



**SUBMISSION BY THE GREEN CLIMATE FUND  
TO THE STOCKTAKE ON PRE-2020  
IMPLEMENTATION AND AMBITION AT THE  
24TH CONFERENCE OF THE PARTIES TO THE  
UNITED NATIONS FRAMEWORK CONVENTION  
ON CLIMATE CHANGE**

## **Introduction**

1. The Green Climate Fund (GCF) is working to provide climate finance to developing countries in a holistic manner, to enable them to meet national and global objectives relating to climate change. In the context of pre-2020 ambition and implementation, GCF provides support to developing countries to build their capacity to act to address climate change. This includes support for strengthening their ability to identify priorities, programme GCF resources and implement projects and programmes.
2. GCF also provides support to countries, through various programmes, to build up their core capabilities to scale up NDC implementation and ambition. GCF programmes are strengthening capacity of developing countries through a comprehensive response to country needs, including via country programming support, readiness support, adaptation planning support, project preparation support and investment in funding proposals. Countries are in different stages of preparation to undertake climate action and GCF provides tailored support to address the different needs of countries.
3. GCF has, ever since it began approving projects, demonstrated the ability to programme resources in response to country needs. The Fund has made significant strides in a very short time in building a portfolio of projects and programmes, delivering readiness support to countries, and building the capabilities of a new generation of direct access entities to support a country-driven approach to climate action. From the first proposals approved 3 years ago with a value of USD 168 million, the Fund has grown significantly to a portfolio of 93 projects from 96 developing countries with a total GCF investment of USD 4.6 billion (as at 21 October 2018).
4. The Board of GCF (the Board) at its 21<sup>st</sup> meeting adopted a decision to launch the Fund's first replenishment. The replenishment is expected to provide further momentum to GCF as it continues to provide support to developing countries.
5. GCF is pleased to provide information, as requested by the COP 23 and COP 24 Presidencies, to contribute to the stocktake on pre-2020 implementation and ambition to be held at COP 24. This report provides information on the support GCF, as an operating entity of the Financial Mechanism of the (United Nations Framework Convention on Climate Change (UNFCCC)FP, provides to developing countries to enhance their implementation and ambition in relation to adaptation and mitigation in the pre-2020 period and beyond.

## **GCF support for pre-2020 ambition and implementation – strengthening countries' capacity to address climate change**

6. GCF has invested significant resources in support of pre-2020 ambition and implementation by strengthening the capacity of countries to address climate change. GCF does this through four main work streams: country programming support, the Readiness and Preparatory Support Programme (Readiness Programme), adaptation planning support, and the project preparation facility (PPF). When the capacity of developing countries is strengthened they can increase their ambition and enhance their implementation.

## a. Country programming

7. One of GCF's strategic objectives is to support a country-led programming process that allows countries to identify and effectively communicate their funding priorities to GCF. In this context GCF works to (i) support a country-driven pipeline development process; (ii) identify institutional needs to build and strengthen capacity; (iii) facilitate dialogue between all stakeholders, including countries, entities, readiness delivery partners and GCF, in a way that reflects the highest level of country ownership; and (iv) increase the strength of country programmes and entity work programmes.

8. GCF provides support for the development of country programmes, matched with entity programmes, which demonstrate a country's ownership across its programming process, setting out its climate change priorities and engagement strategy with GCF, and identifying the pipeline of projects/programmes that it would like to develop with GCF. Support for country programming is provided under the Readiness Programme.

9. GCF has maintained continuous engagement with nearly all countries to advise on and support the development of country programmes. As at 21 October 2018, 12 countries have completed their country programmes and submitted them to GCF, while 77 countries have started implementing activities with a view to completing or advancing their country programmes in 2018 and 2019.

10. Going forward GCF intends to provide quick and subject specific technical support to both enhance the quality of strategic frameworks and shorten the timeframe for the submission of country programmes currently in process. GCF intends to provide targeted support to expedite the development and completion of the country programmes of an additional 50 countries.

