



## Understanding and accessing Climate Finance through vertical funds

**Rene Schieritz**

**Programme Specialist – Water and Climate Resilience, Global  
Water Partnership**

1 June 2022

# Climate Finance

*“...local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change.”*

United Nations Framework Convention on Climate Change  
(UNFCCC)

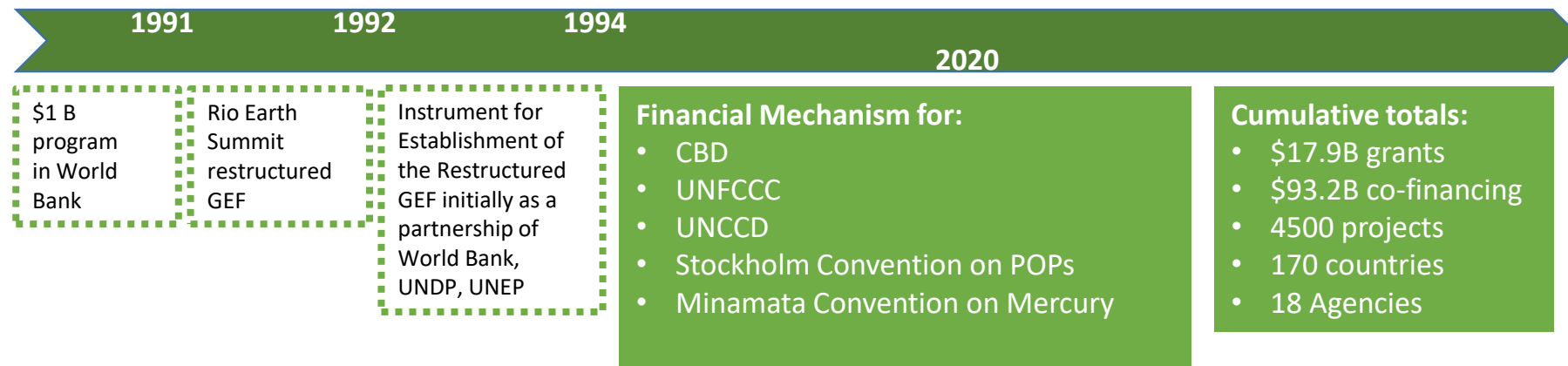
# Presentation outline

- GEF overview
- Adaptation Fund overview and case study
- GCF investment window overview and case study
- Brief outline of GCF Readiness



## Introduction to the GEF: Almost 30 years of impact improvement

## Introduction to the GEF: Almost 30 years of impact improvement



“Provides funding for developing countries to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in **biodiversity, climate change, land-degradation, chemicals and waste, and international waters.**”

# Management of Competing Water Uses and Associated Ecosystems in Pungwe, Buzi, and Save Basins

<b>Funding</b>	GEF International Waters fund
<b>Implementing agency</b>	International Union for the Conservation of Nature
<b>GEF Financing</b>	US\$ 6 million
<b>Executing Agency</b>	GWP SA
<b>Countries</b>	Mozambique & Zimbabwe
<b>Approved</b>	November 2020
<b>Outcomes</b>	Improved flood and drought monitoring Strengthened Ecosystem management Integrated basin planning

# Integrated Transboundary River Basin Management for the Sustainable Development of the Limpopo River Basin

<b>Funding</b>	GEF International Waters fund
<b>Implementing agency</b>	UNDP
<b>GEF Financing</b>	US\$ 6 million
<b>Executing Agency</b>	GWP SA
<b>Countries</b>	Botswana, South Africa, Mozambique & Zimbabwe
<b>Status</b>	Under development (PPG received and implemented)
<b>Outcomes</b>	Strengthened Capacity for basin-wide planning Knowledge gaps filled Updated monograph with future WR scenarios SAP and NAPs developed Participatory IWRM practices demonstrated Improved knowledge management

# Limpopo GEF Project Development Context & Milestones



2013

Scoping study and LIMCOM Monograph Development

2016-2017

Review of 2011 to 2016 LIMCOM IWRM Plan (Resource Mobilization & Institutional Capacity gaps identified)

2017

Focus on developing IWRM Plan for 2018 to 2022

2018

Support to implement IWRM Plan and address **Resource Mobilisation and Institutional Capacity gaps**

