

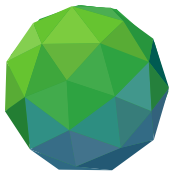
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Update on the Green Climate Fund

Chantal Naidoo

Regional Networking Meeting for National Designated Entities

Arusha, 23-25th June 2015

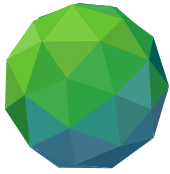


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The Green Climate Fund

- Operating entity of the financial mechanism of the UNFCCC, CoP16
- Centrepiece of long-term finance under UNFCCC
- Secretariat CoP19, December 2013 Songdo;
- Fully operational, staffed and resourced





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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

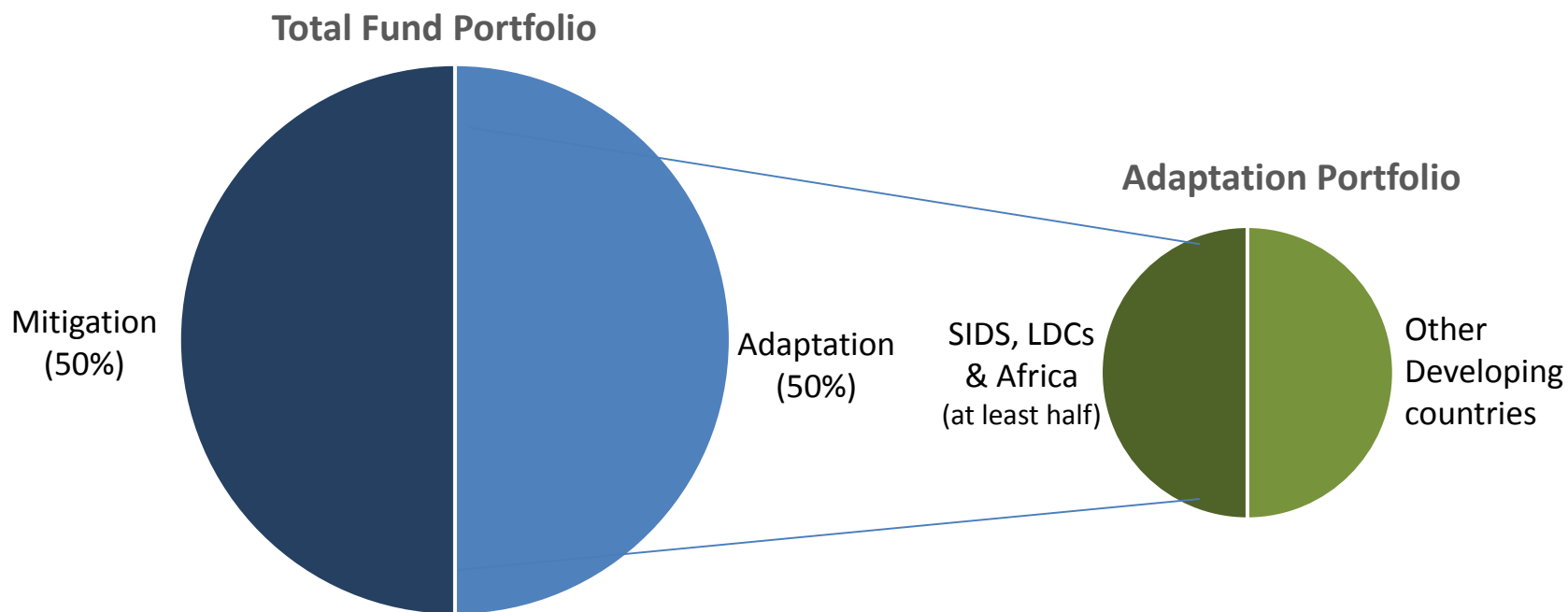
- High Upfront Capital;
- Insufficient revenues;
- Excessive Risk

With the Fund

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



Allocation Framework



- Geographic balance
- Significant allocation to Private Sector Facility
- Sufficient resources for readiness activities
- Grant equivalent term

