GREEN
CLIMATE
FUND

The Green Climate Fund

Carmen Arguello

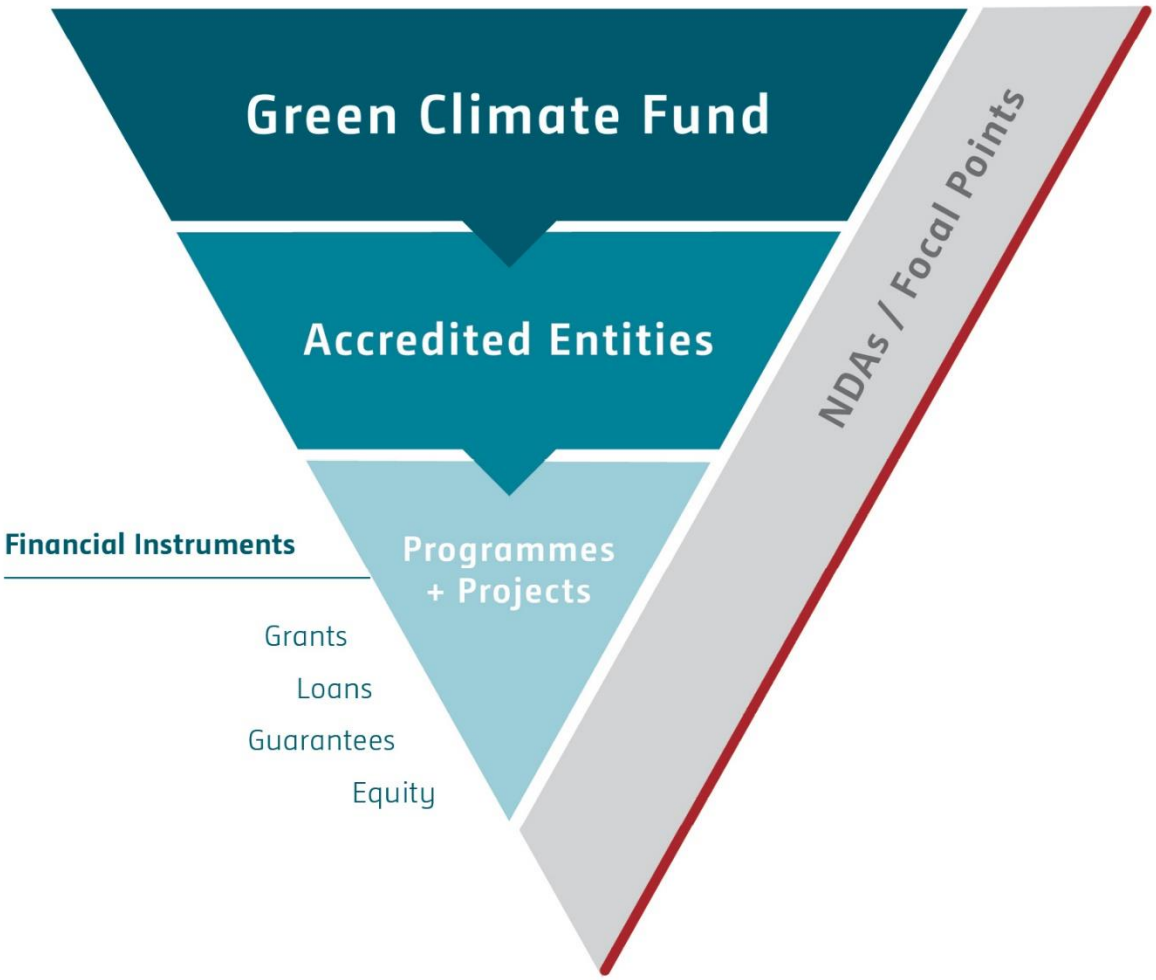
Barbados
7 December 2015

GREEN
CLIMATE
FUND

About the Fund

GREEN
CLIMATE
FUND

Fund architecture



GREEN
CLIMATE
FUND

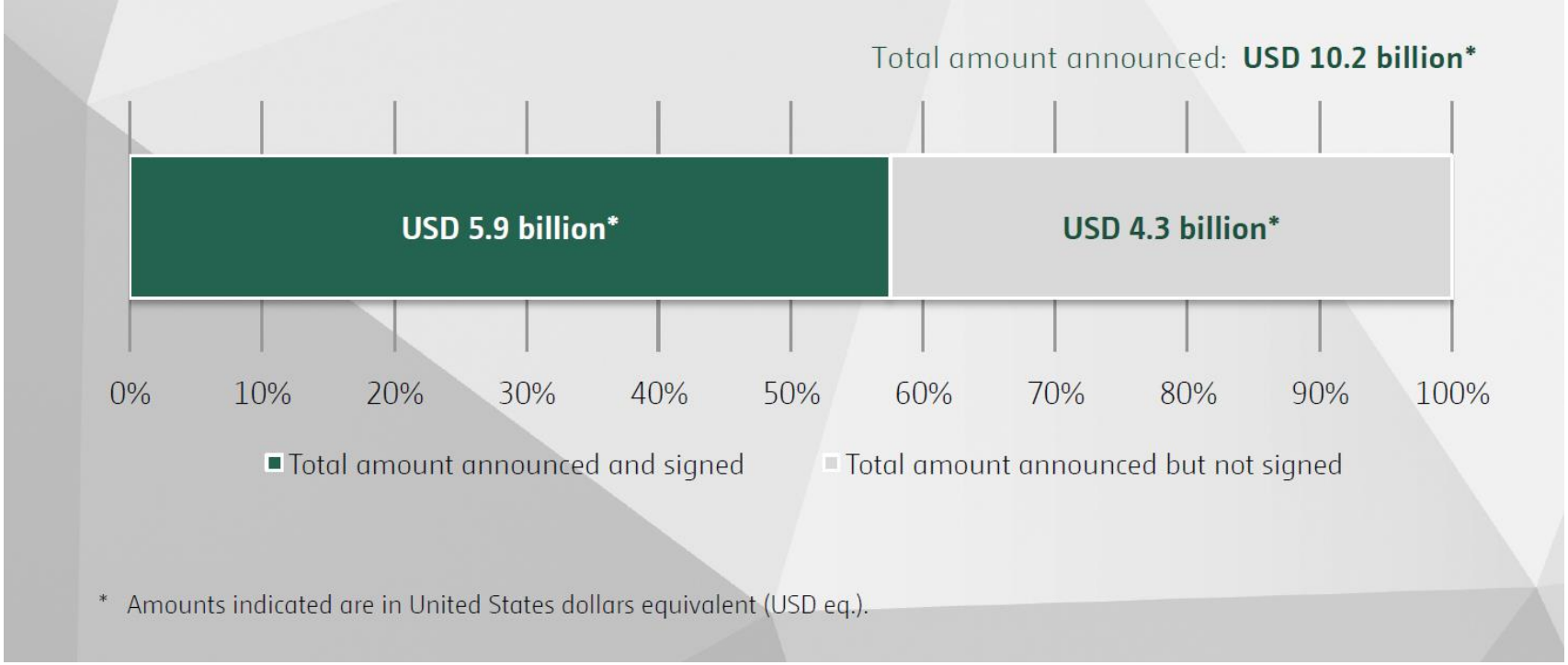
Outline

- Resources
- Funding proposals
- Accreditation
- Readiness support

GREEN CLIMATE FUND

