

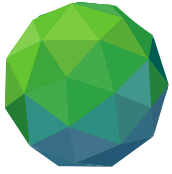
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FUND

# GCF mandate, programming cycle, opportunities and climate rationale for water

*Jason Spensley*

*Senior Specialist, Project Preparation and Adaptation Planning*

15 October 2018

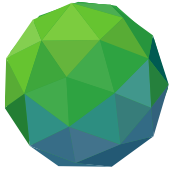


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# Overview



1. Mandate and status
2. Investment criteria
3. GCF project programming cycle  
(Readiness, NAPs, PPF, SAP, full FPs)
4. ESS & Gender
5. Climate Rationale

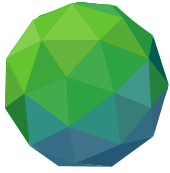


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# Overview

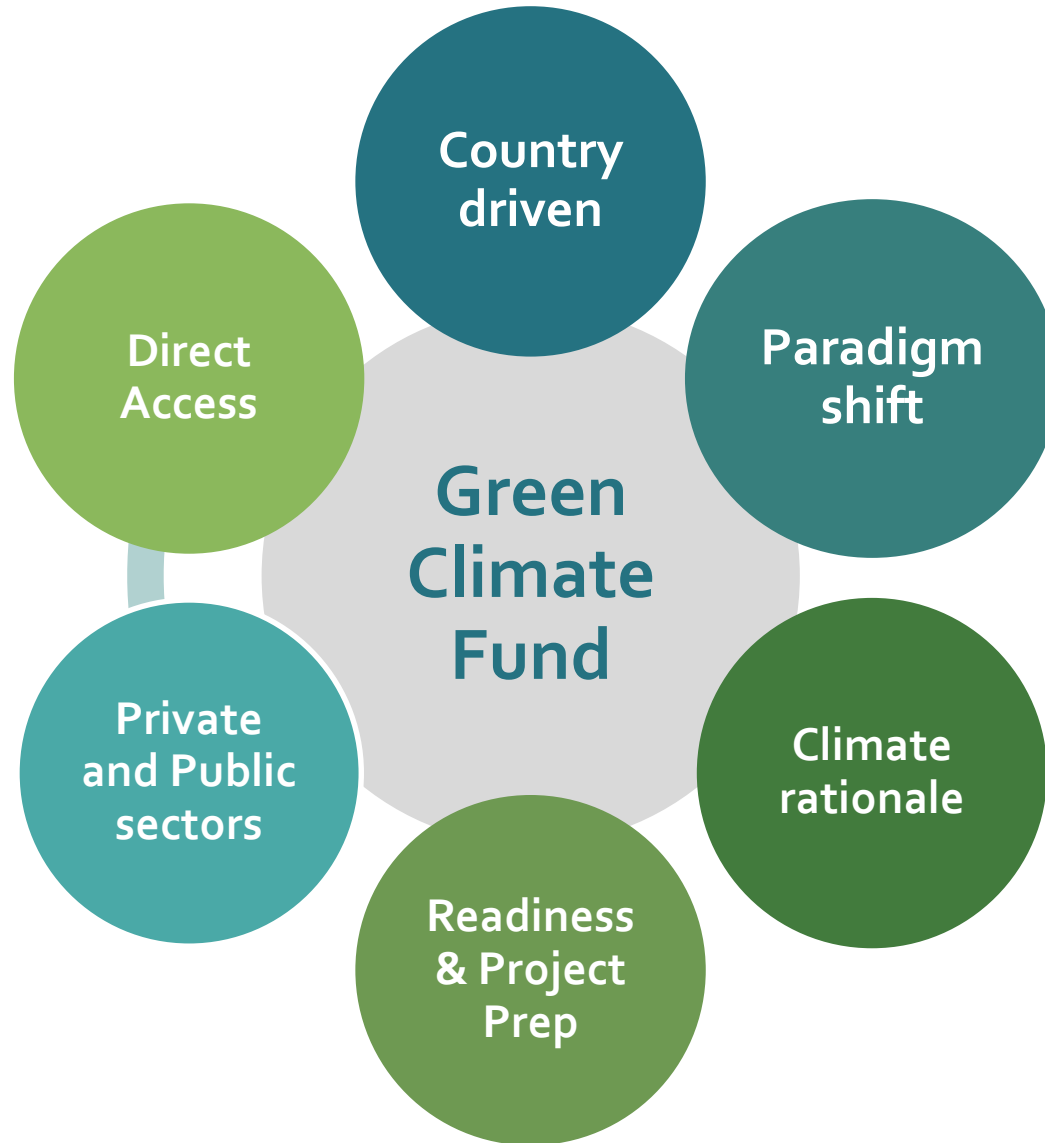


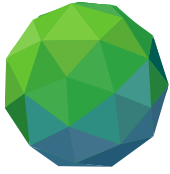
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# Opportunities for Transformative Support

