

**GREEN
CLIMATE
FUND**



United Nations
Climate Change Secretariat

Accessing Climate financing **From the** **Green Climate Fund**

IGES
Institute for Global
Environmental Strategies

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Outline

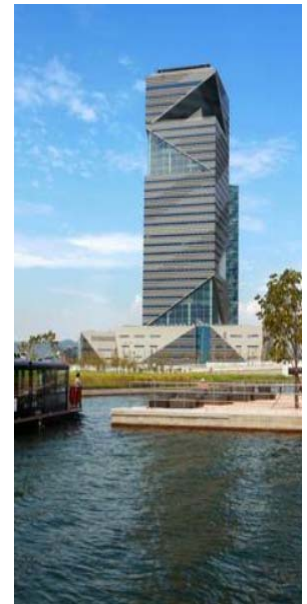
- I. Introduction to the GCF
- II. Area of Strategic Investment
- III. Investment Criteria
- IV. Financial Instruments
- V. Readiness support
- VI. Updates GCF activities and Approval proces



The Green Climate Fund?

- **New multilateral fund** for climate finance
- Operating entity of the financial mechanism of the UNFCCC, CoP16
- Agreed by the 194 Parties to the UNFCCC
- Provide support to developing countries to address:
 - a. **Mitigation** – reduce GHG
 - b. **Adaptation** – adapt to climate change impact

GCF Headquarters in Songdo, Republic of Korea



Our Vision

- Promote a paradigm shift towards low-emission and climate-resilient development
- Induce a change in the daily decisions investors and consumers make





What's New?

- ***Direct Access*** – ‘Enhancing DA’
- ***Maximum Country ownership***
- ***Private Sector;***
- ***Range of Instruments***– Grants, Debt, Equity, Guarantee;
- ***Scale*** – Climate Finance;
- ***Accreditation*** – diverse partners – private , National, Inter
- ***Balanced Governance;***
- ***Balance*** – Mitigation & Adaptation.



Areas of Strategic Investment

Adaptation Pillar

Protecting livelihoods of people
in climate vulnerable zones



e.g. sea walls to defend ports
against sea level rise and storms

Food and water security



e.g. irrigation systems,
diversification

Areas of Strategic Investment

Adaptation Pillar

Making **infrastructure resilient**
to climate change



e.g. Road Security for
Disaster Risk Reduction

Preserving ecosystems



e.g. Coral reefs

Areas of Strategic Investment

Mitigation Pillar

Low emissions energy and
electricity



e.g. wind farms, solar

Low emissions modes of
transport



e.g. metro systems, rapid buss transit

Areas of Strategic Investment

Mitigation Pillar

Buildings, cities, industries and
appliances energy intensity



e.g. energy efficiency in buildings

Land use and Agriculture,
Forestry



e.g. Agroforestry



Investment Framework

Investment Criteria

Impact Potential	<ul style="list-style-type: none">• Potential to achieve the Fund's objectives and result areas
Paradigm Shift Potential	<ul style="list-style-type: none">• Potential to catalyse impact beyond a one-off project or programme investment
Sustainable Development Potential	<ul style="list-style-type: none">• Potential to provide wider benefits and priorities
Needs of Recipient	<ul style="list-style-type: none">• Vulnerability and financing needs of the beneficiary country
Country Ownership	<ul style="list-style-type: none">• Beneficiary country ownership of and capacity to implement funded activities
Efficiency & Effectiveness	<ul style="list-style-type: none">• Economic and, if appropriate, financial soundness of the programme/project

Financial Instruments

Instrument	Public	Private
Grants	Without repayment contingency	<ul style="list-style-type: none"> • With repayment contingency • Terms determined on case-by-case basis
Concessional Loans (senior & subordinate)	<ul style="list-style-type: none"> • High concessionality and • low concessionality 	Terms determined on case-by-case basis
Equity	Terms determined on case-by-case basis	
Guarantee	Terms determined on case-by-case basis	

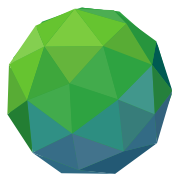


What assistance GCF can offer to Developing countries?

