The Landscape of Financing Strategies for Adaptation in Developing Countries

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Foreword

The 4-year (2019–2022) Mobilizing Development Finance for Strategic and Scaled-up Investment in Climate Adaptation research project is implemented by the International Institute for Sustainable Development in partnership with the African Centre for Technology Studies in Kenya, Prakriti Resources Centre in Nepal, and Libélula in Peru. The project is supported by Canada's International Development Research Centre (IDRC). A Project Advisory Committee—comprised of representatives from the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, the World Bank, the IDRC, the Institute for Climate Economics, and the governments of Kenya, Nepal, and Peru—provides strategic advice on the research directions and outputs.

The research project explores common challenges to scaling up financing for adaptation across different contexts from the perspective of select developing countries and multilateral development banks. The research will provide insights into the barriers that limit the use of development financing to address national adaptation priorities and will identify opportunities to overcome these constraints.

Executive Summary

As developing countries increasingly transition from planning to implementation of their National Adaptation Plan (NAP) processes and nationally determined contributions (NDCs), a growing number have prepared or plan to prepare financing strategies to facilitate the execution of their prioritized adaptation actions. These strategies typically set out a nationally coordinated approach to identifying and securing financing for initiatives that advance the country's adaptation priorities. While interest in the preparation of finance strategies for adaptation is growing, there remains uncertainty regarding how these strategies are being developed, the degree of engagement by key actors in their creation (such as multilateral development banks [MDBs]), and their impact on scaling up financing for adaptation.

This report sets out emerging insights from a review of publicly available financing strategies for adaptation prepared by developing countries. A total of 24 financing strategies for adaptation were identified, which were divided into two groups:

- Discrete financing strategies for adaptation, such as NAP resource mobilization strategies and adaptation financing strategies.
- General financing strategies for climate action that in part seek financing for adaptation, such as climate change financing strategies and NDC financing roadmaps.

Ten discrete financing strategies for adaptation were prepared by developing countries and regions, and 14 general financing strategies for climate actions were reviewed.

The review identified emerging lessons for developing-country governments and for organizations that provide support to governments to prepare these strategies. These lessons include:

- Developing countries have adopted various approaches to preparing financing strategies for adaptation. The selected approach and content of financing strategies for adaptation depends upon where a country is in its adaptation planning process and the availability of data and analysis to inform its preparation.
- Most developing countries identify gaps in financing and potential sources of financing, but greater emphasis could be placed on the strategic use of public financing for adaptation, such as domestic financing and international grant and concessional financing, to leverage further investment.
- It is not clear that a strategy that includes detailed costing of adaptation actions is more effective than a high-level strategy that builds awareness and high-level political buy-in. Similar to other lessons that have emerged from adaptation processes, the identification of adaptation needs—including for increased financing—should be country driven and tailored to the specific context.
- The strategies could place greater emphasis on needed improvements in the enabling environment to encourage increased private sector investment, as well as analysis to

identify the types of adaptation projects that generate revenue streams that could attract private sector investment.

- Ministries that lead on adaptation need to be actively engaged in processes to develop financing strategies for NDCs, the Sustainable Development Goals, national development plans, and COVID-19 pandemic recovery. The provision of substantive and helpful input on adaptation and resilience would help to ensure that NAP priorities are addressed and aligned with national priorities.
- Improved tracking of climate finance at the country level is needed in order to understand if financing strategies and other adaptation policies are successful in mobilizing investment for adaptation priorities.

One benefit of a well-defined financing strategy for adaptation is the clear communication of adaptation priorities, which helps to increase their profile relative to mitigation projects. These strategies can help ensure that adaptation financing priorities are driven by the climate needs of developing countries as identified in their NAPs and NDCs, and they can help governments communicate these financing priorities to development partners. In addition, these strategies can help governments take a coordinated and strategic approach to the financing of adaptation that considers the best use of public and grant finance. They can also clarify how financing for adaptation can be aligned with and contribute to other related actions, such as those set out in national development plans and the financing strategies prepared to address other international obligations, such as Sustainable Development Goals, disaster risk management, and biodiversity.

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Abbreviations and Acronyms

ADB	Asian Development Bank
AfDB	African Development Bank
BIOFIN	Biodiversity Finance Initiative
CAEP	Climate Action Enhancement Package
CCFF	Climate Change Financing Framework
CIF	Climate Investment Funds
CI&FF	Climate Investment and Financing Framework
COVID-19	corona virus disease 2019
CPEIR	Climate Public Expenditure and Investment Review
CRGE	Climate-Resilient Green Economy (Ethiopia)
CSA	climate-smart agriculture
CSAIP	Climate Smart Agriculture Investment Plan
DFA	Development Framework Assessment
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFRG	Financing Framework for Resilient Growth
GCF	Green Climate Fund
GDP	gross domestic product
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Agency for International Cooperation)
IDB	Inter-American Development Bank
IKI	International Climate Initiative
INFF	Integrated National Financing Framework
ISIO	Island States in the Indian Ocean
LDC	least developed country

LCDF	Least Developed Countries Fund
M&E	monitoring and evaluation
MDB	multilateral development bank
MRV	monitoring, reporting, and verification
NAP	National Adaptation Plan
NAPA	national adaptation program of action
NBF	Needs-based Finance
NDC	nationally determined contribution
PPCR	Pilot Program for Climate Resilience
SCCF	Special Climate Change Fund
SDG	Sustainable Development Goal
SPCR	Strategic Program for Climate Resilience
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change

1.0 Introduction

As developing countries increasingly transition from planning to the implementation of their National Adaptation Plan (NAP) processes and nationally determined contributions (NDCs), a growing number have prepared or plan to prepare financing strategies to facilitate the execution of their prioritized adaptation actions. These strategies typically set out a nationally coordinated approach to identifying and securing financing for initiatives that advance the country's adaptation priorities. A well-defined financing strategy for adaptation is expected to help a developing country's government clearly communicate its adaptation priorities and how it will strategically combine resources from different sources to fill financing gaps and deliver adaptation results.

The phrase "financing strategy for adaptation" as used within this report encompasses the various finance, investment, and resource mobilization plans, strategies, or roadmaps that seek—either wholly or in part—to increase financing for climate adaptation. Broadly speaking, these strategies can be divided into two groups:

- Discrete financing strategies for adaptation, such as NAP resource mobilization strategies and adaptation financing strategies.
- General financing strategies for climate action that in part seek financing for adaptation, such as climate change financing strategies and NDC financing roadmaps.

These types of strategies have been developed at the regional, national, and sub-national levels for specific sectors and specific development partners.

The number of financing strategies for adaptation has grown in recent years, and many developing countries are accessing support for their preparation through the Green Climate Fund (GCF). Yet, to date, only limited research has assessed the impact of these strategies in terms of increasing flows of finance for adaptation. There is a lack of certainty about best practices with respect to the preparation and content of these strategies; the link between these strategies and increased volume and quality of financing for adaptation programs; and if these strategies help countries use public finance in a more strategic manner, particularly international public finance that is programmed through multilateral development banks (MDBs).

To contribute to answering these questions, this report discusses emerging insights from a review of available documents prepared by developing countries or development partners that set out a strategy to increase financing for adaptation. Based on a review of 10 discrete financing strategies for adaptation and 14 general strategies for financing climate action—including adaptation action—it provides an initial assessment of the following:

- How countries are developing their financing strategies for adaptation.
- The extent to which ministries of finance and development are engaged in adaptation planning and adaptation financing processes.

- The engagement of MDBs in the development and implementation of financing strategies for adaptation and how these strategies view the use of climate and development finance flows from MDBs to scale up financing for nationally determined adaptation priorities.
- The impact of these strategies in scaling up financing for adaptation.

The aim of the research is to increase our understanding of how developing countries can prepare effective financing strategies for adaptation priorities. In addition, the research explores how these financing strategies can align with and attract financing from MDBs.

Section 2 of this report explains the approach used to define, identify, and review the financing strategies for climate adaptation. Section 3 reviews donor-funded programs that provide technical and financial support for the preparation of adaptation and climate change investment plans. Section 4 describes the financing strategies for adaptation reviewed to inform this analysis. Emerging lessons are identified with regard to the content of strategies, the approach to developing the strategies, institutional leads, the role of MDBs, and the impact of the strategies in Section 5. The final section pulls out key findings and emerging lessons to guide the development of financing strategies for adaptation. Further information about the 10 discrete financing strategies for adaptation reviewed can be found in Appendix A, while Appendix B summarizes information about 14 general financing strategies for climate action that include adaptation. Appendix C presents information about international initiatives that provide support to developing countries to prepare financing strategies for adaptation.

2.0 Approach

As a common definition of what constitutes a financing strategy for adaptation has not yet been agreed upon, the research began by undertaking a review of how this term has been defined by various organizations. As reflected in the definitions provided in Box 1, a financing strategy for adaptation sets out strategies that are specifically focused on or include an objective to increase financing for climate adaptation. Typically, they aim to increase financing for adaptation priorities through the identification of priority actions to be funded, a review of financing options, and a plan to access the financing.

Box 1. Developing-country financing strategies for adaptation priorities

Various organizations have prepared guidance documents or technical reports that include a definition of financing strategies for adaptation. These organizations and their definitions are summarized below.

- The Climate and Development Knowledge Network's NDC Quick Start Guide explained that a "**country climate investment plan** sets out the programme of investments required to implement each priority action in the NDC, as well as a strategy for meeting those financing needs" (Dodwell et al., 2016, p. 71). The steps include (i) compiling overall costs, (ii) identifying funding needs, (iii) assessing financing options, and iv) compiling an investment plan.
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (2017) defined a **financing strategy** as a "national coordinated approach for the identification of financing options for climate change adaptation, mitigation and cross-cutting projects and projects that together strive to achieve the national climate policy goals" (p. 2). GIZ (2017) noted that the main purpose of these strategies in many developing countries is the mobilization of additional international resources and that the main building blocks of a strategy are (i) the financing gap; (ii) financing options; (iii) an implementation plan; and (iv) a way forward, including capacity building.
- Integrated National Financing Frameworks (INFF) (n.d.), an initiative supported by the United Nations Development Programme (UNDP) and the United Nations (UN) Department of Social and Economic Affairs, defined a **financing strategy for sustainable development** as a "set of sequenced actions to finance national development strategies and goals, and mobilise and align financing with national priorities." The strategy matches needs with specific appropriate resources, both public and private, and identifies and aligns a broad range of public and private financing with sustainable development.
- The Inter-American Development Bank (IDB) describes a **climate financing strategy** as "a process whereby a country determines, defines, and mobilizes the financial and other resources – including policy and institutional frameworks – necessary to

deliver the transition to net-zero and a climate-resilient development path" (Naidoo et al., 2014, as cited in Jaramillo & Saavedra, 2021, p. 44). The approach to mobilizing investment should include defining investment requirements, identifying funding options, identifying policy and institutional arrangements, and setting out a robust pipeline of projects within a framework of consultative decision making (Jaramillo & Saavedra, 2021).

- The Low Emission Development Strategies Global Partnership described a **climate change investment plan** as "a document that identifies priority areas for investment and outlines why these priorities would be good investments from a climate point of view" (Rawlins et al., 2017, p. 8). One example is a Strategic Program on Climate Resilience (SPCR) that provides information about specific investment needs and may also include information about climate vulnerabilities, policies and institutions, current activities, and sources of financing.
- The NAP Global Network's guidance note for developing countries on securing funding for prioritized adaptation actions explained that a **dedicated financing strategy for the NAP process** would "help to prioritize potential financial sources and provide a comprehensive, step-by-step process for realizing a country's financing goals" (Parry et al., 2017, p. v). The guidance explained that a financing strategy is composed of three main building blocks: (i) identifying the financing gaps, (ii) determining financing options, and (iii) identifying operational next steps.
- The NDC Partnership (2022b) explained that an **NDC financing strategy** consists of "an overview of investment needs and the expected/planned financing contributions from the private sector, the State, and international support" (p. 13). The goal of financing strategies is "to make it easier to attract financing for climate action priorities" (NDC Partnership, 2022b, p. 14).

Taking into account these general characteristics of financing strategies for adaptation, to gain a deeper understanding of the strategies being pursued by developing countries, examples were identified through Internet-based research and consultations with the Secretariat of the NAP Global Network. These strategies have been prepared by developing countries or for developing countries by other organizations, such as MDBs, UN specialized agencies, and other technical partners. The identified financing strategies were classified as being either discrete financing strategies for adaptation or general financing strategies for climate action, including adaptation.

This research identified 10 discrete financing strategies for adaptation and 14 general financing strategies for climate action that included an adaptation component. Each of these strategies was assessed with respect to the following elements:

- Who led and supported the development of the strategy
- The aim of the strategy
- The strategy's structure and methodology

- Identified priority sectors for funding
- The stated next steps to implement the strategy
- Relationship with other national initiatives, namely its NAP and NDC
- Alignment with other financing strategies, including those that aim to increase financing for Sustainable Development Goals (SDGs) and national development plans
- The role of MDBs in the strategy
- Impact of the strategy, where information was available.

Outcomes of this review of discrete financing strategies and general financing strategies for climate action are included in Appendices A and B of this report, respectively.

The 24 strategies do not comprise a complete list because other countries have developed financing strategies and plans, but they are not publicly available. The UNDP's 2021 NDC global update report stated that 18 countries had an NDC financing strategy in place and that a further 57 countries were in the process of preparing such financing strategies (UNDP, 2021b). The NDC Partnership (2022b) reported that at the end of 2021, it had supported 55 countries in developing climate financing strategies, investment plans, and financial roadmaps. As well, several developing countries have requested support for the development of adaptation financing strategies from the NAP Global Network (2020). In addition, at least 40 countries included the development of an adaptation financing strategy as an expected outcome in their GCF NAP support proposals.[1]

[1] The International Institute for Sustainable Development reviewed 52 approved GCF NAP readiness proposals in May 2021. At least 40 countries included activities to prepare a "funding plan," "financing strategy," "finance strategy," "investment strategy," or "resource mobilization strategy."

3.0 International Initiatives to Assist Developing Countries in Preparing Financing Strategies for Adaptation

Various international initiatives support developing countries in the preparation of financing strategies for adaptation. Capacity building and technical assistance are delivered through initiatives under the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), the MDBs, and UN agencies, as well as programs supported by bilateral donors—such as the NAP Global Network and the NDC Partnership. These initiatives play a significant role in facilitating the creation of financing strategies for adaptation and shaping their content. Collectively, these initiatives create opportunities for the preparation of financing strategies for adaptation and can also influence their content and structure. The initiatives are briefly described below, with additional information included in Appendix C.

3.1 Financial Opportunities Under the Financial Mechanism of the UNFCCC

Four initiatives under the UNFCCC either specifically support the preparation of climate financing strategies or have been used by developing countries to fund their creation. The four initiatives are listed below and described in greater detail in Appendix C:

- The GCF Readiness and Preparatory Support Programme – GCF Support for NAPs
- Least Developed Countries Fund (LDCF)
- Special Climate Change Fund (SCCF)
- UNFCCC Needs-based Finance (NBF) Project.

Recent efforts to develop financing strategies for adaptation tend to be funded through the **GCF Readiness and Preparatory Support Programme**'s support for the formulation of NAPs and other adaptation planning processes, which provides up to USD 3 million per country. Of the 52 developing countries accessing this support, as of April 2021, over 40 countries noted in their proposals that an expected outcome of the support for their NAP process is a financing strategy for adaptation (see Appendix C).

The **LDCF** is managed by the Global Environment Facility (GEF). It has assisted least developed countries (LDCs) in preparing and implementing national adaptation programs of action (NAPAs) and has supported the NAP process through the provision of support for priority activities identified in NAPAs. The LDCF has funded the joint UNDP–UN Environment NAP Global Support Programme, which has assisted some countries in preparing financing strategies and provided support for financing strategies in at least three countries (GEF, 2021).

The **SCCF** is also managed by the GEF. It is accessible to all vulnerable developing countries, and its key priorities are adaptation and technology transfer. The SCCF has supported at least three projects that assist countries in preparing adaptation financial plans and assessments (GEF, 2022).

The **NBF** project assists developing countries and regions with the development of climate finance mobilization and access strategies (see Box 2). The UNFCCC Secretariat is implementing this project in collaboration with the operating entities of the Financial Mechanism of the UNFCCC—the GEF and the GCF.

Box 2. NBF project

The NBF project aims to facilitate access to and mobilize climate finance for the implementation of priority mitigation and adaptation projects that address needs identified by developing countries. It was launched by the UNFCCC Secretariat in 2018 as a response to a request of the UNFCCC Conference of the Parties "to explore ways and means to assist developing country Parties in assessing their climate finance needs and priorities in a country-driven manner, including technological and capacity-building needs, and in translating climate finance needs into action" (UNFCCC, 2021, p. 3). Eight countries and 12 regions that cover over 100 countries are preparing climate finance mobilization and access strategies with the support of the NBF project.

NBF activities follow a general approach comprised of three steps:

1. Technical assessment of current needs and finance flows, needs, barriers, and relevant policies and plans.
2. Development of a climate finance mobilization and access strategy that includes an implementation plan and a pipeline of priority projects or initiatives.
3. Mobilization of support for the implementation of the strategy.

The NBF strategies focus on the scaling-up of climate finance for both mitigation and adaptation and are expected to emphasize the financial mechanisms of the UNFCCC—the GCF, the Adaptation Fund, the GEF, the LDCF, and the SCCF. The project is expected to culminate in the mobilization of resources for the implementation of country and regional climate finance mobilization and access strategies.

The Melanesian climate finance strategy 2019–2021 was the first strategy developed under the NBF project (Melanesian Spearhead Group, 2019a, 2019b). The UNFCCC reported in 2021 that "some financing for climate action in the subregion [had] been identified, including support for the design of a financing vehicle to catalyze and mobilize private sector investment together with partners" (p. 11).

Source: UNFCCC, 2021; United Nations Climate Change, 2022.

3.2 MDB Programs That Assist Developing Countries in Developing Financing Strategies for Adaptation

As part of their wider commitments to scaling up their provision of climate finance and aligning their development portfolios with the Paris Agreement, various MDBs have established programs to help developing countries formulate investment plans and mobilize resources for adaptation. These programs are often focused on identifying and scoping programs that can be supported with MDB investment, which may be designated climate finance or channelled through development finance. Three of these initiatives are listed below and described in greater detail in Appendix C:

- Climate Smart Agriculture Investment Plan (CSAIP)
- NDC support programs, including African Development Bank's (AfDB's) Africa NDC Hub, IDB's NDC Invest, and World Bank's NDC Support Facility
- SPCR, under the Pilot Program for Climate Resilience (PPCR).

Since 2014, the World Bank has supported the preparation of **CSAIPs** that identify adaptation and mitigation investment opportunities and policy options that are consistent with countries' NDC and national agricultural strategies (World Bank, 2019). The program is designed to provide analysis and context for future MDB investment, and the World Bank has committed USD 2.5 billion in investments that are aligned with the plans developed for Bangladesh, Côte d'Ivoire, Mali, and Zambia that aim to scale up adaptation and mitigation actions in their agriculture sectors (World Bank, 2019). The development of some of these plans is supported by the World Bank Group's NDC Support Facility.

Five MDBs (the Asian Development Bank [ADB], the AfDB, the European Bank for Reconstruction and Development, the IDB, and the World Bank) are implementing **NDC support programs** that deliver a variety of activities, including the development of strategies and plans to finance climate change mitigation and adaptation actions. The IDB Group's NDC Invest and the World Bank Group's NDC Support Facility have assisted countries in developing climate investment plans and strategies, some of which include adaptation (although many of these are not publicly available).

The PPCR is one of nine programs of the Climate Investment Funds (CIF) that work with MDBs as implementing agencies. A USD 1.2 billion program, the PPCR supports developing countries in building their adaptation and resilience to the impacts of climate change. As part of its activities, the PPCR supports the development of SPCRs, which are investment plans that help governments integrate climate resilience into development planning. Many of these strategies have guided investment for adaptation delivered by MDBs through the PPCR (see Box 3).

Box 3. Strategic Programs for Climate Resilience

Two regions and 28 developing countries have prepared SPCRs, which tend to be comprehensive financing strategies or investment strategies for adaptation that help governments integrate climate resilience into development planning. Most have been developed as part of an MDB technical assistance package of about USD 1.5 million. SPCRs provide substantive and comprehensive information about climate risk and vulnerability, institutional structures, policy frameworks, and current adaptation initiatives. They include financial analyses and identify priority actions that could potentially attract investment through the PPCR with financing delivered through MDBs. The PPCR approved 70 projects included in SPCRs by mid-2020 for a total of USD 996 million in funding (CIF, 2021b).

While often perceived as MDB-led strategies, SPCRs prepared since 2017 are expected to attract financing from other sources, including the MDB programs outside the PPCR, GCF, and bilateral funders (CIF, 2021b). For example, Ethiopia's SPCR informed the World Bank's country partnership strategy and underpinned the development of two World Bank-supported programs in the agriculture sector worth grant funding of USD 205 million and concessional loans of USD 275 million (Pegasys, 2020). Some SPCRs developed after 2015 note alignment with NDCs and NAPs (such as the SPCRs of Bhutan and Malawi), and many countries were able to use their experiences in implementing the PPCR to shape their NDCs and NAPs (CIF, 2021b). The MDBs' focus on Paris alignment and commitments to increase adaptation finance suggest that MDB adaptation actions will increasingly be influenced by and aligned with country-driven NDC and NAP processes (Murphy & Parry, 2020).

Source: CIF, 2021a, 2021b; Murphy & Parry, 2020.

3.3 UN Programs to Assist Developing Countries in Developing Financing Strategies

Various UN agencies have engaged with developing countries on programs that aim to scale up financing for climate change and national development priorities. These efforts are consistent with the UN Secretary-General's call for integrating the SDGs and the Paris Agreement into countries' economic and financial policies, scaling up climate finance, and enhancing grant and concessional finance for countries at risk of being left behind. With respect to the latter, the Secretary-General specifically noted the need for disaster risk reduction and resilience finance in these countries (UN Secretary-General, 2019).

These programs have included the provision of technical assistance to cost climate change actions, track domestic and international climate finance flows, and prepare financing and investment plans for climate change, including adaptation, as well as for SDGs and national development plans. The work of UN agencies is funded through the Financial Mechanism of the UNFCCC and bilateral donors, and UN agencies may receive technical and financial inputs from other development partners.

Since 2011, the UNDP, UN Department of Economic and Social Affairs, and other technical partners have supported developing countries in preparing:

- Climate Change Financing Frameworks
- Climate Public Expenditure and Investment Reviews (CPEIRs)
- Climate Investment and Financial Flows assessments
- Development Finance Assessments (DFAs)
- INFF
- Biodiversity Finance Plans
- Disaster Risk Finance Strategies.

Climate Change Financing Frameworks aim to structure more strategic approaches to mobilize, manage, and target climate change finance. They articulate the climate financing needs in a country and provide financing strategies and instruments to guide how the country will meet these financing needs (Guzman et al., 2018, p. 57). UNDP was a technical partner in the process of developing several of these frameworks.

Many of the Climate Change Financing Frameworks were informed by **Climate Public Expenditure and Investment Reviews**. These reviews aimed to help at least 30 developing countries understand how climate change policies are reflected in public expenditure, the resources required, the gaps in resources, and how to better attract climate change-related international finance (UNDP, 2015). Recent work has been undertaken develop new CPEIRs (e.g., Government of Eswatini, 2021) and improve linkages with disaster risk reduction budget analysis (UN Office for Disaster Risk Reduction, 2021).

