Update & priorities for the Fund

CTCN Regional Forum for NDEs
Nairobi
27th September 2016
Recent key board decisions (B.13)

- Support for NAPs - $3 million/country, readiness support
- Simplified processes for micro and small scale activities
- Project Preparation Facility – activities, modalities; 10% or $1.5 million
- Interim Risk and Investment Guidelines
- Expansion of readiness activities
- Simplification of legal agreements Master Agreement, Grant Agreements
- Launch of 2 Requests for Proposal: Enhanced Direct Access & MSME
Readiness/ Programming Support to NDAs & entities

• Readiness is a strategic priority of the Fund: maximise effectiveness and reduce risks, good delivery

• 141 designations of NDA: 106 readiness requests – 51 approved ~ US$ 13 million;

• 59 direct access entities supported, 15 accreditation gap assessment;

• 3 pipeline development support – 1 PPF – $ 1.5 million;

• 110 countries covered – info-sharing/exchange;

• Simplifications – bilateral agreements, framework agreement, process and application forms.
Accreditation State of Play

33 accredited entities as at August 2016

NUMBER OF ENTITIES AT EACH STAGE

OAS ACCESS
- Before submission: 72

STAGE I
- Applications submitted and under Stage I check: 60

STAGE II
- Step One: Applications under Accreditation Panel review: 15*
- Step Two: Entities accredited: 33

STAGE III
- Legal agreement signed: 10**

As of 31 July 2016

*Five entities have been recommended for accreditation by the Accreditation Panel, for consideration by the Board.
**Accreditation Master Agreements (AMAs) signed with Accredited Entities
33 Accredited Entities to date ... 

With 5 more to be presented at B13/B14 and 70+ in pipeline
Recap: Resource Allocation

Investment Mandate

- $10.3 billion in pledges
- $5.5 billion (58.5%) in signed contributions
- 50/50 split between adaptation & mitigation
- Geographic balance
- 50% of adaptation resources for SIDS, LDCs and African states

Investment target is up to $2.5 billion per year over 2015-18...
Recap: Strategic Results Areas

With a focus on...
- Impacts
- Programmes
- Paradigm-shift potential
- Adaptation-mitigation co-benefits
Current portfolio & pipelines

- $168 million GCF funds committed (8 projects) at Zambia Board meeting

- Current portfolio overview: [http://www.greenclimate.fund/ventures/portfolio](http://www.greenclimate.fund/ventures/portfolio)

- 12% mitigation & 63% adaptation with 25% cross cutting

- 38% portfolio is Africa based

- Nine new proposals to be considered at B.14

NEW PROPOSALS UNDER CONSIDERATION

- Energy Savings Insurance for SMEs, IDB, El Salvador $ 21.7 m;
- De-risking and scaling up investment in energy efficient building retrofits, UNDP, Armenia $20 m;
- Large Scale Ecosystem based Adaptation, UNEP, Gambia, $ 20.5 m;
- Strengthening Climate Resilience in Sub-Saharan Arica, WB, Mali, $ 22.8 m;
- Improving Resilience of Vulnerable Coastal Communities, UNDP, Viet Nam $ 29.5 m;
- Climate Adaptation and Mitigation Programme for Aral Sea Basin, WB, Tajikistan and Uzbekistan, $19 m
- Tuvalu Coastal Adaptation, UNDP, Tuvalu, $ 36 m;
- Resilience of Smallholder farmers in Sri Lanka, UNDP, $38.1;
- Solar Energy Development Programme in the Tarapacá Region, CAF, Chile, $ 49m
- Total Funding - $ 256.8
Current Request for proposals

Enhancing direct access (EDA)

- $200M allocation
- Up to 10 pilots
- Min 4 SIDS, LDCs & Africa
- 31 Jan 2017
- Accredited or potential entities

Micro-, small- & medium-sized enterprises (MSME)

- $200M allocation
- $100M for first pilot
- $100M SIDS, LDCs & Africa
- 30 Aug 2016
- Accredited or potential entities
What is on offer?
• Support for project/programme development
• Especially micro-to-small size projects
• Up to $1.5M per project preparation request

How to apply?
• Accredited entities, especially direct access, submit requests
• Request submitted with project/programme concept
• In conjunction with no-objection letter from NDA/focal point

What is assessed?
• Secretariat assesses concept against investment criteria
• Also assesses request for justification of needs & GCF policies
• Executive director approves requests
Approval process

Simplified for micro- and small-scale funding proposals with low/no risk

Applies to all accredited entities, especially direct access entities

Revised funding proposal template for micro- and small-scale activities

At B14, Board to consider GCF’s share in projects, level of detail for documentation, and risks
Country & entity work programmes

Aimed at co-developing future pipelines

Country programmes

- Country’s GCF priorities
- Led by NDA/focal point
- Stakeholder engagement

Entity work programmes

- Responds to country priorities
- Identifies regional or multi-country initiatives

Pipelines

- Projects/programmes developed for funding
- Aligned with country/entity programmes
Certain issues being considered at B.14
12 – 14 October 2016

- Funding and accreditation applications considered
- Guidelines for country ownership
- Guidelines on simplified processes for proposal approvals (esp. small scale activities)
- Accreditation strategies & policy gaps
- Evaluate guidance from COP on technologies and R&D collaborations
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Recap: GCF Engagement Infrastructure

Financial Instruments offered by the Fund – instrument choice depends on the demonstrated need of the programme/project
Private Sector Facility Areas of Priorities

Urban
- Public Transportation:
  - Bus, Rail, Metro and Bike
- Energy Smart Buildings, Companies & Cities:
  - Buildings
  - Public Lighting
  - SMEs
  - Traffic Systems
  - Industry
  - Homes
- Waste & Water Management:
  - Waste-to-Energy
  - Waste Recycling
  - Water Treatment

Water

On & Off Grid Low-Emission Energy

Rural
- Agriculture:
  - Irrigation
  - Land and Water Efficiency
  - Crop Diversification
- Forestry:
  - Pulp and Paper
  - Forest Farms
  - Eco Tourism

Private Sector Facility Areas of Priorities

Green Climate Fund
Indicative terms & conditions

• Public Sector: 100% grants, loans with co-financing;
• Private Sector: Grants – (repayment/non-repayment), 5% of project costs – technical assistance, capacity building;
• Private Sector: Debt/Equity/Guarantee : Pari Passu/same terms and conditions except pricing; senior/junior financier with 3rd party expert opinion.