

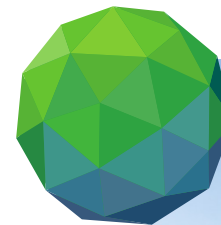
**GREEN
CLIMATE
FUND**

**Mobilizing funding to invest
in low-emission and climate-resilient development**



Outline

- 1 | Objectives and resources of the Green Climate Fund
- 2 | How does the GCF work? Structure and access modalities
- 3 | What can be funded by the GCF? Criteria for project selection
- 4 | Readiness and preparatory support



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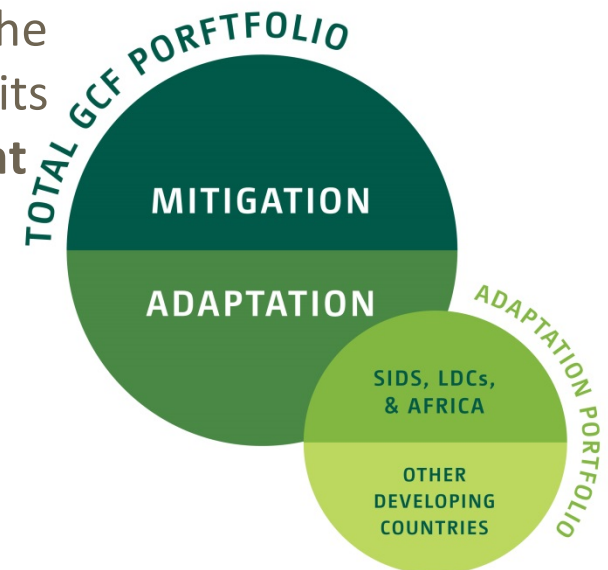


Source: GCF



1 | Objectives and resources of the Green Climate Fund

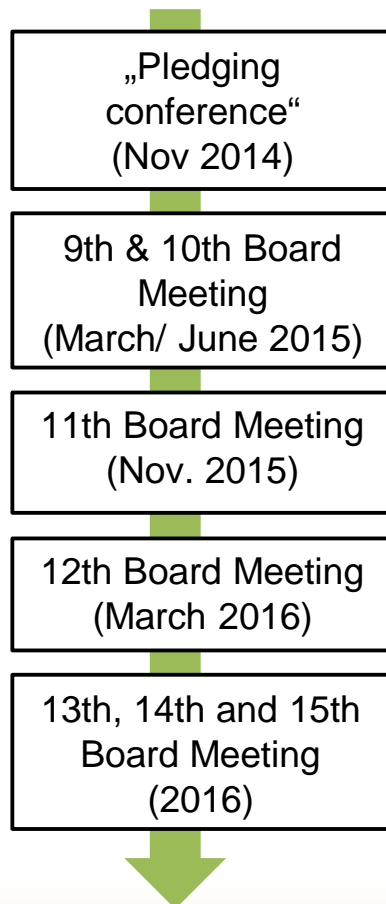
- The GCF will pursue a **country-driven approach** and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders.
- The GCF “aims to support a **paradigm shift** in the global response to climate change. It allocates its resources to **low-emission and climate-resilient** projects and programmes in **developing** countries.”
- The Fund has a “commitment to aim for 50:50 **balance between mitigation and adaptation** investments.”



Source: GCF



1 | Objectives and resources of the Green Climate Fund



- Start of initial resource mobilization (until 2018)
→ Volume (03/2016): 10.2 billion USD in pledges - largest public fund dedicated to climate finance
- Accreditation of first entities
- First funding approvals
→ The approval of the first round of projects is considered as the **end of GCF's launch phase** and kick-starting the flow of climate finance
- Accreditation of further entities
- Target: Approve 2.5 billion USD in 2016 for high quality, transformational projects