2019

Development of **Limpopo GEF PIF**

2020-2021

Award of 200K **PPG**, Development and Approval of **Full Proposal**

2022-2025

Planned **Project Execution** Period







ADAPTATION FUND

**Introduction to the Adaptation Fund was established  
under the Kyoto Protocol of the UNFCCC**

## Introduction to the Adaptation Fund was established under the Kyoto Protocol of the UNFCCC

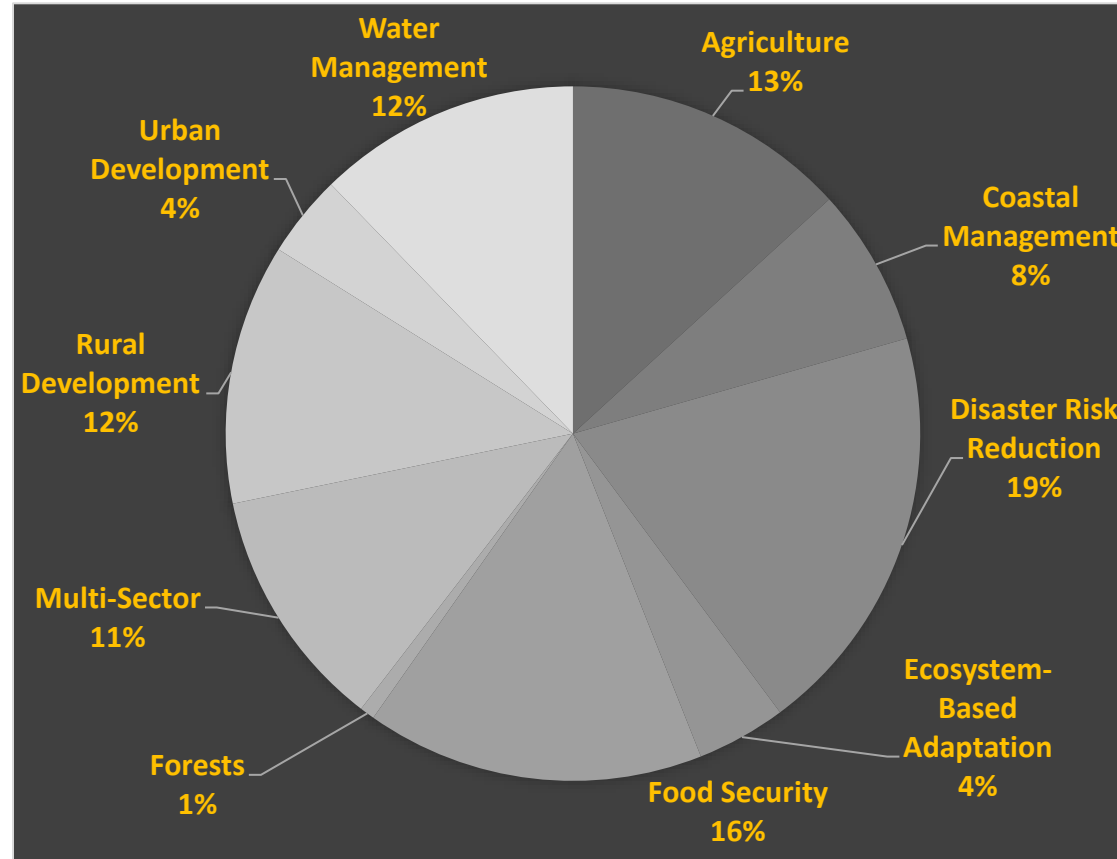
- **Goal:**
  - ✓ Increase resilience through **concrete adaptation** projects & programmes
  - ✓ Focus on **most vulnerable countries and communities**

- **Innovative Features:**
  - ✓ Governed by **majority of developing countries**
  - ✓ **Levy on** Clean Development Mechanism **proceeds** & other sources of funding
  - ✓ **Direct access** alongside conventional access through international orgs