Resource Mobilisation

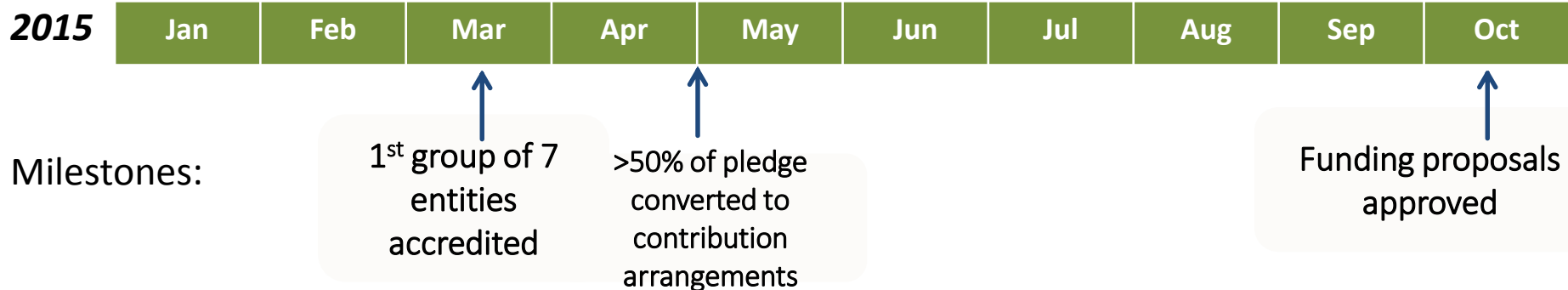
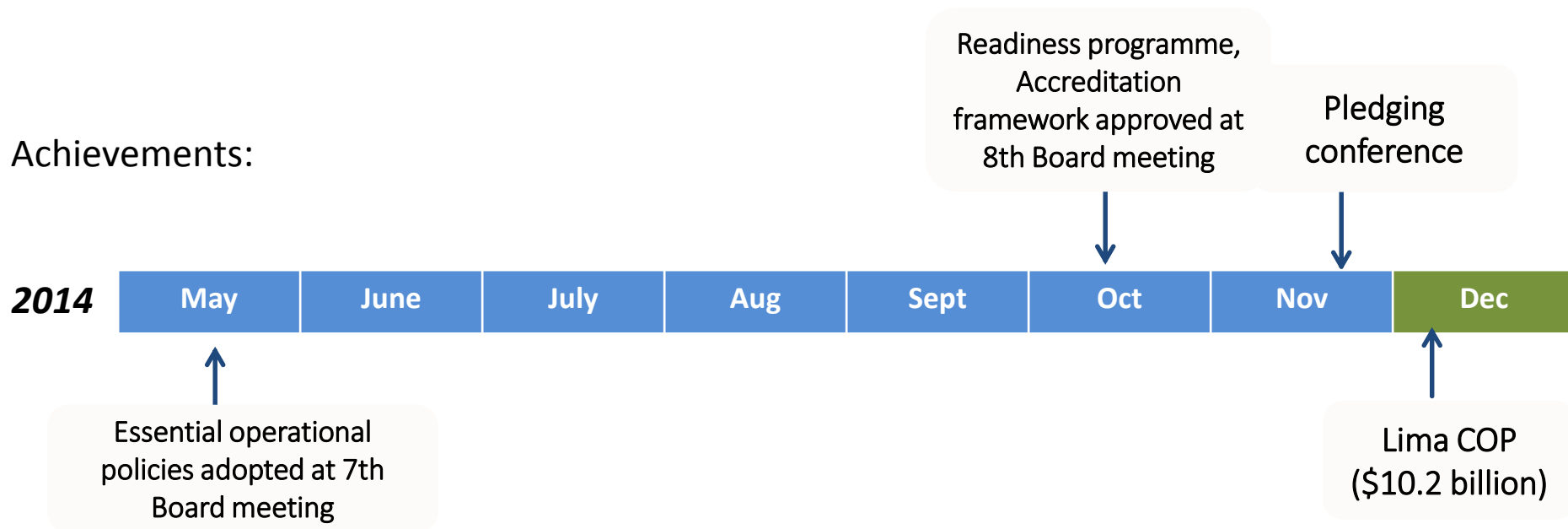
- \$ 10.2 Billion commitments – 179 million ~ only 1.9% realised!
- Mostly grants and loans (France & Canada);
- 33 countries including 8 developing countries contribute resources;
- Major contributors – US, Japan, UK, Germany, France

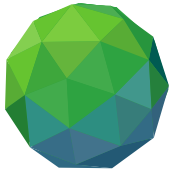




Moving into full operation

Achievements:





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What's New?

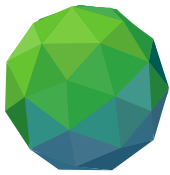
- ***Direct Access*** –
'Enhancing DA'
- ***Private Sector Facility;***
- ***Range of Instruments***–
*Grants, Debt, Equity,
Guarantee;*
- ***Scale*** – *Climate
Finance;*
- ***Accreditation*** – *ESS, GP*