Assessments of **Climate Investment and Financial Flows** aimed to improve a country's capacity to nationally organize financial flows and mobilize additional resources for climate change. UNDP assisted 17 countries in undertaking climate investment and financial flow assessments between 2009 and 2011 that strengthened capacities to mobilize resources (UNDP Global NDC Support Programme, 2022).

DFAs are country-led processes that support governments and their partners in identifying and building consensus around policy reforms that will mobilize additional sources of financing. DFAs are expected to put forward a clear picture of the public and private financing landscape, financing priorities, and opportunities to unlock new sources of financing. DFAs have been completed or are underway in more than 25 countries (UNDP, 2021a).

The UNDP and the UN Department of Economic and Social Affairs support developing countries in preparing and implementing **INFF** that aim to mobilize financing and align this financing with national development priorities and the SDGs (INFF, 2022b). Many of these INFF build on initial DFAs. In 2021, work was underway in 16 countries to develop SDG financing strategies, and another 49 countries intended to develop financing strategies through the INFF program, with funding provided by the UN's multi-partner trust fund, the Joint SDG

Fund (INFF, 2022b). The INFF guidance noted that climate finance is considered one avenue of funding for SDG priorities and highlighted the importance of addressing climate change to achieve sustainable development (Inter-Agency Task Force on Financing for Development, 2020).

Developing countries also engage with development partners to prepare strategies to increase financing to implement priority actions under the Rio Conventions that address biodiversity conservation and desertification, as well as climate change. The GEF is the financing mechanism for the three Rio Conventions, and actions to conserve biodiversity and combat desertification often have adaptation co-benefits. Financing for biodiversity and sustainable land management comes mainly from public funds, and 31 developing countries participated in the UNDP Biodiversity Finance Initiative (BIOFIN), a program that helps countries prepare and implement a **biodiversity finance plan** (UNDP BIOFIN, 2021).

Many developing countries have adopted the Sendai Framework for Disaster Risk Reduction and developed **disaster risk finance strategies**. Financing for disaster risk reduction is often a component of financing strategies for adaptation, such as Ethiopia's NAP Resource Mobilization Plan and Kenya's NDC Investment Plan (Government of Kenya & UNDP, 2020; Government of the Federal Democratic Republic of Ethiopia, 2020). The United Nations Office for Disaster Risk Reduction (2020) promotes financing strategies for NAPs that address both climate- and disaster risk-informed investment, recognizing that an integrated approach to adaptation and disaster risk reduction can optimize resource use.

3.4 Bilateral Donor-Supported Programs to Assist Developing Countries to Scale Up Financing for Adaptation

Bilateral donors provide funding to various programs that help developing countries prepare financing strategies for adaptation, among other activities. Prominent examples of these programs are described below.

The **NAP Global Network** enhances national adaptation planning in developing countries.[2] Financing NAP processes is a key theme for the network, which has supported at least three countries—Ethiopia, Saint Lucia, and Saint Vincent and the Grenadines—in developing financing or resource mobilization strategies for NAPs. Financial support for the network is provided by the governments of Canada, Germany, Ireland, the United Kingdom, and the United States (NAP Global Network, 2022).

The Government of Germany funds the **International Climate Initiative** (IKI), which provides funding to various organizations (including the NDC Partnership described below) to help developing countries prepare financing strategies for adaptation, among other priorities. These organizations include

[2] The International Institute for Sustainable Development serves as Secretariat for the NAP Global Network.

- GIZ, which provides services related to climate finance, including the development of climate finance strategies or plans. Its NDC Assist II project provides technical assistance to select countries on their financing strategies and investment plans (GIZ, 2020).
- UN Environment Copenhagen Climate Centre (2022), which implements the NDC Action project that helps 10 countries[3] translate their NDCs into strategies that are ready for financing and implementation, including the development of investment plans in two priority sectors. A principle of the project is a balanced focus on mitigation and adaptation (IKI, 2021b).

IKI also provides direct support to developing-country governments for the preparation of financing strategies. For example, it supports Peru's Ministry of Economy and Finance's efforts to mainstream adaptation in national development and investment plans, undertake analysis related to climate finance, adapt public investments to climate change in Peru, and develop green investment plans (IKI, 2021a).

The **NDC Partnership** helps countries align their NDC goals with financial resources and provides support for the development of climate finance strategies; national, local, and sectoral investment plans; and the development of financial roadmaps. The NDC Partnership (2022a) launched a new Finance Strategy in 2022 that will increase developing countries' access to climate finance tools and new funding for climate change priorities. Initiatives under the strategy include providing guidance to countries to prepare NDC financing strategies that are aligned with national development plans (NDC Partnership, 2022a). The NDC Partnership's Economic Advisory Initiative, launched in 2020, embeds economic advisors in ministries of finance and planning whose support can be focused on climate finance, including the preparation of resource mobilization strategies (NDC Partnership, 2021b).

The **Commonwealth Climate Finance Access Hub** has deployed climate finance advisors in 11 developing countries to provide capacity building to help increase access to climate funds. The work is focused on the identification of projects and the development of proposals to access international climate funds. As of March 2021, the Access Hub had helped six developing countries to secure funding for 13 adaptation, three mitigation, and 15 cross-cutting projects totalling USD 43.8 million (The Commonwealth, 2021).

The **Taskforce on Access to Climate Finance** is beginning in 2022 to work with five countries to deliver a new approach to scale up access to public climate finance that is coordinated, builds on existing climate plans, and is aligned with national development planning processes (UK Government, 2021).

The **Vulnerable 20 Group** assists countries in developing national Climate Prosperity Plans, which set out strategic investment pathways for socio-economic development through economic programs and infrastructure projects while accelerating low-carbon growth and building greater climate resilience. Bangladesh's plan, for example, has a strategic investment framework to mobilize financing for climate resilience activities and renewable energy (Vulnerable 20 Group, 2021).

[3] Argentina, Bangladesh, Colombia, Costa Rica, Ghana, Jordan, Mongolia, Morocco, Uganda, and Vietnam.

4.0 Examined Financing Strategies for Adaptation

Various types of strategies have been prepared by developing countries and regions to increase financing for adaptation, many of them drawing on the different sources of financial and technical support outlined in Section 3. As previously noted, 24 available financing strategies for adaptation were identified for comprehensive review and divided into two main types:

- Discrete financing strategies for adaptation, which focus specifically on climate adaptation (often set out in a country's NAP).
- General strategies for financing climate action that include adaptation, which refers to broader financing strategies for NDCs or climate change (i.e., both mitigation and adaptation) that set out an approach to increasing financing that includes adaptation action.

This section identifies the strategies within each of these categories and provides an overview of their main characteristics.

4.1 Discrete Financing Strategies for Adaptation

A discrete financing strategy for adaptation enables a coordinated national approach for the identification of financing options solely for climate change adaptation projects and programs. These strategies support the achievement of national adaptation policy goals set out in plans such as NAPs, NDCs, and climate change plans (Parry et al., 2017). These strategies can help governments identify adaptation financing gaps, resources to address the gaps, and actions to acquire resources.

Discrete financing strategies for adaptation have been prepared by nine countries and one region, as listed below and described in greater detail in Appendix A.

1. Albania (2016): *National Adaptation Planning (NAP) to Climate Change in Albania: Financing Document*
2. Belize (2013): *National Climate Resilience Investment Plan for Belize*
3. Benin (2017): *Multi-Sectoral Investment Plan for Adaptation to Coastal Risks Induced by Climate Change in Benin*
4. Cambodia (2017): *Cambodia National Adaptation Plan Financing Framework and Implementation Plan*
5. Ethiopia (2020): *Resource Mobilization Strategy for Ethiopia's National Adaptation Plan* (draft)
6. Moldova (2016): *Moldova Climate Adaptation Investment Planning Technical Assistance*

7. Niger Basin (2015): *Investment Plan for the Strengthening of Resilience to Climate Change in the Niger Basin*
8. Peru (2021): *"Financiamiento para la adaptación", Plan Nacional de Adaptación al Cambio Climático del Perú* (Financing for Adaptation: National Adaptation Plan of Peru)
9. Saint Lucia (2020): *Saint Lucia's Climate Financing Strategy: Under the Adaptation Planning Process*
10. Saint Vincent and the Grenadines (2018): *Development of a Domestic NAP Financing Strategy for Saint Vincent and the Grenadines (Draft document)*

This likely is not a complete list of discrete financing strategies for adaptation, given that not all strategies are publicly available.

An in-depth review of these strategies found that those for Albania, Ethiopia, Peru, Saint Lucia, and Saint Vincent and the Grenadines were developed as part of their country's NAP process with the support of the NAP Global Network. The Cambodia strategy, delivered with support provided through GIZ, was also prepared under the country's NAP process. These six strategies were developed through country-driven processes that included engaging stakeholders in preparing the strategies. The financing strategies prepared as part of the NAP process were aligned with and designed to increase financing for the priority actions in the countries' NAPs. Most strategies are aligned with priority adaptation actions in the countries' NDCs (although Albania's NDC did not include adaptation). For example, the Ethiopia NAP resource mobilization strategy was intended to inform the updating of its NDC, as well as its Climate-Resilient Green Economy strategy and national development plan. The Mali strategy was prepared with support from the GCF and informed the country's GCF programming, in addition to setting out a strategy to mobilize resources to support development that is resilient to climate change.

The discrete financing strategies for the adaptation plans of Belize, Benin, Moldova, and the Niger Basin were prepared with technical support provided through the MDBs and informed MDB financing decisions. For example, the World Bank and AfDB supported the development of the Niger Basin plan and were involved in technical and political consultations.

Nine of the strategies aimed to identify sources of financing for priority adaptation actions and improve mobilization of resources for adaptation. Many strategies followed a similar methodology, which included i) identifying the priority adaptation options and costs; ii) identifying financing needs; iii) identifying financing options; and iv) developing a plan/setting out the steps to access financing. The strategies tended to draw on related or previous work on the flows of financing for adaptation. The Belize plan aimed to integrate adaptation into national development planning and identify the actions needed to build climate resilience in five priority areas and the costs of those actions. The Benin plan aimed to identify appropriate action for good coastal zone management.

The discrete financing strategies for adaptation in Benin, Cambodia, Saint Lucia, and Saint Vincent and the Grenadines potentially could provide input to the NBF strategies being developed under the UNFCCC program. Similarly, the discrete financing strategies for adaptation in Albania and Cambodia could be important inputs to their INFF processes.

Evaluations or reviews of impacts have not been undertaken for these financing strategies for adaptation, primarily because the plans have been so recently developed (Peru in 2021, Ethiopia in 2020, Saint Lucia in 2020, Saint Vincent and the Grenadines in 2018, Mali in 2018, and Cambodia in 2017). Plans that were developed with the support of the World Bank had greater reported success in scaling up financing for priority adaptation actions, which may be a result of MDB engagement with the intent of guiding investment.

4.2 General Financing Strategies for Climate Action—Including Adaptation

Many countries have prepared, are in the process of preparing, or are considering the preparation of a financing or investment strategy for climate change or their NDC, and these plans often include adaptation actions. These strategies describe how NDC targets and associated actions will be funded, which includes identifying sources of financing and activities to access those sources. Some strategies include the identification of specific projects or pipelines of projects prioritized for investment. Support for developing financing strategies for NDCs is a common request from developing countries to the NDC Partnership (NDC Partnership, 2022b).

General financing strategies for climate change action, including adaptation, were identified for 11 countries and three regions, as listed below and described in greater detail in Appendix B:

1. Belize (2021): *Climate Finance Strategy of Belize, 2021–2016*
2. Chile (2019): *Chile National Financial Strategy for Climate Change*
3. Colombia (2017): *Colombia National Strategy of Climate Financing*
4. Ecuador (2021): *National Climate Finance Strategy of Ecuador, 2021–2030*
5. El Salvador (2018): *El Salvador National Climate Finance Strategy*
6. Ghana (2021): *Nationally Determined Contribution Implementation Plan: Financing Strategy Report*
7. Island States in the Indian Ocean (ISIO) (2022): *Climate Finance Access and Mobilization Strategy for Island States in the Indian Ocean, 2022–2025*
8. Kenya (2020): *Kenya Financing Strategy for Nationally Determined Contribution*
9. Malawi (2014): *Malawi National Climate Change Investment Plan*
10. Mali (2018): *Investment Plan for the Implementation of Mali's National Determined Contribution (NDC): Main Document*
11. Melanesia (2019): *Melanesian Spearhead Group Climate Finance Strategy 2019–2021*
12. Morocco (2018): *Plan d'investissement et de Financement de la CDN (NDC Investment and Financing Plan)*

13. Sahel (2018, 2019): *Climate Investment Plan for the Sahel Region 2018–2030;* and *Priority Program to Catalyze Climate Investments in the Sahel*
14. Zambia (2021): *Climate Finance Mapping for NDC Implementation in Zambia*

Other countries have developed financing strategies and plans, but they were not publicly available. UNDP (2021) reported that 18 countries have developed NDC financing strategies, and 57 are in the process of preparing such strategies.[4]

The financing strategies for Colombia, El Salvador, Ghana, Kenya, Malawi, and Mali were prepared with the technical support of the UNDP, with financial support provided through the UNDP NDC Support Program or the GCF Readiness Preparatory Support Program. GIZ was a technical partner in Ecuador and Mali, and MDBs provided technical assistance for the development of the plans in Chile (IDB) and the Sahel region (AfDB and World Bank). The financing strategies of Belize and Zambia were supported by the Commonwealth Climate Finance Access Hub.

Looking at who was responsible for the preparation of general financing strategies for climate change, processes to develop NDC financing strategies were led by ministries responsible for finance or a climate finance committee (Chile, Colombia, and El Salvador) or by ministries responsible for climate change (Kenya, Malawi, Mali, Morocco, and Zambia). Sector ministries were engaged as members of the climate finance committee or during stakeholder consultations. Participatory, consultative processes were typically used to develop the strategies.

Most of the 14 reviewed strategies aimed to access, mobilize, and scale up financing to contribute to achieving climate goals, both in mitigation and adaptation. Similar to discrete financing strategies for adaptation, these general financing strategies for climate action identified priority actions, current financing, financing needs, and potential opportunities and mechanisms to scale up financing for adaptation goals. Some of the general strategies for financing for climate change adaptation take a broad approach that extends to development finance, domestic allocations for priority actions, and scaling up private investment and private sector engagement.

All of the reviewed general financing strategies built on actions and priorities identified in NDCs, with the exception of Malawi's, which was developed in 2014 before the submission of NDCs. The Ecuador, El Salvador, Ghana, Kenya, Melanesia, Morocco, and Zambia strategies noted alignment with priority actions identified in their NAPs. Several strategies built on earlier work on climate finance, including CPEIRs in Chile, Colombia, Ecuador, El Salvador, Ghana, Kenya, Malawi, and Morocco; Climate Investment and Financial Flows assessments in Colombia, El Salvador, Morocco, and Zambia; and CSAIPs in Ghana, Mali, Morocco, and Zambia. The financing strategies for climate change could also provide analysis for the regional NBF climate finance strategies for eastern, western, and southern Africa. Importantly the general financing

[4] The *Nationally Determined Contributions (NDC) Global Outlook Report* (UNDP, 2021b) provided information at a summary level; a list of countries with financing strategies was not publicly available.

strategies for climate change for Colombia, El Salvador, Ghana, Malawi, Mali, Morocco, and Zambia could provide input to the development of INFF to support financing for their SDGs.

The plans for Chile, Colombia, Ecuador, El Salvador, Ghana, ISIO, Kenya, Mali, Melanesia, Morocco, and Zambia were recently prepared, and their impact on scaling up financing for adaptation cannot be determined at this time. A desk review did not find an evaluation or a review of the impacts of the implementation of Malawi's 2014 investment plan. The World Bank and AfDB, which supported the development of the climate investment plan for the Sahel region, committed to significant investments to deliver on that plan (AfDB, 2019). Although the impact of these individual strategies is unclear, as discussed in Section 5.5, *The Heat Is On: Taking Stock of Global Climate Ambition* reported that countries with a financing strategy benefited from the mobilization of international grants (UNDP & UNFCCC, 2019).

5.0 Emerging Lessons

Developing countries are working to increase resources for adaptation, with the formulation of financing strategies for adaptation being one means to work toward this goal. Reflecting on the outcomes of the detailed analysis of the discrete and general financing strategies for adaptation described in Section 4, this section presents emerging lessons regarding the content, approach, and institutional leads of these strategies. It also reflects on the extent of MDB engagement in their development, linkages to the broader financial landscape, and the impact of these strategies with respect to increasing financing for adaptation.

5.1 Content of Financing Strategies for Adaptation

The financing strategies for adaptation in developing countries varied in focus, detail, and information. Some of the strategies are comprehensive documents with detailed costing information. For example, the Cambodia financing framework for adaptation identified 40 priority adaptation actions in a 123-page document. The Saint Lucia plan for financing adaptation identified 40 potential priority climate adaptation actions as well as costing and sources of financing for these in a 113-page document. Other strategies were shorter, less detailed documents that aimed to build high-level support for financing climate (adaptation) priorities. The 2019 Melanesian and 2022 ISIO strategies prepared with the support of the NBF project were short documents—six and eight pages, respectively—that identified strategic actions over 3 years. Each strategy included a technical annex that provided underlying data and analysis.

Most financing strategies—whether discrete or general—identified potential sources of public finance, both domestic and international. All the strategies focused on securing a greater amount of international public finance for adaptation, which can include climate funds, multilateral funds, MDB investment, and support from bilateral agencies.

Many strategies included generic descriptions of sources of international climate funds, such as the GCF, LDCF, Adaptation Fund, and PPCR. This information is readily available in guidance notes (see, for example, Parry et al., 2017) and online tools such as the NDC Partnership's Climate Finance Explorer (NDC Partnership, 2021a). While there is an element of capacity building for the groups that develop the strategy (both governments and technical partners and consultants), it might be more helpful to highlight how various available sources of international climate finance can support a country's specific adaptation priorities.

Few financing strategies for adaptation included an analysis of the types of adaptation projects that should be funded by grant funds, concessional funds, and loans, including to leverage additional investment. The analysis often fails to consider the level of funding available to the country through the Adaptation Fund, LDCF, and SCCF—as well as how GEF-funded biodiversity and desertification projects could be better designed to have adaptation co-benefits. Analysis of this type would be consistent with calls to use international public climate finance, particularly grant and concessional finance, in a more strategic manner to leverage further investment (see, for example, Miller at al., 2019; Organisation for Economic Co-operation and Development, 2019; World Bank Group, 2020a, 2020b).

Many of the financing strategies explored ways to increase domestic finance allocations. The Albania NAP financing document, for example, identified entry points to strengthen domestic action to mobilize and channel funds for adaptation, including mainstreaming the NAP into their medium-term budgeting process. The Cambodia plan included an analysis of funding from the national budget for the 40 priority actions set out in the sectoral climate change action plans of 14 line ministries. The Ethiopia strategy identified opportunities to align domestic spending with adaptation priorities, including pro-poor and infrastructure sectors at the national level, as well as addressing local needs at the sub-national level in the agriculture, health, and disaster management sectors. The Peru strategy explored the country's public budget approach that requires sectors to allocate budgets for climate action.

Eight of the 10 discrete strategies and all of the reviewed general strategies for financing climate action noted the importance of private sector engagement and increasing private investment for adaptation. For example, Peru's strategy noted how public funds could be used to encourage private investment in adaptation and elaborated on financial tools that have been used for this purpose. Cambodia's strategy included a chapter on the engagement of the private sector and notes the need for innovative instruments.

Although most strategies made broad statements about the need for greater private sector engagement and investment in adaptation actions, the role of and opportunities for the private sector tended to not be well articulated. This trend appears to reflect a limited understanding by developing-country governments of how they want to engage the private sector and the risks and barriers that need to be addressed to influence that engagement. This observation is consistent with recent reports that identify ways for governments to engage the private sector in their NAP processes and to build the business case for adaptation to encourage private investment in adaptation priorities (Crawford & Church, 2019; Tall et al., 2021). Recognition of the role of the private sector in financing climate adaptation is critical because it lays the groundwork for focused action to improve the enabling environment in appropriate sectors and to develop innovative financial mechanisms that use public funds to scale up private investment.

The strategies vary in their time horizons, recommendations, and planned way forward. Cambodia's plan, for instance, identified resources to be mobilized in the short, medium, and long terms. Ethiopia's resource mobilization strategy included an implementation plan with steps to increase investment for adaptation in the short and medium terms, including steps to align the mobilization of resources for adaptation with national development processes. Albania's plan set out a 5-year roadmap to identify, access, and channel funding for NAP priorities. The Saint Lucia plan identified ongoing activities needed to finance the NAP process. Melanesia's strategy set out broad actions and called for the development of an implementation plan, roadmap, or resource mobilization strategy as a next step.

The following emerging lessons can be pulled from these findings:

- Financing strategies for adaptation are country or region specific and vary in focus, content, and length. The approach to financing adaptation action differs from country to country, depending on their circumstances and priorities.
- More emphasis could be placed on financing strategies on the strategic use of the various climate funds and other sources of international public finance, particularly grant and concessional finance. A more strategic approach is needed to both align adaptation priorities with specific sources of international public finance and ensure that scaled-up financing for adaptation contributes to the achievement of national development priorities.
- Greater emphasis could be placed on needed improvements in the enabling environment to encourage increased private sector investment for adaptation. Increasing private investment is often part of a country's other financing strategies, such as those that seek to increase financing for the SDGs. Actions in financing strategies for adaptation, including those to encourage private sector investment, should be aligned with and complementary to these broader national strategies.

5.2 Approach to Costing Financing Strategies for Adaptation

Some of the 24 strategies reviewed attempted to identify an adaptation financing gap and options to fill that gap, as recommended in guidance documents such as GIZ (2017), Parry et al. (2019), and Dodwell et al. (2016). While such an approach is recommended, it is not always the methodology used by developing countries, perhaps because many have not costed their adaptation priorities. A stocktake of the UNDP initiative to develop Climate Change Financing Frameworks in seven countries in Asia and several states in India, for instance, determined that the costing of adaptation actions was not undertaken in a structured manner, and adaptation cost estimates were often prepared without a ceiling and thus not consistent with expected resources (Nicolson et al., 2016).

The recommended approach may also not be applied, as countries are not able to identify the domestic and international public financing that has already been mobilized to support their adaptation actions. Miller et al. (2019) noted that systems for tracking adaptation finance are not well developed. At the country level, the World Bank-supported assessment of the implementation of Ethiopia's Climate-Resilient Green Economy strategy noted that estimates of climate finance needed between 2020 and 2030 were incomplete because of an absence of climate financing tracking systems, and there was no mechanism to unpack activities undertaken in the country's second national development plan to determine climate change-linked expenditure (Pegasys, 2020).

Countries identified a range of adaptation finance needs, but the methodology used to assess the costs of adaptation actions was not always clearly articulated. For example, Ethiopia's plan drew on previous analysis that identified the need for adaptation finance totalling USD 6 billion a year for 15 years. Peru's financing strategy costed 51 of 92 priority adaptation actions using a methodology that identified costs per measure (such as per hectare or per person) of investment projects similar to the adaptation measures. This costing was undertaken to demonstrate that the implementation of the adaptation action is economically viable. Other strategies—such as those of Belize, Cambodia, ISIO, and Melanesia—set out their calculations of financing needs and gaps in background technical reports or technical annexes.

