GCF in Latin America and the Caribbean: Early Opportunities

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GCF: Key facts
The Green Climate Fund

- Operating entity of the financial mechanism of the UNFCCC, CoP16
- Centrepiece of long-term finance under UNFCCC
- Secretariat HQ opened December 2013 in Songdo, S. Korea
• Initial capitalisation of approximately $2.3 billion
• Key decisions taken and resource mobilization begins as of May 2014
• Will offer a range of financial instruments to promote paradigm-shifting investments in developing countries
• Balance investments in adaptation and mitigation
• Channel finance through accredited entities (public, private, international, regional, national and sub-national)
• Readiness programme available for developing countries
• Fast-track accreditation for implementing entities of existing funds
2014 – Start up

- Readiness programme begins
- First fundraising meeting
- Essential operational policies adopted
- First pledge by Germany $1 billion
- Second fundraising meeting
- Second major pledge by France $1 billion
- Readiness program approved
- GCF Pledging Meeting
- 8th Board Meeting
At least 50% to adaptation, of which at least half to vulnerable countries
Geographic balance to be achieved
Engagement with the private sector, including through a significant allocation to the Private Sector Facility
Support for readiness and preparatory activities
GCF Strategic Impacts

- Food and water security
- Increased resilience of ecosystems
- Increased resilience of people and communities
- Reduced emissions from land use and forests
- Reduced emissions in buildings and cities
- Reduced emissions in energy
- Reduced emissions in transport
- Increased resilience of infrastructure
Investment criteria

- Impact potential
- Paradigm shift potential
- Sustainable development potential
- Responsive to recipients needs
- Promote country ownership
- Efficiency & effectiveness
Working with the GCF
Readiness programme

• Support countries to engage with Fund
• Respond to country needs and priorities, working in collaboration with the NDA/FP
• Build on existing structures and efforts, and work in partnership with others
• Identify and support interventions that will add value at country level
• Develop responsive readiness interventions that helps countries make effective use of the GCF

...All developing countries are eligible for readiness support.
Global readiness requests

- 66 NDA/FP nominations received*
- 26 total readiness requests* (6 Caribbean SIDS/3 Latin America)

*As of 7 November 2014
Readiness activity areas

- Strengthening the NDA/Focal Point and engagement of stakeholders
- Knowledge Sharing/ South-South exchange
- Strategic frameworks/ Country programmes
- Pipeline development
- Implementation & Accreditation

Country Ownership
Readiness process

Target turnaround time from Secretariat upon receipt: **1-2 weeks (max)** on each step
Readiness resources

- US$ 15 million of $30 million presently available for immediate programming
- Cap of US$ 1 million per calendar year/country
- Direct support to NDAs or focal points available
- The Fund will aim for a **floor of 50%** of the readiness support allocation to SIDS, LDCs, African States
Readiness delivery

- Countries drive design of programs, and implementation
- In coordination and collaboration with relevant ongoing initiatives
- Implementation options:
  - NDA or focal point (direct)
  - Delivery partner/s (with oversight by NDA or focal point)
    - Partners must demonstrate relevant expertise, experience, and ability to implement
  - Disbursement of funds will be based on agreed milestones
1. NDA/focal point support

• Engaging stakeholders to identify:
  – appropriate NDA or focal point arrangements
  – Investment priorities
  – Implementation arrangements

• Supporting appropriate oversight of in country Fund activities; and

• Developing and disseminating information on the Fund and raising awareness of its activities.
Core Functions of the NDA

