Engaging with the Green Climate Fund

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About GCF

World’s largest climate fund

Agreed by 194 Parties to the UNFCCC

Provide support to developing countries

Mitigation: reduce greenhouse gas emissions

Adaptation: adapt to unavoidable impacts

Investment mix: public and private sector
GCF architecture
State of Play: resources and allocation

- US$ 10.2B in pledges
- US$ 9.9B in signed contributions
- 42 governments, 8 developing countries
- Geographic balance
- Resources for readiness
- Significant allocation to private sector

Diagram:
- Total GCF Portfolio
  - Mitigation
  - Adaptation
  - SIDS, LDCs, & Africa
  - Developing countries
Accredited Entities

33 entities accredited to date

As of 31 March 2016
Building institutions: Fit-for-Purpose Accreditation

Mandate & track record
- Alignment with Fund objectives
- At least 3 years of operations

Project size
- Micro (>10mn)
- Small (10-50mn)
- Medium (50-250mn)
- Large (>250mn)

Fiduciary functions
- Basic
- Specialized

Environment & Social risk category
- A (high)
- B (medium)
- C (low)
With a focus on
- Impact
- Paradigm-shift potential
- Crosscutting adaptation-mitigation benefits
- Sustainable development co-benefits
Catalysing the private sector – GCF Private Sector Facility

Why a 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
Approved project – public sector

Support of vulnerable communities in Maldives
Managing climate changed-induced water shortages

- Funding: GCF: USD 23.5M | Maldivian Gov’t: USD 4.5M
- Providing safe and secure freshwater to people on the outer islands of the Maldives

+ 32K people in vulnerable households with safe water
+ 73K people from a dry season water supply system
+ Improved groundwater quality to secure freshwater reserves for long-term resilience
Approved project – private sector

KawiSafi Ventures Fund in East Africa
A new investment fund to drive off-grid solar power

- Funding: GCF: **USD 25M** | Acumen: **USD 7M**
- Investing in 10–15 clean energy companies, initially in Rwanda and Kenya
  - 15M direct beneficiaries
  - Saving 1.5M tonnes of CO2 emissions
  - Providing off-grid populations with access to cleaner and safer power
Country | Delivery Partner | Amount Requested | Duration
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Senegal | IFC | USD 600,000 | 12 months

**Purpose**

- Build a pipeline of private sector-operated solar projects

**Proposed activities**

- Comprehensive mapping of solar resources
- Technical and economic feasibility analysis
- Review of institutional, legal and regulatory frameworks
Guarantees

Grants

Equity

Concessional loans

Terms determined on a case-by-case basis

With/without repayment contingency

High: 40 – 10 – 0%
Low: 20 – 5 – 7.5%

Financial instruments
Getting ready: GCF Readiness Support
GCF Readiness Support: Helping countries to build capacities

Knowledge
- National priorities, strategies, plans
- Coordination

Planning
- Institution building
- Programming and preparation

Monitoring
- Monitoring and Evaluation
- Multi-stakeholder engagement
Readiness week assessment: What we heard

- Support needed for project and programme preparation
- Policy, regulatory and institutional capacity challenges
- Stakeholder consultations
- Support to accreditation of direct access entities
Concept of country programme: Potential NDC investment strategy

- National climate change strategies and plans
- Country investment priorities with GCF
- Self-assessment and Action Plan

Country programme