

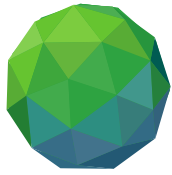
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The GCF: Promoting paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries

Zahir Fakir

GCF - Co-chair of the Board

16 May 2016 | Bonn



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About the Fund



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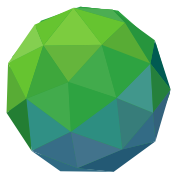
About the Fund

- Operating entity of UNFCCC financial mechanism, accountable and under the guidance of the COP
- New international institution with an ambitious mission and a unique business model
- Also tasked with serving the Paris Agreement
- Investment criteria built to ensure long-term paradigm impact
- Centrepiece of long-term finance
- Headquarters in Songdo, Republic of Korea



Objectives of the Fund

- The Fund will contribute to the achievement of the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC)
- In the context of sustainable development, the Fund will promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change



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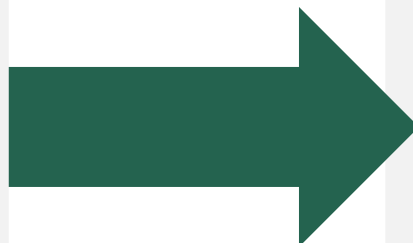
Resources mobilized

\$10 billion

pledged

42 countries
9 developing

Berlin pledging
conference and COP20



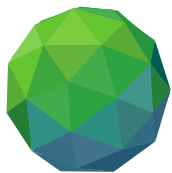
\$9.9 billion

signed

37 governments

contribution
agreement or
arrangement

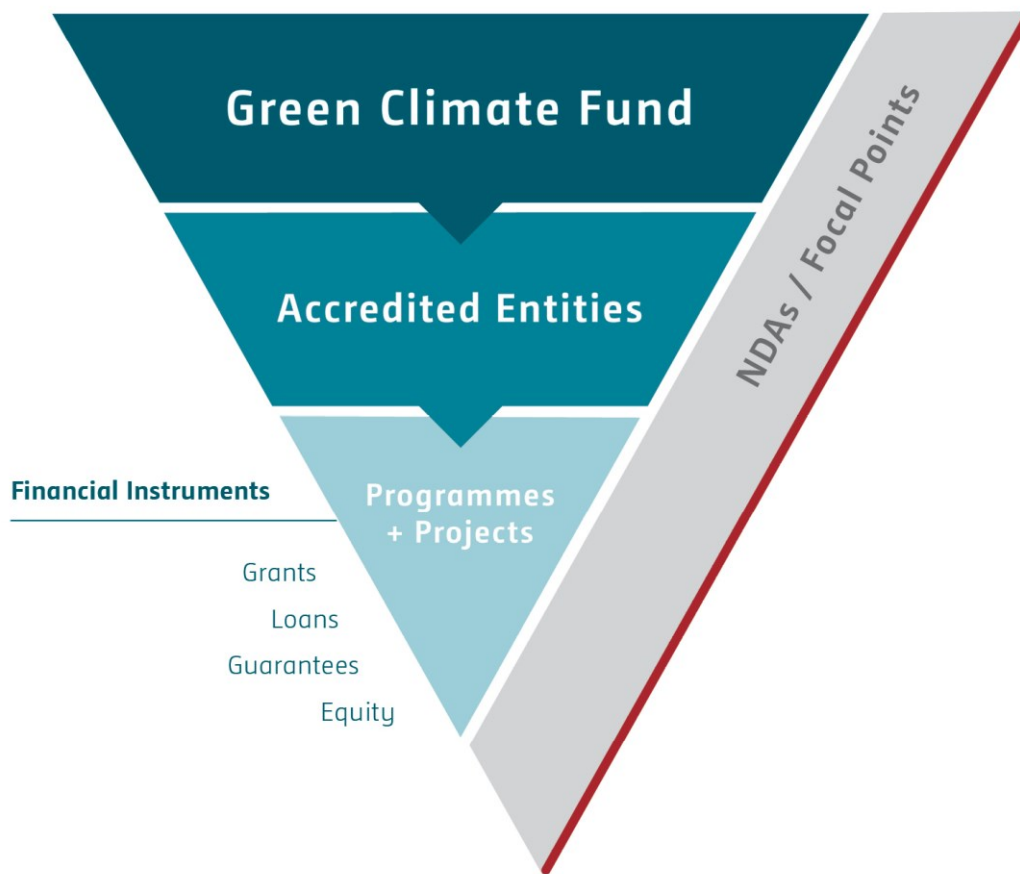
Up to \$ 2.5 billion per year over 2015-18...

