Accessing Climate financing
From the
Green Climate Fund

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Mitigation Coordinator
Outline

I. Introduction to the GCF
II. Moving into full operation
III. Readiness Support
IV. accreditation
V. Proposal Approval process
IV. Examples - Attractive Opportunities
What is the Green Climate Fund?

- New multilateral fund for climate finance
- Agreed by the 194 Parties to the UNFCCC
- Provide support to developing countries
- Mitigation – reduce GHG
- Adaptation – adapt to unavoidable impact

GCF Headquarters in Songdo, Republic of Korea
Moving into Full Operation

2015

Project Pipeline identification and Development (parallel action)

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct

- A number of Entities Accredited
- The first Funding Proposals presented to the Board for approval
- The second Presentation of Funding Proposals to the Board for approval
Allocation Framework

- Geographic balance
- Significant private sector activities
- Grant equivalent term
<table>
<thead>
<tr>
<th>Investment Framework</th>
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<tbody>
<tr>
<td><strong>Impact Potential</strong></td>
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<tr>
<td><strong>Paradigm Shift Potential</strong></td>
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<td><strong>Sustainable Development Potential</strong></td>
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<td><strong>Needs of Recipient</strong></td>
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<td><strong>Country Ownership</strong></td>
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<td><strong>Efficiency &amp; Effectiveness</strong></td>
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# Areas of Strategic Investment

## Adaptation Pillar

<table>
<thead>
<tr>
<th>Area</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protecting livelihoods of people in climate vulnerable zones</td>
<td>e.g. sea walls to defend ports against sea level rise and storms)</td>
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<tr>
<td>Food and water security</td>
<td>(e.g. irrigation systems, diversification)</td>
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<tr>
<td>Making <strong>infrastructure resilient</strong> to climate change</td>
<td>(e.g. transport systems, .........)</td>
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<tr>
<td>Preserving ecosystems (e.g. coral reefs)</td>
<td>(e.g. coral reefs)</td>
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</table>
## Areas of Strategic Investment

### Mitigation Pillar

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<th>Examples</th>
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<tr>
<td>Low emissions energy and electricity</td>
<td>(e.g. wind farms, solar)</td>
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<tr>
<td>Low emissions modes of transport</td>
<td>(e.g. metro systems, rapid buss transit, etc)</td>
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<tr>
<td>Buildings, cities, industries and appliances energy intensity</td>
<td>(e.g. energy efficiency, .........)</td>
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<tr>
<td>Land use and Agriculture, Forestry</td>
<td>REDD++</td>
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Types of Instruments Deployed by the Fund

- Senior Debt
- Subordinated Debt
- Equity
- Guarantees
- Grants
Make the best investments viable
Global community has tasked the GCF to be the world’s largest climate fund so as to address the climate change challenges in developing countries.

- World’s Largest Climate Fund
- Built on Strong Country Relations
- Leverages Existing Financial Network of Intermediaries
- Investments in Public and Private Sector
Make the best investments viable ...

Without GCF Contribution

- High upfront capital expenditure
- Insufficient revenues
- Excessive risk
Make the best investments viable ...
with the least concessionality possible

With GCF Contribution

- Buy down additional upfront cost
- Cash flows eased
- All risks are mitigated / or Higher risk tolerance
Risk Management in Project Financing

- Often the projects are backed up by a **Partial Risk Guarantee (PRG)** to secure the Private Sector - Investments / Operations
- **Provision of Concessional Financing** to Public/Private sector Operation aiming to mitigate the risks
- **Provision of Grant to Public/Private Sector** aiming to mitigate the risks
Proposal Approval Process
Initial Proposal Approval Process
Overview

1. Accredited Entities-IE or Intermediary
   - Generation of funding proposals

2. Concept development (voluntary)

3. Submission of funding proposal
   - Non Objection
   - Non Objection

4. Analysis and recommendation
   - Technical Advisory Panel

5. Board Decision

6. Legal arrangements

National Designated Authority (NDA)

Secretariat

Board
Thank You

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