Green Climate Fund

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GCF Division of Country Programming
UN CTCN - Latin America and the Caribbean
NDE Forum 2023
01 The world’s largest climate fund

02 Set up by the UNFCCC, and serving the Paris Agreement

03 Supporting developing countries to transition to low-emission, climate-resilient societies
How we work

**COUNTRY-DRIVEN**
- Readiness programme supports country planning
- GCF programming is aligned with country priorities

**A RANGE OF FINANCING INSTRUMENTS**
- Leverage blended finance
- Piloting support for new financial structures

**RISK-TAKING, PATIENT CAPITAL**
- Accept higher risks to support early-stage project development & innovations to catalyse climate finance

**AN OPEN, PARTNERSHIP ORGANISATION**
- Over 200 Accredited Entities and delivery partners

**BALANCED ALLOCATION**
- Targeting 50:50 allocation between mitigation & adaptation
GCF is a partnership organisation.
8 mitigation and adaptation result areas

- Health, food, and water security
- Livelihoods of people and communities
- Energy generation and access
- Transport
- Infrastructure and built environment
- Ecosystems and ecosystem services
- Buildings, cities, industries, and appliances
- Forests and land use
The GCF Programming Flow – entry points

- NDCs, Climate Change Strategy
- Country & Entity Work Programmes
- Readiness (including Adaptation Planning)
- Project Concept Notes
- PPF (Optional)
- Funding Proposals
# GCF Strategic Plan 2024 - 2027

**UNFCCC & PARIS AGREEMENT**

- THE PURPOSE OF THE GCF IS TO MAKE SIGNIFICANT & AMBITIOUS CONTRIBUTION to the objective of the UNFCCC & goals of the Paris Agreement through successive cycles

**STRATEGIC VISION**

- GCF PROMOTES PARADIGM SHIFT AND IMPLEMENTATION OF THE UNFCCC AND PARIS AGREEMENT
  - (a) Promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development; and
  - (b) Support developing countries in the implementation of the UNFCCC and Paris Agreement within the evolving climate finance landscape

**STRATEGIC DIRECTION**

- GCF AIMS TO DELIVER MILESTONE GOALS toward global pathways for 2030, with targeted results based on resourcing for 2024-2027
  - (a) Mitigation of 1.5-2.4 gigatons of CO₂ equivalent
  - (b) Enhanced resilience of 570 to 900 million people

**2024-2027 PRIORITIES**

- **GCF WILL DIRECT 2024-2027 PROGRAMMING toward:**
  1. Readiness: enhanced focus on climate programming and direct access
  2. Mitigation and Adaptation: Supporting paradigm shifts across sectors;
  3. Adaptation: Addressing urgent and immediate adaptation and resilience needs;
  4. Private Sector: Promoting innovation and catalysing green financing.

**OPERATIONAL & INSTITUTIONAL PRIORITIES**

- GCF WILL LEARN AND ADAPT ITS OPERATIONS guided by a core goal of enhancing access, & pursue institutional measures to calibrate policies, processes, governance, risk, results management and organizational capacity for successful delivery

**Progress**

- Progress assessed by annual reporting to the COP/CMA
- Progress evaluated through IRMF paradigm shift level
- Progress measured through RRMF and IRMF mitigation/adaptation & enabling environment impact levels & supplementary tracking
- Progress tracked through RTT & work programme results framework
Priority 1. Readiness support: enhanced support on climate programming and direct access

Support 100+ countries to advance implementation of NDC/NAP/LTS

Double the number of Direct Access Entities with approved FPs

✓ Hone deployment of the world’s largest climate capacity building program

✓ Respond to key gaps in NDC/NAP/LTS integrated investment planning to mobilize finance, working with UNFCCC, NDC-Partnership, NAP global network

✓ Better differentiate GCF support to reach countries and DAEs that have not accessed GCF, and strengthen peer learning (including with Adaptation Fund)

✓ Respond to requests for NDC updates/NAP development, climate mainstreaming, green finance tools/methodologies, policy and enabling environment development

✓ Collaborating with AE FI partners to deepen local financial markets and access to capital markets, and mainstream climate risk into decision-making
Priority 2. Mitigation and adaptation: supporting paradigm-shift across sectors

- **FOOD**: 190M+ adopting LECR agriculture & fisheries
- **ECOSYSTEMS**: 120+ Mha conserved, restored, sust. managed
- **INFRASTRUCTURE**: 45+ countries develop or secure LECR infrastructure
- **CLEAN ENERGY**: 20+ countries expand RE access / share in energy mix
- **ENERGY DEMAND**: 18+ countries shift to clean/efficient transport, building, industry sectors