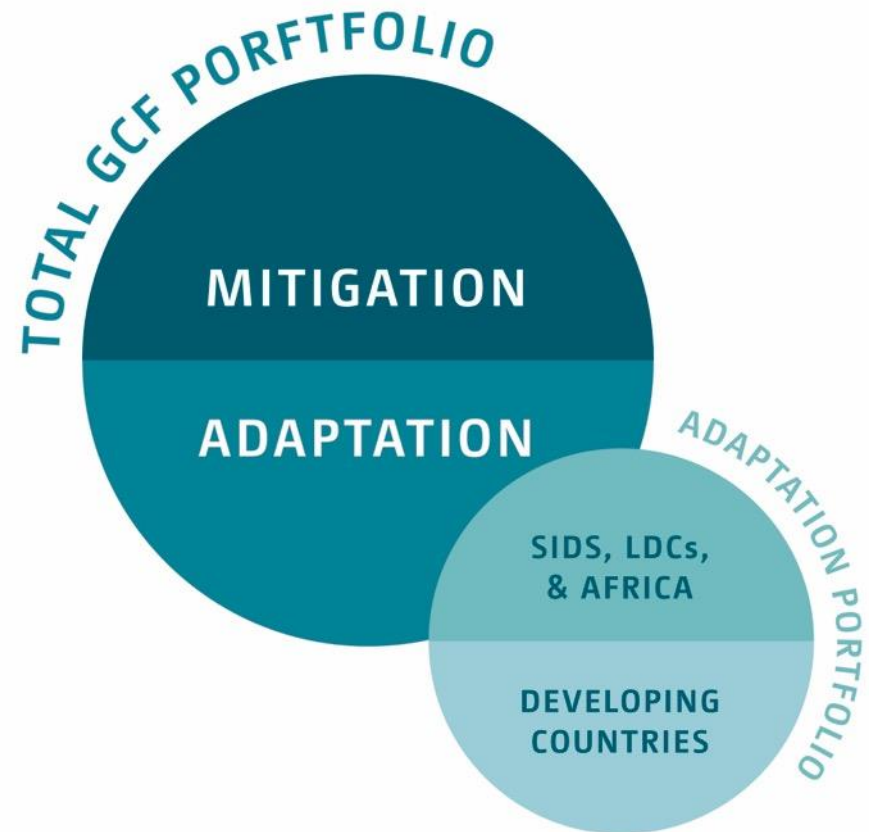


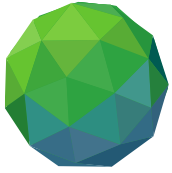


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# GCF resources

- **Scale:** USD 10.3 billion in pledges (USD 9.9 billion signed contributions)
- **Balance:** 50/50 adaptation & mitigation; 50% adaptation resources for LDCs, SIDS and African States
- **Approvals:** 76 projects totaling USD 3.74B committed; 8.86B co-financing
- **Readiness support:** USD 140 million committed
- **Project preparation:** USD 40 million

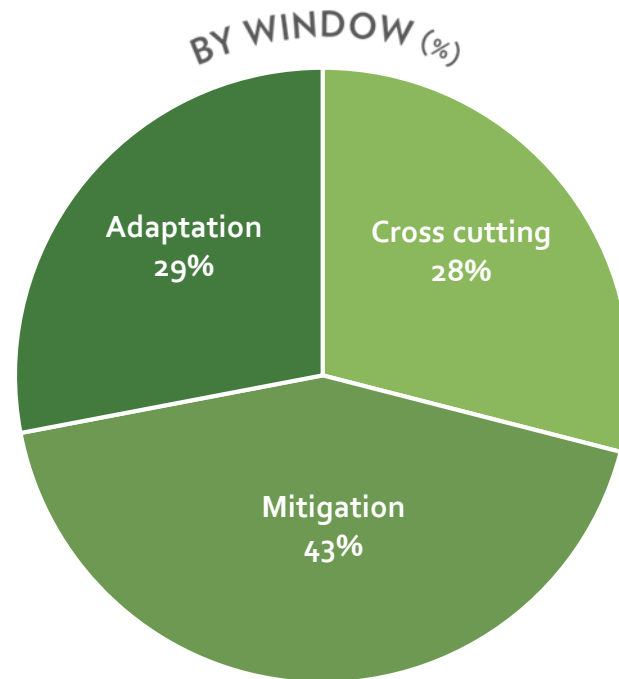
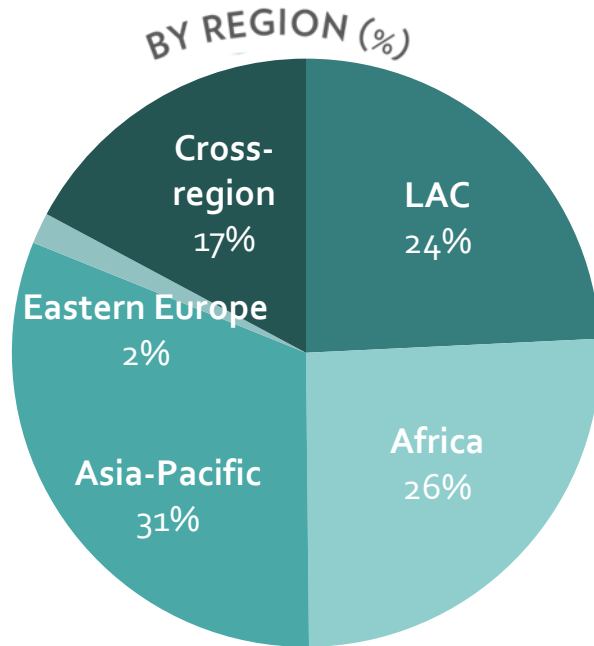




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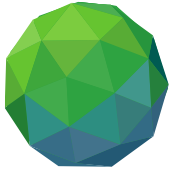
# Composition of the growing portfolio

