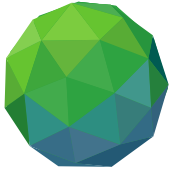


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# **The Green Climate Fund**

**Carmen Arguello  
GCF Regional Advisor**

June 2016



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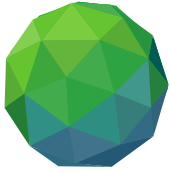
# Outline

Resources

Development of Funding proposals

Access to resources and Accreditation

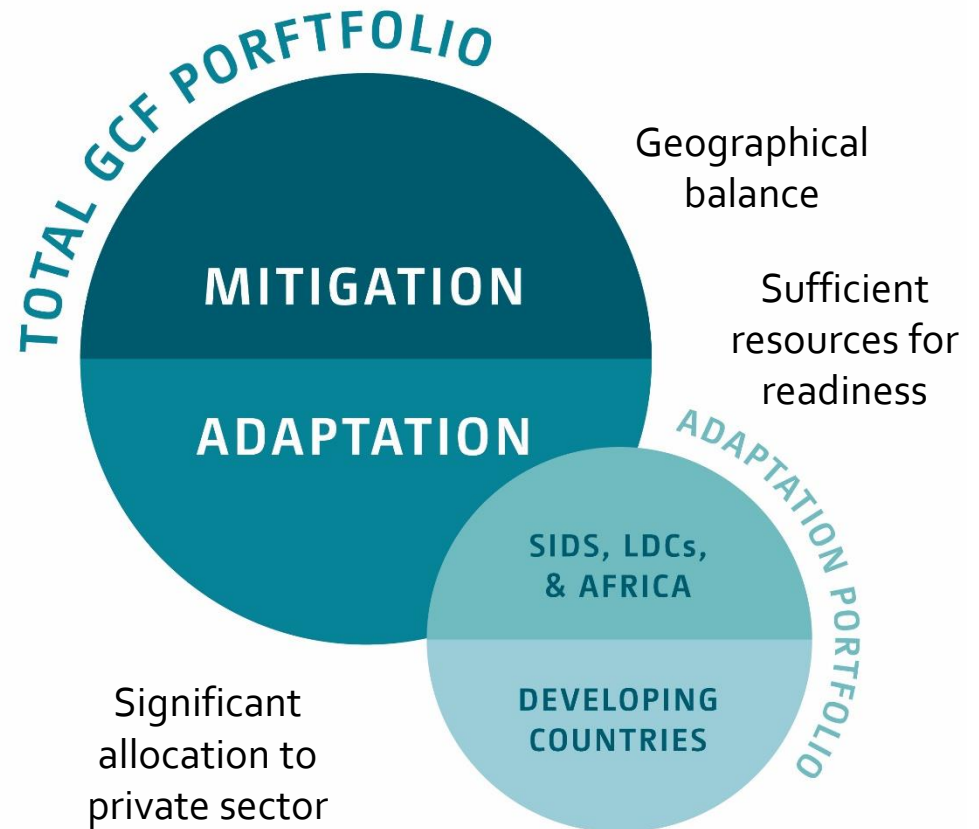
Readiness support

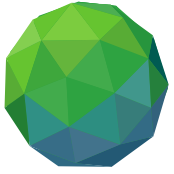


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# Resources & allocation

- \$10.3 billion in pledges
- \$9.9 billion in signed contributions
- 42 governments, 9 developing countries

