

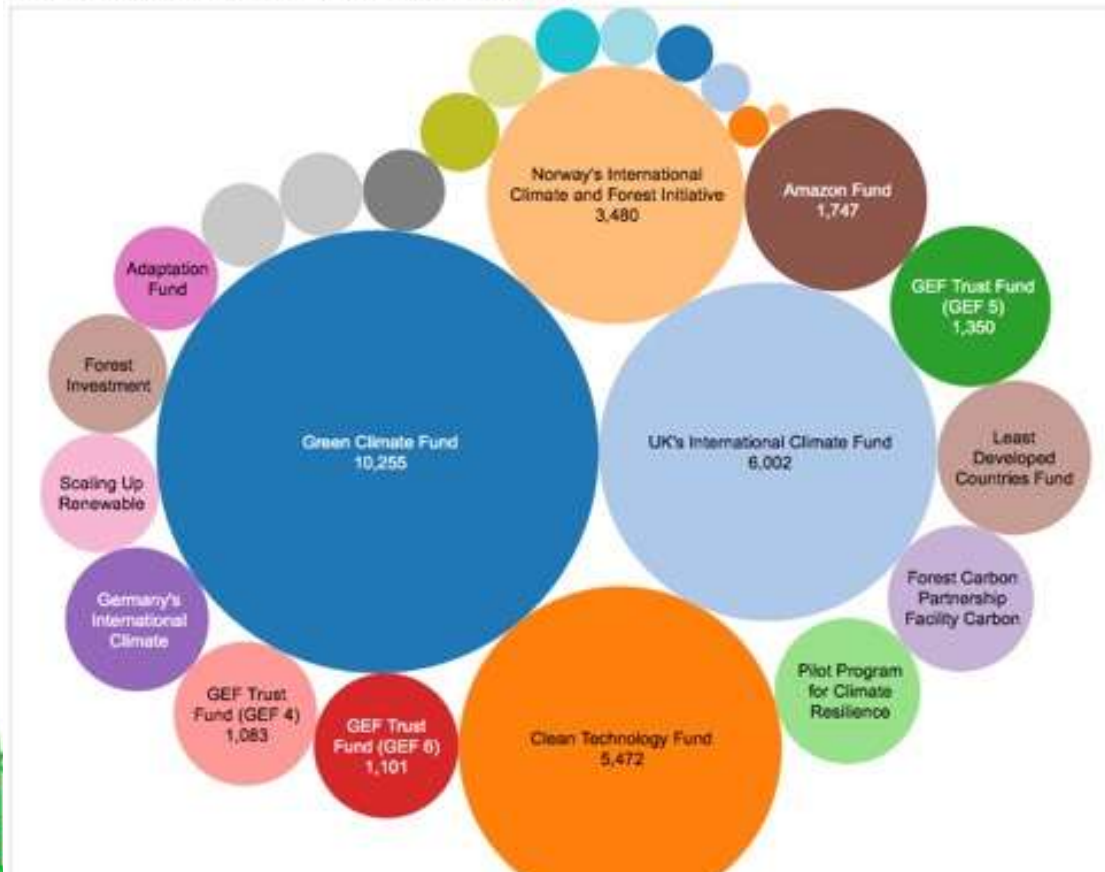
# GCF unique features, governance and revenues