2 | How does the GCF work? Structure and access modalities

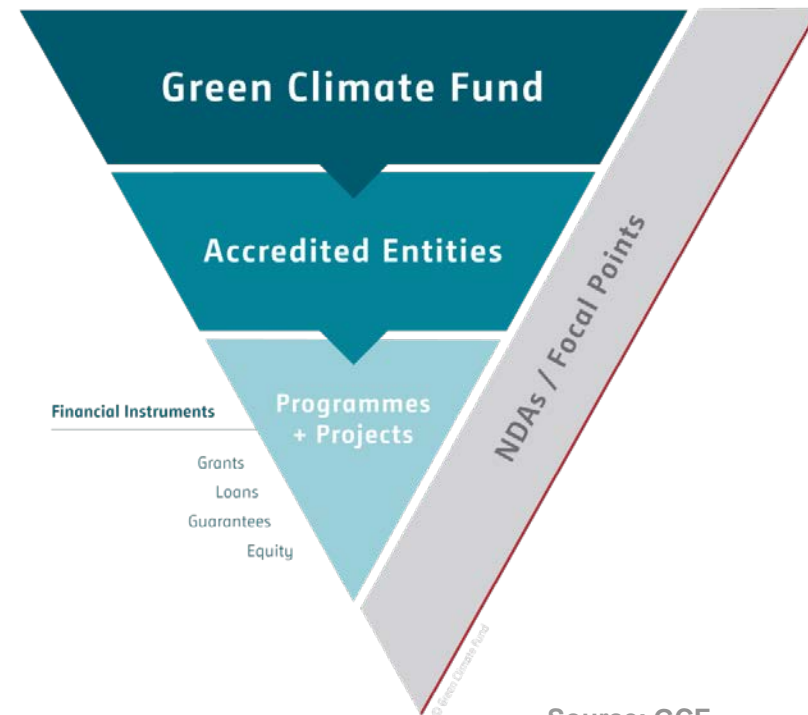
Access modalities

- Accredited Entities: Countries can work through multiple entities (international, regional, national)
- Applicant entities must meet the Fund's fiduciary standards and environmental and social safeguards (ESS)

Ensuring ownership

- The NDA fulfils an important function of representing the priorities and interests of the country in a clear and transparent manner