## b. Readiness support

11. GCF's Readiness and Preparatory Support Programme (the Readiness Programme) is designed to support countries to engage with GCF. In addition to support for country programme development, the Readiness Programme supports countries to build pipelines of climate change projects, and to enhance country ownership. This support builds the capacity of countries to increase ambition and implementation; it supports them to understand their needs for addressing climate change, create strategies and programmes to address those needs, and prioritize actions to address the most pressing needs.

12. The Readiness Programme provides resources for strengthening the institutional capacities of National Designated Authorities and Direct Access Entities to efficiently engage with the Fund. Under this programme, GCF provides support in the form of grants or technical assistance. Up to USD 1 million per year may be made available to each country; of this amount USD 300,000 per year may be used to establish or strengthen National Designated Authorities (NDAs) or focal point, to enable them to deliver of the Fund's requirements.

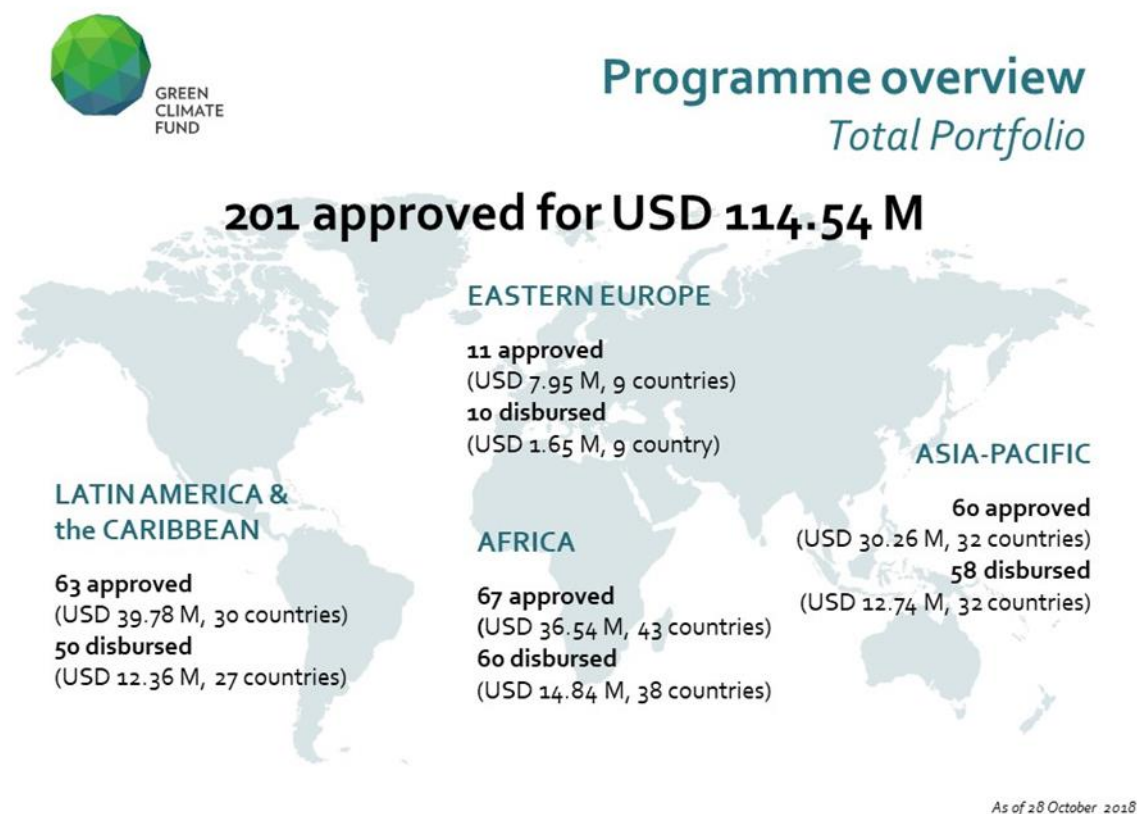
13. GCF also provides capacity building for national or regional direct access entities to enhance their ability to engage with the Fund. The Readiness Programme resources may be used to achieve outcomes related to:

- Establishing and strengthening NDAs or Focal Points;
- Strategic frameworks, including the preparation of country programmes;
- Support for accreditation and accredited Direct Access Entities, and;
- Formulation of national adaptation plans and/or other adaptation planning processes.

