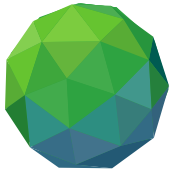


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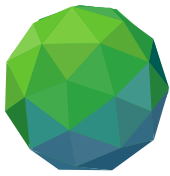
# GCF in Latin America and the Caribbean: Early Opportunities

*Carmen Arguello*  
*Regional Advisor*  
*GCF Readiness Program*  
*November 2015*



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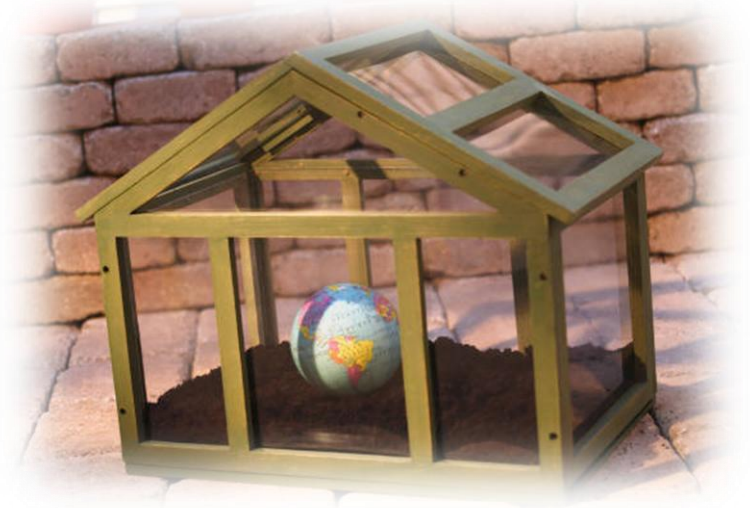
# GCF: Key facts



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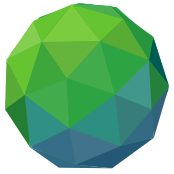
# The Green Climate Fund