76 projects/programmes committed  
totaling USD 3.74 billion of GCF funds



Mitigation impacts Adaptation Mitigation Cross-cutting  
1.32 BtCO<sub>2</sub>eq

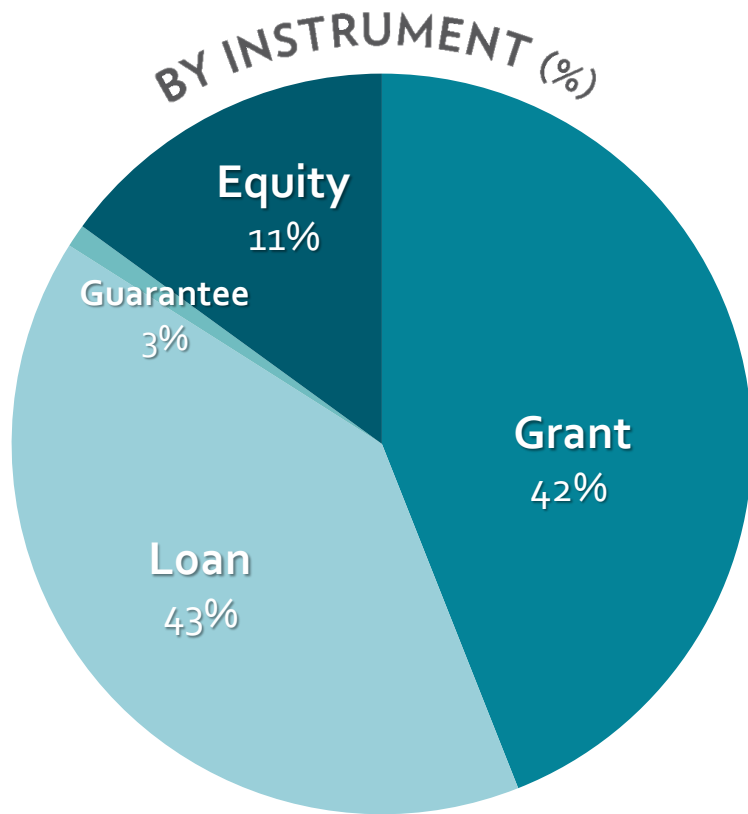
Adaptation impacts  
217 M beneficiaries



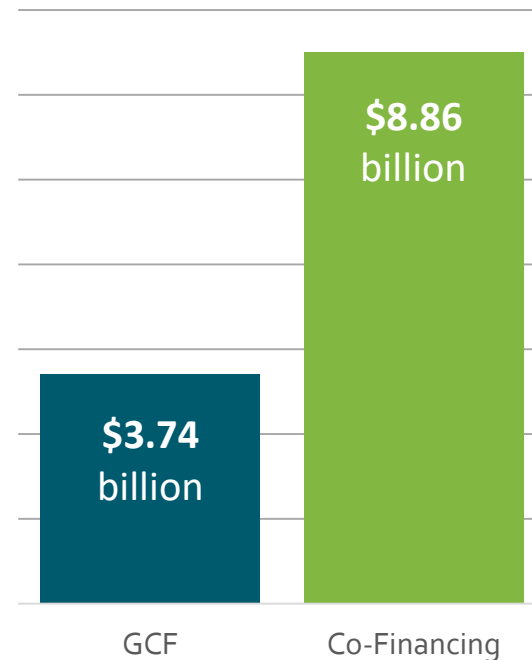
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# Composition of the growing portfolio

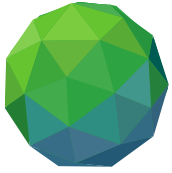
## GCF finance committed



## CO-FINANCING



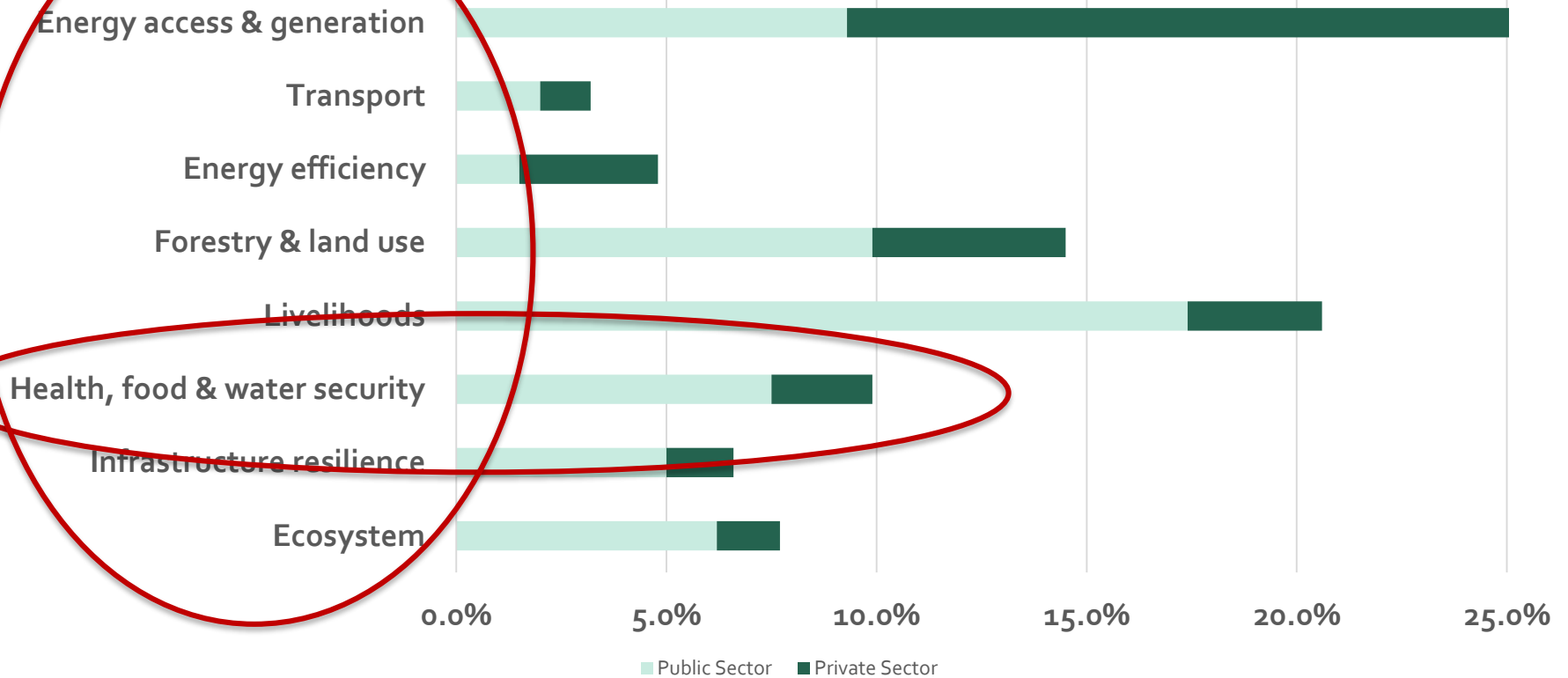
Total GCF funding USD 3.74 billion



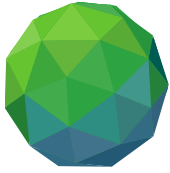
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# Composition of the growing portfolio