14. GCF has seen a steady demand for readiness resources and a substantial increase in proposal disbursements across all readiness windows. As at 21 October 2018, a cumulative amount of USD 127.9 million of Readiness Programme resources had been committed or spent. Of this total, USD 113.5 million had been committed to countries in the form of grants or technical

assistance. Additionally, USD 14.4 million had been expended on readiness events, including structured dialogues, regional workshops and NDA visits to the GCF Secretariat, and on providing in-kind support to countries and direct access entities through GCF accreditation process. Figure 1 shows the status of the Readiness Programme as at 28 October 2018.

**Figure 1: USD 114.54 million in readiness resources committed to 201 readiness requests from 114 countries as at 31 August 2018**



15. GCF intends to strengthen the Readiness Programme to enable it to better support countries to establish strong NDAs or focal points, and to prioritize and oversee the development and implementation of country-owned programmes, strategies and low-emission climate resilient policies.

16. The Board, in its decision B.17/07 and B.19/43, requested the Independent Evaluation Unit (IEU) to undertake an independent evaluation of the Readiness Programme. The IEU presented its findings to the Board in documents B.21/28 and B.21/28/ADD.01, which now await consideration by the Board.

### c. Formulation of National Adaptation Plans and other planning support

17. In response to paragraph 46 of UNFCCC COP decision 1/CP.21, GCF has expedited support for developing countries to develop national adaptation plans (NAPs) in accordance with other relevant UNFCCC COP decisions. NAPs are supported through a separate activity area under the Readiness Programme with funding of up to USD 3 million per country to support the formulation of NAPs and other national planning processes.

18. As at 21 October 2018, GCF had received 65 applications for the formulation of NAP processes and had approved 21 of these, with an additional 7 being in the final stages of approval. Approximately 65% of approved applications to support NAP processes are currently from LDCs, SIDS and African States.

19. GCF is increasingly receiving NAP and other adaptation planning proposals focusing on countries' specific climate impacts and vulnerabilities. Proposals are also aiming to produce and use the scientific evidence base that is crucial for articulating a climate rationale (please see section f (iv) below) for project design and investment decision-making. Moreover, adaptation planning proposals are increasingly striving to catalyze tangible adaptation action and investment, including with private sector actors, as well as putting in place systems to monitor and evaluate the impact of such action and investment.

#### d. Support for Direct Access Entities

20. Direct access is one of GCF's core operational modalities, and as such is one of the key pillars of the Readiness Programme. GCF support to direct access entities builds long-term capacity of countries to access GCF resources and to implement country priorities while keeping capacity within-country. This support will help countries in the pre- and post-2020 period. GCF supports direct access in three broad areas:

- **Support to NDAs** to identify potential entities for accreditation (including Direct Access Entities (DAEs)) that will help them to meet their national climate change objectives.
- **Support to prospective DAEs** in their efforts to get accredited with GCF, including identifying and addressing institutional gaps with respect to GCF fiduciary standards, ESS and gender requirements.
- **Support to DAE to address accreditation** conditions and upgrade accreditation scope, prepare and submit strong concept notes, project preparation facility requests, and funding proposals.

21. As at 21 October 2018, GCF had provided in-kind accreditation support to 193 entities nominated by the NDAs and focal points of 88 developing countries. Among them, technical assistance support had been approved for 31 direct access entities nominated by 35 countries for in-depth assessments of their institutional capacity, and fiduciary, environmental and social safeguards and gender standards against GCF accreditation requirements. To date, 25 of the entities nominated by 27 countries had received technical assistance enabling completion of their institutional gap assessments and preparation of action plans to address any gaps identified in order to meet GCF accreditation requirements.

22. GCF intends to undertake several initiatives to increase DAE proposals in the pipeline, including direct technical support to DAEs to develop strong concept notes and proposals, and support to DAEs from international accredited entities.