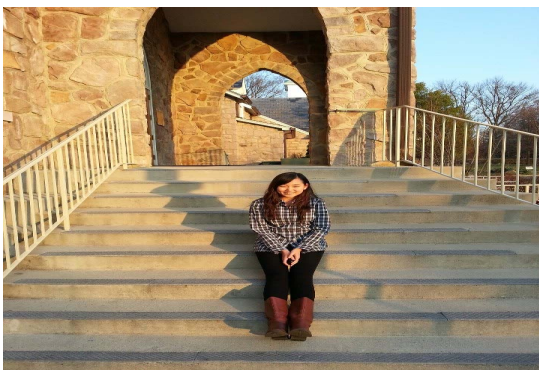


Readiness Resources

- US\$ 15 million of \$30 million presently available for immediate programming
- Cap of US\$ 1 million per calendar year/country
- Direct support to NDAs or focal points available
- The Fund will aim for a floor of 50% of the readiness support allocation to SIDS, LDCs, African States



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Scope of readiness Support

Strengthening
NDAs/FPs

Developing Strategic
Frameworks

Accrediting Entities

Developing Pipelines

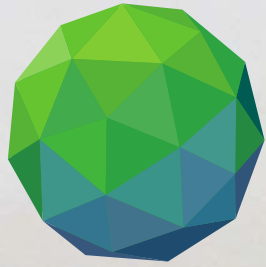
Sharing Information
& Experiences



Project Preparation Fund (PPF)

The board approved a Project Preparation Fund:

- Allocation of 10% of the total project cost for Project preparation
- Max 1.5 MUSD/project



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Make the best investments viable



