31ST GCF INSIGHT

Capacity development

Rethinking capacity building models for climate finance readiness

Contents

Capacity development

In this report, we adopt the UNDP's definition of capacity development as a long-term process through which individuals, organisations, and societies strengthen their ability to achieve their own objectives, recognising capacity at multiple levels: individual skills and knowledge, organisational systems and processes, and the broader societal context that enables effective action.

Capacity building, at its core, focuses on the quality of learning, the strengthening of meaningful abilities, the improvement of institutional function, and the creation of an environment where sustained impact is possible. Within the UNFCCC framework, capacity-building focuses on enhancing the capabilities of countries - particularly developing nations - to respond effectively to climate change, through improving knowledge, skills, institutional structures, and resources via training, guidance, toolkits, and support for climate adaptation and mitigation, technology transfer, access to finance, research, education, public awareness, and transparency.

Both definitions emphasise multi-level development, sustained impact, and the cultivation of capabilities that enable effective, long-term action.

See also: UNDP (2010), Capacity Development: A UNDP Primer, p. 18.

United Nations Framework Convention on Climate Change: Introduction to capacity

Introduction

> *''Knowledge is the foundation of capacity. It can be developed through education, training and learning or experience sharing.''* ***- UNDP 2009***

Capacity building occupies a central position within the architecture of international climate finance. Over the past decade, multilateral climate funds have consistently identified institutional strengthening as a prerequisite for effective access, programming and implementation. The premise is that financial resources alone cannot deliver climate outcomes without competent institutions capable of planning, coordinating and executing complex investment frameworks.

The Green Climate Fund (GCF), in its Readiness and Preparatory Support Programme Strategy (2024–2027), states that readiness support is intended to strengthen 'institutional capacities, governance mechanisms and planning frameworks' to enable countries to programme climate finance strategically and at scale. The Strategy places particular emphasis on country ownership, pipeline development and the institutionalisation of climate finance functions within national systems.

Comparable framing appears within the Global Environment Facility (GEF). Its Capacity Development Strategy (2010) defines capacity development as a process operating simultaneously at individual, organisational and systemic levels, stressing that sustainable environmental outcomes depend on policy coherence, organisational effectiveness and enabling environments, not solely on technical proficiency

This multi-layered understanding underpins the framework articulated under the United Nations Framework Convention on Climate Change (UNFCCC), which distinguishes three interconnected levels of capacity building: systemic capacity, institutional capacity, and individual capacity. These levels are interdependent - a discussion you may remember we began in our 27th edition of *GCF insight*. Strengthening individual skills without institutional authority or systemic coherence produces limited results. Conversely, robust frameworks without skilled personnel equally constrain performance. Effective readiness programming must, as a matter of functional necessity, operate across all three layers simultaneously.

Multilateral development institutions reinforce this structural view. The World Bank, through its work on public sector reform and institutional strengthening, posits that training interventions generate limited impact in the absence of supportive governance arrangements, incentives and accountability systems (WB, 2005). In this framing, capacity is embedded within institutional design rather than confined to individual skill sets.

In practice, readiness programming across climate funds has frequently relied on workshops, technical courses and consultant-led advisory services. These modalities contribute to awareness and knowledge acquisition. The more complex question concerns durability: whether learning translates into institutional performance, survives personnel/human challenges and becomes embedded within organisational systems.

For the most vulnerable, particularly Small Island Developing States (SIDS) and Least Developed Countries (LDCS), there

is a growing capacity disconnect between the acquisition of knowledge and its practical application within constrained institutional contexts. Individuals may complete climate finance training while continuing to 'operate within environments characterised by unclear mandates, inadequate staffing, limited expertise and coordination, limited operational budgets or restricted decision-making authority' (STA Report 2025: Small Island Developing States). Under such conditions, skills exist without the structural conditions required for execution. This is critical for SIDS and LDCs, where small populations and chronic understaffing further worsen these institutional gaps.

Interestingly, the GCF's 2024–2027 Readiness Strategy, adopted by the board at the B.37 in Georgia, shifted to sustained institutional strengthening, absorptive capacity and long-term programming capability. Against this backdrop, the 31st *GCF insight* aims to explore capacity building at institutional and individual levels, and how they affect one another. It goes beyond simply empowering individuals with climate finance skills and knowledge by exploring effective models for experiential learning and practical application. It will explore how we move from static, event-based training to dynamic, cyclical learning ecosystems and examine how readiness mechanisms might better institutionalise knowledge so that capacity survives personnel turnover.

