

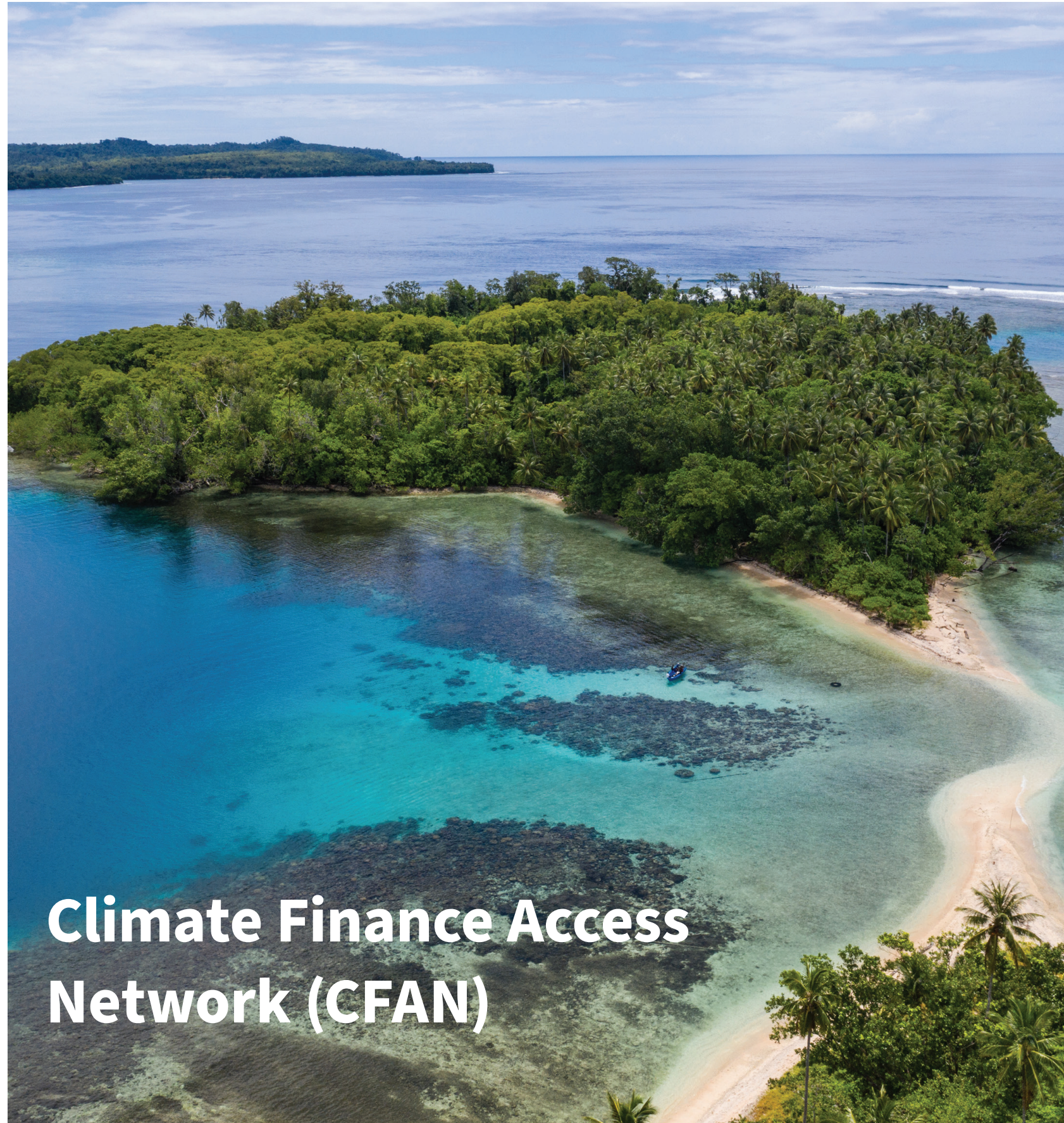
CFAN

IMPACT

REPORT

Unlocking Climate Finance for
Developing Countries

Hosted by RMI



Climate Finance Access Network (CFAN)

DIRECTOR'S

NOTE



In 2021, RMI established the Climate Finance Access Network (CFAN) to address the bottlenecks of accessing climate finance by the most vulnerable and capacity-constrained countries. From surveying more than 100 representatives of developing countries in 2019, we learned that the system for accessing climate finance has become highly complex and difficult to navigate; there are dozens of public and private funds and donor institutions, each with their own, often one-size-fits-all, onerous and time-consuming requirements.