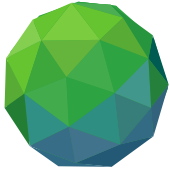


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GCF Business model

GCF Architecture





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Value add

Country ownership through NDAs and focal points

Balance between adaptation and mitigation

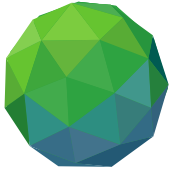
Equal voice for developed and developing countries

Diversity of accredited entities

Diversity of financial instruments

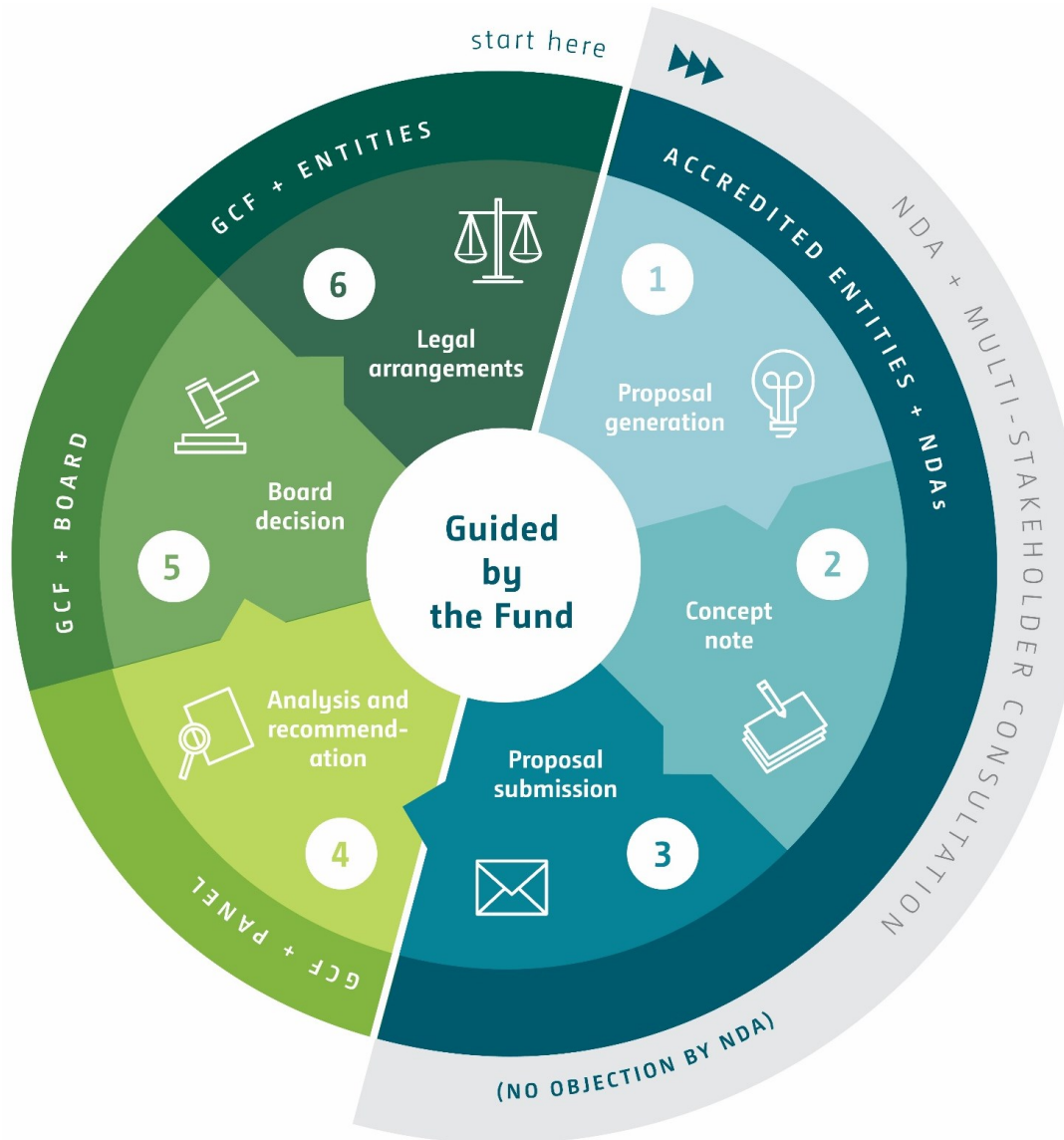
Dedicated Private Sector Facility (PSF)