Make the best investments viable ... with the least concessionality possible

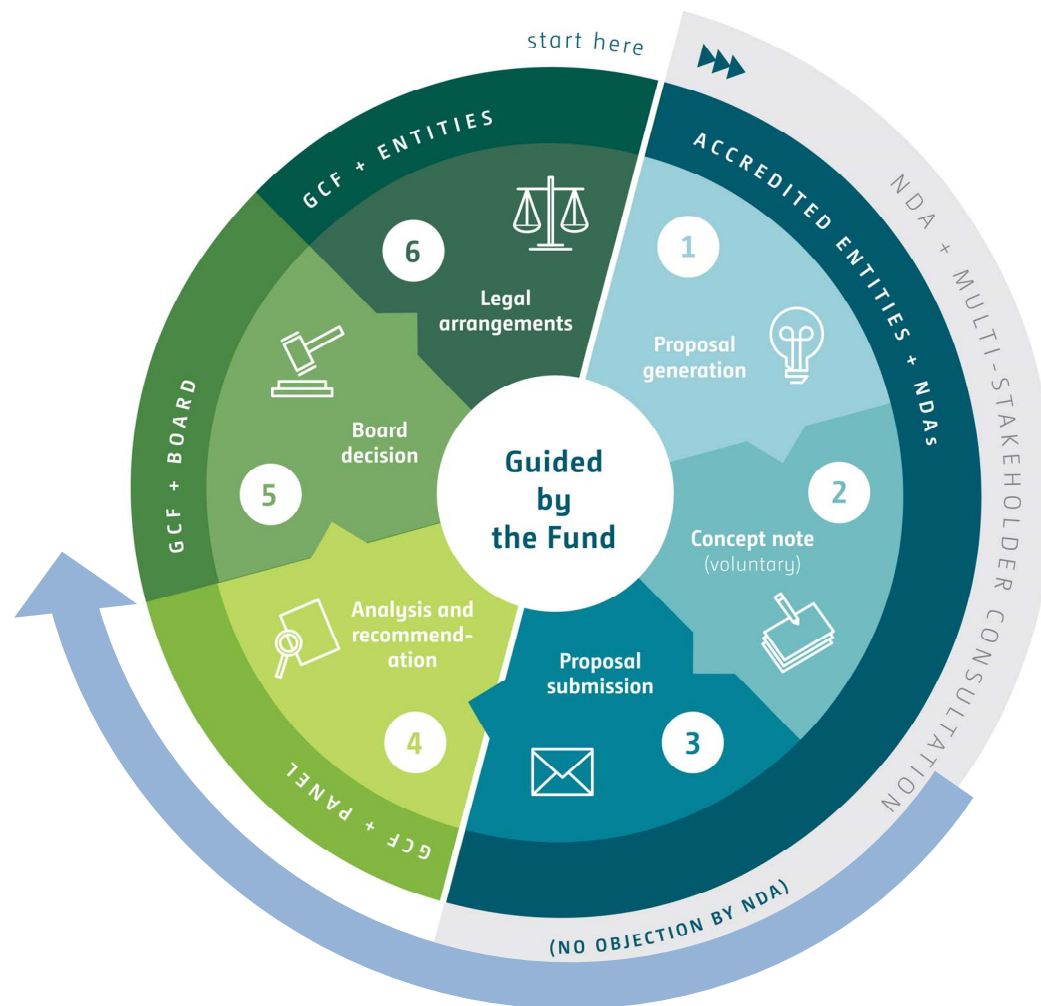
Without GCF Contribution

- High upfront capital expenditure
- High upfront capital expenditure
