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# Le Fonds Vert Pour le Climat

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Maurice | 26 Septembre 2016


CARACTÉRISTIQUES ET MISE EN PLACE DU FONDS

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# A propos du Fonds Vert

- Le plus grand Fonds du monde dédié au à la lutte contre le changement climatique
- Création soutenue par 194 États parties à la CCNUCC
- Soutient les pays en voie de développement
- Atténuation: réduction des émissions des gaz à effet de serre
- Adaptation: s'adapter à des impacts inévitables
- Diversité du portefeuille d'investissement: secteurs public et privé

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# Etapes de la mise en place du Fonds

**2009** Le concept du Fonds Vert est proposé a la COP15

**2010** Le Fonds Vert est créé à la COP 16

**2011** L'instrument de gouvernance est adopté à la COP 17

**2012** Première réunion du Conseil du Fonds Vert

**2013** Directrice Exécutive nommée, siège du Fonds Vert établi en Corée du Sud

**2014** Mobilisation de la somme inégalée de 10 milliards de dollars

**2015** Premières décisions d'investissements prises en amont de la COP21

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# Fonds Vert pour le Climat:
# Un mécanisme financier clef dans l'Accord de Paris

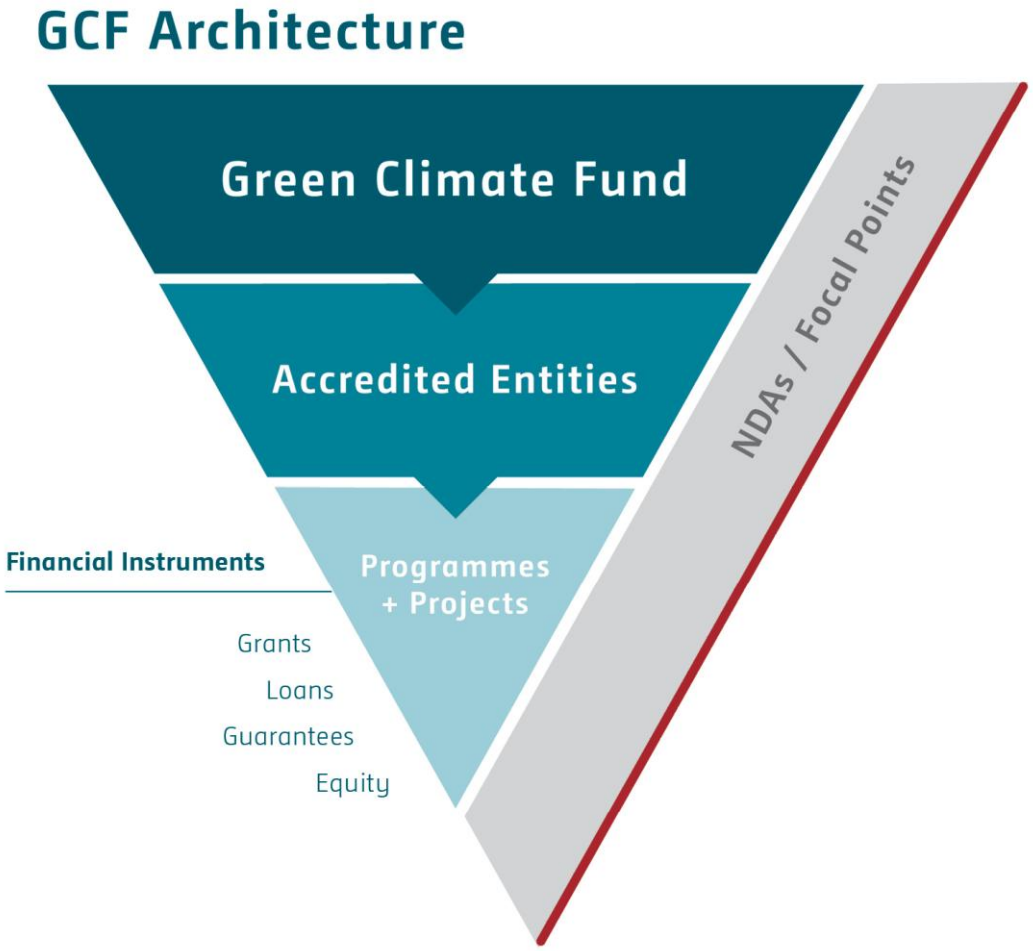


# Le Fonds Vert: Une institution unique

- Appropriation nationale par les ANDs et les points focaux
- Equilibre entre atténuation et adaptation
- Voix égale pour les pays en développement et les pays développés
- Diversité du portefeuille d'entités accréditées
- Diversité des instruments financiers
- Un mécanisme dédié au secteur privé

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# Modèle d'affaires GCF



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# Mobiliser l'action climatique et des ressources à grande échelle

**10 milliards de dollars**

Promis (2016)

46 pays, régions & villes

Y compris 9 pays en voie de développement

Depuis la première conférence des donateurs et la COP20

**9.9 milliards de dollars**

Promis (2016)

