

GREEN
CLIMATE
FUND

Overview of the Green Climate Fund: Institutional Requirements

Dr. Binu Parthan

UNFCCC Asia Pacific Regional Workshop

Manila, 30th September 2015



The Green Climate Fund

- Operating entity of the financial mechanism of the UNFCCC, CoP16
- Centrepiece of long-term finance under UNFCCC
- Secretariat December 2013 Songdo;
- Fully operational, staffed and resourced





Our Vision



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



Make Best Investments Viablewith the Least Possible Concessionality

Without the Fund

- High Upfront Capital;
- Insufficient revenues;
- Excessive Risk

With the Fund

- Buy-down Upfront Cost;
- Cash Flows Eased;
- Higher Risk Tolerance.



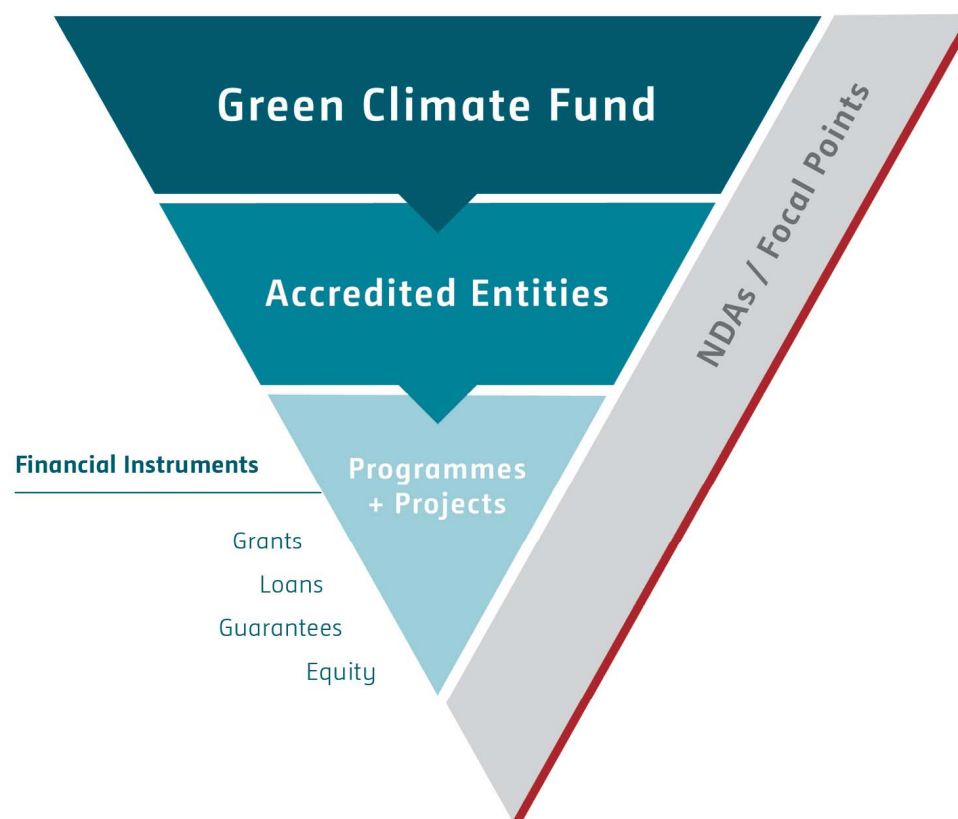
What's New?