These findings suggest that, in the short term, governments might consider focusing on scaling up financing for five to ten strategic adaptation actions that could potentially be achieved in the short term and are aligned with other key national plans, such as their NDC, sustainable development strategies, and COVID-19 pandemic economic recovery strategies. This approach could include the engagement of potential technical and financial partners; the development of concept notes or proposals for these strategic actions that are informed by climate vulnerability assessments, cost-benefit analysis, and broad costing exercises; and the identification of potential government inputs and allocations to the action. As an example, short-term strategic actions could be scaling up financing to assess climate vulnerability and address climate resilience in a flagship infrastructure project or accessing financing for projects that aim to enhance food security by building the adaptive capacity of small-scale farmers, ensuring that they maintain production and incomes as the climate changes.

The following emerging lessons can be pulled from these findings:

- Financing strategies for adaptation do not necessarily need to calculate an adaptation financing gap. They can identify key areas for resource mobilization and provide direction on the strategic use of public funds to scale up adaptation investment within them.
- The development of detailed costing information for a long list of adaptation actions may not be the best use of time and resources when developing a financing strategy for adaptation. Generating costing information can be expensive, time-consuming, and require extensive stakeholder input—and costing is often redone in a more detailed manner by the government and potential funders at the project design stage (Government of the Federal Republic of Ethiopia, 2020).
- A financing strategy can highlight the importance of adaptation actions that can be undertaken in the short term. Identification of potentially achievable high-benefit actions that can be delivered in a short time frame (i.e., 5 years or less) within a reasonable budget and are aligned with national development and COVID-19 pandemic recovery plans may attract greater attention from political leaders, ministries of finance, and potential funders.

5.3 Institutional Leads and Their Impacts on Strategies

Developing-country governments are engaged in various processes that could increase financing for adaptation. Some of these processes, especially those focused on increasing resources to implement NAPs, tend to be led by ministries responsible for climate change (often the ministries of environment or sustainable development). The entity leading the development of general financing strategies for climate action tends to vary from country to country. The reviewed general financing strategies were prepared by the ministry responsible for climate change in Ghana, Kenya, Malawi, Mali, and Morocco; the Ministry of Finance in Chile; jointly by ministries responsible for climate change and finance in Zambia; and climate finance committees in Colombia and El Salvador. Climate finance committees typically provide oversight for the development of climate financing plans and often include ministries responsible for finance and climate change. These committees provide an opportunity for the ministry responsible for the NAP process to bring adaptation priorities into the broader financial landscape; and the ministry of finance can be encouraged to promote climate resilience and adaptive planning in initiatives supported through domestic budget allocations and international investment.

Processes led by MDBs, such as the development of SPCRs, tend to be led by ministries of finance or planning. In addition, ministries of finance and planning lead the development of broader financing strategies, such as those for SDGs, national development, and COVID-19 pandemic recovery. These ministries lead the domestic budget processes and are instrumental in allocating domestic funds for adaptation priorities. As is widely acknowledged, the engagement of ministries responsible for finance and planning can help to ensure that finance strategies for adaptation are aligned with national economic development priorities and actions, as well as raise awareness in the finance ministry of the importance of adaptation (Delgado et al., 2021; Lebel et al., 2012; Organisation for Economic Co-operation and Development, 2019; Parry et al., 2017; UNFCCC Standing Committee on Finance, 2018, 2021).

The *Fourth (2020) Biennial Assessment and Overview of Climate Finance Flows* reported that ministries of finance and planning are strengthening their commitments to engage in climate change planning, with national-level institutions playing a greater role through domestic tracking, monitoring, and verification of climate finance (UNFCCC Standing Committee on Finance, 2021, p. 104). IDB indicated that different ministries could lead different areas of work in the development of financing strategies, noting that in Costa Rica, the Ministry of Energy and Environment led the development of the investment plan, while the ministry responsible for finance led the integration of climate objectives into national development plans (Jaramillo & Saavedra, 2021).

The following emerging lessons can be pulled from these findings:

- Ministries that lead national efforts to adapt to climate change need to be actively engaged in processes to develop financing strategies for NDCs, SDGs, national development plans, and COVID-19 pandemic recovery. The provision of substantive and useful input on adaptation and resilience would help to ensure that adaptation priorities, including those identified in NAPs, are addressed and aligned with national priorities.

- Finance and planning ministries need to be engaged in the formulation of financing strategies for adaptation action to encourage alignment with national priorities and to improve understanding of how domestic public finance can address these priorities.

5.4 The Role of MDBs

Within this review, specific attention was given to the role of MDBs in the development and implementation of financing strategies for adaptation. This focus reflects the critical role that MDBs are expected to play in financing adaptation in developing countries, particularly LDCs, because they provide and leverage large volumes of financing under attractive terms and have commitments related to the achievement of the goals of the Paris Agreement under the UNFCCC.[5] MDBs' efforts to align with the adaptation goals of the Paris Agreement include investing in discrete adaptation projects and ensuring that infrastructure is resilient to the impacts of climate change. They also provide technical assistance that promotes adaptation action, such as supporting NDC and NAP processes that can include the development of climate change and adaptation financing strategies (Murphy & Parry, 2020).

In addition, MDBs are assisting developing countries with COVID-19 pandemic recovery, and there are opportunities for MDBs to continue to invest in adaptive capacity while advancing recovery from the pandemic. The World Bank is encouraging developing countries to take an integrated approach to risk management within public finance frameworks by incorporating climate change, pandemics, and other major risks (World Bank Group, 2020a). The ADB encouraged addressing pandemic recovery in a manner that aligns with the Paris Agreement (ADB, 2020), including aligning COVID-19 recovery packages with adaptation priorities identified in the countries' NDCs and NAPs. Additionally, MDBs may be able to assist developing countries in making linkages across their various financing strategies, building on their work with developing countries to develop SPCRs; update and prepare investment plans for NDCs; scale up financing for the SDGs—including mobilizing public and private investment to fill the infrastructure gap (IDB, 2019)—and provide COVID-19 recovery support.

Given these commitments, it is perhaps not surprising that almost all of the reviewed financing strategies for adaptation identify MDBs as key delivery channels of climate finance and potential funders of adaptation actions. Several financing strategies were prepared with MDB technical assistance, including the Belize and Niger Basin strategies and the Moldova plan that was developed by World Bank staff to guide their country's programming. Other strategies noted that MDBs provide financing through climate-focused programs such as the PPCR and act as implementing entities for the GCF and GEF. The Ethiopia plan noted the importance of NAP processes informing MDB country strategies and the need for the country's adaptation

[5] Nine MDBs have committed to doubling the total level of adaptation finance provided to clients compared to 2019 levels to USD 18 billion annually by 2025 (ADB et al., 2019).

leads to be engaged in the identification and design of MDB-funded initiatives to ensure that adaptation and climate resilience are considered in infrastructure, agriculture, and other programs. Cambodia's and Ethiopia's plans remarked on the need for improved coordination of development partners, including MDBs.

However, very few financing strategies identified how climate finance provided through MDBs can be used strategically to advance adaptation, and none identified how development finance provided by MDBs could be used strategically. Options include investing in projects that have the greatest potential to leverage additional funds from other sources, including the private sector; using grant and concessional funding to assess climate vulnerabilities and to adjust programs to address identified climate risks; and supporting initiatives in areas where capacity and resources to respond to the impacts of climate change are most limited. The World Bank Group (2020b) has highlighted that climate finance can become more transformative by using "climate levers" that include supporting projects that have the greatest potential to leverage additional funds, employing a wider variety of financial instruments, linking to long-term strategic planning, and investing in climate knowledge.

The following emerging lessons can be pulled from these findings:

- MDBs, with their commitments to achieve Paris alignment and increase financing for adaptation, may be able to offer helpful frameworks for screening for climate risks and information on the costs of actions to increase climate resilience. MDBs may also be able to help countries strategically use development finance to generate adaptation co-benefits and climate finance to leverage additional financing for adaptation.
- MDBs are well placed to assist developing countries in making the linkages across financing strategies for different priorities, such as bringing adaptation priorities into SDG financing strategies and the broader financing landscape. Ministries responsible for adaptation will need to work with ministries of finance and MDB representatives to ensure that adaptation priorities are considered in the development of MDB country strategies and during the planning and implementation phases of MDB programs.
- MDBs may be able to help developing countries identify the strategic use of grants and concessional finance to scale up financing for adaptation. They may also advise on the strategic use of climate finance, including adaptation finance, to leverage funding from other sources to assist with economic recovery from the impacts of the COVID-19 pandemic.

5.5 Impact of Financing Strategies for Adaptation

Very limited research is available that examines whether or not financing strategies for adaptation—whether discrete or general—actually are leading to greater financing for adaptation. In part, this stems from the fact that many of these financing strategies are relatively new, having been developed in 2015 or later. Others are still under development, such as the financing strategies being developed through the NBF project and with support from the GCF NAP readiness program. The research did not identify any reviews or evaluations of earlier plans—such as those of Belize, Malawi, Moldova, and the Niger Basin—that commented on their impact with regard to increasing financing for adaptation.

However, the UNDP and UNFCCC's report *The Heat Is On: Taking Stock of Global Climate Ambition* indicated that countries with an NDC financing strategy benefit from the mobilization of international grants, reporting that 14 of 16 countries with NDC finance strategies managed to secure international grants for their NDCs (UNDP & UNFCCC, 2019). UN Climate Change (2021) reported that the implementation of the Melanesian climate finance strategy resulted in the identification of some financing for climate action in the region, including "support for design of a financing vehicle to catalyze and mobilize private sector investment together with partners" (p. 11). Countries that have worked with MDBs to prepare SPCRs have secured funding for projects identified in their SPCRs from MDBs, the GCF, and bilateral donors (CIF, 2020).

Many of the priority actions in country-specific financing plans developed with MDB support attracted MDB investment. For example, development partners pledged USD 3.41 billion to finance the Priority Program to Catalyze Investments in the Sahel region, including USD 1.5 billion from the World Bank and USD 1.3 billion from the AfDB (AfDB, 2019). The Moldova strategy informed the development of an adaptation project that was financed by the World Bank and GEF (World Bank, 2016). The Niger Basin strategy resulted in commitments of USD 185 million from MDBs and other development partners for integrated climate and development projects (AfDB, 2018).

Very few of the financing strategies for adaptation reviewed included processes for monitoring and evaluation of the financing strategy. *Kenya's Financing Strategy for Nationally Determined Contribution* was an exception, stating that the financing strategy would be reviewed after 5 years and including key performance indicators such as the amount of money from the exchequer for NDC actions and the amount of money received from donors (Government of Kenya & UNDP, 2020).

Data constraints in developing countries limit the tracking of financing for climate change (Buchner et al., 2019). This lack of data poses challenges for developing countries in determining the impact of their financing strategies, similar to the challenges in undertaking a financial gap analysis to inform the development of their strategies. The NBF strategies are expected to include details about the amounts of climate finance mobilized, particularly climate finance flows through the UNFCCC Financial Mechanism. This analysis will likely help with assessing the extent of—and conditions that enable—success in securing more funds.

Different methodologies to account for domestic allocations to climate change priorities across countries mean that information is not comparable. As noted by the UNDP and Climate Finance Group for Latin America and the Caribbean, the lack of data and systematized information on climate finance flows at the different levels of government means there is limited ability to identify gaps, analyze climate impacts, and direct flows to help achieve adaptation goals (Guzman et al., 2018).

Developing countries face even greater challenges in determining flows of private investment for adaptation. Limited information is available at a global level because of definitional challenges, accounting issues, and confidentiality restrictions (Buchner et al., 2019). Moreover, very little work has been undertaken to track private climate finance flows at the developing-country level (Oxford Consulting Partners, 2015, p. 2). As with public financing, a lack of baseline information means that it is difficult to measure increases in private sector financial flows and determine the success of strategies targeting this sector in increasing financing for adaptation.

Even with improved information on the flows of financing for adaptation, attribution will be difficult because increased financing will likely be a result of many things—such as a commitment to increase flows for adaptation by MDBs and increases or decreases in climate finance and official development assistance allocations from developed countries—in addition to the financing strategy.

The following emerging lessons can be pulled from these findings:

- Financing strategies for adaptation could include processes for monitoring and evaluating the impact of the financing strategy—including targets and timelines—and process indicators.
- Improved tracking of climate finance at the country level is needed to understand if financing strategies and other adaptation policies are successful in mobilizing investment for adaptation priorities. Efforts to measure the impact of financing strategies for adaptation likely could start with monitoring the increase of international public finance flows for adaptation. Measuring increases in the flows of domestic public finance could come later. After experience is gained and methodologies established, efforts could move to tracking private finance.

6.0 Concluding Comments

Many developing countries have prepared or intend to prepare financing strategies for adaptation as part of their NAP or NDC processes. This review has been undertaken to provide an initial assessment of the approaches that countries are taking to develop these strategies and the factors that may be contributing to their potential to help scale up financing for adaptation. Some of the main findings of this review that could provide guidance to governments and organizations assisting governments in preparing financing strategies for adaptation are as follows:

- **Financing strategies for adaptation should be tailored to the specific status and needs of the developing country.** Depending upon where they are in their adaptation planning process and the availability of data and analysis to inform the content of their strategies, countries can determine if they want a discrete or general strategy, the desired depth of the costing information, the length of the document, and the level of detail (e.g., a high-level strategy directed at policy-makers or a detailed costed plan directed at potential financiers). Financing strategies for adaptation should be fit for purpose.
- **Greater emphasis in the financing strategies for adaptation could be placed on the strategic use of public finance for adaptation.** While most strategies identify potential sources of financing, such as domestic finance and international grant and concessional finance, analysis is needed of how this financing can be transformative and can leverage further investment from other sources, including the private sector.
- **Countries do not necessarily need to calculate an adaptation finance gap in their strategies.** The development of costing information for a long list of adaptation actions may not be the best use of resources. Generating costing information can be expensive and time-consuming; requires extensive stakeholder consultation; and is often redone in a more detailed manner by potential funders at the project design stage. It is not clear that a strategy that includes detailed costing of adaptation actions is more effective than a high-level strategy that builds awareness and high-level political buy-in. Similar to other lessons around country-driven adaptation planning, a decision regarding the extent to which costing is included in a financing strategy will depend on the context in which it is being developed.
- **Ministries of finance and planning should be engaged in the development of financing strategies for adaptation.** These ministries typically have stronger connections to a range of financial actors, including development partners and the private sector, and are well placed to identify how to align financing strategies for adaptation with other broader financing strategies. Further research is needed to determine the extent to which the engagement of these ministries leads to increased flows of investment for adaptation priorities. Recent initiatives, such as the Coalition of Finance Ministers for Climate Action (2022) and the Economic Advisory Initiative of the NDC Partnership, are likely to generate information to address this question.

- **Ministries that lead on adaptation need to actively engage in processes to develop financing strategies for NDCs, SDGs, national development plans, and COVID-19 pandemic recovery.** The provision of substantive and helpful input on adaptation and resilience would help to ensure that NAP priorities are addressed and aligned with national priorities.
- **Engage potential international funders in the development of financing strategies for adaptation**, as it may increase the mobilization of international public finance for adaptation priorities. Financing strategies prepared with MDB support were likely to directly lead to financing for the priorities they contain. Often these strategies were developed with the specific aim of identifying cost-effective MDB investments, which is a somewhat different objective than seeking financing for priorities identified in a country's NAP.
- **The strategies could place greater emphasis on needed improvements in the enabling environment** to encourage increased private sector investment, as well as on analysis to identify the types of adaptation projects that generate revenue streams that could attract private sector investment.
- **Improved tracking of climate finance at the country level is needed** to understand if financing strategies and other adaptation policies are successful in mobilizing investment for adaptation priorities. Efforts to measure the impact of financing strategies for adaptation likely could start with monitoring the increase of international public finance flows for adaptation. Measuring increases in the flows of domestic public finance could come later and, after experience is gained and methodologies are established, move to tracking private finance.

Finally, the analysis shows that a key benefit of a well-defined financing strategy for adaptation is the clear communication of adaptation priorities, which helps to increase their profile relative to mitigation projects. These strategies can help to ensure that financing priorities are driven by the climate adaptation needs of developing countries as identified in their NAPs and NDCs. They also can help governments communicate financing priorities to development partners.

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Appendix A. Discrete Financing Strategies for Adaptation

Outcomes of a detailed review of 10 discrete financing strategies for adaptation priorities completed in nine developing countries and one region are presented in this appendix. A summary of the main findings of the review is set out below, followed by two tables that present the following information:

- Table A1 includes information about lead and supporting institutions, the aim of the strategy, the structure and methodology of the strategy, priority adaptation sectors addressed through the strategy, and stated next steps to implement the strategy.
- Table A2 includes information about the alignment of the discrete financing strategy for adaptation with the country's National Adaptation Plan (NAP) and nationally determined contribution (NDC); alignment of the strategy with other financing strategies, including those that aim to increase financing for Sustainable Development Goal (SDGs) and national development plans; the role of multilateral development banks (MDBs) in the strategy; and, if the information is available, the impact of the strategy.

Summary of Key Findings

Based on a review of the content contained in Tables A1 and A2, the following may be observed:

- **Processes to develop the discrete financing strategies** – The strategies for Albania, Ethiopia, Peru, Saint Lucia, and Saint Vincent and the Grenadines were developed as part of their country's NAP process and supported through the NAP Global Network. The Cambodian strategy was developed as part of the country's NAP process, with support provided through the Climate Change Financing Framework (CCFF) program led by the United Nations Development Programme (UNDP). These five strategies were developed through country-driven processes that included broad stakeholder participation.
The adaptation investment plans for Belize, Benin, and Moldova were prepared with technical support provided through the World Bank. The Belize plan was developed through engagement with stakeholders from local and national governments, civil society, the private sector, and development partners. The World Bank and the African Development Bank (AfDB) supported the development of the Niger Basin plan, which involved technical and political consultations.
- **Aim** – Seven of the strategies aimed to identify sources of financing for priority adaptation actions or improve the mobilization of resources for adaptation. The Belize plan aimed to integrate adaptation into national development planning. The Moldova plan was developed by World Bank staff to identify cost-effective adaptation interventions. The Benin plan was developed for the World Bank to identify appropriate investments for coastal risk adaptation.

- **Structure** – Many strategies followed a similar methodology, which included (i) identifying the priority adaptation options and costs; (ii) identifying financing needs; (iii) identifying financing options; and (iv) developing a plan/setting out the steps to access financing. The Belize plan took a different approach, identifying the actions needed to build climate resilience in five priority areas and the costs of those actions.
- **Engagement of ministries of finance and ministries of climate change/ environment** – The development of the NAP financing strategies tended to be led by the ministries responsible for climate change, often the ministries of environment or sustainable development. Ministries of finance and planning were often engaged in the process.
- **MDB engagement** – The World Bank provided technical assistance for the preparation of the Belize, Benin, Moldova, and Niger Basin plans. The other strategies noted the role of MDBs as potential funders for priority adaptation actions and as channels of climate finance, including through the Pilot Program for Climate Resilience (PPCR) and as implementing entities for the Green Climate Fund (GCF) and Global Environment Facility (GEF). The Ethiopia plan noted the importance of NAP processes informing MDB country strategies and the need for the country's adaptation leads to be engaged in the identification and design of MDB-funded initiatives to ensure that adaptation and climate resilience are considered in infrastructure, agriculture, and other programs. The Cambodia and Ethiopia plans noted the need for improved coordination of development partners, including MDBs. In 2020, the World Bank supported the updating of NDCs in Cambodia and Ethiopia through its NDC Support Facility.
- **Alignment** – The financing strategies developed as part of the NAP process are aligned with the countries' NAPs and most often with their NDCs (although Albania's NDC does not include adaptation). The Ethiopia NAP resource mobilization strategy was intended to inform the updating of the country's NDC, Climate-Resilient Green Economy (CRGE) strategy, and national development plan. The Belize strategy was aligned with priority pipeline investments set out in the country's public service investment program. The Peru NAP financing chapter was intended to be an input for the country's NDC financing strategy.
- **Related financing processes** – The strategies tended to draw on related or previous work on the flows of finance for adaptation. The Cambodia plan was informed by the UNDP-supported Climate Public Expenditure and Investment Review (CPEIR) and CCFF and the World Bank-supported Strategic Program for Climate Resilience (SPCR). Ethiopia's strategy drew on the information in the World Bank-supported SPCR and a review of the implementation of the CRGE. Four of the countries previously had developed SPCRs (Cambodia, Ethiopia, Saint Lucia, and Saint Vincent and the Grenadines). UNDP was a technical partner supporting the development of CPEIRs in Cambodia and Ethiopia, as well as the CCFF in Cambodia. UNDP also provided technical support for SDG financing strategies, including Development Finance Assessments (DFA)s in Cambodia and Ethiopia, and Integrated National Financing

Frameworks (INFF) in Albania and Cambodia. The finance strategies of Cambodia, Saint Lucia, and Saint Vincent and the Grenadines could potentially provide input to the Needs-based Finance (NBF) strategies being developed under the United Nations Framework Convention on Climate Change (UNFCCC) program. The Belize plan may include useful information for its NDC financing strategy. Peru had previously prepared finance strategies for disaster risk management and biodiversity.

- **Impact** – Evaluations or reviews of impacts have not been undertaken for the examined discrete financing strategies for adaptation, primarily because the plans have only recently been developed (Peru in 2021, Ethiopia in 2020, Saint Lucia in 2020, Saint Vincent and the Grenadines in 2018, Mali in 2018, and Cambodia in 2017). Plans that were developed with the support of the World Bank had greater reported success in scaling up financing for priority adaptation actions, which may be a result of MDB engagement with the intent of guiding in-country programming.

Table A1. Aim, structure, and next steps of reviewed discrete financing strategies for adaptation

Albania	
Plan	*National Adaptation Planning (NAP) to Climate Change in Albania: Financing Document,* 2016 (48 pages) *Screening of Potential Funds for NAP-Albania,* 2019 (17 pages)
Lead institution/ main technical and financial partners	• Ministry of Tourism and Environment • Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and NAP Global Network, with funding from the Government of Germany
Aim	To identify potential sources of funding; sets out the steps "required to put in place an efficient mechanism to identify, access and channel funding for NAP priority actions and other future adaptation interventions."
Structure/ methodology	The document provided guidance on how to finance 15 NAP priority actions and climate change adaptation actions more widely. It reviewed institutional structure and efforts to mainstream adaptation; identified entry points and opportunities to mobilize national and international public finance and private sector investment; and set out a roadmap of actions. "A three-pronged approach to prioritize suitable prospective adaptation donors and financiers: 1. Screening and prioritization of external donors/financing sources. 2. Prioritization of priority areas in view of readiness for resource mobilization in the coming years. 3. Matching the prioritized priority areas with the prioritized external donors/financing sources." It identified costs and national budget allocations for 14 overarching NAP priority actions and identified prospective external funders. The total cost of the 14 adaptation actions was estimated at USD 6.455 billion over 5 years. The 2019 companion document provided information about potential funds that could support adaptation action.
Priority sectors	Water management, coastal ecosystems, irrigation and flood protection, agriculture, land-use planning and settlements, housing/ cities, disaster risk reduction, infrastructure, and health
Next steps identified in the document	Sets out a 5-year roadmap to "identify, access and channel funding for NAP priority actions," including mainstreaming adaptation, capacity building, establishing monitoring and evaluation (M&E) systems, identifying projects and preparing proposals, and establishing a resource mobilization process.
Source	Republic of Albania, 2016; 2019. (These documents are not publicly available.)