Requested GCF finance by Results Area (%)







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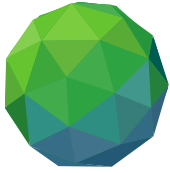
# GCF Portfolio – Approved Projects

## 1. All climate sectors:

- 74 projects
- \$3.7 bn GCF finance, \$12.6bn total
- 75M direct and 217M indirect beneficiaries

## Climate and water:

- 21 projects
- \$737M GCF finance, \$2.2bn total
- 10M direct and 74M indirect beneficiaries



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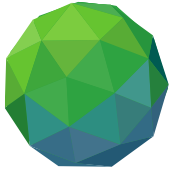
# GCF Portfolio – Pipeline projects

## 2 All climate sectors:

- 156 projects
- \$7.7 bn GCF finance, \$20.1bn total

## Climate and water sector:

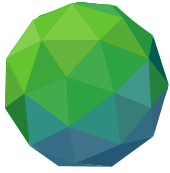
- 41 projects
- \$1.5bn GCF finance, \$3.2bn total



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## GCF Portfolio By Water Subsectors

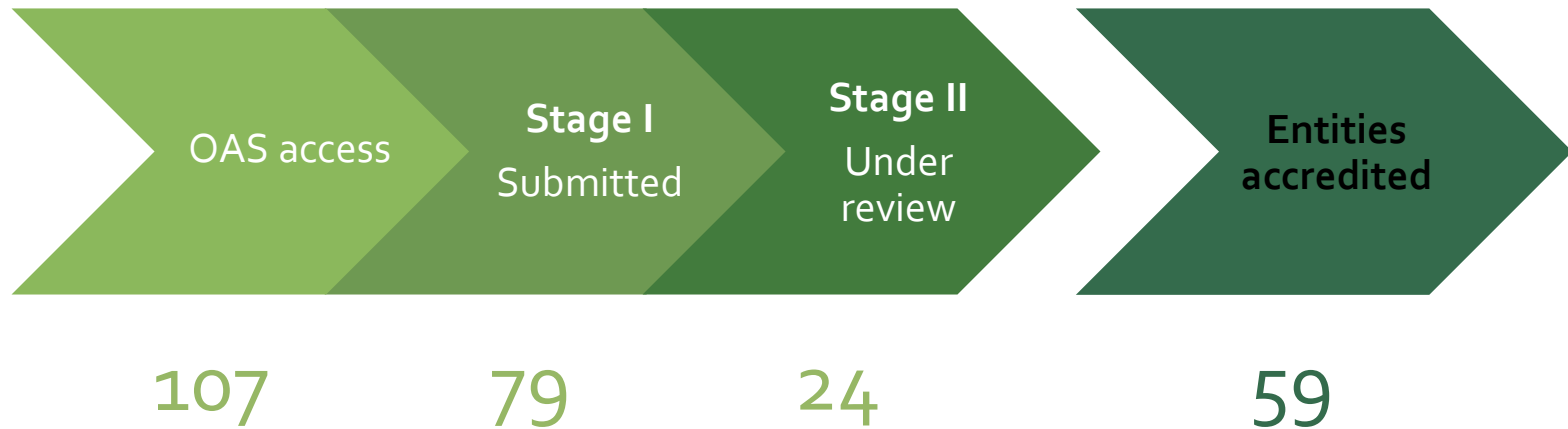
Subsector	# Approved projects	Total value approved (\$M)	# Pipeline projects
Coastal	5	141	9
Flood	3	153	7
Water supply	3	102	9
Drainage/sanitation/health	1	18	1
Irrigation	2	63	5
Hydropower	2	136	-
Ecosystems/wetlands	2	30	2
Drought	3	93	10

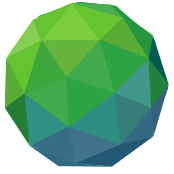


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# Accreditation: State of play

## Pipeline of 210 entities



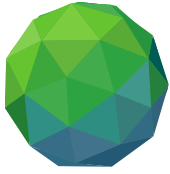


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# Overview



1. Mandate and status
2. **Investment criteria**
3. GCF project programming cycle  
(Readiness, NAPs, PPF, SAP, full FPs)
4. ESS & Gender
5. Climate rationale



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# GCF Investment Criteria

Impact potential

Potential to contribute to achievement of Fund's objectives and result areas

Paradigm shift potential

Long-term impact beyond a one-off investment

Sustainable development potential

Wider economic, environmental, social (gender) co-benefits

Country ownership

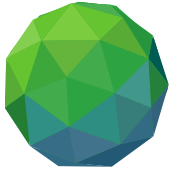
Country ownership and capacity to implement (policies, climate strategies and institutions)

Efficiency & effectiveness

Economic soundness, cost-effectiveness and co-financing for mitigation

Responsive to needs of recipients

Vulnerability and financing needs of beneficiary in targeted group



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## Mitigation

- 1a) Emission trajectory** for the relevant country and sector
- 1b) Pathways** to shift emissions trajectory

## Adaptation

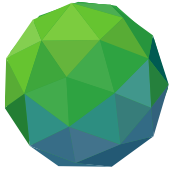
- 1a) Climate impacts** the project/programme aims to address
- 1b) Hazard, exposure and vulnerabilities** resulting in risks



**2) Prioritized interventions/solutions** for addressing barriers based on a multi-criteria analysis of options



**3) Integration** to broader domestic and international policy and decision-making processes



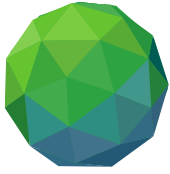
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# Overview



1. Mandate and status
2. Investment criteria
3. **GCF project programming cycle**  
(Readiness, NAPs, PPF, SAP, full FPs)
4. ESS & Gender