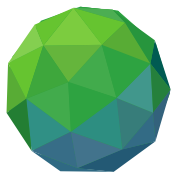
Largest dedicated climate fund globally



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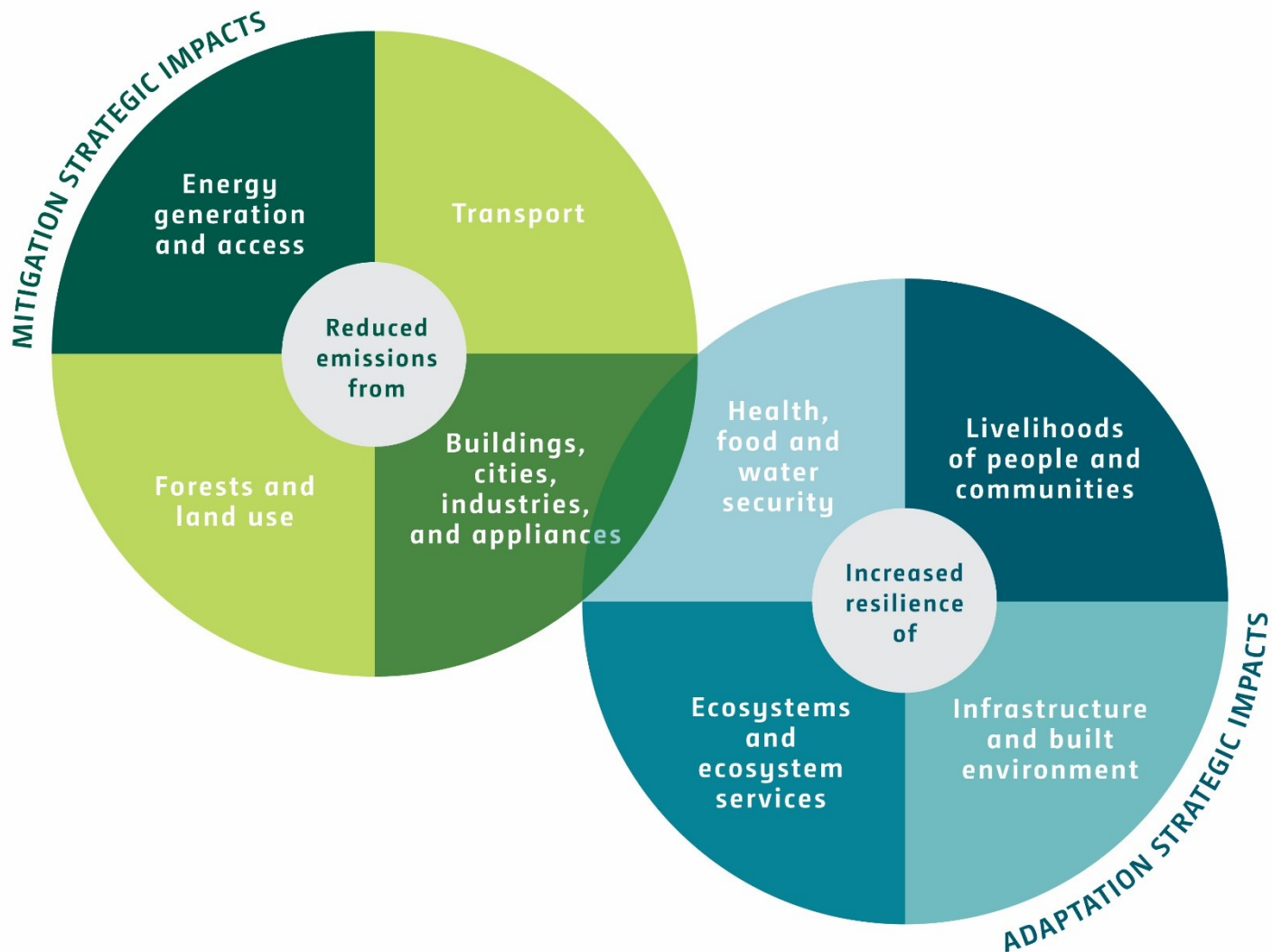
Proposal approval process