In order to achieve this, the following questions serve as the framework for this analysis:

1. *What are the institutional and individual challenges affecting climate finance training as a capacity building element to achieve their mandates?*

2. *To what extent does readiness support address systemic constraints, including mandate clarity, staffing levels, coordination mechanisms and retention incentives?*

3. *How can climate finance capacity-building models evolve from one-off interventions toward continuous learning ecosystems?*

4. *What practical pathways currently exist to improve knowledge retention, institutional embedding and long-term climate finance performance?*

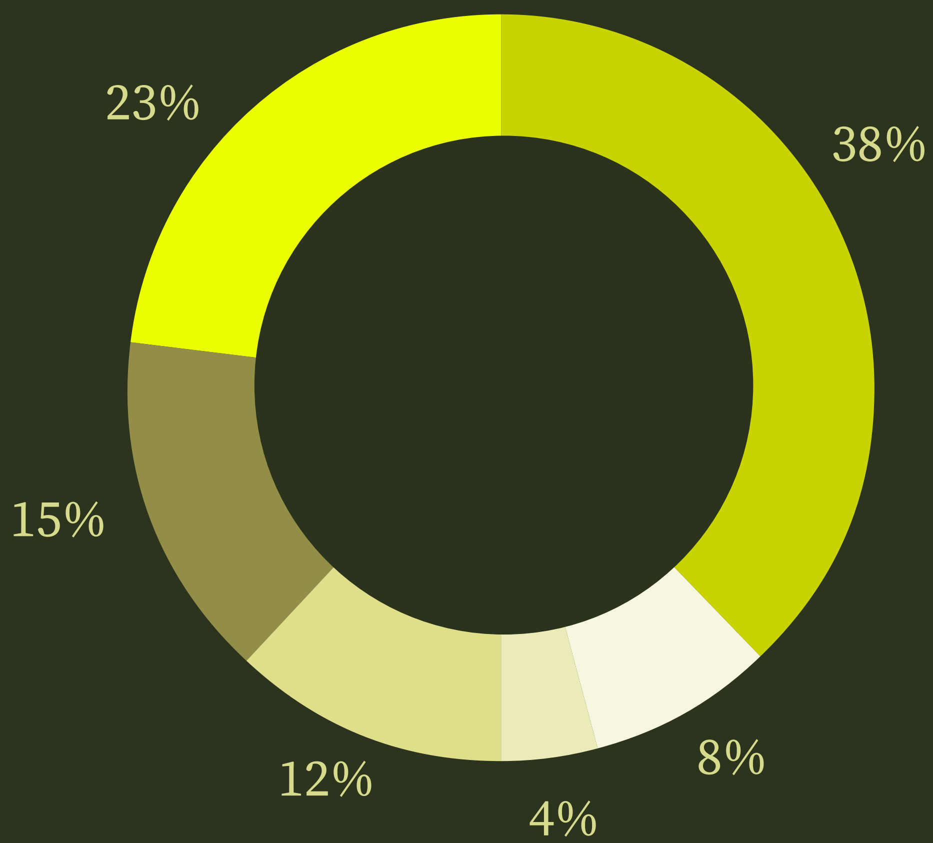
The objective of our analysis is not to criticise what's been before but to explore new opportunities to enhance capacity building. Rethinking capacity building models, adopting innovative climate finance training approaches and incorporating broader knowledge systems, will allow the GCF ecosystem to grow in institutional competence. Capacity building is a system, and systems must be built to last.

Methodology

For the 31st *GCF insight*, our methodology is based on analysis that draws on E Co's consultancy experience, a literature review, as well as a survey and anonymous interviews of institutions and individuals across the climate finance ecosystem. The interviews conducted included a diverse range of stakeholders such as representatives working with National Designated Authorities (NDAs), independent consultants, and staff at the Green Climate Fund (GCF). The report also utilises insights from a general survey of 56 participants conducted across a range of industry stakeholders such as National Designated Authorities (NDAs), and Accredited Entities (AEs) in different regions, particularly; **Africa, Asia and the Pacific, Latin America and the Caribbean, and Eastern Europe**. It is acknowledged that with a relatively small sample size selection bias may be present.

Spread of institutions

- Accredited entity - National direct access
- International accredited entity
- National Designated Authority (NDA) /Focal Point
- Consultancy company advising accredited entities / NDAs
- Individual consultant advising accredited entities / NDAs
- Accredited entity - Regional direct access



Capacity building within the GCF Readiness and Preparatory Support Programme

The GCF operates the Readiness and Preparatory Support Programme (the Readiness Programme) to support developing countries strengthen institutional capacity, governance mechanisms, and planning frameworks, supporting transformational, and long-term climate action. This support also extends to sub-national, national, and regional organisations accredited to the GCF, known as Direct Access Entities (DAEs).

Capacity building is central to the GCF's mission to accelerate a global shift toward low-emission, climate-resilient development. It enables countries to directly access the Fund for preparatory activities and technical assistance, ensuring they possess the knowledge, governance structures, and planning frameworks required for effective climate finance management. Since its launch, the Readiness Programme has become the world's largest dedicated climate capacity-building initiative, with 876 grants approved for 142 countries, totaling USD 741 million (GCF Open Data Library). To ensure support reaches those most vulnerable, the GCF Board mandates that 50% of all readiness funding be directed to LDCs, SIDS, and African States.