GCF Architecture

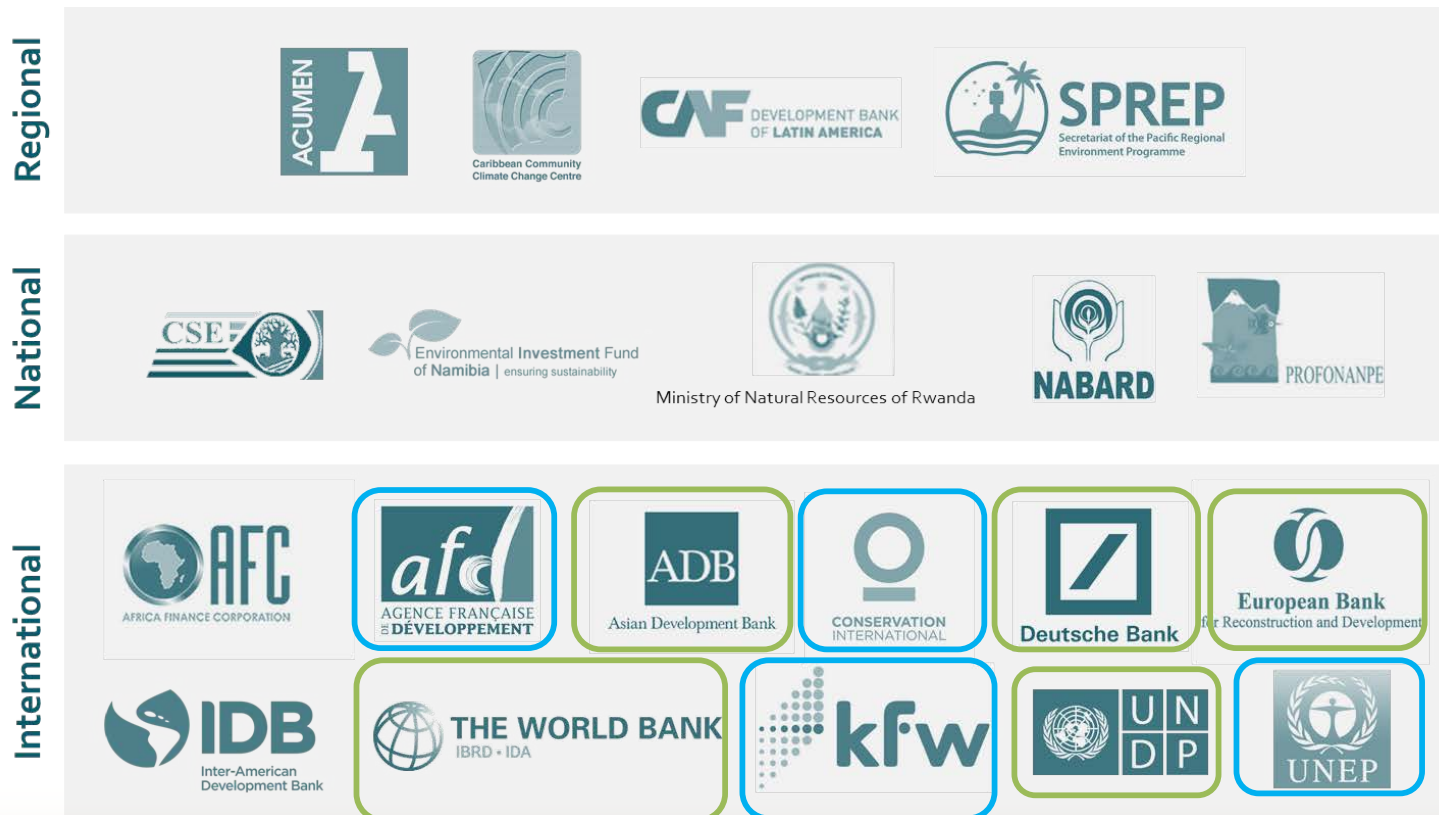


Source: GCF



2 | How does the GCF work? Structure and access modalities

Accredited entities



Source: GCF



3 | What can be funded by the GCF? Criteria for project selection

Initial results areas

Mitigation

- Energy efficiency of buildings and appliances;
- Energy efficiency of industrial processes;
- Low-emission transport;
- Low-emission energy access;
- Small-, medium- and large-scale low-emission power generation;

Adaptation

- Adaptation activities to reduce climate-related vulnerabilities;
- Selected flagship activities cutting across adaptation result areas;