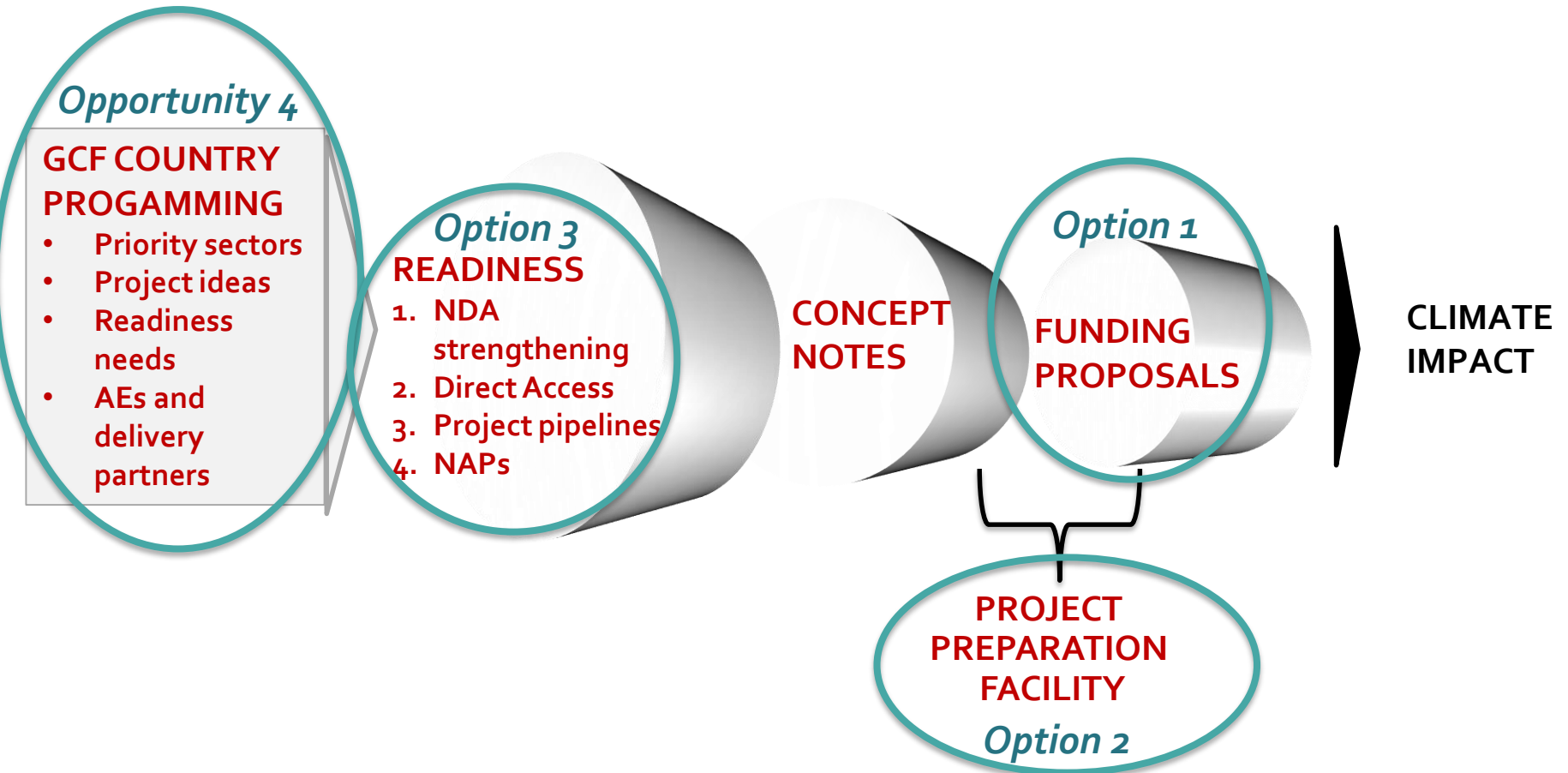


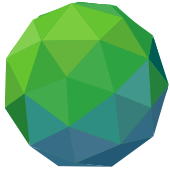


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# GCF Programming Cycle

*(and opportunities for water-related programming)*





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# Readiness areas of support

1. NDA strengthening

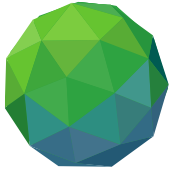
2. DAE accreditation and strengthening

3. Project pipeline development

4. Adaptation planning processes

Up to USD 1M per  
country per year

Up to USD 3M per  
country  
(not per year)