- High upfront capital expenditure

With GCF Contribution

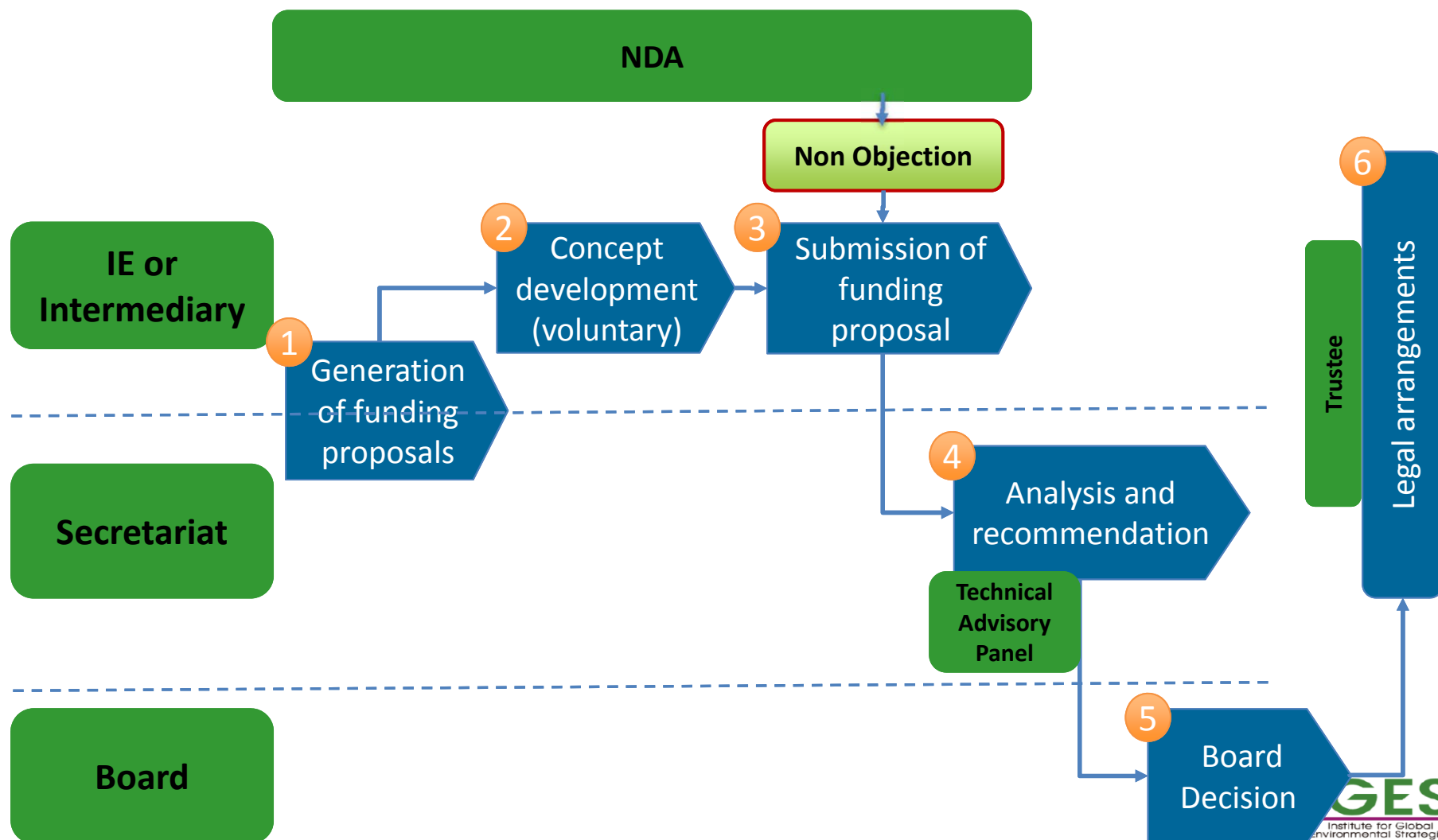
- Buy down additional upfront cost
- Cash flows eased
- All risks are mitigated / or Higher risk tolerance

