



GCF Sub-Regional Dialogue with Fragile and Conflict-Affected States in the Middle East

Iraq, Lebanon, Palestine, Syria, and Yemen

Headline Report

14-16 December 2025

Muscat, Oman

OVERVIEW

The Green Climate Fund (GCF) convened a landmark Sub-Regional Dialogue in Muscat, Oman, bringing together senior government representatives, National Designated Authorities (NDAs), Accredited Entities (AEs), Delivery Partners, and regional stakeholders from Iraq, Lebanon, Palestine, Syria, and Yemen. The Dialogue was held at a pivotal moment in GCF's second replenishment period (GCF-2), aiming to strengthen engagement, address barriers to climate finance, and advance strategic alignment between national priorities and GCF programming in fragile and conflict-affected contexts (FCAS).

The event was hosted by the Sultanate of Oman and the Environment Authority of Oman, whose leadership and support set a collaborative and solutions-oriented tone. The Dialogue moved beyond conceptual discussion to deliver concrete, country-owned outcomes that directly advance readiness, programming, and pipeline development in some of the most climate-vulnerable and institutionally constrained contexts globally.

MAIN THEME AND OUTCOMES

1. Country Ownership and Strategic Alignment

A central outcome of the Dialogue was the reaffirmation of country ownership as the foundation for effective climate action in FCAS. The five countries developed action-oriented roadmaps for 2026, that articulated national priorities, preferred access modalities for readiness, readiness pipelines, and programming pathways. These plans were crafted through intensive country clinics and technical exchanges, reflecting a shared understanding on how to operationalise climate finance in FCAS settings in a realistic, conflict-sensitive, and impact-focused manner.

Readiness support should go beyond compliance and planning instruments (e.g., NDCs, NAPs) to focus on institutional strengthening, direct access entities, investment planning, and upstream project preparation. By linking readiness investments to downstream pipelines, countries are better positioned to translate readiness into country-owned projects that deliver tangible climate benefits.

2. Addressing Barriers to Climate Finance

Country representatives identified persistent barriers to climate finance in FCAS, including limited institutional capacity, data gaps, co-financing constraints, and complex risk environments. The Dialogue highlighted the need for simplified and flexible access modalities, particularly for adaptation-focused investments in water, agriculture, energy, and urban resilience. Readiness support and technical assistance were recognised as critical for strengthening country systems, integrating climate into development planning, and building project pipelines suited to FCAS realities.

The Dialogue also underscored the importance of tailored climate finance solutions that recognise FCAS constraints while unlocking opportunities for resilient, inclusive, and sustainable development. Country-led project pipelines, supported by readiness and upstream project preparation, are the basis for translating climate ambition into investable, resilient projects.

3. Risk-Informed and Adaptive Programming

A key strategic message emerging from the Dialogue is the importance of flexible, risk-informed, and adaptive programming approaches in FCAS. Discussions on compliance, fiduciary risk, and safeguards highlighted that while GCF standards remain essential, their application in FCAS contexts must be proportionate and context-sensitive. Strong partner selection, adaptive management, and ongoing country engagement were identified as critical enablers of successful implementation. These principles are embedded in the agreed actions across the country plans were developed.

The Dialogue reinforced the need for thorough project design, including comprehensive risk assessment (e.g., security), partner selection, national institution capacity-building, data sharing, and clear communication with the GCF. Risk assessment and management must be flexible to accommodate FCAS contexts, balancing accountability with the need for responsiveness and impact.

4. Mobilising Co-Finance and Private Sector Engagement

The catalytic role of climate finance in mobilising co-finance and private sector engagement was a recurring theme. Sessions co-hosted with the Islamic Development Bank emphasised blended finance, guarantees, and Islamic finance instruments as promising mechanisms to crowd in capital and de-risk investments. The Dialogue showcased examples where strong local partnerships and adaptive programming delivered impact even in high-risk environments.