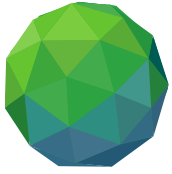


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# Status: GCF NAP Support

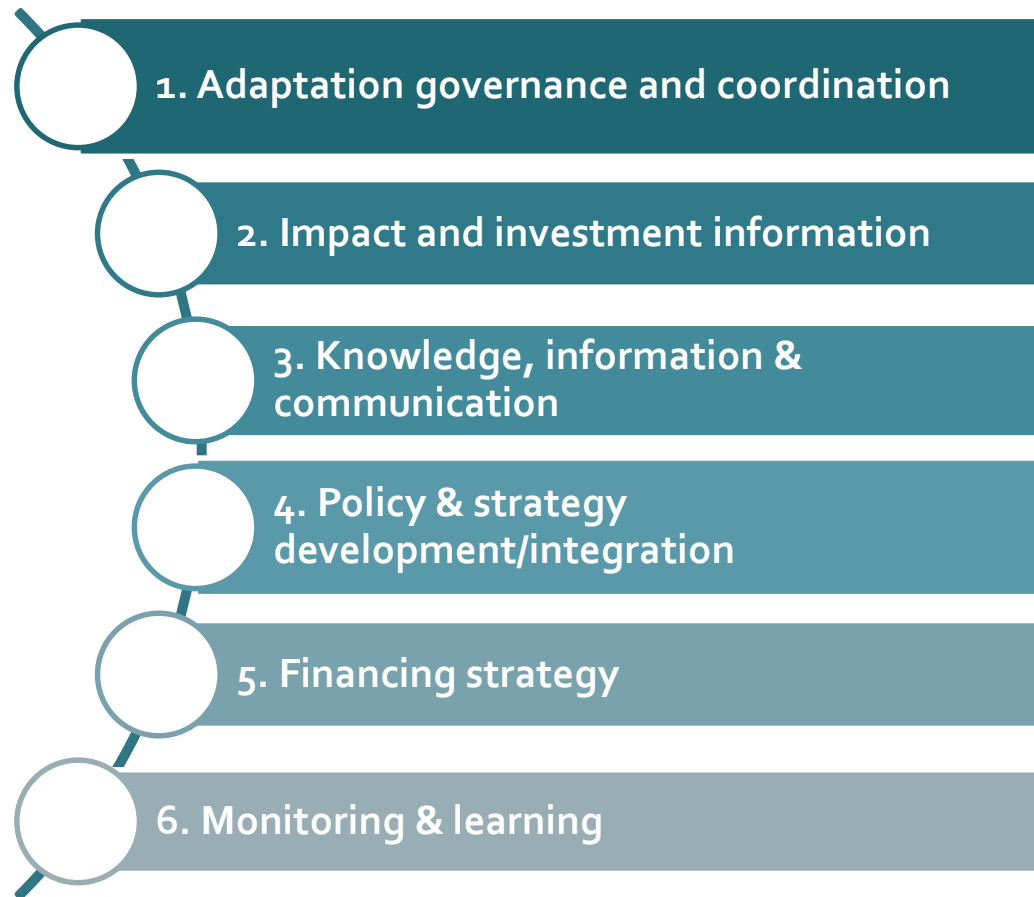
	Submitted	Approved + Endorsed	Pending comments from Secretariat	Pending resubmission by NDA
Status today	60	26 (19+7)	18	24
Status on 1 January 2018	40	8 (3+5)		

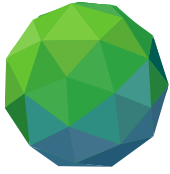




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# Adaptation planning outcomes





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# Adaptation Planning Review Criteria

1. Focus strategically within a national vision

2. Plan to address specific climate impacts and vulnerabilities

3. Develop financing strategy for each adaptation priority

4. Articulate theory of change

5. Avoid duplication of effort

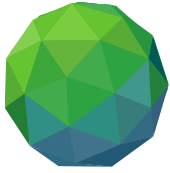
6. Engage stakeholders proactively

7. Build gender considerations

8. Cultivate private sector investment

9. Monitor and report systematically

10. Coherence and complementarity with other funds



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# GCF Programming Cycle

*(and opportunities for water-related programming)*

## GCF COUNTRY PROGRAMMING

- Priority sectors
- Project ideas
- Readiness needs
- AEs and delivery partners

### READINESS

1. NDA strengthening
2. Direct Access
3. Project pipelines
4. NAPs

### CONCEPT NOTES

### FUNDING PROPOSALS

PROJECT  
PREPARATION  
FACILITY

*Option 2*

CLIMATE  
IMPACT



# Project preparation facility

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## What is on offer?

Support for project preparation leading to catalytic Funding Proposals

Especially for Direct Access Entities and micro-small size projects

Grants, repayable grants or equity (typically USD 250-600k)

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## How to apply?

Accredited Entities (especially Direct Access) submit

Request submitted with Project Concept and NDA no-objection

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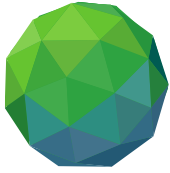
## What is assessed?

Underlying project assessed against GCF investment criteria

Project preparation activities assessed against budget, counterpart, justification

Approval by Executive Director

---



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# 1. PPF Funds: Status

## Overall PPF portfolio

Status	#
<b>Submitted (with NOL)</b>	<b>58 (37 active)</b>
- DAEs	- 28
<b>Approved + Endorsed</b>	<b>17 (13+4)</b>
- DAEs	- 11 (8+3)



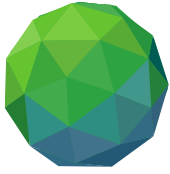
**27 of the 37  
active  
applications are  
for LDCs, SIDS  
and African  
States**

## Approved PPF applications

Accredited Entity	Country	Project Sector	Amount (USD)
MoE	Rwanda	Ecosystem & Agriculture	1,498,841
WMO	5 Pacific countries	Early Warning	535,833
ADA	Morocco	Agriculture	717,407
DBSA	South Africa	Energy Efficiency	318,060
CCCCC	Belize	Renewable Energy	694,000
CAF	Colombia	Transport	1,415,750
UNDP	Liberia	Coastal management	934,185
BOAD	Niger	Agriculture	439,134
CI	Ecuador	Ecosystem	277,172
NEMA	Kenya	Adaptive capacity	371,200
UNEP	Jordan	Landscape Management	278,946
DBSA	South Africa	Waste Management	1,359,719
IDB	Paraguay	Urban Development	548,205

As at 8 October 2018





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# SAP pipeline & portfolio

**24**  
projects

**\$217M**  
GCF Funding

**\$142M**  
Co-financing

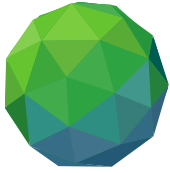
**58%**  
DAEs/NDAs

**1**  
Approved



Data as of August 2018

1 Concept Note from Armenia



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# What has been “simplified”?