Readiness Support

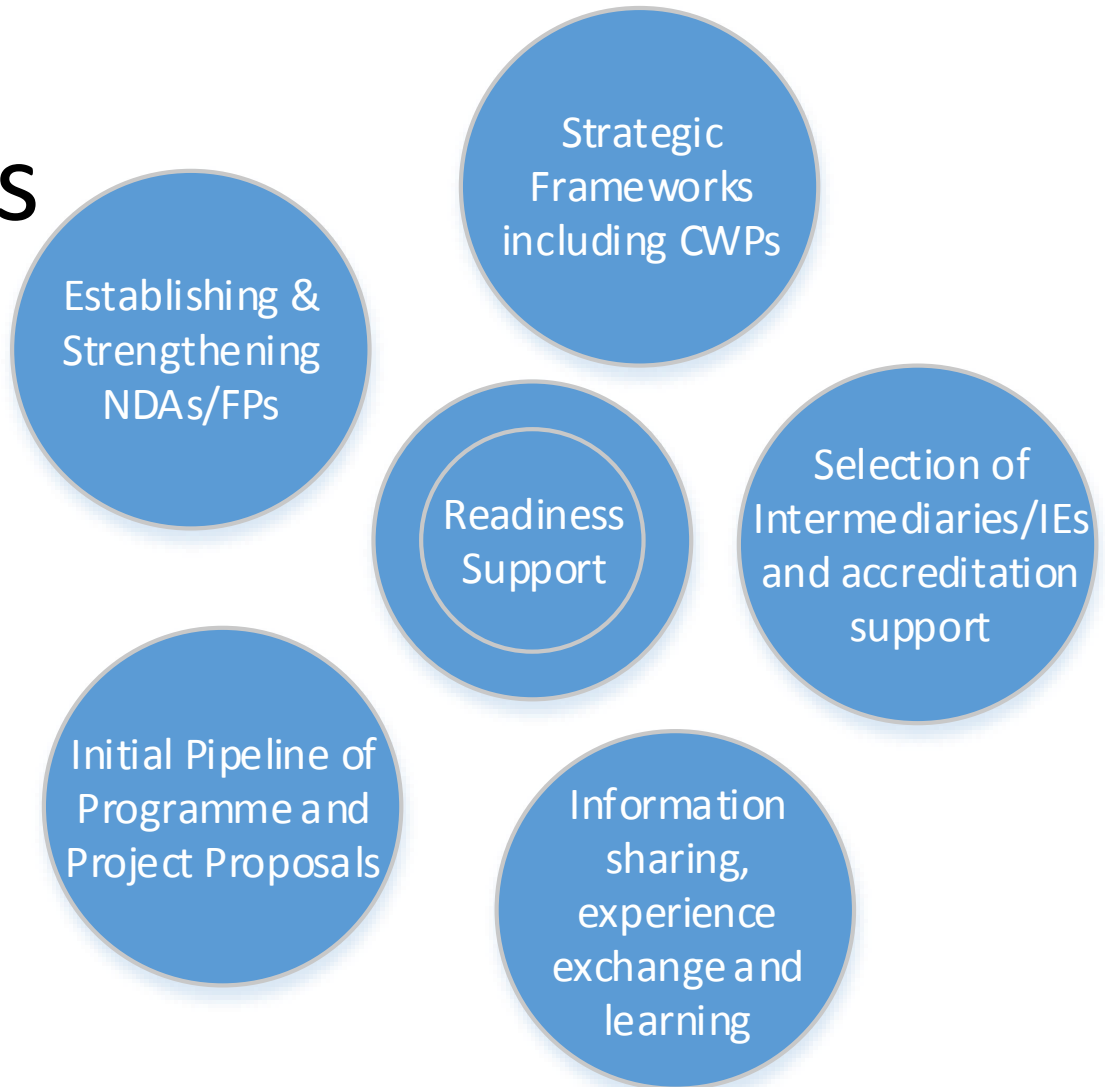
- Readiness is a strategic priority of the Fund: - help maximise effectiveness and reduce risks, good delivery;
- Ensures funding suits country contexts and needs, and increasing effectiveness;
- Readiness Support to India under scoping – NDA strengthening, stakeholder engagement.
- Delivery – National, International (GIZ, UNDP, WRI, UNEP, KfW etc.), Global (PwC);
- Support for Accreditation – Applicant Entities – Country Driven;

