

**GREEN
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The Green Climate Fund:

Operational modalities and funding opportunities

Svetlana Frenova

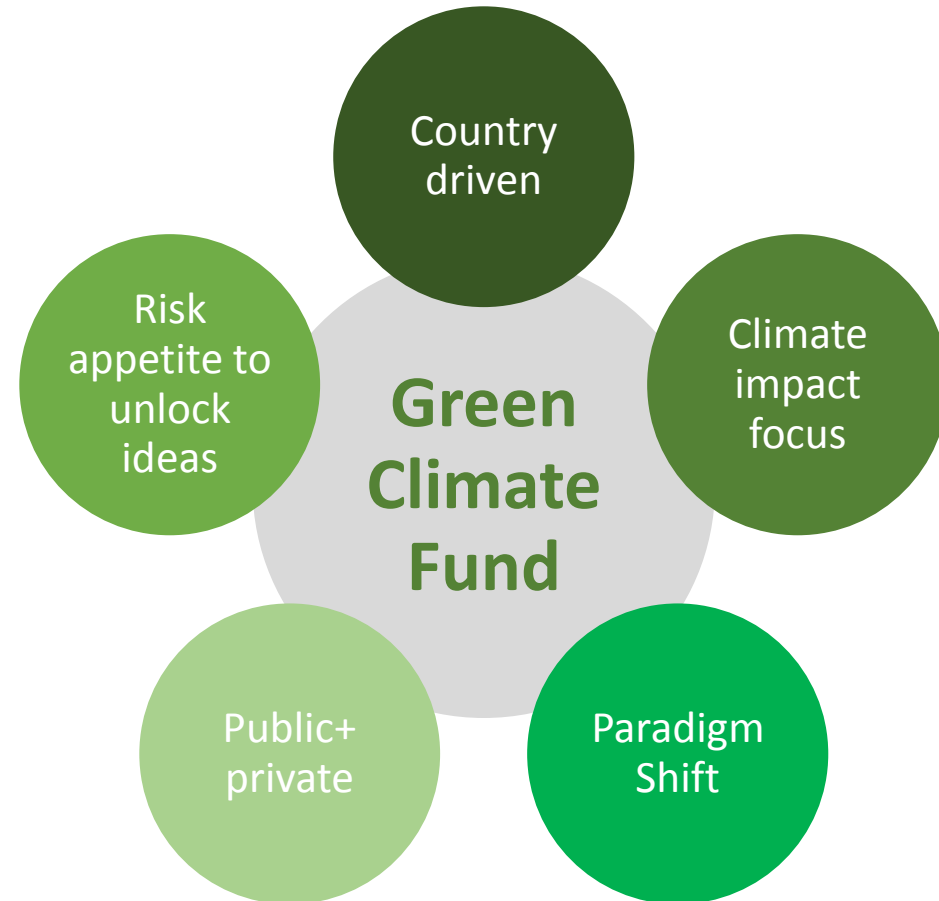
Belgrade, May 2019



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THE GCF MISSION