40 pays & régions

Accords de contributions signés

# Financement approuvé de projets

**$424M pour 17 projets**

Europe de l'Est
1

Asie-Pacifique
7

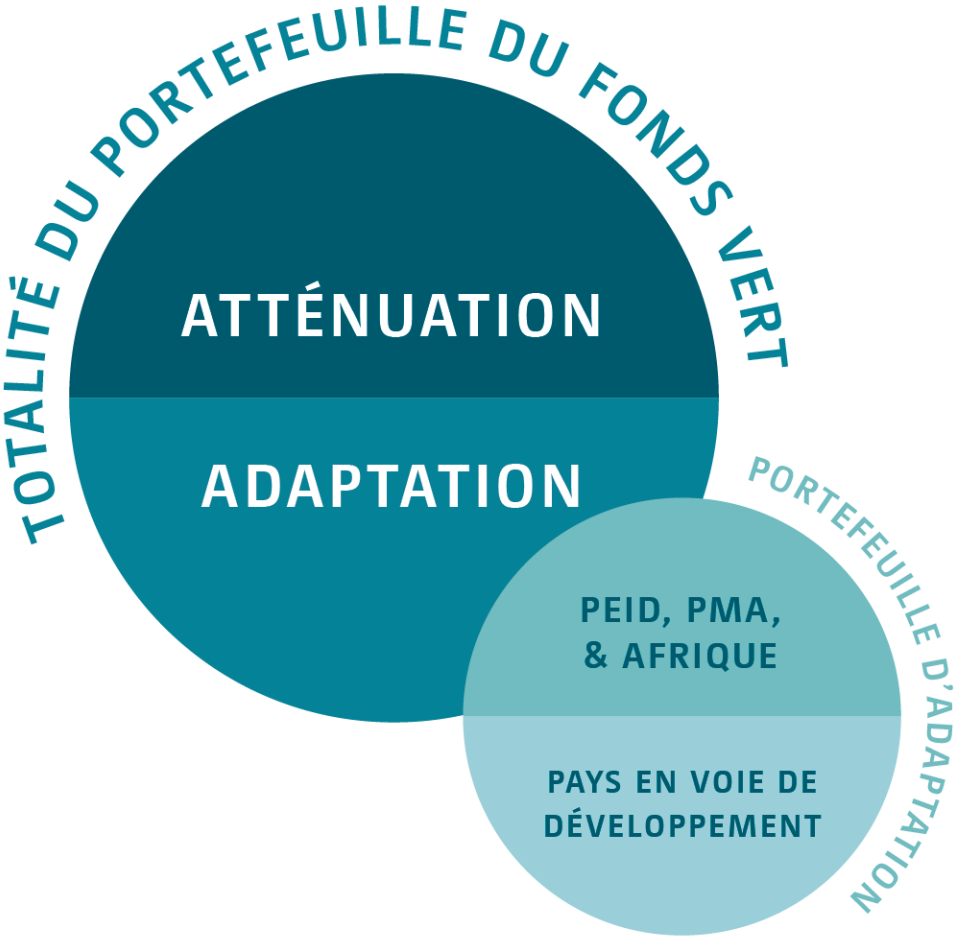
Afrique
5

Amérique Latine
4

52% PMA, PEID & Etats africains

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# Répartition équilibrée des ressources



# Zones de résultats du Fonds

***Réduction des émissions par***

- La production et l'accès a l'énergie
- Le transport
- Les bâtiments, villes, industries et autres appareils
- Les forets et l'utilisation du sol

***Résilience augmentée des***

- Moyens de subsistance des populations et des communautés,
- Infrastructures et des constructions
- De la santé, de la sécurité alimentaire et de l'eau
- Des écosystèmes et des services écosystémiques



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# Can my entity apply for accreditation?

1. **Legal personality:** is your entity a legally established entity with its own legal personality?

2. **Institutional system:** what are your policies, procedures, guidelines, etc. at the organizational level?

3. **Track record:** can you demonstrate that these policies, procedures, guidelines, etc. are implemented?

Visit the Accreditation Self-assessment Tool

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# Who can apply for accreditation?

**All entities**, including international, regional, national and subnational and public and private entities, can apply for accreditation through one of two modes of access:

**Direct access modality**: for regional, national and sub-national entities.

- Entities will need to accompany their application for accreditation with evidence of their **nomination** from the NDA or focal point designated from their country with their application for accreditation
- Entities may be eligible to receive **readiness and preparatory support** in terms of capacity-building in order to meet the GCF's accreditation requirements

**International access modality**: for international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions

Fees for the accreditation application will be paid by the entity once the application is submitted

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# GCF's fiduciary standards, ESS and gender policy*

## Basic Fiduciary Standards

- Key administrative and financial capacities
- Transparency and accountability

## Specialized Fiduciary Standards

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

## Gender Policy

- Policies, procedures, and competencies

## Environmental and Social Safeguards (ESS)

**Institutional ESMS policy-level:**

✓ **Performance Standard (PS) 1:** Assessment and management of relevant PS1-8 environmental and social risks and impacts through an environmental and social management (ESMS)

**Project-level:**

- ✓ **PS2**: Labor and working conditions
- ✓ **PS3**: Resource efficiency and pollution prevention
- ✓ **PS4**: Community health, safety & security
- ✓ **PS5**: Land acquisition & involuntary resettlement
- ✓ **PS6**: Biodiversity conservation & sustainable management of living natural resources
- ✓ **PS7**: Indigenous peoples
- ✓ **PS8**: Cultural heritage

* For more details, refer to the initial guiding accreditation framework, fiduciary standards, ESS and gender policy.