- Scaling up of effective community-based adaptation (CBA) actions;

Afforestation / REDD+

- Sustainable forest management to support mitigation and adaptation including afforestation and reduction of forest degradation;
- REDD+ implementation;

Cross-cutting

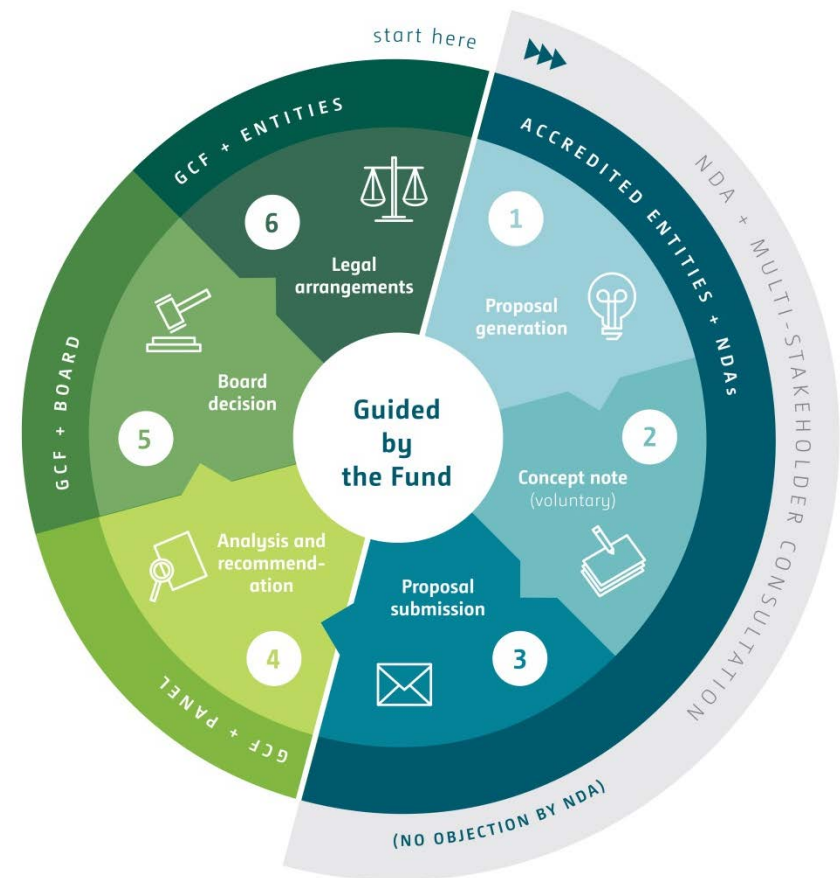
- Design and planning of cities to support mitigation and adaptation;
- Sustainable land use management to support mitigation and adaptation;
- Readiness and capacity building for adaptation and mitigation activities;
- Supporting the coordination of public goods such as “knowledge hubs”.