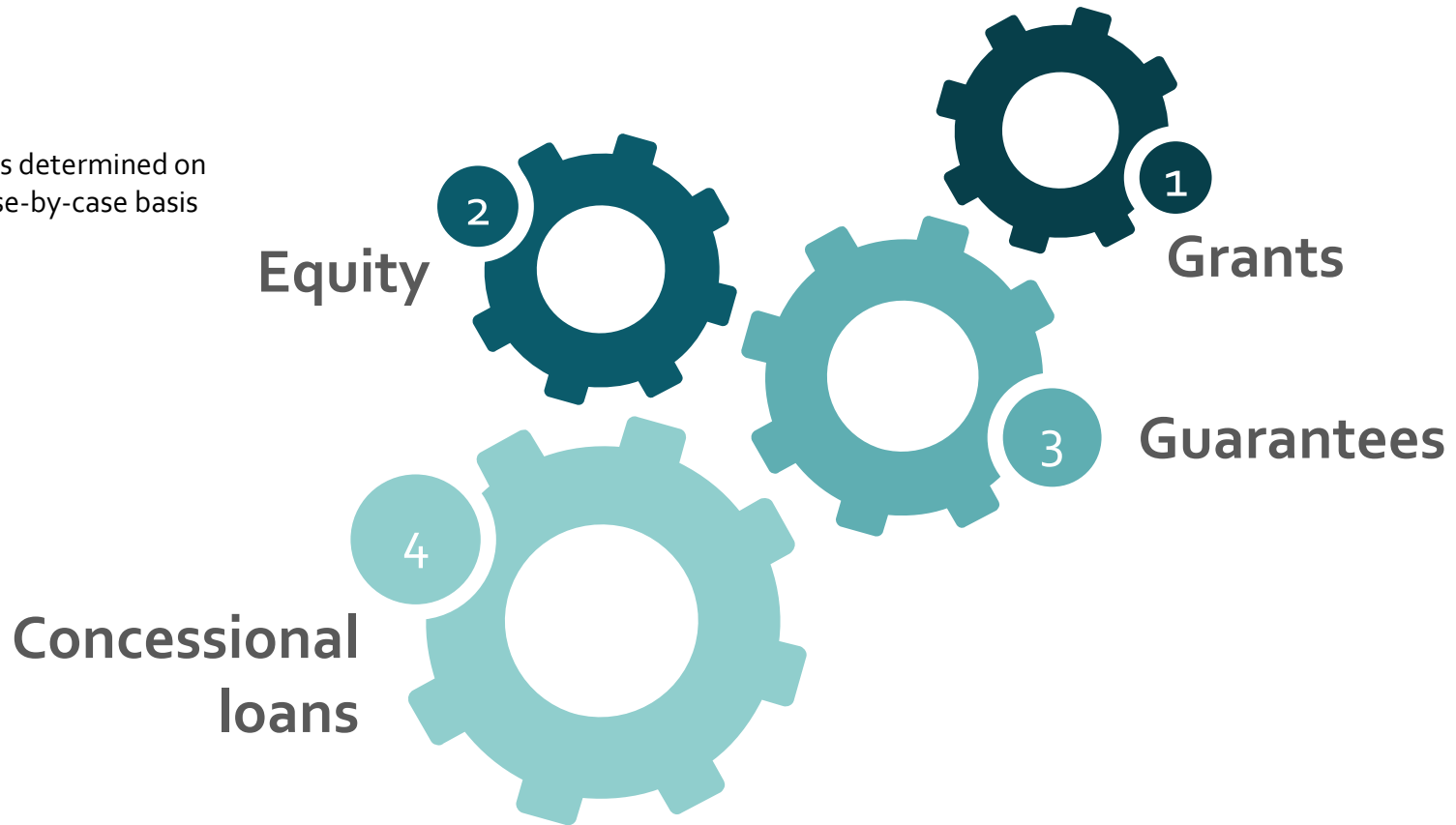


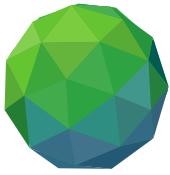


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# Financial Instruments

Terms determined on  