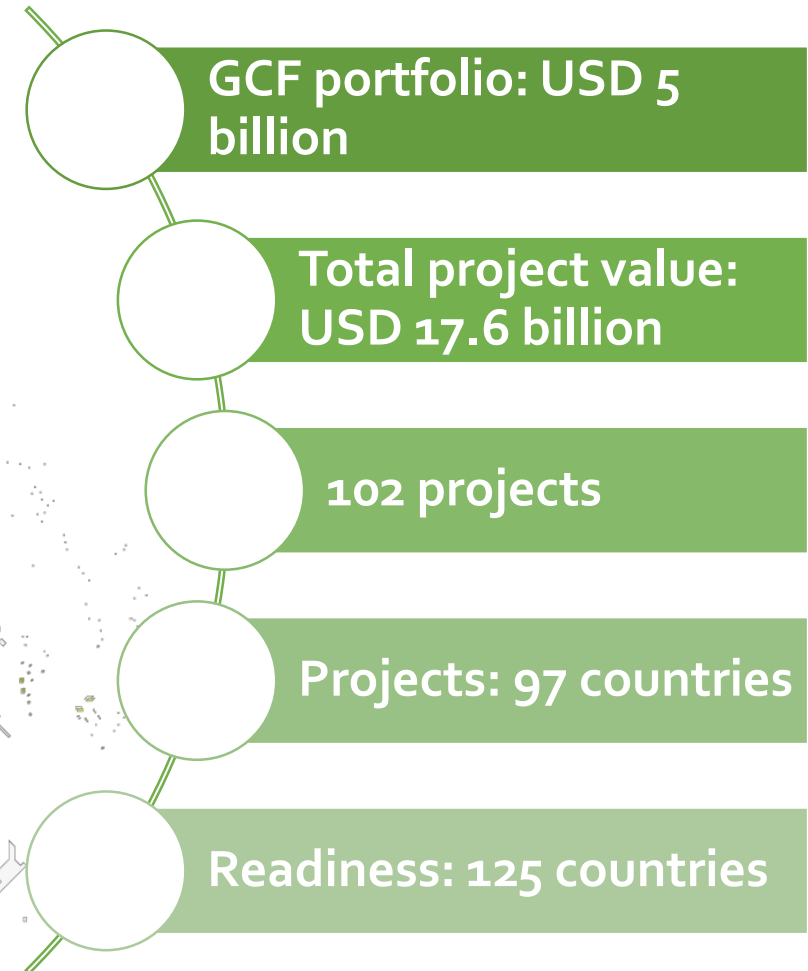
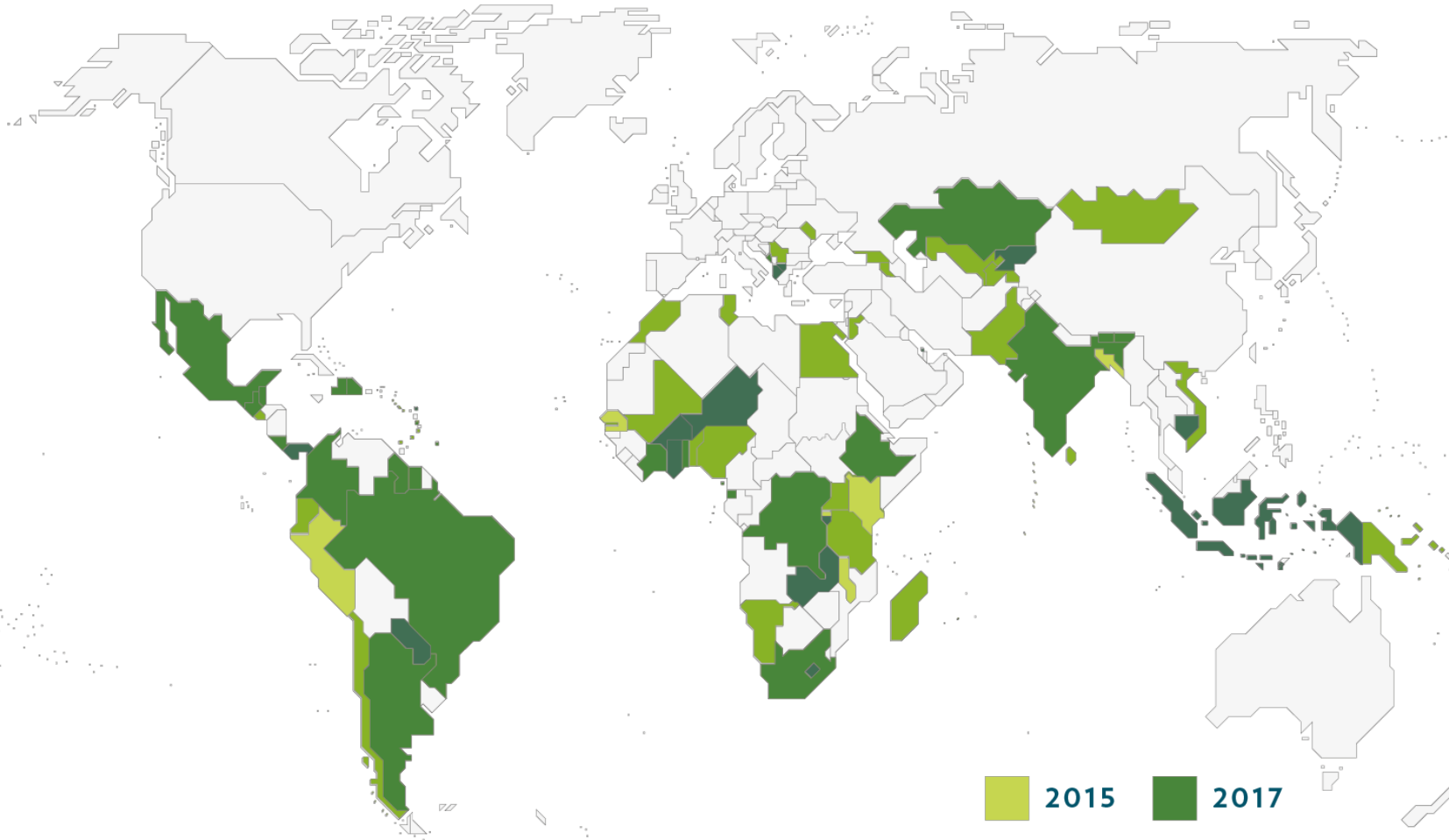
GCF helps developing countries limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change, by investing into low-emission and climate-resilient development.