CFAN addresses these challenges by locally hiring, training, and embedding climate finance advisors to support island nations and least developed countries in structuring finance for priority climate projects. We work with member partners to embed climate finance advisors in government and direct access entities. These advisors have a targeted mandate co-developed with the host institution to develop high quality and impactful projects. Recent reports including *The Doubling of Adaptation Finance* and OECD's report on climate finance identified supporting the long-term placement of staff in government agencies to build and retain capacity as a key opportunity for scaling adaptation finance. *The Doubling of Adaptation Finance* acknowledged lessons learned from CFAN's initiative to be of significant value.

CFAN is committed to scale its advisory support to respond to the immediate capacity needs of governments and direct access organizations, while assisting in building in-country expertise, lasting capacity, and systems to attract and manage growing financial flows. Capacity building is often the invisible factor in climate action, low on conference agendas and rarely in the spotlight. What CFAN demonstrates is the need for far more of a focus on capacity building as a key mechanism for effective implementation of countries' ambition — and that it works.

In the nearly two years that CFAN advisors were embedded in the Pacific, they were able to successfully mobilize millions of dollars. This report provides details of the results from the first CFAN advisor cohort's work, providing invaluable lessons for the second Pacific cohort currently being deployed. To scale this success globally, at COP28 in December 2023 we launched our first cohort of advisors in the Caribbean, already with an exciting pre-pipeline of ambitious projects.

With deep gratitude to all the CFAN members and funders who made the achievements over the past few years possible, I look forward to our continued partnership in ensuring climate finance reaches those that need it the most.

A handwritten signature in black ink, appearing to read 'Laetitia'.

Laetitia de Marez,
Senior Director, CFAN & Islands Energy Program, RMI

CFAN'S APPROACH

Mobilizing Resources and Building National Capacity

Coordinated by RMI, the **Climate Finance Access Network (CFAN)** supports developing countries and their regional and **direct access entities (DAEs)** in securing and structuring finance for climate investments. By cultivating a network of highly trained, embedded climate finance advisors, CFAN builds the capacity of developing countries to more quickly access climate finance and achieve their climate objectives. Partnering with countries and DAEs, CFAN jointly identifies climate projects and priorities, then hires, trains, and embeds climate finance advisors, ensuring that they can support where their expertise is needed most.

CFAN also connects advisors with donors, investors, and other regional and global experts and partners, helping develop working relationships and networks leading to better mutual understanding of challenges and collaboration opportunities for enhanced climate action. CFAN offers services to all developing countries with a current focus on **Least Developed Countries (LDCs)**, **Small Island Developing States (SIDS)**, and African countries.

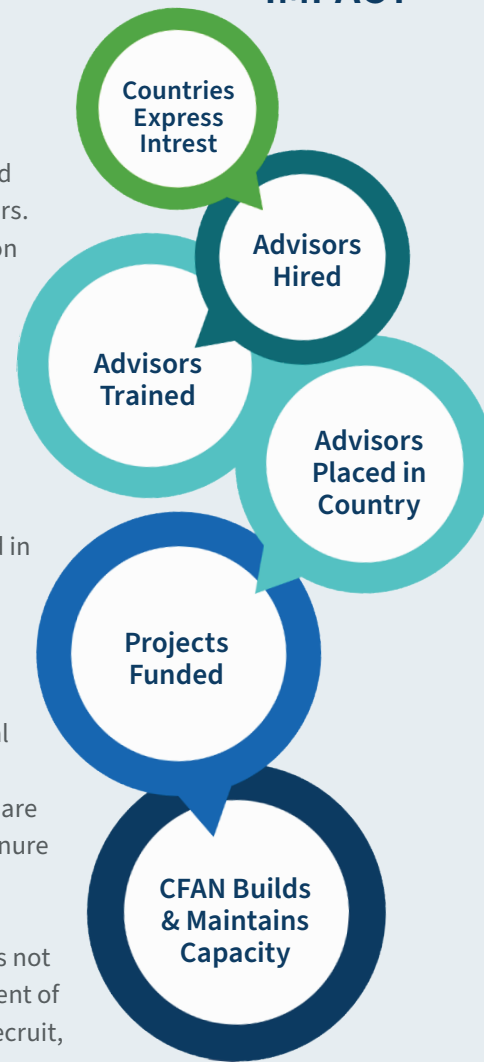
Advisors work directly in the country-identified ministry or entity responsible for coordinating climate finance, supported by CFAN implementing members and RMI. To build in-country lasting capacity, the advisors, CFAN members, and the CFAN network coordinator (RMI) work alongside key national stakeholders to support the development of climate finance proposals and investments.

Advisors participate in a multi-month, state-of-the-art, practical cohort-based training, which includes technical instruction on real project concepts and relationship

building with public and private finance providers. Cross-cohort interaction also facilitates peer learning and experience sharing. Civil servants and staff from direct access entities in the countries that CFAN advisors are embedded in are welcome to enroll in CFAN's training program. CFAN also provides in-country training for key national stakeholders to ensure capacity and expertise are retained beyond the tenure of the advisor.