Belize	
Plan	*National Climate Resilience Investment Plan for Belize*, 2013 (65 pages)
Lead institution/ main technical and financial partners	• Ministry of Finance and Economic Development • World Bank; African, Caribbean and Pacific Group of States – European Union (EU) Natural Disaster Risk Reduction Program, managed by the Global Fund for Disaster Risk Reduction
Aim	To integrate climate change, climate variability, and disaster risk reduction into national development planning by identifying and progressing strategic interventions aimed at increasing the resilience of the population and economy.
Structure/ methodology	The plan reviewed investments within the Public Service Investment Programme and pipeline investments in five priority areas. It identified and prioritized the components and actions needed to build climate resilience in the five areas. An adaptation financing gap of USD 112.5 million was identified for priority actions. This financing was intended to (i) complement (not duplicate) and be coordinated with ongoing efforts in adaptation, mitigation, and disaster management and (ii) lay the foundation for climate resilience to be mainstreamed in development planning and national budgeting and for climate resilience projects.
Priority sectors	Technical data and knowledge transfer, physical infrastructure, non-physical interventions (e.g., agriculture and forestry practice, diversifying fishers' incomes), policy and regulation, and coordination and M&E
Next steps identified in the document	Better coordination and mainstreaming of climate resilience and monitoring resilience investment. The government intended to seek grant and concessionary financing to support the implementation of the interventions proposed in the investment plan.
Source	Government of Belize, 2013.

Benin	
Plan	*Multi-Sectoral Investment Plan for Adaptation to Coastal Risks Induced by Climate Change in Benin*, 2017 (109 pages)
Lead institution/ main technical and financial partners	• Steering Committee and the Ministry of Quality of Life and Sustainable Development • Antea Belgium (consultants), funded by GIZ and managed by the World Bank under the program of technical assistance of the West Africa Coastal Areas Management Plan
Aim	To present recommendations and guidelines for the coherent management of the Beninese coast, both spatially (local, national, and regional scales) and temporally (short-term, no-regret actions of protection and long-term actions to reduce the negative impacts of climate change). To serve as a guideline for future funding of adaptation and mitigation projects.
Structure/ methodology	The plan included a description of current and future risks, an inventory of capacities and responsibilities of coastal stakeholders, and an analysis of the legal framework of Benin's coastal management. The investment plan included five main areas: local strategies, legal and international framework, maintenance of adaptation and protection strategies, knowledge and communication, and regional collaboration. The different measures were divided into three packages that were costed: (i) emergency actions, (ii) actions to implement in the short term, and (iii) actions to be adapted depending on the evolution of the coastal zone. The work was supported by an inventory of ongoing, planned, and proposed projects; appropriate projects were selected through a multi-criteria analysis.
Priority sectors	Coastal zone management
Next steps identified in the document	Implementation of the priorities for local interventions and development of a communication strategy.
Source	Antea Group, 2017; World Bank, 2018b.

Cambodia	
Plan	*National Adaptation Plan Financing Framework and Implementation Plan,* 2017 (123 pages)
Lead institution/ main technical and financial partners	• National Council for Sustainable Development and Ministry of Environment • GIZ, with funding from the Governments of Germany and the United States
Aim	To bring the NAP process in Cambodia closer to implementation, specifically with the goal of increasing Cambodia's ability to access additional adaptation financing.
Structure/ methodology	The plan included an analysis of financial demand and gaps based on sectoral climate change action plans of 14 line ministries and agencies (including funding from the national budget and aggregate costs for priority climate adaptation measures considered the most fundable); an examination of the international climate finance landscape; private sector engagement opportunities; potential funding sources/financing instruments; strategic needs to be addressed; and an implementation plan. It identified the costs of 40 priority actions based on sectoral climate change action plans of 14 line ministries and agencies (including funding from the national budget and aggregate costs for priority climate adaptation measures considered the most fundable).
Priority sectors	Agriculture, fisheries, water and sanitation, disaster risk reduction, infrastructure, livestock, irrigation, forestry, tourism, education, housing, land use, rubber, knowledge management, capacity building, and cross-cutting
Next steps identified in the document	Implementation plan has identified resources to be mobilized in the short, medium, and long term.
Source	General Secretariat of National Council for Sustainable Development, Ministry of Environment, 2017.

Ethiopia	
Plan	*Resource Mobilization Strategy for Ethiopia's National Adaptation Plan*, 2020 (draft) (127 pages)
Lead institution/ main technical and financial partners	• Environment, Forestry and Climate Change Commission • NAP Global Network with funding from the U.S. Government
Aim	To help the government identify and scale up financing for adaptation.
Structure/ methodology	The strategy included an overview of mobilizing resources for adaptation and the NAP process in Ethiopia. The strategy reviewed the adaptation resource gaps and needs; it also identified options to scale up adaptation financing, including through domestic budget allocations, international finance, and the private sector. The action plan set out priority actions in the short and medium terms in the areas of aligned resource mobilization efforts, building the evidence base for aligning priority adaptation and development actions, continued capacity building, and steps to increase resource flows for adaptation, including engagement with MDBs. The plan was developed through interviews with key stakeholders and a review of the NAP, a NAP implementation roadmap, a CRGE assessment, and other relevant documentation to identify gaps and needs in adaptation finance and strategic actions to mobilize resources for priority needs.
Priority sectors	Agriculture, fisheries, water and sanitation, disaster risk reduction, infrastructure, livestock, irrigation, forestry, tourism, education, housing, land use, rubber, knowledge management, capacity building, and cross-cutting
Next steps identified in the document	The action plan includes steps to align adaptation resource mobilization with national development processes, build capacity to mobilize resources, build the evidence base, and take steps to increase public and private flows of finance.
Source	Government of the Federal Democratic Republic of Ethiopia, 2020. (This document is not publicly available.)

Moldova	
Plan	*Moldova Climate Adaptation Investment Planning Technical Assistance*, 2016 (76 pages)
Lead institution/ main technical and financial partners	• Ministry of Environment and Ministry of Finance • World Bank
Aim	To identify current and cost-effective climate adaptation opportunities and interventions.
Structure/ methodology	The report included a "quantitative assessment of adaptation investment opportunities and returns across the target sectors. Evaluated the cost of inaction in each sector, i.e., the expected annual opportunity cost of not being better adapted to prevailing climate conditions. The cost of inaction was calculated for the present time and 2050, to understand how future climate change may affect investment opportunities." The strategy identified potential savings from protecting against climate damage—at least USD 600 million a year by 2050. Investments of USD 4.22 billion are required to address 14 priority actions, with USD 1.85 billion earmarked as a high priority for implementation in the near future. The report provided an analysis of vulnerable sectors and provided cross-sector results with regard to the cost of inaction and adaptation investments. It concluded with the identification and prioritization of recommended adaptation investments in priority sectors and areas for future work. Identification of priority actions considered estimated economic return, size of potential investment, and a qualitative assessment of impacts on gender and poverty.
Priority sectors	Agriculture/ water management, forests, human health, water supply, flood control, and disaster risk management
Next steps identified in the document	Knowledge gaps and priorities identified for additional studies to better understand expected climate impacts and investments to address impacts in five sectors.
Source	World Bank Europe and Central Asia, 2016.

Niger Basin	
Plan	*Investment Plan for the Strengthening of Resilience to Climate Change in the Niger Basin*, 2015 (152 pages)
Lead institution/ main technical and financial partners	• Niger Basin Authority, representing Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Guinea, Mali, Niger, and Nigeria • AfDB and World Bank
Aim	To establish a coherent set of concrete actions and investments to improve resilience to climate change effects in the Niger Basin and consequently facilitate the mobilization of funding for adaptation to climate change.
Structure/ methodology	The plan was the tool for the integration and harmonization of actions for better climate resilience in the Niger Basin. This plan was based on a coherent objective for sustainable and integrated development of the basin as part of a planned vision for the next ten years. The plan identified 246 priority actions for building climate resilience. The priority actions were selected from existing planning documents and vetted through an inclusive and comprehensive consultative process. With an estimated cost of USD 3.1 billion, the funding strategy targeted climate adaptation finance (the GCF, the Special Climate Change Fund, and the Adaptation Fund), as well as bilateral donors, and international and regional multilateral financial institutions.
Priority sectors	Knowledge and institutions, and resilience and impacts of climate change
Next steps identified in the document	Governments and the Niger Basin Authority to present the plan at World Bank meetings and UNFCCC meetings, and work with MDBs to identify financing options for priority actions.
Source	AfDB, 2018; Niger Basin Authority, 2015; Niger Basin Authority & World Bank, 2015; World Bank, 2015.

Peru	
Plan	*"Financiamiento para la adaptación", Plan Nacional de Adaptación al Cambio Climático del Perú* (Financing for Adaptation: National Adaptation Plan of Peru) (33-page chapter in NAP)
Lead institution/ main technical and financial partners	• Ministerio del Ambiente • NAP Global Network with funding from the U.S. government
Aim	To present an overview of financing for adaptation, different funds, and their application in Peru.
Structure/ methodology	The plan provided an overview of financing for adaptation, both public and private, at the international level and explored the national and international sources of financing for Peru's adaptation priorities. The chapter includes cost estimates for 51 of 92 priority actions identified in the NAP. The chapter explained the National Public Budget system that directs sectoral and sub-national authorities to incorporate climate change measures in their public budgets. In addition, public entities are required to assess climate risks in their programs and projects. The chapter also set out opportunities for the private sector to invest in adaptation and instruments to encourage their participation. 51 priority adaptation actions were estimated to cost PEN 66.275 billion (over USD 17 billion).
Priority sectors	Health, water, agriculture, fisheries and aquaculture, and forests
Next steps identified in the document	Prepare a portfolio of projects to attract private investment. Improve financial analysis, including the identification of ways to complement the budgets of national administrations. Utilize climate risk projections when structuring financial proposals.
Source	Ministerio del Ambiente, 2021.

Saint Lucia	
Plan	*Saint Lucia's Climate Financing Strategy: Under the National Adaptation Planning Process*, 2020 (113 pages)
Lead institution/ main technical and financial partners	• Department of Sustainable Development, currently housed within the Ministry of Education, Innovation, Gender Relations, and Sustainable Development • NAP Global Network, with funding from the U.S. government.
Aim	To access financing and resources to that are commensurate to meeting Saint Lucia's NAP objectives.
Structure/ methodology	The strategy included a review of recent flows of international climate finance and an analysis of funding sources It identified potential sources of financing that are most appropriate for the NAP priorities that were costed through a concept note process. Saint Lucia's Sectoral Adaptation Strategies and Plans included portfolios of project concept notes for the water, fisheries, and agriculture sectors. Project concept notes were also developed for resilient ecosystems. The strategy included a mapping of key actors and roles in accessing financing. Steps to finance the NAP include defining funding projects, developing project concepts, aligning projects with finance sources, elaborating full proposals, providing projects, implementing projects, and M&E of project implementation. The plan also identified the actions needed to improve the country's capacity to finance adaptation, including engaging the private sector, improving M&E capacity, engaging bilateral donors, costing of NAP implementation, and strengthening relationships with accredited entities. The strategy reviewed flows of finance and costing for 40 priority adaptation actions. Cost estimates for the water, fisheries, and agriculture sectors set out in department concept notes totalled USD 35.4 million.
Priority sectors	Agriculture, fisheries and ecosystems, water, and tourism
Next steps identified in the document	Several activities identified need to occur on an ongoing basis to finance the NAP process, including the consolidation of concept notes and the generation of interest from funders.
Source	Government of Saint Lucia, 2020.

Saint Vincent and the Grenadines	
Plan	*Development of a Domestic NAP Financing Strategy for Saint Vincent and the Grenadines (Draft document)*, 2018 (88 pages)
Lead institution/ main technical and financial partners	Ministry of Finance, Economic Planning, Sustainable Development, and Informational Technology NAP Global Network, with funding from the U.S. government.
Aim	To mobilize international, external, and private resources to address the significant funding needs that exist throughout the entire NAP process. To create an enabling environment to mobilize and channel financing resources to provide an investment framework for adaptation actions.
Structure/ methodology	The strategy reviewed the need for adaptation and provided background on the NAP process. This was followed by an analysis of the main sources of domestic funding as set out in the Prime Minister's 2017 budget address. The study reviewed external sources of financing as supplementary resources and the potential to support adaptation through private investment and private financiers. The strategy set out key recommendations to move forward on the financing strategy, including integrating adaptation into the national budget and elaborating an investment plan to finance the NAP process. Information was provided on current programming on adaptation. Costing information was not included, and estimates of adaptation finance needs were not included.
Priority sectors	Agriculture (including fisheries and forestry), tourism, water/health, and disaster risk management
Next steps identified in the document	Development of an implementation framework that sets out the main interventions needed to achieve the financing strategy, including the development of an initial and mid-term investment plan for the financing of the NAP process.
Source	Borde, 2018. (This document has not been formally approved by Cabinet and is not publicly available.)

Table A2. Alignment, impact, and role of MDBs in reviewed discrete financing strategies for adaptation

Albania	
Plan	*National Adaptation Planning (NAP) to Climate Change in Albania: Financing Document*, 2016 (48 pages) *Screening of Potential Funds for NAP-Albania*, 2019 (17 pages)
Alignment with NAP and NDC	Priorities are aligned with NAP; adaptation is not included in the NDC.
Alignment with SDGs and national development plans	The NAP was aligned with the National Strategy for Development and Integration, as well as the EU Instrument for Pre-Accession Assistance II country strategy paper. Agriculture, interior, environment, and urban development were pilot ministries for efforts led by the Ministry of Finance to plan and budget for adaptation in the Medium-Term Budget Program.
Related financing documents/ processes	• INFF (2020–2022)
Role of MDBs & the private sector	MDBs were identified as potential funders for adaptation actions: European Investment Bank (tourism) and European Bank for Reconstruction and Development (integrated water resources management and adapted farm production). The plan identified the importance of mobilizing adaptation finance from private sources and highlighted innovative financial instruments to leverage private funding and investment.
Impact of financing strategy	Development of a funding proposal for urban resilience; and NAP Global Network support to budget, track, and report on climate expenditures in the government financial information system.
Source	Republic of Albania, 2016; 2019. (These documents are not publicly available.)

Belize	
Plan	*National Climate Resilience Investment Plan for Belize*, 2013 (65 pages)
Alignment with NAP and NDC	The plan was developed prior to the preparation of Belize's first NDC (that included adaptation); it was built on the 2009 national adaptation strategy in the water sector.
Alignment with SDGs and national development plans	The investment plan is expected to be integrated into Belize's medium-term strategy and is congruent with the country's Vision 2030.
Related financing documents/ processes	• Built on the PPCR approach to direct and coordinate climate resilience investments. • National NBF project, including studies on MDB and private sector finance. • Climate Finance Strategy (2021–2026)
Role of MDBs & the private sector	The World Bank provided technical assistance to develop the document. The Inter-American Development Bank (IDB) and the World Bank engaged in discussions with the government in the development of the document, including participation in stakeholder consultations. It informed the IDB's country partnership strategy and the World Bank and Caribbean Development Bank project development. It promotes economic incentives to encourage private investment and identifies actions that could attract private sector investment and engagement.
Impact of financing strategy	Informed the preparation of a Climate Resilient Infrastructure Project financed by the World Bank (approved in 2014). Other World Bank projects included marine conservation and climate adaptation, approved in 2015, and energy resilience for climate adaptation approved in 2016.
Source	Government of Belize, 2013.

Benin	
Plan	*Multi-Sectoral Investment Plan for Adaptation to Coastal Risks Induced by Climate Change in Benin,* 2017 (109 pages)
Alignment with NAP and NDC	The plan does not refer to the country's NDC or NAP process.
Alignment with SDGs and national development plans	The plan does not refer to the SDGs. Coastal zone management is noted as a national priority.
Related financing documents/ processes	• CPEIR • DFA • INFF • Investment Plan for the Strengthening of Resilience to Climate Change in the Niger Basin
Role of MDBs & the private sector	The World Bank managed the process of developing the plan. The plan emphasized requests to external donors working in large program frameworks. It noted the need to improve the attractiveness of action for the private sector and identify innovative solutions.
Impact of financing strategy	Informed the preparation and approval of the World Bank Group's financing of the USD 210 million West Africa Coastal Areas Resilience Investment Project, led by West African governments and approved in 2018. The project included credit and a grant from the World Bank, and grants from the GEF, Nordic Development Fund, and French Facility for the Global Environment.
Source	Antea Group, 2017; World Bank, 2018b.

Cambodia	
Plan	*National Adaptation Plan Financing Framework and Implementation Plan,* 2017 (123 pages)
Alignment with NAP and NDC	Alignment across the NAP process, NDC, sectoral Climate Change Action Plans, Cambodia Climate Change Strategic Plan 2014–2023, and Climate Change Financing Framework.
Alignment with SDGs and national development plans	The Ministry of Finance made progress in introducing references to climate change in budget preparation circulars, but there is limited consideration of adaptation in budgets by line ministries.
Related financing documents/ processes	• SPCR (2011) • CPEIR (2012) • Climate Public Expenditure Review (2013–14, 2015, 2016, and 2017) • CCFF (2015) • Support to the NAP process in Cambodia: data collection and analysis of information on financing requirements (2016) • Costing of and mobilizing funds for Climate Change Adaptation Projects in Cambodia (2016) • Development Finance Assessment (2017) • Biodiversity Finance Plan (2019) • Development of NDC roadmap (to attract resources and finance for adaptation) (2019) • World Bank NDC Support Facility to update and enhance NDC (2020) • UNFCCC NBF project for Asian LDCs (ongoing) • UNFCCC NBF project for Cambodia (2020) • INFF (2020-2022)
Role of MDBs & the private sector	Potential funding sources focus on climate finance streams and emphasize multilateral funds under the UNFCCC. The PPCR/SPCR was identified as a potential co-funder for the two priority near-term actions on improving capacity for flood and drought forecasting and modelling, and national and sectoral vulnerability assessments, with the Asian Development Bank (ADB) as the implementing entity. The plan noted the need for more effective discourse with the International Fund for Agricultural Development, the World Bank, and the ADB as implementing entities and strengthened coordination with the donor community, including MDBs. It included a chapter on private sector engagement opportunities and highlighted using innovative means to engage the private sector while recognizing the major role of grant funds and using grant funds to leverage private sector investment.
Impact of financing strategy	Information is not available on the impact of the plan with regard to increasing financing for adaptation.
Source	General Secretariat of National Council for Sustainable Development, Ministry of Environment, 2017.

Ethiopia	
Plan	*Resource Mobilization Strategy for Ethiopia's National Adaptation Plan,* 2020 (draft) (127 pages)
Alignment with NAP and NDC	Alignment across the NAP process, and the NAP was expected to inform the updating of Ethiopia's NDC. The government intended to have a coordinated approach to resource mobilization for the updated NDC and Climate Resilient Green Economy strategy that considered all climate change programming, both adaptation and mitigation.
Alignment with SDGs and national development plans	The NAP resource mobilization strategy is an input to resource mobilization for the SDGs and national planning documents, including the Homegrown Economic Reform Agenda, the Ten-year Perspective Development Plan, and the Third Growth and Transformation Plan.
Related financing documents/ processes	• CPEIR (n.d.) • Development Finance Assessment (n.d.) • SPCR/Multisector Investment Plan for Climate Resilient Agriculture and Forest Development (2017–2030) • Climate Investment Plan for the Sahel Region (2018–2030) • Ethiopia's Climate Resilient Green Economy Strategy (2011–2019) – Implementation Progress Assessment Report (2020) supported through the World Bank's NDC Support Facility • Priority Program to Catalyze Climate Investments in the Sahel (2020–2025)
Role of MDBs & the private sector	It identified the need for the Environment, Forests and Climate Change Commission to engage in updating MDB country framework strategies and MDB project identification and design using the NAP to identify priority adaptation actions. It indicated the need for a coordinated approach to development partner support, including MDBs, and raising awareness in the finance ministry, which leads discussions with MDBs. It included a section on the private sector and set out actions to encourage private sector engagement and investment in adaptation actions.
Impact of financing strategy	The draft strategy was completed in 2020; it is too early to determine if the strategy has increased the mobilization of resources for adaptation.
Source	Government of the Federal Democratic Republic of Ethiopia, 2020. (This document is not publicly available.)

Moldova	
Plan	*Moldova Climate Adaptation Investment Planning Technical Assistance*, 2016 (76 pages)
Alignment with NAP and NDC	Priority sectors are identified in Moldova's National Climate Change Adaptation Strategy.
Alignment with SDGs and national development plans	SDGs and national development planning are not mentioned in the plan.
Related financing documents/ processes	Builds on previous processes and research undertaken by the World Bank and UNDP
Role of MDBs & the private sector	The study was a product of the staff of the World Bank. It does not mention the role of the private sector.
Impact of financing strategy	The plan informed the development of the Moldova Climate Adaptation and Forestry Project, which was supported by a loan from the World Bank (USD 25.2 million) and a grant from GEF (USD 2 million).
Source	World Bank Europe and Central Asia, 2016.

Niger Basin	
Plan	*Investment Plan for the Strengthening of Resilience to Climate Change in the Niger Basin,* 2015 (152 pages)
Alignment with NAP and NDC	Actions were taken from the Niger Basin Authority's operational plan, countries' NAPs and National Adaptation Programs of Action, and country proposals. The plan is consistent with countries' intended NDCs.
Alignment with SDGs and national development plans	The plan was aligned with countries' national development plans. SDGs are not mentioned in the plan.
Related financing documents/ processes	• Climate and Investment Financing Framework – Niger • CPEIR – Benin • DFA – Benin, Cameroon, Chad, Nigeria • NDC Investment Plan – Mali • SPCR – Niger • UNFCCC NBF project – Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger, Nigeria • Climate Investment Plan for the Sahel Region (2018–2030) • Priority Program to Catalyze Climate Investments in the Sahel—all nine countries (2020–2025) • INFF (2020–2022) – Burkina Faso, Cameroon, Guinea, Mali, and Niger
Role of MDBs & the private sector	The World Bank led the technical and financial partners and helped to present the plan at COP 21 of the UNFCCC. The World Bank was engaged in the mobilization of funds to implement the plan. The Niger Basin countries committed to involving the private sector in consultations on innovative financing mechanisms.
Impact of financing strategy	By 2015, financing was identified for about 20% of the USD 3.1 billion. The World Bank supported the Niger River Basin Management project (USD 7.5 mill from 2015-2019). In 2018, at least USD 185 million was committed to integrated development and climate change adaptation in the nine countries, a program that built on the investment plan. Funders included AfDB (USD 78 million); the GCF (USD 67.774 million); the GEF (USD 12.98 million); the EU (USD 18 million); and the Forest Investment Fund (USD 9 million).
Source	AfDB, 2018; Niger Basin Authority, 2015; Niger Basin Authority & World Bank, 2015; World Bank, 2015.

Peru	
Plan	*"Financiamiento para la adaptación", Plan Nacional de Adaptación al Cambio Climático del Perú* (Financing for Adaptation: National Adaptation Plan of Peru) (33-page chapter in NAP)
Alignment with NAP and NDC	The NAP financing chapter sets out information and an approach to feed into Peru's NDC financing strategy, which is under development. Attention is given to alignment with the actions in the NDC.
Alignment with SDGs and national development plans	The financing strategy for adaptation analyzed how adaptation measures can be linked to SDGs and national development programs as a strategy to access other sources of financing.
Related financing documents/ processes	• Disaster risk finance strategy (2016) • Biodiversity Finance Plan (2019–2021)
Role of MDBs & the private sector	It identified MDBs as important sources of international climate finance. The IDB has assisted Peru in scaling up private investment for adaptation It examines opportunities for private investment in adaptation and financial instruments that encourage private investment.
Impact of financing strategy	It is too early to determine if the strategy has increased the mobilization of resources for adaptation.
Source	Ministerio del Ambiente, 2021.