# Processus d'accréditation

1. Lettre de nomination de l'AND ou Point Focal
2. Ouvrir un compte OAS (On-line Accreditation System).



# Robust and rigorous accreditation process fit for an entity's purpose




- Assuming all documentation is provided in a timely and complete manner, the applicant does not opt for readiness support while the application is being processed, and the applicant is found to meet all of the standards for which it originally applied for, the accreditation review and decision-making process (Stages I and II) is aimed to be completed within 6 months.
- For entities eligible for the fast-track accreditation process, under the assumptions above, the accreditation review and decision-making process is aimed to be completed within 3 months.
- Applications that are incomplete or for which the standards that are applied for change will generally require additional time during the process. Applicants may refer to examples of supporting documents.
- Questions and requests for clarification may be sent to applicants at Stage I and Stage II (Step 1) of the accreditation process
- The Secretariat and Accreditation Panel use checklists during the Stage I check and Stage II review.

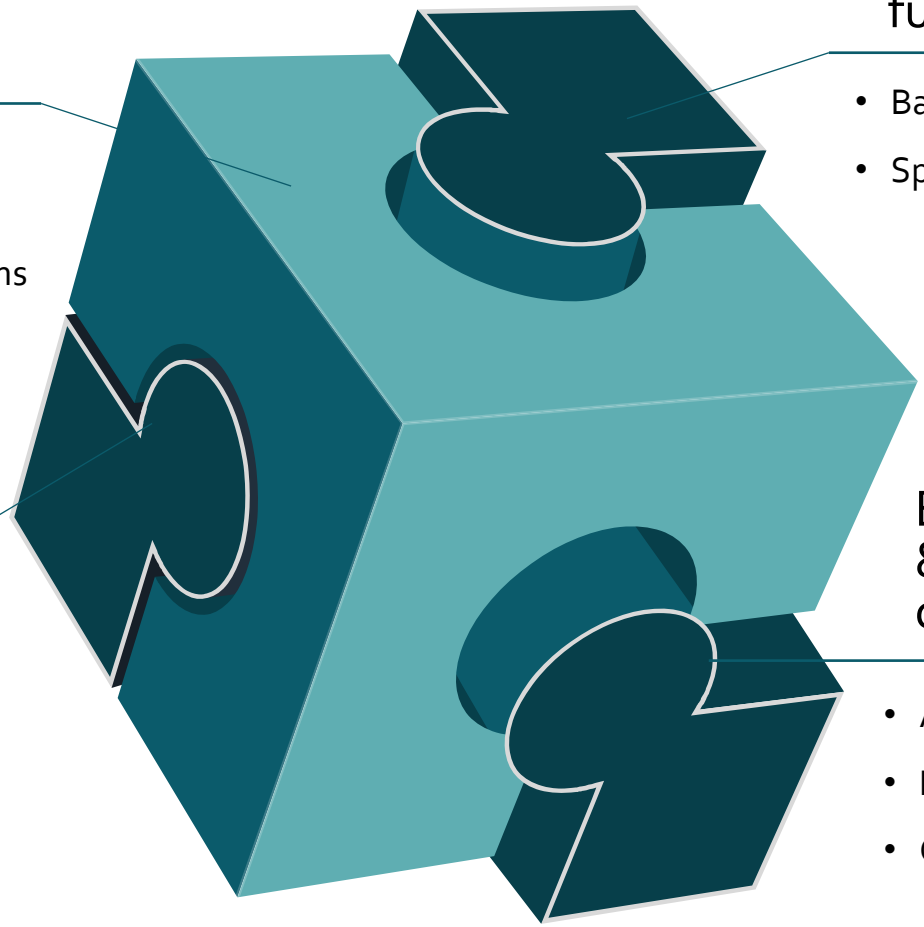
# Fit-for-purpose approach

## Mandate & track record

- Alignment with Fund objectives
- At least 3 year of operations

## Fiduciary functions

- Basic
- Specialized



## Project size

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

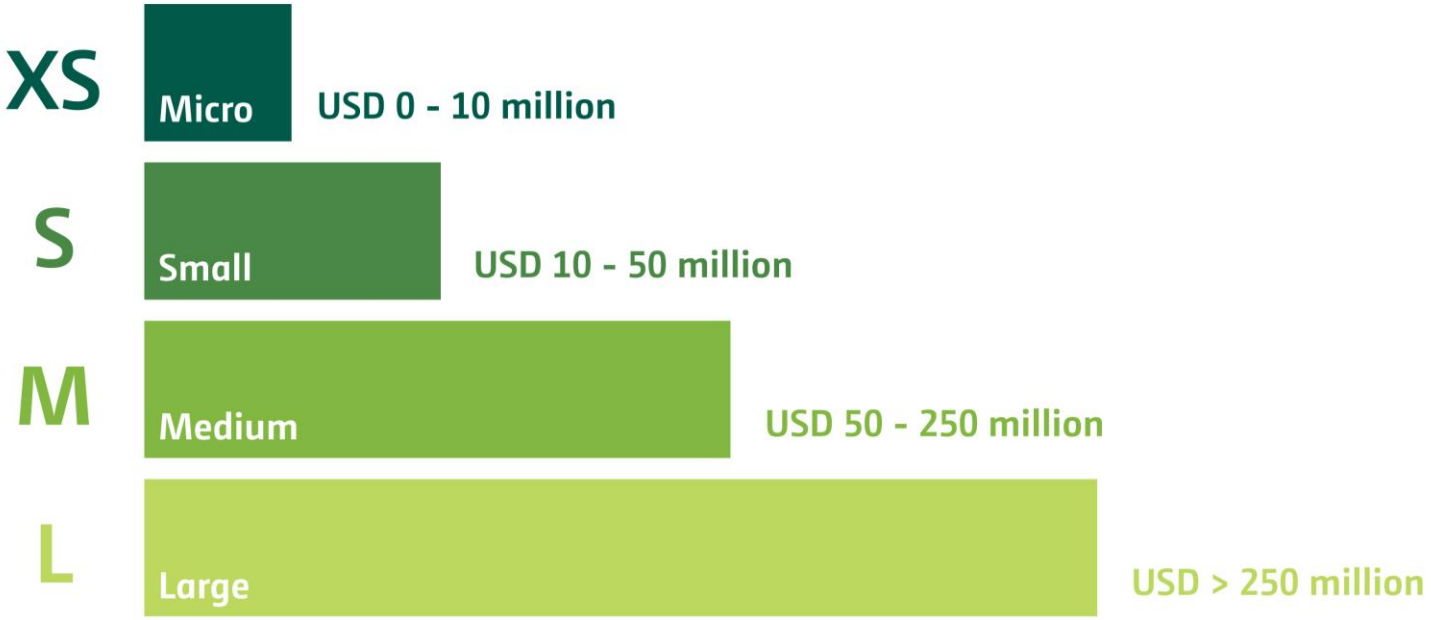
## Environment & Social risk category

- A (high)
- B (medium)
- C (minimal or no)

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# Size of project/activity within a programme

Total Projected Costs*




* At the time of application, irrespective of the portion that is funded by the GCF and, if applicable, other sources, for an individual project or activity within a programme.

www.greenclimate.fund/partners/accredited-entities/accreditation

GCF · The Fund | Login

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# ACCREDITATION

ACCREDITED ENTITIES

ACCREDITATION

STANDARDS

SELF-ASSESSMENT

PROCESS

CONTACT

## STANDARDS

In deploying its resources, the Green Climate Fund will work through a wide range of institutions to finance projects and programmes. To access funding, these institutions will go through a process of "**accreditation**," designed to assess whether they are capable of strong financial management and of safeguarding funded projects and programmes against any unforeseen environmental or social harm.

The accreditation process is also designed to assess whether applicant entities have the ability to manage GCF's resources in line with the Fund's **fiduciary standards** for the scale and type of funding sought, as well as the ability to manage **environmental and social risks** that may arise at the project level. Entities seeking accreditation to access GCF resources will also be assessed against the Fund's **Gender Policy**.

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# Entités accréditées

Morocco

Senegal

Namibia

Rwanda

Ethiopia

India

Kenya

Peru

Argentina

DEVELOPMENT BANK OF LATIN AMERICA

Caribbean Community Climate Change Centre