Resources

Pledges & contributions mobilized

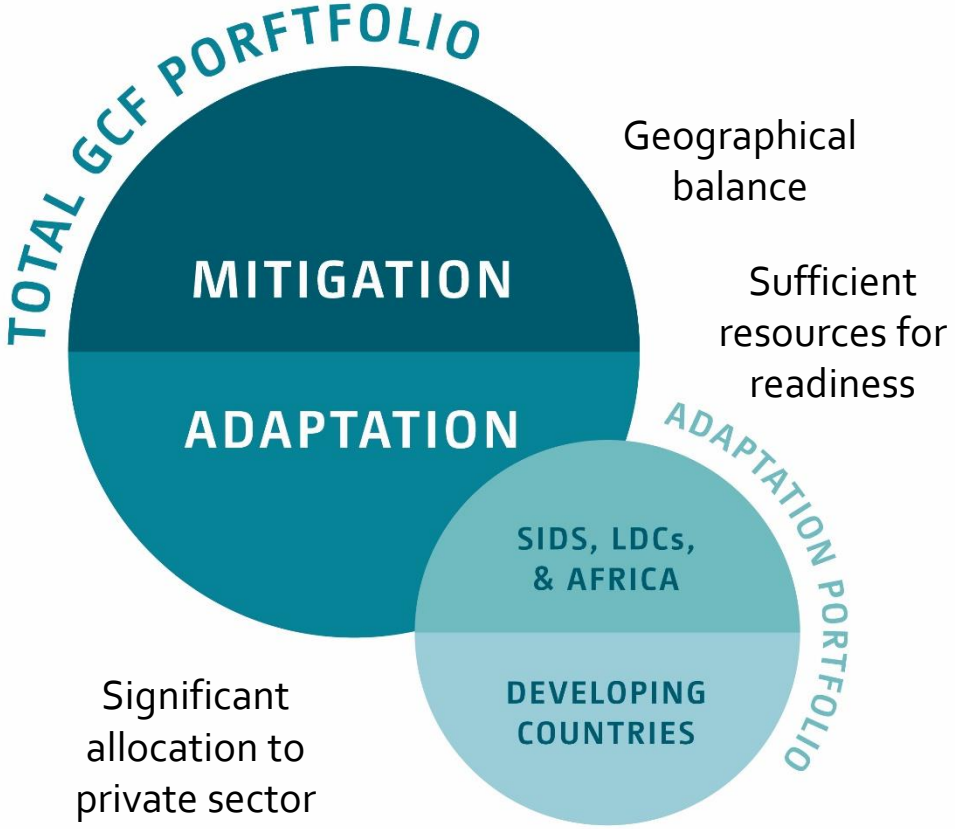


* Amounts indicated are in United States dollars equivalent (USD eq.).

GREEN CLIMATE FUND

Resources & allocation

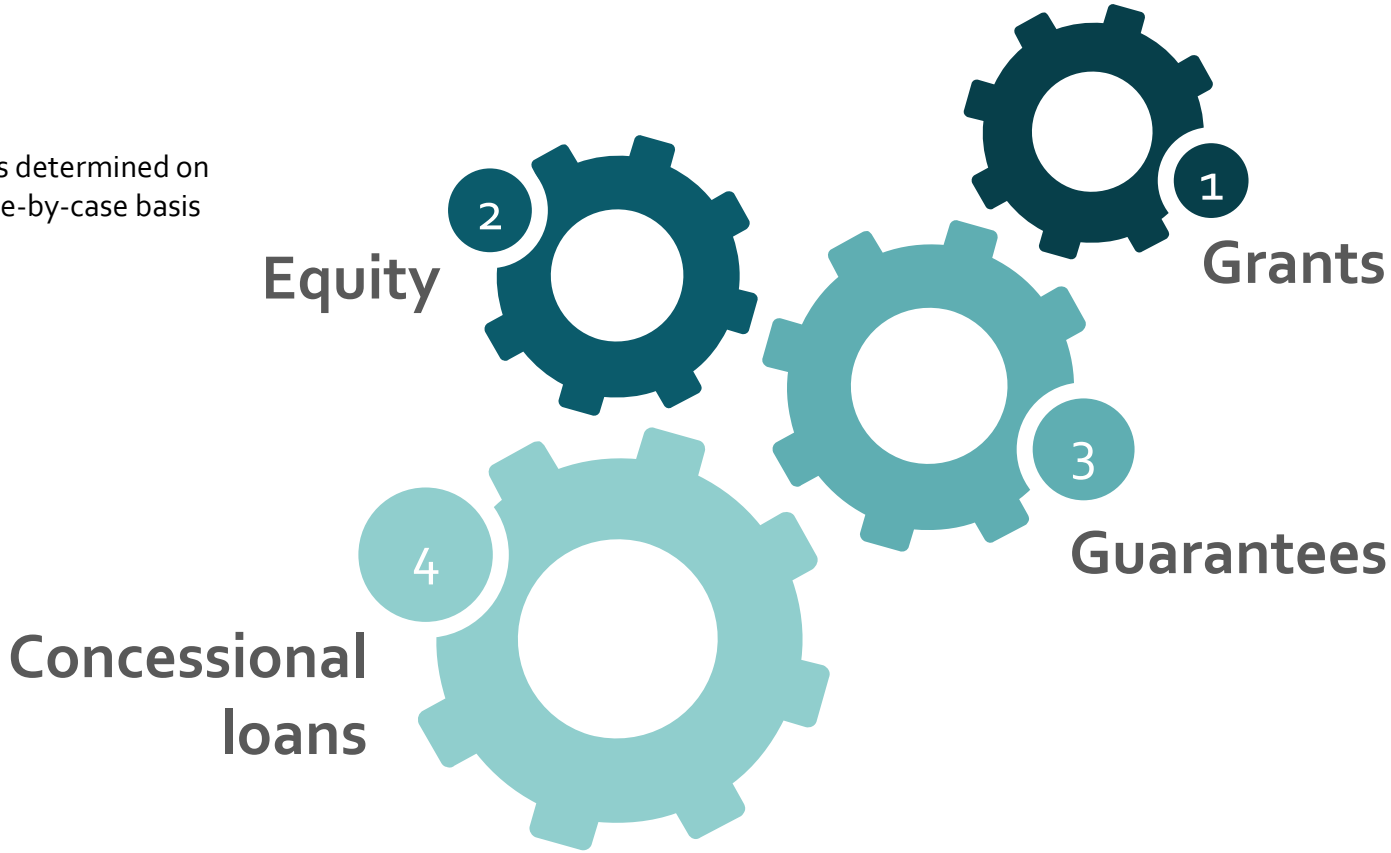
- $10.2 billion in pledges
- $5.9 billion in signed contributions (2 Nov)
- 37 governments, 8 developing countries