Importantly, CFAN does not require the establishment of new organizations to recruit, train, deploy, and manage climate finance advisors. Rather, CFAN has been structured as a decentralized network that builds upon the work of member initiatives. Partnering with a growing number of **existing global and regional initiatives and organizations** experienced in building in-country climate finance and implementation capacity ensures additionality, avoids duplication, and reduces costs.

CFAN'S STEPS TO IMPACT



CFAN has been a transformative contribution to the Climate Change Division. The concept of recruiting a local individual and providing capacity building to enable them to do the task required has enhanced the platform of building local institutional capacity and knowledge in the climate change field. With this extra set of hands, the climate change team has been able to accelerate the development of projects and access to financing windows

Prelish Lal, Climate Finance Officer, Ministry of Economy, Fiji



CFAN:

A GROWING NETWORK



CONTINUED PARTNERSHIPS AND NEW OPPORTUNITIES

CFAN is managed by RMI, serving as network coordinator. The network is guided by a Steering Committee and Advisory Group comprised of member initiatives, country representatives, and donors.

CFAN strategically partners with existing initiatives already active and experienced in countries where CFAN operates by inviting them to become members of the network. Member Initiatives can engage with CFAN in three different ways, which are delineated below.

Our implementing partners are critical to CFAN's success. The Global Green Growth Institute (GGGI), the initial CFAN implementing member in the Pacific, was joined by the Pacific Community (SPC) to manage the first and second cohorts of Pacific advisors respectively, while the NDC Partnership has come onboard to help manage advisors in the Caribbean.



1 IMPLEMENTATION

Recruiting climate finance advisors and overseeing their day-to-day work.