#### e. Project preparation facility

23. GCF's Project Preparation Facility (PPF) was established to support project and programme preparation requests from all accredited entities (AEs), especially DAEs, and especially for projects in the micro-to-small size category with a view to enhancing the balance and diversity of the project pipeline. The Board has made USD 40 million available to the PPF, with each request capped at USD 1.5 million. Support is provided in the form of grants and repayable grants. PPF support can be used, amongst other things, to:

- Prepare pre-feasibility and feasibility studies;
- Environmental, social and gender studies;
- Risk assessments and;
- Advisory services and/ or other services to financially structure a proposed activity

24. The PPF helps to strengthen the capacity of countries to prepare project proposals for larger projects they can use to implement their national priorities, thus enhancing implementation and ambition.

25. As at 21 October, 39 active PPF applications have been submitted, with 13 having been approved and four endorsed totalling USD 10.76 million of GCF resources. GCF expects to approve an additional 47 PPF applications with up to USD32 million disbursed by the end of 2019.

## **f. Other support provided by GCF to increase ambition and implementation**

### **i. Technology support**

26. By decision B.14/02, the Board confirmed that current GCF modalities enable support for technology development and transfer, including for facilitating access to environmentally sound technologies and for collaborative research and development. GCF provides technology related support through its readiness support and through its funded projects and programmes.

27. As at 21 October 2018, GCF had received nine readiness requests submitted by NDAs and focal points with the Climate Technology Centre and Network (CTCN); 8 have been submitted by the United Nations Environment Programme (as the lead host of the CTCN) and one has been submitted by the United Nations Industrial Development Organization (as co-hosts of the CTCN). The nine CTCN submissions request over USD 2.5 million in GCF support, of which six have been approved, for a total commitment of USD 1.8 million. Beyond the capacity-building provided with all readiness projects, the support for technology provides a window for communication between the NDA and national designated entities (NDEs) for technology in the UNFCCC. It also further enables access to finance for action on mitigation and adaptation priorities of requesting countries.

28. Overall, GCF's portfolio contains many examples of support for technology as well as capacity-building and enabling environment support to stimulate the uptake of climate technology, beginning from the first package of proposals approved by the Board in 2015. The support cuts across the mitigation and adaptation windows of GCF, and includes capacity-building, technical assistance and other enabling activities. Project and programme examples show that GCF provides technology related support to countries in all regions, including LDCs, SIDS and Africa. Furthermore, financing is provided to support private sector activities and implementation of projects/programmes through direct access entities.

### **ii. Support for forest-related actions**

29. With emissions from the land-use sector representing approximately a quarter of annual global greenhouse gas emissions, ambitious action to address these is needed to meet global goals. GCF provides for support for forest-related emissions through all its funding windows and modalities. In addition to this the Board approved a request for proposals (RFP) for REDD-plus results-based payments with an initial envelope of USD 500 million in the form of a pilot programme.

30. As at 21 October 2018, three REDD-plus results-based payments concept notes were received and two have been converted into complete funding proposals submitted to GCF. In addition, three more countries have expressed interest to submit their concept notes in 2018 with the expectation to submit complete funding proposals in 2019. Notably, the REDD-plus results-based payments pilot has motivated private sector interest on REDD-plus investments. In that sense, GCF is also discussing two private sector proposals that build on the procedures of the pilot programme for REDD-plus results-based payments which will incentivize further action on REDD+ and leverage private sector funding.

31. In addition, GCF is analyzing options to implement the alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests and is expected to present it to the Board soon.

### **iii. Complementarity and coherence**

32. GCF seeks to ensure complementarity and coherence with other climate funds through appropriate arrangements between itself and the other funds. The Board has adopted an operational framework to enhance complementarity between the activities of the Fund and other climate funds at national level; it also enhances coherence in programming at national level.

33. GCF expects to continue to take significant steps to further strengthen its role as a central actor in climate finance through leadership in enhancing complementarity and coherence among the climate finance delivery channels. GCF will further its cooperation with the Global Environment Facility (GEF), the Climate Investment and Adaptation Fund to ensure that the resources available to assist developing countries are deployed in the most effective and efficient manner possible.

34. In approving the operational framework on complementarity and coherence in July 2017, the Board provided guidance for the Fund's work to make international climate finance more effective and efficient through avoiding duplicative efforts and maximizing synergies. GCF has worked with the GEF and Parties to advance collaboration on key programming areas, including the crucial area of national adaptation planning support. Specifically, the two funds launched a Coordinated Engagement Initiative at the GEF Assembly in Da Nang, Viet Nam (26 June 2018), where countries expressed interested in exploring ways to work together and with countries to build greater national strategic coherence in light of their portfolio planning exercises with GEF-7 and GCF resources.