GREEN
CLIMATE
FUND

Financial Instruments

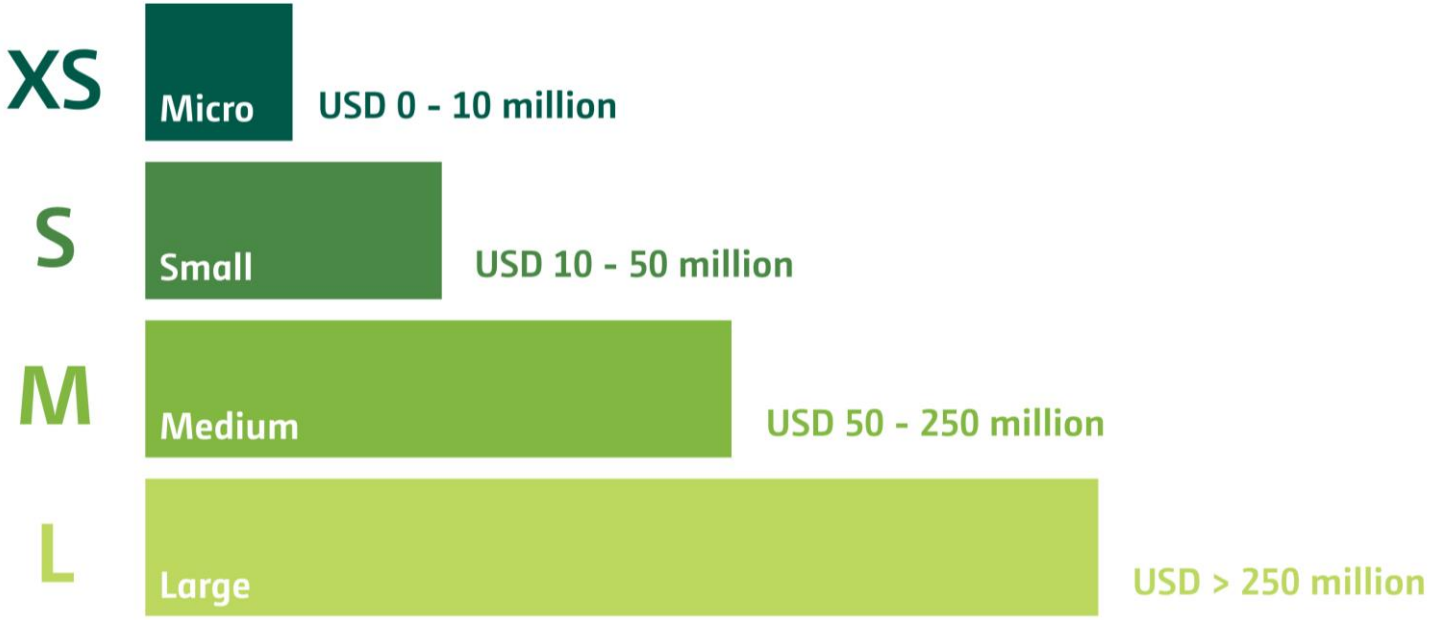
Terms determined on
a case-by-case basis



GREEN CLIMATE FUND

Size of project/activity within a programme

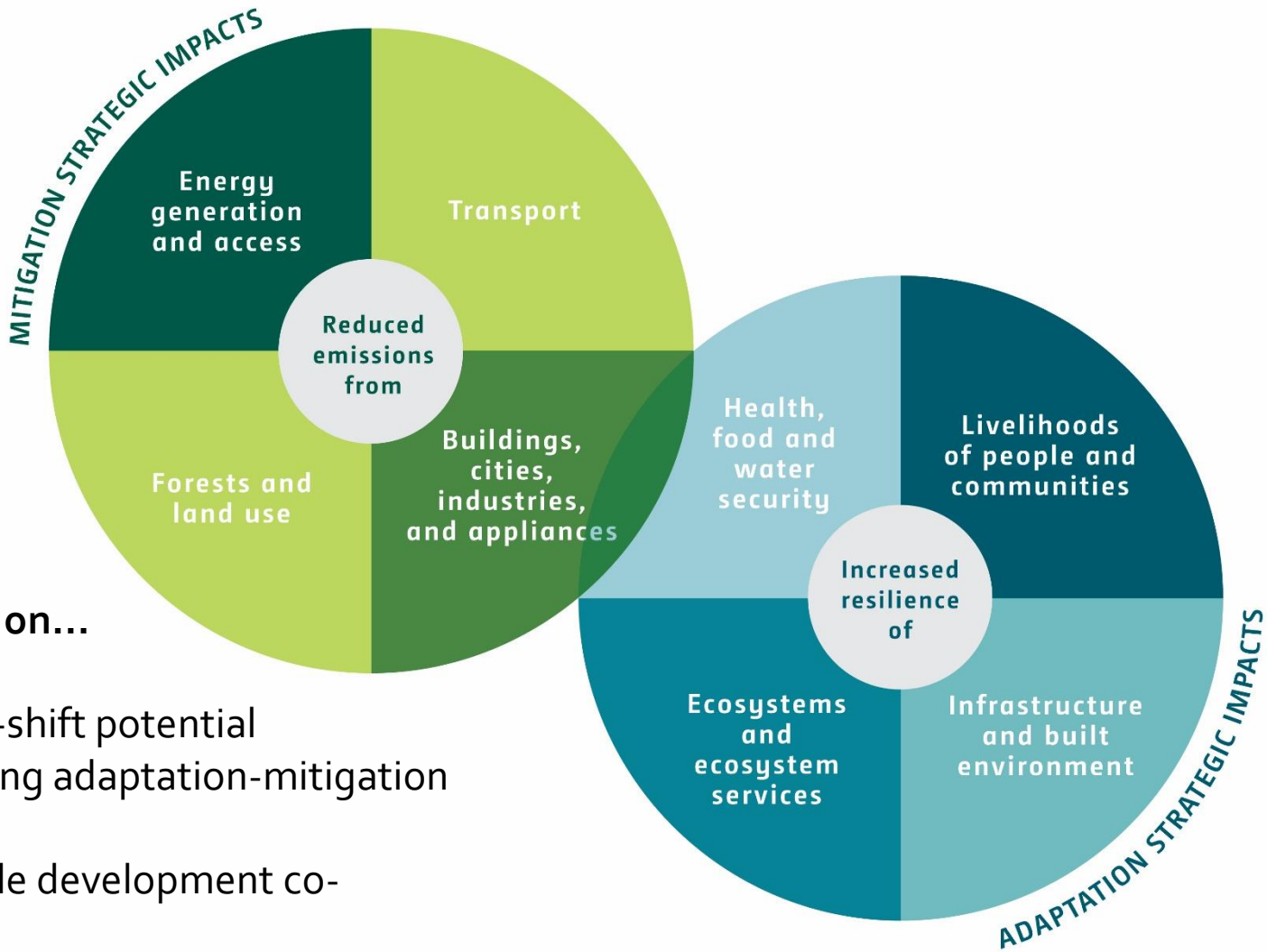
Total Projected Costs*



* At the time of application, irrespective of the portion that is funded by the Fund and, if applicable, other sources, for an individual project or activity within a programme.