## SIMPLER DOCUMENTS

Key documents have been simplified, and presented in a single, up-front list



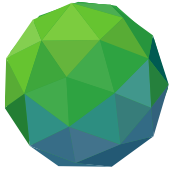
## FEWER PAGES

A shorter form with significantly fewer pages. The total length of funding proposals should not exceed 20 pages, or 10,000 words



## EASIER FORM-FILLING

Fewer questions and clearer guidance allows more concise responses for each sub-section, avoiding duplication of information



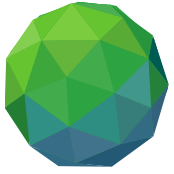
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# Eligibility criteria

1 Ready to be scaled-up & potential for transformational impact

2 GCF funding of up to USD 10 million

3 Minimal to no environmental & social risks

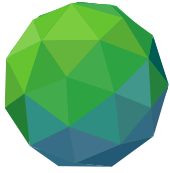


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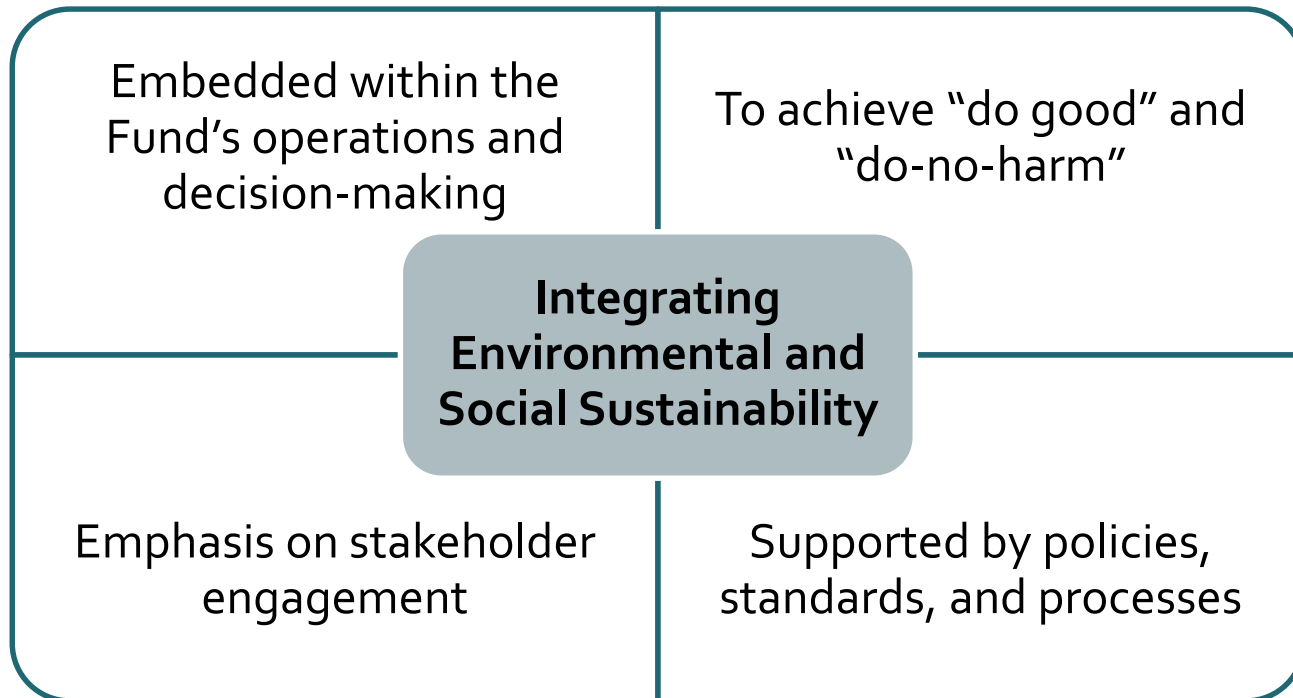


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5. Climate Rationale



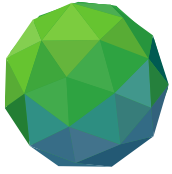
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# ESS in the context of GCF



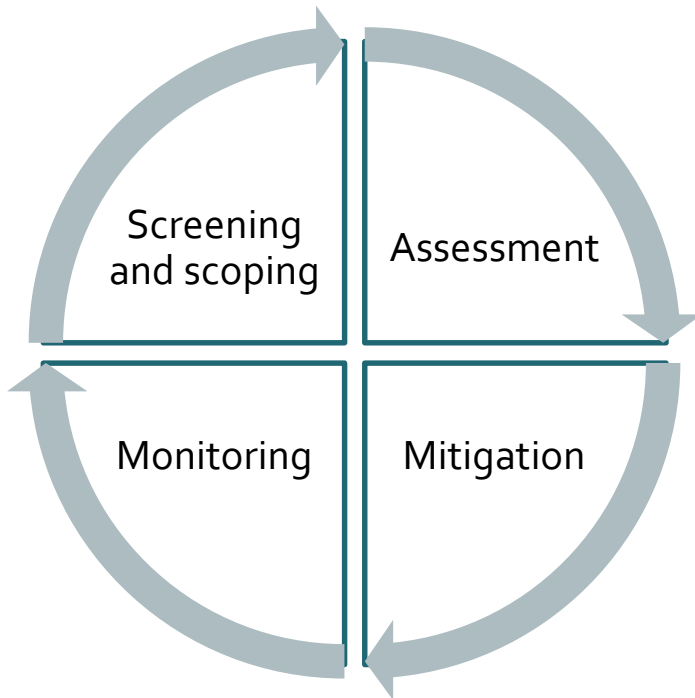
## GCF Policies:

- Environmental and social policy
- Indigenous peoples policy
- Gender policy



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# Environmental and social due diligence



A) High  
risk

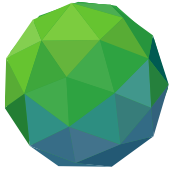
significant adverse impacts that are irreversible, diverse, or unprecedented

B)  
Moderate  
risk

potential impacts less adverse, limited, site-specific, likely reversible, readily mitigated

C) Low  
risk

none to minimal adverse environmental and social impacts easily and fully mitigated



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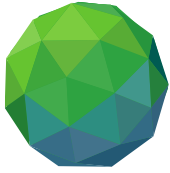
# Environmental and social safeguards

Consistent approach and requirements

IFC Performance Standards for Environmental and Social Sustainability (2012)

IFC Guidance Notes on the Performance Standards for Environmental and Social Sustainability