Saint Lucia	
Plan	*Saint Lucia's Climate Financing Strategy: Under the National Adaptation Planning Process*, 2020 (113 pages)
Alignment with NAP and NDC	Aligned with the NAP process, which was used to identify priorities and potential sources of financing, and sectoral adaptation strategies and action plans. Aligned with the country's NDC, which mentions sectoral development strategies that were included in this financing strategy. The financing strategy is aligned with sectoral adaptation strategies and action plans. The NDC financing strategy developed in 2021 focuses on mitigation and is complementary to and built on this NAP financing strategy.
Alignment with SDGs and national development plans	Adaptation projects are to be assessed by the Public Sector Investment Programme to work toward the incorporation of climate change considerations, among other national priorities.
Related financing documents/ processes	• SPCR (2011) • SPCR for the Caribbean Region (2012) • *Development of a NAP Financing Strategy for Saint Lucia: Preliminary Identification of Funding Sources Report*, 2018 • UNFCCC and Organization of Eastern Caribbean States NBF Strategy (2019) • Caribbean Regional NDC Finance Initiative • Private Sector Engagement Strategy Under the NAP (2020) • NDC Financing Strategy (2021) • Country Finance Roadmap for the SDGs and Resources Mobilization Strategy (under development in 2021)
Role of MDBs & the private sector	Several adaptation actions were expected to be funded by the World Bank through the PPCR. It included a section on engaging with the private sector that notes the limited information available. The strategy highlights the importance of private sources of financing for adaptation action.
Impact of financing strategy	It is too early to determine if the strategy has increased the mobilization of resources for adaptation.
Source	Government of Saint Lucia, 2020.

Saint Vincent and the Grenadines	
Plan	*Development of a Domestic NAP Financing Strategy for Saint Vincent and the Grenadines (Draft document)*, 2018 (88 pages)
Alignment with NAP and NDC	Aligned with the NAP process and NDC. The NAP (2019) calls for a mid-term investment plan to guide resource mobilization, building on the NAP financing strategy.
Alignment with SDGs and national development plans	Domestic finance is expected to play a key role in financing adaptation. The 2017 Budget Address considered climate change, disaster preparedness and infrastructure resilience as the first among 10 developmental priority issues that should be addressed.
Related financing documents/ processes	• SPCR (2011) • SPCR for Caribbean Region (2012) • UNFCCC and Organization of Eastern Caribbean States NBF Strategy (2019) • Caribbean Regional NDC Finance Initiative
Role of MDBs & the private sector	The World Bank and PPCR under the Climate Investment Funds (CIFs) were identified as potential sources of external finance. The World Bank was identified as a major funding source for adaptation and disaster risk management. It included a section on private resources and noted the need for engaging private enterprises and private investors. It identified the need for innovative instruments and the role of the public sector in fostering private finance.
Impact of financing strategy	It is too early to determine if the strategy has increased the mobilization of resources for adaptation.
Source	Borde, 2018. (This document has not been formally approved by Cabinet and is not publicly available).

Appendix B. General Financing Strategies for Climate Action, Including Adaptation

Through desk-based research, general financing strategies for climate action—including adaptation—for a total of 11 developing countries and three regions were identified. Information contained in each of these strategies is presented in the following two tables:

- Table B1 includes information about the lead and supporting institutions involved in preparing the financing strategy, the aim of the strategy, the structure and methodology of the strategy, priority adaptation sectors addressed through the strategy, and planned next steps to implement the strategy.
- Table B2 includes information about the alignment of the financing strategy with the country's National Adaptation Plan (NAP) and nationally determined contribution (NDC); alignment of the strategy with other financing strategies, including those that aim to increase financing for Sustainable Development Goals (SDGs) and national development plans; other financing plans and strategies related to adaptation; the role of multilateral development banks (MDBs) in the strategy; and, if the information is available, the impact of the strategy.

Summary of Key Findings

- **Processes to develop the general financing strategies for climate action** – The strategies for Colombia, El Salvador, Ghana, Kenya, Malawi, and Mali were developed with technical support provided by the United Nations Development Programme (UNDP) and financial support provided through the UNDP NDC Support Programme or the Green Climate Fund (GCF) Readiness and Preparatory Support Programme. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) was a technical partner in Ecuador and Mali. The Commonwealth Climate Finance Access Hub of the Commonwealth Secretariat under the Climate Action Enhancement Package (CAEP) program led by the NDC Partnership led the preparation of financing strategies in Belize and Zambia. The Needs-based Finance (NBF) Project was delivered by the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat working with financial entities under the UNFCCC, UNDP, GIZ, and regional organizations. Participatory, consultative processes were typically used to develop the strategies.
- **Aim and structure** – Most of the reviewed strategies aimed to access, mobilize, and scale up financing to contribute to achieving climate goals, both mitigation and adaptation. Similar to the discrete financing strategies for adaptation, these general financing strategies identified priority actions, current financing, financing needs, and potential financing opportunities and mechanisms. The plans developed through the NBF program focused on climate finance and were short, high-level plans supported by technical

annexes. Other plans intended to increase financing for climate change, which could have a broader meaning that extends to development finance and consideration of investments across ministries and portfolios.

- **Engagement of ministries of finance and ministries of climate change/ environment** – The processes to prepare general financing strategies for climate action were led by ministries responsible for finance (Chile), a climate finance committee (Colombia and El Salvador), ministries responsible for climate change (Belize, Ghana, Kenya, Malawi, Mali, Morocco, and Zambia), or jointly led by the ministries responsible for climate change and finance (Ecuador). The NBF engaged ministries responsible for climate change, planning, and finance.
- **MDB engagement** – Many of the strategies noted that climate finance could be accessed through MDBs, which are a source of international public finance, including concessional loans. The Inter-American Development Bank (IDB) supported the development of Chile's and Colombia's plans. The World Bank and the African Development Bank (AfDB) supported the development of the climate investment plan for the Sahel region and committed significant investment to deliver on the plan.
- **Alignment** – All strategies—except for the one for Malawi, which was developed in 2014 before the submission of NDC—built on actions and priorities identified in NDCs. The El Salvador, Island States in the Indian Ocean (ISIO), Kenya, Melanesia, Morocco, and Zambia strategies noted alignment with priority actions identified in their NAPs. The Belize strategy noted alignment with its agriculture NAP. The NBF strategies intended to identify priority actions in accordance with the goals set out in countries' NDCs, NAPs, and other relevant policies and strategies. More recent strategies tend to be aligned with and aim to increase financing for priority actions set out in NDCs.
- **Related financing processes** – Several of the countries worked with the UNDP as a technical partner in areas related to climate finance, including the development of Climate Public Expenditure and Investment Reviews (CPEIRs) in Chile, Colombia, Ecuador, El Salvador, Ghana, Kenya, Malawi, and Morocco; climate investment and financing frameworks in Colombia, El Salvador, Morocco, and Zambia; and Joint SDG Fund projects in Colombia, Ecuador, El Salvador, Ghana, Malawi, Mali, Morocco, and Zambia. Kenya, Malawi, and Mali are developing regional climate financing strategies under the NBF project. The World Bank supported the development of Climate Smart Agriculture Investment Programs (CSAIPs) in Ghana, Mali, Morocco, and Zambia. The Belize strategy built on the recent climate finance studies prepared under the NBF project but did not indicate linkages with its 2013 financing strategy for adaptation. Ecuador and Seychelles developed biodiversity finance plans, and Colombia and Kenya prepared disaster risk finance strategies.
- **Impact** – The plans for Belize, Chile, Colombia, Ecuador, El Salvador, Ghana, ISIO, Kenya, Mali, Melanesia, and Morocco were recently developed. As such, their impact on scaling up financing for adaptation cannot be determined. A desk review did not find an evaluation or a review of the impacts of the implementation of Malawi's investment

plan, and it was not possible to determine if the strategy helped to scale up financing for adaptation. Development partners pledged USD 3.42 billion to finance the Priority Program to Catalyze Investments in the Sahel region, including USD 1.5 billion from the World Bank and USD 1.3 billion from the AfDB. The 2019 NDC global outlook report indicated that countries with an NDC financial strategy benefited from the mobilization of international grants (UNDP & UNFCCC, 2019). Fourteen of 16 countries with NDC financial strategies managed to secure international grants for their NDCs (UNDP & UNFCCC, 2019, p. 29). As previously noted, not all of these strategies are publicly available.

Table B1. Aim, structure, and next steps of general financing strategies for adaptation action

Belize	
Plan	*Climate Finance Strategy of Belize,* 2021–2016 (39 pages)
Lead institution/ main technical and financial partners	• National Climate Change Office of the Ministry of Sustainable Development, Climate Change and Disaster Risk Management • Commonwealth Climate Finance Access Hub of the Commonwealth Secretariat under the CAEP program led by the NDC Partnership
Aim	To provide strategic directions to Belize on mobilizing, accessing, and utilizing financing from different sources and channels in a strategic manner to address climate change challenges while maximizing the synergies and co-benefits. The goal is for adequate climate finance to be accessed effectively to contribute to enhanced climate resilience and the implementation of climate change mitigation actions.
Structure/ methodology	The document is comprised of a strategic framework and actions to mobilize resources to implement priority actions from 2021 to 2026. The framework includes five cross-cutting strategic directions and seven core strategic directions, including the need for priority financing for climate change adaptation and resilience building and climate proofing of development investments. The strategy provided key short- and medium-term actions under each strategic direction, and an indicative plan of action included time frames for the proposed key actions. The financing required to achieve the updated adaptation NDC target was estimated at USD 318 million for 2030. A finance gap of USD 158.5 million for adaptation was estimated.
Priority adaptation sectors	Coastal and marine resources; agriculture; water resources; tourism; fisheries and aquaculture; human health; and land use, human settlements, and infrastructure
Next steps identified in the document	Development of a detailed action plan to implement the strategy in collaboration with all the relevant institutions and partners, building on the indicative plan of action.
Source	Commonwealth Climate Finance Access Hub, 2021.

Chile	
Plan	*Estrategia Financiera Nacional frente para al Cambio Climático* (National Financial Strategy for Climate Change), 2019 (35 pages)
Lead institution/ main technical and financial partners	• Ministry of Finance • IDB provided financial support.
Aim	To identify and support access to sustainable financing flows to address the challenges of climate change.
Structure/ methodology	The strategy determined how to finance the required transition toward a low-emission and climate-resilient economy in all sectors. The strategy considered three elements: analysis of public spending on climate change, creation of an internal institutional framework to manage the relationship with the GCF, and the design of financial instruments to facilitate financial flows toward a low-carbon and climate-resilient economy. The strategy identified three areas for action: generation of information, data, and analysis to inform decision making (including investment priorities and financing barriers); design and issuance of economic and financial institutions to mobilize different sources of funding; and building the capacity of the local financial sector. The strategy identified immediate actions to be developed over the next 2 years, including a definition of investment needs and a roadmap to implement the NDC and carbon neutrality vision; the development of a pipeline of projects, including through domestic public finance; the development of a green agreement in conjunction with the financial sector and regulators; and the definition of a “Green Finance Roadmap 2020+” to facilitate its implementation. The strategy analyzed public spending on climate change and reviewed international investment in climate change adaptation. It did not include costing for actions.
Priority adaptation sectors	The initial focus was on mitigation sectors: energy, transport, and mining. Adaptation priorities included agriculture, forests, coastal zones, and oceans.
Next steps identified in the document	Over the next 2 years: a definition of investment needs and a roadmap to implementing the NDC and carbon neutrality vision; development of a pipeline of projects, including domestic public finance; and development of a Green Finance Roadmap 2020+ in conjunction with the financial sector and regulators.
Source	Jaramillo, 2019; Ministerio de Hacienda, 2019; Palominos, 2018.

Colombia	
Plan	*Estrategia Nacional de Financiamiento Climático* (National Strategy of Climate Financing), 2017 (33 pages)
Lead institution/ main technical and financial partners	• Climate Finance Committee, Department of National Planning • UNDP and UN Environment, with financial support from the Ministry of Environment, IDB, and GCF Readiness and Preparatory Support Programme
Aim	To identify mechanisms to mobilize resources in a sustainable and scalable manner to achieve the objectives of the National Policy on Climate Change.
Structure/ methodology	The strategy included cost estimates for adaptation and mitigation. It set out four areas that would help overcome the gap between required resources and investments in climate change mitigation: development of economic and financial instruments; management of access to financing sources (domestic, external, and private sector); capacity-building capability; and knowledge and information management. The strategy included a short-term action plan to deliver on the four lines, with the understanding that the climate finance committee would develop medium- and long-term actions. The strategy set out the roles of various actors, including the private sector, public sector, banking sector, international community, and citizens. The strategy reviewed actions to mobilize resources. An analysis of the needs and supply of resources allowed for the identification of challenges and solutions for climate finance. It did not include costing information or an estimate of the adaptation/climate finance gap.
Priority adaptation sectors	Rural development, urban development, mining and energy, infrastructure, and ecosystem conservation
Next steps identified in the document	Set out a short-term action plan to deliver on four areas to overcome finance gaps.
Source	Comité de Gestión Financiera Del Si Clima, 2017; Departamento Nacional de Planeación, 2020; Rudas et al., 2016.

Ecuador	
Plan	*Estrategia Nacional de Financiamiento Climático del Ecuador* (National Climate Finance Strategy of Ecuador), 2021–2030 (187 pages)
Lead institution/ main technical and financial partners	• Ministry of Environment and Water • Ministry of Economy and Finance • GIZ, Climate Finance Group of Latin America and the Caribbean, and Sustainable Urban Development with financial support from the Government of Germany
Aim	By 2030, to effectively and efficiently mobilize and channel national, international, public, and private resources for climate change management, promoting low-emission and climate-resilient development, in line with national planning instruments and international commitments on climate matters.
Structure/ methodology	The strategy is a climate management instrument for identifying gaps in financing to meet climate goals, improving the management of resources, and mobilizing additional funds for climate change mitigation and/or adaptation projects without compromising national efforts for poverty eradication and sustainable development. The document set out three strategic lines of action: (i) clear and effective governance of climate finance; (ii) consolidation of a financial system that mainstreams the climate approach; and (iii) access to and management, allocation, and effective and efficient mobilization of climate finance. The strategy set out the governance structures for climate finance, reviewed climate finance flows, identified the challenges in mobilizing climate finance, reviewed the key stakeholders, and provided a database of projects.
Priority adaptation sectors	The creation of people, cities, infrastructure, and ecosystems that are resilient to the impacts of climate change.
Next steps identified in the document	83 activities for the short term (until 2023), medium term (to 2026), and long term (to 2030) in the areas of capacity building, enabling environment, strategic partnerships, and tracking climate finance and its impact.
Source	República del Ecuador, 2021.

El Salvador	
Plan	*Estrategia nacional de financiamiento climático de El Salvador* (National Climate Finance Strategy), 2018 (50 pages)
Lead institution/ main technical and financial partners	• Climate Finance Committee • UNDP, with financial support from the GCF Readiness and Preparatory Support Programme
Aim	To improve the country's climate finance readiness and maximize the country's opportunities to mobilize climate finance. To mobilize climate finance from international, regional, and national sources, both private and public.
Structure/ methodology	The climate financing strategy is a planning instrument that complements the national climate policy. It reviewed international best practices and included a strengths and weaknesses analysis. It was organized around three strategic areas: (i) planning instruments, including mainstreaming climate change in plans and budgets, updating the estimation of financing needs, increasing access to international finance, and establishing financial instruments; (ii) transparency, including the establishment of a monitoring, reporting and verification (MRV) system; and (iii) capacity building, including a governance system, training and institutional strengthening, and political and public awareness. Actions, roles, and responsibilities were set out for each strategic area. Actions were not costed, and estimates of climate change finance flows were not included.
Priority adaptation sectors	Set out nine lines of action focused on mainstreaming, enabling environment, access to international finance, MRV, governance, and awareness raising.
Next steps identified in the document	Next steps are to identify national, sectoral, and municipal priorities related to climate change to facilitate access to international finance.
Source	Trinomics, 2018.

Ghana	
Plan	*Nationally Determined Contribution Implementation Plan: Financing Strategy Report*, 2021 (115 pages)
Lead institution/ main technical and financial partners	• Ministry of Environment Science, Technology and Innovation • Technical support is provided by the UNDP. • Financial support is provided by the European Commission and the governments of Germany and Spain.
Aim	To provide direction to help mobilize resources for the implementation of the NDCs, and in doing so, enable Ghana to achieve climate mitigation and adaptation targets.
Structure/ methodology	The strategy covers (i) the context and analysis of the current situation; (ii) a comparative assessment of the 31 NDC programs of actions; (iii) an outline of strategy considerations and proposed financing framework; and (iv) a proposed set of activities to implement the next phase of the strategy. The 31 climate actions were costed, and the adaptation cost gap was identified. Ghana requires USD 22.6 billion to 2030 to implement its NDC, of which USD 16.3 billion needs to be mobilized from international sources; Ghana intends to mobilize USD 4.21 billion from domestic sources for adaptation and USD 8.29 billion from international sources.
Priority adaptation sectors	Priority adaptation actions were costed in two sectors: resilient agriculture and integrated water resources management.
Next steps identified in the document	Implementation steps were outlined: the development of detailed “bankable” funding propositions, the establishment of Ghana’s Green Fund, coordination across sectors to create efficiencies, and capacity building.
Source	Government of Ghana & UNDP, 2021.

Island States in the Indian Ocean (ISIO)	
Plan	*Climate Finance Access and Mobilization Strategy for Island States in the Indian Ocean, 2022–2025* (8 pages) Technical annex to the strategy
Lead institution/ main technical and financial partners	• Ministries of environment and finance for Comoros, Madagascar, Maldives, Mauritius, Seychelles, and Sri Lanka • UNFCCC Regional Collaboration Center – Bangkok, and Institute for Global Environmental Strategies under the UNFCCC NBF project
Aim	To provide the ISIO with the means to rapidly scale up access to predictable climate finance to enable them to meet all adaptation and mitigation needs for 2022–2025. The goal of the strategy is to ensure that climate finance can be effectively accessed, mobilized, and scaled up to contribute to the achievement of climate goals in the region.
Structure/ methodology	The strategy set out strategic areas of collaborative action to scale up climate finance and attract climate-related investment in the region. It included (i) scaling up climate finance for adaptation; (ii) partners and sources of financing; (iii) capacity building and awareness raising; (iv) enabling policies; (v) institutional arrangements; (vi) measurement, reporting and verification, and (vii) transparency. The actions to scale up financing for adaptation include needs assessments that articulate the scope of finance required; identification and development of project pipelines; and the development of approaches to aggregate climate-related projects between countries. An estimated USD 49.6 billion is required to cover the adaptation and mitigation needs to 2030 in Comoros, Maldives, Mauritius, Seychelles, and Sri Lanka.
Priority adaptation sectors	Critical infrastructure, tourism, water supply and sanitation, health, biodiversity, food security (agriculture, livestock, fisheries), coastal zone protection and marine resources, and disaster risk reduction sector
Next steps identified in the document	Development of an implementation strategy for the climate financing strategy.
Source	UNFCCC, 2022; United Nations Climate Change, 2020.

Kenya	
Plan	*Financing Strategy for Nationally Determined Contribution*, 2020 (94 pages)
Lead institution/ main technical and financial partners	• Climate Change Directorate, Ministry of Environment and Forests • UNDP NDC Support Programme, which is funded by the European Union (EU) and the governments of Germany and Spain
Aim	To enhance funding mobilization to implement adaptation and mitigation priority actions. The plan aims to enhance the mobilization of funding from public finance sources (domestic and international), enhance private sector participation and investment sources, and increase access to innovative financing mechanisms.
Structure/ methodology	The strategy included a situation analysis and set strategic objectives for mobilizing needed financing. The methodology involved analyzing the government's planning and budgetary reports with a view to identifying priority climate action costs and the financing gap. The strategy set out costing details for climate priority actions, reviewed the funding available through government sources, assessed funding gaps that required international and private sector support, and identified opportunities to address these gaps. The report attempted to analyze the costs of climate change actions to identify the adaptation and mitigation funding gaps. However, the results were presented in an inconsistent manner, which meant that the adaptation finance gap was not clearly discernable.
Priority adaptation sectors	Disaster risk management; food and nutrition security; water and the blue economy; health, sanitation, and human settlements; wildlife, forests, and tourism; manufacturing; and energy and transport.
Next steps identified in the document	Sets out detailed actions in nine sectors to mobilize funding from public and private sources, as well as innovative financial mechanisms.
Source	Government of Kenya & UNDP, 2020.

Malawi	
Plan	*National Climate Change Investment Plan,* 2013–2018 (119 pages)
Lead institution/ main technical and financial partners	• Ministry of Environment and Climate Change Management • UNDP, with financial support from the governments of Norway, Japan, and the United Kingdom
Aim	To increase climate change investments, aid in the allocation of resources to key environmental and climate change priority areas, and ensure that actions taken to address climate change are timely and well-coordinated. The plan was a resource mobilization tool and aimed to increase sector funding.
Structure/ methodology	The 5-year plan—the first of its kind in Africa—was a USD 1 billion plan that prioritized investments in adaptation, mitigation, capacity development, research, and technology development and transfer. It identified current financing of climate change programs and projects, key investment areas for adaptation and mitigation, investment budgets, institutional arrangements, and financing opportunities and mechanisms. It identified 11 priority investments in the areas of adaptation, mitigation, research and technology development, and capacity development. Adaptation actions in the four priority sectors required investments of about USD 460 million between 2015 and 2018.
Priority adaptation sectors	Integrated watershed management, agricultural production, climate-proofing of infrastructure, and disaster risk management
Next steps identified in the document	Implementation of programs in priority areas, coordination of climate change programs across sectors, and development of a monitoring and evaluation framework.
Source	Malawi Government, 2013; Ministry of Natural Resources, Energy and Mining, 2019.

Mali	
Plan	*Plan d'Investissement pour la Mise en Œuvre de la Contribution Déterminée au Niveau National (CDN) du Mali: Document Principal,* 2018 (35 pages).
Lead institution/ main technical and financial partners	• Ministry of Environment and Sustainable Development • UNDP and GIZ
Aim	To provide a national reference document that aims to raise awareness and mobilize resources from national and international partners for priority adaptation and mitigation projects.
Structure/ methodology	The investment plan included mitigation and adaptation actions. The methodology included (i) identification of actions in the NDC; (ii) assessment of the potential impact of the action; (iii) identification of adaptation indicators and baselines; and (iv) identification of funding needs and the amount of funding to be requested from potential funders. The plan included information on adaptation actions to be delivered by civil society. The plan noted the need for awareness raising and capacity building. It identified four key adaptation actions for the period 2018–2022 with a total cost of USD 9.6 billion. It also identified funding needs and the amounts to be requested from potential funders. It included information on adaptation priorities for 2022–2030 that totalled an estimated USD 9 billion.
Priority adaptation sectors	Agriculture, pastoralism, water harvesting and storage, and forest management
Next steps identified in the document	Development of a communication plan and targeted capacity building.
Source	Ministère de l'Environnement et Développement Durable, 2018; UNDP, 2020b.