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



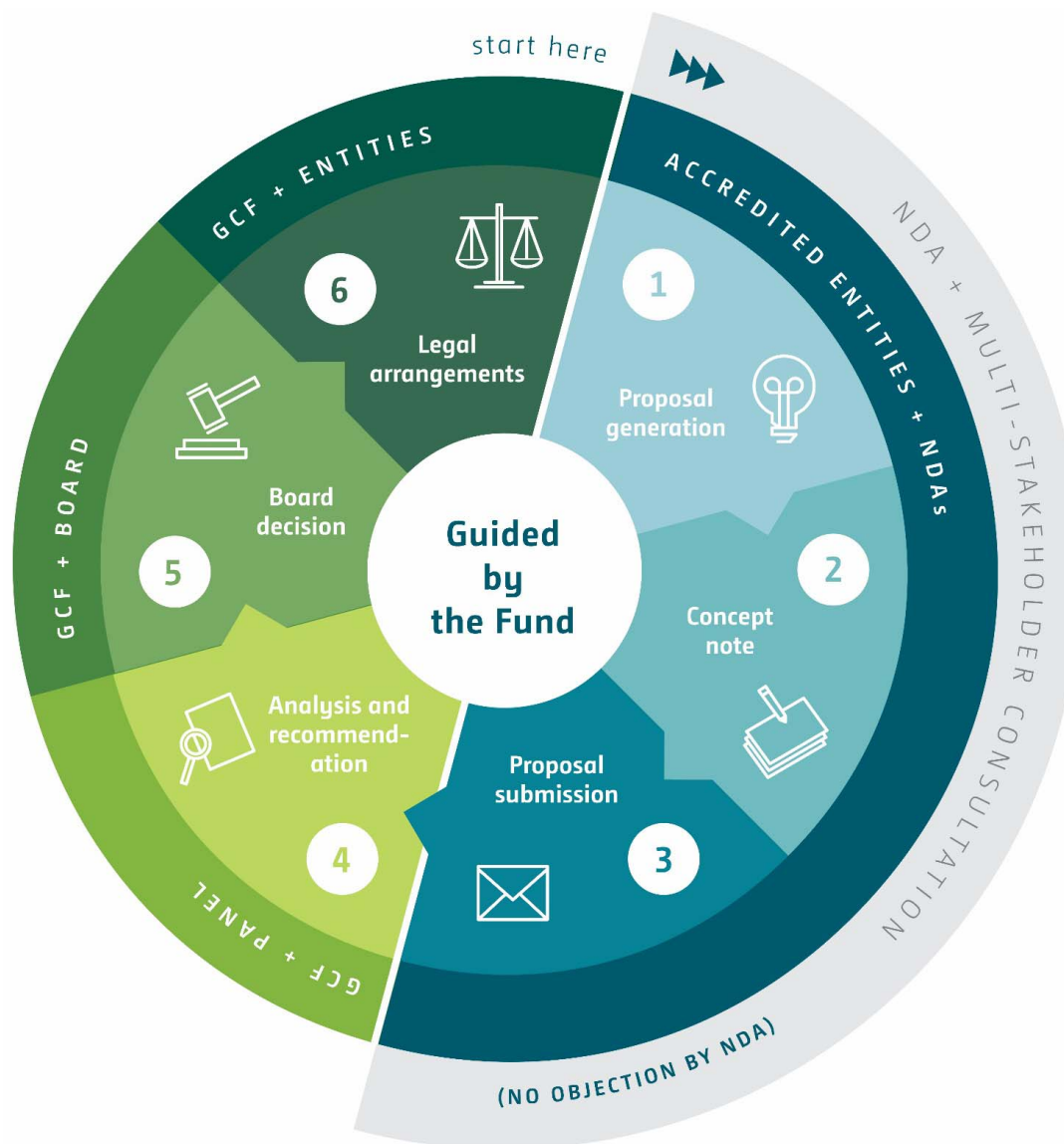
Architecture

GCF Architecture

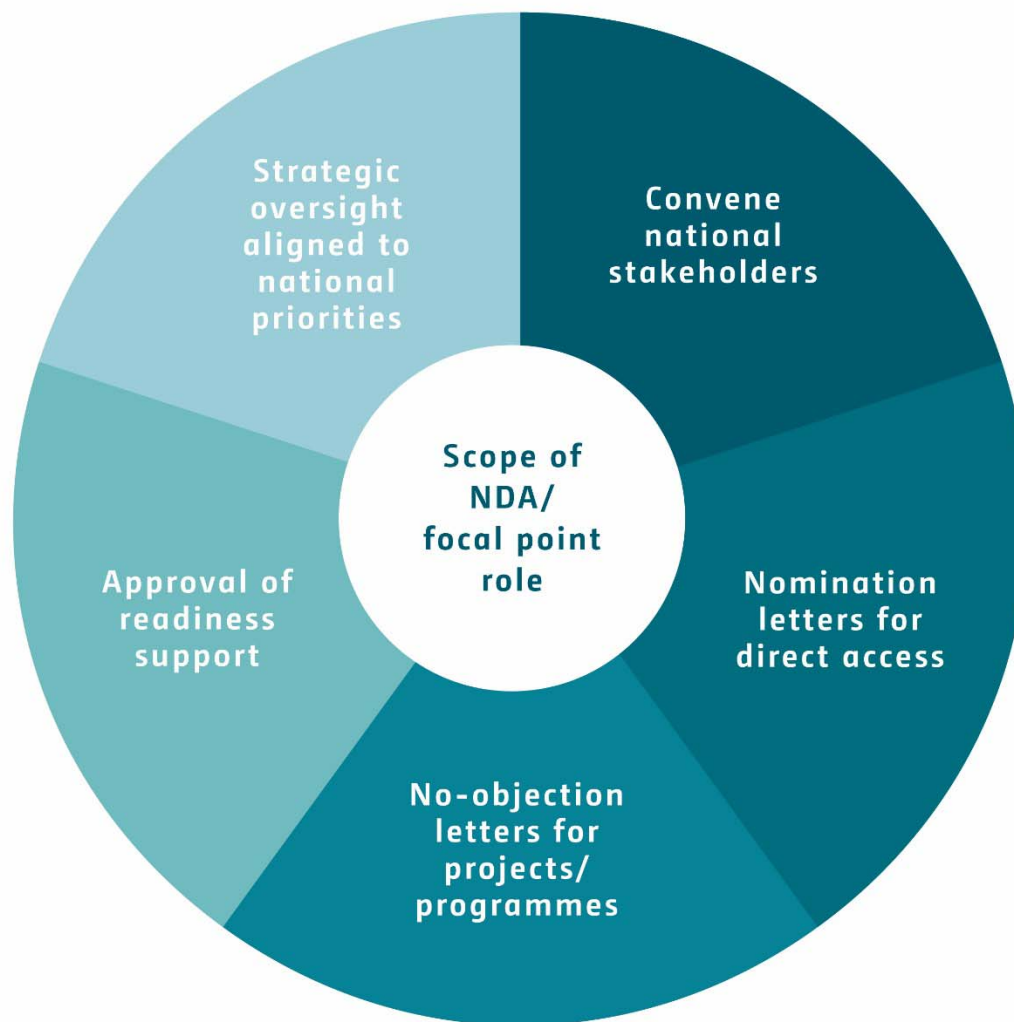


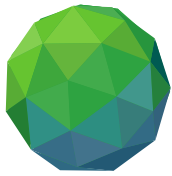


Project Cycle



Roles & responsibilities





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



Readiness Support

- Readiness is a strategic priority of the Fund: - help maximise effectiveness and reduce risks, good delivery;
- Ensures funding suits country contexts and needs, and increasing effectiveness;
- Support for Accreditation – Applicant Entities – Country Driven;





Accreditation of National and Regional Entities

- Direct Access – with NDA nomination;
- Assessed Against Fund's Fiduciary standards, ESS, GP, GAP 2015-17
- 3-stage process.