a case-by-case basis

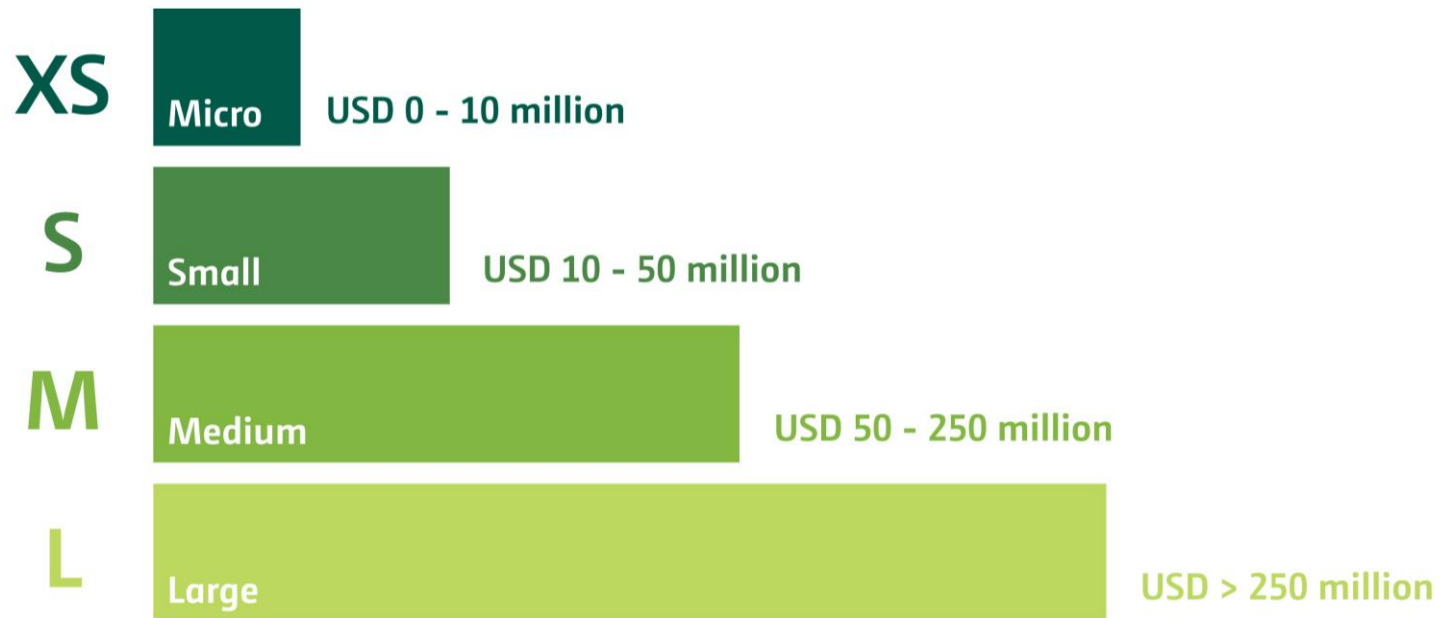




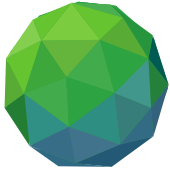
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# Size of project/activity within a programme