35. The Board has also mandated closer cooperation with the Climate Investment Funds (CIFs), specifically with regards to advising Parties through their national designated authorities on how programming opportunities identified by CIFs beneficiary countries may be brought to GCF. GCF has started the outreach to countries to inform them of the decision and set up discussions with interested countries, including on the side-lines of upcoming CIFs and GCF events. Already, several GCF projects have highlighted how CIFs interventions have been scaled up in follow-on GCF investments. Further cooperation on knowledge sharing and lessons learned on the CIFs programmatic approach will further inform future GCF programming.

36. With regards to the Adaptation Fund (AF), the GCF Secretariat has worked closely with Adaptation Fund Secretariat on issues of direct access and accreditation, including through direct outreach to Parties and accredited entities. The two funds share many accredited entities, many of whom were fast-tracked into GCF in one of the first efforts at complementarity between the funds. GCF and AF have launched a pilot initiative for collaboration between the funds and specific DAEs to test discrete areas for new approaches for complementarity and coherence, which could include parallel financing, readiness, and compliance policy alignment. The chairs of the two Funds have also been in regular conversations regarding fund-to-fund arrangements between GCF and AF.

### **iv. Strengthening the climate rationale of project proposals**

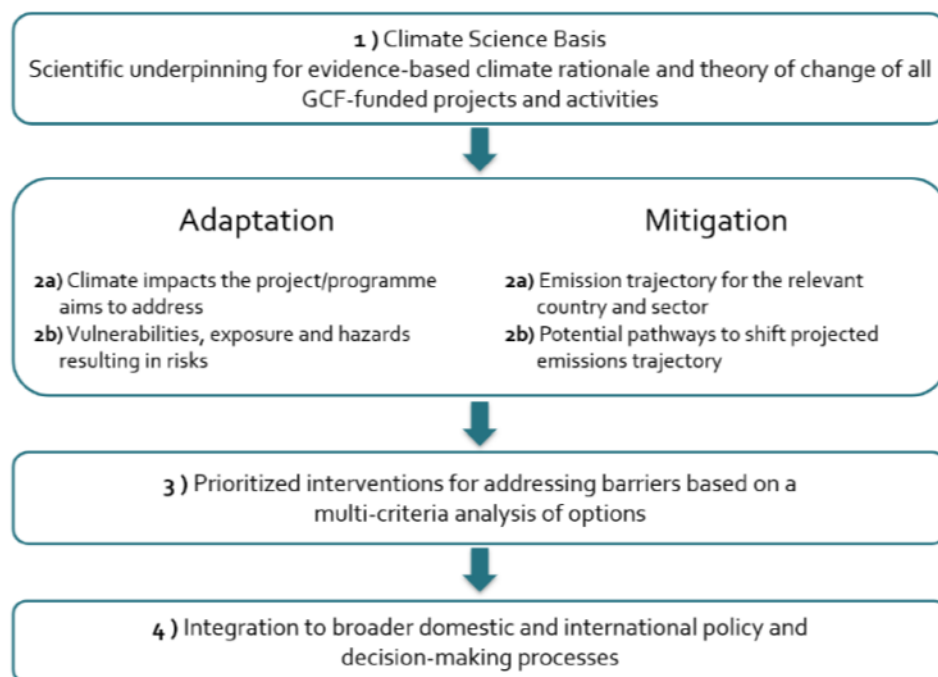
37. GCF is taking steps to enhance the climate rationale of GCF-supported activities. Improving climate rationale in project design is an iterative process that requires collaborative efforts through strategic partnerships at all levels. It will take a considerable amount of time to build sufficient capacity of NDAs and AEs, particularly DAEs to develop strong climate rationales for their proposed projects. As a result, GCF is approaching the work to strengthen the climate rationale as a long-term commitment which will require significant efforts and resources.

38. GCF's approach involves improving the guidance and review processes to strengthen climate information development and the capacities of countries, AEs and other GCF stakeholders. It also involves, promoting the inclusion of climate information in proposals, allowing for quality projects and programmes that clearly contribute to low-emission and climate-resilient development.