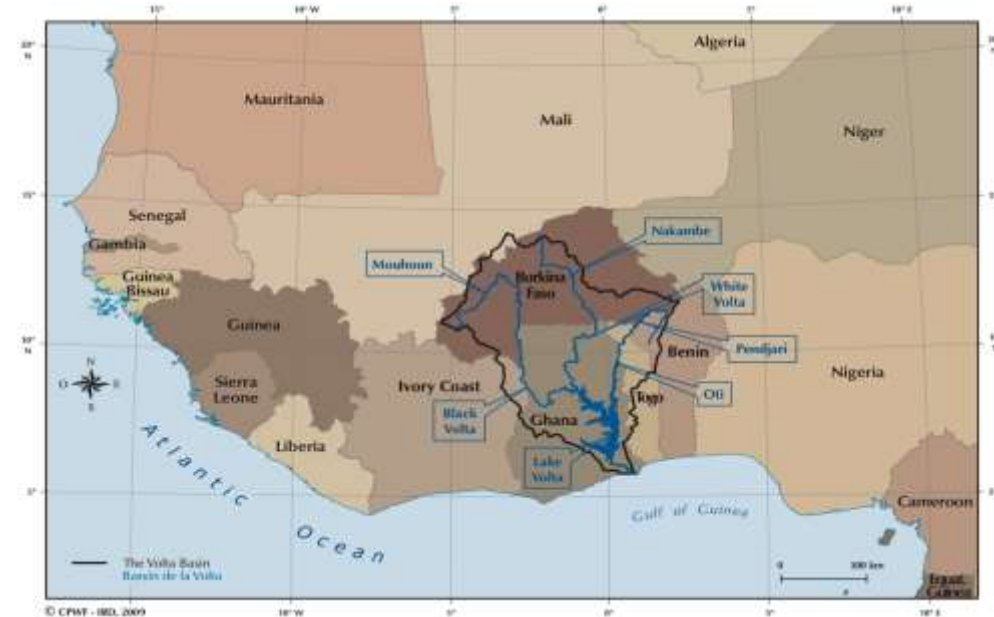
- **Adaptation Fund is serving the Paris Agreement as of 1 January 2019**

## AF Project Portfolio by Sector



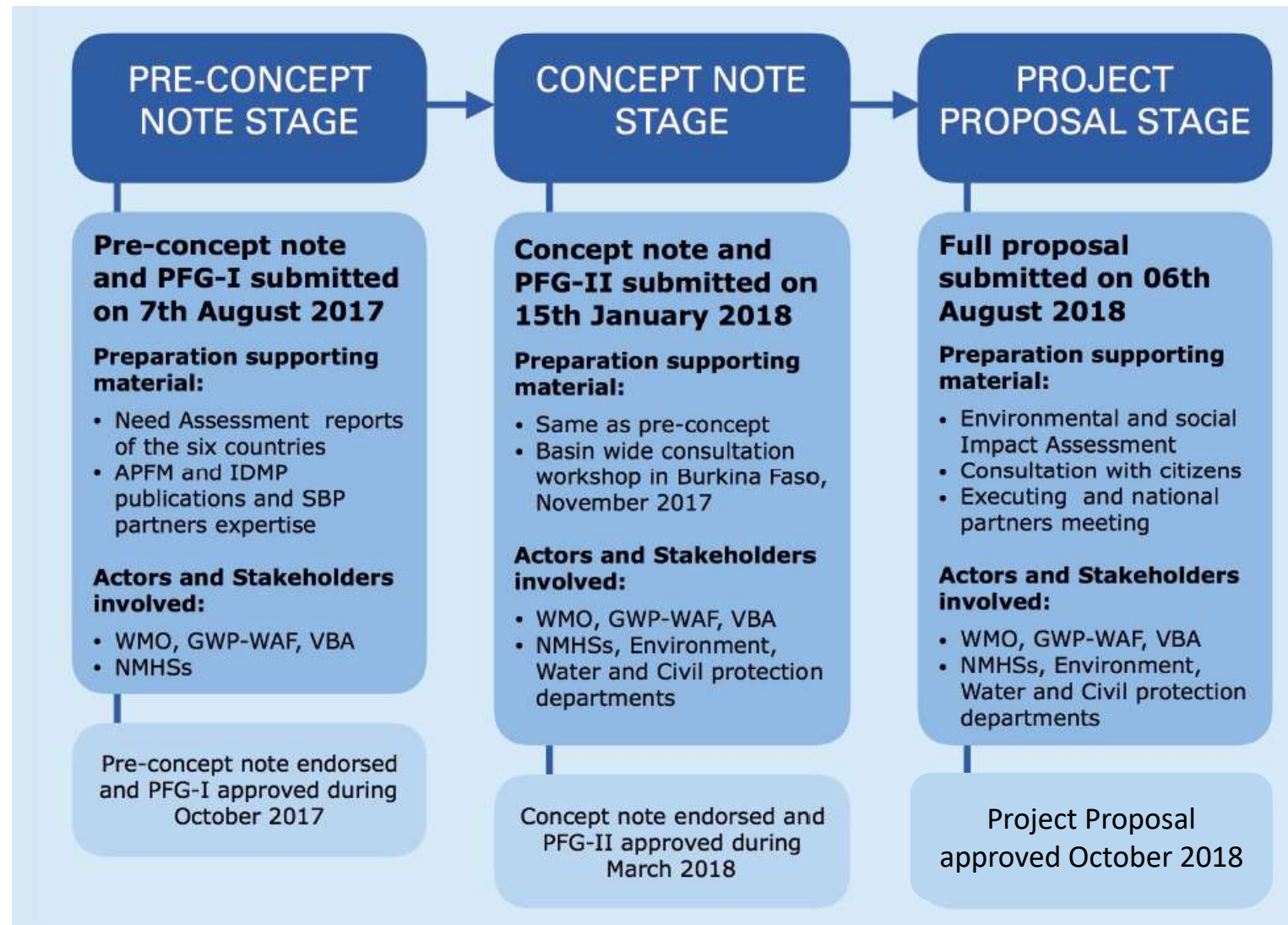
# Integrating Flood and Drought Management and Early Warning for Climate Change Adaptation in the Volta Basin