- 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



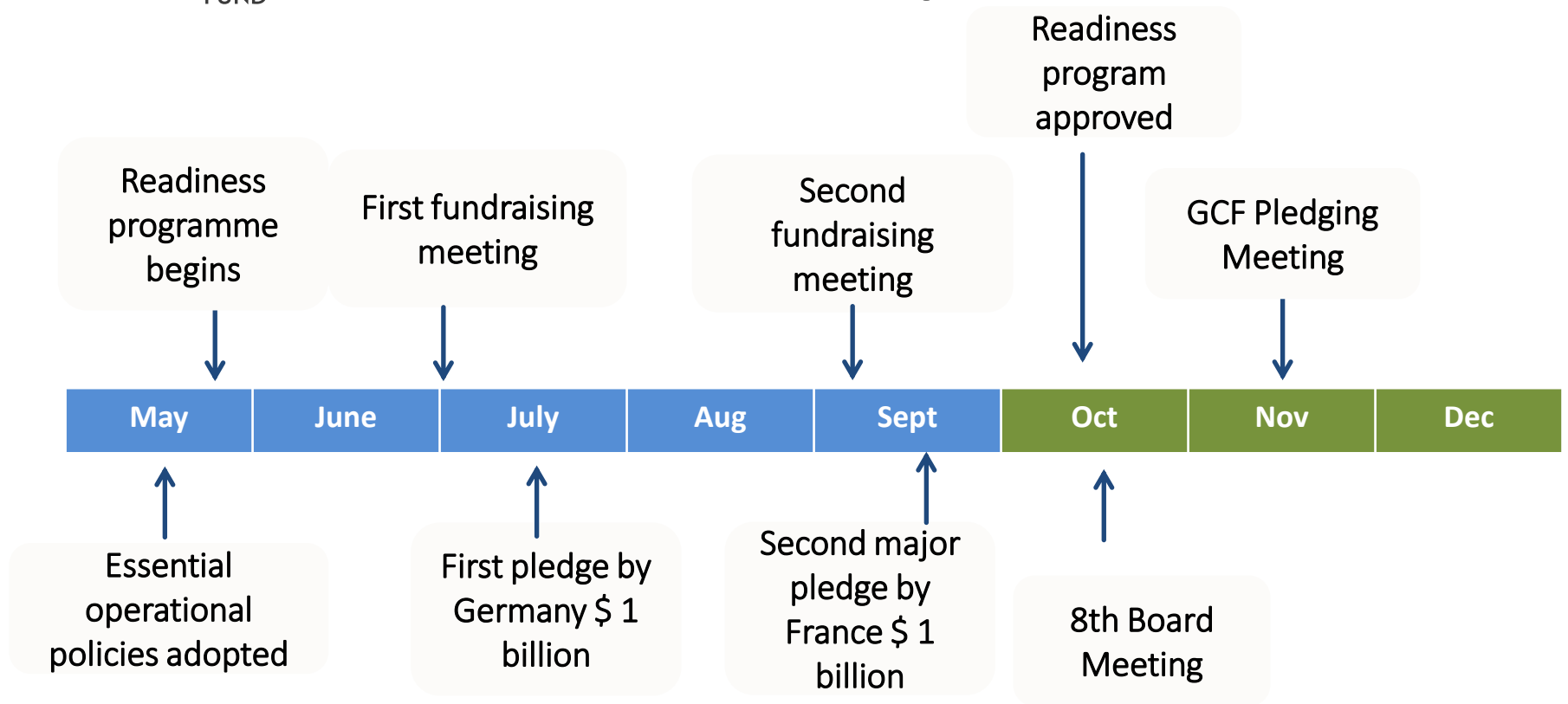


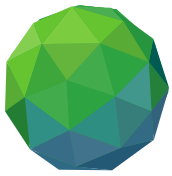
- Initial capitalisation of approximately **\$2.3 billion**
- Key decisions taken and resource mobilization begins as of **May 2014**
- Will offer a range of financial instruments to promote **paradigm-shifting investments** in developing countries
- Balance investments in adaptation and mitigation
- 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