DBSA Development Bank of Southern Africa

SPREP Secretariat of the Pacific Regional Environment Programme

ACUMEN

AFC AFRICA FINANCE CORPORATION

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

Deutsche Bank

HSBC

ADB Asian Development Bank

afd AGENCE FRANÇAISE DE DÉVELOPPEMENT

BANQUE AFRICAINE DE DEVELOPPEMENT AFRICAN DEVELOPMENT BANK

CONSERVATION INTERNATIONAL

European Bank for Reconstruction and Development

European Investment Bank

IDB Inter-American Development Bank

IFC International Finance Corporation WORLD BANK GROUP

IUCN

kfw

UNDP

UNEP

WFP wfp.org

World Meteorological Organisation

THE WORLD BANK IBRD • IDA

As of 31 August 2016

**TOTAL PIPELINE** OF ACCREDITED ENTITIES AND ENTITIES SEEKING ACCREDITATION: 183

| 72 | 63 | 15* | 33 | 11** |
|---|---|---|---|---|
| OAS ACCESS | STAGE I | STAGE II | STAGE II | STAGE III |
| Before submission | Applications submitted and under Stage I check | **Step One** Applications under Accreditation Panel review | **Step Two** Entities accredited | Legal agreements signed |




- Direct access entities
- Private sector
- International access entities

*Five entities have been recommended for accreditation by the Accreditation Panel, for consideration by the Board.

**Accreditation Master Agreements (AMAs) signed with Accredited Entities

# Readiness support: institutional gap assessment and action plan




**Objectives**

| Kick off call | Completeness check | Site visit | Gap assessment | Action Plan | Survey and call with the entity |
|---|---|---|---|---|---|
| Initial contact with entity and plan site visit | Gather information on the entity's fiduciary, ESS and gender management processes | Gather evidence to prepare gap assessment and action plan | Communicate where and what the gaps are, and provide specific actions the entity may choose to undertake to address the gaps | | Receive feedback from the entity and understanding of next steps to proceed to apply for the accreditation process |

**Key activities**

| Kick off call | Completeness check | Site visit | Gap assessment | Action Plan | Survey and call with the entity |
|---|---|---|---|---|---|
| • Conduct 'kick off' telephone conference<br>• Engage with entity to confirm review scope and priorities<br>• Confirm key documentation requests and site visit plan with entity management | • Receive and review initial documentation from the entity (e.g. governance structures, policies and procedures)<br>• Review any relevant public information to understand the entity's track record<br>• Understand activities and product lines<br>• Understand key additional documents required for review<br>• Identify key management/staff to be interviewed during the site visit | • Conduct management/staff interviews<br>• Collect and review detailed documentation where available<br>• Discuss the fiduciary and ESS management approach with a sample of projects from the various portfolios (e.g. grants, loans, equity, guarantees, etc.) | • Prepare the draft the gap assessment and action plan for each entity<br>• Seek additional documentation or further clarification from the entity where required<br>• Revise and finalize gap assessment and action plan following feedback from the entity on the initial draft | | |

