



THE DEVELOPMENT OF CF READY

The GIZ Climate Finance Readiness Programme, CF Ready, is a global programme with the objective of improving the conditions for the results-oriented, transformational and efficient use of climate finance. Established in late 2012, we implement the programme jointly with the KfW Development Bank in more than 15 developing countries. This brochure covers the GIZ part of CF Ready.

Financed by the German Federal Ministry for Economic Cooperation and Development (BMZ), we receive additional financial support from USAID and the Ministry of the Environment of the Czech Republic. In addition, GIZ serves as a delivery partner for the Green Climate Fund (GCF) Readiness and Preparatory Support Programme.

CF Ready is request-oriented and provides tailored support to its partner countries. At the same time, with the GCF being set up as a major conduit of climate finance and the Paris Agreement entering into force, the climate finance landscape continues to evolve. Our support has adapted to take account of these changes and our partners' needs. This publication aims to illustrate this evolution as well as the highlights and lessons learned.

THE CLIMATE FINANCE READINESS PROGRAMME – a summary of our support so far

CF READY

THE GREEN CLIMATE FUND

THE BEGINNING
DECEMBER 2009 COP15 Copenhagen mentions the 'Copenhagen Green Climate Fund'.
DECEMBER 2010 COP16 Cancun: The Green Climate Fund (GCF) is formally established within the UNFCCC framework.

OPERATIONALISATION
DECEMBER 2011 COP 17 Durban adopts the governing instrument of the GCF.
OCTOBER 2012 The Republic of Korea is selected to host the Fund.
JUNE 2013 The Board selects its first Executive Director. GCF operationalisation goes ahead, as its business model framework is established.
OCTOBER 2013 A roadmap to mobilise resources is agreed.

METHODOLOGY AND PLANNING
CF Ready develops a methodological approach for assessing climate finance readiness. Planning missions resume in order to assess the support needs in partner countries.
TOOL Climate Finance Reflection Tool (Cl.F-Reflect)
HIGHLIGHTS Launch of planning missions to identify country needs in June 2013 and establishment of support delivery structures in countries.

ESTABLISHING CF READY
BMZ establishes the Climate Finance Readiness Programme in December 2012, implemented by GIZ and KfW. Initially ten partner countries and the Caribbean region receive support, followed by Cambodia.
The Ministry of the Environment of the Czech Republic and USAID provide additional financial support to CF Ready as of mid-2014.

TOOLS AND CAPACITY BUILDING
In order to improve understanding of the financing needs for climate change mitigation and adaptation, CF Ready implements capacity building measures on climate finance and the GCF. To provide a comprehensive, integrated approach to facilitate climate finance flows, the programme applies various GIZ tools (e.g. Stocktaking for NAP Tool, Climate Profiling for Development) and develops new tools on climate finance issues.

LATE 2012
New GCF requirements and procedures require new national decision-making processes. CF Ready support identifies possible GCF NDA host institutions and the setting-up of effective national processes, including no-objection procedures and coordination mechanisms.

NOA'S AS NATIONAL POINT OF CONTACT
JUNE 2013 With its role defined in the governing instrument, the Board requests the Secretariat to issue an invitation to developing countries to nominate a NOA.

SUPPORT FOR CLIMATE CHANGE MAINSTREAMING
Integrating climate change considerations in public financial management and sector planning is a key component of climate finance. CF Ready provides advice and support on integrating climate change into budgeting and planning processes.

SUPPORT FOR NATIONAL ACCREDITED ENTITIES FOR THE GCF
For many national institutions in developing countries, gaining accreditation to directly access the GCF is a key challenge. CF Ready addresses this by providing support for national identification and assessment of potential candidate entities as well as by directly supporting their applications to the Fund.

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GCF READINESS AND PREPARATORY SUPPORT PROGRAMME
FEBRUARY 2014 A detailed work programme on readiness is conceptualised and resources allocated.
APRIL 2014 GCF readiness support resumes, in collaboration with delivery partners.
NOVEMBER 2014 At the first pledging conference in Berlin, USD 9.3 billion are pledged. Additional pledges up to a total of USD 10.19 billion are made during COP 20.

APPROACHES INCLUDE
Institutional stocktaking to inform NDA selection process
Process advice on establishing NDA procedures and mechanisms
NDA project proposal review guidelines for assessing projects

APPROACHES INCLUDE
Financing options decision guide
Private sector consultations
Integration of low carbon development into financing mechanisms, such as budget programmes and investment projects

APPROACHES INCLUDE
Inter-ministerial coordination forums
Climate-proofing training

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FUNDING
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AWARENESS RAISING AND RESEARCH
Many stakeholders are new to concepts of climate finance and funds such as the GCF. Therefore CF Ready implements various awareness-raising initiatives. It also conducts research to contribute to the dialogue on a burgeoning variety of climate finance-related subjects.

APPROACHES INCLUDE
African South-South exchange and leadership initiative with Zambia, Uganda, Tanzania and Namibia in mid-2014 and 2015
Five GIZ climate finance webinars (late 2017) to introduce insights and lessons-learned from CF Ready's readiness work
Series of short explanatory videos on the GCF accreditation process (forthcoming) to improve public understanding of all stakeholders with the Fund

APPROACHES INCLUDE
Tajikistan identifies a strategic framework for climate finance in the agricultural sector
A climate proofing manual is developed for the Zambian agricultural sector
Peruvian Ministries develop a public budget programme for sustainable urban transport that includes indicators for CO₂ emissions (in cooperation with KfW)
The Peruvian Ministry of Economy and Finance incorporates a *grape* for greenhouse gas emissions into the public investment system
Cambodian Ministries increasingly incorporate climate change considerations into planning and budget processes, including the use of climate change cost-benefit analyses.