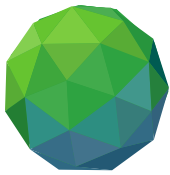




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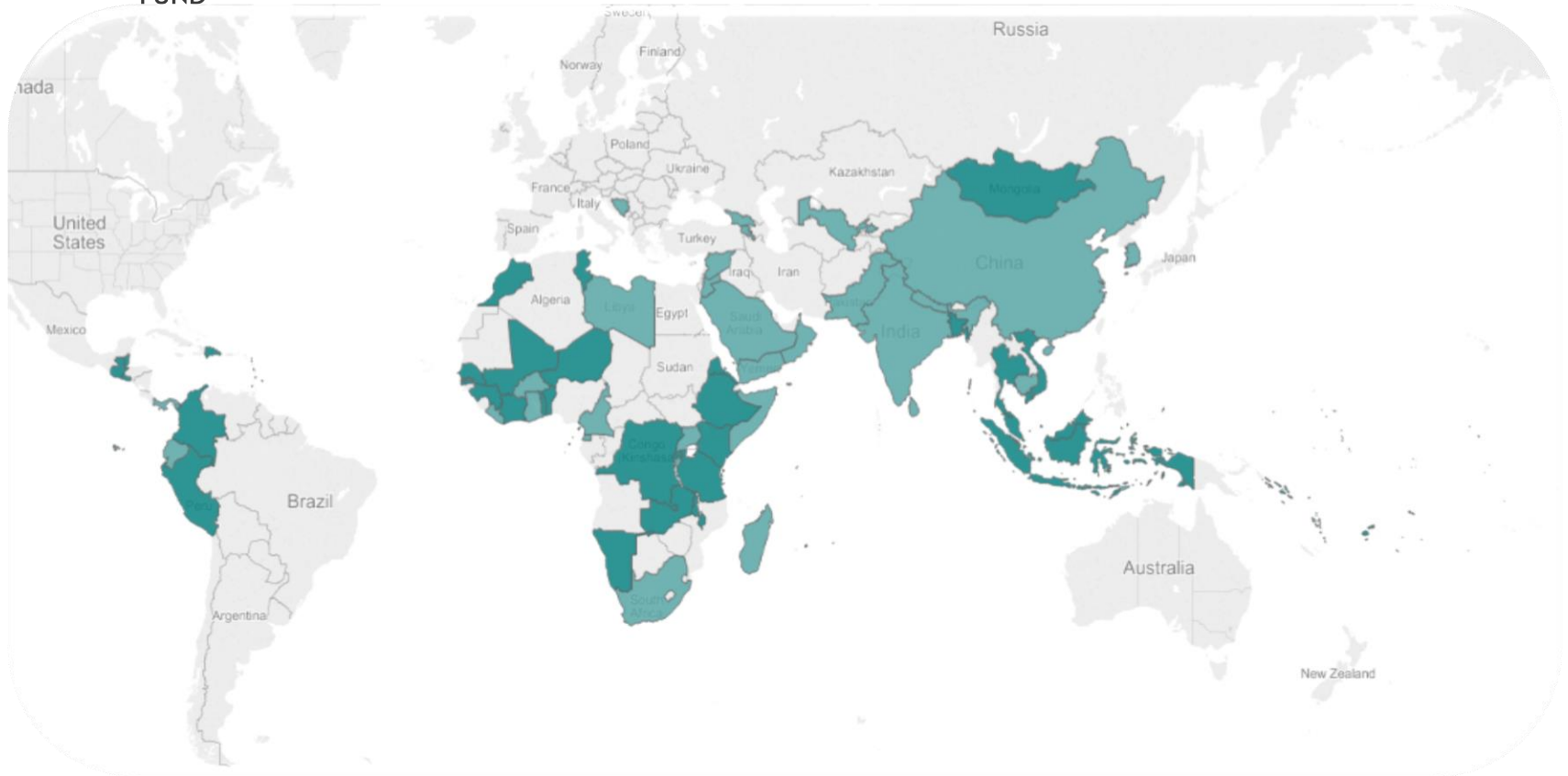
Five Pillars





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Engagement



129 designations with over 70 readiness requests (as of 19th June 2015)



Accreditation of National Entities/Intermediaries

- Direct Access – with NDA no-objection;
- Assessed Against Fund's Fiduciary standards, ESS, GP, GAP 2015-17
- 3-stage process, applications open since Nov '14