GREEN CLIMATE FUND

Projects & programmes



With a focus on…

- Impacts
- Paradigm-shift potential
- Crosscutting adaptation-mitigation benefits
- Sustainable development co-benefits

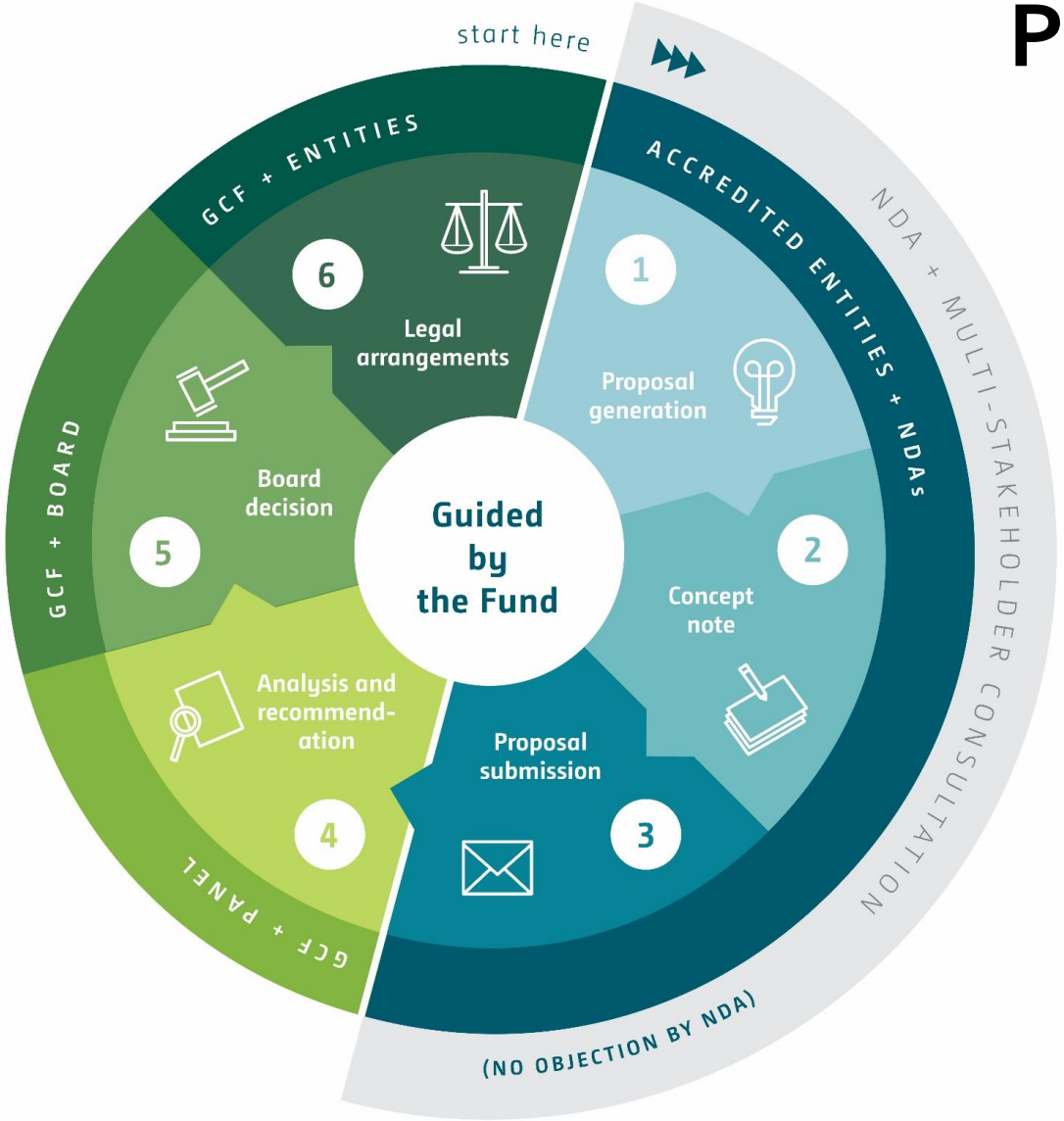
GREEN CLIMATE FUND

Six Investment Criteria

Impact potential	Potential to contribute to achievement of Fund's objectives and result areas
Paradigm shift potential	Catalyze impact beyond a one-off investment
Sustainable development potential	Wider economic, environmental, social (gender) co-benefits
Responsive to recipients needs	Vulnerability and financing needs of beneficiary in targeted group
Promote country ownership	Country ownership and capacity to implement (policies, climate strategies and institutions)
Efficiency & effectiveness	Economic and, if appropriate, financial soundness, as well as cost-effectiveness and co-financing for mitigation

GREEN CLIMATE FUND

Proposal Approval Process



GREEN CLIMATE FUND

Funding proposals

Examples

Senegal

Increasing Resilience of Ecosystems and Communities through Restoration of Productive Bases of Salinized Lands

Accredited Entity: CSE
Adaptation
GCF funding: US$ 7.6 MM

Malawi

Scaling Up the Use of Modernized Climate Information and Early Warning Systems in Malawi

Accredited Entity: UNDP
Adaptation
GCF funding: US$ 12.3 MM

Eastern Africa

Ventures Fund with a focus on SMEs, BoP customers and development of clean energy products and services