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# 2014 – Start up

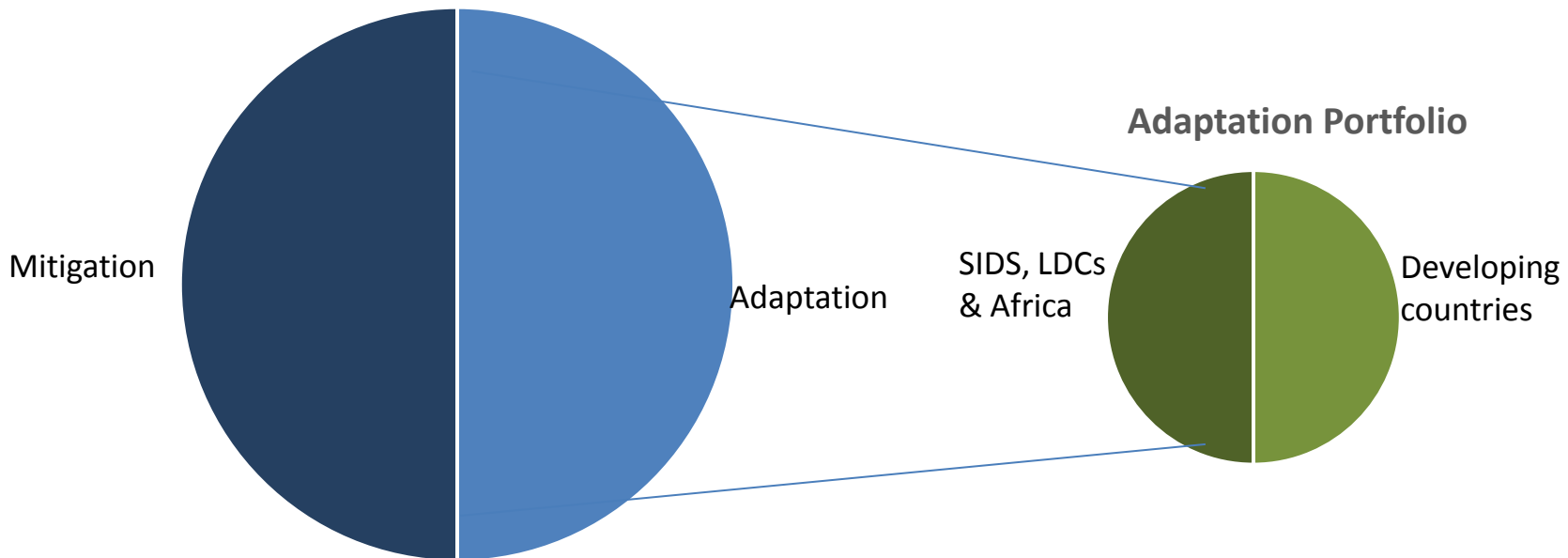




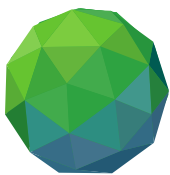
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# Allocation framework