Total Projected Costs\*

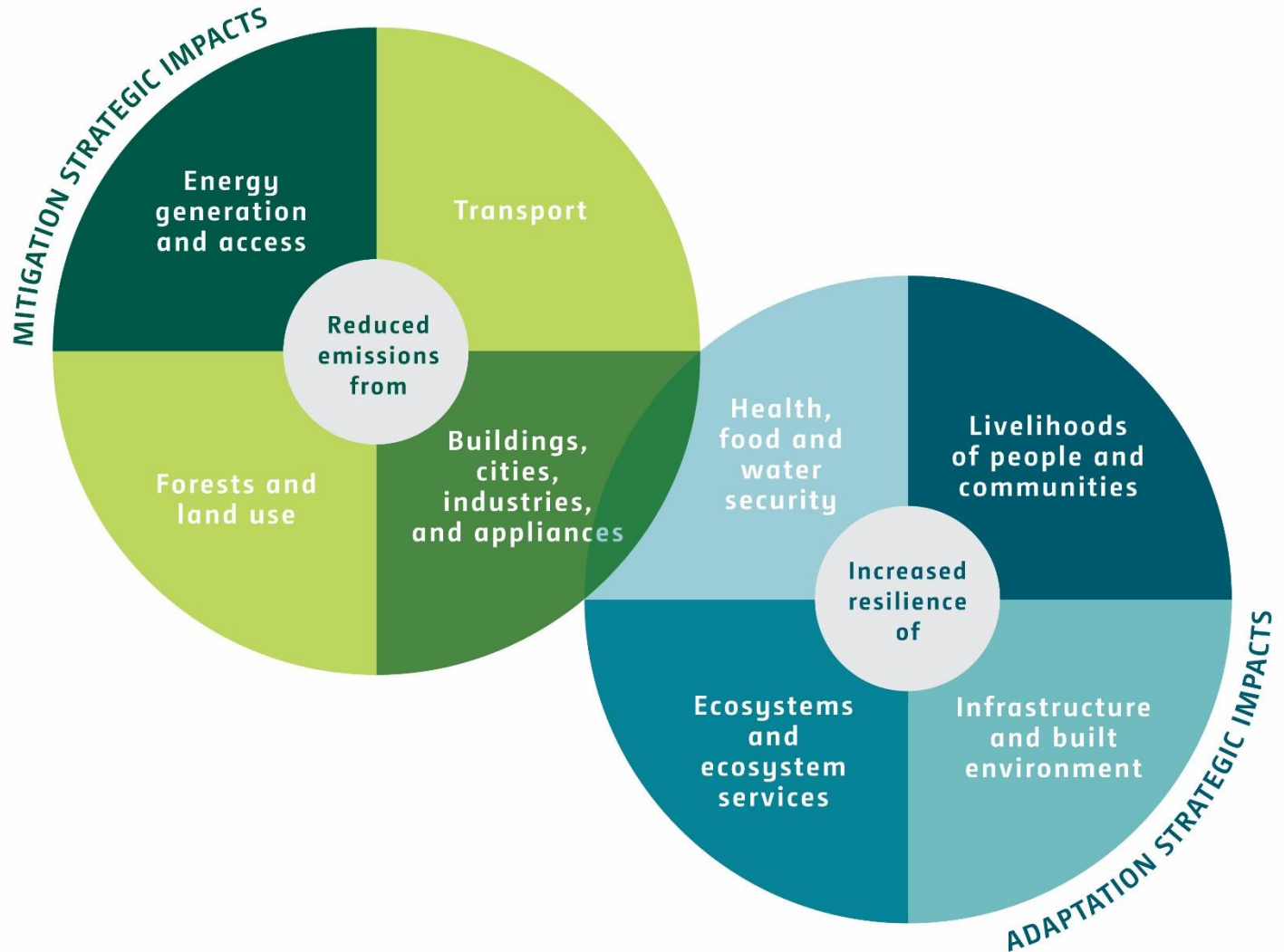


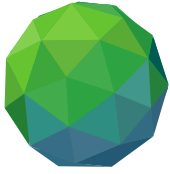
\* At the time of application, irrespective of the portion that is funded by the Fund and, if applicable, other sources, for an individual project or activity within a programme.



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# Projects & programmes





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# Six Investment Criteria

Impact potential

Potential to contribute to achievement of Fund's objectives and result areas

Paradigm shift potential

Catalyze impact beyond a one-off investment

Sustainable development potential

Wider economic, environmental, social (gender) co-benefits

Responsive to recipients needs

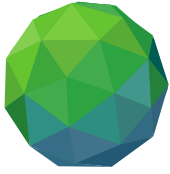
Vulnerability and financing needs of beneficiary in targeted group

Promote 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 for mitigation



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# Private sector facility

## Why the PSF?

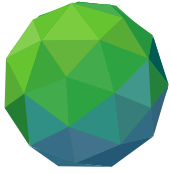
- To mainstream climate change mitigation and adaptation actions in the private sector

## Interventions possible

- Fund climate risk assessment models and tools
- Long-term debt, credit lines and refinancing
- Equity to develop a project to full bankability
- Guarantees to bear specific risks