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GROWING PORTFOLIO

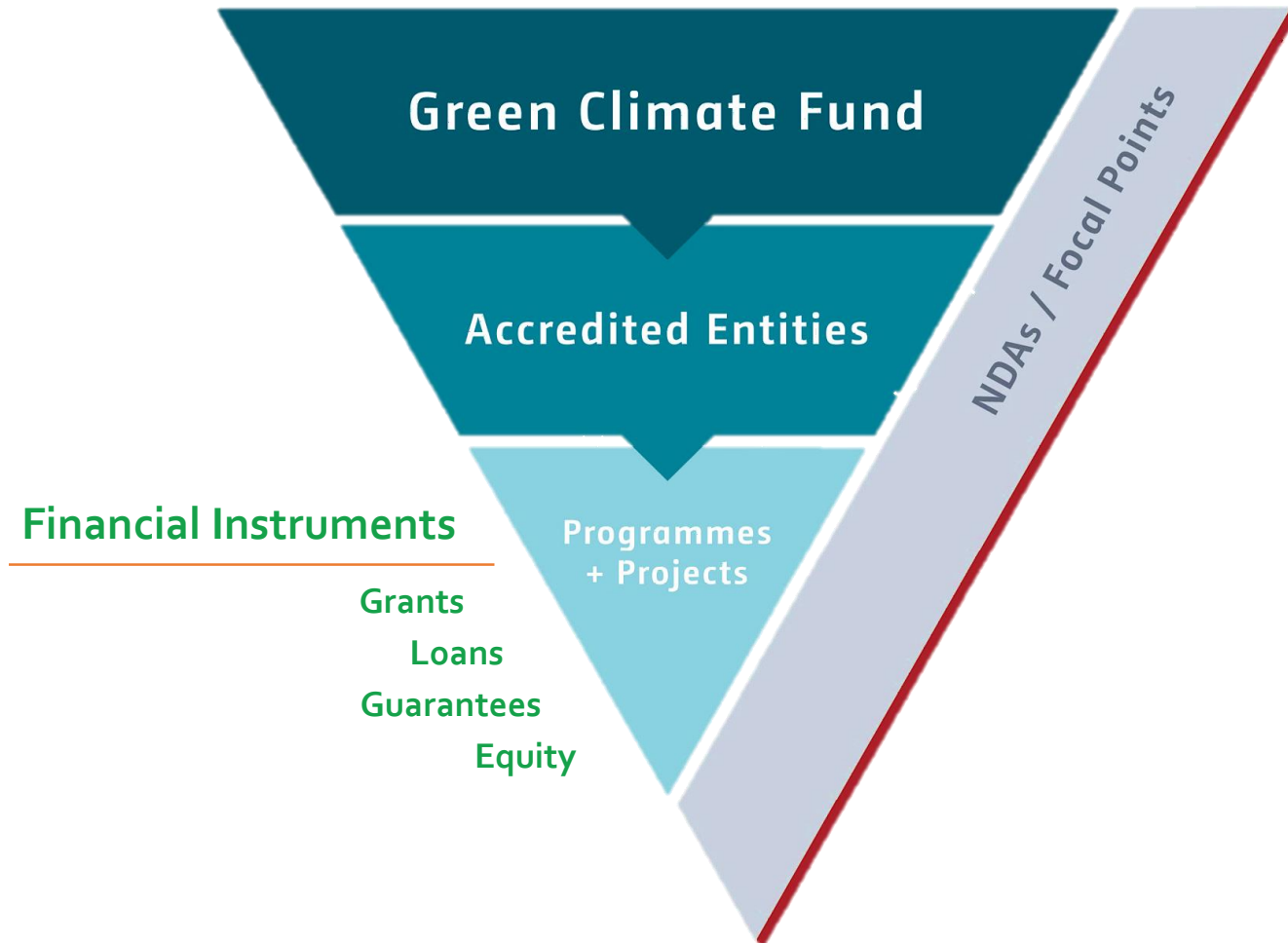




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OVERVIEW OF THE GCF

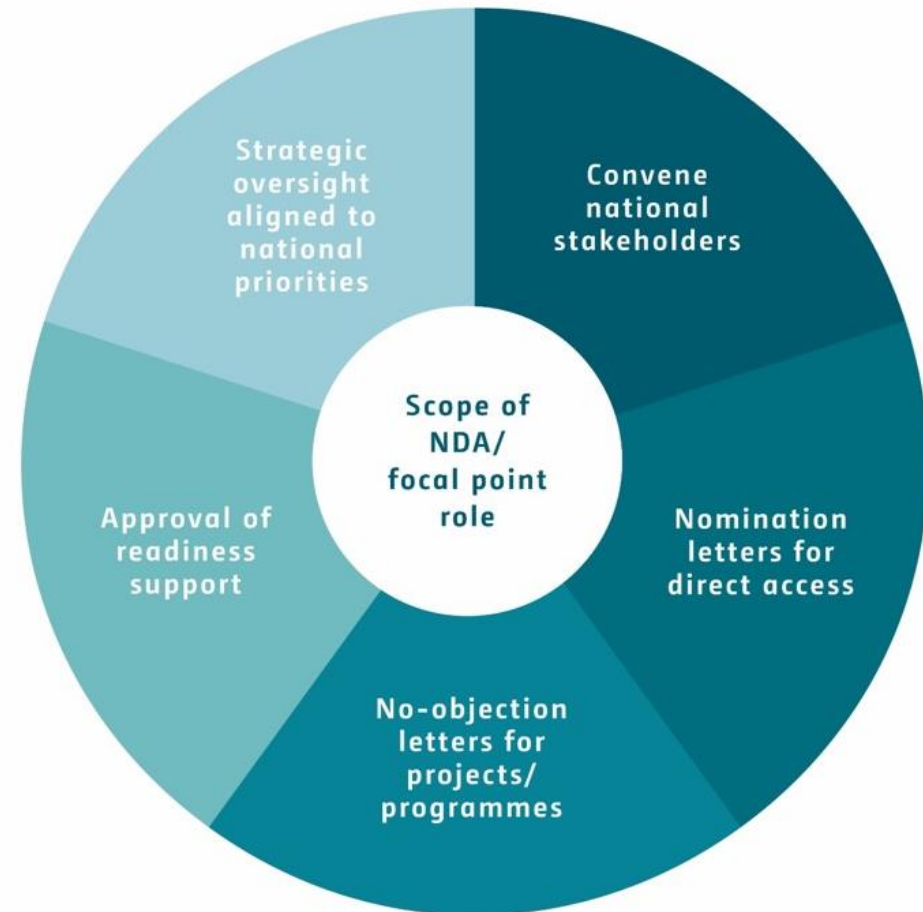
Our Approach to Funding





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The Role of the NDA



THE GCF PROGRAMMING CYCLE

GCF COUNTRY PROGRAMMING

- Priority sectors
- Project ideas
- Readiness needs
- AEs & delivery partners

READINESS

- Institutional capacity & coordination
- Direct Access
- **Adaptation Planning (NAPs)**
- Project pipelines

PROJECT PREPARATION FACILITY

CONCEPT NOTES

FUNDING PROPOSALS

CLIMATE IMPACT

READINESS DELIVERY PARTNERS

ACCREDITED ENTITIES

Country program is...

Country-driven

Strategic process

Results-oriented

Linked to national strategies and plans

Evidence-based

Consulted with key stakeholders

Engages the private sector

Built on lessons learned

Builds institutions and overall country capacity

Country Programming – key elements (1)

Key activities	Description
Establishment of National coordination mechanisms and formal consultation processes	<ul style="list-style-type: none">• Design of the mechanisms, its key functions, mandate and membership• Operational guidelines