The 2024–2027 Readiness Strategy moved from measuring capacity by outputs such as the number of workshops, to outcomes such as successful project designs and implementation). GCF's review of the 239 completed grants as part of its board submission for the new readiness strategy (representing 34% of the approved 693 readiness grants as of April 2023) revealed that while 72% of non-adaptation spending, totalling USD 67.6 million was dedicated to basic Objective 1 (capacity-building at 38%) and Objective 2 (strategic frameworks at 34%), only 8% was directed toward Objective 4 (Pipeline development). Under the new strategy, pipeline development now has a target of 60%, ensuring that the capacities built are fit-for-purpose and contribute to high-quality, fundable projects capable of attracting diverse financing, including private sector investment.

Objective 1 of the Readiness Programme focuses on strengthening climate finance coordination through NDAs, targeting the rules, policies, and multi-stakeholder mechanisms that translate Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) into investable realities. This support is tailored for LDCs and SIDS, helping them embed the skills, knowledge, and systems gained into their national institutions, reflecting UNDP's 'Integrated System' model of organisational capacity. A key feature of the 2024–2027 strategy is the introduction of Embedded GCF Experts and Liaison Officers, who work within NDAs and DAEs to provide direct support for accreditation, project implementation, and financial oversight, fostering permanent institutional capacity rather than temporary external assistance.

The GCF's strategy fundamentally views knowledge as the foundation for effective capacity. Through Objective 3, the GCF promotes cross-border collaboration and addresses shared climate challenges by actively promoting learning and knowledge-sharing. To put this into practice, the Country Support Modality offers a predictable, multi-year resource of up to USD 4 million per country over four years. Simultaneously, Direct Access Entities (DAEs) can receive up to USD 1 million. This funding is intended to support last-mile accreditation efforts and help DAEs integrate climate considerations into their operations. By offering predictable, multi-year resources, the GCF appears to position capacity building not just as skills development, but as a systemic effort to strengthen institutional frameworks capable of managing large-scale climate finance.

While the Readiness Programme has built a strong foundation, practitioners in the field recognise that its scope needs to extend beyond its traditional focus on NDAs and AEs. Effective absorption of climate finance requires a broader ecosystem of actors. Civil society organisations, non-governmental organisations and small and medium enterprises all possess implementation capacity that governments alone cannot replicate, and widening readiness support to include these stakeholders is a practical necessity for countries seeking to develop credible climate strategies and project pipelines capable of attracting international climate finance at the scale required.

> *"We can't absorb all the climate finance needed to address climate risks if you only work with the government. They can't absorb all this money. You need to get all the players who have capacity, including CSOs, NGOs, MSMEs, doing this or you're not going to be able to absorb a billion even though that's what you're asking for."* - ***Ainka Granderson, CANARI, Regional NGO***

Survey findings

In February 2026, we conducted a survey of GCF project developers to complement the document review and analysis. The survey sought to capture a broad range of perspectives from stakeholders in the climate finance ecosystem, specifically NDAs and AEs. The 56 responses offered rich qualitative and quantitative insights into how capacity-building is delivered and how support is experienced on the ground for individuals, and where gaps remain.

The majority of respondents (64%) stated they had undertaken climate finance training, indicating a high level of baseline interest and foundational knowledge within the ecosystem. In-person workshops remained the most common delivery method, experienced by 66% of participants, closely followed by live webinars (56%) and online self-paced courses (47%). However, blended learning environments overall, combining the interactivity of face-to-face sessions with the flexibility of digital platforms, was a common preference.

Operational barriers: workload, headspace, time and resources

"Our countries don't have the number of persons that are dedicated to being able to access (climate finance training). They simply don't have the time because they're balancing their everyday work with trying to now understand the various rules of the game." - ***Dr Colin Young, CCCCC, Regional Accredited Entity***

Interestingly, one of the biggest issues shared by survey respondents centred around a lack of headspace to apply any new climate finance learnings, as opposed to perceiving a lack of access to training. The lack of headspace was stated to be a result of overwhelming workloads. Nearly half (46%) of respondents within Accredited Entities (AEs) felt that their daily responsibilities are the primary reason they are unable to meaningfully implement new climate finance strategies. These answers reflect a cycle whereby staff are so heavily focused on meeting existing project deadlines, that implementing new or optimised approaches are often relegated to 'nice to have' inclusions.

Institutional mandates and resource scarcity were also cited as contributing to these operational challenges. A substantial majority of respondents (71% of independents and 39% of AEs) reported a lack of budget as a barrier to applying their training, while nearly half reported insufficient support staff. This challenge was particularly high among NDAs, with 67% reporting that time constraints highly affect their ability to apply what they have learned, and 50% managing their mandates with minimal technical teams. This means the majority of tasks, from vetting a proposal to aligning with national policy, are often handled personally by the Focal Point, leaving little room for delegation or the application of new skills.

For staff within AEs, the problem is similar: even where individuals have been trained, there is no dedicated team to put that knowledge into practice. For independents, applying climate finance training requires non-billable time, travel, and financial runway that many cannot sustain without an active commission. Across all groups, the finding points to a broader enabling environment problem: training has occurred, but the conditions to act on it have not been created. The survey did not capture the specific nature of these constraints in further detail.