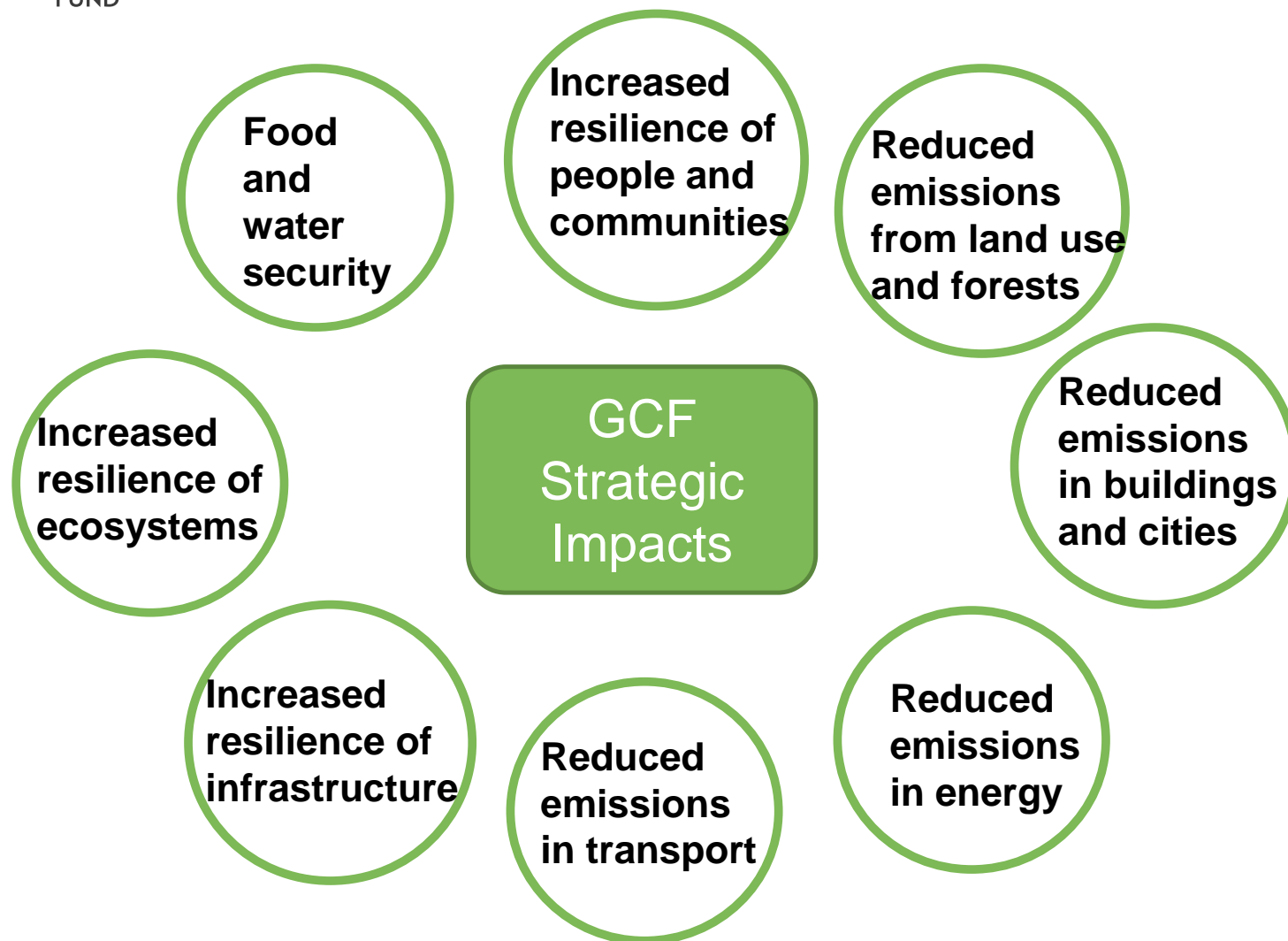
Total GCF Portfolio

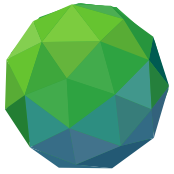


- At least 50% to adaptation, of which at least half to vulnerable countries
- Geographic balance to be achieved
- Engagement with the private sector, including through a significant allocation to the Private Sector Facility
- Support for readiness and preparatory activities



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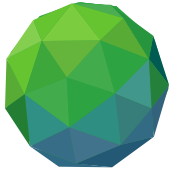




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# Investment criteria





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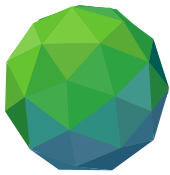
# **Working with the GCF**



# Readiness programme

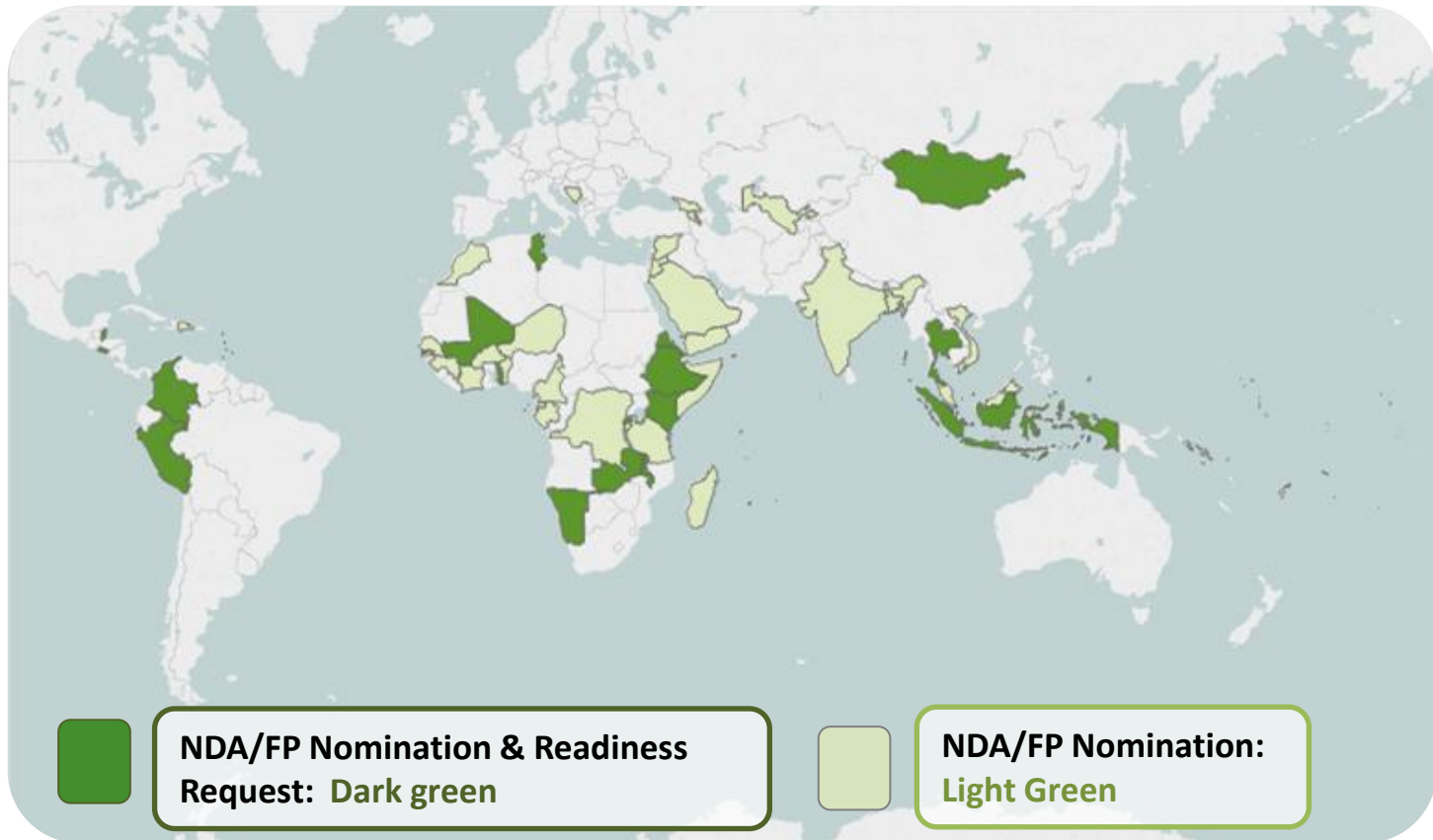
- Support countries to engage with Fund
- Respond to country needs and priorities, working in collaboration with the NDA/FP
- Build on existing structures and efforts, and work in partnership with others
- Identify and support interventions that will add value at country level
- Develop responsive readiness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

