Green Climate Fund Coordination

UN Environment’s engagement with Green Climate Fund: structure, investment criteria, review and approval process.

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The Green Climate Fund
About the Green Climate Fund

- An **operating entity** of the Financial Mechanism of the UNFCCC and Paris Agreement
- Promotes the **PARADIGM SHIFT** towards low carbon and climate resilient DEVELOPMENT PATHWAYS
- **Largest fund globally** that is fully dedicated to climate change: USD **10,3 Billion** pledged from 43 Governments
- Host country: **South Korea**
- **Board:** 24 members of the GCF board half developed/developing countries and 4 observers (2 from civil society, 2 from private sector)
- **Trustee:** World Bank interim. Permanent trustee selection is in process
- **Access modality:** direct and international access (53 accredited entities as at October 2017)
GCF Business model

GCF Architecture

Green Climate Fund

Accredited Entities

Programmes + Projects

Financial Instruments

Grants
Loans
Guarantees
Equity

NDAs / Focal Points
GCF resources

- USD 10.3 billion in pledges
- USD 10.1 billion in signed contributions
- USD 2.59 billion programmed for 54 approved projects as at October 2017
- 50/50 split between adaptation & mitigation
- Geographical balance
- 50% of adaptation resources for SIDS, LDCs and African States
- ~USD 130 million for Readiness support
- USD 40 million for Project Preparation Funds
## Investment Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Impact Potential</strong></td>
<td>Potential to achieve the Fund's objectives and results areas</td>
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<tr>
<td><strong>Paradigm Shift Potential</strong></td>
<td>Potential to catalyse impact beyond a one-off project or programme investment</td>
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<td><strong>Sustainable Development</strong></td>
<td>Potential to provide wider benefits and priorities</td>
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<td><strong>Potential needs of Recipient</strong></td>
<td>Vulnerability and financing needs of the beneficiary country and target groups</td>
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<tr>
<td><strong>Country Ownership</strong></td>
<td>Beneficiary country ownership of and capacity to implement funded activities</td>
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<tr>
<td><strong>Efficiency &amp; Effectiveness</strong></td>
<td>Economic and financial soundness of programme/project; appropriateness of concessionality</td>
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GCF programming Overview

- INDCs
- NAPs
- TNAs

Country and Entity Programmes

READINESS (incl. adaptation planning)

PPF

FP

GCF pipelines
UN Environment engagement with the Green Climate Fund
UN Environment accreditation profile

<table>
<thead>
<tr>
<th>ENTITY PROFILE</th>
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<tbody>
<tr>
<td>Entity Type:</td>
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<tr>
<td>Size:</td>
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<tr>
<td>Fiduciary Standard:</td>
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<tr>
<td>Environmental and Social Risk Category:</td>
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GCF strategic impacts

MITIGATION STRATEGIC IMPACTS

- Energy generation and access
- Forests and land use
- Reduced emissions from
- Buildings, cities, industries and appliances

ADAPTATION STRATEGIC IMPACTS

- Health, food and water security
- Livelihoods of people and communities
- Increased resilience of
- Ecosystems and ecosystem services
- Infrastructure and built environment
UN Environment and climate change

UN Environment aims to strengthen the ability of countries to move towards climate-resilient and low emission pathways for sustainable development and human well-being.

**Climate Resilience:**
Ecosystem-based adaptation integrated into development

**Low -emission pathways:**
Energy efficiency improved; Renewable energy increased

**REDD plus:**
REDD plus strategies developed and implemented
Climate Resilience

Ecosystem-based adaptation approaches are implemented and integrated into development plans.

Assessment, networks, & tools:
Adaptation Gap Reports, CLICC, PROVIA, Global and regional networks, UN resilience initiative (A2R),

Ecosystem-based Adaptation portfolio:
Mountains, river basins, dry lands, urban areas

Adaptation finance:
Readiness support (GCF, AF), Microfinance for Ecosystem based Adaptation

Adaptation planning and reporting under UNFCCC:
NAPAs, NAPs, NDCs, National Communications, support to Negotiators
**Low emission development**

**Energy efficiency** is improved and the use of **renewable energy** is increased to help reduce greenhouse gas emissions and other pollutants.