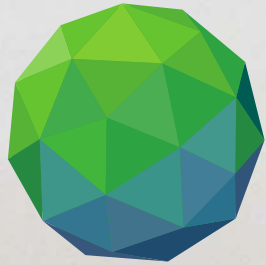
Proposal Approval Process



Funding Proposal Review

Initial Proposal Approval Process Overview





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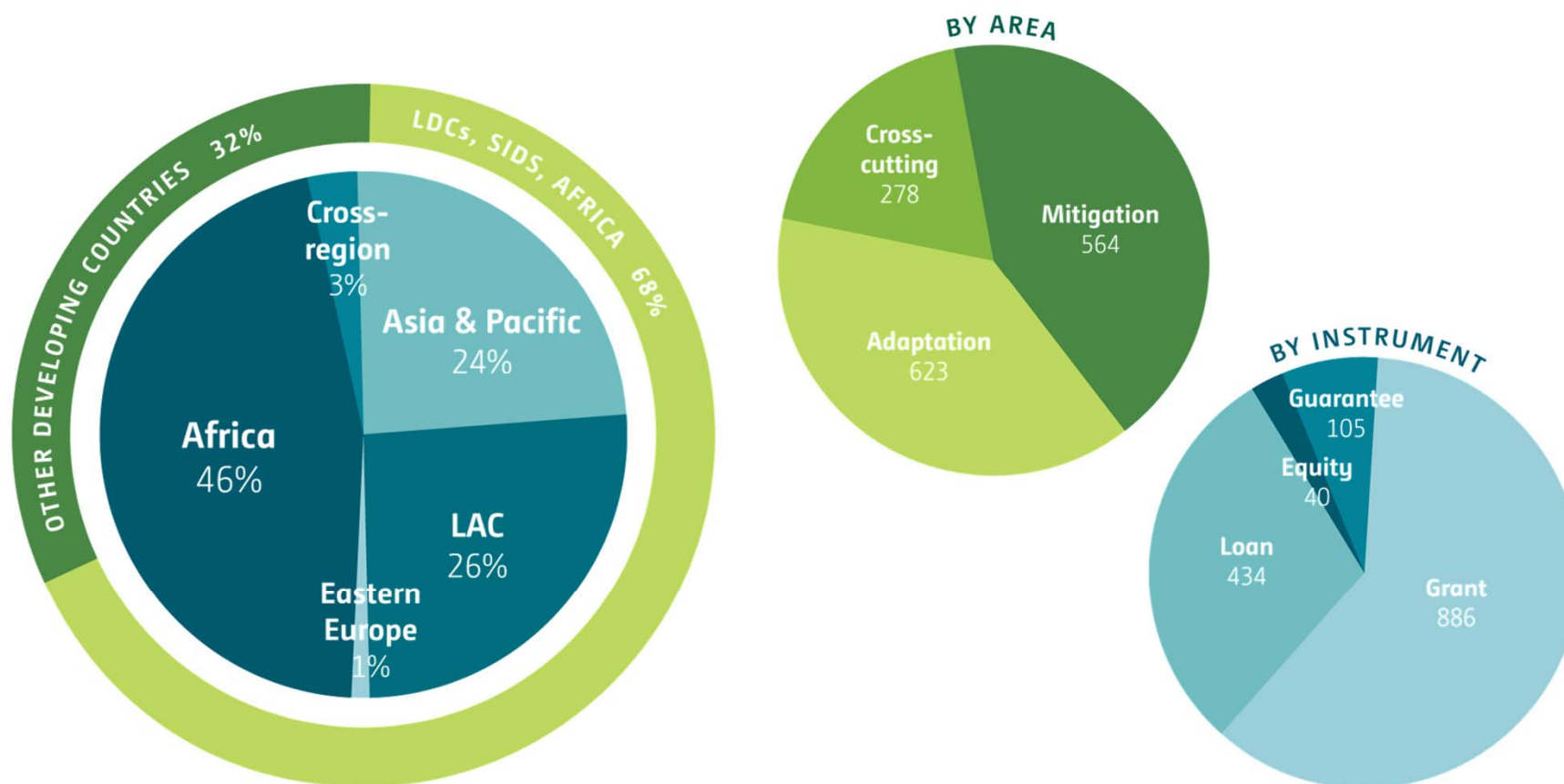
Updates of GCF Activities & Proposal Approval Process



Nr.	Entity	
1	Acumen Fund, Inc	Acumen
2	Africa Finance Corporation	AFC
3	Agence Française de Développement	AFD
4	Asian Development Bank	ADB
5	Caribbean Community Climate Change Center	CCCCC
6	Centre de Suivi Ecologique	CSE
7	Conservation International Foundation	CI
8	Corporación Andina de Fomento	CAF
9	Deutsche Bank AktienGesellschaft	Deutsche Bank AG
10	Environmental Investment Fund	EIF
11	European Bank for Reconstruction and Development	EIB
12	Inter-American Development Bank	IADB
13	International Bank for Reconstruction and Development and International Development Association	WB
14	Kreditanstalt für Wiederaufbau	KFW
15	Ministry of Natural Resources	MINERENA
16	National Bank for Agriculture and Rural Development	NABARD
17	Peruvian Trust Fund for National Parks and Protected Areas	PROFONAMPE
18	Secretariat of the Pacific Regional Environment Programme	SPREP
19	United Nations Development Programme	UNDP
20	United Nations Environment Programme	UNEP