Accredited Entity: Acumen
Crosscutting
GCF funding: US$ 25 MM

Latin America and Caribbean

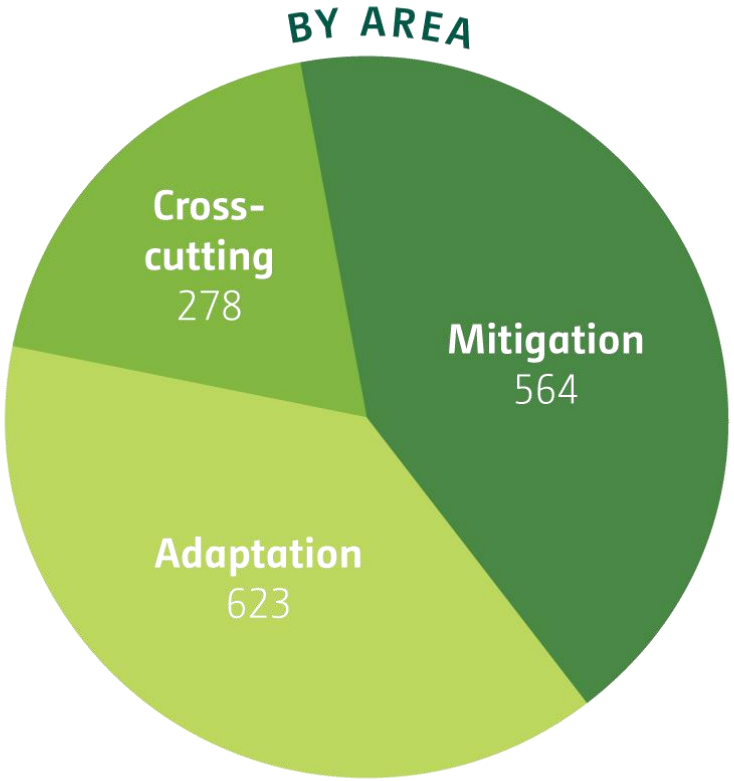
Providing alternative financing mechanism for Energy Eff. projects through the issuance of Green Bonds

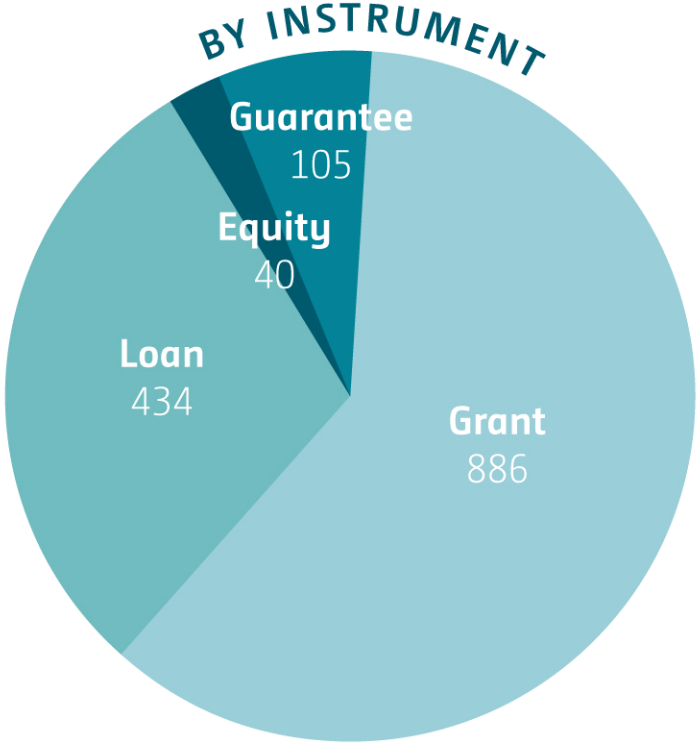
Accredited Entity: IDB
Mitigation
GCF funding: US$ 22 MM