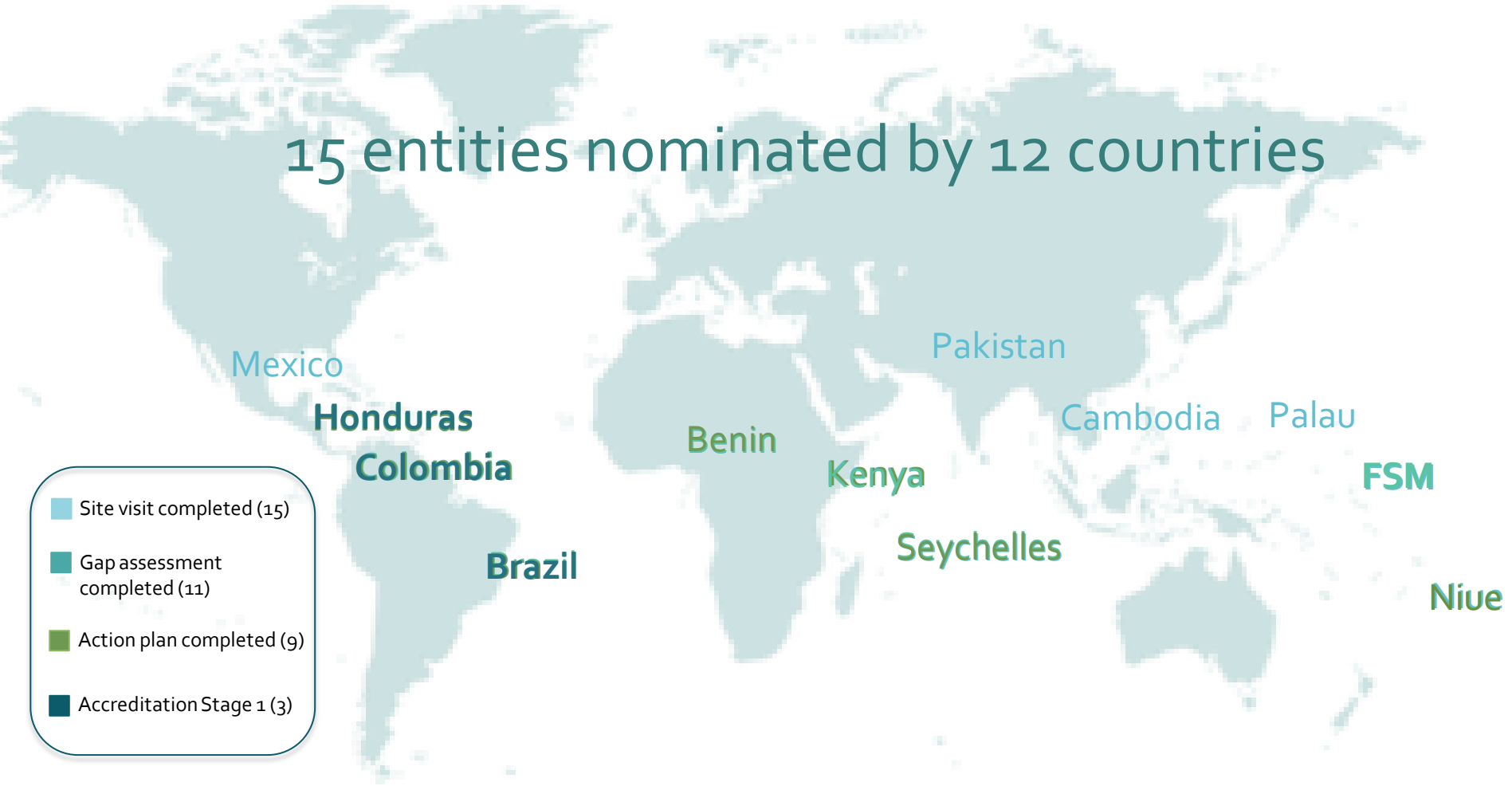
**Outputs**

| Kick off call | Completeness check | Site visit | Gap assessment | Action Plan | Survey and call with the entity |
|---|---|---|---|---|---|
| • Site visit meetings plan | • Baseline documentation received and reviewed<br>• Confirmation of meetings with entity's management and site visit logistics | • Initial feedback and observations conveyed to the applicant | • Initial draft gap assessment and action plan to entity<br>• Final gap assessment and action plan to entity | | |

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# Support to direct access entities

## 15 entities nominated by 12 countries



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# Benefits

- Providing a "kick-start" to the GCF application process
- Supporting the GCF mandate of country ownership
- Stimulating internal thinking on the purpose of seeking accreditation
- Selecting the most appropriate specialized fiduciary criteria, project size and ESS risk categories
- Managing expectations on what the GCF is about prior to filing for accreditation
- Challenging the status quo
- Saving time in the application process

# ESS & Gender capacity Building

The Secretariat has finalised a process to **build a roster of institutions** that will provide **technical and capacity-building support** to direct access applicants and accredited entities in environmental, social and gender aspects.

The roster of institutions has been selected and notified of their selection, and the legal arrangements are in progress.

**Services will include** an institutional assessment, action plans, and competencies and capacities strengthened in order for:

- ✓ An entity to be able to meet the Fund's environmental and social safeguards for Category C/Intermediation 3 (I-3);
- ✓ A direct access accredited entity to be able to apply for an upgrade in their accreditation type;
- ✓ Develop Gender policy and procedures, which should be in line with the Fund's Gender Policy.