*...All developing countries are eligible for readiness support.*



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# Global readiness requests



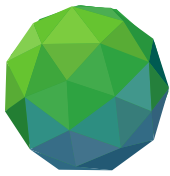
- **66** NDA/FP nominations received\*
- **26** total readiness requests\* (**6** Caribbean SIDS/**3** Latin America)

\*As of 7 November 2014

# Readiness activity areas

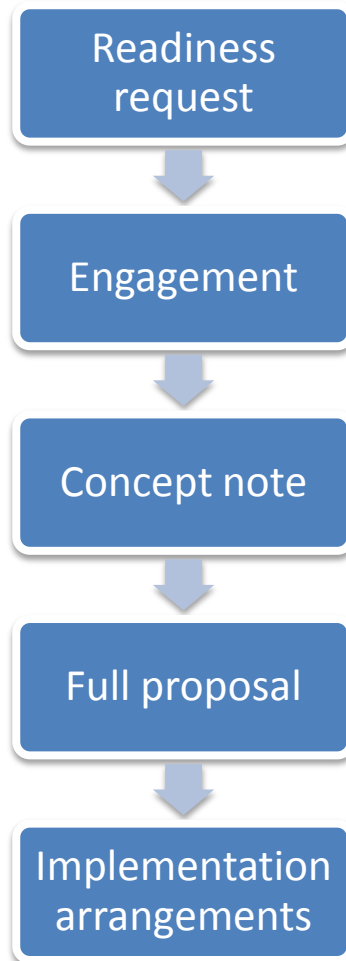


**Country Ownership**

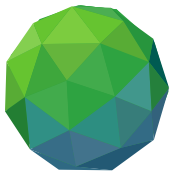


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# Readiness process



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



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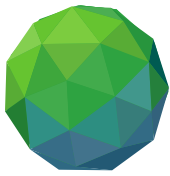
# Readiness resources

- 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



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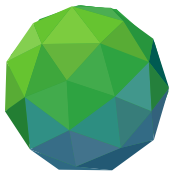
# 1. NDA/focal point support

- 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 sub national 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



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# 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)*



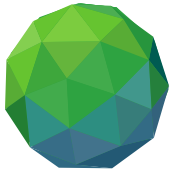
## 4. Pipeline development

- 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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