How can the climate finance space support individuals and organisations to apply learning?

> *"We definitely try to avoid doing just training because generally the literature shows and our experience shows that just doing training sessions isn't enough. People need a lot more support such as coaching, mentoring and peer exchanges."* - ***Ainka Granderson, CANARI, Regional NGO***

The stated challenges from above reflect a progression in the discussion on capacity, at least since our 27th GCF insight edition, where access to training has slowly but surely increased in awareness and support. Both from our experience and investigations in this report, the focus continues to deeply focus on how to better support individuals and the institutionalisation of capacity building initiatives.

We asked respondents 'what support or improvements would you like to see from your institution to help you effectively apply what you learn in training?' Thematic analysis of the open-ended responses shows two dominant areas of support that respondents believe are necessary to apply what they learn in training effectively:

Firstly, there was a strong call for greater financial and institutional resources. Respondents expressed a need for increased funding, stronger finance mobilisation, additional staff with financial expertise, and more structured institutional backing.

Secondly, respondents requested enhanced capacity building and practical implementation support. This includes applied training, regular workshops, mentorship programmes, embedded experts, access to real-world data, practical placements with accredited entities, and dedicated project support units.

Across the board, respondents highlighted the need for protected time, reduced workload pressures, clearer guidance (such as tools and log frames), and formal spaces for peer exchange. These responses indicate that beyond acquiring knowledge, participants seek structured, hands-on opportunities and organisational conditions that enable them to use new skills effectively. Together, these findings suggest that both systemic resource strengthening and practical, applied learning support are critical to improving the impact of institutional training efforts.

Closing 'the reflection gap' - enhancing climate finance training

> *"The climate finance sector needs a professional community of practice where people can continue to exchange and learn. We need to create an ecosystem that will support this kind of capacity building and knowledge sharing in the flux nature of the climate finance landscape."* - ***Dr Jale Samuwai, RMI***

We asked individuals which aspects of climate finance training (e.g. content, delivery method, mentorship, reflection exercises, feedback mechanisms) they believed could improve their development of skills and knowledge in climate finance. The open-ended feedback regarding post-training support revealed a significant 'mentorship void' in the current climate finance landscape. Most respondents reported that once a training session concludes, there is little to no structured reflection or peer feedback mechanism in place. This lack of follow-up leads to a rapid decay of specialised knowledge, as participants feel 'isolated' when attempting to apply complex financial concepts in a work environment that has not changed alongside them.

In the cases that mentoring does exist, respondents noted it is often informal and ad-hoc rather than integrated into the training programme. Many responses noted that having a dedicated mentor or a 'community of practice' would boost individual confidence.

A general ‘reflection gap’ was cited as a major reason why training often feels theoretical rather than practical. Participants expressed a desire for ‘post-action reviews’ where they could present their work-in-progress to trainers and peers months after the initial course. Without these feedback loops, the effectiveness of the training is diminished, as there is no accountability mechanism to ensure that the learned skills are being applied correctly or at all.

Many respondents suggested that the most valuable form of support is not more content, but rather ‘relatability’ of existing content, which is the ability to discuss real-world hurdles with someone who has successfully cleared them in a similar institutional context. Respondents expressed a strong preference for climate finance training focused on real-world examples, local case studies, and technical ‘how-to’ guides rather than broad theory. Such ‘context-related’ training was seen to enable learners to better ground their own experiences in versions of their own reality or similar.

Improvements to existing training approaches suggested by respondents were:

- *Training should be done through more hands-on workshops and ‘learning by doing’ simulations over passive webinars or self-paced online sessions.*
- *The need for reflection exercises and feedback mechanisms in a constantly evolving climate finance ecosystem. This could very well align with the embedded advisor model by CFAN and the GCF Readiness Strategy 2024-2027 and does appear in our training done for CFAN (RMI).*
- *Local contexts in developing climate finance training modules, particularly for SIDS and LDCs that face peculiar challenges.*
- *Reflection exercises and feedback mechanisms in a constantly evolving climate finance ecosystem. This could very well align with the embedded advisor model by CFAN and the GCF Readiness Strategy 2024-2027 and does appear in our training done for CFAN (RMI).*

In conversation with GCF project developers

To complement our survey, over January and February 2026, we conducted eight interviews with key actors across the climate finance ecosystem, including Accredited Entities (AEs), to capture both institutional and government perspectives in greater depth. The thematic analysis below explores the systemic, institutional, and pedagogical factors shaping the success or failure of climate action initiatives. Drawing on insights from advisors, institutional leads, and financing actors, the discussion identifies structural barriers that limit the translation of climate finance knowledge into bankable projects - supporting what our 56 survey respondents shared.

The central finding was the tension between individual technical skills and knowledge and the institutional systems required to sustain and apply it. While technical proficiency is necessary, it is insufficient without supportive organisational structures and sustainable government backing. The analysis frames climate finance capacity as a long-term institutional function rather than a series of isolated training interventions.