Session 01



# GCF compared to other intl. climate finance mechanisms

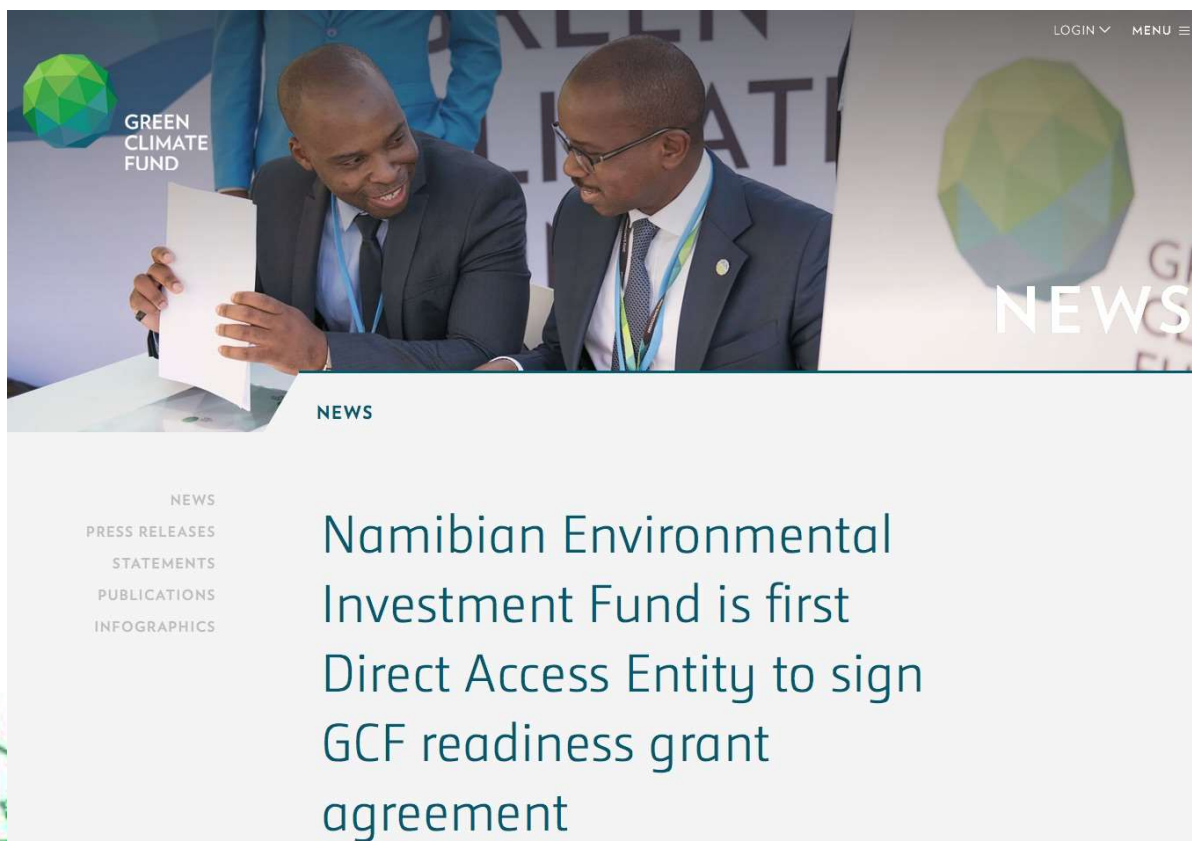
Fund sizes (based on pledges made by countries)



Source: [climatefundupdate.org](http://climatefundupdate.org)



[www.greenclimate.fund](http://www.greenclimate.fund)



The image shows a screenshot of the Green Climate Fund website. At the top, there is a navigation bar with "LOGIN" and "MENU" options. The main header features a photograph of two men in suits reviewing a document, with the Green Climate Fund logo and the word "NEWS" overlaid. Below the header, a sidebar on the left lists navigation options: NEWS, PRESS RELEASES, STATEMENTS, PUBLICATIONS, and INFOGRAPHICS. The main content area displays a news article titled "Namibian Environmental Investment Fund is first Direct Access Entity to sign GCF readiness grant agreement". The bottom of the page is decorated with a green silhouette illustration of a sustainable city with wind turbines, solar panels, and trees.

LOGIN ▾ MENU ≡

GREEN CLIMATE FUND

NEWS

NEWS

- PRESS RELEASES
- STATEMENTS
- PUBLICATIONS
- INFOGRAPHICS

## Namibian Environmental Investment Fund is first Direct Access Entity to sign GCF readiness grant agreement

## GCF Basics

- The GCF was **created in 2010** at UNFCCC COP 16 in Cancun.
- The Fund's Governing Instrument was approved in 2011 at UNFCCC COP 17 in Durban.
- The GCF is being **operationalized since 2013**.
- Today only few operational policies are lacking and some are under reconsideration. It is therefore useful to **visit the GCF website regularly**.



