

Climate Finance Access Network

Unlocking climate finance for developing countries



The Climate Finance Access Network (CFAN) is an agile, demand-driven initiative that offers a practical and actionable solution to developing countries facing capacity constraints in accessing climate finance. The process for applying for CFAN support is straightforward, allowing trained advisors to hit the ground within 3-6 months of approval.

The Need

Transforming economies onto a low-carbon, climate resilient sustainable development pathway poses an enormous challenge, particularly for Global South countries with limited resources and capacity such as Small Island Developing States (SIDS) and Least Developed Countries (LDCs). Although the volume of climate finance mobilized by the developed world to support developing countries has increased substantially over the past decade, the system for delivering and accessing finance has become highly complex and burdensome.

There is an urgent need to improve the way climate finance is accessed and delivered, particularly to the most vulnerable and capacity-constrained developing countries. Some countries may have the ability to navigate the global climate finance system. However, most face institutional capacity limitations and rely on external technical assistance to (1) identify the sources and instruments for delivering climate finance, (2) cultivate relationships with climate finance providers, and (3) identify pipelines of bankable projects and structure financing for climate investments to meet national priorities and needs. External, consultant led, “fly-in/fly-out” type technical support to address these issues can’t deliver at scale.

The outcome is a climate finance bottleneck that is frustrating for climate finance recipients and providers alike, and that is stalling adaptation and mitigation efforts. Several initiatives have emerged to support countries in achieving their climate investment objectives, and many have done so through climate finance readiness and embedded climate advisors. However, few advisors have received training in project-level financial structuring, and

most lack working relationships with donor institutions, decision makers in country, and advisors doing similar work in neighboring countries. Furthermore, short-term efforts to develop institutional capacity in-country often do not result in improved efficiency of the national climate finance project cycle or an increased number of projects financed.

As a result, the current landscape of climate finance initiatives has yet to resolve the following pain points:

- demand for qualified advisors that far exceeds current supply,
- too few programs focused on project- and program-level finance, and
- limited coordination among short-term initiatives.

The CFAN Model

CFAN aims to unlock and accelerate climate finance at scale by cultivating a network of highly skilled and embedded climate finance advisors. These advisors will work with countries to develop lasting national capacity and maximize adaptation and mitigation outcomes.

This model cultivates a pool of advisors who are specifically trained to deliver on a tailored mandate that has been jointly defined with host countries. Additionally, these advisors are better connected to both donor institutions and other experts regionally and around the world.

To ensure additionality and reduce costs, CFAN is partnering with **existing initiatives and organizations** experienced in building in-country climate finance capacity. The African Adaptation Initiative, Low Emissions Development Strategies

Global Partnership, Global Green Growth Institute, and NDC Partnership, among others, have provided ongoing input to the CFAN design and will participate in its implementation.

CFAN is managed by RMI, an independent, non-partisan, non-profit organization serving as network coordinator with input from an advisory group and a steering committee. These comprise developing country representatives, donor institutions, and international organizations with experience building in-country climate finance capacity.

A Demand-Driven Approach

CFAN has been informed by **two years of consultations** with developing countries and climate finance practitioners. The result is an agile and demand-led program that responds to real-world challenges identified by developing country representatives and is informed by data-driven analyses of country needs. Input from CFAN governance bodies ensures it remains responsive to evolving challenges and opportunities.

CFAN has been designed to hire locally and to train and deploy its advisors based strictly on needs and circumstances expressed by key national stakeholders. A network of member initiatives will deliver the training, in-country support, and long-term capacity building needed for developing countries to secure and structure finance for priority climate projects pursuant to nationally determined contributions, national adaptation plans, the Sustainable Development Goals, and other sectoral targets.

We Want to Work with You

The Climate Finance Access Network alleviates the challenges faced by developing countries in securing and structuring finance for climate investments. The network helps countries access funding where it's most difficult to secure, working in all developing countries with a focus on LDCs and SIDS in Africa, the Pacific Islands, and the Caribbean. Ultimately, CFAN improves mitigation and adaptation outcomes for countries facing the most significant threats from climate change.

By year end 2022, CFAN plans to train and deploy 30 climate advisors in 30 countries across these regions, increasing to a total of 50 advisors in 50 countries by the end of 2023. There are currently eight CFAN advisors in the Pacific Islands (Fiji, Kiribati, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu), where priority sectors include agriculture, energy, infrastructure, and transportation. CFAN is currently seeking funding to answer demand and place advisors in the Caribbean, Africa, and national/regional Direct Access Entities.

Further inquiries can be directed to info@cfanadvisors.org.

Six steps to real results

1. Countries Express Interest

Countries indicate their interest in working with a CFAN advisor by completing an online survey. CFAN then follows up with countries to discuss the opportunity. Based on these discussions and available funding, CFAN will determine whether it can offer an advisor.

2. Advisors are Hired

In response to each country's objectives, CFAN selects climate finance advisors to work in-country for a period of at least one year. CFAN advisors are hired under a tailored mandate focused on navigating the climate finance system and creating clear, concise, and concrete investment opportunities that will be attractive to donors.

3. Advisors are Trained

CFAN advisors attend a state-of-art, multiweek, cohort-based training, which includes technical instruction as well as relationship-building with public and private finance providers. CFAN's advisors build a community of practice within and between cohorts.

4. Advisors are Placed in-Country

Following the training, advisors begin work in country within the country-identified ministry or entity responsible for coordinating climate finance. To build lasting capacity in-country, the advisors, CFAN member initiatives, and the CFAN Network Coordinator work alongside key national stakeholders to support the development of climate finance proposals and investments.

5. CFAN Builds and Maintains Capacity

CFAN provides ongoing technical backstopping to advisors while also building lasting capacity through in-country trainings for key national stakeholders. These trainings include project development write-shops, ensuring climate finance capacity remains in-country beyond the tenure of the advisor. Stakeholders gain valuable experience through the project cycle, from project identification and development through to funding.

6. Projects are Funded

CFAN advisors help develop, structure, and deliver local impact through national and regional bankable projects that support sustainable development pathways and investment in mitigation and adaptation.