- **PS1:** Assessment and Management of ES Risks and Impacts
- **PS2:** Labor and Working Conditions
- **PS3:** Resource Efficiency and Pollution Prevention
- **PS4:** Community Health, Safety & Security
- **PS5:** Land Acquisition and Involuntary Resettlement
- **PS6:** Biodiversity Conservation and Sustainable Management of Living Natural Resources
- **PS7:** Indigenous Peoples
- **PS8:** Cultural Heritage



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# Gender requirements

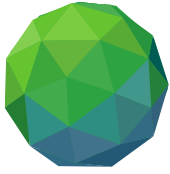
## Mandatory socioeconomic and gender assessment

- Determine how project can respond to women's and men's needs
- Identify drivers of change and gender dynamics
- Design gender elements in project/program activities
- Estimate the implementation budget
- Select outputs, outcomes and impact indicators
- Design implementation and monitoring institutional arrangements

## Equitable and meaningful stakeholder consultation

- Active and meaningful participation of women and men
- With voices and issues identified incorporated into the program activities

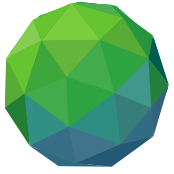




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# Gender recommendations

- Gender expert to conduct gender analysis/ assessment/ action plan
  - Sex-disaggregated data should be collected and **analyzed**
- Ensure action plans are informed by gender analysis
  - Establish baseline and monitor
- Maintain gender expert for technical support during implementation
  - Assess and course correct throughout the project life cycle

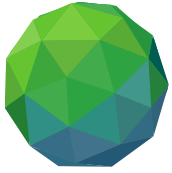


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# Overview



1. Mandate and status
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(Readiness, NAPs, PPF, SAP, full FPs)
4. ESS & Gender
5. **Climate Rationale**



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# Coastal Zone Management

**Coastlines affected by:**

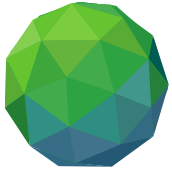
## **Sea Level Rise**

- + Thermal expansion of the oceans
- + Melting icecaps
- + Land subsidence
- + Salination

## **Increased storminess**

- + Size and frequency of storms
- + Wave action
- + Erosion





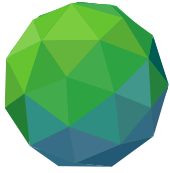
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# Coastal Zone Management

## Interventions/solutions include:

1. Resilient buildings
2. Livelihoods adaption
3. Coastal zoning
4. Insurance
5. Soft flood defences
6. Hard defences
7. Warning systems
8. Managed Retreat





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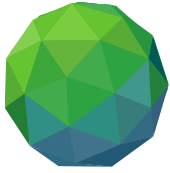
# Coastal Zone Management

## Project issues

- + Land subsidence may be due to groundwater pumping
- + Erosion due to sand mining, or lack of sediment replenishment (dams)
- + Salination may be due to over-abstraction from coastal aquifers, or rivers

Therefore:

- What is an appropriate standard of defence? Cost benefit ratio?
- What is the residual risk behind coastal defences?
- How much will maintenance cost and who is responsible for funding it?



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# Flood Management

**Communities and ecosystems affected by:**

**Climate change**

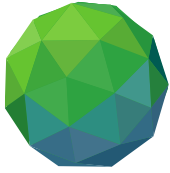
**+ More intense and/or frequent rainfall**

**+ Maximum probable floods**

**Additional impacts:**

- Upper catchment changes
- Urbanisation
- Inadequate drainage
- Infrastructure failures



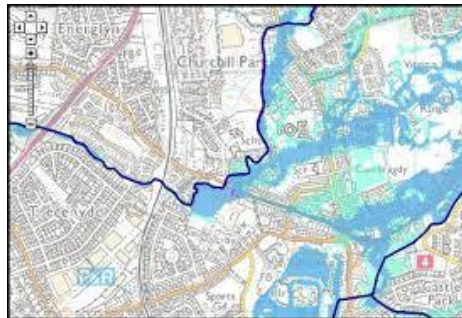


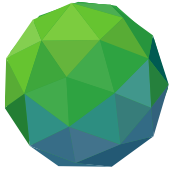
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FUND

# Flood Management

## Interventions/solutions include:

1. Resilient infrastructure
2. Livelihoods adaption
3. Flood mapping
4. Land use zoning
5. Insurance
6. Soft flood defences
7. Hard defences
8. Flood warnings
9. Managed Retreat





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# Flood Management

## Project issues

Integrated catchment planning

Management of the upper catchment

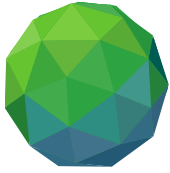
Making space for water - and impacts downstream

What is an appropriate standard of defence? Cost benefit ratio?

What is the residual risk behind flood defences?

How much will maintenance cost and who is responsible for funding it?





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# Water Resources

**Communities and ecosystems affected by:**

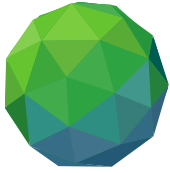
**Climate change:**

**+ Extended and more frequent droughts**

**and:**

- Population growth
- Industry and tourism
- Per capita usage growth
- Overabstraction
- Pollution





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# Water Resources

## Possible responses include:

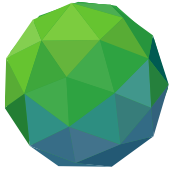
### Demand management

1. Leakage reduction
2. Water conservation
3. Re-use & recycling
4. Efficient irrigation

### Supply enhancement

1. More storage
2. New supply infrastructure





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# Absent from the GCF portfolio

## Water and health

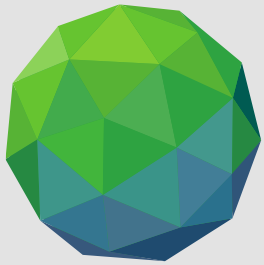
Water and temperature changing distribution of water-borne, -washed –based and -related diseases



## Navigation

As a low emissions form of transport





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