Initiatives such as the Climate and Peace Investment Fund illustrate emerging approaches to link climate action with economic recovery, livelihoods, and stability, while underscoring the importance of country ownership and alignment with national priorities. Private sector engagement was recognised as a critical pillar for resilience and long-term stability, complementing humanitarian and peacebuilding efforts.

5. Regional Coordination, Peer Learning, and Knowledge Exchange

The Dialogue fostered regional coordination, peer-to-peer learning, and knowledge exchange among the five countries and partners. Platforms for regional coordination and sustained learning were identified as essential for addressing shared FCAS challenges and solutions. Integrated approaches across emergency response and recovery, climate resilience, and inclusive governance can strengthen coordination, address systemic gaps, and support climate-informed planning and early warning systems in FCAS settings.

CONCLUSION AND WAY FORWARD

The Sub-Regional Dialogue strengthened GCF–country engagement, addressed access barriers, and advanced concrete programming in FCAS contexts. The country plans provide a practical and credible pathway to scale climate action in the Middle East’s FCAS countries.

Continued follow-up, coordinated support, and timely deployment of readiness and project preparation resources is needed to translate these plans into approved investments. The Dialogue reinforced the principle that GCF engagement in FCAS must be country-led, partnership-based, and long-term. Countries expressed a need for predictable engagement, early involvement in project design, and

sustained technical support. The country plans reflect this partnership model, with clearly defined roles for NDAs, AEs, delivery partners, and the GCF Secretariat, alongside agreed timelines and next steps.

PRIORITY ACTIONS

- **Operationalise Country Plans:** Implement the country plans agreed during the Dialogue as the primary framework for GCF engagement in 2026, guiding readiness support, pipeline development, and programming decisions in Iraq, Lebanon, Palestine, Syria, and Yemen.
- **Translate Plans into Funded Activities:** Convert agreed priorities into concrete readiness proposals, concept notes, and funding proposals, ensuring strong alignment with national strategies, NDCs, NAPs, and GCF-2 investment priorities.
- **Deploy Targeted Readiness Support:** Focus readiness resources on unlocking downstream investments by strengthening institutions, supporting direct access entities, advancing investment planning, and generating the feasibility work required for complex projects.
- **Accelerate Priority Pipelines:** Fast-track the development and submission of priority projects identified in the country plans through early technical engagement, project preparation support, and clear sequencing of approvals.
- **Apply Risk-Informed and Adaptive Programming:** Implement proportionate compliance, fiduciary, and safeguards approaches tailored to FCAS contexts, embedding adaptive management and flexible implementation arrangements.
- **Mobilise Co-Finance and Private Sector Engagement:** Leverage blended finance, guarantees, and Islamic finance instruments to crowd in public and private capital, strengthen local markets, and support climate-resilient economic recovery.
- **Strengthen Partnerships and Coordination:** Deepen collaboration among NDAs, Accredited Entities, delivery partners, and development finance institutions to ensure coherence, avoid duplication, and maximise impact.
- **Sustain Regional Learning and Peer Exchange:** Maintain platforms for regional coordination, peer-to-peer learning, and knowledge sharing on shared FCAS challenges and solutions.
- **Monitor Progress and Maintain Momentum:** Track implementation against agreed actions, conduct periodic progress reviews with countries, and adjust support as conditions evolve to ensure timely delivery and measurable climate impact.

Acknowledgement

The Green Climate Fund extends its sincere appreciation to the **Sultanate of Oman** and the **Environment Authority of Oman** for their generous hosting of the Sub-Regional Dialogue with Fragile and Conflict-Affected States (FCAS) in the Middle East in Muscat. The Dialogue was formally opened under the patronage of **H.E. Dr. Abdullah bin Ali Al Amri, Chairman of the Environment Authority of the Sultanate of Oman**, whose leadership and support underscored Oman's strong commitment to advancing climate action and regional cooperation. The Environment Authority's excellent organization, coordination, and substantive engagement created an enabling environment for constructive, solutions-oriented dialogue and significantly contributed to strengthening partnerships and advancing climate-resilient development across fragile and conflict-affected contexts in the Middle East.