Climate Finance Readiness relates to the preparedness of national entities to mobilize and access national and international climate finance from public and private sources. A series of activities are required to build the base for effective and transparent use of climate finance and leads to concrete adaptation and mitigation results. Accessing Climate Finance requires a level of capacity by governments and other actors involved.

Climate Finance flows through several channels that are dedicated to addressing climate change. **Green Climate Fund** is one such channel operating within the framework of United Nations Framework Convention on Climate Change (UNFCCC) to assist developing countries in adaptation and mitigation practices to counter climate change.

### Green Climate Fund (GCF)

The GCF aims to support projects, programmes, policies and other activities addressing climate change impacts in developing country Parties. It is expected to become the primary channel through which international public climate finance will flow over time.

<table>
<thead>
<tr>
<th>Scale and Impact</th>
<th>GCF is the largest and fastest-growing climate fund</th>
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<tbody>
<tr>
<td></td>
<td>Promotes a paradigm shift and help developing Countries towards low emission and climate resilient development</td>
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<tr>
<td></td>
<td>Country driven and in line with Countries priorities</td>
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</tbody>
</table>

| Governance       | GCF board comprising of equal number of members from developed and developing countries |
|------------------| Have dedicated seats for Small Island Developing States (SIDS) and Least Developed Countries (LDCs) |

| Access           | Direct or through international and regional intermediaries and implementing entities accredited by GCF |

| Allocation       | Minimum floor for adaptation financing to SIDS, LDCs |
|------------------| Resource allocation Will be balanced between adaptation and mitigation activities and Based on results |

| Resource Mobilization | Raised $10.3 billion\(^1\) in pledges and $9.9 billion\(^2\) in signed contributions |
|-----------------------| 50/50 split between adaptation and mitigation |
|                       | 50% of adaptation resources for SIDS, LDCs and African States |

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1. As on July 2016
2. As on 28th June 2016
Readiness Support:

Readiness Support is a strategic priority of the Fund to help maximise effectiveness and reduce risks, and good delivery. The five pillars of readiness support include:

- Establishing and Strengthening National Development Authority (NDA)s/Focal Points (FP)s
- Developing Strategic Frameworks
- Selection of Intermediaries/Implementing Entities and accreditation support
- Information sharing, experience exchange and learning
- Support initial Pipeline of Programme and Project Proposals

Vietnam’s Readiness for GCF

Vietnam government has been taking several measures related to climate change and has earmarked funds for climate change projects, national targeted programs, and for research and capacity building projects. Vietnam Government also conducts Climate Expenditure and Investment Review for public and private sector to assess the expenditure and improve their alignment with national goals. The private sector investments are very less compared to public sector and primarily focus on mitigation measures.

Vietnam’s Ministry of Planning and Investment (MPI) has been selected as the National Designated Authority (NDA) for GCF. A Climate Finance Task Force has been established along with GCF Vietnam Steering Committee. The Climate finance readiness activities in Vietnam include:

- Coordination Activities of Multilateral Implementing Entities (MIEs)
- Capacity building for potential National Implementing Entities (NIEs)
- Seminars for raising awareness on GCF for key stakeholders
- Review of Public Financial Regulations which guide ministries and national agencies and are reflecting on the GCF’s fiduciary standard requirements
- Harmonization of Procedures such as the call for Proposals and the Screening process involving NDA, Ministries, MIEs, NIEs, etc.

Vietnam is further advancing towards

- Restructuring National Climate Finance Governance Structure to fit in GCF
Strategies to access GCF through several channels of fit-for-purpose, indirect access and direct access

**Readiness Programme by GIZ**

GIZ has been supporting many countries to become Climate Finance Ready. The readiness programme developed by GIZ enables:

- Strategic Planning and developing policies
- Strengthening institutions and good financial governance
- Accessing international climate finance
- Effective and transparent spending and implementation
- Promoting private sector engagement

The CFR Programme by GIZ includes:

- Support for National and Regional Climate Finance Institutions (NDAs & NIEs)
- Strategic and conceptual advice for Nationally Appropriate Mitigation Actions (NAMAs), Intended Nationally Determined Contributions (INDCs), National Adaptation Plans (NAPs)
- Green Climate Fund Knowledge Exchange
- Support in project and pipeline development

**Climate Finance Readiness Activities supported by GIZ in Bangladesh**

GIZ and UNDP are the two nominated delivery partners for GCF Readiness Support. The readiness activities in Bangladesh include:

- Supporting the government of Bangladesh in holding a national level dialogue to select the appropriate entity as NDA
- Supporting the NDA in selecting the potential NIEs from the public sector.
- Supporting the NDA in conducting an institutional assessment of the NDA Secretariat and identification of various processes for the no-objection procedure, nomination letter, project proposal/concept note submission and screening
- Supporting the NDA in organizing and conducting a workshop to introduce GCF to the private sector in Bangladesh
- Providing strategic advice to the NDA when required

**Supporting the NDA in developing proposals for GCF Readiness Support**

Bangladesh’s NDA is the Economic Relations Division under the Ministry of Finance. NDA has nominated six potential NIEs from the public sector. A project on “Climate-Resilient Infrastructure Mainstreaming in Bangladesh” has already been approved by GCF through KfW.