1. Conceptualising capacity and human capital scarcity

> *"When you're looking at climate finance, you have to think about the sort of context and unique sort of settings: the needs and priorities are totally different and so your training needs to be able to respond to those."* - ***Alex Milano, RMI, International NGO***

The conceptualisation of 'capacity building' within the climate finance sector is often divided into narrow technical skills and broader organisational maturity. Participants suggested that a significant misunderstanding exists regarding the nature of the capacity gap, which is frequently framed as a lack of intelligence when it is actually a crisis of human resource volume, particularly in SIDS and LDCs. This theme explores the fundamental definitions of capacity and the structural scarcity of expertise that prevents institutions from meeting the intensive demands of global climate funds. The discourse highlights that capacity building is not a one-size-fits-all intervention but must be tailored to the specific mandate of the organisation, whether it be a development bank, a ministry, or a civil society group. There is a consensus that technical proficiency must be integrated with the 'social capital' necessary to navigate complex bureaucracies. Without this holistic view, capacity-building efforts risk producing stifled experts who possess theoretical knowledge but lack the organisational power to implement change.

2. Distinguishing technical proficiency from organisational maturity

"There's a very strong distinction between what is training or capacity building and what is just sensitisation. Some people get the two confused." - ***Nicholas Fields, CFAN Advisor embedded in a Regional DAE***

Effective capacity building requires a dual focus on the individual's technical competencies and the institution's operational health. Participants define technical capacity as a blend of knowledge, skills, and attitudes, whereas organisational capacity centres on governance, financial systems, and strategic planning. The success of even the most technically brilliant individual is contingent upon the institutional environment; inadequate HR systems or procurement protocols can impede performance. This understanding fundamentally reassigns the responsibility for success from the individual trainee to the institutional leadership, necessitating a more holistic strategy for development.

Interviewees agreed that the complexity of the climate finance landscape necessitates a specialised technical skill set that is rarely found in a single individual. A single project development cycle requires expertise in financial structuring, gender mainstreaming, environmental safeguards, and climate rationale. Many organisations struggle because they attempt to layer these multifaceted responsibilities onto generalists who must learn on the job while managing existing workloads. This results in a shallow pool of expertise that is easily drained by staff turnover or shifting political priorities. The systemic failure to distinguish between these needs leads to training programmes that may improve a person's knowledge but fail to enhance the organisation's output.

The interviews revealed that the most successful models of capacity building are those that include 'learning by doing', peer-to-peer exchanges and pilot projects supported by small grants. By providing practitioners with a small amount of capital to test their newly acquired skills, organisations can move into functional application.

Finally, the discussions suggested that organisational maturity is a prerequisite for the long-term retention of technical expertise. If an institution lacks a strategic plan or clear internal regulations, it cannot provide the applied space necessary for a practitioner to utilise their training. This leads to a cycle of professional abandonment where individuals gain skills and then leave for better-structured international organisations. To break this cycle, capacity building must hardwire knowledge into the institution through manuals, guidance materials, and standard operating procedures.

3. Human resource volume as the primary bottleneck

"In the Caribbean, our lack of capacity isn't necessarily owing to a lack of technical expertise or knowledge. It's due to a lack of numbers."- ***Nicholas Fields, CFAN Advisor embedded in a Regional DAE***

A recurring conclusion from the interviews was that the term 'capacity' is frequently misconstrued as a lack of expertise. Practitioners in the Caribbean and the Pacific do not lack the technical skill or knowledge to do the work; they are simply overwhelmed by the sheer volume of their portfolios. This misreading of the term obscures the reality of chronic understaffing, where even highly trained professionals are unable to devote the time required to navigate the lengthy project development processes of the GCF or the Adaptation Fund. While specific knowledge and experience gaps may exist in some contexts, the persistent shortage of human resources is the primary driver of what is commonly labelled as a 'capacity constraint.'

Moreover, the scarcity of dedicated climate finance units further tightens this bottleneck. In many SIDS, climate finance responsibilities lie within broader ministries of finance or environment, where staff must balance these duties with daily economic affairs. This lack of a single, focused entity means that climate finance mobilisation remains an ad-hoc, secondary task. The interviews revealed that without dedicated personnel, the momentum gained in training sessions is quickly lost to the administrative friction of unrelated daily tasks.

The competitive nature of the climate finance job market also leads to a continuous 'brain drain' from the public sector to international organisations. Participants indicated that once an individual becomes successful and highly trained, they become marketable to larger entities that offer significantly higher rates. The frequent turnover necessitates a never-ending cycle of training, preventing institutions from reaching a state of mature, settled expertise.

Furthermore, this 'workload paralysis', noted repeatedly across our survey findings and interviews, is a key factor in preventing willing professionals from even engaging in the very training designed to support them. When staff are spread thin across multiple project design teams, they lack the cognitive space required to assimilate new financial instruments or policy changes. To solve this, interviewees suggested a shift toward embedding dedicated advisors for longer durations and ensuring that government counterparts have protected time for mentorship and coaching. Until the numbers game is addressed, the sector will continue to struggle with an implementation gap that training alone cannot bridge.