Fit-for-Purpose Accreditation

Mandate & track record

- Alignment with Fund objectives
- At least 3 year of operations

Project size

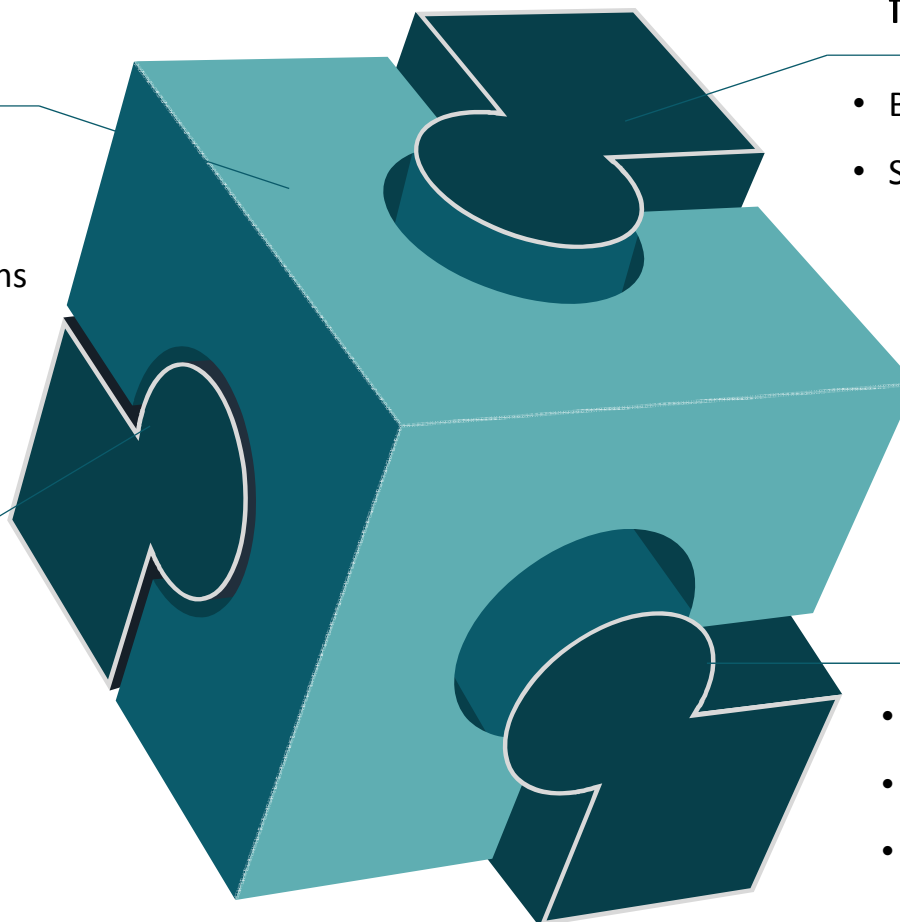
- Micro (>10mn)
- Small (10-50mn)
- Medium (50-250mn)
- Large (>250mn)

Fiduciary functions

- Basic
- Specialized

Environment & Social risk category

- A (high)
- B (medium)
- C (low)





Accredited Entities

Regional



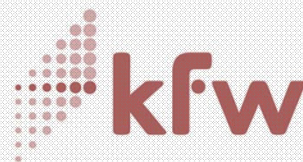
National



Ministry of Natural Resources of Rwanda



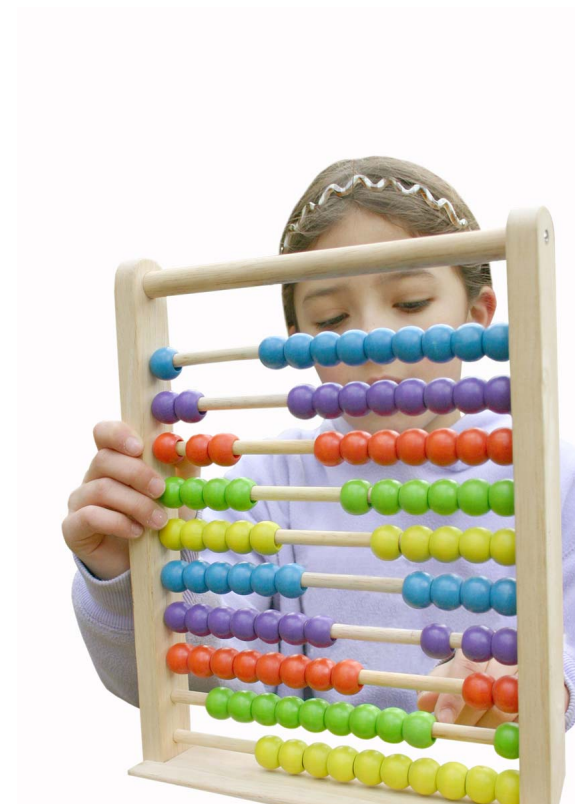
International

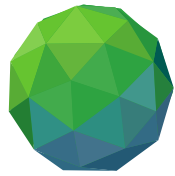




Outlook

- ***Open for Business -To support best possible projects through existing and new channels;***
- ***Less Process and More Access;***
- ***Nominate Strong National and Regional Institutions***





