Event Report

Bridging the Gap: Making Climate Finance Work for the Underserved

Ensuring Equitable Access to Climate Finance for Countries in Challenging Contexts and People in Vulnerable Situations

WFP Headquarters (Rome, Italy), 10-11 September 2025

Executive Summary

Countries facing fragility and with high humanitarian needs are among the most exposed to climate shocks yet least equipped to adapt. These settings face a double vulnerability: high climate risk and limited institutional capacity due to conflict, displacement, and weak governance. Between 2014 and 2021, people in fragile contexts received just **USD 2 per capita** in climate finance—compared to **USD 162** in more stable countries.

Held in conjunction with the **2025 Standing Committee on Finance (SCF) Forum**, the Rome meeting convened over 70 representatives from national governments, bilateral donors, multilateral development banks, multilateral climate funds and international organizations and initiatives to:

- *Assess* progress in mobilizing climate finance for LDCs, SIDS, and countries affected by fragility and conflicts.
- *Showcase* country experiences and innovative programme concepts.
- *Engage* climate funds and donors on simplifying and tailoring access.
- *Validate* technical work under NBF FINCOAHN and advance draft strategies.
- *Align* recommendations with upcoming global processes, including COP30 in Belém and beyond.

The event featured country perspectives, donor dialogues, and innovative financing mechanisms, underscoring both progress and persistent barriers. It also validated draft strategies under the Needs-Based Finance initiative for Countries Facing Conflict and Severe Humanitarian Needs (NBF FINCOAHN) and focused on technical priorities, pipelines, and next steps toward COP30.

Three overarching lessons emerged:

1. **Climate action delivers multiple dividends**: Climate finance is more than an environmental imperative; it is a strategic investment in human security. When deployed effectively, it reduces humanitarian needs, supports long-term development gains, and foster stability in fragile contexts. Programmatic interventions on anticipatory action, risk finance, improving energy access and building resilient food systems illustrate how climate finance deliver tangible benefits across the humanitarian-development-peace (HDP) nexus.

2. **Political momentum is building and must be harnessed**: The establishment of the National Climate Fund in Somalia to resource its NDC3.0 implementation, the fast-tracking

of South Sudan's first GCF-funded project achieved in just ten months, reflects a shifting tide. From boardrooms to COP negotiations, there is growing recognition that climate finance must reach those on the frontlines of crisis. The window for meaningful action is open, but must be seized strategically.

3. **Strategic balancing is key to scaling impact**: Unlocking and sustaining climate finance in fragile settings requires a thoughtful balance: between risk taking and results, speed and absorptive capacity, and the selection of instruments and respective impacts. These balances must be carefully balanced to achieve measurable and inclusive outcomes.

Key recommendations to *Bridge the Financing Gap* from the event:

- **Given further attention to countries affected by fragility and conflicts.** Addressing long-standing access and equity gaps requires targeted action for countries affected by fragility, conflict, and protracted crises. This includes enhanced guidance under the Financial Mechanism of the UNFCCC, the potential creation of dedicated financing windows for FCS, and the adaptation of funding instruments to reflect the unique risks and institutional constraints these countries face.
- **Strengthen country ownership through institutional capacity**. Building sustainable, country-led climate finance pathways demands investment in domestic institutions, particularly in countries with limited initial capacity. Tailored initiatives such as the NBF FINCOAHN are critical to bridging this gap. Support must go beyond traditional "readiness" and focus on long-term systems-building, embedded technical assistance, and the empowerment of national entities to access and manage climate funds directly.
- **Simplifying and fast-track access procedures**. Lengthy and complex funding processes exclude fragile contexts with limited institutional capacity. Streamlined approval processes, flexible eligibility criteria, and fast-track modalities are essential to meet urgent adaptation and resilience needs on the ground.
- **Harmonize donor approaches across the HDP nexus**. Greater coordination between climate, humanitarian and development funding streams is needed to improve efficiency and coherence but at capital and in the field levels. Donors and fund providers should align priorities, reduce duplication, and support integrated programming that reflects the realities of these countries.

Together, these recommendations offer a practical pathway to make climate finance more inclusive, predictable, and impactful in the world's most complex operating environments.

WFP World Food Programme

GOODBYE CONFLICT, WELCOME DEVELOPMENT g7+

United Nations Climate Change

KOICA

ODI Global

Day 1: 10 September 2025

Session 1: Global Context and Opening

The event opened with a high-level plenary session that set the stage for the two-day dialogue. Speakers presented the current and projected landscape of climate finance flows to fragile and crisis-affected contexts, highlighting both progress and persistent disparities.