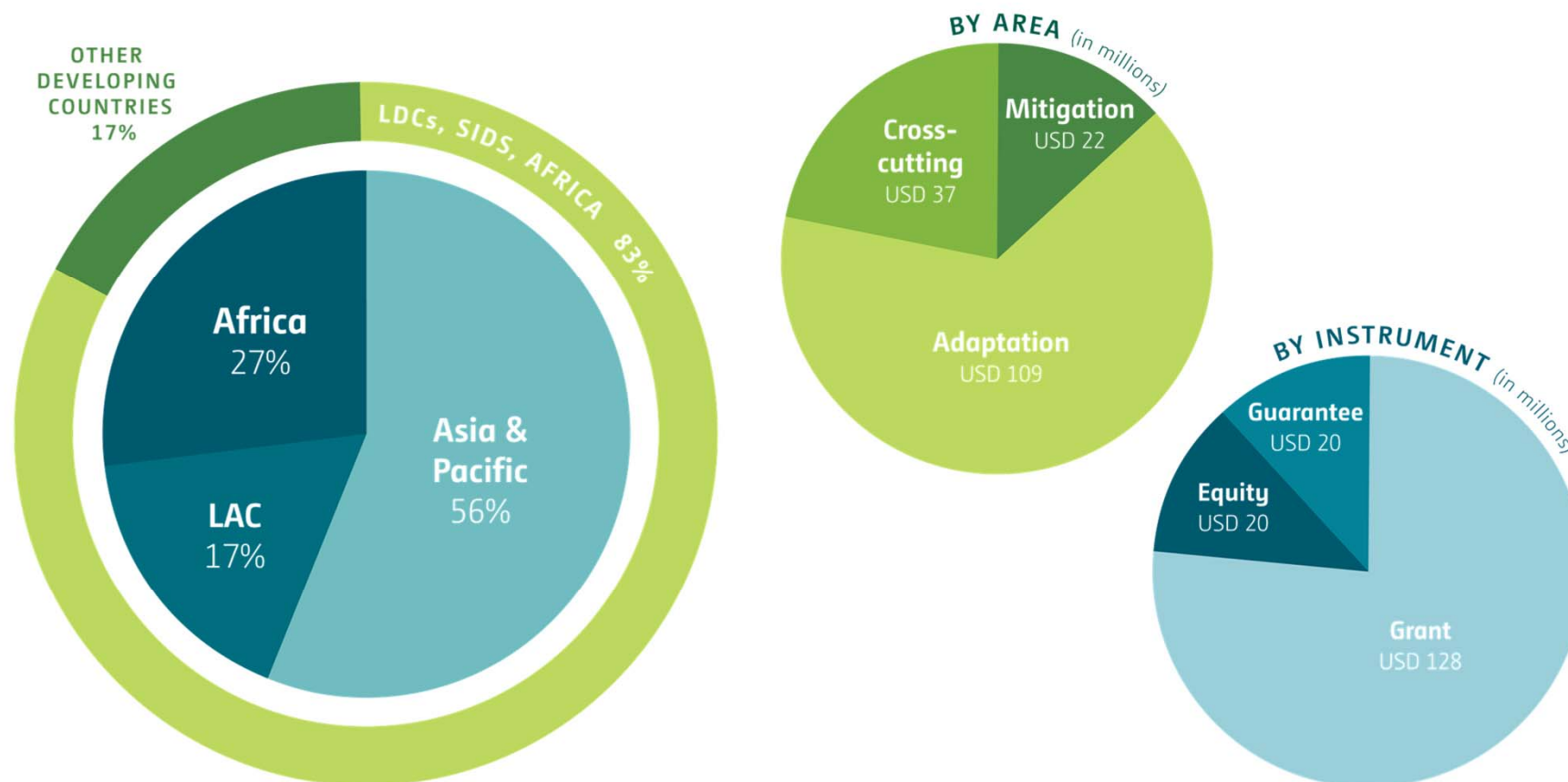
Funding Proposals received

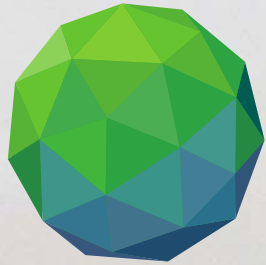
37 proposals totaling USD 1.5 billion



Funding Proposals submitted to Board

8 proposals totaling USD 168 million





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Thank You

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