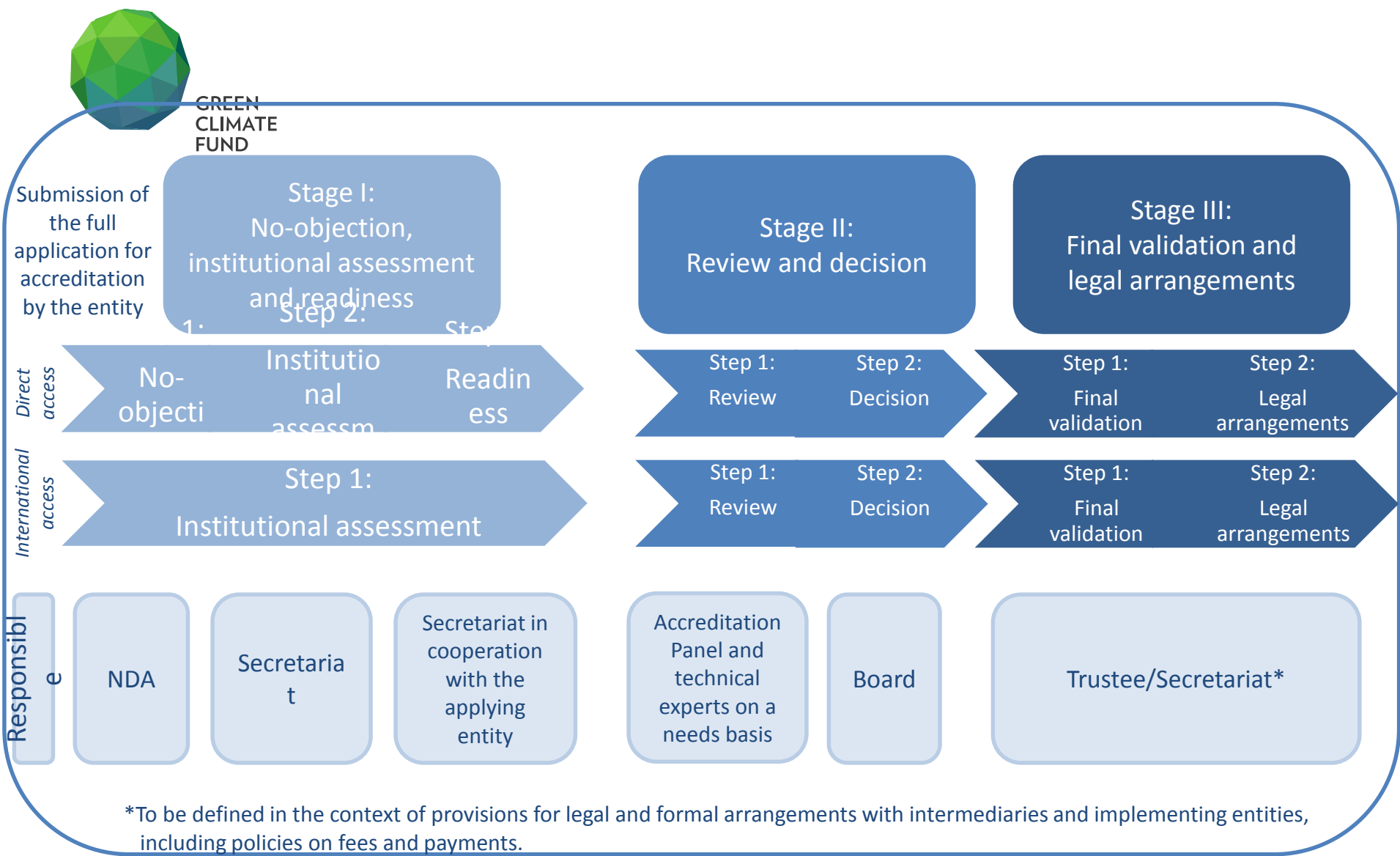
Accreditation

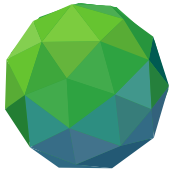
– Status Update (as on 24th April 2015)

- Accreditation applications received: 45;
- 7 Accredited – CSE Senegal, Profananpe Peru, Acumen Fund, SPREP Samoa, UNDP, AsDB, KfW.
- Accreditation applications
 - National/regional: 14
 - Private: 8
 - International -23