- Communicates with the secretariat in English through Internet-based correspondence, facilitates country visits and meetings with Fund officials
- Facilitates communication of national and subnational implementing entities and provides a “no objection” to requests for accreditation to the Fund
- Can “object” to proposals that do not align with national priorities
- Facilitates national stakeholder engagement, including government and subnational agencies, civil society and private sector actors
- Can develop a strategic country work programme on a periodic basis, that identifies priorities for the Fund and implementing entities/intermediaries -- while optional, this may present a strategic basis for country engagement with the Fund
- Participates in pre-screening of project concepts alongside the Secretariat
- Disseminates operational procedures of the Fund, including environmental and social safeguards and the no-objection procedure, in local languages as appropriate
- Maintains an overview of all proposals related to the country and disseminates information on projects and programmes through media and relevant networks, including in local languages
To fulfil its functions an NDA / FP may need

- A team responsible for coordinating and driving communication with the Fund and managing operational activities
- Knowledge of and a role in developing relevant national priorities, strategies, and plans
- Familiarity with mitigation and adaptation efforts and needs
- Familiarity with relevant institutions and stakeholders (potential candidates for accreditation as intermediaries or implementing entities)
- Capacity to facilitate country coordination, engage stakeholders in country
- The ability to monitor and evaluate funded programmes in accordance with relevant guidelines
- An overview of activities of other relevant multilateral, bilateral, regional and global funding mechanisms and institutions working in the country
- Familiarity with multilateral finance and be able to interact with private sector actors in the country
2. Strategic frameworks for engagement

• Developing a country work programme that identifies priorities for how the country will engage with the Fund

• Build on existing strategies, policies, climate change response efforts and needs assessments including:
  – Climate resilience and low-emission development strategies
  – Nationally Appropriate Mitigation Actions,
  – National Adaptation Plans
  – National Adaptation Programs of Action
Potential elements of a Country Programme

• Development and climate context including:
  – Existing climate change-related strategies, policies, NAMAs, NAPAs, NAPs, TNAs,
  – Key data on climate change, referencing national communications, biennial update reports
  – National development strategies, economic trajectories, macro-economic circumstances and poverty reduction strategies.

• Roles and contributions of key stakeholders

• Programming priorities including mitigation, adaptation, integrated approaches and needs

• Alignment with the Fund’s objectives

• Complementarity with existing readiness initiatives

• Monitoring and Evaluation
3. Implementation & accreditation support

- Raising awareness of the Fund’s accreditation process,
- Analysis of potential applicants adherence with Fund fiduciary standards and ESS (and possible gaps);
- Developing and implementing a personalized readiness and preparatory support plan
- Enabling lesson-learning from other institutions that have been through similar accreditation processes.
Accreditation: Basics

- Implementing entities / intermediaries will need to meet fiduciary, environmental and social standards tailored to the types of programs they will manage.
- Applications open online **November 17**
- Readiness support available for accreditation.
- Intended project types assigned risk categories (scaled risk based approach).
- Steps:
  1. Stage 1: No-objection (letter) and readiness
  2. Stage 2: Accreditation review and decision
  3. Stage 3: Final arrangements
Accreditation: Fiduciary Standards

Basics Standards:

- Key administrative & financial capacities
- Transparency & accountability

*Fees waved for developing countries (including entities from LDCs, SIDS) on micro projects (< US$ 10 million)
*Fees on small-scale projects (US$ 10 to ≤ 50 million) for developing countries other than LDCs/SIDS is US$ 3000

Specialised Standards:

- Project management
- Grant award and/or allocation mechanisms
- On-lending and/or blending

*Fees apply (US$ 1000 per standard)
4. Pipeline development

- Identification of programmes and projects that advance national (and Fund) priorities;
- Project and/or programme preparation;
- Risk assessment;
- Identification of programme and project level indicators aligned with the results management framework of the Fund.
5. Knowledge sharing

• Meetings and workshops at global and regional level to share information on the progress of the Fund, and country stakeholder experiences
• Exchange and learning amongst developing country based institutions on developing country programmes, accreditation, and pipelines, including through workshops, and other relevant issues
• Information on Readiness Programme progress, tools to support readiness, and country experiences
• Bi-annual reports prepared by the Secretariat will summarise requests received, their objectives and impact, and lessons learned
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