Country climate profile	<ul style="list-style-type: none">• Data gaps assessment and evidence gathering
Linking climate change issues with development agenda	<ul style="list-style-type: none">• Development of analytical methodologies for conducting overarching assessment of climate change impact on development issues
Identification of priority adaptation and mitigation areas	<ul style="list-style-type: none">• Development of prioritization tool and assessment criteria and methodologies

Country Programming – key elements (2)

Key activities	Description
Mapping finance needs	<ul style="list-style-type: none">• Stocktaking of existing finance from different sources including public, private sector, development and climate finance funds• Feasibility of available financial instruments
Implementing strategies	<ul style="list-style-type: none">• Assessing the role and capacities of DAEs and/or AEs• Evaluating entities suitable for implementation
Developing country portfolio for the GCF	<ul style="list-style-type: none">• Assessing whether identified portfolio is adhering to the country framework;• Exploring needs for various types of GCF support (e.g. PPF, Readiness)• Project prioritization tools• Mapping and assessing potential sources of co-finance
M&E arrangements	<ul style="list-style-type: none">• Mechanisms to track relevance and up to datedness of CP• Mechanisms to monitor progress on the development of project pipelines as identified in CP

Multiple-year strategic Readiness implementation request

- Described in decision B.22/11 annex V: NDAs can submit requests for up to USD 3m for 3 years provided that:
 - Maximum annual funding request remains within USD 1m cap
 - Request is based on a) finalized Country Programme **OR** b) country Readiness assessment & country Readiness work plan
 - Clear defines how the request is strategic is nature and consistent with a longer-term outlook on Readiness needs
- Secretariat will develop guidance and communicate to NDAs & delivery partners how to apply for this type of Readiness request

Readiness Programme 2019–2021 objectives

- Objective 1: Capacity building for climate finance coordination
- Objective 2: Strategies for climate finance implementation
- Objective 3: Strengthened adaptation planning for investment
- Objective 4: Paradigm-shifting pipeline development
- Objective 5: Knowledge sharing and learning

Objective 1: Capacity building for climate finance coordination (Portfolio target: 10%)