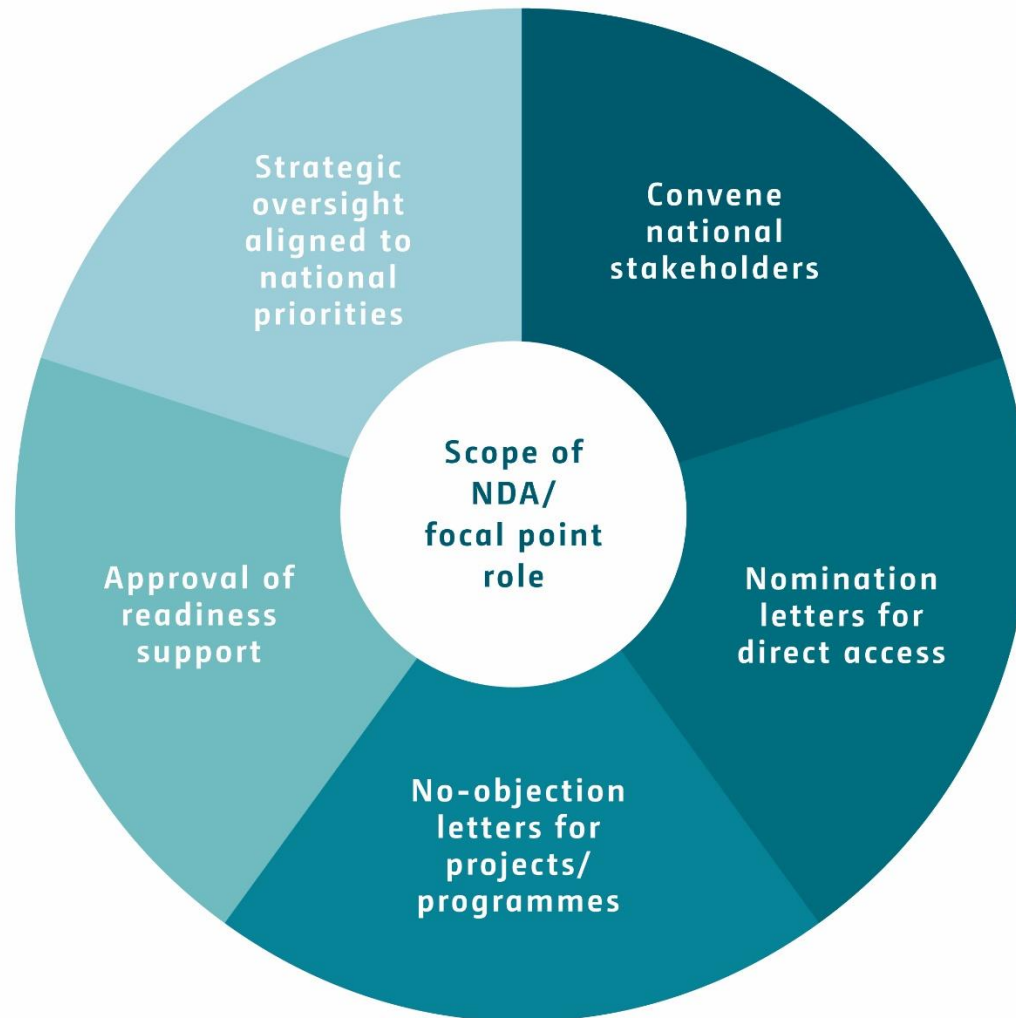
## Access to the private sector

- Accredited entities with private sector operations
- Present funding proposals spontaneously or in response to calls for proposals



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# Roles of NDAs and focal points





## Access to Green Climate Fund resources

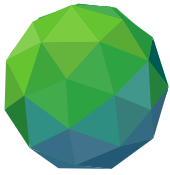
- Through a **country-driven approach**, the National Designated Authority (NDA) of a country can identify the strategy by which it will address climate change, and provide broad strategic oversight of the Fund's activities in the country.
- Access to Fund resources to undertake climate change projects/programmes will be through accredited national, regional and international implementing entities and intermediaries.
- Entities seeking accreditation to the Fund in order to access its resources will be assessed against the Fund's fiduciary principles and standards, environmental and social safeguards (ESS) and gender policy.



# Fit-for-purpose approach to accreditation

Entities will be accredited with certain fiduciary functions, size of project/activity within a programme, and environmental risk category.

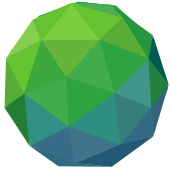
Fiduciary functions	Size of project/activity within a programme	Environmental and social risk category
Shapes how the entity will operate using the Fund's resources (e.g., grants, concessional loans, equity, guarantees)	Micro Small Medium Large	High risk Category A/ Intermediation I (I-1)  Medium Category B/I-2  Low/no Category C/I-3