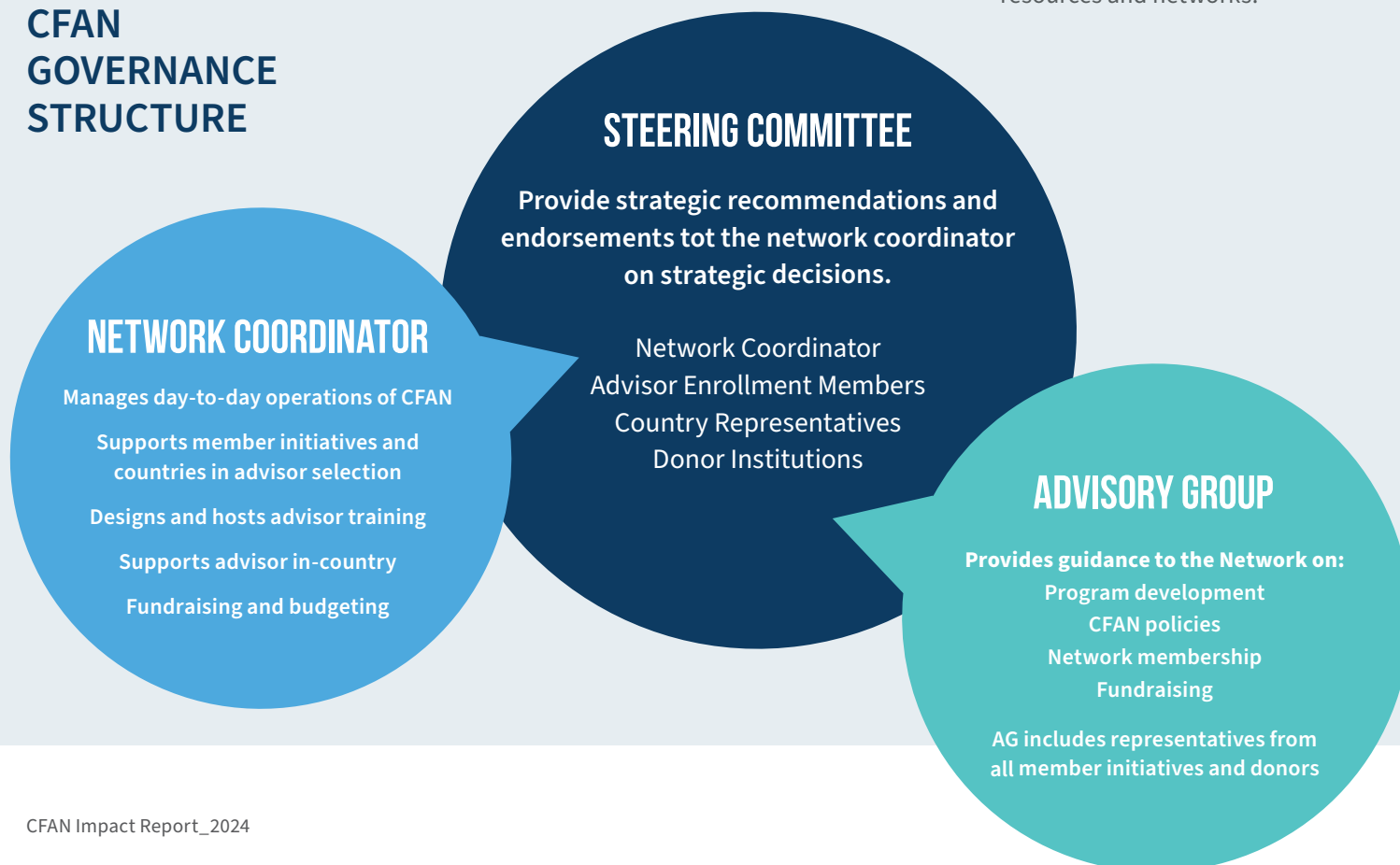
2 TRAINING

Supporting the design and delivery of the CFAN advisor training and/or in-country stakeholders training.

3 AFFILIATE

Offering complementary services that enhance the advisors' impact, such as providing technical assistance and facilitating access to essential resources and networks.

CFAN GOVERNANCE STRUCTURE



PARTNERSHIP IN ACTION

Accelerating Climate Action in Jamaica: A CFAN and NDC-P

A global coalition bringing together more than 200 members to deliver on ambitious climate action, the **NDC Partnership** has been a key member of CFAN since before its formal inception, contributing to the conceptual phase of CFAN and helping define its theory of change and approach. As such, the Partnership significantly contributed to the network's strategic direction, ensuring that CFAN's mission and operations are closely aligned with the specific needs of partner countries.

Building on this critical collaboration, following a support request from the Government of Jamaica for climate finance advisory services, CFAN and the Partnership joined forces in 2023 to embed a CFAN advisor in a national DAE, the Jamaica Social Investment Fund (JSIF).

Discussions started among CFAN, the Partnership, and the Jamaican Government in June 2023. In just over six months, CFAN and the NDC Partnership were able to jointly expedite country consultations, develop tailored Terms of Reference, and recruit, appoint, and onboard Shalenie Madho as a climate finance advisor by December 2023, with generous funding support from the government of the United Kingdom.

This swift progression from initial discussions to the advisor's deployment exemplifies not only the efficiency and commitment of CFAN and the NDC Partnership but also that the strategic and efficient approach to ensuring regionally active organizations is by working together. As CFAN continues to foster partnerships, the collaboration with NDC Partnership and the Jamaican Government offers valuable lessons for avoiding duplication by identifying and leveraging synergies for enhancing countries climate finance capabilities.



BUILDING AND SUSTAINING IN-COUNTRY EXPERTISE

The CFAN Training Program

CFAN’s training program is core to our commitment to building long-term, sustainable capacity. The comprehensive living curriculum is designed as a response to the identified barriers, needs, and priorities of countries themselves. It currently includes five modules: an introduction to climate finance, project design and proposal processes, project finance and financial structuring, sectoral expertise including relevant financial mechanisms, and communication and facilitation. The curriculum is bolstered by regional real case studies, guest lectures from regional and international experts, and interactive exercises, panels, and facilitated discussions. Both CFAN advisors and the civil servants they support are invited to participate in the training.

To build long-lasting capacity, our training program integrates a “train the trainers” approach across the curriculum. Throughout the training, advisors hone their facilitation skills, delivering presentations and pitches to colleagues, training partners, and invited guests. This prepares advisors to deliver their own trainings on climate finance to colleagues in government or direct access entities. Moreover, such training provides an environment to practice tailoring communication and facilitation skills to the needs, priorities, and interests of diverse audiences, such as local communities, national stakeholders, and different types of financial stakeholders.



First cohort of CFAN advisors and partners in the Pacific

To date, 6 advisors and 23 civil servants from Samoa, Solomon Islands, Fiji, Kiribati, and Papua New Guinea have completed the CFAN training program. In 2024, there will be 16 more advisors and approximately 65 more civil servants trained. Additionally, CFAN-trained advisors have begun to conduct their own trainings, delivering 11 in-country trainings to date, covering 145 national stakeholders of which 55 percent are women.

With this robust toolkit of financial expertise and ongoing technical support from dedicated experts, CFAN advisors are well positioned to secure and mobilize critical finance in line with country priorities.



CFAN’s comprehensive advisor training program is designed to respond to the needs and priorities of the countries where we work. We treat our training as a living curriculum and constantly update it to reflect developments in the climate finance space, country programming and our advisors’ evolving needs. CFAN’s training program is contextualized to the regions where we work through the inclusion of regional speakers, case studies and dedicated content.