- **Outcome 1.1:** NDAs or focal points and the network/systems that enable them to fulfil their roles and responsibilities are operational and effective
- **Outcome 1.2:** Direct access applicants and accredited entities (DAEs) have established capacity to maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop and implement a pipeline of projects
- **Outcome 1.3:** Relevant country stakeholders have established adequate capacity to support GCF-funded activities

Objective 2: Strategies for climate finance implementation (Portfolio target: 20%)

- **Outcome 2.1:** Country Programmes developed to effectively guide GCF pipeline development and programming
- **Outcome 2.2:** Entity Work Programmes of direct access entities developed and aligned with national priorities (incl. Country Programmes) and GCF result areas
- **Outcome 2.3:** Strategies for transforming and attracting private sector investment are developed and implemented



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READINESS OBJECTIVES

Objective 3: Strengthened adaptation planning (Portfolio target: 50%)

- **Outcome 3.1:** Adaptation planning and governance and institutional coordination strengthened
- **Outcome 3.2:** Evidence basis produced to design adaptation solutions for maximum impact
- **Outcome 3.3:** Private sector engagement in adaptation catalyzed
- **Outcome 3.4:** Adaptation finance increased

Objective 4: Paradigm-shifting pipeline development (Portfolio target: 15%)

- **Outcome 4.1:** An increase in the number of quality concept notes developed and submitted (incl. PPF & SAP)
- **Outcome 4.2:** An increase in the number of quality funding proposals developed and submitted from accredited Direct Access Entities (incl. SAP)
- **Outcome 4.3:** An increase in the number of quality concept notes developed and submitted that target SIDS, LDCs, and African states
- **Outcome 4.4:** An increase in the proportion of PPF requests and funding proposals approved as a result of Readiness support



Project preparation facility

What is on offer?

Support for project preparation leading to Funding Proposals

Especially for Direct Access Entities and micro-small size projects

Up to USD 1.5M in grants, repayable grants or equity

How to apply?