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ACCREDITATION TO ACCESS
NOVEMBER 2014 The GCF opens its online accreditation system for national and international entities.

APPROACHES INCLUDE
NAP financing studies
Mainstreaming of adaptation
NAP roadmap development
Vulnerability stocktaking

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FIRST ACCREDITATION OF ENTITIES
MARCH 2015 The first Accredited Entities (AEs) are approved by the GCF Board. GCF expands the network of AEs, reaching a total of 20 in July 2015.

APPROACHES INCLUDE
Sector consultations
Multi-criteria ranking of project pipelines
USAGDA VIET NAM

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GCF APPROVES FIRST INVESTMENTS
NOVEMBER 2015 The Fund assesses first project proposals, and approves the first eight investments before the Paris climate summit.

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PARIS AGREEMENT
NOVEMBER 2015 COP 21 Paris: The landmark international climate agreement is passed, with the GCF as dedicated operating entity of its financial mechanism.

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GCF STRATEGIC PLAN
MARCH 2016 The adoption of the Strategic Plan also links the GCF to the Paris Agreement and reaffirms the importance of the GCF Readiness Programme.

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FULL OPERATION
OCTOBER 2017 In full operation, the GCF has Readiness activities in 88 countries, accredited 59 entities and approved 54 projects and programmes with a total funding of USD 2.65 billion.

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FURTHER READING ON CF READY INSIGHTS AND LESSONS LEARNED

The topic of climate finance gained increasing attention in the climate and development communities at the 2009 Copenhagen climate summit not least due to the establishment of the GCF, now the largest dedicated multilateral climate change fund. In response, CF Ready was established and has assisted its partner countries in planning, accessing and managing climate finance since late 2012. Initially, we dealt with questions such as how to operationalise the concept of transformation for climate action, reflections about roles of new actors like NDAs, and awareness-raising to establish a common knowledge base for informed discussions on climate finance at national level.
Now, five years later, with the Paris Agreement entering into force, the focus of our work is shifting towards supporting implementation of Nationally Determined Contributions – e.g. with the Guidebook Developing Green Climate Fund Funding Proposals and the upcoming Climate Finance Training for sector experts (GIFI) for sectors.
Over the years, our partner countries had many great achievements. At the same time CF Ready also learned many lessons, which we would like to share with you. Please find a list of our key publications, reflecting these lessons. For further reading, please consult our website:
<https://www.giz.de/expertise/html/19594.html> or get in touch via cf-ready@giz.de

NEEDS ASSESSMENTS
GIZ (2013) *Assessing needs for climate finance readiness – The Climate Finance Reflection Tool – Cl.F-Reflect*
CAPACITY BUILDING
Ariephi (2014) *Climate Finance Readiness Training (Cl.Fi)*
GENERAL RESEARCH
Wuppertal Institute (2014) *Shifting Paradigms – Unpacking Transformation for Climate Action. A Guidebook for Climate Finance & Development Practitioners*
DPI (2015) *The Role of Technical Assistance in Mobilizing Climate Finance – Insights From GIZ Programs*
GIZ (forthcoming) *GCF NDA Training*
GCF NATIONAL DESIGNATED AUTHORITIES
GIZ (2015) *A winding road – Preparing national institutions for access to the GCF*
GIZ (2015) *GCF Accreditation Self-Assessment Tool*
WRI (2015) *The Environmental and Social Safeguards (ESS) Training*
GIZ (2016) *Enabling Access to the Funds: Profanopang's Adaptation Fund & Green Climate Fund Accreditation Experience*
GIZ (2017) *Political Economy – the biggest stumbling block for national climate finance?*
GCF NATIONAL ACCREDITED ENTITIES
GIZ (2015) *Ready for Climate Finance – GIZ's approach for making climate finance work: Building on climate expertise and good financial governance*
GIZ (2017) *Financing Strategies: A missing link to translate NDCs into Action*
GIZ (2017) *The Potential of Green Bonds – A Climate Finance Instrument for the Implementation of Nationally Determined Contributions?*
MAINSTREAMING OF CLIMATE CHANGE STRATEGIES, MECHANISMS AND INSTRUMENTS
GIZ (2017) *Guidebook Developing Green Climate Fund Funding Proposals*
DEVELOPING PROJECTS
GIZ (2014) *Tackling climate change at scale: Mobilising private sector investments through technical assistance – GIZ's experiences and lessons learned*
ECN (2016) *Taking care of business: the role of National Designated Authorities in engaging the private sector in the Green Climate Fund*

DELIVERY PARTNER FOR GCF READINESS PROGRAMME
CF Ready serves as a delivery partner for the GCF Readiness and Preparatory Support Programme, and can assist partner countries in the prescribed readiness areas:
1 | Establishing and strengthening NDAs or focal points
2 | Strategic frameworks, including the preparation of Country Programmes
3 | Support for accreditation and accredited direct access entities
4 | Adaptation planning

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On behalf of **Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung**

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