GREEN
CLIMATE
FUND

Funding proposals

In the pipeline

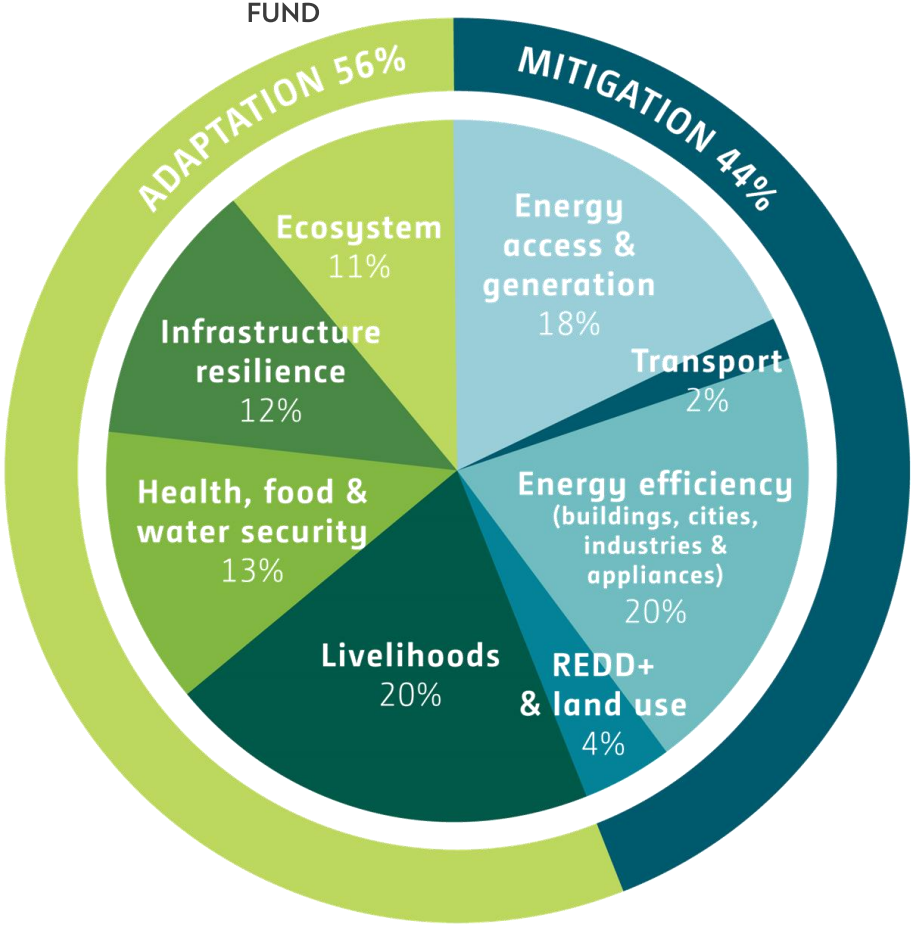


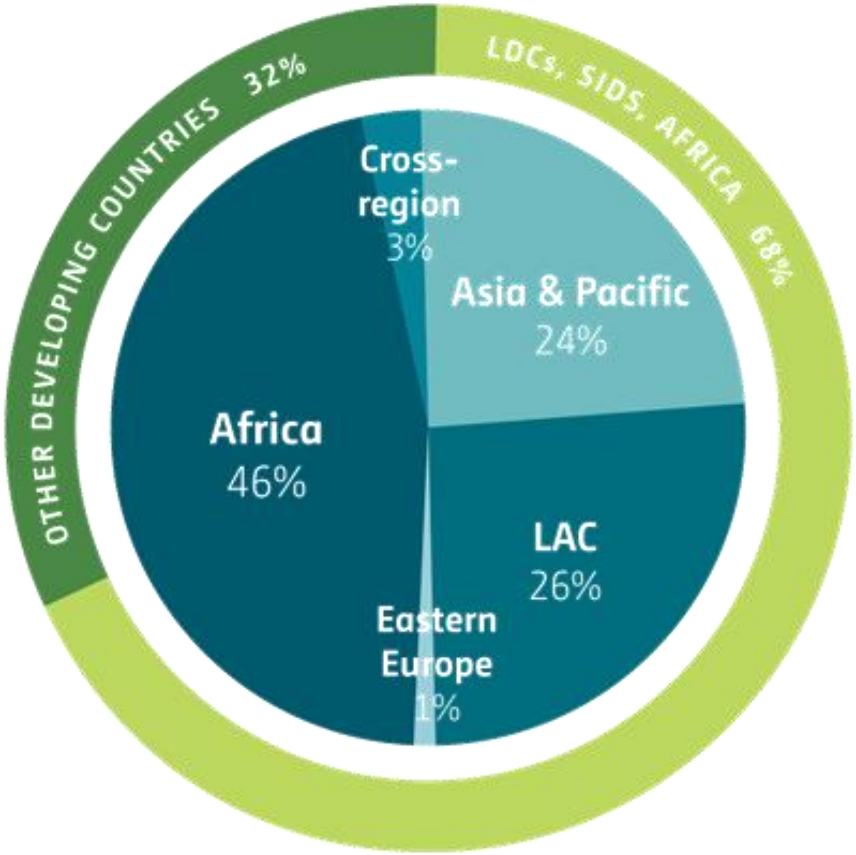


GREEN CLIMATE FUND

Funding proposals

In the pipeline





GREEN CLIMATE FUND

Access to Green Climate Fund resources

- Through a **country-driven approach**, the National Designated Authority (NDA) of a country can identify the strategy by which it will address climate change, and provide broad strategic oversight of the Fund's activities in the country.
- Access to Fund resources to undertake climate change projects/programmes will be through accredited national, regional and international implementing entities and intermediaries.
- Entities seeking accreditation to the Fund in order to access its resources will be assessed against the Fund's fiduciary principles and standards, environmental and social safeguards (ESS) and gender policy.

GREEN CLIMATE FUND

Fit-for-purpose approach to accreditation

Entities will be accredited with certain fiduciary functions, size of project/activity within a programme, and environmental risk category.

Fiduciary functions	Size of project/activity within a programme	Environmental and social risk category
Shapes how the entity will operate using the Fund's resources (e.g., grants, concessional loans, equity, guarantees)	Micro Small Medium Large	High risk Category A/ Intermediation I (I-1) Medium Category B/I-2 Low/no Category C/I-3

GREEN CLIMATE FUND

Accredited entities

Regional

- ACUMEN
- Caribbean Community Climate Change Centre
- CAF Development Bank of Latin America
- SPREP Secretariat of the Pacific Regional Environment Programme

National

- CSE
- Environmental Investment Fund of Namibia | ensuring sustainability
- Ministry of Natural Resources of Rwanda
- NABARD
- PROFONANPE

International

- AFC Africa Finance Corporation
- afd Agence Française de Développement
- ADB Asian Development Bank
- Conservation International
- Deutsche Bank
- European Bank for Reconstruction and Development
- IDB Inter-American Development Bank
- The World Bank IBRD • IDA
- kfw
- UNDP
- UNEP

GREEN CLIMATE FUND

Accreditation

In the pipeline for 2016 & beyond

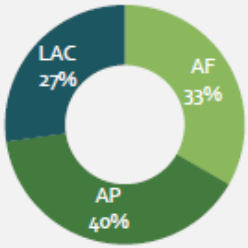
Number of entities at each stage

OAS access*	Stage 1 Applications submitted and under Stage I check	Stage 2 (Step 1) Applications under Accreditation Panel review	Stage 2 (Step 2) Entities accredited	Stage 3 Legal agreement signed
136	49	11	20	1

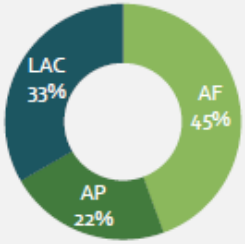
*Includes applicants that have opened an OAS access, some of whom have submitted their application.

Direct access entities

NDA/FP nominations, applications submitted including those accredited



NDA/FP nominations, accredited entities

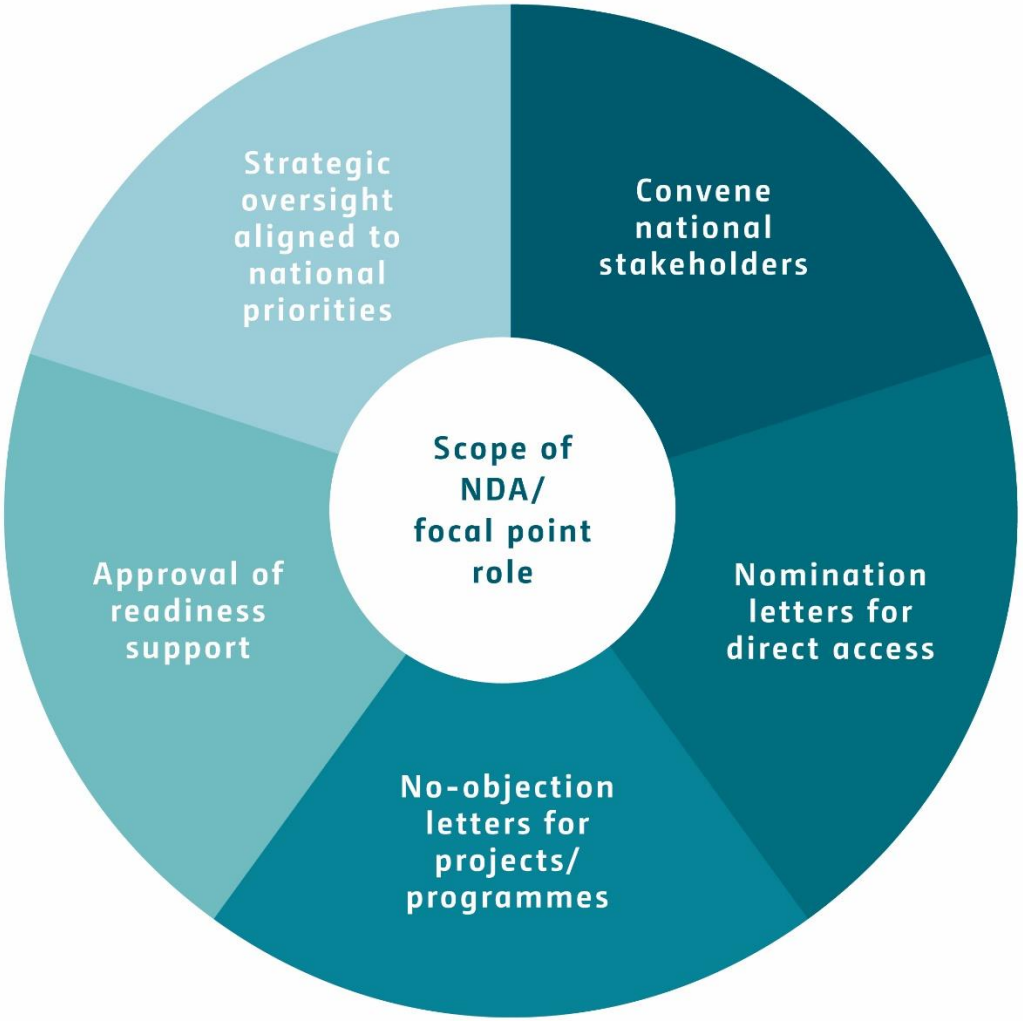


*The list of national designated authorities (NDAs) and focal points (FPs) is available at <http://www.greenclimate.fund/ventures/readiness/#who-are-ndas

