



Strengthening National Institutional Capacities for Direct Access to Climate Finance

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UNDP Support on Direct Access



- Begun in 2011, the initiative supports countries wishing to gain NIE accreditation to the AF in the short term, while setting the foundation for direct access to other funds in the long-term (e.g. the GCF).
- Initiative assesses and develops the capacity of national institutions for climate-related decision making and the effective and efficient management of climate financing resources.
- Strengthening capacities for accessing climate finance directly is one of the components in UNDP's framework for supporting countries on readiness for climate finance



Climate Finance Readiness

*The capacities of countries to **plan for, access, deliver, and monitor and report** on climate finance, both international and domestic, in ways that are catalytic and fully integrated with national development priorities and achievement of the MDGs*

Financial Planning

- Assess needs and priorities, and identify barriers to investment
- Identify policy mix and sources of financing

Accessing Finance

- Directly access finance
- Blend and combine finance
- Formulate project, programme, sector-wide approaches to access finance

Delivering Finance

- Implement and execute project, programme, sector-wide approaches
- Build local supply of expertise and skills
- Coordinate implementation

Monitor, Report & Verify

- Monitor, report, and verify flows
- Performance-based payments

Services available for Direct Access Support



Guidance for general understanding of Direct Access

Scanning/Mapping of national climate change institutional arrangements

Identification of capacity gaps in CC Institutional Arrangements and formulation of a Capacity Development Plan (CDP)

Identification of capacity gaps for NIE accreditation and design of a Capacity Action Plan (CAP) for NIE

Support for resource mobilization and roll-out of CDP and

Countries supported on Direct Access



Burkina Faso (March 2011)

- Facilitated a multi-stakeholder dialogue enabling country-led decision on DA and NIE candidate
- Capacity-gap analysis undertaken of NIE candidate and CAP developed

Mozambique (May 2011) - with UNEP

- NIE already identified, capacity gap analysis undertaken, CAP developed
- Procurement process undertaken for implementation of CAP
- Support on-going

Lao (May 2011)

- Initiated an in-country dialogue in order to increase knowledge on DA, NIE roles and NIE characteristics
- Preliminary gaps identified during multi-stakeholder workshop resulting in postponement at this time for seeking accreditation

Countries supported on Direct Access



Cook Islands (April 2012)

- In-depth assessment of NIE candidate undertaken
- CAP developed with recommendations for meeting accreditation requirements
- Support currently being sought for implementation

Peru (September 2011/July 2012) - with UNEP

- A multi-stakeholder dialogue held with the relevant climate change actors in-country regarding direct access and the selection of NIE candidate(s)
- A rapid institutional assessment of 3 potential NIE candidates undertaken
- Assessments shared with DA enabling selection of NIE candidate and recommendations made for meeting accreditation criteria

Nauru (November 2012)

- Assessment of NIE candidate undertaken as part of larger national assessment for climate financing
- CAP developed for candidate to be implemented in 2013



Challenges to accreditation

NIE Accreditation Process

- Comprehension of process, requirements, standards

Identification of Potential NIE difficult

- Understanding appropriate NIE characteristics, structure, etc.

NIE requirements to meet fiduciary standards

- Financial management capabilities, programme management, procurement, M&E

Preparation of NIE accreditation application

- Identification of required documentation

Lessons Learned



- DA is more than just accreditation
- Demand for DA is still strong
- For certain countries, \$10M cap minimizes incentive for direct access, easier to go MIE route
- Time lags experienced between formulation of CDPs or CAPs and implementation
- NIEs vs. NCFs