

Readiness and Preparatory Support Proposal
for Iraq

Enhancing Climate Finance Readiness in Iraq

MINISTRY OF ENVIRONMENT

IRAQ

Readiness Proposal for Iraq

Field	Description
Title of the Readiness Proposal	Enhancing Climate Finance Readiness in Iraq
Country	Republic of Iraq
National Designated Authority (NDA)	Ministry of Environment, Iraq
Delivery Partner	UNDP Iraq Country Office
Implementation Period	48 months
Total Budget Requested (USD)	4,000,000
Readiness Support Category	Institutional Capacity Building, Strategic Frameworks, Access to Finance, Private Sector Engagement

Alignment with Country Priorities

- Iraq's Updated Nationally Determined Contribution (NDC),
- The forthcoming National Adaptation Plan (NAP),
- Iraq Climate Investment Plan (CIP),
- Supports (Institutional coordination, private sector engagement, and access to the Green Climate Fund (GCF), with a focus on both mitigation and adaptation, and
- The upcoming Biodiversity Financing Strategy

THEORY OF CHANGE:

Key Problems and Context:

- Fragmented Climate Finance System,
- Limited Institutional Capacity in Public Sector,
- Private Sector Disengagement,
- Underdeveloped Financial Sector for Climate Investment,
- Energy Transition is Undervalued.

THEORY OF CHANGE:

Solutions:

- Develop and Institutionalize a National Climate Finance Framework,
- Mainstream Climate Budgeting and Public Co-financing Mechanisms,
- Implement the Climate Investment Plan to Engage the Private Sector,
- Support Private Sector Entities in Accreditation and GCF Engagement,
- Build Capacity and Regulatory Tools for Financial Institutions,
- Highlight Mitigation Opportunities through Energy Transition.

THEORY OF CHANGE:

Pathways of Change:

- Strengthen Institutional Coordination and Governance,
- Build Technical and Operational Capacity,
- Catalyze Private Sector Engagement,
- Transform Financial Sector Readiness,
- Foster Integration Across Public and Private Channels,
- Accelerate Energy Transition Financing.

Overall Objective:

Enhance Iraq's institutional, public, private, and financial sector readiness to access, mobilize, and effectively utilize climate finance for climate-resilient, low-emission development

Components:

- Component 1: Strengthening Public Finance for Climate Action,
- Component 2: Engaging the Private Sector,
- Component 3: Strengthening Banking and Financial Institutions

Strengthening Public Finance for Climate Action

Outputs

1.1 National Climate Finance Framework

1.2 Climate Budgeting

1.3 Public Sector Co-financing Mechanism

1.4 National Green Growth Fund

Engaging the Private Sector

Outputs

2.1 Awareness & Dialogue

2.2 Climate Investment Plan (CIP) Rollout

2.3 GCF Accreditation Support

2.4 Access to GCF PSF

Strengthening Banking and Financial Institutions

Outputs

3.1 Capacity Building

3.2 Green Taxonomy

3.3 CBI Renewable Energy Lending

IMPLEMENTATION ARRANGEMENTS:

NDA: Ministry of Environment

Delivery Partner: UNDP Iraq

Executing Entities: Ministry of Environment (Climate Change Centre), Ministry of Finance, Ministry of Planning, Central bank of Iraq (CBI), KRG institutions, private sector organizations, Iraqi Banks and Non-Banking Financial institutions.

Steering Committee: NDA, Climate Change Directorate, Ministry of Planning, Ministry of Finance, National Investment Commission (NIC), CBI, UNDP, private sector reps, civil society

for

Green Growth,

Green Financing, and

Green Businesses

In Iraq



Thanks for
listening