- Regional project: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali and Togo
- Focal Area: Disaster risk reduction and early warning systems
- Implementing Entity: WMO
- Executing Entities:
  - World Meteorological Organization
  - Global Water Partnership West Africa (GWP-WAF)
  - Volta Basin Authority (VBA)
- Developed under guidance of joint WMO-GWP Associated Programme on Flood Management (APFM) with inputs from Integrated Drought Management Programme (IDMP) and GWP Water, Climate and Development Programme (WACDEP)
- Amount of Financing Requested:  
7 920 000 USD



- 24 millions people
- 400 000 km<sup>2</sup>
- Semi-arid to sub-humid areas
- 2 millions of people affected by floods over the last 20 years
- 9.7 millions people affected by drought in Burkina Faso over the last 30 years
- Key affected people in agricultural sector and urban areas

# Steps



## Why the AF?

- The AF commonly provides **small size (1M-15 M USD) project funding**
- **Volta project is a regional project and WMO as a accredited MIE was eligible to submit a regional proposal to Adaptation Fund.**
- AF support **thematic areas such as DRR, water resources management** along with the climate variabilities and adaptation measures.
- GWP provided a Multi-Stakeholder Platform, knowledge and relationships at the regional and country level
- Project preparation support through the AF project formulation grant
- Submitting project through AF is simpler (information and content needed) and time required is less than GCF.

## Introduction to the GCF





## GCF Vision

### With a Mandate:

To promote low-emission and climate resilient development in developing countries.