4. Systemic hurdles and the moving goalposts of finance

"We see the climate finance training as a critical component in operationalising our climate agenda. Our goal is to ensure that a well-selected group of colleagues - those who can put the knowledge into practice - receive the necessary skills and knowledge, and that this expertise is retained within the organisation. In this sense, we are looking beyond the individual to strengthen institutional capacity" - ***Issmail Nnafie, UNICEF, International Org***

The success of capacity-building interventions is often compromised by systemic hurdles that exist outside the control of individual practitioners. This theme explores the friction caused by rigid bureaucracies, political volatility, and the ever-evolving requirements of international climate funds. Interviewees shared that the climate finance architecture is inherently fragmented, requiring different rules for the GCF, the Adaptation Fund, and various MDBs, which places an immense burden on resource-constrained nations - a topic we dived into in our 27th edition.

Institutional and political instability serve as a primary disruptor of capacity retention and project momentum. In regions with frequent election cycles, changes in administration often lead to shifts in national priorities and the replacement of key focal points. Moreover, interviewees expressed the lack of 'fit-for-purpose' vehicles from donors which often ignore the unique implementation challenges of SIDS, treating smaller AEs with the same rigorous expectations as global banks. This creates a landscape of moving goalposts where capacity building is a race against an evolving donor environment.

5. The friction of bureaucracy and political volatility

''Government transitions across our member states can create significant disruptions to climate finance momentum. When administrations change, incoming governments naturally need time to establish their priorities, and projects that are progressing through the pipeline may find themselves deprioritised as national agendas are reset." - ***Dr Colin Young, CCCC, Regional Accredited Entity***

Bureaucratic inertia and political transitions were cited as major deterrents to the sustained application of climate finance training. When a new government takes office, it often brings a change in ministerial leadership, necessitating a complete re-engagement and re-education process for regional institutions. Interviewees revealed that projects that could have been moving along a pipeline may suddenly lose their status as a national priority, rendering years of capacity building and project development obsolete. This volatility forces capacity-building entities into a reactive stance, constantly rebuilding relationships rather than advancing technical work.

Internal institutional bureaucracy also prevents the rapid uptake of new skills. Heavy internal processes for partnership readiness and resource allocation mean that by the time an organisation is ready to implement a new strategy, the context may have shifted. The disconnect between high-level leadership and technical staff further stymies progress. While technical staff may receive deep training in GCF requirements, their senior management - who steer programmes and allocate resources - may lack the basic understanding to drive the agenda forward. Without buy-in from representatives and sector chiefs, climate finance capacity remains an isolated island of knowledge. Interviewees moved for 'leadership training' to ensure that management can engage effectively with government partners and donors.

One participant revealed that instability and bureaucratic drag also leads to a loss of 'institutional memory'. If and when a permanent secretary or a technical lead is replaced following an election, the specialised knowledge they gained during training is often not transferred to their successor. Despite the efforts of some institutions to fix this through 'rapid training modules' for new staff, the structural reality remains that public sector systems are often not designed to retain or value this expertise.

6. The evolving donor requirements

"The ability to stay current with an evolving institution like the donor agency also complicates matters." - ***Dr Colin Young, CCCCC, Regional Accredited Entity***

A significant subject matter noted amongst practitioners was the volatile and inconsistent nature of international climate funds. The rules of the game are frequently updated, meaning that a proposal designed under one set of GCF policies may be rejected because a new rule was adopted mid-cycle. This moving goalpost phenomenon makes it incredibly difficult for practitioners to stay current, even with continuous training. Participants expressed that such inconsistency drains the morale of technical teams and discourages countries from pursuing complex mobilisation efforts.

The lack of uniformity across the fragmented climate finance architecture creates an immense administrative burden. Each fund, be it the GCF, the Adaptation Fund, or an MDB, has its own specific requirements for financial structuring, gender mainstreaming, and social safeguards. Practitioners must essentially learn a different language for each donor, which is a nearly impossible task for staff who are already spread thin.

The GCF has had its fair share of issues and changes over the years to expand its systems and processes. Although the fund is moving toward a more efficient GCF model, the reality is that project development can take 18 to 24 months, much of which is spent on intensive feasibility studies and stakeholder consultations. The discussion highlights a disconnect between the one-size-fits-all architecture of donors and the ground realities of SIDS. The transaction costs of implementing a USD 10 million project in a small island state are often disproportionately high compared to a USD 100 million project in a larger nation, yet the donor requirements remain largely identical. Participants say that donors need a different 'risk appetite' when working with smaller accredited entities that face unique implementational challenges. Until donors recognise these disparities, capacity building will remain a struggle against a system that is not fully fit for purpose.