39. The above-mentioned interventions are integrated in the work of the GCF Secretariat as part of (a) the Readiness Programme, including adaptation planning and country programming; (b) the Project Preparation Facility (PPF); and (c) the regular project cycle through the review of concept notes and funding proposals.

40. Figure 2 below depicts the elements of a robust climate rationale.

**Figure 2: elements for a robust climate rationale**



41. GCF expects to continue investing resources to, amongst other things: revise all guidance documents to better incorporate the specific elements of climate rationale; intensify building the capacity of NDAs, AEs, key GCF delivery partners and staff to develop strong climate rationales; develop common standards for establishing climate rationale based on headline indicators; and establish communities of practice and strategic partnerships with relevant institutions as necessary to deliver on the above efforts.

## 2020 and beyond: GCF portfolio and pipeline

42. While the GCF portfolio and pipeline cannot be reported under support for pre-2020 ambition as many of the impacts will not accrue until after 2020, many of the projects include activities that will assist countries to increase their ambition in the pre- and post-2020 periods.

### a. GCF investment in climate action

To date the Board has approved USD 4.6 billion to support the implementation of 93 climate change adaptation and mitigation projects and programmes in 96 developing countries. These projects and programmes are expected to attract USD 11.8 billion in direct public and private sector co-financing. As Table 1 below indicates, these projects are expected to result in the avoidance of almost 1.6 billion metric tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>eq) and the increased resilience of 272 million beneficiaries in developing countries. Of the USD 4.6 billion approved, 25 per cent is allocated through the adaptation window, 39 per cent is through the mitigation window and 36 per cent is cross-cutting.

43. Fifty-seven of the 93 projects and programmes are to be implemented in least developed countries (LDCs), small island developing States (SIDS) and African States, totalling USD 3.0 billion and accounting for 65 per cent of the total approved GCF funding. The GCF Secretariat and accredited entities continue to ramp up implementation, with USD 1.6 billion of GCF resources already under implementation through 39 projects.

**Table 1: The GCF portfolio by region and thematic windows**

**By region:**

Latin America and the Caribbean	822,985,194	17.87%
Africa	1,159,560,626	25.18%
Asia-Pacific	1,436,790,241	31.20%
Eastern Europe	64,399,598	1.40%
Multiregional	1,121,034,682	24.35%

**LDCs/ SIDs/ Africa:**

Yes	1,833,452,824	39.82%
No	1,608,782,834	34.94%
Partly Yes (multi-country projects)	1,162,534,682	25.25%

**By thematic area:**

Adaptation	1,153,398,364	25.05%
Mitigation	1,793,571,275	38.95%
Cross-cutting	1,657,800,702	36.00%

44. Under the mitigation thematic window, GCF supports projects and programmes aimed at achieving (i) low-emission energy access and power generation; (ii) low-emission transport; (iii) energy efficient buildings, cities and industries; and (iv) sustainable land use and forest management.

45. The adaptation thematic window of GCF aims to achieve (i) enhanced livelihoods of the most vulnerable people, communities, and regions; (ii) increased health and well-being, and food and water security; (iii) resilient infrastructure and built environment; and (iv) resilient ecosystems.

46. The current GCF portfolio contains 73 public sector projects and programmes, totalling USD 2.8 billion; the remaining 20 projects and programmes, with a total GCF contribution of USD 1.8 billion, were submitted through the Private Sector Facility. The portfolio utilizes a wide range of financial instruments as authorized by the Governing Instrument. These 93 projects and programmes as approved total USD 16.4 billion when direct public and private sector co-financing is taken into consideration.

## **b. Supporting Parties to reach their post-2020 vision**

47. In accordance with its business model, GCF receives funding proposals and concepts notes on a continuous basis from accredited entities approved to implement GCF projects and programmes. This includes the RFPs the Board has approved, and which are under implementation. The fund also receives requests for support from NDAs and AEs through its Project Preparation Facility. Finally, NDAs and AEs, in cooperation with the GCF Secretariat, are developing Country and Entity Programmes to plan how they will access and implement GCF projects and programmes in the medium- to long-term.