Total number of direct access applications submitted	Of which those have been accredited
33	9

GREEN CLIMATE FUND

Roles of NDAs and focal points



GREEN CLIMATE FUND

Nominating entities for direct access

Inform entities of the opportunity for accreditation → Nominate entities to apply for accreditation → Approve deployment of readiness support where needed

Regional

ACUMEN

Caribbean Community Climate Change Centre

CAF DEVELOPMENT BANK OF LATIN AMERICA

SPREP Secretariat of the Pacific Regional Environment Programme

National

CSEF

Environmental Investment Fund of Namibia | ensuring sustainability

Ministry of Natural Resources of Rwanda

NABARD

PROFONANPE

GREEN CLIMATE FUND

No-objection procedure for funding proposals

Scenario 1

Accredited Entity
- Seeks no-objection from the NDA or focal point

→

Accredited Entity
- Submits proposal with no-objection letter to the Fund

→

Secretariat
- Processes complete proposal for Board consideration

Scenario 2

Accredited Entity
- Submits proposal to Fund without no-objection letter

→

Secretariat
- Informs NDA or focal point requesting no-objection within 30 days

→

NDA or focal point
- (i) Submits no-objection within 30 days
- (ii) Does not submit no-objection within 30 days

→

Secretariat
- (i) Processes complete proposal for Board consideration
- (ii) Suspends proposal & notifies accredited entity

Contents of the no-objection

GOVERNMENT HAS NO OBJECTION

CONFORMITY WITH NATIONAL PRIORITIES

CONFORMITY WITH LAWS & REGULATIONS

GREEN CLIMATE FUND

Capacities needed

Knowledge

- National priorities, strategies, plans
- Adaptation & mitigation efforts/needs

Insight

- On institutions & stakeholders relevant for the country's engagement with the Fund
- Activities of other funding mechanisms & institutions

Influence

- Contribute to and drive national development strategies & plans
- Facilitate multi-stakeholder consultations

GREEN CLIMATE FUND

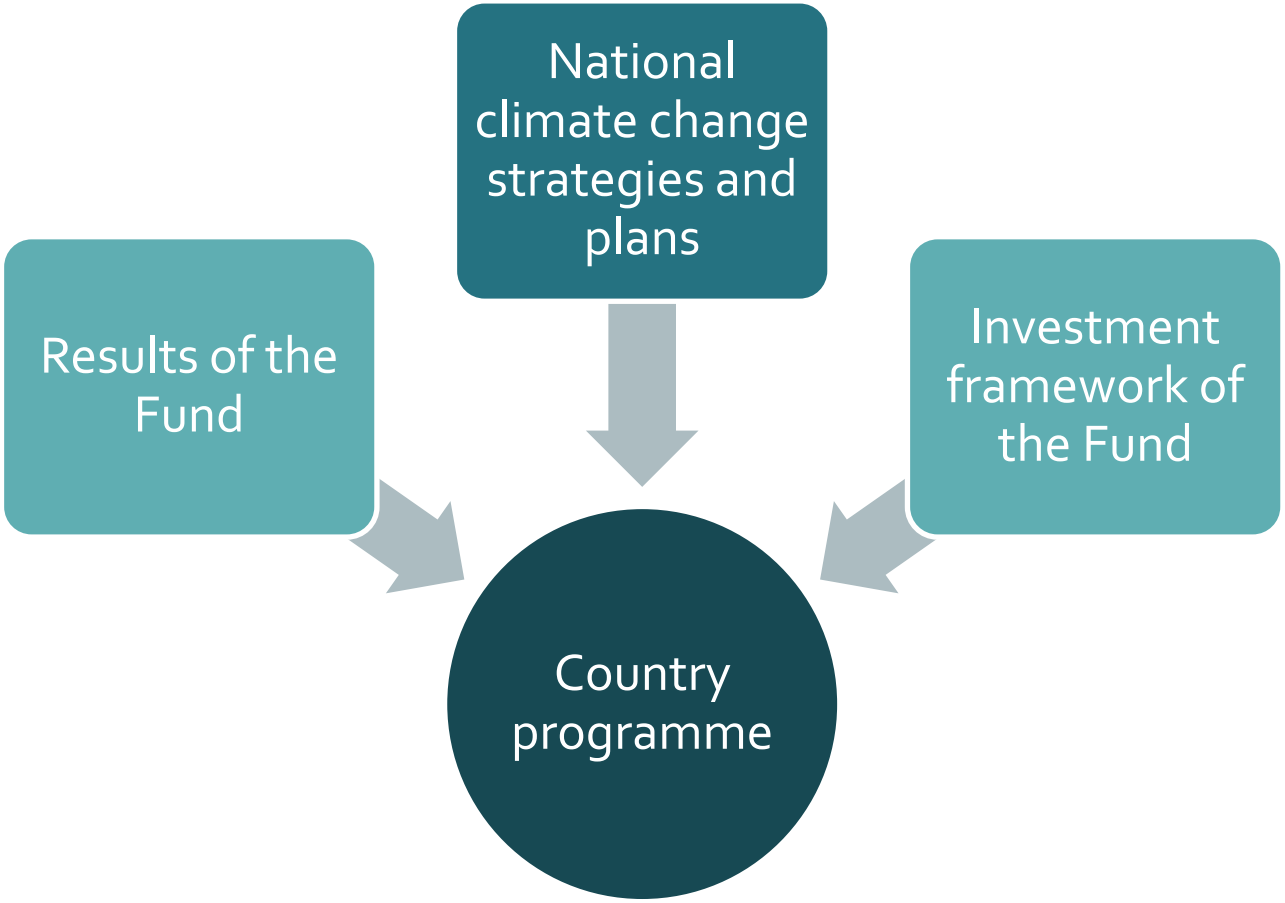
Scope of Readiness Activities

GREEN CLIMATE FUND

Readiness support for NDAs and focal points

Strengthening the capacities of the NDA or focal point **(area 1)**	Capacity to fulfil roles & responsibilities
	Ongoing engagement of stakeholders
	Direct or delivery partner
	Up to USD 150,000
Developing a strategic framework for engagement with the Fund **(area 2)**	Development of a country programme
	Multi-stakeholder engagement in development of the country programme
	Direct or delivery partner
	Up to USD 150,000