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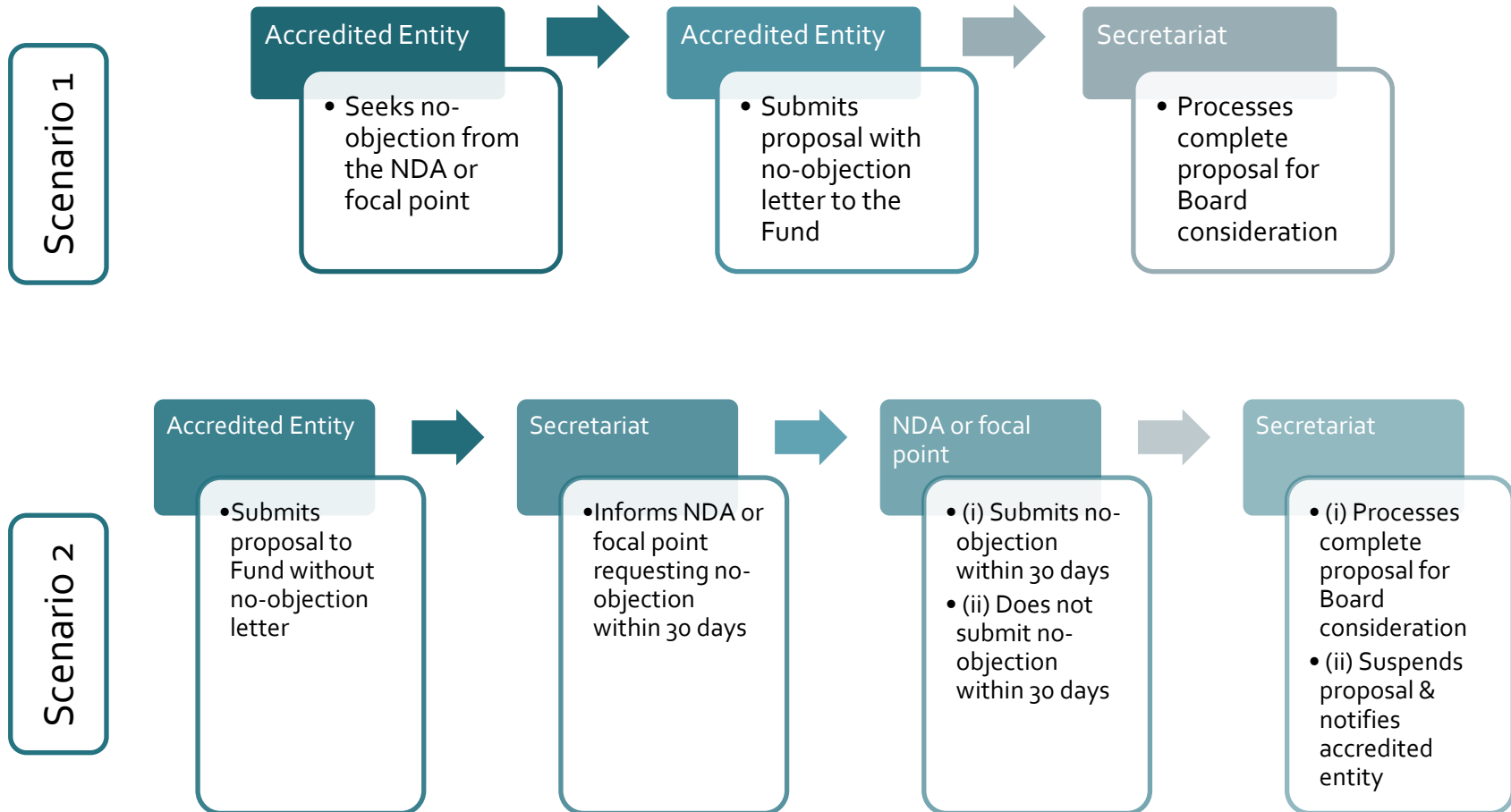
# Accredited Entities

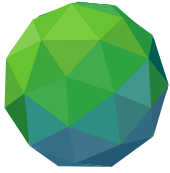




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# No-objection procedure for funding proposals





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# Contents of the no-objection