48. Considering the range of requests to GCF and countries' emerging long-term planning, it is clear that demand for climate finance from developing countries remains strong and is above the funding capacity of GCF. The GCF pipeline – comprised of the submitted funding proposals, concept notes and PPF support requests – continues to grow substantially beyond the current funding



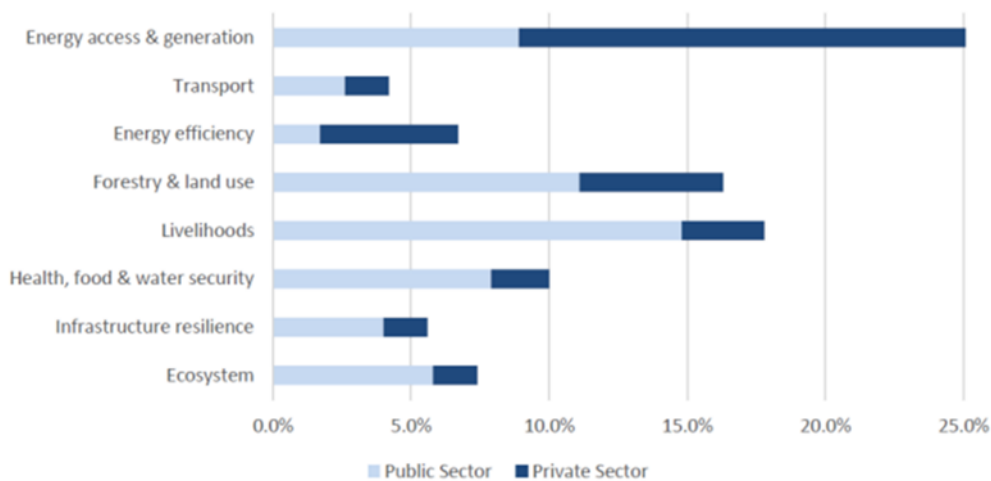
volume of the IRM, meaning that it is not possible to finance all proposed activities from GCF resources.

49. GCF has received 192 concept notes. The concept note pipeline amounts to USD 10 billion in requests for GCF resources, with a total project value of USD 34 billion when co-financing is considered. No more detailed analysis is undertaken at this stage due to Concept Notes being early in the development, and subject to substantial change.

50. At 31 August 2018, the funding proposal pipeline comprised 103 public and private sector projects and programmes, which request a total GCF funding of USD 6.3 billion to support climate actions with a total project value of USD 25.9 billion, when taking co-financing into account. It is balanced in terms of geography and GCF priority to support LDCs, SIDS and African states, which comprise 54 per cent of requests submitted.

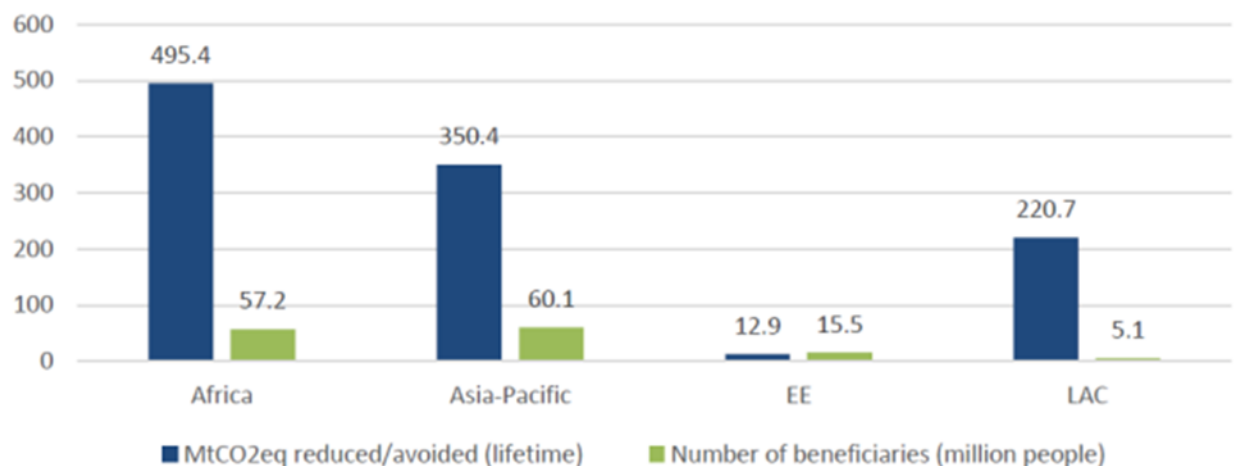
51. As depicted in Figure 6 below, the result areas with the highest demand in the funding proposal pipeline are energy access and generation (25 per cent of total pipeline), followed by enhanced livelihoods of the most vulnerable (almost 20 per cent) and sustainable land use and forest management (over 15 percent). Resilient infrastructure and built environment and low emission transport have the lowest demand (approximately 5 per cent for each).