Representatives from WFP, UNFCCC, g7+ Secretariat, Republic of Korea, and the COP29 Presidency emphasized urgency in their opening remarks.

Quotes from the session:

WFP: *"We must move from pledges to delivery—especially for those left furthest behind."*

UNFCCC: *"Climate finance must be a lifeline, not a luxury."*

g7+ Secretariat: *"We face not just a logistical challenge, but a profound moral test."*

COP29 Presidency: *"We must elevate country-level financing barriers onto the global agenda—this is not just technical, it's political."*

ODI: *"The data is clear: the most vulnerable receive the least. This must change."*

ODI presented a comprehensive analysis of climate finance flows to fragile and conflict-affected states (FCS), revealing a stark mismatch between needs and actual provision. In 2022, FCS received only **USD 11 billion** in climate finance—just **9.5%** of total international climate finance—despite requiring an estimated **USD 41.5 billion annually by 2030**.

The presentation highlighted that while FCS receive a higher proportion of grants (65%) compared to other developing countries, overall volumes remain critically low. ODI's scenario analysis projected that even under the most ambitious growth assumptions, climate finance to FCS would reach only **USD 23.4 billion annually by 2030**, covering just **56% of costed needs**—which themselves are conservative estimates. The data underscored the urgent need for systemic reform and equitable allocation under the New Collective Quantified Goal (NCQG), with a call to triple UNFCCC fund contributions and expand MDB capacity.

Session 2: Country Perspectives


H.E. Mr. Joseph Africano Bartel, South Sudan

This session brought national voices to the forefront, with high-level representatives from **South Sudan, Timor-Leste, Yemen, Chad**, and **Papua New Guinea** sharing their experiences in accessing climate finance.

South Sudan reflected on its early engagement with the GCF, including the first project fast-tracked in ten months with WFP support. However, larger-scale investments remain limited.


H.E. Mr. Adao Soares Barbosa, Timor Leste

Timor-Leste showcased its success in mobilizing **USD 65.3 million** across four GCF projects and six readiness programmes. Despite this, the delegation emphasized the need for simpler access modalities and greater trust in national systems.

Yemen highlighted how infrastructure-based approaches have reduced food basket costs by **30%**, demonstrating the potential of climate finance to deliver humanitarian dividends. The delegation called for predictable, conflict-sensitive support and improved climate data systems


Mr. Shuaib Al-Zaghir, Yemen

Chad noted that it has not received direct GCF access, citing language barriers and complex readiness processes. The delegation highlighted the potential for sub-regional partnerships, particularly for the Sahel to accelerate capacity and advocate for common solutions.

Papua New Guinea emphasized the importance of aligning climate finance with national plans and timelines.

Across the presentations, countries stressed the need for:

1. **Simplified access procedures to climate finance**
2. **Flexible readiness support**
3. **Recognition of local knowledge and systems**
4. **Conflict-sensitive and multi-dividend approach**


Mr. Gaourang Mamadi Ngarkelo, Chad

Quotes from the session:

"We need finance that listens to our realities."

"We've shown we can deliver. Now we need systems that trust us."

"We need long-term support that understands our context—not just projects, but partnerships."

"We are ready to act, but the system must be ready to listen."

"Finance must be accessible, timely, and aligned with our priorities—not just available."

Session 3: Finance Providers and Partners

This session, moderated by Mauricio Vazquez, Head of Policy at ODI, featured candid dialogues between national governments and key climate finance providers—including the **Green Climate Fund (GCF)**, **Switzerland**, the **World Bank**, as well as the COP29 Presidency on how to improve coordination and responsiveness in fragile contexts. The format allowed for frank exchanges on what's working, what's not, and how to improve coordination to ensure climate finance reaches the most vulnerable communities.

The conversations focused on:

- **Bridging MDB practices and country needs** (Somalia–World Bank)
- **Aligning priorities and improving predictability of bilateral support** (Burkina Faso–Switzerland)
- **Scaling access and strengthening national ownership** (Papua New Guinea–GCF)
- **Elevating country-level barriers through political leadership** (Iraq–COP29 Presidency)

Ms. Anne Moulin, Switzerland

Ms. Stephanie Speck, GCF

Dr. Lindsey Jones, World Bank

H.E. Mr. Elshad Iskandarov, COP29 Presidency

Mr. Nebyida Lamech, Burkina Faso

Mr. Kenneth Wangoro, Papua New Guinea

Dr. Abdullahi Khalif, Somalia

Mr. Haval Ahmed Mohammed, Iraq


Mr. Gareth Phillips, African Development Bank


Ms. Nicola Hanke, Global Shield


Mr. Justice Musah, Adaptation Fund

Papua New Guinea emphasized the importance of valuing local knowledge and ensuring that project design reflects national priorities. The **GCF** acknowledged the challenges of readiness and accreditation and committed to exploring simplification pathways.

