

Overview of Climate Finance

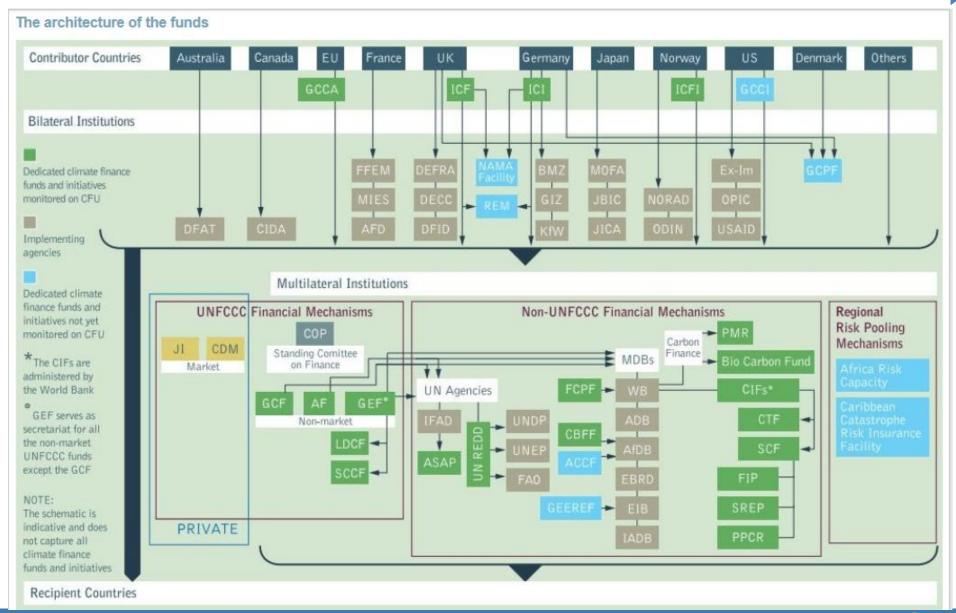


CLIMATE FINANCE

- Finance <u>for MITIGATION</u> & ADAPTATION
- From Public, Private, Alternative, or Blended sources
- Delivered <u>through</u> National, Regional and/or International channels

Global Climate Finance Architecture





FINANCING FOR CLIMATE ADAPTATION AND RESLIENCE BUILDING PUBLIC FINANCE PRIVATE FINANCE / COOPERATION & OTHER Official Development **Developing Country Funding** "New and Additional" Other Finance **Private Sector Investment** Assistance Climate Finance **DEVELOPING DEVELOPED OTHER CAPITAL MARKETS GRANTS** CO-FINANCING PRIVATE INVESTMENT **BORROWING** Bilateral Philanthropy CDM Carbon National Levy Cooperation Risk-pooling Markets **Financing** LOANS Mechanisms Multilateral Insurance Other Cooperation

National	Budgets

National Private Treasury

Non-UNFCCC Funds

ODA Bilateral Fund, PRM, FIP, Agencies

UNFCCC

- Adaptation Fund
- SCCF/LDCF

Foreign Direct Investment

Private Banks

Sector

National Climate Funds

Multilateral Climate Funds (eg. CIFs, Bio-Carbon SREP, PPCR, etc)

GEF

- GCF

Private Funds / **Foundations**

Markets/Financial Institutions

Non-governmental Actors

Private Sector Actors

- **National Ministries**
- Regional Govt./Bodies
- Local Govt.
- NGOs

NVESTMENTS

NATIONAL

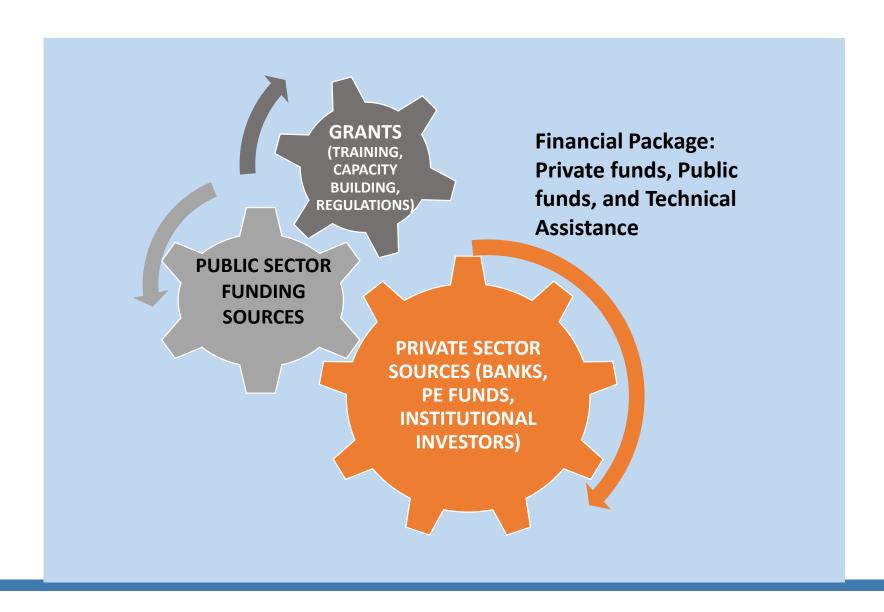
- NIEs / RBOs / RIEs
- Private Sector or PPPs
- MDBs (WB, ADB, IADB, AfDB, IDB, etc.)
- UN Agencies (UNEP, UNDP, etc)
- Regional Implementing Agencies (eg. RBOs)
- National **Implementing** Entities (NIEs)
- Multilateral IEs
- Regional IEs

- **Private Companies**
- **Financial Institutions**
- **Multinational Companies**
- Communities
- Individuals
- NGO / Institutions & Organizations
- Etc...

FUND

FINANCIAL LEVERAGE: PRIVATE - PUBLIC FUNDING SOURCES, WITH GRANTS





The Green Climate Fund



- UNFCCC financing entity. Operationally effective in 2015.
- National Designated Authorities
- Country no-objection
- Accredited Entities (WB & IFC are accredited entities; along with MDBs, commercial banks, national banks, UN agencies, etc.)
- GCF additional review and due diligence
- Readiness funding available
- Simplified Application Process (SAP >U\$10 million)
- Transformational requirement



Green Climate Fund

Adaptation	Mitigation
Health, food and water security	Energy generation and access
Livelihoods of people and communities	Transport
Infrastructure and built environment	Forests and Land Use
Ecosystems and ecosystem services	Buildings, cities, industries and appliances

Green Climate Fund Project Cycle



- 1. The Accredited Entities or the National Designated Authority submit a concept note (voluntary);
- 2. The AE submit the project proposal to the GCF, in conjunction with a no-objection letter signed by the NDA;
- The GCF reviews selected sections of the proposal and the Independent Technical Advisory Panel (ITAP) of the Fund undertakes a technical assessment and provides recommendations;
- 4. Based on the review and the technical assessment, the GCF decides whether or not to approve the funding; and,
- 5. If the proposal is approved, a Funded Activity Agreement (FAA) is negotiated and signed between the AE and the GCF.