3 | What can be funded by the GCF? Criteria for project selection

Project approval process

- After accreditation, an accredited entity can submit project and programme proposals for funding.
- Accredited entities must seek the no-objection(s) from the NDA(s) or focal point(s) for funding proposals.
- Funding proposals will be evaluated against the Fund's **investment criteria**.

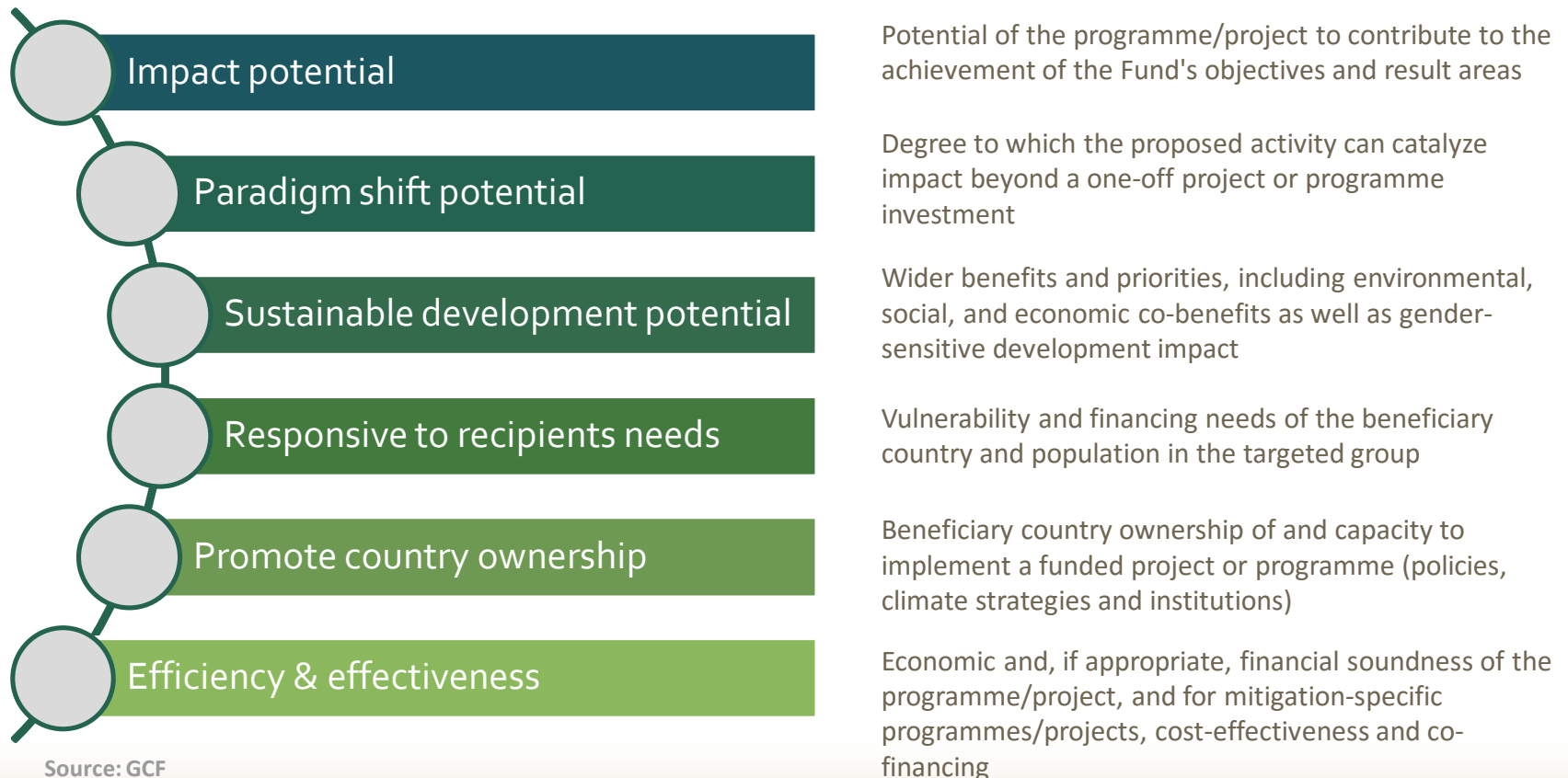


Source: GCF



3 | What can be funded by the GCF? Criteria for project selection

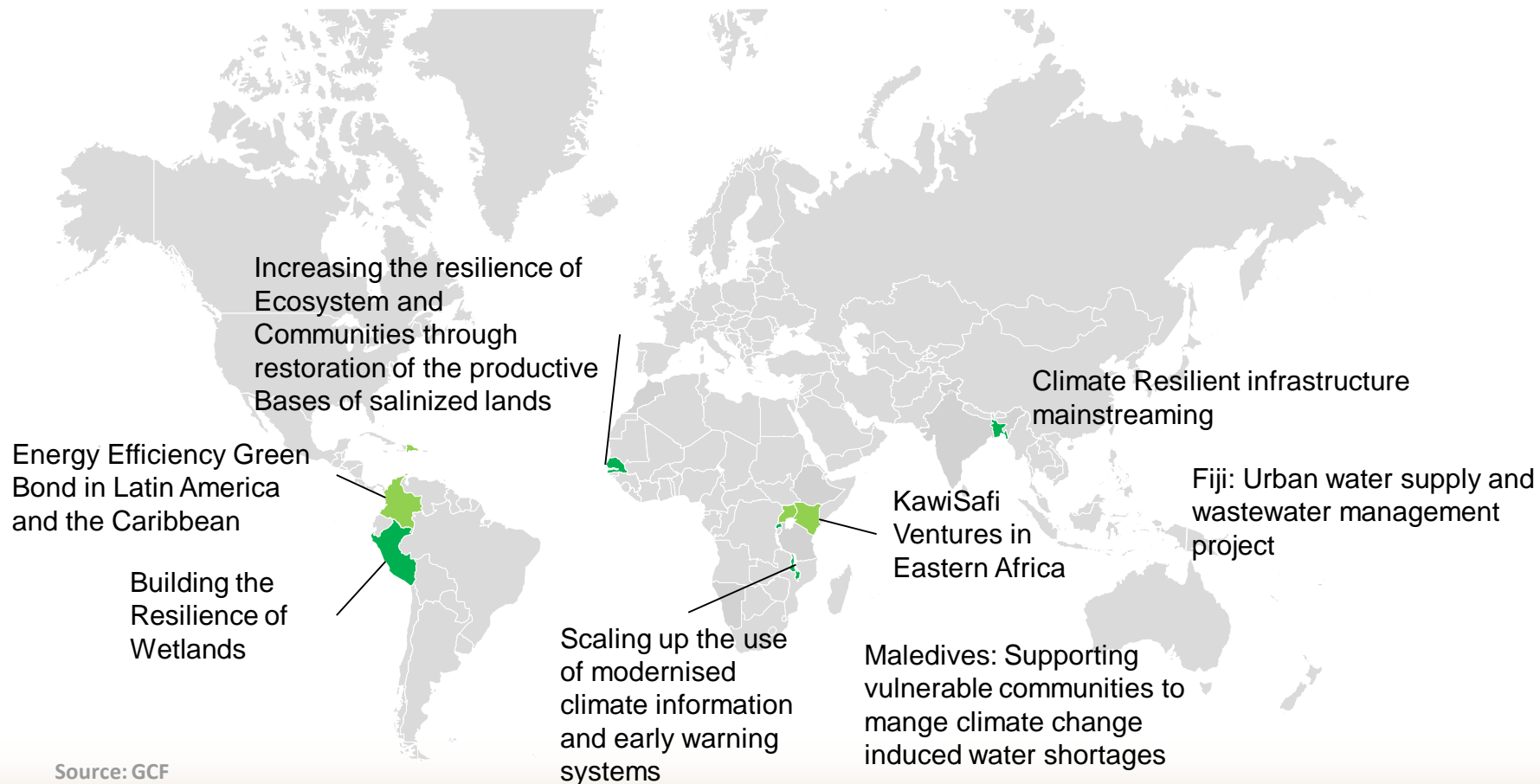
Investment criteria



Source: GCF



3 | What can be funded by the GCF? The first approved projects





4 | Readiness and preparatory support

Readiness support by the GCF



All **developing** countries are eligible for readiness support

- Support countries to engage with Fund
- Respond to country needs and priorities, working in
- Collaboration with the NDA/FP
- Build on existing structures and efforts, and work in partnership with others
- Identify and support interventions that will add value at country level
- Develop responsive readiness interventions that help countries make effective use of the GCF



4 | Readiness and preparatory support

Example of readiness support by international actors: GIZ and KfW

Climate Finance Readiness Programme (CF Ready)

- Improve the conditions needed to achieve results-oriented, transformational and efficient use of funds from international climate financing – in particular from the GCF.
- **Volume (GIZ):** € 15 million
- **Approach:** Intensive in-country coordination, efficient use of tested methods and tools, monitoring developments in climate finance and seek for partners





7 | Conclusion

Why is the GCF different?

1. Scale and Impact	2. Governance	3. Access	4. Allocation
<ul style="list-style-type: none">• The largest and fastest-growing climate fund• Promote a paradigm shift and help developing countries transform their economies and put them on a low emission and climate-resilient pathway• Country -driven and in line with countries priorities• Expected to become the main global fund for climate finance	<ul style="list-style-type: none">• Board comprised of an equal number of members from developed