GREEN
CLIMATE
FUND

Thank You

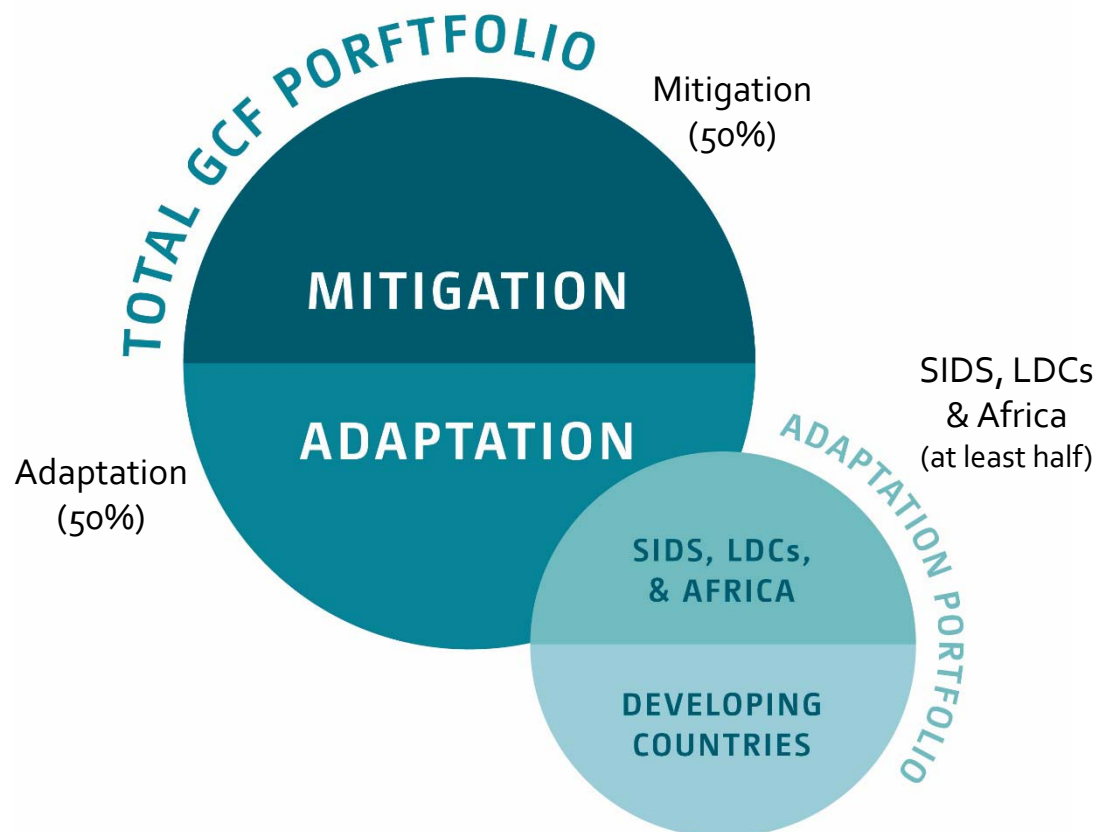


Contact us at countries@gcfund.org or bparthan@gcfund.org

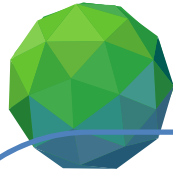


Resources Allocation

- \$10.2 billion in pledges
- \$5.8 billion in signed contributions
- 50/50 split between adaptation & mitigation
- Geographic balance
- 50% of adaptation resources for SIDS, LDCs and African states



Accreditation Process



GREEN
CLIMATE
FUND

Submission of
the full
application for
accreditation
by the entity

Stage I:
No-objection,
institutional assessment
and readiness

Stage II:
Review and decision

Stage III:
Final validation and
legal arrangements

Direct
access

No-
objecti
Institutional
assessment
Readiness

Step 1:
Review
Step 2:
Decision

Step 1:
Final
validation
Step 2:
Legal
arrangements

International
access

Step 1:
Institutional assessment

Step 1:
Review
Step 2:
Decision

Step 1:
Final
validation
Step 2:
Legal
arrangements

Responsible

NDA

Secretariat

Secretariat in
cooperation
with the
applying
entity

Accreditation
Panel and
technical
experts on a
needs basis

Board

Trustee/Secretariat*

*To be defined in the context of provisions for legal and formal arrangements with intermediaries and implementing entities, including policies on fees and payments.

Five Pillars