7. Training methods and knowledge retention

"There is a time and place for theory, but what we've found most useful is taking that theory and supporting participants in applying it to their own specific situations." - ***Alex Milano, RMI, International NGO***

The final theme examines the shift in how climate finance knowledge is delivered and retained within organisations. Experts are increasingly moving away from static, one-off training workshops toward more dynamic, long-term support structures such as mentorship, coaching, and peer learning. This evolution in training formats is driven by the realisation that theoretical understanding alone is insufficient without the confidence gained through practical application and expert guidance.

Knowledge retention is identified as a critical challenge, necessitating the development of institutional memory systems. These include the creation of digital repositories for training recordings, standard operating manuals, and rapid training models designed to onboard new staff quickly. In addition, there is a strong call for the 'professionalisation' of the sector, with standardised certifications that would distinguish climate finance as a specialised profession rather than a temporary project task.'

8. The shift toward mentorship and one-on-one coaching and embedded advisory models

"The capacity that's built needs to be sustainable, and it needs to be scalable. So it needs to not just sit with one person. It needs to be able to reach others." - ***Alex Milano, RMI, International NGO***

There is a growing consensus that mentorship and coaching are the confidence multipliers of capacity building. Respondents from the conducted survey mentioned mentorship as a key element needed to ensure that climate finance knowledge spills into the work they do. This tailored support allows advisors to move through roadblocks in real-time and ensures that training is directly applicable to their daily work. This move from lecturing to coaching reflects a more mature understanding of adult learning in high-stakes environments.

One-on-one support is particularly vital for advisors working in contextually nuanced environments such as the Pacific. One interviewee mentioned that advisors deeply appreciate the office hours because they offer a support structure that is otherwise absent within government systems. This indication to the advisor that there is always a partner available for troubleshooting reduces the sense of isolation often felt by those embedded in thin ministries.

The mentorship model also supports the 'trainer of trainers' (ToT) approach, which aims to scale capacity by turning advisors into champions within their own regions. By building the confidence of these champions through coaching, organisations can create a reverberation of knowledge transfer that extends beyond the individual. One participant highlighted 'rapid training modules' that are crash courses, which bring people up to speed in weeks rather than months, focusing on bite-sized modules like financial structuring or gender inclusion. This agility allows institutions to hit the ground running within the finite timelines typically imposed by project preparation grants.

9. The shift toward contextual relevance for climate finance training

The success of climate finance capacity building is increasingly seen as being dependent on the transition from generic international templates to deeply localised, context-specific learning models. The interviewees posited that when training is detached from the granular realities of a practitioner's home region, it fails to provide the mental map necessary to navigate local bureaucratic hurdles or identify viable investment opportunities.

Effective pedagogical models must now account for the disparate needs of regions such as the Caribbean and the Pacific, where the challenges of geography, scale, and institutional history vary significantly. When the curriculum is grounded in a nation's Nationally Determined Contributions or National Adaptation Plans, the training actively supports the country's own climate strategy. This strategic alignment ensures that the capacity developed goes beyond general finance knowledge, resulting in the specific expertise needed to mobilise resources for projects critical to local communities.

Furthermore, context-specific training allows for a more nuanced understanding of the social capital required to move projects through specific national systems. Localised training sessions provide the space to discuss these implementation realities that a generic course would overlook.

"The advisors really do appreciate the office hours. Offering that kind of continuous support is an indication to them that there's always a partner or a system that will provide them support if they are stuck, and the support is directly linked to the work that they're doing. I think that is very effective and very unique." - ***Dr Jale Samuwai, RMI, International NGO***

Recommendations

Based on our analysis and insights from the survey and the interviews, solutions for enhanced capacity building in climate finance centre on the following areas:

1. Move from theory to applied learning.

The report shows that professionals care more about putting what they learn into practice than about learning concepts.

- ✓ **Prioritise hands-on training:** Instead of webinars, use 'learning-by-doing' models like simulations and branching scenarios where learners have to deal with real-world problems.
- ✓ **Institutionalise writeshops:** Rather than the use of made-up examples, learners should spend time writing real professional documents like Project Concept Notes or Funding Proposals.
- ✓ **Integrate office hours and mentorship:** After formal training is over, staff should be given ongoing, personalised technical support and 'office hours' to help them use their new skills in their everyday work.

2. Go from individual to institutional capacity.

Training individuals is not enough if the knowledge walks out the door with them. To stop high turnover and the loss of 'institutional memory,' capacity needs to be built into the organisation itself. These include:

- ✓ **Standardise Operating Procedures (SOPs)**: Turn the knowledge of each person into formal institutional manuals and digital repositories that can survive personnel changes.
- ✓ **Succession planning for Focal Points**: Make 'rapid induction' modules for new staff or successors to make sure that political changes or resignations don't stop progress completely.
- ✓ **Professionalise climate roles:** Set up separate Climate Finance Units or specialised career paths so that climate tasks aren't just 'tacked on' to other work.

3. Close the 'headspace' and workload gap.

Workload paralysis is one of the biggest problems identified in the report, where staff are too busy with their daily tasks to put what they have learned into practice.

