbonisation and climate resilience with growth, poverty reduction and fiscal sustainability. CCDRs estimate investment needs for these low-carbon and climate-resilient pathways, identify policy reforms and analyse distributional impacts, including how these can be managed through sequencing and complementary policies. CCDRs are also intended to equip governments with the tools and modelling approaches to conduct their own ongoing climate-development analysis.

How it works

CCDRs are jointly produced by the World Bank, the IFC and the Mulitlateral Investment Guarantee Agency (MIGA), with analytical inputs from the IMF. The diagnostic is produced through close coordination with national governments and relevant ministries. The findings are consolidated into a single report that is discussed with the government before publication and are intended to inform national development planning and investment prioritisation. Once published, CCDR recommendations feed into the World Bank's country engagement and operations such as through updating CPFs.

Table A10 IMF Resilience and Sustainability Trust (RST)

IMF Resilience and Sustainability Trust (RST)	
Purpose and scope	Support countries to integrate climate considerations into macroeconomic policies and create an enabling environment for climate finance mobilisation
Core components	Macro-critical climate reforms Climate Finance Roundtables (CFRs)
Users and access	Primarily engages with Ministries of Finance, central banks Eligibility requires concurrent IMF UCT programme – RSF financing is additional to this
Key outputs	RSF financing arrangements linked to reform roadmap
Funding envelope	RSF financing is additional to UCT programme financing
Strengths	Integrates climate risk into financing planning; supports resilience of financial sector

What it offers

The IMF Resilience and Sustainability Trust (RST), operational since 2022, provides financing to help countries address long-term structural challenges including climate change through its lending arm, the Resilience and Sustainability Facility (RSF). It aims to support countries in integrating climate considerations into their macroeconomic policies and creating an enabling environment for mobilising climate finance. RSF-supported programmes include macro-critical climate reforms and, in some cases, Climate Finance Roundtables (CFRs) that convene national stakeholders and development partners. All countries that have secured RSF approvals have engaged with at least one diagnostic assessment, such as one the IMF's climate diagnostic tools, or through the World Bank's CCDR.[34]

How it works

Eligibility requires a package of high-quality reforms addressing the long-term macro-critical challenges of climate change, sustainable debt and adequate capacity to repay, and a concurrent IMF programme supporting upper credit tranche (UCT)-quality policies (UCT-quality programme).[35] RSF financing is provided alongside and in addition to this programme. Climate change diagnostics typically precede the financing arrangement and inform the reform measures. Lending disbursements are linked to reform progress, where each measure (a single policy or a set of closely related actions) is connected to one RSF disbursement.

34 https://odi.org/en/insights/the-imf-can-do-more-to-support-the-most-climate-vulnerable-countries/
35 www.imf.org/en/about/factsheets/sheets/2023/resilience-sustainability-facility-rsf

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