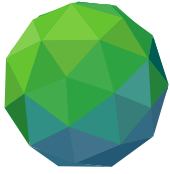


GOVERNMENT HAS NO OBJECTION

CONFORMITY WITH NATIONAL PRIORITIES

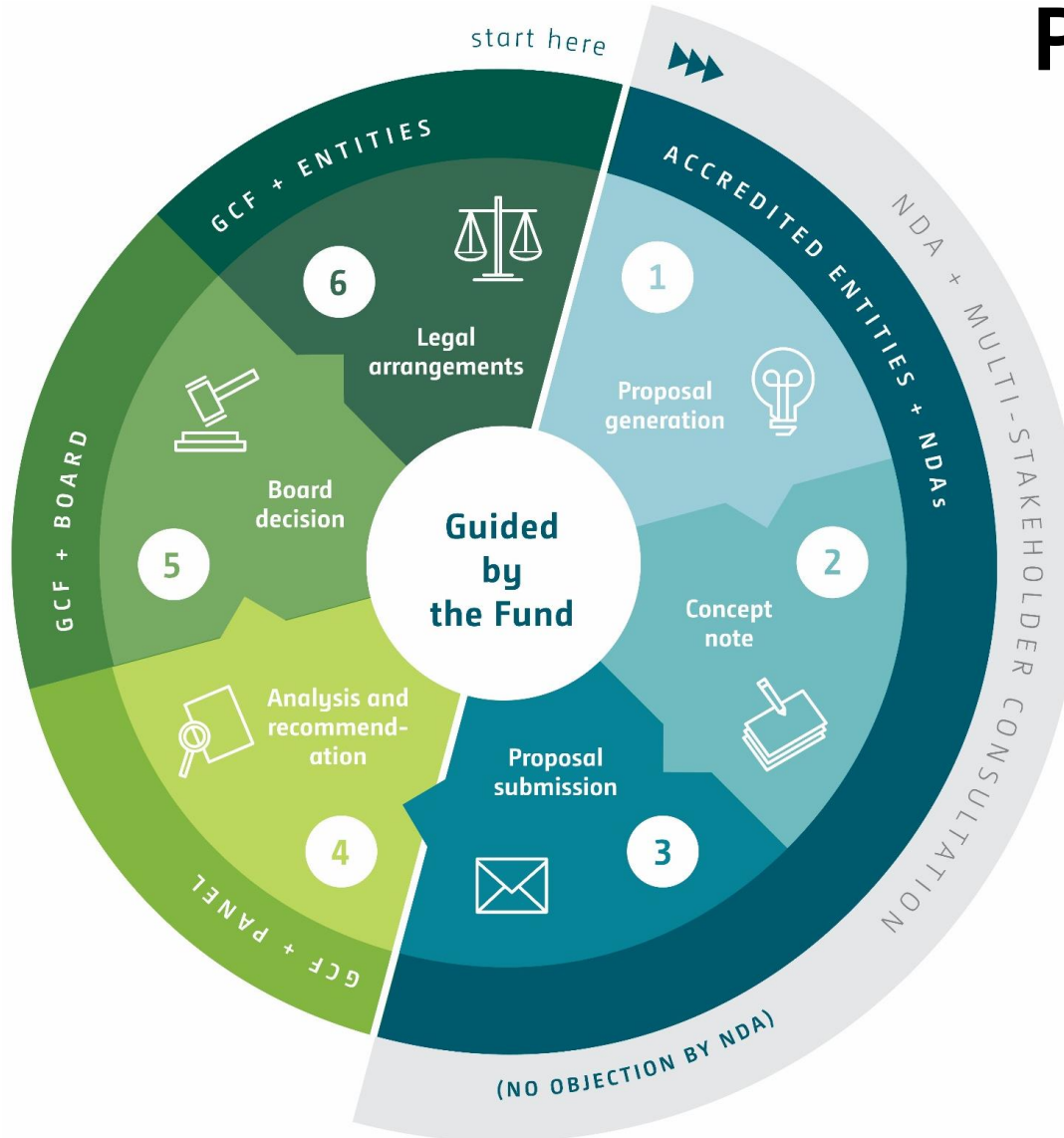


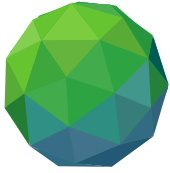
CONFORMITY WITH LAWS & REGULATIONS



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# Proposal Approval Process

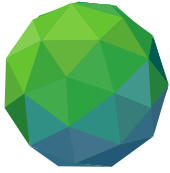




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# P&I Agreement

- The Governing Instrument for the Green Climate Fund was approved at the seventeenth session of the COP by Decision 3/CP.17. Paragraphs 7 and 8 of the Governing Instrument, respectively, read as follows:
  - “7. In order to operate effectively internationally, the Fund will possess juridical personality and will have such legal capacity as is necessary for the exercise of its functions and the protection of its interests.
  - 8. The Fund will enjoy such privileges and immunities as are necessary for the fulfilment of its purposes. The officials of the Fund will similarly enjoy such privileges and immunities as are necessary for the independent exercise of their official functions in connection with the Fund.”
- Currently, the Fund is not institutionally linked to the United Nations Secretariat, nor can it be classified as a specialized agency of the United Nations. Thus, the Convention on the Privileges and Immunities of the United Nations and the Convention on the Privileges and Immunities of the Specialized Agencies do not apply to the Fund. Hence, alternative arrangements need to be sought to ensure that the Fund and the persons associated with it are covered by privileges and immunities.