Alex Milano, CFAN Training Lead



Phonesavanh Latmany and fellow CFAN advisor Shelveen Kumar

SPOTLIGHT TRAINING

Finance Fundamentals Papua New Guinea

In 2023, the Climate Change Development Authority (CCDA) requested training on climate finance fundamentals. This request was based on a needs survey conducted by PNG CFAN advisor Phonesavanh Latmany within the CCDA and with relevant ministries such as the National Energy Authority, Conservation and Environment Protection Agency, Department of Agriculture and Livestock, Department of National Planning and Monitoring, Department of Works and Highway, and the Department of Health. To address this critical knowledge gap, Latmany designed a two-day workshop with specific sections structured around elements such as climate finance foundation and landscape, climate sources and funders’ priorities, climate finance project design process, financial instruments, and gender and social safeguards. Various modalities of approaches were used to foster discussion, learning, and knowledge sharing including group presentations, group discussions, hands-on activities, panel discussions, case study and scenario activities, and question and answer sessions.

By the end of the workshop, more than 80 percent of the participants indicated that their understanding of climate finance was at a “good” or “excellent” level. Of the 24 participants who attended, 46 percent were women. The training scored a 73 percent satisfaction rate. Importantly 87 percent of the participants indicated that the training met their expectations. Because of this training, participants have indicated the need for more standalone trainings on several other related topics such as climate finance project designs, logical framework, carbon financing, and finance instrument requirements.



SPOTLIGHT

Across Borders, Across Language

Since inception, experts from CFAN have regularly collaborated with the Institut de la Francophonie pour le Développement Durable (IFDD) to enhance capacity of government officials in French-speaking African countries, most of which Least Developed Countries facing severe challenges in accessing and mobilizing climate finance, including due to linguistic barriers. CFAN experts designed and led various practical training sessions on project proposal development and climate finance access modalities for the benefit of about 60 government officials per session. In addition, CFAN has contributed to the IFDD's flagship capacity building initiative on climate diplomacy that trained more than 200 women negotiators on the techniques and processes of climate finance negotiations under the UNFCCC and its subsidiary bodies. Through these collaborations CFAN supported climate finance mobilization in African countries and also contributed to raise the most vulnerable countries' perspectives and women voices in the global international climate debate.



CFAN has allowed me to connect the dots between critical infrastructure work, climate resilience, and the needs of communities. I am now in the best position to make a difference, because finance is the biggest challenge that Caribbean countries and SIDS face. We have been given the opportunity of a lifetime to contribute meaningfully to making [our regions] climate-smart and resilient. I'm looking forward to embarking on the training program with my fellow advisors and to start building our climate finance community of practice.

*Skeeta Carasco,
CFAN Advisor to Saint Lucia*

CFAN advisors from Saint Lucia and Papua New Guinea with H.E. Catherine Stewart Canadian Ambassador for Climate Change at COP28.



CARIBBEAN COHORT 1

Bahamas, Barbados, Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Caribbean Community Climate Change Centre, and the CARICOM Development Fund

PACIFIC COHORT 1

Fiji, Kiribati, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu

PACIFIC COHORT 2

Cook Islands, French Polynesia, Federated States of Micronesia, and The Pacific Community (SPC)

Countries Supported

CFAN prioritizes SIDS and LDCs due to their unique circumstances and capacity constraints.

Since its inception, CFAN has extended its support to across countries, overseas territories, and Direct Access Entities (DAEs) in the Pacific and Caribbean, representing some of the most capacity-constrained regions in need of climate finance support. Currently CFAN is active in 17 countries and overseas territories and 3 DAEs.

Pipeline under development

In the Pacific

In under two years of operationalization, CFAN's first cohort of advisors in the Pacific successfully developed a diverse pipeline of over 60 projects, concept notes, technical assistance, and expressions of interests totaling US\$463 million. This pipeline is expected to grow as our second cohort of advisors onboards in the Pacific in March 2024.

In the Caribbean

CFAN launched its first cohort of eight advisors in the Caribbean in 2023 at COP28. While CFAN is in the early stages of deployment in the region, a "pre-pipeline" was identified that currently stands at US\$304 million with over 30 project concepts. The pre-pipeline was built through rigorous consultations with country focal points and ministries hosting the advisors, where they indicated priority projects, concept notes, or ideas they would like the advisors' support on. The pre-pipeline includes mitigation, adaptation, and cross-cutting projects with a focus on grant and innovative financing. It comprises a range of projects including sustainable energy, water, sustainable forests and landscapes, green cities and industries, blue economy, and waste management.