- **✓** Build public and public-private programming collaborations & act as a convenor for developing countries to realize country-led sector/system initiatives
- **✓** Leverage opportunities for integrated, cross-cutting, inclusive interventions with a focus on just transitions in the energy, building, industry and transport systems harnessing potential of nature-based solutions/ecosystem-based approaches
- **✓** Enhance deployment of SAP for rapid replication & RfPs for under-served areas
- **✓** Pursue collaborative engagement with UNFCCC & peer funds to scale up successes
- **✓** Keep gender and equity dimensions at forefront and pursue collaborative stakeholder & IPAG engagement to source inclusive, locally-led solutions
Priority 3. Adaptation: addressing urgent needs for the particularly vulnerable

- 50+ countries protected by new or improved early CIEWS
- 40+ approved proposals for adaptation, including for locally-led action

- Curate easy to access resources on climate risks, impacts and vulnerability assessments, with WMO, IPAG and global experts
- Support immediate & systemic adaptation responses through GCF’s planning and investment windows based on the GCF adaptation approach
- SAP fast-tracking to contribute to UNSG EWS4ALL goal
- Significantly expand deployment of EDA and devolved financing approaches for more rapid access to finance for locally led action
- Continue supporting activities relevant to avert, minimize & address loss and damage in complementarity to other funds, via integrated risk management

~12-15%, 40FPs
Priority 4. Private sector: promoting innovation and catalyzing green finance

900+ local private sector early stage ventures & MSME with seed/ early-stage capital for innovation

90+ national and regional financial institutions accessing GCF resources and other green finance

✓ Support development of innovation ecosystems, and increase access to early stage seed and risk capital for local private sector ventures & MSMEs

✓ Seeking novel project ideas through requests for proposals & active pipeline programming & partners to scale-up innovations (AF, GEF, TEC/CTCN)

✓ Make full use of GCF’s risk appetite and fit-for-purpose blended-finance instruments for proof of concept, market creation, crowing in private sector

✓ Support establishment of greenfield financial institutions or facilities and collaborating with AE FI partners to deepen financial & capital markets

✓ Work with AEs to attract co-investors to GCF-funded projects
THANK YOU! ¡GRACIAS!

CONTACT INFORMATION

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### Different partners, different functions

<table>
<thead>
<tr>
<th>Readiness Delivery Partner</th>
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<tbody>
<tr>
<td>• Institutions selected by the NDA to implement activities approved under the Readiness Programme</td>
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<tr>
<td>• Delivery partners may be Accredited Entities or other institutions who meet the financial management capacities requirements of the Fund (Financial Management Capacity Assessment)</td>
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**Examples:** Global Green Growth Institute; Environmental Project Implementation Unit

<table>
<thead>
<tr>
<th>Accredited Entity (Direct, Regional, International)</th>
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<tr>
<td>• Develop funding proposals based on country priorities</td>
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<td>• Implement, deliver, monitor and report on the results of funded activities</td>
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<td>• Manage executing entities</td>
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<tr>
<td>• Develop and periodically update an entity work programme that is aligned with Country Programme. This applies to regional and international accredited entities., while direct access entities’ programmes are reflected in Country Programmes</td>
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**Examples:** UNDP, IFC, GIZ, FUNDACIÓN AVINA, Deutsche Bank AG, XacBank

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<th>Executing Entity</th>
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<tr>
<td>• Any entity through which GCF proceeds are channeled or used for the purposes of a funded activity or part thereof</td>
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<tr>
<td>• An entity that executes, carries out or implements a funded activity, or any part thereof</td>
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<td>• A partner of accredited entity, which also need to bring capacities in accordance with GCF policies and requirements</td>
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**Examples:** XacBank, Burkina Rural Electrification Agency
GCF in Figures (USD)

TOTAL GCF PORTFOLIO COMMITMENT

- Committed: 13.5 billion
- Implementing: 10.5 billion
- Disbursed: 3.8 billion

PORTFOLIO VALUE, INCLUDING CO-FINANCING:

51.8 billion
Readiness support

The GCF Readiness Programme provides resources for strengthening the institutional capacities of National Designated Authorities / focal points (NDAs) and direct access entities (DAEs) to effectively engage with the Fund. It also assists countries in undertaking adaptation planning and developing programming frameworks to build out their long-term climate action agenda.