Melanesia	
Plan	*Melanesian Spearhead Group Climate Finance Strategy,* 2019–2021 (6 pages). Annex: Technical Assessment (46 pages)
Lead institution/ main technical and financial partners	• Melanesian Spearhead Group Secretariat • The Secretariat of the UNFCCC is the lead of the NBF project.
Aim	To make the scaling-up of climate finance predictable and clear and to provide opportunities for attracting climate-friendly investment in the subregion (Fiji, New Caledonia, Papua New Guinea, Solomon Islands, and Vanuatu).
Structure/ methodology	The strategy was a first step in analyzing the financial landscape in the subregion and explored traditional and innovative financing options, both public and private, for supporting regional climate mitigation and adaptation action implemented at the national level. The high-level strategy statement set out: • The strategic framework objective, expected impact, and guiding principles. • Six strategic areas: identify financing, design a financing vehicle, build on existing financing mechanisms, strengthen coordination and collaboration, build capacity, and strengthen MRV. • Recommended actions/roadmap – key actions are set out that will lead to a robust NAP Financing Framework Implementation Plan: data gathering, assessments, prioritization exercises, coordination efforts, and capacity building. The technical annex examined, for each of the four countries, domestic and international climate finance flows, climate finance priorities and needs, and climate finance access. The annex provided information on the adaptation costs in each country, drawing on previous research and documentation. It reviewed climate finance received from 2010 to 2017 and expenditure of domestic climate finance and set out a preliminary needs assessment. It noted that the cost of adapting to climate change could vary from USD 30 million to at least USD 4.5 billion across the subregion for a 5-to-10-year period.
Priority adaptation sectors	Strategic areas: mobilizing finance, designing a financing vehicle, building on existing financing mechanisms, strengthening coordination, capacity building, and MRV Adaptation priorities as set out in each country's NAP and/or NDC.
Next steps identified in the document	Implementation of key actions in the strategy were expected to lead to a robust NAP Financing Framework Implementation Plan.
Source	Melanesian Spearhead Group, 2019a, 2019b; UNFCCC, 2021.

Morocco	
Plan	*Plan d'investissement et de Financement de la CDN* (NDC Investment and Financing Plan), 2018 (103 pages)
Lead institution/ main technical and financial partners	• The development of the plan was led by the Secretary of State to the Minister of Energy, Mines and Sustainable Development, in charge of Sustainable Development. • NDC Partnership
Aim	To ensure green growth and achieve the objectives of Morocco's NDC.
Structure/ methodology	The strategy set out a portfolio of projects that aims to achieve the objectives of the NDC for both mitigation and adaptation. It highlighted the programs that sectoral departments have put in place to reduce vulnerability to climate change. The strategy included the context for and a summary of adaptation projects in the agriculture, water, forests, fisheries, and aquaculture sectors. Information on financing and investment was included for some of the adaptation projects. The portfolio of adaptation projects requires at least USD 35 billion to 2030.
Priority adaptation sectors	Agriculture, water, forests, fisheries, and aquaculture Promotes a cross-cutting approach to water, linking it to irrigation in the agriculture sector.
Next steps identified in the document	Continue on the low-carbon, climate-resilient development pathway by mobilizing the state, promoting the private sector, raising awareness, and involving civil society.
Source	Secrétariat d'État auprès du Ministre de l'Energie, des Mines et du Développement Durable, charge du Développement Durable, 2018.

Sahel region	
Plan	*Climate Investment Plan for the Sahel Region,* 2018–2030 Priority Program to Catalyze Climate Investments in the Sahel.
Lead institution/ main technical and financial partners	• Information on country leads was not available (Benin, Burkina Faso, Cameroon, Cap-Vert, Chad, Côte d'Ivoire, Djibouti, Eritrea, Ethiopia, Gambia, Guinea-Conakry, Mali, Mauritania, Niger, Nigeria, Senegal, and Sudan). • AfDB with World Bank, EU, Agence Française de Développement, International Fund for Agricultural Development, Climate Investment Funds, and others
Aim	To create an enabling environment for investment, establish an institutional mechanism, coordinate resource mobilization, and monitor and evaluate investments.
Structure/ methodology	The plan included six priority actions, both mitigation and adaptation. The aggregate estimate of the cost of implementing the NDCs in the 17 countries is USD 400 billion over 12 years.
Priority adaptation sectors	Information is not available.
Next steps identified in the document	Information is not available.
Source	AfDB, 2019; Amadou, 2019; World Bank, 2018b (The plan is not publicly available.)

Zambia	
Plan	*Climate Finance Mapping for NDC Implementation in Zambia,* 2021 (107 pages)
Lead institution/ main technical and financial partners	• Ministries of Lands and Natural Resources, National Development Planning, and Finance • Commonwealth Climate Finance Access Hub of the Commonwealth Secretariat under the CAEP program led by the NDC Partnership
Aim	To optimize and enhance the mobilization of funding to implement the NDC priority actions. To build climate finance capacity to better coordinate resource mobilization and track climate change expenditures.
Structure/ methodology	The climate finance mapping is a first step in preparing a climate financing strategy that will direct resources toward national climate and development priorities. The report mapped climate finance to guide Zambia in fast-tracking its transition to a low-carbon and climate-resilient economy and effectively updating its NDC. The report provides an overview of the climate finance landscape in Zambia and short-, medium- and long-term actions for climate finance toward NDC implementation. The report includes a national situational analysis, sources of climate finance, a review of the Zambian climate finance landscape, and an overview of the Zambian financial sector. It maps out the governance and institutional arrangements and sets out short-term actions to optimize and mobilize funds for NDC implementation. The total cost of implementing mitigation and adaptation actions in the updated NDC for 2021–2030 is an overall investment estimated at USD 50 billion.
Priority adaptation sectors	Agriculture, wildlife, water, strategic infrastructure, health systems
Next steps identified in the document	Several recommendations for increasing the effectiveness of climate finance, including establishing a vision for climate finance, setting a knowledge agenda, using a variety of financial instruments, and finalizing the financing strategy for climate change by 2022.
Source	Yila, 2021.

Table B2. Alignment, impact, and role of MDBs in general financing strategies for climate action—including adaptation

Belize	
Plan	*Climate Finance Strategy of Belize,* 2021–2016 (39 pages)
Alignment with NAP and NDC	The financing strategy is an implementation support tool for the NDC. It is consistent with the NDC; the national climate change policy, strategy, and action plan; and the NAP in the agriculture sector.
Alignment with SDGs and national development plans	An important aspect of the strategy is meeting the national priorities on climate change, and the economic, social, and environmental aspects.
Related financing documents/ processes	• National Climate Resilience Investment Plan for Belize (2013) • National NBF project (2019–2021), including studies on MDB and private sector finance • Climate Finance Landscape study under CAEP • Climate finance options study
Role of MDBs & the private sector	MDBs are the largest financiers and at the forefront of providing climate investments. A core strategic direction is to leverage international climate finance with MDBs, including aligning MDB country programs with climate priorities and improving capacities to work with MDBs. Studies on private sector and MDB finance informed the strategy. Core strategic directions included leveraging international climate finance with MDB and private sector investment and providing private sector investments in climate action.
Impact of financing strategy	It is too early to determine its impact on the mobilization of resources for adaptation. It was recommended that a mid-term review be undertaken in 2024 and that the strategy be updated every 3 years.
Source	Commonwealth Climate Finance Access Hub, 2021.

Chile	
Plan	*Estrategia Financiera Nacional frente para al Cambio Climático* (National Financial Strategy for Climate Change), 2019 (35 pages)
Alignment with NAP and NDC	The strategy provides a framework to direct financing toward the objectives of the new NDC and plan to achieve carbon neutrality by 2050. The strategy is to be updated every 5 years in line with the updating of the NDC.
Alignment with SDGs and national development plans	The strategy facilitates the implementation of climate and sustainable development objectives. It identified the importance of the Ministry of Finance leading work on climate finance to facilitate the needed transformation in the economy and to encourage growth that is aligned with sustainable management of natural resources.
Related financing documents/ processes	• CPEIR (2017)
Role of MDBs & the private sector	IDB supported a public–private round table on green finance. MDBs were identified as a source of international public finance. The plan includes a section on the private sector, noting its contribution to climate action and its importance, particularly for mitigation actions.
Impact of financing strategy	The strategy was released in December 2019, and it is too early to determine the impact on the mobilization of resources for adaptation.
Source	Jaramillo, 2019; Ministerio de Hacienda, 2019; Palominos, 2018.

Colombia	
Plan	*Estrategia Nacional de Financiamiento Climático* (National Strategy of Climate Financing), 2017 (33 pages)
Alignment with NAP and NDC	The mitigation financing needs were aligned with the country's NDC, but adaptation goals had not been established at the time the strategy was developed. These goals would be established in line with NDC guidance from UNFCCC and with the 2017 NAP.
Alignment with SDGs and national development plans	The strategy contributed to the achievement of the National Development Plan and the green growth policy.
Related financing documents/ processes	• The strategy built on the Framework for Climate Finance Strategy developed in 2016 to encourage new resources for adaptation and mitigation, including delivering on actions in the NAP. Colombia had a system to measure, report, and verify how much funding goes toward climate change projects. • Climate Investment and Financial Flows (n.d.) • Disaster risk finance strategy (2017) • CPEIR (2018) • Integrated National Financing Frameworks (INFF) (2020–2022)
Role of MDBs & the private sector	The portfolio of projects to present to the GCF included an agricultural insurance project that was formulated with the IDB. The Sustainable Colombia Fund, a multi-donor trust fund that was expected to finance resilient and low-carbon rural development projects, was created by IDB in 2016. It included strategic actions to develop financial instruments to attract private sector investments, to engage in public–private sector dialogue on climate change, and to build the capacity of the private sector to structure mitigation and adaptation investments.
Impact of financing strategy	It presented a portfolio of 10 projects (four for adaptation) to the GCF.
Source	Comité de Gestión Financiera Del Si Clima, 2017; Departamento Nacional de Planeación, 2020; Rudas et al., 2016.

Ecuador	
Plan	*Estrategia Nacional de Financiamiento Climático del Ecuador* (National Climate Finance Strategy of Ecuador), 2021–2030 (187 pages)
Alignment with NAP and NDC	The plan was aligned with the NAP that would be finalized in 2022 and the mitigation plan that was completed in 2021. The plan was aligned with and would mobilize resources for the NDC.
Alignment with SDGs and national development plans	Climate finance was to be aligned with national development planning. The financing strategy was coherent with sectors prioritized in the NDC and in line with the SDGs.
Related financing documents/ processes	• Climate Investment and Financial Flows (2011) • CPEIR (2017) • Biodiversity Finance Plan (2017) • Private Climate Expenditure and Institutional Review (2019) • INFF to contribute to a better financing architecture for sustainable development (2020–2022)
Role of MDBs & the private sector	The plan identified MDBs as partners that provide climate finance and as principal sources of financing for projects that include climate components. An overview of the relationship with MDBs was included. The strategy noted the trend of MDBs to invest in projects that are compatible with climate goals. It included a section on the private sector, highlighting the importance of the private financial and banking sector and microfinance institutions. It noted that the private sector is represented in the overarching coordinating body. The strategy promoted sustainable action by the private sector, identified the need for training, and identified actions that required private sector engagement.
Impact of financing strategy	The strategy included indicators that would be tracked and reported on in an annual report that tracks progress on implementation.
Source	República del Ecuador, 2021.

El Salvador	
Plan	*Estrategia nacional de financiamiento climático de El Salvador* (National Climate Finance Strategy), 2018 (50 pages)
Alignment with NAP and NDC	The climate financing strategy is a planning instrument that complements the national climate policy, the national climate change plan, the country's NDC, and the sectoral adaptation plan.
Alignment with SDGs and national development plans	The plan highlights the importance of mainstreaming climate change in planning and budgets.
Related financing documents/ processes	• CPEIR (n.d.) • Climate Investment and Financing Framework (CI&FF) (2018) • Critical Investment Strategy (2018)
Role of MDBs & the private sector	It highlighted the importance of mobilizing private resources and using domestic resources to attract international private finance, as well as collaborating with the financial sector to mobilize private financing.
Impact of financing strategy	Information is not available.
Source	Trinomics, 2018.

Ghana	
Plan	*Nationally Determined Contribution Implementation Plan: Financing Strategy Report*, 2021 (115 pages)
Alignment with NAP and NDC	The strategy aims to scale up financing for the priority program of actions set out in Ghana's 2020 NDC.
Alignment with SDGs and national development plans	A public–private joint initiative established SDG delivery and the green fund, which is linked to climate action. Mitigation and adaptation were built into the NDCs in accordance with medium-term national development planning.
Related financing documents/ processes	• CSAIP (2019) • CPEIR (2021) • DFA (2020–2022, as part of the INFF process) • INFF (2020–2022)
Role of MDBs & the private sector	The World Bank and the AfDB are noted as traditional financiers for water and other infrastructure. The strategy identifies MDBs as sources of concessional finance and sources of grants for blended finance transactions. It called for work to attract domestic private finance, including from the corporate and financial sectors, as a source of local building blocks to meet financial needs. It highlighted blended finance as an important element of the strategy.
Impact of financing strategy	The strategy was released in 2021, and it is too early to determine the impact on the mobilization of resources for adaptation.
Source	Government of Ghana & UNDP, 2021.

Island States in the Indian Ocean (ISIO)	
Plan	*Climate Finance Access and Mobilization Strategy for Island States in the Indian Ocean,* 2022–2025 (8 pages) Technical annex to the strategy
Alignment with NAP and NDC	The strategy does not mention NAPs and NDCs. The technical annex indicates that adaptation priorities were identified from NAPs and NDCs, among other national documents.
Alignment with SDGs and national development plans	The mainstreaming of climate change issues in national development planning and budgeting was a guiding principle of the strategy.
Related financing documents/ processes	• SPCR – Madagascar (under development) • Biodiversity Finance Plan – Seychelles (2019) • DFA – Comoros (2021), Maldives (ongoing) • INFF (2020–2022) – Comoros, Maldives
Role of MDBs & the private sector	There is no mention of MDBs in the strategy. The technical annexes note MDBs as a source of international public climate finance. It included two actions on private sector engagement and actions to scale up private sector investment.
Impact of financing strategy	The strategy was released in April 2022, and it is too early to determine the impact on the mobilization of resources for adaptation.
Source	UNFCCC, 2022; United Nations Climate Change, 2020.

Kenya	
Plan	*Financing Strategy for Nationally Determined Contribution*, 2020 (94 pages)
Alignment with NAP and NDC	Guided by the National Policy on Climate Finance, 2018, and the Climate Change Act, 2016, the plan considers Kenya's NDC, which included adaptation actions that were aligned with the country's NAP 2015–2030. The priority actions in the financing strategy are taken from Second National Climate Change Action Plan, which is the implementation plan for Kenya's NDC and NAP for a 5-year period (2018-2023).
Alignment with SDGs and national development plans	Climate change action was aligned with the Government's Big Four agenda and the SDGs. Gaps in finance were identified through a review of the national government's planning and budgetary reports (second Medium Term Plan and Medium Term Expenditure Framework).
Related financing documents/ processes	• CPEIR (2016) • Disaster risk finance strategy (2018–2022) • NBF East Africa regional project (2020–2022) • INFF (2020–2022)
Role of MDBs & the private sector	MDBs are a potential source of financing, and the plan highlighted the importance of building capacity to access climate and disaster risk management funding through the World Bank. It assessed financing gaps that require private sector support, highlighted that public finance can leverage private investment, and encouraged private sector participation. It also included actions to encourage private sector participation and investment and to enhance access to innovative and impact financing.
Impact of financing strategy	After 5 years, the implementation of the strategy will be reviewed. Indicators include the amount of financing mobilized, including domestic funding and climate funds; the amount under public–private partnerships; the amount generated through impact investments; and the amount generated through green bonds, among others.
Source	Government of Kenya & UNDP, 2020.

Malawi	
Plan	*National Climate Change Investment Plan,* 2013–2018 (119 pages)
Alignment with NAP and NDC	The investment plan preceded the NAP (process launched in 2014) and NDC.
Alignment with SDGs and national development plans	The plan noted that climate change has negative impacts on the national development strategy and that the climate change investment plan will guide the government in the allocation of budgetary resources to mitigate climate change.
Related financing documents/ processes	• DFA (n.d.) • Review of public expenditure on the environment that covers climate change (2014) • SPCR (2017) • CPEIR (2018) • NBF Southern Africa regional project (2019–2022) • Disaster risk finance strategy (20019–2024) • INFF (2020–2022).
Role of MDBs & the private sector	MDBs increasingly incorporate climate change considerations in their core lending operations and administer climate funds. MDBs were identified as channels for climate funds for adaptation. The plan promoted partnerships with the private sector and highlighted the importance of private investment for financing climate change mitigation and adaptation. It included a section on the private sector and noted the need for training and awareness raising.
Impact of financing strategy	In 2019 projects were funded through the GCF, the Adaptation Fund, and the GEF.
Source	Malawi Government, 2013; Ministry of Natural Resources, Energy and Mining, 2019.

Mali	
Plan	*Plan d'Investissement pour la Mise en Œuvre de la Contribution Déterminée au Niveau National (CDN) du Mali: Document Principal,* 2018 (35 pages).
Alignment with NAP and NDC	The investment plan includes actions identified in Mali's NDC.
Alignment with SDGs and national development plans	The plan set out how the adaptation actions contribute to the SDGs. It noted the importance of national budgets for agriculture being used for climate-smart agriculture interventions.
Related financing documents/ processes	• Niger Basin Authority plan to strengthen climate resilience (2015) • CSAIP (2019) • Sahel Regional Climate Investment Plan (2019) • NBF West Africa Strategy (2020–2022) • INFF (2020–2022)
Role of MDBs & the private sector	The World Bank and Asian Development Bank are identified as potential financiers of adaptation action. It noted the role of the private sector and highlighted that the participation of the local banking system in climate action has been limited but could play a role by, for example, financing adaptation action in the agriculture sector. Capacity building is required for the private sector, including the banking sector.
Impact of financing strategy	Information is not available about impacts.
Source	Ministère de l'Environnement et Développement Durable, 2018; UNDP, 2020b.

Melanesia	
Plan	*Melanesian Spearhead Group Climate Finance Strategy,* 2019–2021 (6 pages) Annex: Technical Assessment (46 pages)
Alignment with NAP and NDC	The plan was built on the needs and priorities identified in countries' NDCs and NAPs.
Alignment with SDGs and national development plans	Actions included mainstreaming climate change in national development and sectoral plans and budgets.
Related financing documents/ processes	• Built on core findings from the National Economic, Environment and Development Study conducted by the UNFCCC Finance, Technology and Capacity Building Programme. • Climate Change Financing Frameworks – Fiji, Solomon Islands, Vanuatu. • CPEIRs – Fiji, Vanuatu • DFAs – Fiji, Papua New Guinea, Solomon Islands • SPCRs – Pacific region (2012), Papua New Guinea (2012), Solomon Islands (2014) • Pacific Climate Change Finance Assessment Frameworks – Papua New Guinea (2018), Solomon Islands (2016), Vanuatu (2017) • INFF (2020-2022) – Fiji, Marshall Islands, Papua New Guinea, Samoa, Solomon Islands, Vanuatu
Role of MDBs & the private sector	MDBs play a prominent role in delivering multilateral climate finance, with the World Bank and the Asian Development Bank being the main channels. Strategic areas included designing a financing vehicle to mobilize private sector investment for climate priorities.
Impact of financing strategy	UNFCCC (2021, p. 11) reported that the implementation of the Melanesian climate finance strategy has resulted in the identification of some financing for climate action in the region, including "support for design of a financing vehicle to catalyze and mobilize private sector investment together with partners."
Source	Melanesian Spearhead Group, 2019a, 2019b; UNFCCC, 2021.

Morocco	
Plan	*Plan d'investissement et de Financement de la CDN* (NDC Investment and Financing Plan), 2018 (103 pages)
Alignment with NAP and NDC	The plan is aligned with Morocco's Low Carbon Strategy and NAP.
Alignment with SDGs and national development plans	The plan encouraged the integration of climate issues into sectoral strategies and responded to the objectives of the SDGs and the national sustainable development strategy. Climate action is considered part of Morocco's sustainable development approach.
Related financing documents/ processes	• Climate investment plan in the Sahel region • CSAIP (2019) • CPEIR (2012) • CI&FF • INFF (2020–2022) • In 2019, Morocco developed a guide on accessing climate finance targeted at territorial actors.
Role of MDBs & the private sector	MDBs have provided financing for adaptation projects in the agriculture sector. It aimed to attract private sector investment. More than 80 projects aimed to mobilize financing from the private sector.
Impact of financing strategy	Information is not available.
Source	Secrétariat d'État auprès du Ministre de l'Energie, des Mines et du Développement Durable, charge du Développement Durable, 2018.

Sahel region	
Plan	*Climate Investment Plan for the Sahel Region*, 2018–2030 Priority Program to Catalyze Climate Investments in the Sahel.
Alignment with NAP and NDC	The plan was a translation of the NDCs of the 17 countries.
Alignment with SDGs and national development plans	The plan is aligned with regional efforts to promote development and address insecurity.
Related financing documents/ processes	• DFAs – Benin, Cameroon, Chad, Ethiopia, Nigeria, Senegal • NBF West Africa Strategy (2020–2022) – Benin, Cap-Vert, Djibouti, Mali, Mauritania
Role of MDBs & the private sector	MDBs were partners in developing the plan and made commitments to implement the plan. It noted the importance of a favourable enabling environment to attract private investment for resilience.
Impact of financing strategy	Development partners pledged USD 3.42 billion to finance the program, including the World Bank (USD 1.5 billion); the AfDB (USD 1.3 billion); the International Fund for Agricultural Development (USD 200 million); Swiss Cooperation (USD 75 million); the EU (EUR 750 million); and France (EUR 250 million).
Source	AfDB, 2019; Amadou, 2019; World Bank, 2018b. (The plan is not publicly available.)

Zambia	
Plan	*Climate Finance Mapping for NDC Implementation in Zambia*, 2021 (107 pages)
Alignment with NAP and NDC	The plan is aligned with and aims to mobilize resources for Zambia's NDC.
Alignment with SDGs and national development plans	International climate funds and cooperation must be aligned with Zambia's policies.
Related financing documents/ processes	• SPCR (2011) • CSAIP (2019) • CI&FF (n.d.) • INFF (2020–2022)
Role of MDBs & the private sector	MDBs were identified as sources of international public finance as well as accredited entities of the CIF. MDBs were also noted as important providers of both financial and technical assistance. The private sector was referred to as a key player in financing climate change action. The plan highlighted the importance of private sector finance for adaptation and noted that climate funds could be important for attracting private investment.
Impact of financing strategy	This is a first step in the development of the financing strategy, and it is too early to determine impacts.
Source	Yila, 2021.

Appendix C. Programs That Support the Development of Financing Strategies for Adaptation

A number of international initiatives have been established to support developing countries with the preparation of financing strategies for climate adaptation specifically or to address both climate change mitigation and adaptation. Drawing on desk-based research, this appendix provides an overview of capacity building and technical assistance initiatives delivered through:

- The Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC)
- Multilateral development bank (MDB) programs to assist countries in scaling up financing for adaptation or climate change
- MDB nationally determined contribution support programs
- United Nations (UN) programs to assist developing countries in accessing financing for adaptation or climate change.

C1. Financial Mechanism of the UNFCCC

Four financing opportunities under the Financial Mechanism of the UNFCCC are presented within this section: the Green Climate Fund (GCF), the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), and the UNFCCC Needs-based Finance (NBF) Project.

C1.1 The Green Climate Fund

The GCF provides up to USD 3 million per developing country for the formulation of National Adaptation Plans (NAPs) and other adaptation planning processes through its readiness and preparatory activities and technical assistance for the preparation of NAPs. This support for NAP processes includes nationally identified activities, and as of April 2021, 52 developing countries had accessed this GCF support (GCF, 2021). An internal International Institute for Sustainable Development analysis determined that of the 52 countries accessing this support, 43 noted in their proposals that an expected outcome for their NAP process is a financing strategy for adaptation (see Table C1).