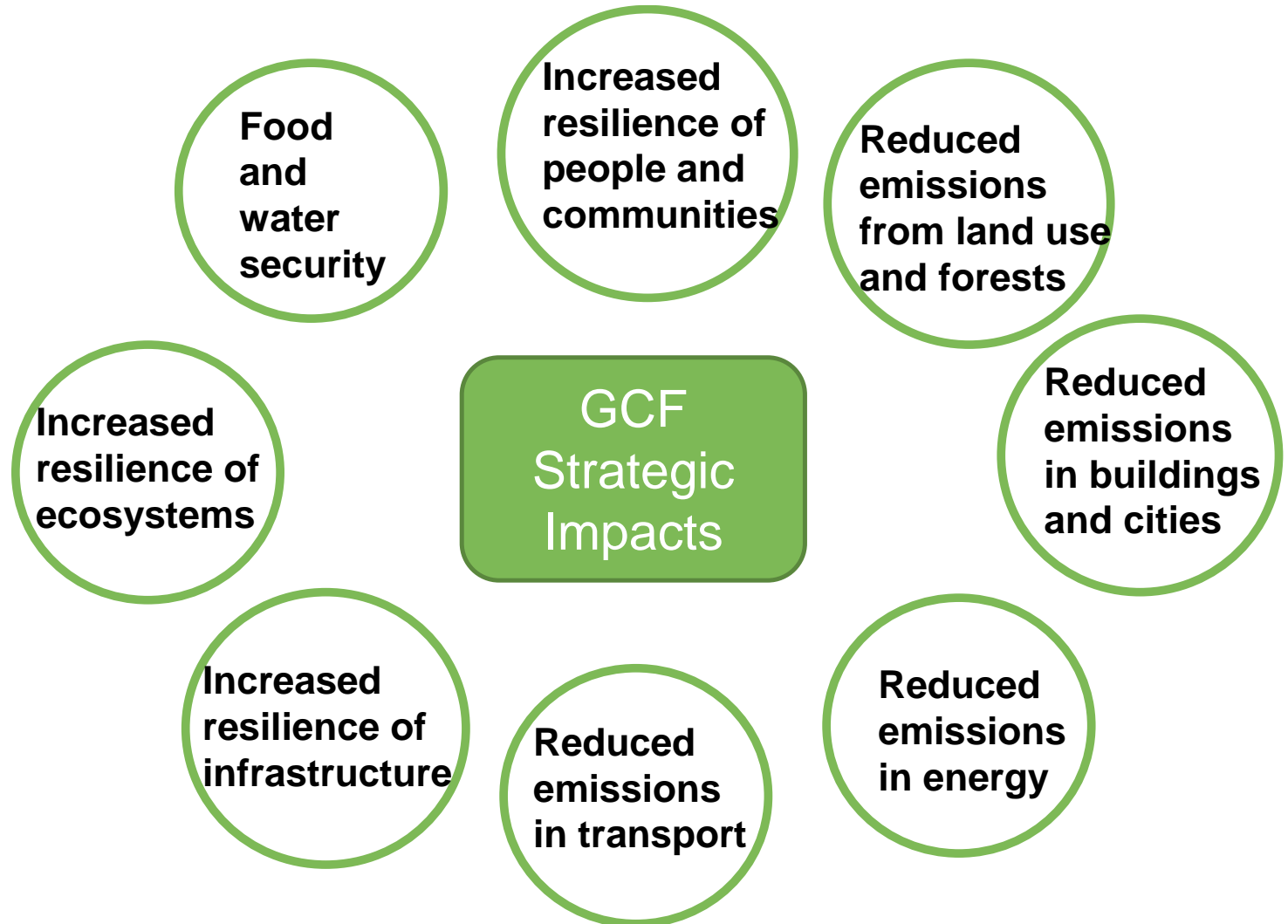


Accreditation Process





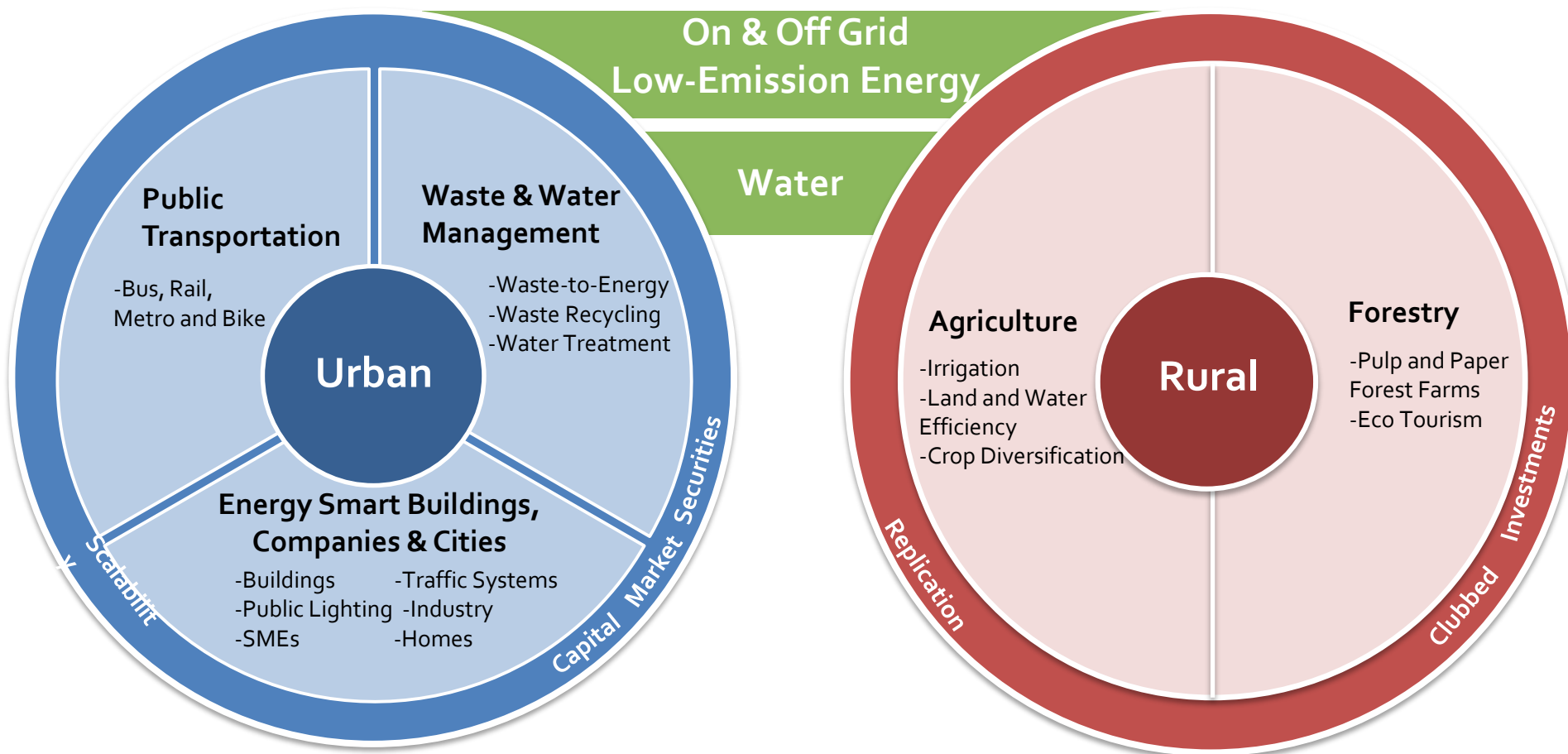
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Private Sector Facility Areas of Priorities