**Figure 3: GCF pipeline by result areas**



52. The potential impact of the GCF pipeline, if the submitted funding proposals are presented to the Board and approved would be an additional 1,079 MtCO<sub>2</sub>eq avoided with the increased resilience for another 138 million people (Figure 4, below).

**Figure 4: Potential impacts of the proposals in the GCF pipeline**



53. GCF has received funding proposals which either haven't yet been approved by the Board, or that are not mature enough to present to the Board for approval. In addition, there are concept notes that present early ideas for support from GCF, and project proposals and concept notes submitted under requests for proposals that have been issued by the Board.

54. Demand from developing countries is strong – the pipeline is increasing every board meeting with current demand, as at 21 October 2018, of USD 17 billion; and it continues to receive new proposals. There are 103 public and private sector funding proposals, which request a total GCF funding of USD 6.3 billion to support projects and programmes with a total value of USD 25.9 billion, when taking co-financing into account.

55. As depicted in Figure 6 above, the result areas with the most demand in the project proposal pipeline are energy access and generation (25% of total pipeline), followed by enhanced livelihoods of the most vulnerable (almost 20%) and sustainable land use and forest management (over 15%). Resilient infrastructure and built environment and low emission transport have the lowest demand (approximately 5% for each).

56. The potential impact of the GCF pipeline, if the proposals are presented to the Board and approved would be an additional 1,079 MtCO<sub>2</sub>eq avoided with the increased resilience for another 138 million people (Figure 7, below).

57. GCF has received 192 concept notes which are now registered in pipeline. The concept note pipeline amounts to USD 10 billion in requests for GCF resources, with a total value of USD 34 billion when co-financing is considered.

## **GCF and Beyond 2020**

58. The GCF is an important channel for accelerating action on climate change, and for supporting developing country climate ambition.

59. GCF support to countries goes beyond funding single projects; the Fund supports country processes that trigger and result in longer-term transformation which is what is needed to achieve the long-term goals on climate change.

60. The Fund's Readiness Programme is growing apace, with over USD 114 million committed to the Programme, supporting action in 113 countries. A review of the programme has been completed by GCF's Independent Evaluation Unit, and many of its recommendations are already being implemented. The Readiness Programme is therefore in a good position to continue supporting countries to reach a position where they can convert NDCs to bankable project pipelines.

61. Demand from developing countries is strong – the pipeline of funding proposals and concept notes amounts to over USD 17 billion; and new proposals continue to be received. This shows the high and growing level of demand among developing countries for GCF support.

62. The Fund will continue to prioritize high quality, paradigm-shifting projects and programmes that fully align with the Fund's investment criteria, resource allocation objectives, and strategic directions.

63. The Board, at its 21<sup>st</sup> meeting took a decision to launch the Fund's first replenishment process, marking a key advance in GCF's development. Operationally, the GCF is ready for replenishment. The Secretariat is professionalized and can handle USD 3-5 billion in funding proposals per year. Moreover, the annual performance report reflects the positive impacts of projects that are under implementation. Resources from the replenishment will build on this solid foundation.

64. The Board also adopted a decision on managing remaining funds during the next year which will allow GCF to continue to provide resources to developing countries at a steady pace.

65. Finally, the Board adopted a decision to initiate a performance review of the Fund. It will provide insights, evidence and a base for learning for GCF. Lessons from the review will assist the GCF to better serve developing countries, and to achieve transformational impacts.