# Le financement des projets / programmes

Après l'accréditation, une entité accréditée peut soumettre des propositions de projets et de programmes de financement.

Les propositions de financement seront évaluées en fonction des critères d'investissement du Fonds.

Les entités accréditées sont encouragées à informer l'AND ou le point focal où ils ont l'intention d'opérer dans leur pays.



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# Critères d'investissement

| | |
|---|---|
| Potentiel d'impact | • Potentiel d'atteindre les objectifs et les zones de résultats du Fonds |
| Potentiel de changement de paradigme | • Potentiel de catalyser l'impact au delà d'un projet ou d'un programme d'investissement individuel |
| Potentiel de développement durable | • Potentiel de fournir des avantages et des priorités plus importants |
| Besoin du destinataire | • Vulnérabilité et besoins en financement du pays bénéficiaire et des groups ciblés |
| Appropriation nationale | • Appropriation par le pays bénéficiaire et capacité à mettre en œuvre les activités financées |
| Efficience et efficacité | • Bien-fondé économique et financier du programme ou projet; confessionnalité appropriée |

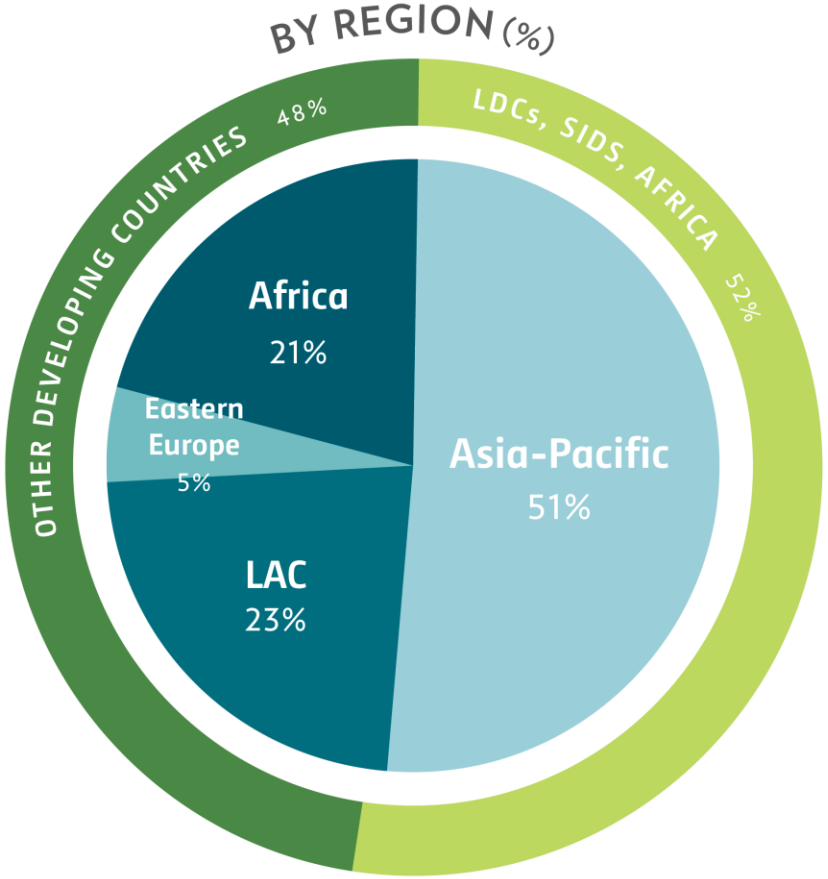
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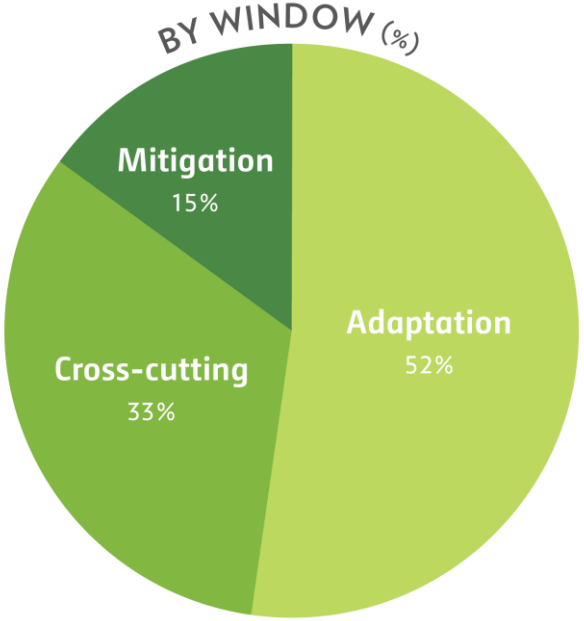
# $424M for 17 projects

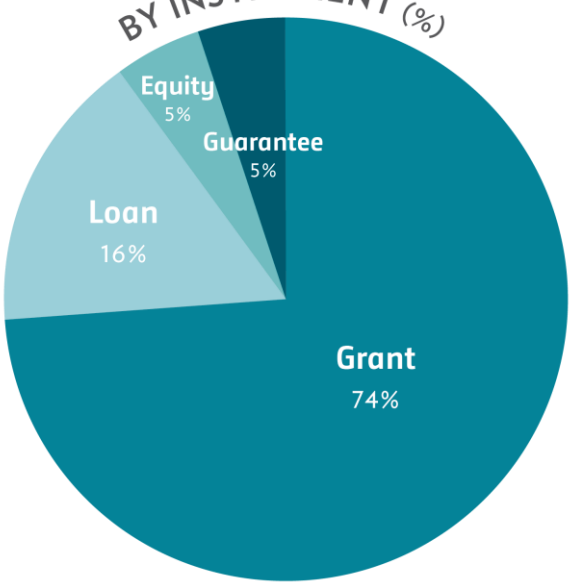


# 17 projects pour USD 424 millions

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# Common Gaps (1) in Completeness

## Incomplete information

- Feasibility study -> rationale for proposed design, structure & costs
- Procurement plan, budget breakdown
- Environmental and social impact assessment
- Gender assessment and analysis
- Risk assessment
- Logic framework
- Stakeholder consultations
- etc.