Investment Criteria

against which proposals are assessed

Impact Potential

- Potential to achieve the Fund's objectives and result areas

Paradigm Shift Potential

- Potential to catalyse impact beyond a one-off project or programme investment

Sustainable Development Potential

- Potential to provide wider benefits and priorities

Needs of Recipient

- Vulnerability and financing needs of the beneficiary country

Country Ownership

- Beneficiary country ownership of and capacity to implement funded activities

Efficiency & Effectiveness

- Economic and, if appropriate, financial soundness of the programme/project



Investment Framework

Investment Criteria

Coverage areas

Sub-criteria

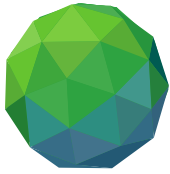
Further elaborate the investment criteria

Indicative assessment factors

Provide clarity on how sub-criteria could be assessed

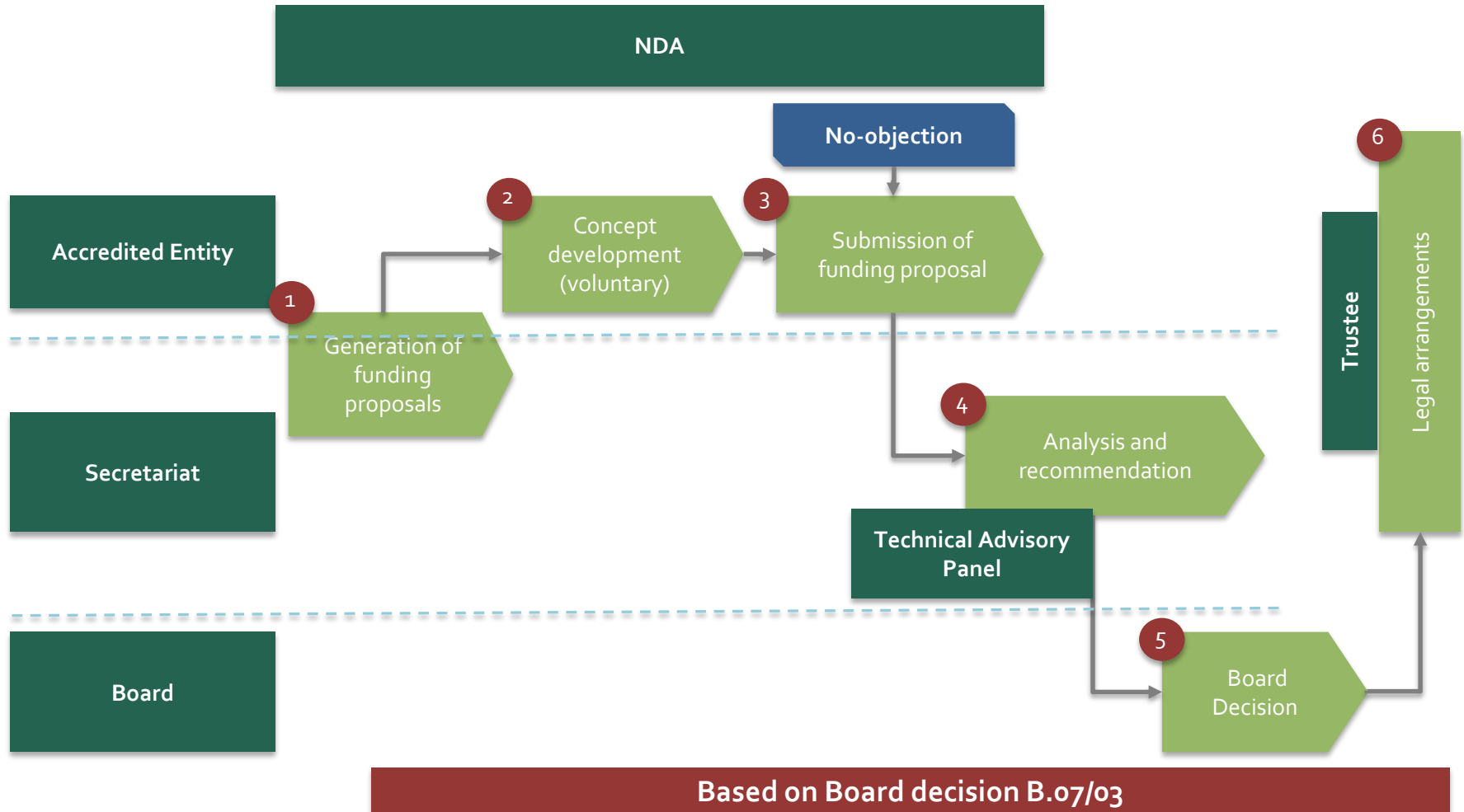
Apply to all proposals

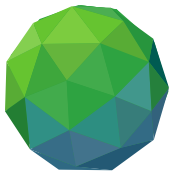
Only relevant and applicable ones apply



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Proposal Approval Process





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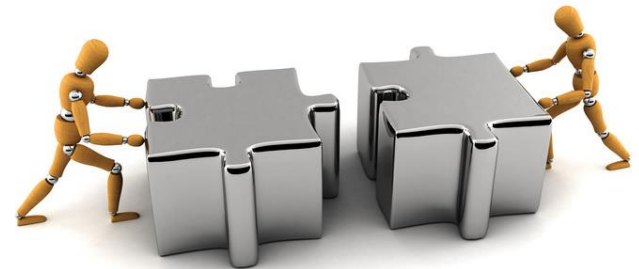