Accredited Entities (especially Direct Access) submit requests

Request submitted with Project Concept and NDA no-objection

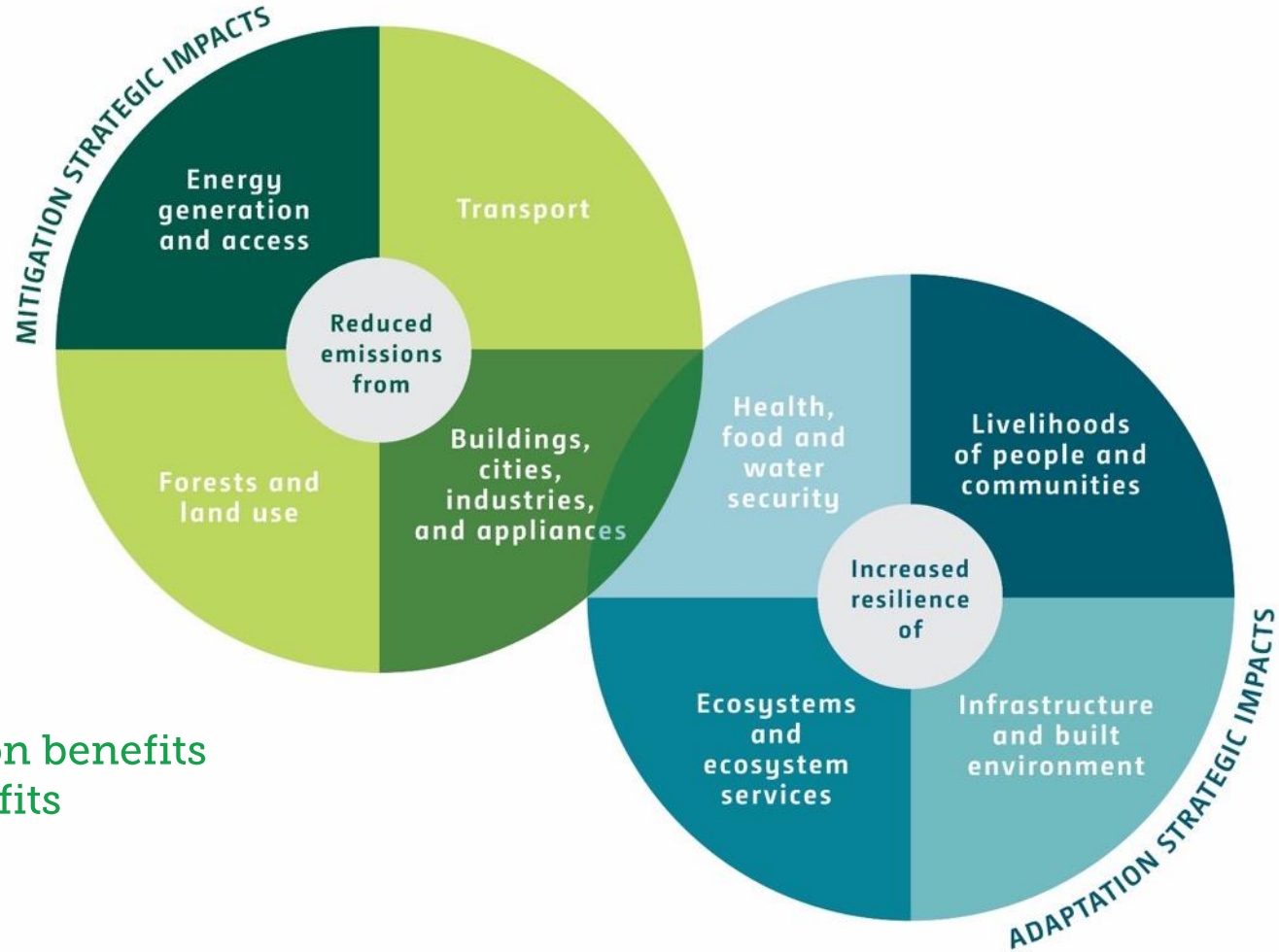
What is assessed?

Underlying project assessed against GCF investment criteria

Project preparation activities assessed against needs & policies



8 STRATEGIC RESULT AREAS



With a focus on...

- Impacts
- Paradigm-shift potential
- Crosscutting adaptation-mitigation benefits
- Sustainable development co-benefits



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6 INVESTMENT CRITERIA

Against which proposals are assessed

Impact potential	Potential to contribute to achievement of Fund's objectives and result areas
Paradigm shift potential	Long-term impact beyond a one-off investment
Sustainable development potential	Wider economic, environmental, social, and gender co-benefits
Country ownership	Country ownership and capacity to implement (policies, climate strategies and institutions)
Efficiency & effectiveness	Economic and, if appropriate, financial soundness, as well as cost-effectiveness and co-financing
Responsiveness to needs of recipients	Vulnerability and financing needs of beneficiary in targeted group

Size of projects and programs



* At the time of application, irrespective of the portion that is funded by the Fund and, if applicable, other sources, for an individual project or activity within a programme.

Simplified approval process

(1) Ready to be scaled up & potential for transformational impact

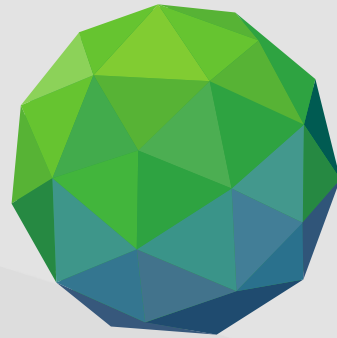
(2) GCF Contribution of up to US\$ 10M

- 6 page concept note: Concept Note submission is compulsory and should be accompanied by ESS screening and (if applicable) Environmental and social action plan (ESAP)
- Particularly targeted at **direct access entities**

(3) Minimal to none ESS Risk

Thank you!

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