**Achievement of GIZ’s CFR**

- Stronger Coordination for Climate Finance in many Countries - CFR was initiated and successfully supported the NDA/FP designation process; Supporting NDA to become operational and to enable them to better coordinate and guide climate finance flows
- Better access to climate finance - CFR successfully supported the accreditation of organizations and compiled lessons learned on the accreditation process
- Strengthening the financial components of strategies and plans of several National governments

**Key Learnings**

- Readiness needs to build on the existing policies, framework and strategies.
- Activities must be tailored to partners’ specific needs.
- The selection of an appropriate NDA is crucial as well as proper coordination among government actors involved in the climate finance process.
- Long-term reliable and stable policy frameworks are important
- It is good to have a pipeline of projects of potential NIEs from public and private sector.
- Conducting a needs assessment prior to applying for GCF readiness support is beneficial
- Institutionalizing the processes is essential to avoid loss of institutional memory and ensure continuity
- Continuous in-Country presence, building local expertise, providing easy to understand GCF details, building capacity on “Project development & Prioritization capacities” is identified as key to improve CFR.
## Relevant Tools/Trainings Recommended

### 1. Climate Finance Readiness Training (CliFiT)

<table>
<thead>
<tr>
<th>What does it offer?</th>
<th>Target Users</th>
<th>How to Access it?</th>
</tr>
</thead>
</table>
| - Trainings to help decision makers master the challenges related to climate finance  
- Provides tailor-made support to enable national stakeholders to initiate processes on building a coherent national framework for climate finance, accessing international climate finance and spending funds effectively and transparently | Representatives from Ministries for the environment, finance and planning and relevant line ministries  
NDA’s  
NIE’s  
Other climate finance relevant institutions  
International think tanks  
Donor organizations  
Other organizations interested in climate finance | Training Materials are available at [www.clifit.org](http://www.clifit.org)  
For training please contact: cf-ready@giz.de or clifit@adelphi.de |

### 2. Environmental and Social Safeguards (ESS) Training

<table>
<thead>
<tr>
<th>What does it offer?</th>
<th>Target Users</th>
<th>How to Access it?</th>
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</table>
| - Training for national institutions seeking accreditation to build and implement a roadmap for meeting the requirements of the accreditation process | Institutions interested in Accreditation  
NDAs and governmental staff  
Accredited institutions in climate finance | For training please contact: cf-ready@giz.de or clifit@adelphi.de |

### 3. GCF Accreditation Self-Assessment tool

<table>
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<tr>
<th>What does it offer?</th>
<th>Target Users</th>
<th>How to Access it?</th>
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</table>
| - Training on the minimum requirements that an institution must meet before it can be accredited to receive funding from the Green Climate Fund (GCF)  
- Tool is in the format of a questionnaire, where in just 10 questions the applicant gets a sense if the organization is ready or not | Any organization or institutions interested in Accreditation | The tool is available at: [http://members.askallo.com/index.php?pn=Survey_Survey&oid=3710c0f-2ba12a21e0ab-1da0061555c49](http://members.askallo.com/index.php?pn=Survey_Survey&oid=3710c0f-2ba12a21e0ab-1da0061555c49) |
GIZ provide services worldwide in the field of international cooperation for sustainable development. GIZ has over 50 years of experience in a wide variety of areas, including economic development and employment, energy and the environment, and peace and security. The diverse expertise of its federal enterprise is in demand around the globe, with the German Government, European Union institutions, the United Nations and governments of other countries all benefiting from its services. The German Federal Ministry for Economic Cooperation and Development (BMZ) is GIZ’s main commissioning party, it also work with the private sector, fostering successful interaction between development policy and foreign trade.

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More information is available at https://www.giz.de

The Asia LEDS Partnership is a voluntary regional network that supports peer-to-peer learning, knowledge sharing, and improved coordination and cooperation among organizations and individuals working to achieve transformative, sustainable economic growth across Asia.

Launched in September 2012, our network now includes over 150 member organizations and over 250 individual members from the public, private, and nongovernmental sectors active in designing, promoting, and/or implementing LEDS in Asia. We are one of three regional platforms of the LEDS Global Partnership. More information is available at www.asiameds.org.