The World Bank and bilateral donors echoed the need for **predictable support**, **risk-tolerant instruments**, and **alignment with national planning cycles**. The session also highlighted the importance of **trust-building**, especially in contexts where institutional capacity is constrained.

Across the dialogues, participants called for:

- **Strengthened coordination within governments and across** partners that aligns development and climate priorities
- **Improved accountability mechanisms and impact measurement** for funded projects
- **Simplified access procedures** and harmonized donor approaches
- **Importance of people and community-centric approaches** in project design and implementation

Session 4: Emerging Mechanisms

This session moderated by Hunter Mills, Climate Finance Advisor, g7+ Secretariat introduced a new wave of climate finance instruments designed to address the unique challenges faced by countries in fragile and crisis-affected contexts. The session explored how these mechanisms differ from traditional finance channels and what operational readiness is required from governments to access them effectively.

- **Adaptation Benefits Mechanism (AfDB)** is a results-based, non-market mechanism under Article 6.8 of the Paris Agreement, designed to generate certified adaptation benefits.
- **Global Shield Against Climate Risks (G7–V20)** offers pre-arranged financial protection through sovereign insurance, contingency funds, and inclusive national processes.
- **Fund for Responding to Loss and Damage (FRLD)** is in its start-up phase, offering direct budget support, simplified fast-track access, and trigger-based modalities.

Discussions emphasized that:

- **Insurance premiums must not burden LDCs**
- **Direct support must reach communities**
- **Slow-onset events like drought must be covered**
- **Inclusivity and equity** must be embedded in design and rollout

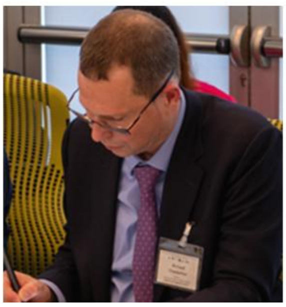
Participants raised strategic questions:

- How do these mechanisms fill existing gaps?
- What innovations do they offer (e.g. pre-arranged triggers, adaptation valuation)?

H.E. Mr. Moulaye Driss, Mauritania

Mr. Mohammed Alsaqqa, Syria

Ms. Johanne Butenschoen, Norway



Mr. Richard Choularton, WFP

- How can fragile states be supported to build awareness and capacity?

The session concluded with strong interest in these instruments, provided access is simplified, premiums are subsidized, and benefits are locally anchored.

Session 5: Systemic Reform and Country Platforms

This session focused on identifying practical reforms to make climate finance more inclusive, predictable, and responsive to fragile and high-humanitarian-need contexts. Structured around four key pillars, the discussion featured contributions from **Mauritania, Syria, Norway, the UK, the World Bank**, and **OCHA**, moderated by **Ms. Eszter Mogyorosy** (NDC Partnership).

Pillar 1: Whole-of-Government Approaches

Mauritania presented reforms linking carbon taxes, social protection, and climate platforms with IMF support. The country emphasized the importance of cross-ministerial coordination and embedding climate finance into national budget processes.

Pillar 2: Country Platforms and Coordination Mechanisms

Syria described peace-oriented climate projects and efforts to improve inter-ministerial coordination despite post-conflict constraints. The discussion highlighted the need for inclusive platforms that reflect national priorities and unlock diverse forms of capital.

Pillar 3: Addressing Fragility in Finance Design

Donors emphasized the need for risk-tolerant financing instruments such as **crisis modifiers**, **parametric insurance**, and **flexible M&E frameworks**. The **World Bank** called for a shift in mindset.

Norway and the **Adaptation Fund** stressed that limited resources must be used more effectively, and that countries suffering the most should not bear the greatest costs.

Pillar 4: Harmonization Among Providers

Participants called for alignment of eligibility requirements, proposal formats, and reporting templates across climate finance providers. Shared investment planning tools and joint programming were proposed to reduce fragmentation and improve efficiency.

Closing remarks by WFP

“We heard clear messages: simplify access, align instruments with national priorities, and ensure equity — so support reaches those living on the frontlines of the climate crisis.”