Country strategic framework



Ongoing consultative process with stakeholders

GREEN
CLIMATE
FUND

Possible elements of a country programme

Context

Development circumstances and climate change response

- Development and climate change strategies | NAMAs, NAPAs, NAPs, TNAs, INDCs, etc. | key data on climate change | summary of national priorities

Stakeholders

Role and contribution of key stakeholders

- Ministries & agencies, including national development banks, environment funds & state-owned enterprises | sub-national institutions & local governments | private sector institutions, including financial institutions & SMEs | civil society and international organizations

Priorities

Identification of priorities for the Green Climate Fund

- Adaptation, mitigation & cross-cutting priorities | Concept notes where developed

Action plan

Concrete actions necessary to realise identified priorities

- Priority investment/funding opportunities | project/programme preparation support | policy/regulatory development | monitoring & evaluation capacity needed | potential entities for accreditation | readiness needs

GREEN CLIMATE FUND

Readiness support for entities and pipelines

Enabling sub-national, national & regional entities to meet Fund's standards **(area 3)**	Gap analysis of potential entities
	Capacity building support to close gaps
	Delivery partner or accredited entity
	Subject to country cap (USD 1 million)
Developing project/ programme pipelines aligned with Fund's investment framework **(area 4)**	Project preparation, including technical, financial, operational & legal assessments
	Monitoring & evaluation of impacts
	Delivery partner or accredited entity
	Subject to country cap (USD 1 million)

GREEN CLIMATE FUND

Readiness steps & documentation

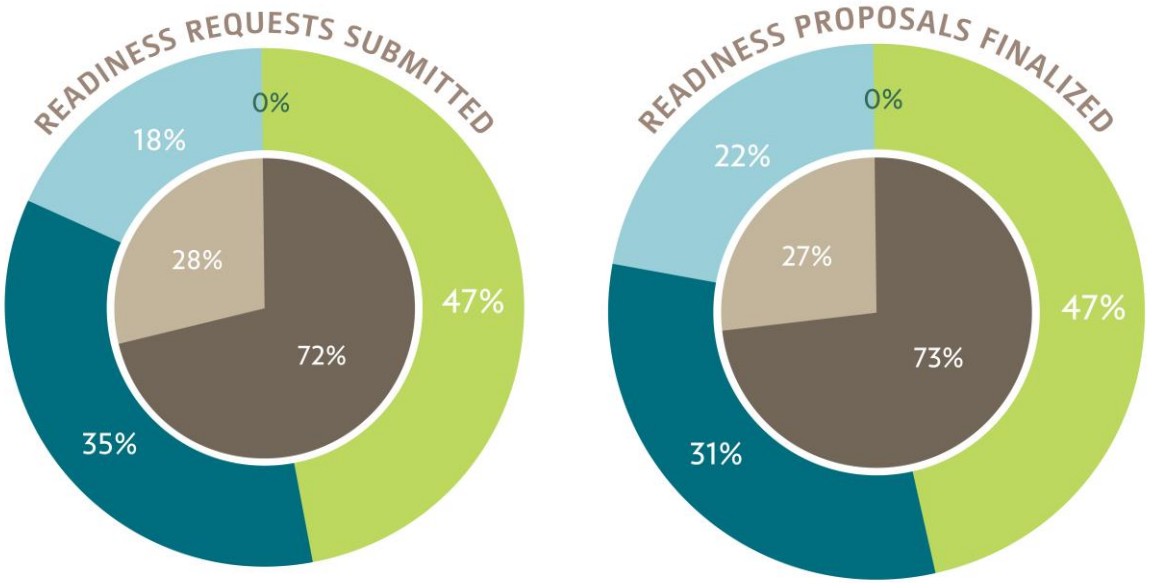
Request submission	Request or expression of interest
Proposal development	Readiness proposal with implementation plan, budget & procurement plan
Review	Proposal review & financial management capacity assessment
Legal arrangements	Grant agreement and related legal documents
Disbursement & reporting	Disbursement requests with reports

GREEN CLIMATE FUND

Readiness support

NDAs and focal points

NDA/FP nominations	Readiness requests	Readiness proposals	Readiness support finalized	Grant agreements signed
135	95	43	32	6



Regional Distribution

- Africa
- Asia Pacific
- Latin America & Caribbean
- Eastern Europe

Vulnerable Countries

- SIDS/LDC/African States
- Other

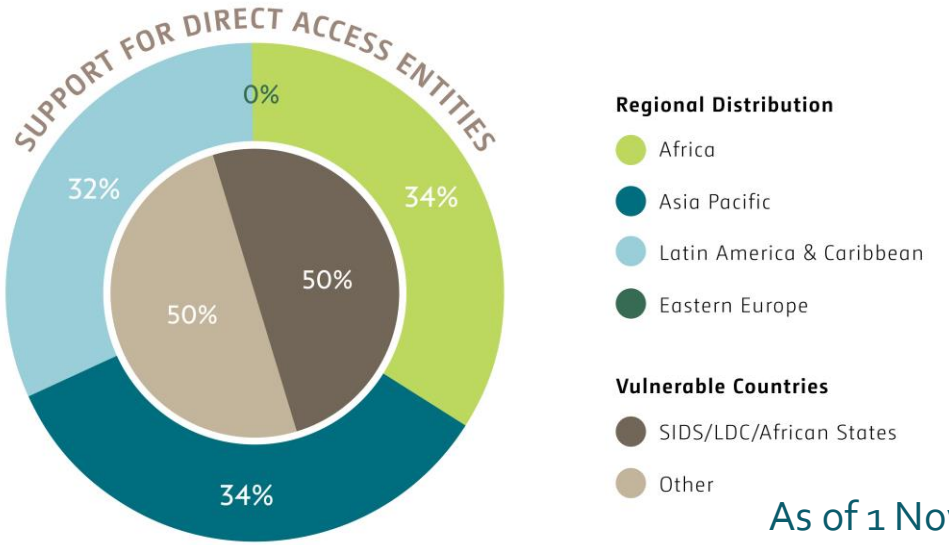
As of 1 November 2015

GREEN CLIMATE FUND

Readiness support

Nominated direct access entities

Nominations of direct access entities	In-kind support to direct access entities	In-depth assessment of nominated entities
81	38	9



As of 1 November 2015

GREEN CLIMATE FUND

State of play in Caribbean countries

NDA/Focal Point Nominations	• 15 countries
Readiness Requests	• 5 countries
Readiness Support Granted	• Dominican Republic, Antigua and Barbuda
Direct Access Entities Nominated by Countries	• Belize, Haiti

GREEN
CLIMATE
FUND

Thank you!

Laetitia de Marez
Regional Advisor for the Caribbean
E-mail: ldemarez@gcfund.org

Carmen Arguello
Regional Advisor for Latin America
E-mail: carguello@gcfund.org

Website: www.GCFund.org

GREEN
CLIMATE
FUND