# GCF Financing instruments and allocation

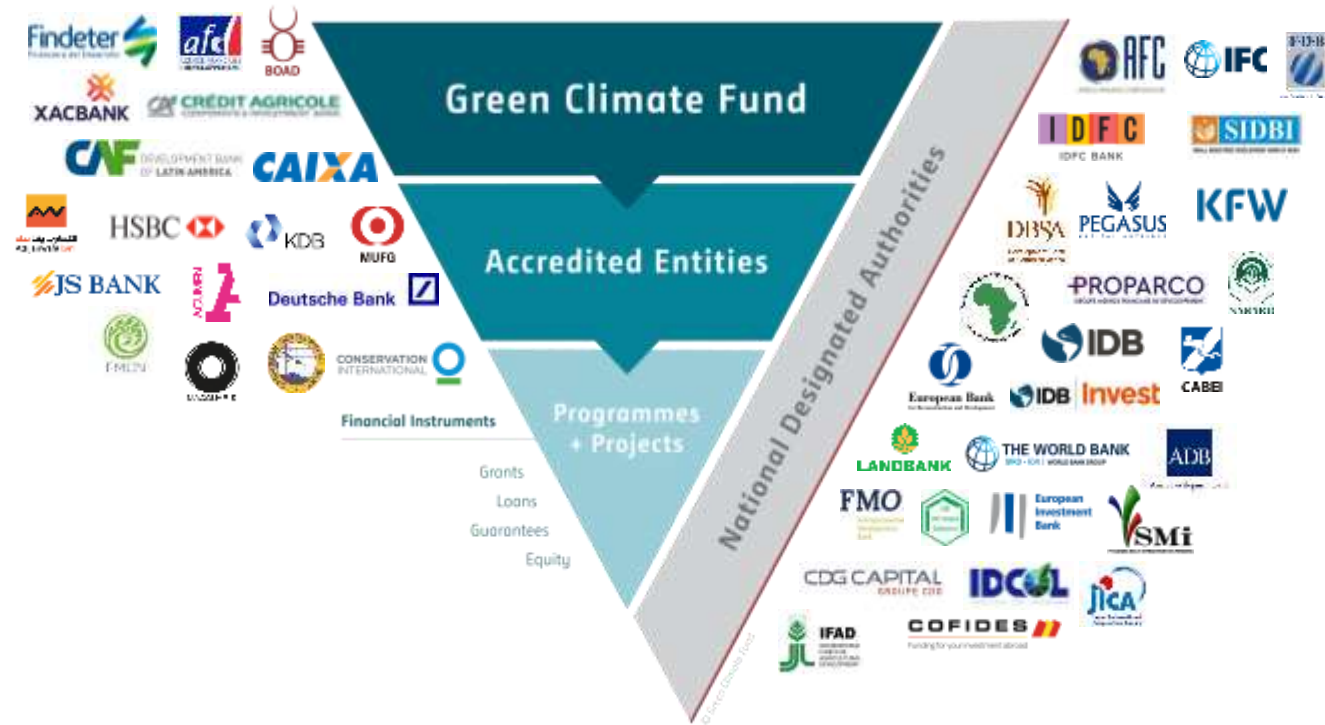


- Funds adaptation and mitigation projects
- Combination of grants and non grant financial instruments
- Increased use of non-grant instruments for mitigation projects
  - Loans, Equity, Results-based payments & Guarantees