Day 2: 11 September 2025

Session 6: Country strategies

Day Two centered on the five pilot countries of the **Needs-Based Finance for LDCs and SIDS Facing Conflict and Severe Humanitarian Needs (NBF FINCOAHN)** initiative: **South Sudan, Timor-Leste, Yemen, Chad**, and **Papua New Guinea**. Each country presented its draft technical assessments and emerging climate finance strategies, outlining priority sectors and investment needs. Presentations focused on translating high-level policy commitments—such as NDCs and NAPs—into actionable pipelines ready for funding.

Each country presented draft assessments and strategies. Priorities included water management, agriculture, resilient infrastructure, and access to multilateral funds.

- **South Sudan** outlined projects on water resilience, renewable energy, and wetland conservation, with a USD 195M pipeline and strong government commitment despite access and capacity challenges.
- **Timor-Leste** emphasized vulnerability as a SIDS and LDC, with over USD 140M mobilized but limited direct access; priorities include water systems, climate-smart agriculture, and climate resilient infrastructure.
- **Yemen** showcased a growing portfolio across water, agriculture, and coastal zones, with USD 100M mobilized and USD 200M in the pipeline, despite conflict-related constraints.
- **Chad** presented a USD 15.7B climate finance need and a USD 253M active pipeline, with flagship projects in solar energy, water infrastructure, and green transport embedded in its national development strategy.
- **Papua New Guinea** highlighted REDD+ success and two flagship GCF proposals on early warning systems and climate-smart landscapes, targeting over 1.7M beneficiaries.

Common themes included the need for:

- The need for **targeted capacity-building** in proposal development, financial management, and safeguards.
- Aligning **bilateral donor funding** across humanitarian, climate, and development streams to support multi-dividend projects.

- Leveraging **MDBs** for climate-aligned investments, with Ministries of Finance more centrally engaged.
- Ensuring pipelines are **credible, prioritized, and investment-ready**

Session 7: Matchmaking

This session facilitated direct engagement between the five NBF FINCOAHN pilot countries—**South Sudan, Timor-Leste, Yemen, Chad**, and **Papua New Guinea**—and climate finance providers, bilateral donors, and technical partners. Structured as rotating breakout rounds, the format allowed participants to explore early partnerships, co-financing opportunities, and alignment with financing mandates.

A parallel session brought together **Burkina Faso, Iraq, Mauritania, Syria**, and **Somalia** to discuss structured approaches to climate finance access, including country platforms, fragility networks, and readiness support.

Key outcomes included:

- Concrete feedback on pipeline alignment and funding potential
- Identification of partnership opportunities and technical support needs
- Greater clarity on what countries require to improve bankability
- Seed ideas for post-event technical missions and dialogues

The matchmaking sessions marked a shift from presentation to interaction—matching ambition with resources and laying the groundwork for collaborative implementation.

Session 8: Collective Reflections

The final session of the event invited the five NBF FINCOAHN pilot countries to report back on their matchmaking dialogues and technical exchanges. Each country shared lessons learned, remaining gaps, and priorities for moving forward.

Participants emphasized:

- The importance of **whole-of-government approaches** and inclusive national platforms
- The need for **simplified accreditation** and accelerated access to climate funds
- The value of **early warning systems** and **pre-arranged finance** to protect lives and livelihoods
- The urgency of **integrating climate, humanitarian, and development finance** through joint planning
- Open reflections from the broader audience reinforced the call for:
- **Equity in access**: ensuring fragile and underserved contexts are not left behind

- **Country ownership**: aligning finance with national plans and priorities
- **Political momentum**: leveraging COP30, G7, G20, and UNGA to institutionalize fragility-sensitive approaches

The session closed with a shared commitment to turn technical work into action, and to elevate the voices of vulnerable countries in global climate finance negotiations.

Next Steps

Building on the momentum of the Rome meeting, the following next steps were identified to sustain progress and translate strategies into action:

- **Advocate at COP30 in Belém** to institutionalize fragility-sensitive approaches within the UNFCCC framework and global finance architecture.
- **Continue matchmaking dialogues and technical missions** to refine project pipelines and mobilize support from climate funds and donors.
- **Organize country-level climate investment forums** to connect national priorities with financing opportunities.
- **Engage multilateral platforms**—including **UNGA**, **IDA**, **G7**, and **G20**—to elevate the visibility of fragile contexts and secure long-term commitments.
- **Strengthen national capacities** for project preparation, safeguards, and monitoring to ensure sustainable delivery and impact.

These steps aim to ensure that the technical work validated in Rome leads to tangible outcomes for communities on the frontlines of the climate crisis.

WFP World Food Programme

GOODBYE CONFLICT, WELCOME DEVELOPMENT g7+

United Nations Climate Change

KOICA

ODI Global