# Common Gaps (2) against Investment Criteria

1) **Climate impact potential**
   - Strong relevance and linkage with climate change
   - Robust methodology to calculate emission reductions or justifications for increased resilience
   - Evidence of expected climate impact

2) **Viability and Sustainability**
   - Economic and financial soundness
   - Sustained results after GCF funding ends
   - Due consideration of O&M plan and its cost coverage

3) **Efficiency and Appropriateness in concessionality**
   - Impact vs. funding ratio (e.g. $/tCO2)
   - Financial instrument and funding amount
   - Co-financing or crowd in other funding source

# Common Gaps (3) in Consistency with Policies

1) **Safeguard Standard and Gender**
   - Quality environmental & social impact assessment
   - Gender assessment & analysis -> identify impacts and opportunities for women

2) **Monitoring and reporting**
   - Strengthen cause-effect relation to remove barriers
   - Identify clear result indicators and values

3) **Risk**
   - Proper risk assessment
   - Solid risk mitigation measures

4) **Fiduciary requirements**
   - Robust procurement plan
   - Detailed budget breakdown

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# PPF modality

- Open for all accredited entity
- No-Objection from NDA required
- Max. amount of USD 1.5 million, not exceeding 10% of the total GCF funding to be requested for

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# Eligible Activities

- Pre-feasibility and Feasibility studies
- Project design
- Environmental & Social, Gender Studies
- Risk Assessment
- Identification of Programme and Project Level Indicators
- Pre-contract Services including Revision of Tender Documents

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# Climate Information and Early Warning Systems