Financial Terms and Conditions

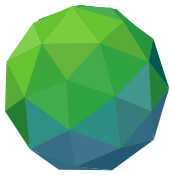


- Major convertible currencies;
- Grants
 - Without repayment – Public Sector;
 - With repayment – Private;
- Concessional Loans - Public
 - High- 40 yrs; 10 Yrs; 0%; Service fee 0.25%; Commitment fee -0.5%.
 - Low- 20 yrs; 5 Yrs; 0.75%;0.5%;0.75%.
- Private Sector- case-by-case – 20 Yrs; 5 Yrs max; not more than public;
- Consider terms & conditions to recipient by AE vs what is requested;

Technology Mechanism and GCF

- NDAs and NDE dialogue and coordination;
- Country Strategic Framework/CWP – map TNAs –TAPs & project ideas;
- TNA results implementation – projects/programmes?

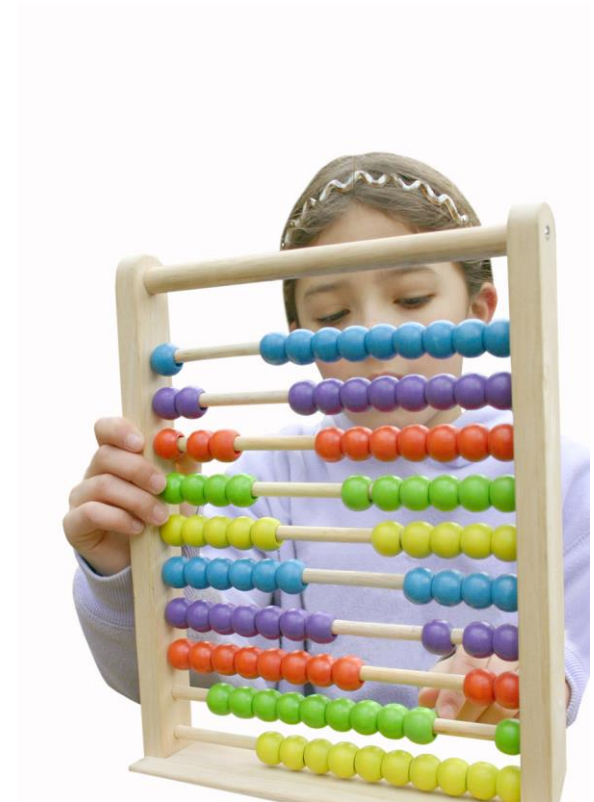


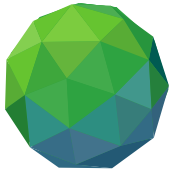


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Outlook

- ***Resource pledges –***
Positive but to be realised;
- *To support **best possible projects** through existing and new channels;*
- ***Less Process and More Access;***
- ***Coordination NDAs and NDEs***





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Thank You



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