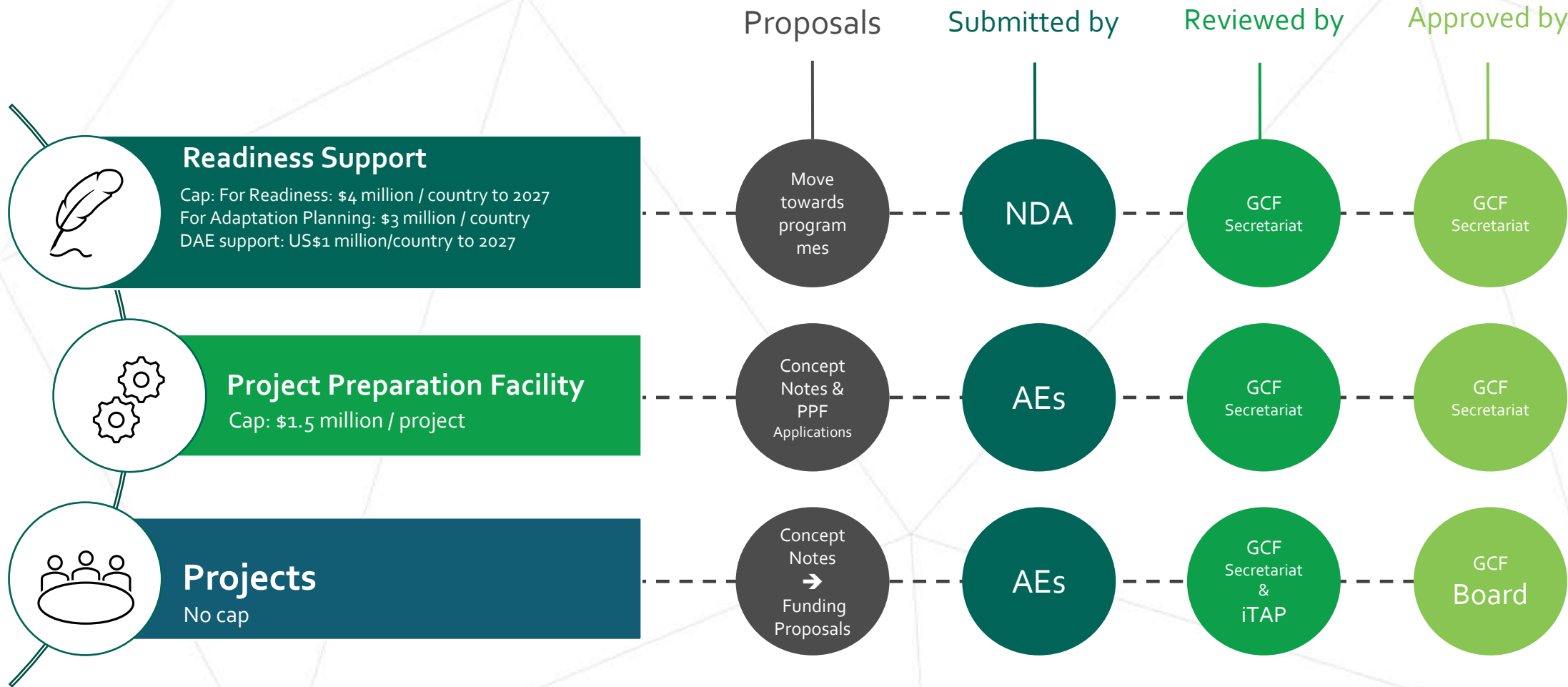


# HOW GCF WORKS?

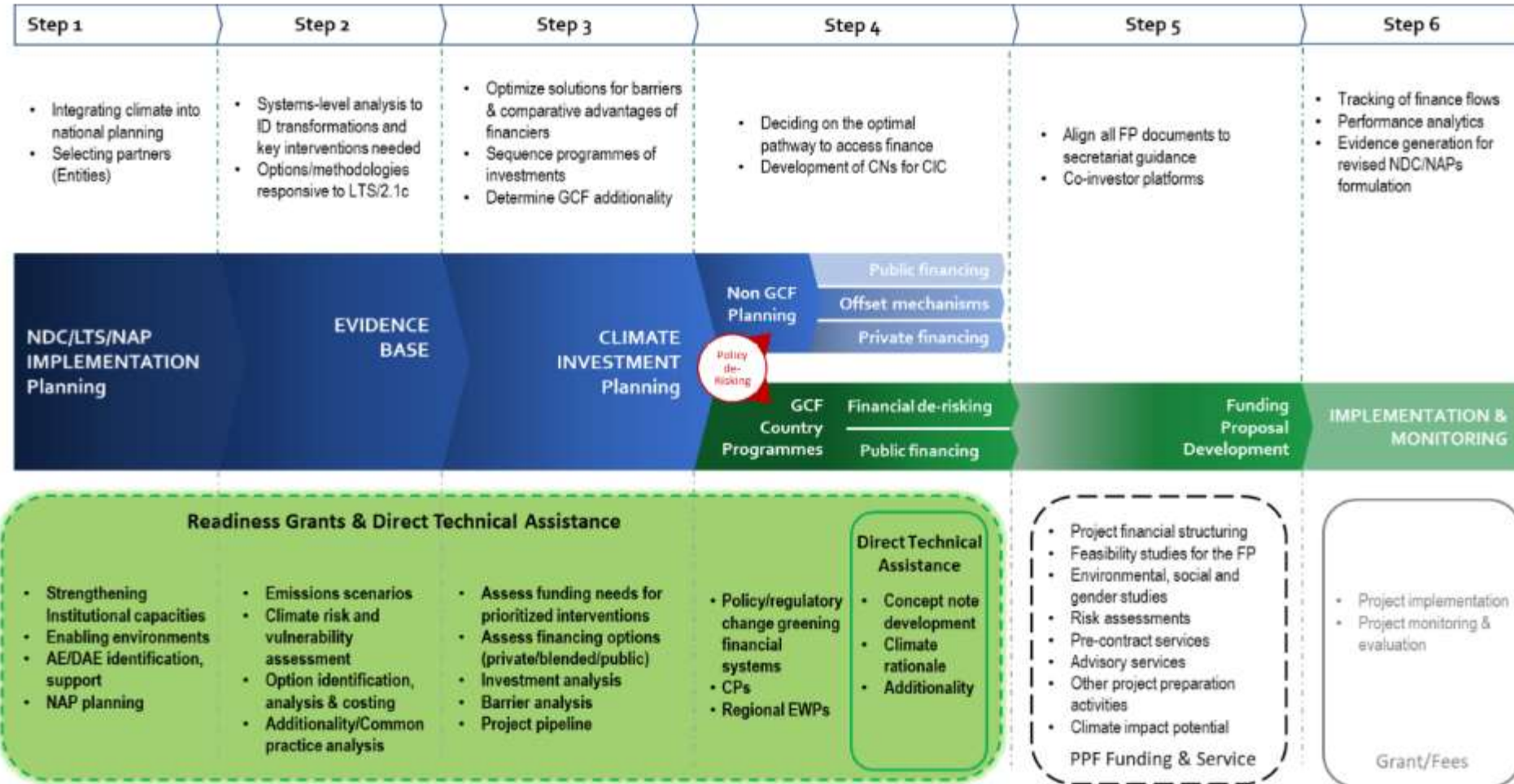
With AEs who channel funds to projects



# Windows to access GCF funding



# GCF Programming Cycle



# 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**

# Climate rationale & project interventions



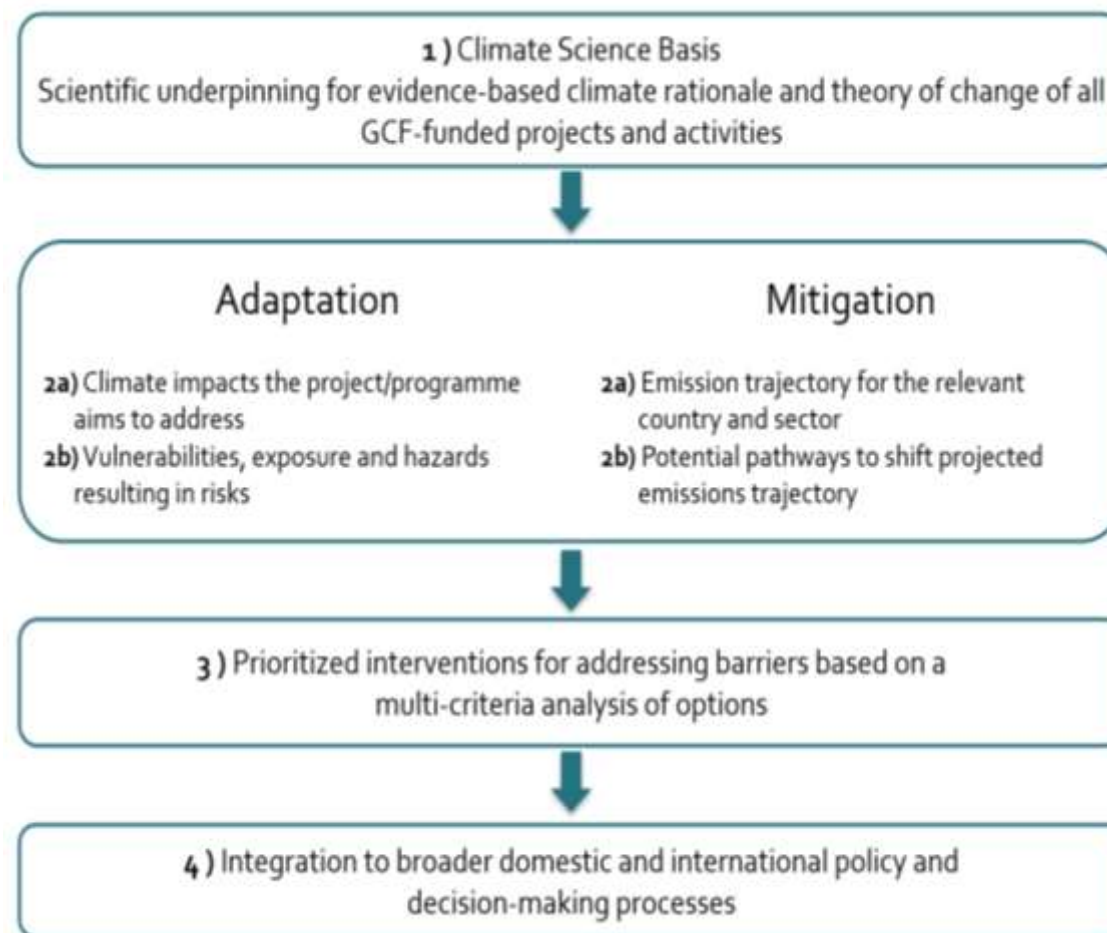
CLIMATE CHANGE

CLIMATE IMPACT

VULNERABILITY

INTERVENTION

PARADIGM SHIFT





# Pillars of the GCF Strategic Plan



Transformational  
planning and  
programming



Catalysing  
climate  
innovation



Mobilising funds  
at scale



Coalitions and  
knowledge to  
scale up success



Sectoral Guide Consultation Version 1.1  
**Health and wellbeing**



Sectoral Guide Consultation Version 1.1  
**Climate information & early warning systems**



Sectoral Guide Consultation Version 1.1  
**Energy efficiency**



Sectoral Guide Consultation Version 1.1  
**Low emission transport**



Sectoral Guide Consultation Version 1.1  
**Water security**



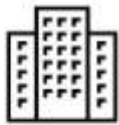
Sectoral Guide Consultation Version 1.1  
**Energy access and power generation**