countries and developing countries• Dedicated seats for SIDS and LDCs	<ul style="list-style-type: none">• Recipient countries will be able to utilize direct access or access through international and regional intermediaries and implementing entities accredited by the Fund	<ul style="list-style-type: none">• Minimum floor for adaptation financing to SIDS, LDCs• The allocation of resources will be balanced between adaptation and mitigation activities• The allocation of resources will be based on results

Source: adapted from Climate Analytics



Thank you for your attention !



Impressum

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2 | How does the GCF work? Structure and access modalities

Fund's fiduciary standards, ESS and gender policy

Basic Fiduciary Standards

- Key administrative and financial capacities
- Transparency and accountability

Specialized Fiduciary Standards

- Project management
- Grant award and/or funding allocation mechanisms
- On-lending and/or blending

Gender Policy

- Policies, procedures, and competencies

Environmental and Social Safeguards (ESS)

Institutional ESMS policy-level:

✓ **Performance Standard (PS) 1:**

Assessment and management of relevant PS1-8 environmental and social risks and impacts through an environmental and social management (ESMS)

Project-level:

- ✓ **PS2:** Labor and working conditions
- ✓ **PS3:** Resource efficiency and pollution prevention
- ✓ **PS4:** Community health, safety & security
- ✓ **PS5:** Land acquisition & involuntary resettlement
- ✓ **PS6:** Biodiversity conservation & sustainable management of living natural resources
- ✓ **PS7:** Indigenous peoples
- ✓ **PS8:** Cultural heritage

Source: GCF



6 | Conclusion

Seeking accreditation – yes or no?

- GCF expected to exist for many years: investment into the future
- Requirements of time and resources for:
 - Compiling the required documents (including potentially confidential material)
 - Translating documents
 - Introducing new policies / standards / processes
- „Readiness“ of the institution and commitment by senior management
- Competition for resources within the country: Who else will be accredited?
- Opportunities for developing a feasible project pipeline