- ✓ **Mandate protected learning time:** Make sure that training and implementation time is set aside in staff schedules and that senior management doesn't have to deliver as much during these times.
- ✓ **Engage senior management:** Give sector chiefs and high-level representatives 'Executive Briefings' so they know what donors like the GCF want and can better help their technical teams.

4. Make regional, peer and cross-border ecosystems stronger.

The report suggests people learn best from people who work in similar situations (like SIDS and LDCs). Here are the ways regional, peer and cross-border ecosystems can be strengthened.

- ✓ **Foster Communities of Practice:** Set up formal peer-learning networks where professionals can share 'lessons learned' and useful workarounds for common problems in the region.
- ✓ **South-South knowledge exchange:** Help countries that have successfully gone through the accreditation or proposal process share their knowledge with countries that are currently having trouble.
- ✓ **Regional clusters:** Where additional personnel is needed, and country sizes are smaller, clusters of embedded advisors can support the development of project pipelines.
- ✓ **Widen scope of capacity building beyond government and AEs:** Inclusion of civil society organisations, research and academic institutes and private sector, ensuring that all national actors have the knowledge and tools to develop and implement climate projects.

5. Make the design and delivery of training better.

To get the most out of capacity building, delivery needs to be more flexible and focused.

- ✓ **Avoid one-size-fits-all training programmes:** Design modular content that is tailored to specific roles, institutional contexts, and national priorities, drawing on regional case studies and local expertise where possible.
- ✓ **Encourage completion and use:** Give training real value through certifications or professional credits, and implement 'Post-Action Reviews' months after training to see how the knowledge was actually used.

Conclusion - capacity is a system, not a skill set

Without institutional and technical capacity, climate finance cannot translate into meaningful impact. We have established that financial resources alone are not sufficient to catalyse climate outcomes in the absence of institutional capacity. The report's most striking insight is that capacity is a system, not a skill set. We have spent a decade training individuals and diligently trying to build institutional capacity, only to watch them be overwhelmed by workloads, recruited by international agencies, or non-sustaining training frameworks that don't translate to the development of bankable projects, a key mandate of the GCF. The GCF's 2024-2027 Readiness Strategy is a necessary pivot toward 'outcome-based' capacity, but its success hinges on whether it can bridge the gap between knowing and doing. To turn the tide, capacity building must stop being treated as an event and start being treated as infrastructure.

According to our research, there are several crucial areas where capacity can be strengthened for both institutions and individuals in SIDS and LDCs. This enhancement should be achieved through targeted training, particularly addressing the needs of NDAs and AEs, whilst creating spaces and allocating resources to include community-based organisations and other national stakeholders. Effective approaches that can close the gap include peer-to-peer learning, mentorship, local context of content, and practitioner-led feedback. Central to this evolution is the 'Learn, Reflect, Apply' cycle, a philosophy central to our own training and capacity arm - the E Co. institute. By enhancing peer-to-peer learning through mentorship and 'office hours,' we create a collaborative environment that facilitates continuous improvement in a personal manner. Furthermore, by deploying GCF Liaison Officers (embedded experts) within countries' NDAs or relevant agencies, the GCF can provide the 'last mile' support needed to turn technical knowledge into bankable pipelines.

As the report aptly concludes, systems must be designed to endure. In the world of climate finance, a trained individual is a great but temporary asset; a ready institution is a permanent one. The GCF has made remarkable strides over the years refining its processes and procedures in climate capacity building and retention. By refining its model to be more tailored, inclusive and adaptive, the GCF can achieve its most vital long-term aim: enhancing the capacity of developing countries to access, manage, and deploy climate finance effectively, ensuring they can plan and implement transformational, long-term climate actions.

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The E Co. institute: scaling institutional capacity for climate impact

This edition of *GCF insight* highlights a critical systemic bottleneck: the 'reflection gap' where technical training fails to translate into bankable portfolios. To solve this, E Co. is launching the E Co. institute - a practitioner-led training ecosystem designed specifically for institutional scale. Built to be integrated into GCF Readiness proposals and technical assistance programmes, the institute moves beyond one-off workshops, providing a scalable digital infrastructure that supports:

Portfolio acceleration

Through the E Co. institute's cyclical 'Learn–Do–Review' methodology, participants don't just study - they draft live Concept Notes and Funding Proposals for the GCF, GEF, and Adaptation Fund as part of the curriculum.

Institutional de-risking

Expert-led office hours, mentorship, and direct feedback from E Co. consultants provide continuous support as participants apply their learning to active project pipelines.

Verified professionalism

Certification tracks that give NDAs and Accredited Entities a consistent benchmark of staff capability across project teams.

Hybrid delivery model

Bespoke programmes combine self-paced digital learning with intensive, face-to-face experiential learning and/or 'writeshops' to fast-track country programmes and investment plans.

The E Co. institute works with organisations at every stage; from building the foundational knowledge of focal points to supporting teams through live project development, with the aim of closing the gap between training and result-oriented climate finance outcomes.

For more information on institutional seats or bespoke hybrid programmes, visit:

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