Pipeline of projects under development

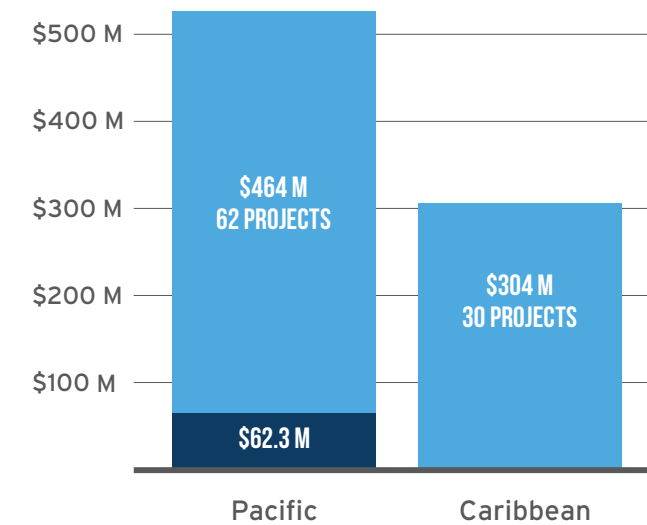
by the first cohort of advisors expected to benefit a population of over



22,590 PEOPLE and avoid more than



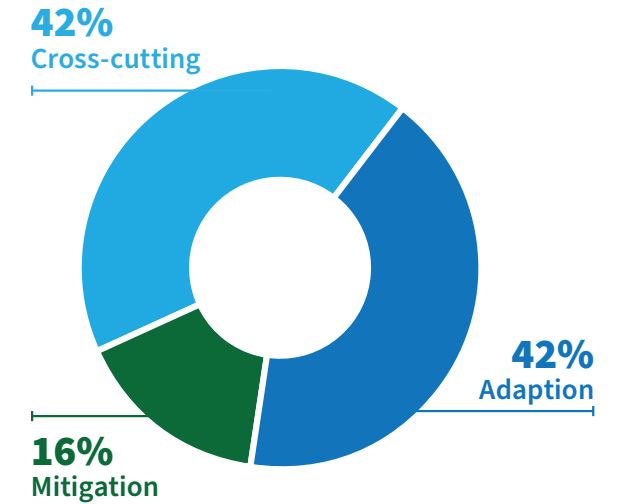
DOLLARS MOBILIZED AND IN PIPELINE



■ \$ mobilized
■ \$ in pipeline

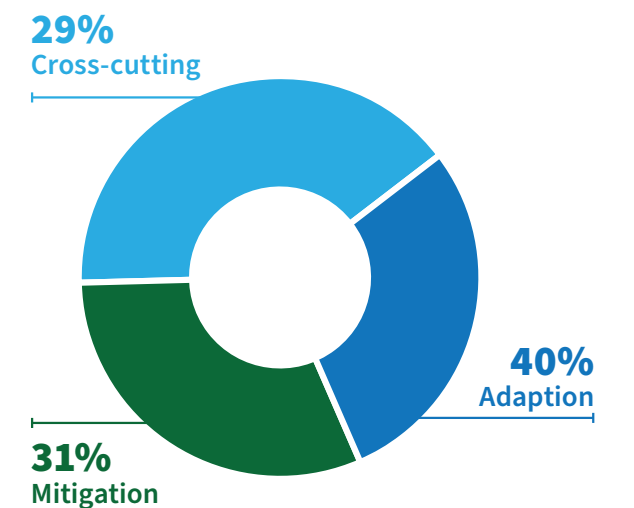
CFAN Pacific | December 2023

PROJECT BREAKDOWN BY RESULT AREA, MOBILIZED FINANCE



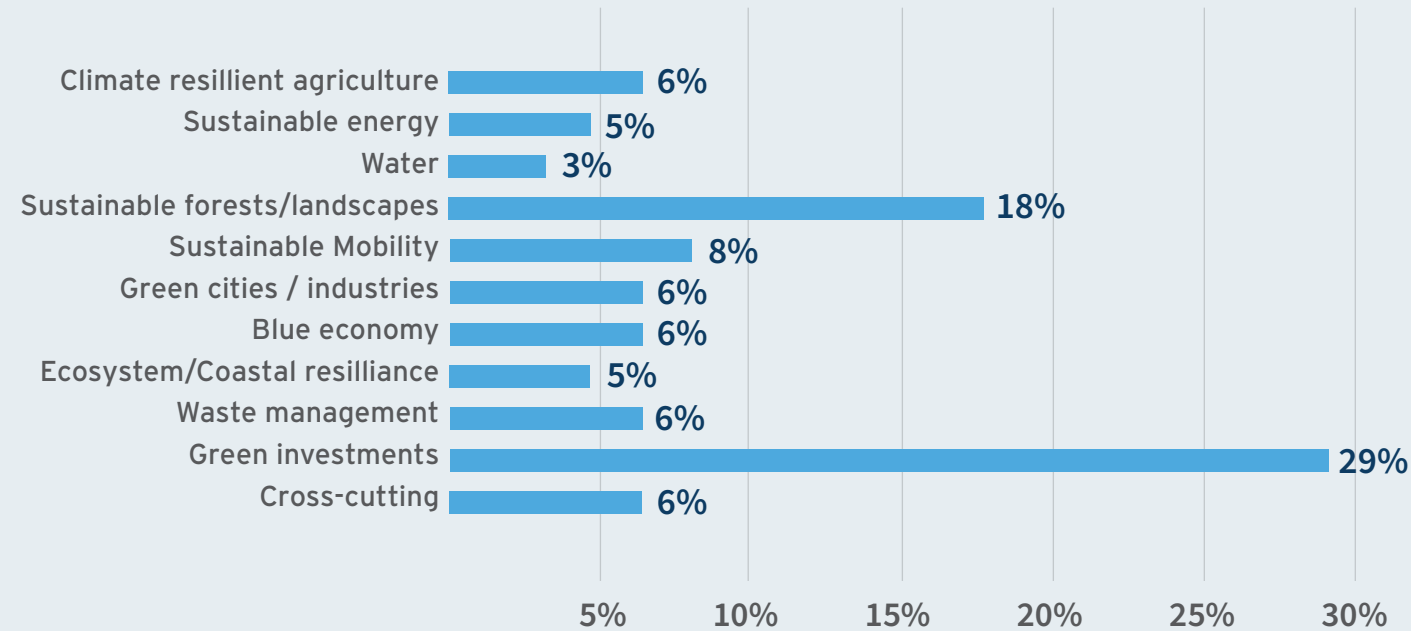
CFAN Pacific | December 2023

PROJECT BREAKDOWN BY RESULT AREA, PIPELINE



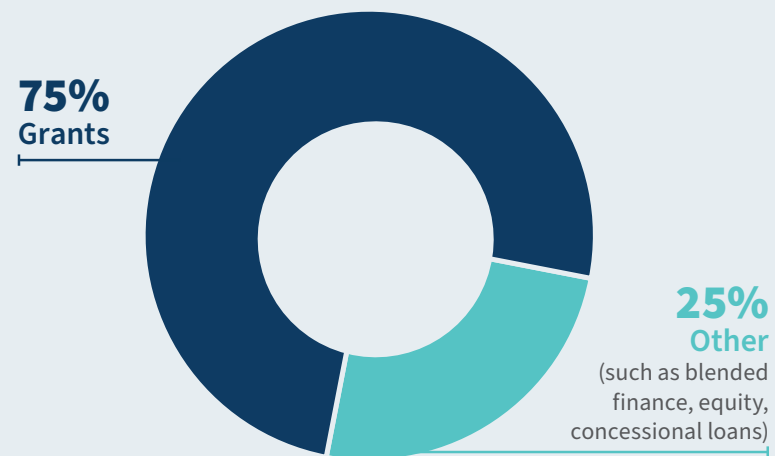
CFAN Pacific | December 2023

PROJECT BREAKDOWN BY THEMATIC IMPACT AREA, PIPELINE



CFAN Pacific | December 2023

PROJECT BREAKDOWN BY FINANCIAL INSTRUMENT, MOBILIZED FINANCE



Financial Instruments

The majority of financial instruments employed is grants (roughly 75%). Accessing grant funding to meet adaptation and resilience building needs across sectors remains the preferred option for Pacific islands that fear exacerbating their indebtedness. Pacific islands still face difficulty in attracting private sector investment, especially for adaptation. Through its training and support CFAN aims to explore innovative and equitable approaches in financial structuring that blend different sources.



Lano Fonua presents at a workshop in the Pacific

SPOTLIGHT

Tonga Climate Change Fund

Tonga CFAN advisor Lano Fonua has been actively supporting the operationalization of the Tonga Climate Change Fund (TCCF), which includes adaptation, mitigation, and loss and damage. Designing this program involved a very different approach as its not strictly about developing a project concept for a funding institution but rather leading on the development of a regulatory and operational mechanism needed to enable funding to flow to the communities most vulnerable to climate change in a sustainable, accessible and transparent way.

The key milestone of Fonua's support has been in successfully finalizing the regulatory documents required from the government, something that had proven to be a bottleneck since the passing of the TCCF Act in 2020. The new regulations and operational manual mean the TCCF can now disburse funds to eligible projects. The design and completion of the regulations, the operational manual, and the development of grant windows marks the culmination of approximately 12 months of stakeholder consultations and document drafting. Now the TCCF has been capitalized with NZD18 million (US\$11 million) in funding from NZ-MFAT to be allocated over the next two years.