# How does GCF differ from other climate finance mechanisms?

## 1. Scale and Impact

- Make a significant and ambitious contribution to global efforts to combat climate change
- **Promote a paradigm shift and help developing countries transform their economies and put them on a low emission and climate-resilient pathway.**
- Country driven and in line with countries priorities
- Expected to become the main global fund for climate finance

## 2. Governance

- Board comprised of an equal number of members from developed countries and developing countries
- Dedicated seats for SIDS and LDCs

## 3. Access

- Recipient countries will be able to utilize direct access or access through international and regional intermediaries and implementing entities accredited by the Fund

## 4. Allocation

- Minimum floor for adaptation financing to SIDS, LDCs
- The allocation of resources will be balanced between adaptation and mitigation activities
- The allocation of resources will be based on results

## GCF Purpose

- ...make a **significant** and **ambitious** contribution to the global efforts towards attaining the goals set by the international community to combat climate change (**UNFCCC**).
- ... promote the **paradigm shift** towards low-emission and climate-resilient development pathways.
- ... provide support to **developing countries** to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.
- take into account the needs of **particularly vulnerable** developing countries to the adverse effects of climate change.



## GCF Guiding Principles

- GCF to be guided by the principles and provisions of **UNFCCC**.
- GCF to operate in a **transparent** and **accountable** manner, guided by **efficiency** and **effectiveness**.
- GCF to channel **new**, **additional**, **adequate** and **predictable** financial resources to developing countries.
- GCF to **catalyze** climate finance, both public and private, and at the international and national levels.
- GCF to pursue a **country-driven** approach.



## GCF Guiding Principles

- GCF to promote and strengthen **engagement** at the country level through effective involvement of relevant institutions and **stakeholders**.
- GCF to be a continuously **learning institution** guided by processes for monitoring and evaluation.
- GCF to strive to **maximize the impact** of its funding for adaptation and mitigation.
- GCF to promote **environmental, social, economic and development co-benefits**.
- GCF to take a **gender-sensitive** approach.



## GCF Governance

- The GCF is **accountable** to and functions under the guidance of the UNFCCC COP; receives **guidance** from the **COP**.
- The GCF possesses **juridical personality**.
- The Fund is located in Songdo, South Korea.
- The World Bank is the Fund's Interim Trustee.
- The Fund is governed and supervised by a **24 member non-resident Board**.



## GCF Board

- The Board has 24 members, **12 from developing** and **12 from developed countries**. Each Board member has an **alternate member**.
- Members serve for a term of **three years**.
- **Two co-chairs** of the Board are elected by the Board members to serve for a period of one year.
- Board decisions are taken by **consensus**. Quorum: 2/3 of members present at a meeting.
- **Accredited observers** may participate in Board meetings.



## New Executive Director: Howard Bamsey



Mr. Bamsey, an Australian national, is the former Director-General of the Global Green Growth Institute and has a career spanning decades in international climate change, environment and sustainable development, both in the diplomatic service and academia.



## GCF Secretariat

- GCF Secretariat currently **understaffed**, ca. 70 staff only and a number of long-term consultants (status end October 2016).
- Board approved a total staff of 100 staff until end 2016 and **140** persons until end 2017



## GCF Revenues

- The GCF to receive revenues from **developed country** Parties to the UNFCCC, as well as other **public** and **private** sources.
- GCF to mobilize funds at scale from **institutional investors**, incl. pension funds and sovereign wealth funds.
- Initial resource mobilization process in 2014 yielded approx. **USD 10 billion**.
- **Regular replenishment** process coming soon.



## Revenues outlook

- Current GCF **project pipeline exceeds USD 10 billion** already, i.e. current capitalization.
- GCF, along with GEF, **serve as operating entities of the financial mechanism of UNFCCC.**
- UNFCCC COP decided on a mobilization goal of **USD 100 billion p.a.** for mitigation and adaptation finance in developing countries after 2020.
- The 100 billion **target was reinforced** at the latest COP in Nov. 2016 (Marrakech Action Proclamation).
- No guarantees as to whether the 100 billion will be provided, but GCF likely to receive a significant share of what will be provided.