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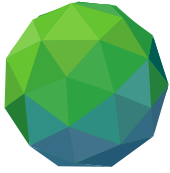
# P&I Agreement

- At its twentieth session, the COP adopted Decision 7/CP.20 which, in paragraphs 21 and 22:

“21. *Urges* developing country Parties to enter into bilateral agreements with the Green Climate Fund based on the template to be approved by the Board of the Green Climate Fund, in order to provide privileges and immunities for the Fund, in accordance with Green Climate Fund Board decision B.08/24, paragraph (b);

22. *Requests* the Board of the Green Climate Fund to report biennially to the Conference of the Parties on the status of existing privileges and immunities with regard to its operational activities, starting at the twenty-first session of the Conference of the Parties;”

<http://unfccc.int/resource/docs/2014/cop20/eng/10a02.pdf#page=14>

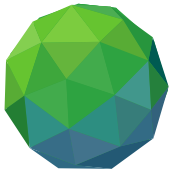


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# Readiness activity areas



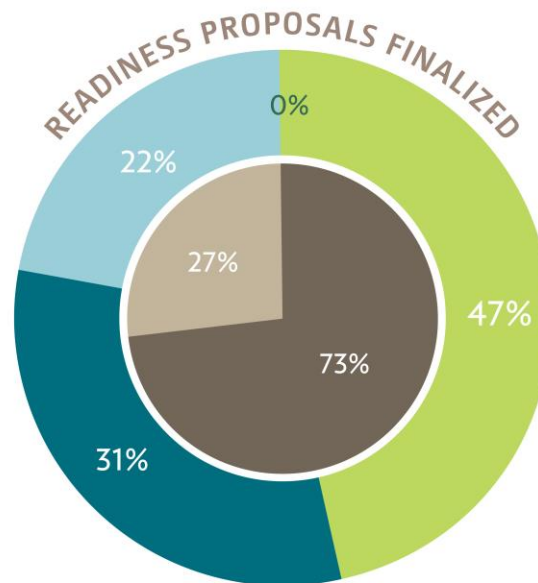
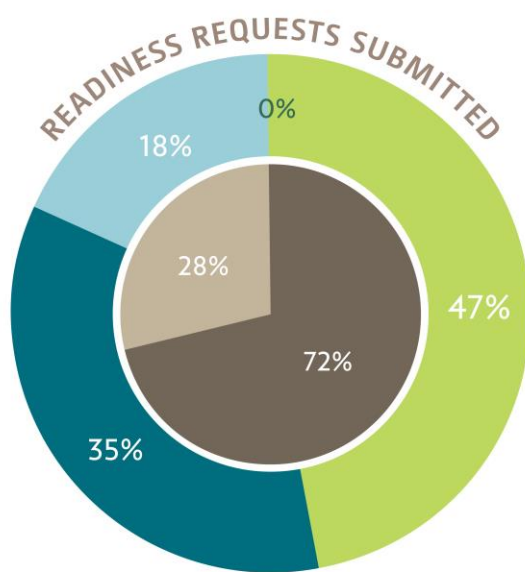
**Country Ownership**



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# Readiness support

## *NDA and focal points*



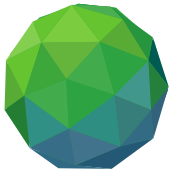
### Regional Distribution

- Africa
- Asia Pacific
- Latin America & Caribbean
- Eastern Europe

### Vulnerable Countries

- SIDS/LDC/African States
- Other

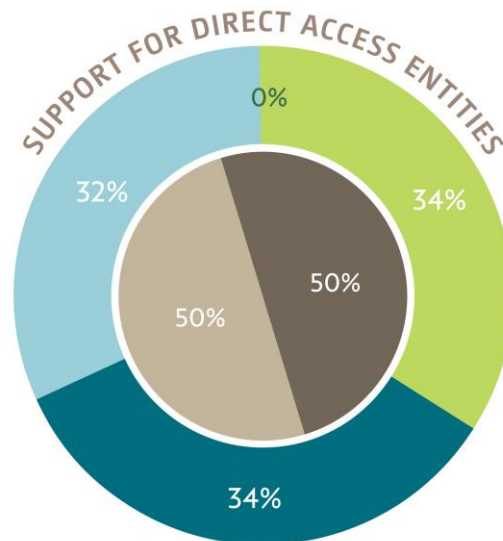
As of 1 November 2015



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# Readiness support

## *Nominated direct access entities*



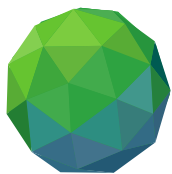
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As of 1 November 2015



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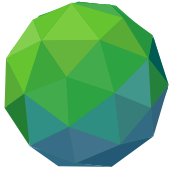
# State of play in Eastern European and Central Asian

NDA/Focal  
Point  
Nominations

• 15 countries

Readiness  
Requests

• 6 countries



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# Thank you!

**Carmen Arguello**

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Website: [www.GCFund.org](http://www.GCFund.org)



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