- Number of Readiness approved: 709
- Total value of readiness grants approved: 527.6 USD million
- Number of countries covered: 142
Our portfolio in focus

Geographic distribution

- Asia-Pacific: 35%
- Africa: 37%
- LatAm & Caribbean: 24%
- Eastern Europe: 4%

Funding amount (grant equivalent)
Our portfolio in focus

Priority countries for adaptation

LDCs, SIDS, African States: 66%
Other countries: 34%
GCF project/programme cycle

Implementation

Strategy, origination and structuring

Approval and legal arrangements

Technical review and appraisal
GCF project/programme cycle

The programming process aims to yield high-quality pipelines aligned to country needs for GCF support

GCF Country Programming (Pipeline Development)
- Evidence-based
- Objectively-driven
- Prioritization criteria developed

Entity Work Programming (Pipeline Development)
- Rooted in Country Programming process
- Entity strengths/interests identified
- Co-financing opportunities identified

Project Development
- Supported by science-based climate change data
- Paradigm shift potential
- Aligned to GCF Investment Criteria

Implementation results and learning
- Transformation realized
- Lessons captured
- Capacity built

Impactful climate outcomes
Operation Modalities

Delivery Partners
- FAO
- GGGI
- UNEP
- UNDP
- PwC
- National/Regional organizations

Accredited Entities
**Direct (national and regional):**
- BNDES
- Findeter
- CABEI
- CAF
- Fundación Avina

**International:**
- UN Agencies
- BID
- World Bank

Readiness activities
**FMCA (Secretariat):**
*Institutional capacity & Coordination Readiness
*National Adaptation Planning

1. PPF
2. Concept Notes
3. Funding Proposals
   **Accreditation (Board):**
   * PPF * FP & SAP
   *Public Sector * Private Sector
   [+ Executing Entities]
GCF project/programme cycle

1. Initiating Funding Proposal/project idea
2. Concept Note (voluntary)
3. Project Preparation Facility - PPF (optional)
4. Development & submission of FP/SAP FP template
5. Analysis & recommendations to the Board

- Process:
  - Activities:
    - Call for funding proposals or spontaneous funding proposal submissions
    - CN submission
    - Feedback on the CN
    - No-objection
      - PPF Application submission to the Secretariat
    - No-objection
      - Feedback on the proposal
    - FP submission to the Secretariat
    - Analysis and recommendation to the Board
    - Board decision: approval, conditional approval or rejection
    - Funded activity agreement (pot. conditions)

- Actors:
  - AE and potentially NDA
  - Secretariat/Board
  - AE
    - (engaging NDA)
  - Secretariat
  - NDA
  - AE
  - NDA
  - AE
  - Secretariat
  - ITAP
  - Board
    - Secretariat
    - AE
    - NDA

Climate Investment Committee (CIC)
### Readiness and Preparatory Support Programme

#### Objectives

Strengthening institutional capacities, governance mechanisms, and planning and programming frameworks to identify a transformational long-term climate action agenda for developing countries.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Description</th>
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<tr>
<td><strong>OBJECTIVE 1</strong></td>
<td>Capacity building for climate finance coordination (including for establishing and strengthening National Designated Authorities or Focal Points)</td>
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<td><strong>OBJECTIVE 2</strong></td>
<td>Strategic frameworks for low-emission investment</td>
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<td><strong>OBJECTIVE 3</strong></td>
<td>Strengthened adaptation planning for investment</td>
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<td><strong>OBJECTIVE 4</strong></td>
<td>Paradigm shifting pipeline development</td>
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<td><strong>OBJECTIVE 5</strong></td>
<td>Knowledge sharing and learning</td>
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## Readiness Windows

<table>
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<tr>
<th>ANNUAL</th>
<th>ADAPTATION PLANNING</th>
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<tr>
<td>USD 1 million cap per country per year</td>
<td>USD 3 million per country to be used at once or in phases</td>
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<tr>
<td>Proposals from 12 to 36 months (multi-annual + regional)</td>
<td>Proposals as of 12 months</td>
</tr>
<tr>
<td>Objetives 1, 2, 4 &amp; 5</td>
<td>Objetive 3</td>
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- Strengthening institutional capacities
- Engagement of stakeholders at national and sub-national levels
- Building the capacity of accredited direct access entities
- Country Programme, NDC implementation
- Development of adaptation CNs
- etc.