The governments of Mauritius and Cambodia have opted to use the direct access modality in delivering their GCF support project, meaning that government ministries have accessed and managed funds from the GCF and Preparatory Support Programme. In other countries, these readiness and preparatory activities are delivered in cooperation with technical implementing entities that include:

- United Nations specialized agencies such as the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP), and the United Nations Environment Programme (UNEP).
- Intergovernmental organizations such as the Secretariat of the Pacific Regional Environmental Programme and the Global Green Growth Institute (GGGI).

Table C1. GCF NAP support proposals that include a deliverable related to the development of a financing strategy for adaptation as of April 2021

Country	Financing strategy for adaptation – Expected deliverable	Technical implementing entity
Albania	Detailed funding plan for adaptation activities in the NAP	UNDP
Armenia	Funding strategy for the NAP and climate adaptation	UNDP
Azerbaijan	Financing strategy for climate change adaptation	UNDP
Bangladesh	Costed NAP funding strategy	UNDP
Bhutan	Draft NAP, including implementation and financing strategy	UNDP
Bosnia and Herzegovina	Innovative financing strategy for adaptation investments in 4–5 municipalities	UNDP
Chile	Adaptation financing strategy focused on the private sector	FAO
Costa Rica	Funding strategy for sub-national adaptation initiatives	UNEP
Côte d'Ivoire	Costing exercise and financing strategy	UNDP
Democratic Republic of the Congo	Financing strategy for adaptation	UNDP
Dominica	Investment strategies for prioritized adaptation actions	N/A
Dominican Republic	Funding strategy for the NAP and climate change	UNEP
Ecuador	Funding and sustainability strategy of the NAP process	UNDP
Eswatini	Adaptation financing strategy	UNEP

Country	Financing strategy for adaptation – Expected deliverable	Technical implementing entity
Gabon	Funding strategy for NAP with detailed cost-benefit analysis	Caisse des Depots et Consignations
Ghana	Climate change adaptation investment plan and a financing plan	UNEP
Guatemala	Preliminary private sector engagement and sustainable financing strategy	Rainforest Alliance
Guinea	National funding mechanism and private sector engagement to support adaptation financing	UNDP
Haiti	Financing and investment strategy for the NAP	UNEP
Honduras	Financial strategy for the NAP	UNEP
Iraq	Funding strategy for the implementation of the NAP process	UNEP
Liberia	Sector- and area-based costed investment plans	UNDP
Madagascar	National strategy to engage the private sector in adaptation and in support of adaptation financing	UNDP
Malawi	Financing strategy for adaptation	UNEP
Mauritania	Resource mobilization strategy to inform medium- and long-term adaptation investments	UNEP
Mongolia	Strategy for mobilizing funding resources for adaptation	UNEP
Moldova	Adaptation financing strategy	UNDP
Myanmar	Strategy to effectively mobilize and utilize funding resources for NAP	UNEP
Nepal	Adaptation financing strategy	UNEP
Niger	Funding strategy for the NAP and climate adaptation	UNDP
Nigeria	Funding strategy for the implementation of the NAP process	UNEP

Country	Financing strategy for adaptation – Expected deliverable	Technical implementing entity
Pakistan	Mobilization strategy for medium- and long-term climate change adaptation investment, including private sector engagement	UNEP
Papua New Guinea	NAP financing and investment strategy	UNDP
Rwanda	Financing strategy developed for local climate action in the prevention of flood and landslides	GGGI
Serbia	Financing strategy for medium- and long-term climate change adaptation	UNDP
Somalia	Financing strategy for national adaptation strategy	UNPD
Tajikistan	NAP financing strategy and roadmap	UNDP
Uruguay	Funding strategy for the NAP – cities and climate change adaptation	UNDP
Uzbekistan	NAP financing and investment strategy	UNDP
Vietnam	Adaptation financing strategy	UNDP
Zambia	Strategy for mobilizing financial and other resources for NAP implementation	Global Water Partnership Organization
Zimbabwe	Adaptation financing strategy	UNEP

Source: Authors.

C1.2 The LDCF

The LDCF is one of the climate adaptation financing mechanisms of the UNFCCC and is managed by the Global Environment Facility (GEF). The LDCF has assisted least developed countries (LDCs) in preparing and implementing national adaptation programs of action (NAPAs)[6] and has supported the NAP process through the provision of support for priority activities identified in NAPAs. A review of the LDCF project database in April 2021 determined that at least four ongoing projects include a component related to developing financing strategies for adaptation, listed below.

[6] NAPAs provide a process for LDCs to identify priority activities that respond to their urgent and immediate needs to adapt to climate change—those for which further delay would increase vulnerability and/or costs at a later stage. (http://unfccc.int/national_reports/napa/items/2719.php)

- Integrating Climate Change Adaptation into Sustainable Development Pathways of Bangladesh (approved for implementation in 2020) supports the prioritization of bankable projects, identifies resource mobilization options, and supports the development of a costed plan and projected expenditures for the Climate Fiscal Framework.
- The Senegal NAP project (approved for implementation in 2019) assists with the development of a climate-readiness strategy to ensure that necessary funds are in place to support adaptation priorities.
- Building the Capacity of Rwanda's Government to Advance National Adaptation Planning Process (approved for implementation in 2019) includes the development of a NAP funding strategy.
- The UNDP-UNEP National Adaptation Plan-Global Support Programme (NAP-GSP) (approved for implementation in 2016) is a global project that assists LDCs and developing countries in identifying technical, institutional, and financial needs to mainstream climate adaptation into national planning and financing. It includes support for leveraging financial resources for NAPs and scaling up climate finance for the formulation and implementation of NAPs.

Source: GEF, 2021.

C1.3 Special Climate Change Fund

The SCCF is also a climate financing mechanism of the UNFCCC that is managed by the GEF. It is accessible to all vulnerable developing countries, and its key priorities are adaptation and technology transfer. A review of the GEF project database in April 2021 identified three projects that included a component related to the development of a financing strategy for adaptation, listed below (GEF, 2021).

- Enhancing Regional Climate Change Adaptation in the Mediterranean Marine and Coastal Areas (approved for implementation in 2019) is a regional project that includes the development of methodology guidelines for preparing financial plans for adaptation in coastal areas comprising domestic, international, and private sector investment.
- Economic Analysis of Adaptation Options in Support of Decision Making (2009–2018) was a global project that included the development of adaptation financing models, including the identification of investment types, financing approaches, and options for resource mobilization.
- Pacific Adaptation to Climate Change Project (2008–2019) was a regional project that included a review and assessment of potential financing for adaptation and financial services to deal with climate-related damage.

Source: GEF, 2021.

C1.4 UNFCCC Needs-Based Finance Project

The NBF project assists regions and countries in developing climate finance strategies. The finance strategies identify priority actions in accordance with goals outlined in countries' NDCs, NAPs, and other relevant policies and strategies. The NBF project aims to facilitate the mobilization of and access to climate financing for priority mitigation and adaptation needs identified by developing countries to implement their commitments under the UNFCCC and the Paris Agreement, including in the development of improved NDCs.

The project was launched in 2018 by the UNFCCC Secretariat as a response to a request of the UNFCCC Conference of the Parties "to explore ways and means to assist developing country Parties in assessing their needs and priorities, in a country-driven manner, including technological and capacity-building needs, and in translating climate finance needs into action" (UNFCCC, 2021, p. 3). In 2022, the project will be implemented in 10 regions or subregions covering 102 countries. The regions include Arab States (22 countries), Asian LDCs (six countries), East Africa (six countries), Eastern Caribbean (11 countries), Melanesia (four countries), Indian Ocean Small Island Developing States (six countries), Polynesia (five countries), Southeast Asia (10 countries), Southern Africa (16 countries), and West Africa (15 countries). NBF national projects that contained outputs linked to financing strategies for adaptation included:

- Antigua & Barbuda – Develop and assess climate finance flows
- Belize – Work with various partners to develop and implement an NDC financial strategy
- Honduras – Develop a methodology for the elaboration of a Climate Investment Plan
- The Philippines – Develop a pipeline of climate projects and assess investment costs
- Uruguay – Support actions to analyze, identify, and implement a financial strategy for the country's NDC.

The UNFCCC Secretariat is leading the project and working through its Regional Collaboration Centres in Bangkok, Thailand; Dubai, United Arab Emirates; Kampala, Uganda; Lomé, Togo; Panama City, Panama; and St. George's, Grenada, and in collaboration with regional bodies and partnerships. Partners include regional institutions, UN specialized agencies, and MDBs. The World Bank, for example, was a partner in the preparation of Belize's NDC financial strategy.

The NBF project methodology includes these steps:

1. Undertake a technical assessment to analyze country and regional situations, including existing initiatives and plans, climate finance barriers, and prioritization of climate finance and investment needs at the regional level.
2. Develop a Climate Finance Mobilization and Access Strategy that includes actions, recommendations, an implementation roadmap based on existing climate-related strategies, and a pipeline of priority climate initiatives.
3. Obtain endorsement of the strategy at the highest political level.
4. Facilitate mobilization and access to climate finance by matching priorities to funding and reaching out to key institutions.

The NBF project also provides opportunities for peer-to-peer learning.

The project is expected to culminate in the mobilization of resources for the implementation of country and regional climate finance mobilization and access strategies by fostering partnerships and facilitating arrangements between climate finance providers and countries. Some financing for climate action in the Melanesian subregion had been identified by June 2021, including support for the design of a financing vehicle to catalyze and mobilize private sector investment together with partners.

Source: United Nations Climate Change, 2022.

C2. MDB Programs to Assist Countries in Scaling Up Financing for Adaptation or Climate Change

As described in this section, MDBs are supporting the development of financing strategies for climate adaptation or for both climate mitigation and adaptation through Strategic Programs for Climate Resilience (SPCRs) under the Pilot Program for Climate Resilience (PPCR) and Climate Smart Agriculture Investment Plan (CSAIP) implemented by the World Bank.

C.2.1 SPCRs Under the PPCR

SPCRs Under the PPCR	
Overview	SPCRs are investment strategies developed under the PPCR. One of the Climate Investment Funds' (CIF) nine programs, the PPCR supports developing countries in building adaptation and resilience to the impacts of climate change. It assists governments in integrating climate resilience into strategic development planning. The resulting investment plans focus on longer-term interventions aimed at enhancing climate resilience. Twenty-eight countries and two regions had developed SPCRs under the PPCR as of April 2021: 1. Bangladesh, 2010 2. Bhutan, 2017 3. Bolivia, 2011 4. Cambodia, 2011 5. Caribbean Region, 2012 6. Dominica, 2012-2017 7. Ethiopia, 2017 8. Gambia, 2017 9. Grenada, 2011 10. Haiti, 2015 11. Honduras, 2017 12. Jamaica, 2012 13. Kyrgyz Republic, 2018 14. Madagascar, under development 15. Malawi, 2017 16. Mozambique, 2011 17. Nepal, 2011 18. Niger, 2010 19. Pacific Region, 2012 20. Papua New Guinea, 2012 21. The Philippines, 2017 22. Rwanda, 2017 23. Samoa, 2011 24. Saint Lucia, 2011 25. Saint Vincent and the Grenadines, 2011 26. Tajikistan, 2011 27. Tonga, 2012 28. Uganda, 2017 29. Yemen, 2012 30. Zambia, 2011
Lead institution in developing country	Ministries of environment, climate change, and finance lead the process.
Supporting institutions	Relevant line ministries/departments including climate change, environment, agriculture, transport, water, energy, irrigation, and disaster risk management.
Stakeholder engagement process	Multistakeholder engagement is central to the development and implementation of SPCRs funded by the PPCR.
Technical and financial partners	Fourteen donor countries have contributed over USD 8.5 billion to support the scaling-up of adaptation and mitigation in developing and middle-income countries through the CIF. The CIF is managed by the World Bank, and PPCR projects are administered by MDBs.

SPCRs Under the PPCR	
Aim	SPCRs identify the highest-priority climate risks and opportunities to mainstream climate resilience in development planning and action. The PPCR's primary objective is to pilot and demonstrate ways to mainstream climate risk and resilience into national and sub-national development policies, plans, and projects.
Structure/ methodology	The preparation process includes stakeholder consultation and the development of climate vulnerability assessments. SPCRs are developed through research and analysis and funded through USD 1.5 million in preparatory grants from the PPCR. SPCRs identify priority activities/projects to address the vulnerabilities, identify existing funding, etc. Some SPCRs include estimates of the costs of adaptation activities and projects.
Alignment with NAPs and NDCs	Some countries that have developed SPCRs after 2015 have noted alignment with NDCs and NAPs (e.g., the SPCRs of Bhutan and Malawi mentioned alignment with NAPs and NDCs). The 2019 PPCR operations and results noted that countries were able to use their experiences and learning to implement PPCR and shape their NDCs and NAPs.
Alignment with Sustainable Development Goal (SDG) financing strategies and national economic development plans	The programmatic approach of the PPCR supports a vision of climate resilience that is consistent with national development priorities in pilot countries. The SPCR process supports the integration of climate resilience objectives into national development and sector plans in some countries. As of December 31, 2017, PPCR had contributed to the integration of climate change in 417 national, sector, and local plans and strategies in 15 countries. PPCR projects have directly contributed to nine of the 17 SDGs.
Role of MDBs	MDBs are the implementing entities for programs funded by the CIF. For example, the Asian Development Bank (ADB) reported in 2016 that it administered USD 281 million for 19 projects under the PPCR, including participating in the development of SPCRs.
Impact	MDB programming is informed by the SPCRs. For example, the World Bank formulated a program in the agriculture sector based on Ethiopia's SPCR, and ADB designed and financed a series of adaptation projects based on Cambodia's SPCR. Sixty-three projects included in SPCRs have been approved by the PPCR for a total of USD 981.4 million in funding.
Source	Climate Investment Funds, 2020, 2021a, 2021b.

C.2.2 Climate Smart Agriculture Investment Plans

CSAIPs	
Overview	CSAIPs provide the underlying analysis to indicate which investments would help to achieve country goals; identify concrete investment opportunities and provide a tangible set of project concepts for potential investors and donors to consider for funding. Resource mobilization follows the investment plan, which identifies the sources or combinations of sources of funding for the priority investments. CSAIPs have been developed for 10 countries: Bangladesh, Burkina Faso, Côte d'Ivoire, Ghana, Lesotho, Mali, Morocco, the Republic of the Congo, Zambia, and Zimbabwe. They were built on climate-smart agriculture profiles that were developed by 30 countries with World Bank support.
Lead institutions	Ministries of agriculture, supported by ministries of environment/climate change; finance; planning, natural resources, and forestry
Stakeholders	In-country stakeholder workshops include development partners, research institutions, civil society, and the private sector.
Technical and financial partners	Implementing agency: World Bank, with funding from the United Kingdom's Department for International Development, Agence Française de Développement, and the NDC Partnership. Developed in cooperation with the Adaptation for African Agriculture Initiative, the International Center for Tropical Agriculture, the International Institute for Applied Systems Analysis, the International Center for Tropical Agriculture, the World Agroforestry Centre, and the CGIAR (formerly the Consultative Group for International Agricultural Research) Research Program on Agriculture, Climate Change and Food Security. Mali, Côte d'Ivoire, and Morocco received funding through the World Bank's NDC Support program to develop their CSAIPS.
Aim	To identify actions governments could take to boost CSA in the form of both investments and policies.

CSAIPs	
Structure/ methodology	CSAIPs identify concrete actions governments could take to boost climate-smart agriculture, both in the form of investment opportunities and policy design and implementation. The plans make recommendations for future CSA investments, identify interventions that could be funded by public and private sector partners, provide a tangible set of project concepts for potential investors and donors to consider for funding, and include elements of program design and implementation. For example, Côte d'Ivoire's CSAIP prioritizes a set of 12 investments and actions needed to boost crop resilience and enhance yields for more than 2.2 million beneficiaries and their families, helping them adapt to climate change. The methodology combines several modelling approaches, economic analysis, priority setting, analysis of barriers and opportunities, and technology foresighting. The process used to develop the plans supports engagement and capacity strengthening. Consultations with stakeholders in the public and private sectors, civil society, and farmer groups address four questions: • Can CSA deliver on key agriculture sector indicators by 2050? • Are CSA benefits robust across a range of climate change scenarios? • Which CSA technologies should be prioritized for scale-up? • Which strategies and investments will be critical to enabling the broad adoption of CSA technologies?
Alignment	Countries could use the CSAIPs to inform their NDC updates and national agriculture plans. CSAIPs inform government, development partners, and the private sector about promising climate-smart agriculture technologies, as well as associated costs.
Role of MDBs	The World Bank was the implementing agency and has used CSAIPs to inform program design.
Impact	The World Bank has committed to financing over USD 2.5 billion in projects aligned with CSAIP objectives. The results informed national agriculture policies, plans, and strategies, including the national agriculture investment plans in Zambia and Zimbabwe.
Source	World Bank, 2019, 2021a.

C3. MDB NDC Support Programs

Four MDBs—the World Bank, the Inter-American Development Bank (IDB), the ADB, and the African Development Bank (AfDB)—have established specific programs to help developing countries access financing for their NDCs, which include financing for adaptation. These programs are described below.

C3.1 IDB Group's NDC Invest

IDB Group's NDC Invest	
Overview	NDC Invest is the IDB Group's collective effort to support 25 Latin American and Caribbean countries to achieve the goals of the Paris Agreement. It is a one-stop shop to help countries access resources needed to translate national climate commitments into investment plans and bankable projects. The NDC Invest portfolio in 2019 included the elaboration of 130 climate investment plans/strategies, of which 33% dealt with adaptation, 26% with mitigation, and 40% were dual. Many plans are not publicly available, and it was not possible to determine the extent to which these plans/strategies addressed adaptation.
Lead institutions	Finance ministries play a strategic role because they are responsible for optimizing the use of resources for sustainable infrastructure and green financing.
Stakeholders	Governments of Latin American countries and the private sector.
Technical and financial partners	IDB Group, with funding from the Nordic Development Fund, the GCF, CIF, and the governments of the Netherlands, Sweden, and the United Kingdom.
Aim	To offer financial solutions and technical support to help build national goals and transform them into attainable plans that generate prosperous, resilient, and carbon-neutral economies by 2050.

IDB Group's NDC Invest	
Structure/ methodology	The NDC Invest approach includes four components: programmer, pipeline accelerator, market booster, and finance mobilizer. The programmer component includes the design of investment plans and financial strategies. The NDC Finance Mobilizer component seeks to mobilize funds from internal and external sources to support investments aligned with climate and sustainable development objectives. It also improves countries' access to external concessional resources, in addition to financing from the IDB Group. A key objective is to provide the credit enhancement needed to mobilize private capital. The NDC Invest Platform supports countries in the Latin American and Caribbean region to develop national financial strategies for climate change, including: • Chile – Financial Strategy on Climate Change that includes adaptation. • Peru – Investment plan to support climate and sustainable development objectives. • Costa Rica – Investment plan to support climate and sustainable development objectives.
Alignment	Enables progress toward countries' NDC, including updating NDCs and aligning to long-term strategies, as well as toward the achievement of SDGs.
Role of MDBs	Enables progress toward IDB lending objectives, allowing the IDB Group to play a pivotal role in mobilizing investors to deliver investments required for sustainable infrastructure.
Impact	This is a relatively new program with limited publicly available information.
Source	IDB, 2021; Jaramillo, 2019; Palominos, 2018.

C3.2 World Bank Group's NDC Support Facility

World Bank Group's NDC Support Facility	
Overview	The NDC Support Facility launched in 2016 and supports rapid action on implementation at the country level, including on NDC-related policy, strategy and legislation, budgeting and investment, and monitoring and evaluation frameworks.
Lead institutions	National governments, mainly led by ministries of finance with support of ministries responsible for climate change and line ministries.
Stakeholders	The facility contributes to improved cross-sectoral coordination of government stakeholders, donors, and private sector entities.
Technical and financial partners	Grant finance is provided through World Bank Group teams working in coordination with the NDC Partnership. The program is backed by a multi-donor trust fund.
Aim	To mobilize financial and technical support to achieve climate goals and to facilitate the implementation of NDCs.
Structure/ methodology	Much of the country-level support aims to mobilize resources for the implementation of NDCs. Activities include: • Côte d'Ivoire – planning and implementing investments that contribute to coastal resilience. • Georgia – developing a financing framework for its coastal zone NAP and mobilizing resources for a sector NAP. • Honduras – identifying costs and potential sources of financing to provide inputs to a climate investment plan. • Mozambique – preparing an adaptation investment framework. • Niger – developing an NDC investment plan that identifies costs and a strategy for financing the NDC with private sector and multilateral support. • Pacific Alliance (Peru, Colombia, Mexico, and Chile) – scaling up climate finance to implement their NDCs by recommending financial products that can mobilize private and public funds. • Rwanda – mobilizing significant amounts of additional financing through new innovative instruments and institutional structures. • South Africa – assessing infrastructure investment needs to achieve its NDC.
Alignment	Enables progress toward the implementation of countries' NDCs, including mobilizing resources for adaptation.
Role of MDBs	The World Bank Group manages the program, and funds are channelled to World Bank Group teams in client countries.
Impact	Information on increasing resources for adaptation is not available.
Source	World Bank, 2022.

C.3.3 Other MDB NDC Support Programs That Address Financing Strategies for Adaptation

AfDB – Africa NDC Hub

The hub has three support areas, which include mobilizing the means for implementation that include helping countries to develop a pipeline of bankable projects with associated funding options, developing NDC investment plans, and mobilizing resources from climate funds for national readiness plans. The Africa NDC Hub is managed by a secretariat hosted at the AfDB.

Source: AfDB, 2022.

ADB – NDC Advance

The technical assistance platform helps countries translate their NDCs into climate investment plans that mobilize financing from various sources, including the private sector and through support for innovative financing mechanisms. Support provided includes climate change assessments and roundtable dialogues on climate investment planning. Funded by an initial USD 4.55 million grant from ADB.

Source: ADB, 2021.

C4. UN Programs to Assist Developing Countries in Accessing Financing for Adaptation or Climate Change

Various programs delivered by UN agencies assist developing countries in preparing financing strategies for adaptation or provide support for studies that lay the groundwork for financing strategies. These studies and programs include Climate Change Financing Frameworks (CCFFs), Climate Investment and Financial Flows (CI&FF), Climate Public Expenditure and Investment Reviews (CPEIRs), Development Finance Assessments (DFAs), and Integrated National Financing Frameworks (INFFs). Many of these initiatives are delivered through the UNDP. Descriptions of each of these programs are provided in the remainder of this section.

C4.1 Climate Change Financing Frameworks

CCFFs	
Overview	CCFF work has been undertaken in at least seven countries (Afghanistan, Bangladesh, Cambodia, India, Indonesia, Nepal, and Pakistan) and in several Indian states. Other countries have undertaken work on some elements of a CCFF (Bhutan, the Philippines, Thailand, Vietnam, and several Pacific Island states). A comprehensive CCFF is a whole-of-government approach that engages relevant stakeholders in the mobilization, management, and targeting of climate change finance. Much of the work has focused on adaptation.
Lead institutions	Ministries of finance.
Supporting institutions	Line ministries, investment agencies, climate change policy bodies, and ministries of planning.
Stakeholder engagement process	The definition of climate change-related expenditures is tailored for each country based on a consultative process that accounts for national priorities. Relevant stakeholders are engaged.
Technical and financial partners	UNDP provides technical support. Financial support is provided by the European Union and the governments of Australia and the United Kingdom.
Aim	To structure a more strategic approach to mobilize, manage, and target climate change finance. For some countries (including Afghanistan, Nepal, Pakistan, and many Pacific Island states), the reason for developing the CCFF is to raise new funds for adaptation. For other countries, the aim of the work is to improve the efficiency of public expenditure for adaptation (Nicolson et al., 2016).