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Strategic impact areas

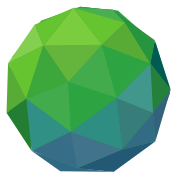




The Fund's Six High-level Investment Criteria*

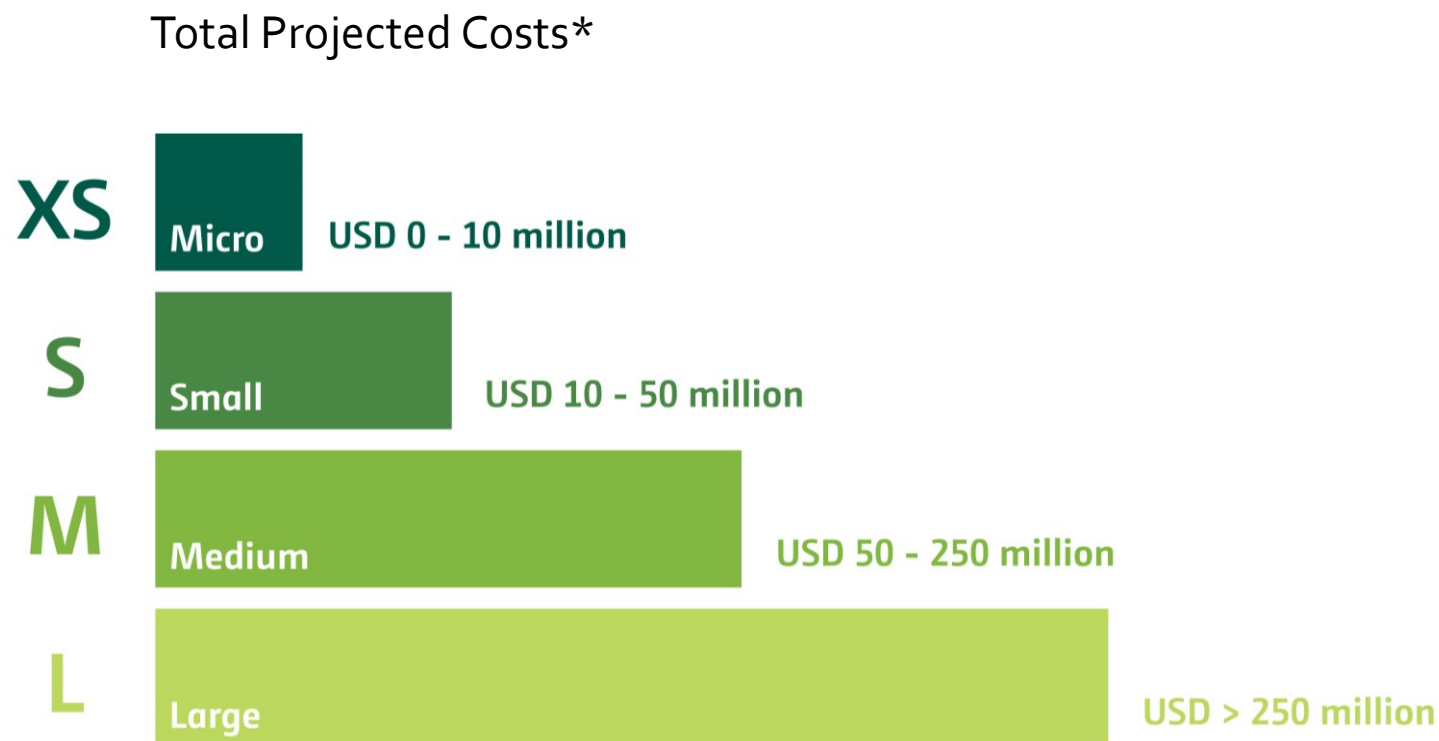


* The Fund has adopted its [initial activity-specific sub-criteria and assessment methodologies](#).



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Size of project/activity within a programme



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



Private sector facility

Why the PSF?

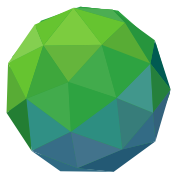
- To mainstream climate change mitigation and adaptation actions in the private sector

Interventions possible

- Long-term debt, credit lines and refinancing
- Equity to develop a project to full bankability
- Guarantees to bear specific risks

Access to the private sector

- Accredited entities with private sector operations
- Present funding proposals spontaneously or in response to calls for proposals



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Funding approved

\$168M to 8 projects

\$109M for adaptation

Mexico

Peru

Senegal

East
Africa

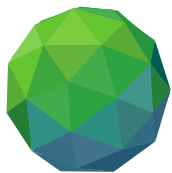
Malawi

Bangladesh

Maldives

Fiji

83% LDCs, SIDS & Africa



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Resilient water supply

Maldives

reduced water scarcity
105,000

32,000
safe drinking water

\$24M



Post-Paris GCF vision

- Programme finance at scale
- Engage in partnerships
- Pilot, scale-up and replicate
- Deploy full range of financial instruments
- Leverage additional financial inputs
- Set new standards of country ownership, direct access and level of ambition