- Support adaptation planning processes
- Stakeholder engagement
- Identifying adaptation solutions
- Integrating adaptation actions/measures into national, sectoral or sub-national strategies, plans and budgets
- Development of adaptation CNs
- etc.
Readiness and Preparatory Support Programme
Project Preparation Facility

**Project ideas**
- Upstream support
- Technical Assistance through individual consultants or firms

**Concept note submission**
- Concept note strengthening & PPF development

**Concept note clearance**
- Preparation of full funding proposal package including all needed studies & activities

**Funding proposal submission & appraisal**
- “Last mile” drafting & technical support for funding proposals at more advanced stage

**Board approval**
- Technical Assistance through firms
What is offered?
Preparation of full funding proposal package including all needed studies and activities

- Pre-feasibility & feasibility studies, as well as project design
- Environmental, social & gender studies
- Risk Assessments
- Identification of programme/project-level indicators
- Pre-contract services, including revision of tender documents
- Advisory services and/or other services to financially structure a proposed activity
- Other project preparation activities
Project Preparation Facility

B.13/21

initial funding allocation: USD 40 million

**What?**
- To support the preparation of a full Funding Proposal for a project or a programme from a Concept Note

**Who?**
- All accredited entities (AEs), especially direct accredited entities, can request support from the PPF

**Funding cap?**
- Each application will be subject to a cap of **USD 1.5 million**

**In what form?**
- PPF can be in the form of **grant, repayable grant and equity**

**Timeline?**
- Proposals developed with PPF should be submitted within **two years** after the PPF approval
Funding Proposal Development Stage
Project Preparation Facility

PPF Funding

Standard PPF Funding allows AEs to receive up to USD 1.5 million
whereas Simplified PPF Funding supports up to USD 300,000
in the form of grants, repayable grants, and equity.

PPF Service

One project development firm, which will work directly with AEs, will be selected from a roster of independent project development firms administered by GCF.
PPF: Status of PPF portfolio

- **48** PPF applications approved
- **52** countries supported
- **30** AEs supported
- **30 m** invested

15 Funding Proposals submitted - 9 approved

As of 31 December 2021

**Access Type**
- **DIRECT ACCESS**
  - **USD 21.5 m**
- **INTERNATIONAL**
  - **USD 8.5 m**

**Regional Distribution**
- Africa, 18
- Asia Pacific, 17
- LAC, 13
- Cross-cutting, 20
- Mitigation, 10
- Adaptation, 18

**Type of Access**
- National
- Regional
- International
Updated Simplified Approval Process

GCF’s Simplified Approval Process was approved at B.18 and launched at the 23rd UNFCCC Conference of the Parties in Bonn on the 11th of November, 2017

“...to apply best practices to reduce the time and effort needed in the preparation, review, approval and disbursement procedures for proposals of certain activities, in particular small-scale activities.”
Updated Eligibility Criteria

1. GCF funding of up to **USD 25 million**

2. Minimal to no environmental & social risks
SAP - Simplification acceleration and facilitation actions

- Simplify the need documentation required for SAP (Feasibility, economic analysis, ESAP..)
- SAP CNs are now optional/further reduced
- Development of a simplified review process / appraisal Tool
- Develop SAP programming guidance
- Develop guided templates for fast tracking (scaling up and high-demand activities)
- Develop guided templates for fast tracking and scaling up
- RB M&R (simplified APRs) and post-approval procedures
- SAP specific TA
Examples of SAP-able activities

**Mitigation**
- Micro-scale renewable energy (e.g. small roof-top, off-grid RE projects or APVs)
- Retrofit renewable energy systems
- Energy efficiency and conservation
- Greening the MSME supply chain
- Small-scale infrastructure (rehabilitation, maintenance and upgrading where waste will not be an issue)
- Forest management activities and agroforestry

**Adaptation**
- Climate-resilient and sustainable agriculture projects
- Small-scale rural and urban community projects
- Small-scale soil and water conservation treatment projects in industries
SAP portfolio

24
Approved

USD 218M
GCF funding

USD 191M
Co-financing

37.5%
DAEs
8 STEPS to Simplified Approval Process

1. SUBMIT:
   - Concept Note WITH ESS Screening
   - Submission of ESS Screening

2. CONCEPT NOTE REVIEW BY GCF SECRETARIAT
   - 2-3 weeks

3. FUNDING PROPOSAL REVIEW BY GCF SECRETARIAT
   - 4-6 weeks
   - 2-3 weeks

4. FUNDING PROPOSAL
   - 2-3 weeks

5. DISBURSEMENT AND IMPLEMENT
   - Project agreement
   - Annual performance reports
   - Mid-term & final evaluations reports

SAP cycle
GCF Programming Manual provides an overview of the GCF project/programme approval process and offers guidance on how to prepare and submit a funding proposal that meets GCF investment criteria.

The manual aims to make project origination, development, appraisal, approval and implementation processes more transparent and predictable, as well as to simplify the process of accessing GCF resources.