Sectoral Guide Consultation Version 1.1  
**Ecosystems & ecosystem services**



Sectoral Guide Consultation Version 1.1  
**Forests & land use**



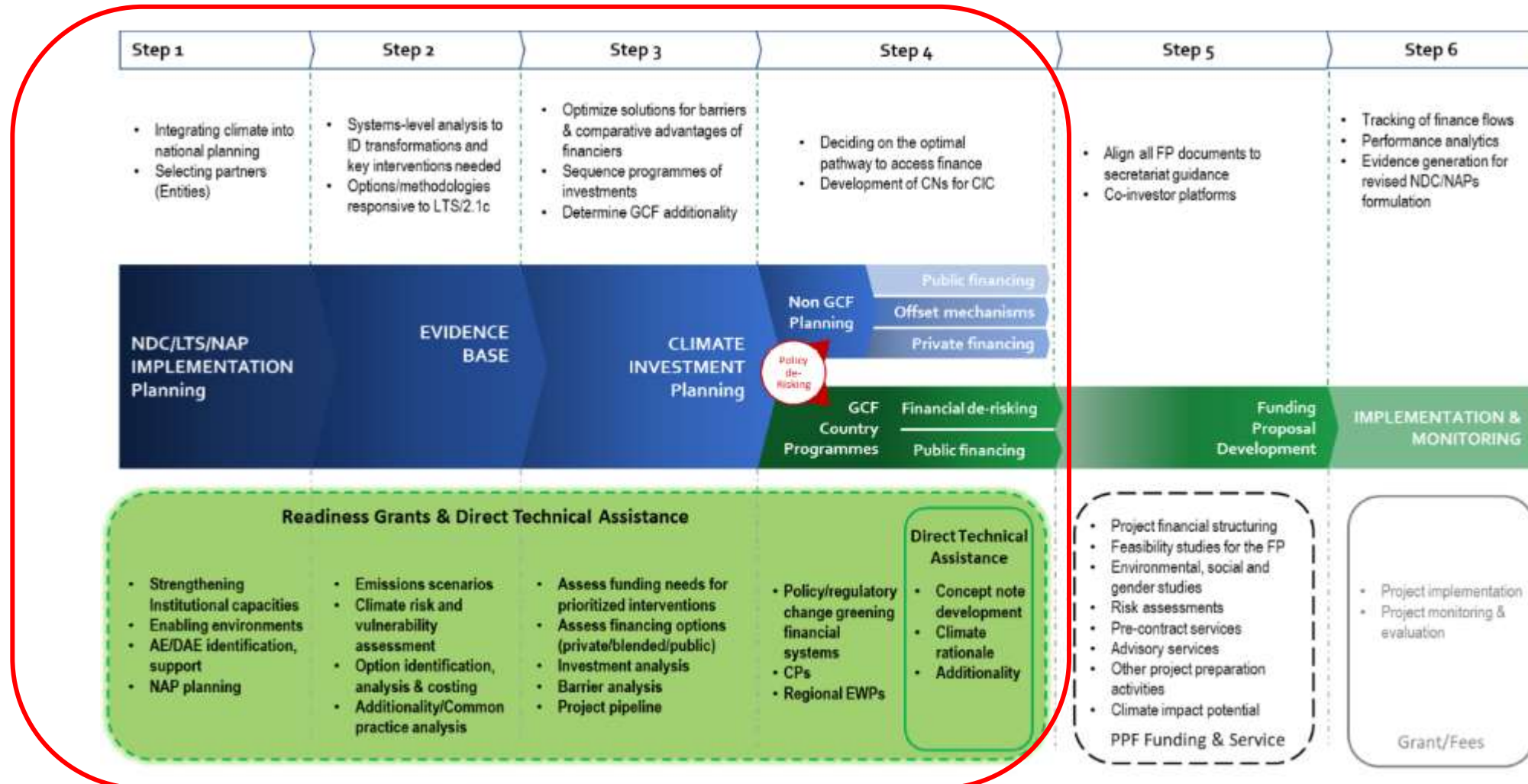
Sectoral Guide Consultation Version 1.1  
**Cities, buildings and urban systems**

<https://www.greenclimate.fund/projects/sectoral-guides>



# GCF Readiness and Preparatory Programme

- Upstream support to strengthen climate finance readiness at country level



# Readiness Objectives

Objective 1: Capacity building for climate finance coordination and setting up the enabling environment for integrated climate investment

Objective 2: Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2 programming targets

Objective 3: Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and finance

NDA, Direct Access Entities and other stakeholders in climate finance have enhanced capacity to develop, advance and implement NDCs, NAPs and LTS and mobilise and implement climate finance

Countries have developed or updated country programmes, develop and submit high quality concept notes and can oversee implementation of climate finance programmes

Knowledge products are generated and used, and regional, transboundary and south-south co-operation is strengthened

# Thank You!