CONTRIBUTING TO THE GLOBAL

DISCUSSION ON CLIMATE FINANCE

CFAN actively works to amplify the voices of capacity-constrained countries by contributing to research and thought leadership on access to climate finance.

CFAN partnered with UN-OHRLLS to produce and launch the Accessing report at COP27 in 2022. The report provides an assessment of the current challenges SIDS face in accessing climate finance and opportunities ahead and offers key recommendations for short- and long-term improvement in access to finance that can be implemented by different stakeholders. The recommendations detailed in the report were the result of extensive country and stakeholder consultations with target governments, donors, multilaterals, and implementing entities. These practical recommendations fed into the preparation process for the Fourth International Conference on Small Island Developing States. report at COP27 in 2022. The report provides an assessment of the current challenges SIDS face in accessing climate finance and opportunities ahead and offers key recommendations for short- and long-term improvement in access to finance that can be implemented by different stakeholders. The recommendations detailed in the report were the result of extensive country and stakeholder consultations with target governments, donors, multilaterals, and implementing entities. These practical recommendations fed into the preparation process for the Fourth International Conference on Small Island Developing States.

CFAN is also positioned as a key source of expertise on the New Collective Quantified Goal (NCQG), a new climate finance goal that is to be set by the end of 2024. CFAN coordinates the “**Informing the NCQG**” project, implemented in collaboration with partner organizations from both the Global North and Global South. CFAN works to inform the NCQG Process through technical inputs to encourage an ambitious NCQG that accounts for the needs and priorities

of the most vulnerable and capacity-constrained developing countries. The project published various research papers that elevated the conversation, taking center stage at the technical expert dialogues (TEDs) hosted by the UNFCCC and providing technical input to the fundamental framework of talks between Parties. In addition to the technical papers, CFAN hosted webinars that successfully gained interest from negotiators and other stakeholders and served as a robust platform for disseminating invaluable insights from the technical papers.

Over the course of several years working to inform the process of the NCQG, CFAN was honored to convene and facilitate frank and productive exchanges of views among negotiators and key stakeholders in between formal negotiation sessions. CFAN is working on ensuring that the new goal reflects lessons learned from the \$100 billion target and effectively addresses access issues, capacity building, adaptation finance, and barriers to investment in SIDS and LDCs. The project's overwhelming success is a credit to CFAN's thought leadership and capacity to drive forward critical thinking on equity and effectiveness in the most important conversation in climate finance.



INITIATIVES INVOLVED

Climate Analytics, Climate Policy Initiative, Global Center on Adaptation, Climate Finance Group for Latin America and the Caribbean, Open Society Foundation, Oxfam, and South-South-North.

Follow our work on cfnadvisors.org — a one-stop resource for the project including webinar recordings, articles, technical papers, and other deliverables.



Developing countries are often the hardest hit by extreme weather and other impacts of climate change, despite them contributing the least to the pollution driving climate change. Contributor countries need to live up to their commitments, but those commitments alone aren't enough if those who need it can't access financial support. We congratulate CFAN for making huge strides in its efforts to build local capacity, break down barriers, and promote equitable access by supporting the launch of the Caribbean chapter.

Steven Guilbeault
Canada's Minister of Environment



CFAN's lead on the NCQG project, Mahlet Eyassu Melkie, presents at TED4 in Sharm el-Sheik (COP27).

WHAT'S NEXT

FOR CFAN?

Following CFAN's proven success, there is growing interest from governments and other institutions that request support to embed CFAN advisors in their ministries and entities. CFAN currently has eleven outstanding expressions of interest from various countries and DAEs in the African, Caribbean, and Pacific regions. Historically, demand for our services has significantly exceeded our capacity to deliver and CFAN is not yet able to meet the demands of all. CFAN's intention is not just to continue to scale but to find modalities to extend the current advisory support to become a long-term regional offering and presence by working closely with our stakeholders and member initiatives.

2024 marks a dynamic phase in CFAN's growth, characterized by:

Advancing project pipelines toward approval and securing investment deals.

Engaging in fundraising efforts to meet increasing demands from countries, reinforcing our strategic shift to support more DAEs while enhancing implementation and absorptive capacity.

Concentrating efforts on **expanding operations to Africa**.

Scaling up training initiatives, both in content and the number of trainees.

Launching a **regional and global community of practice** to sustain and amplify our results.



Learn more about CFAN
visit: cfnadvisors.org

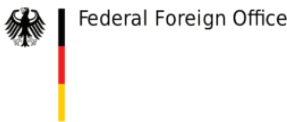


Our sincere thanks

CFAN would not be possible without the support of our generous donors, including anonymous philanthropic support.



OPEN SOCIETY FOUNDATIONS



UN-OHRLLS