<table>
<thead>
<tr>
<th><strong>Energy Efficiency &amp; Renewable:</strong></th>
<th><strong>Clean energy investments:</strong></th>
<th><strong>Short Lived Climate Pollutants:</strong></th>
<th><strong>CTCN:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>lighting, appliances, equipment, district energy, transport efficiency, geothermal, solar, bioenergy.</td>
<td>GCF readiness support, Seed Capital Assistance Facility (SCAF), Mediterranean Investment Facility (MIF), Portfolio Decarbonization Coalition (PDC)…etc.</td>
<td>Clean Climate Air Coalition (CCAC): 112 partners, 11 initiatives; addresses CH4, HFCs, black carbon.</td>
<td>11 Partners; 150+ Network members; Provides information, capacity building, technical expertise</td>
</tr>
</tbody>
</table>

**Reporting under UNFCCC:**

National Commutations (NCs); Biennial Update Reports (BURs), Technology Needs Assessments (TNAs), National Determined Contributions (NDCs).
Transformative REDD plus strategies and finance approaches are developed and implemented by developing countries that aim at reducing emissions from deforestation and forest degradation and bringing multiple benefits for biodiversity and livelihoods.
UN Environment’s comparative advantage

UN Environment aims to help interested countries build a portfolio of transformational and sustained impact, based on its comparative advantage in the following areas:

- Redirecting unsustainable financial flows
- Promoting ecosystem-based approaches that bring adaptation and mitigation benefits
- Fostering low emission development, particularly in rapidly growing urban areas, through the promotion of energy efficiency and renewable energy

Capacity building of national entities including on data analysis and extraction
UN Environment support to countries: Projects

**Approved**
- **Gambia**: Ecosystem based Adaptation: USD 20.5m

**Submitted for Board consideration in 2018**
- **Mozambique**: Coastal Ecosystems based Adaptation: USD 33.7m
- **Burundi, Lesotho, Malawi, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe**: Ecosystem based Adaptation: USD 45.7m

**Advanced Development**
- **Lao**: Ecosystem based Adaptation USD 29.7m
- **Paraguay**: REDD+ Finance mechanisms: USD 15m

**Private Sector Facility Window**
- **Asia and Africa**: Seed Capital Assistance Facility.
- **Indonesia**: scale up of Tropical Forests Finance Facility

**Under Development:**
- **Mongolia**: Holistic Waste Management
- **Jordan**: Integrated Landscape Management
- **Jamaica**: REDD+ to Reef Landscape
- **11 Pacific Island Countries**: Energy Efficiency
- **Kenya, Uganda, Rwanda**: Electric mobility: electric motorcycles
- **Chile**: Electric mobility in Santiago: electric buses
- **Colombia**: Micro-finance based Adaptation
- **Ghana**: Resilient Landscapes
- **Antigua and Barbuda**: Climate Resilience
- **Kenya**: Greening Economic systems
- **Benin (SAP)**: Climate Resilience of rural communities
- **Central American countries**: Biodiversity
## UN Environment support to countries: Readiness

### Approved
- Albania
- Benin
- Comoros
- Egypt
- Ghana (CTCN)
- Jordan
- Maldives
- Montenegro
- Myanmar
- Myanmar (CTCN)
- Niger
- Palestine (CTCN)
- Serbia
- Tonga (CTCN)
- Zimbabwe

### Under review by Secretariat
- Brazil
- Honduras
- Madagascar
- Mauritius (CTCN)
- Mongolia
- Myanmar
- Niger
- South Sudan
- Sri Lanka
- Swaziland

### National Adaptation Planning

#### Approved
- Nepal

#### GCF review
- Cameroon
- Costa Rica
- Dominican Republic
- Ghana
- Honduras
- Iraq
- Lesotho
- Malawi
- Mauritania
- Mongolia
- Montenegro (with UNDP)
- Myanmar
- Nigeria
- Pakistan
- Seychelles
- South Sudan
- Swaziland
- Zimbabwe

#### Proposal to mobilize developing country financial institutions to access the Green Climate Fund:
- Global
- Antigua & Barbuda
- Cambodia
- Guatemala
- Philippines

#### Planned submission in 2018
- Bahrain
- Central African Republic
- Chad
- Chile
- Eritrea
- Gambia
- Georgia
- Guyana
- Maldives
- Nauru
- Oman
- Panamá
- Sao Tome
- Sierra Leone
- Suriname
- Tajikistan
- Togo
- Uganda
- Vanuatu
GCF proposal approval process

Guided by the Fund

1. Proposal generation
2. Concept note (voluntary)
3. Proposal submission
4. Analysis and recommendation
5. Board decision
6. Legal arrangements

GCF + ENTITIES + NDA

GCF + BOARD + PANEL

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(No objection by NDA)

NDA + MULTI-STAKEHOLDER CONSULTATION
Lack of guidance from GCF on:
• What constitutes a transformational project?
• What constitutes sufficient justification in making the case for a mitigation and adaptation project?
• Adaptation vs development projects;
• Co-finance
• Incremental cost vs full cost (adaptation)
• PMC vs AE/ DP fee.

Inconsistency in consideration of:
• Normative components of projects;
• Adaptation versus poverty/social components;
• Middle income countries seeking grants.

Adaptation vs mitigation:
• Private sector/mitigation activities are proving more challenging
Thank you

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