CCFFs	
Structure/ methodology	There is no standard approach, but a CCFF can include costing of planned climate change actions; review and measurement of domestic and other resources available for mitigation and adaptation action; identification of institutional entry points to scale up domestic and international public finance; and assessment of the impact of climate finance in addressing resilience and mitigation. Climate financing scenarios that include projected expected volumes and sources of future climate finance were developed by Afghanistan, Bangladesh, Cambodia, the Indian States, and Indonesia. The Pakistan financing framework is based on the country's NAP and sets out a roadmap for accessing financing. The UNDP guidance manual explains that a comprehensive CCFF framework includes, at a minimum, the following elements: • Focusing on planning and costing climate change response actions in the medium and longer terms. • Bringing public sources of climate change finance (domestic and international) into the national planning and budgeting system, to be delivered through country systems, and aligning private sources of climate change finance with the overall fiscal policy framework. • Defining what actually constitutes climate change allocations and expenditures in a manner that is consistent, commonly agreed upon, and nationally determined. • Ensuring accountability over the use of climate change finance, both domestically vis-à-vis the national public and beneficiaries, particularly the most vulnerable, and externally, to international donors and development partners.
Alignment with NAP and NDC	Resch et al. (2017) noted that expenditure framework methodologies could be used to evaluate progress on a country's NDC (but did not mention NAPs). Nepal's report noted that the country submitted an NDC, although the analysis was not aligned with the country's NDC priorities and did not mention the country's NAP process.
Alignment with SDG financing strategies and national economic development plans:	Nepal made no mention of the SDGs. The guidance note remarked on the importance of using and leveraging climate funds to achieve the SDGs.
Role of MDBs	The guidance document noted the importance of MDBs and UN agencies in accessing international climate funds.

CCFFs	
Impact	CCFFs could facilitate more accurate monitoring, tracking, and reporting on related investments, which in turn would create an enabling environment conducive for international climate finance to flow and be monitored for its effectiveness and impact (Nicholson et al., 2016)—but there is no available evidence to ascertain if this impact was achieved. A stock-take of the UNDP program to develop CCFFs in the Asia-Pacific determined that the allocation of costs to adaptation actions was not undertaken in a structured manner, and adaptation costs were often prepared without a ceiling and thus not consistent with expected resources. The stock-take noted that the incorporation of adaptation in planning and budgeting processes is likely to require at least 10 years (Nicolson et al., 2016). Insufficient information is available to determine the impact on scaling up financing for adaptation.
Source	Governance of Climate Change Finance Team (UNDP Bangkok Regional Hub), 2015; Nicolson et al., 2016; Resch et al., 2017.

C4.2 Financing Frameworks for Resilient Growth

Financing Frameworks for Resilient Growth	
Overview	Financing frameworks for resilient growth (FFRGs) were one type of CCFF developed under the Action on Climate Today program (2016–2020) in five South Asian countries (Afghanistan, Bangladesh, India, Nepal, and Pakistan). Action on Climate Today used the financing frameworks to i) raise government awareness of adaptation needs; ii) help governments identify key priority sectors or actions where investment is needed; iii) mobilize financing from development budgets and assess the adequacy of effort; and iv) report on adaptation-relevant expenditure, thereby adding to accountability and transparency.
Lead institution	Ministries of finance and climate change/environment.
Supporting institutions	National committees on climate change, sectoral ministries, development finance institutions, and implementing agencies.
Stakeholder engagement process	Information not available.
Development partners/funders	Action on Climate Today, which was a regional program funded by the Department for International Development (United Kingdom) and implemented by Oxford Policy Management and UNDP.

Financing Frameworks for Resilient Growth	
Aim	To mainstream climate change across budgets and help governments access new financing for climate resilience. FFRGs focused on adaptation and sought to bridge the gap between adaptation needs and existing resources, in terms of financial resources and institutional processes and mechanisms.
Structure/ methodology	FFRGs estimated the economic cost of climate change damages, quantified the adaptation benefits of current expenditure at that time, assessed the adequacy of such expenditure relative to the projected economic costs of climate change, and identified areas where additional financing was needed to reduce the economic impact of climate change. FFRGs calculated estimates of economic loss and damage, which measured the economic impact of climate change on GDP in the mid to long term. FFRGs also calculated the adaptation gap, which was the difference between adaptation needs (total adaptation spending required to avoid all climate change economic loss and damage) and the adaptation supply (actual or planned adaptation spending). The process helped governments to secure international climate finance by training government officials on proposal development and modalities for accessing international climate finance and by establishing climate finance units.
Alignment	The Pakistan financing framework set out a roadmap for accessing financing that was based on the country's NAP.
Role of MDBs	Information was not available.
Impact	The Department for International Development evaluation of the program noted that Action on Climate Today had been effective in enabling national and state governments to access climate finance and to integrate climate change into government budgeting processes by developing a tool for analyzing climate budgets. Resch et al. (2017) report that Action on Climate Today supported governments to secure USD 127 million from a variety of climate funds. Malik (2018) reported that Pakistan raised more than USD 100 million from international climate funds.
Source	Malik, 2018; Resch et al., 2017.

C4.3 Pacific Climate Change Finance Assessment Framework

Pacific Climate Change Finance Assessment Framework	
Overview	Pacific Island countries used the Pacific Climate Change Finance Assessment Framework to undertake CCFRs, building on CPEIRs. These frameworks considered aspects relevant to Small Island Developing States (such as prioritizing adaptation over mitigation) within the existing assessment approach. These reviews were undertaken in the Federated State of Micronesia (2018), Kiribati (2018), Nauru (2013), Palau (2017), Papua New Guinea (2018); Republic of the Marshall Islands (2014), Solomon Islands (2016), Tonga (2015), and Vanuatu (2017). Many are not publicly available.
Lead institution	Ministries responsible for climate change and disaster risk reduction.
Supporting institutions	Line ministries.
Stakeholder engagement process	Non-governmental organizations, the private sector, and donors.
Technical and financial partners	UNDP was the implementing agency for many assessments working with regional agencies, including the Pacific Islands Forum Secretariat and Pacific Community. Funding was provided by the United States Agency for International Development, Australia, Germany through the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, and the European Union-Global Climate Change Alliance.
Aim	To improve access to resources for climate change and to approach climate change and disaster risk financing in an informed way. To inform the government of the national climate finance landscape and provide a wider understanding of how to improve and streamline accessibility and management of international climate change finance.

Pacific Climate Change Finance Assessment Framework	
Structure/ methodology	The framework provided an assessment of a country's climate change and disaster risk finance. The framework assessed a country's ability to access and manage climate change resources across six pillars: • Funding sources – to assess previous and existing funding sources related to climate change; to estimate the scale of resources, their sources, and how they have been utilized. • Policies and plans – to assess the depth to which climate change has been integrated into national policies and plans. • Institutional arrangements – to review the coordination and implementation of the country's response to climate change. • Public financial management and expenditure – to assess the state of the public financial management system and how well it functions to track and report on climate change expenditure. • Human capacity – to identify key human capacity gaps. • Development effectiveness – to identify ways to improve access to—and management of—climate change resources available from development partners, including a funding source analysis that examines the flows of international public finance.
Alignment	After 2016, the assessments looked at climate change and disaster risk finance and intended to increase financing in a way that was aligned with NDCs and NAPs. The assessments were aligned with national strategic plans.
Role of MDBs	ADB supported the review of the program, which noted that the World Bank and ADB were major multilateral donors.
Impact	The synthesis report noted that countries accessed significant amounts of financing for climate change and disaster risk management from bilateral and multilateral sources. The report did not indicate if the financing frameworks were a factor in increased financing.
Source	Pacific Islands Forum Secretariat, 2020; Pacific Islands Forum Secretariat & Pacific Community, 2019.

C4.4 Climate Public Expenditure and Investment Reviews

CPEIRs	
Overview	CCFFs were often informed by a CPEIR, which was a systematic qualitative and quantitate analysis of a country's expenditures and how they relate to climate change. CPEIRs took about three months to complete, required specialist technical expertise, and cost about USD 150,000. CPEIRs were introduced in 2011 and were developed for the following countries: • In Asia: Bangladesh, Cambodia, China, Fiji (2015), Indonesia, Kiribati (2013), Marshall Islands, Nauru, Nepal, Pakistan, the Philippians, Samoa (2012), Thailand, Vanuatu (2014), and Vietnam (including at the subregional level for 13 provinces in the Mekong Delta) • In Africa: Benin, Ethiopia, Ghana, Kenya, Morocco, Mozambique, Namibia, Rwanda, Tanzania, Uganda, and Zambia • In Latin America: Chile, Colombia, El Salvador, Honduras, and Nicaragua.
Lead institution	Relevant government agencies, including ministries of finance, planning, and environment/climate change.
Supporting institutions	Line ministries and local governments.
Stakeholder engagement process	The process was a starting point for longer-term government-led multistakeholder dialogue on how the government might utilize financing for climate change.
Technical and financial partners	Technical assistance was provided by the UNDP and other development partners, including the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, the Government of Australia, and the World Bank.
Aim	To help countries review how national climate change policy aims were reflected in public expenditures and how institutions might be adjusted to ensure that financing for a response to climate change is delivered in a coherent way across government departments and levels of government. To understand the resource levels required, as well as current gaps in funding, to finance a national response to climate change. To help countries better attract and utilize global climate change-related financing.

CPEIRs	
Structure/ methodology	The review covered three levels of analysis—policies, institutions, and budgeting. The analysis reviewed the public expenditures of a country, its climate change plans and policies, its institutional framework, and its public finance architecture. A CPEIR includes: • A policy and institutional review of the government's ability to coordinate and translate climate change objectives into the budget. • A review of the relationships between different climate-related institutions. • A definition and/or typology used to identify climate change-relevant expenditures for the review. • An analysis of recent trends on budget allocations and/or public expenditures that appear relevant to climate change. • An illustration of trends in the flow of external funds. • Recommendations on institutional reforms to mainstream climate change policy. • Recommendations on improving the relevance and impact of public expenditure for both mitigation and adaptation.
Alignment with NAP and NDC	Many CPEIRs were prepared before countries submitted NDCs and initiated NAP processes. The Malawi CPEIR (2019) noted that CPEIRs and CCFFs provided the basis for monitoring the NDC (but Internet research did not find any evidence of this in Malawi or other countries).
Alignment with SDG financing strategies and national economic development plans	Focus was on public expenditures and identifying the climate change portion of public expenditures. The guidebook was published in 2015 and noted SDG strategy papers and NAPs as documents that could inform the CPEIR.
Role of MDBs	The World Bank led the review in Vietnam and participated in other reviews.
Impact	An evaluation of CPEIRs undertaken in 2012 after the completion of five reviews was limited in providing information on the impact of CPEIRs in increasing resources (domestic or international) for adaptation.
Source	Governance of Climate Change Finance Team (UNDP Bangkok Regional Hub), n.d., 2015; UNDP, 2015.

C4.5 Climate Investment and Financial Flows

CI&FF	
Overview	Forty-seven sectoral CI&FF assessments were undertaken in 17 countries between 2009 and 2011, including Bangladesh, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Gambia, Haiti, Honduras, Liberia, Morocco, Namibia, Niger, Nigeria, Paraguay, Peru, Thailand, Togo, Turkmenistan, Uruguay, and Uzbekistan.
Lead institution	Ministries of planning, finance, and environment/climate change.
Supporting institutions	Line ministries.
Stakeholder engagement	Stakeholders—including government, private sector, academia, and non-governmental organizations—were brought together to address key questions in the assessment.
Technical and financial partners	The UNDP led the technical assessments. The assessments were undertaken as part of the UNDP Global Project, Capacity Development for Policy Makers to Address Climate Change, which was funded by the governments of Finland, Norway, Spain, and Switzerland, the UNDP, and the UN Foundation.
Aim	To improve a country's capacity to nationally organize financial flows and mobilize additional resources for climate change.
Structure/ methodology	The key questions assessed were: 1. What are the main adaptation and mitigation measures for the selected sectors in the next 25 years? 2. Who is investing in the sector? Who are the major players and funding sources within government, the private sector, and households? 3. What changes or increases in CI&FF will be needed in the sectors? 4. What additional finance is needed to address climate change? 5. What policies and incentives are needed to induce the necessary shifts and changes? The UNDP developed work plan guidance for preparing for a CI&FF assessment that included guidance for adaptation in each of the following sectors: agriculture, water, health, biodiversity, fisheries, tourism, and coastal zones. Participating countries developed assessments of financial flows in priority sectors that included an estimate of needed investment to address climate change in priority sectors.
Alignment	Information was not available.

CI&FF	
Role of MDBs	MDBs did not play a role in these assessments.
Impact	No evaluations or assessments of the impact of the CI&FF assessments were available.
Source	UNDP NDC Support Programme, 2020a, 2020b, 2020c.

C4.6 Integrated National Financing Frameworks

INFFs	
Overview	The Secretary-General's Strategy for Financing the 2030 Agenda and its 3-year roadmap of actions and initiatives committed the UN development system to supporting countries in adopting and implementing INFFs. These are country-led and country-owned planning and delivery tools to finance sustainable development at the national level. The program would result in new financing strategies for SDGs and feature support for vulnerable groups (children, youth, women) and climate change. By early 2022, 70 countries had committed to preparing an INFF. Countries preparing INFF include Afghanistan, Albania, Armenia, Azerbaijan, Bangladesh, Barbados, Belarus, Benin, Bhutan, Bosnia and Herzegovina, Bolivia, Botswana, Burkina Faso, Cabo Verde, Cambodia, Cameroon, Colombia, Comoros, Costa Rica, Cuba, Democratic Republic of the Congo, Djibouti, Egypt, Ecuador, Fiji, Gabon, Ghana, Guatemala, Guinea, Haiti, Indonesia, Jamaica, Jordan, Kazakhstan, Kyrgyz Republic, Kenya, Lao People's Democratic Republic, Lebanon, Lesotho, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nigeria, Papua New Guinea, the Philippines, Rwanda, Samoa, Senegal, Sierra Leone, Solomon Islands, South Sudan, Sudan, Suriname, Tajikistan, Thailand, The Gambia, Timor-Leste, Togo, Tunisia, Uganda, Ukraine, Uruguay, Uzbekistan, Vanuatu, Vietnam, and Zambia.
Lead institutions	Finance and planning ministries and line ministries.
Stakeholders	Legislature, private sector, civil society, and national research institutions.
Technical and financial partners	The UNDP, UN Department of Economic and Social Affairs, and Organisation for Economic Co-operation and Development launched the INFF Facility in 2022, with support from the European Commission and the governments of Italy and Sweden. In 2022, the SDG Joint Fund was supporting the establishment of the building blocks of INFFs in 69 countries under 62 joint programs.

INFFs	
Aim	To demonstrate how a country's national SDG strategy will be financed and implemented.
Structure/ methodology	The frameworks map the landscape for financing sustainable development and lay out a strategy to increase and make the most effective use of investment for sustainable development, coordinate technical and financial cooperation, manage financial and non-financial risks, and ultimately achieve priorities articulated in a national sustainable development strategy or plan. INFFs are comprised of four building blocks: (i) assessments and diagnostics; ii) financing strategy; iii) monitoring, review, and accountability; and (iv) governance and coordination mechanisms. The DFA (see below) is a tool that can be used to analyze financing/costing, risk assessment, and policy and institutional constraints for INFFs.
Alignment	INFFs articulate the contributions that different forms of financing make toward national priorities, including data on investment for climate adaptation and mitigation. The guidance documents note that NDCs and NAPs are cross-cutting financing policies that should be considered in the framework, that public finance/development cooperation can support climate adaptation, and that climate finance diagnostics such as CPEIRs should inform the strategy. The documents note the importance of addressing climate change to achieve sustainable development.
Role of MDBs	MDBs can support governments in their areas of expertise. The World Bank Group is a major institutional stakeholder, and both the World Bank and the International Monetary Fund are members of the Inter-Agency Task Force that advises governments on financing for sustainable development.
Impact	The initiative is at an early stage, and limited information is available in regard to impacts. Bangladesh has launched a new agency, the Development Effectiveness Wing, that focuses on the coordination of official development assistance, climate finance, and South–South cooperation.
Source	INFF, 2021, 2022a, 2022b; Joint SDG Fund, 2022; UN Secretary-General, 2019.

C4.7 Development Finance Assessments

DFAs	
Overview	DFAs are country-level processes that support governments and their partners in identifying and building consensus for policy reforms that have supported more integrated public and private financing of the SDGs. The DFA reviews the public and private financing landscape, financing priorities, and opportunities to unlock new sources of financing. DFAs have been completed or are underway in more than 40 countries, including Afghanistan, Argentina, Bangladesh, Benin, Bhutan, Cambodia, Cameroon, Chad, Comoros, Costa Rica, Egypt, Ethiopia, Fiji, Ghana, Honduras, Indonesia, Lao People's Democratic Republic, Lesotho, Liberia, Malawi, Marshall Islands, Mongolia, Mozambique, Myanmar, Namibia, Nepal, Nigeria, Papua New Guinea, the Philippines, Tajikistan, Thailand, The Gambia, Samoa, Senegal, Sierra Leone, Sudan, Solomon Islands, South Africa, Timor-Leste, Uganda, and Vietnam.
Lead institution	Government-led process with an oversight team led by ministries of planning or finance.
Stakeholders	Follows a process of multistakeholder consultation.
Technical and financial partners	The UNDP provides technical support, with funding provided by the ADB, the European Commission, and the governments of Australia, China, South Korea, Switzerland, and the United Kingdom.
Aim	To help countries develop and take a more holistic, integrated approach to financing national development priorities. To identify opportunities to mobilize additional sources of financing and use existing financial resources more efficiently to achieve the SDGs.
Structure/ methodology	The DFAs use a multidisciplinary approach to analyze the financing landscape and the institutional structures and policies by which government manages its approach to public and private financing for the SDGs. A DFA includes financing trends, government systems for planning and financing, public–private collaboration, monitoring and review, and a roadmap that sets out prioritized recommendations. It highlights the strengths of systems and identifies opportunities to enhance the ability of a government and its partners to finance sustainable development. A DFA provides an overview of the landscape of development finance and the alignment of different finance flows with national development priorities.

DFAs	
Alignment	Most assessments note links to other analyses supported by the UNDP, such as CPEIRs. The 2021 DFA guidebook identified climate change as a priority cross-cutting issue and climate finance as a source of international public finance. The guidebook also highlighted the need to track climate finance, account for the costs of climate change, and account for climate change as a risk factor. The guidebook did not mention NDCs or NAPs.
Role of MDBs	The ADB has provided grant funding to support the development of DFAs. The World Bank and ADB have provided inputs to the process and were stakeholders in the consultation process.
Impact	Information on the impact of DFAs on scaling up financing for sustainable development and climate change is not available.
Source	UNDP, 2019a, 2019b, 2021a.

C4.8 Biodiversity Finance Plans

Biodiversity Finance Plans	
Overview	The UNDP-managed global program was established over 10 years ago to demonstrate how nature-positive economies can work for people and the planet. Financing for biodiversity and sustainable land management is mainly from public funds, and the program seeks to increase and diversify financing for these biodiversity initiatives. Forty developing countries are participating in the UNDP Biodiversity Finance Initiative (BIOFIN), a program that helps countries prepare and implement a biodiversity finance plan.
Lead institution	Typically led by the ministries responsible for environment.
Stakeholders	Governments, civil society, vulnerable communities, and the private sector are engaged in the preparation of finance plans.
Technical and financial partners	The program is managed by the UNDP-GEF and financed by the European Commission and the governments of Flanders, Germany, Norway, Sweden, and Switzerland.
Aim	To direct more financing from all sources toward national and global biodiversity goals.

Biodiversity Finance Plans	
Structure/ methodology	The BIOFIN process includes three assessments that inform the preparation of the finance plan: a biodiversity policy and institutional review, a biodiversity expenditure report, and a financial needs assessment. The finance plan identifies financing solutions and develops the business case for the best options for improved biodiversity management. The implementation phase uses finance and economic instruments to implement the solutions.
Alignment	The GEF is the financing mechanism for the three Rio Conventions, and actions to conserve biodiversity and combat desertification often have adaptation co-benefits. The BIOFIN methodology highlights climate funds as a source of financing for biodiversity. Some countries purposefully align finance work on biodiversity and climate adaptation, such as Kyrgyzstan and Bhutan.
Role of MDBs	MDBs are not listed as partners in the initiative.
Impact	A list of biodiversity finance solutions has been prepared and is publicly available. Results include influencing a debt for nature swap in Belize and raising USD 2 million in Mexico by supporting the return of entry fees in federally protected areas.
Source	UNDP BIOFIN, 2021; UNDP, 2018.

C4.9 Disaster Risk Finance Strategies

Disaster Risk Finance Strategies	
Overview	Many developing countries have adopted the Sendai Framework for Disaster Risk Reduction and developed disaster risk finance strategies. These strategies help governments to assess the economic impact of disasters, enable post-disaster responses, and encourage the financial sector to provide coverage against the risk of disasters. Many disaster risk financing strategies have been prepared as an assessment to inform MDB programs, such as Catastrophe Deferred Drawdown Options. Over 50 countries have developed financial strategies to address climate and disaster risks.
Lead institution	Ministries of finance
Stakeholders	Governments, including the ministries responsible for climate change, civil society, and the private sector, are engaged in the preparation of disaster risk finance strategies.

Disaster Risk Finance Strategies	
Technical and financial partners	Many of the strategies are prepared with technical assistance provided by MDBs, including through the Disaster Risk Financing and Insurance Program, which is a joint initiative of the World Bank and the Global Facility for Disaster Reduction and Recovery. In addition, ADB, IDB, and AfDB provide technical assistance to prepare financing strategies that build financial resilience to disaster and climate risks.
Aim	"To increase the resilience of vulnerable countries against the financial impact of disasters and to secure access to post-disaster financing before an event strikes, thus ensuring rapid, cost-effective resources to finance recovery and reconstruction efforts" (World Bank, 2021b, p. 4)
Structure/ methodology	The approach to developing finance strategies varies across countries.
Alignment	Financing for disaster risk reduction is often a component of financing strategies for adaptation, such as Ethiopia's NAP Resource Mobilization Plan and Kenya's NDC Investment Plan (Government of the Federal Democratic Republic of Ethiopia, 2020; Government of Kenya & UNDP, 2020). The United Nations Office for Disaster Risk Reduction (2020) promotes financing strategies for NAPs that address both climate- and disaster risk-informed investment, recognizing that an integrated approach to adaptation and disaster risk reduction can optimize resource use.
Role of MDBs	As noted above, MDBs—including the AfDB, ADB, IDB, and World Bank—have assisted developing countries in preparing disaster risk financing strategies, including the underlying analytics, which can also inform adaptation planning and implementation.
Impact	The development of a disaster risk financing strategy may be required as one element of the analytics to support the MDB approval of financing for Catastrophic Deferred Drawdown Options or other financial instruments. The National Treasury of Kenya, for example, prepared such a financing strategy as part of the preparatory work for the design and approval of USD 200 million in Development Policy Financing with a Catastrophe Deferred Drawdown Option that would help Kenya manage the impacts of climate and disaster risks (World Bank, 2018a).
Source	United Nations Office for Disaster Risk Reduction, 2020; World Bank, 2018a, 2021b.

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