*Malawi*




**Accredited Entity**
UNDP

**Executing Entity**
Department of Disaster Management Authority

**Beneficiaries**
1.4M Direct | 0.7M Indirect

**Total Funding**
USD 16.27M
**GCF Funding**
USD 12.3M Grant

**Duration**
6 Years

# Cyclone Shelter Infrastructure

*Bangladesh*



**Accredited Entity**
KfW

**Executing Entity**
Local Government Engineering Department

**Beneficiaries**
134,350 Direct | 10.4 M Indirect

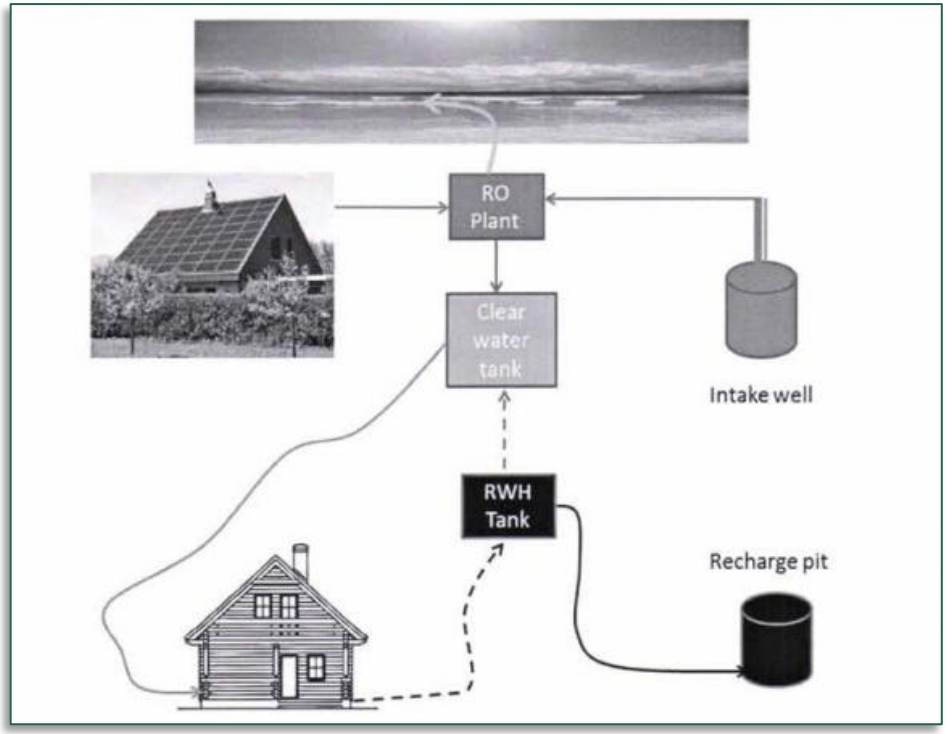
**Total Funding**
USD 80M

**GCF Funding**
USD 40M Grant

**Duration**
6 Years

# Integrated Water Supply

*Maldives*




**Accredited Entity**
UNDP

**Executing Entity**
Ministry of Environment and Energy

**Beneficiaries**
105,000 Direct

**Total Funding**
USD 28.28M
**GCF Funding**
USD 23.6M Grant

**Duration**
5 Years

# Energy Savings Insurance

*El Salvador*




**Accredited Entity**
IADB

**Executing Entity**
Banco de Desarrollo de El Salvador

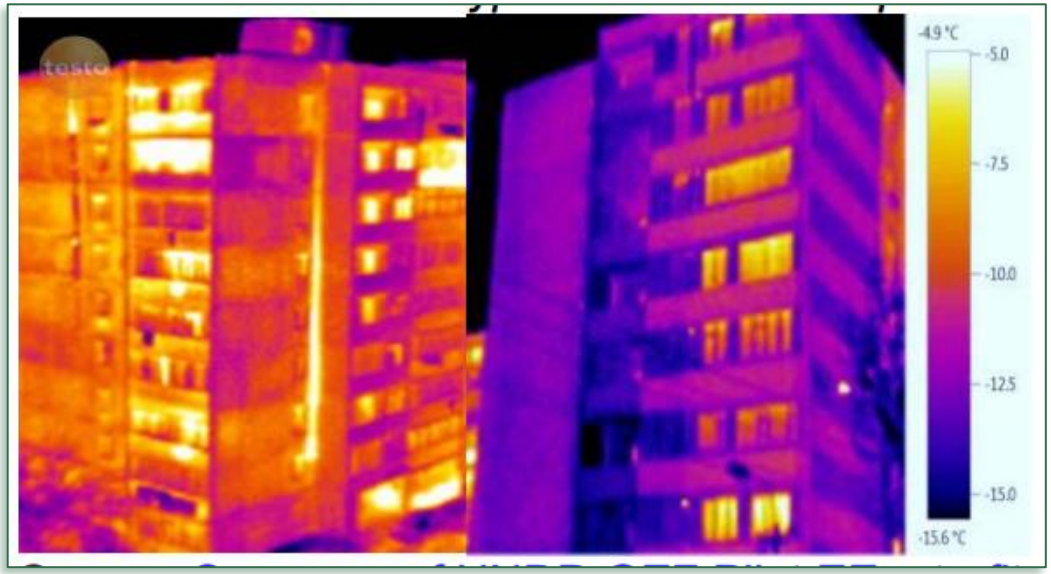
**$CO_2$ eq**
Annual 37,469
Lifetime 562,037

**Total Funding**
USD 41.7M
**GCF Funding**
USD 20M Loans

**Duration**
5 Years

# Energy Efficient Building Retrofits

*Armenia*




**Accredited Entity**
UNDP

**Executing Entity**
Ministry of Nature Protection

**$CO_2$ eq**
Annual 69,484
Lifetime 1,389,677

**Total Funding**
USD 29.82M
**GCF Funding**
USD 20M Grant

**Duration**
6 Years

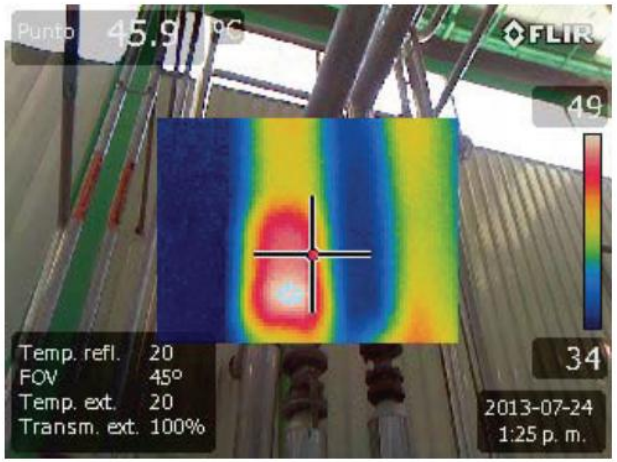
# Approved: Energy Efficiency Green Bond

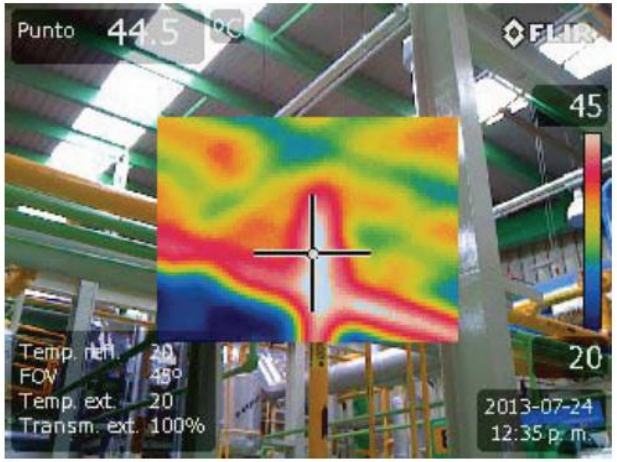
## IDB – Mexico (Pilot Country)/ Latin America & the Caribbean

- $22 million guarantee

- SME ESCOs
- Warehousing and aggregating
- Mobilize institutional funds at scale

- Emissions reduction of 13.2 million tCO2e
- 780 million dollars of private investments
- Replicability and scalability



# Approved: KawiSafi Venture Fund

**Acumen – Eastern Africa**

- **$20 million in equity and $5 million in grants for technical assistance**
- **Universal access to energy in Africa**
- **Early stage equity**
- **Private equity fund**



# Approved: Climate Action and Solar Development

**CAF – Tarapacá Region in Chile**

- **Utility scale solar power project – project financing structure**
- **$49 million in project debt for a project of $265 million**
- **Scalable project**
- **Emissions reduction of 3.7 million tCO2e**



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