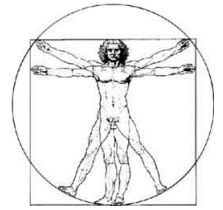


European Capacity Building Initiative

www.ecbi.org



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Complementarity of UNFCCC climate funds

SOME THOUGHTS ON THE ARCHITECTURE OF THE FINANCIAL MECHANISM OF THE PARIS AGREEMENT

Professor Benito Müller
MD OCP, Director ecbi

www.oxfordclimatepolicy.org

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A bit of background

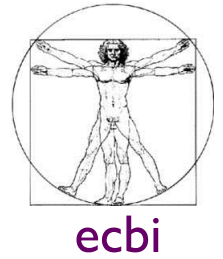
April 2009

European Capacity Building Initiative
www.eurocapacity.org



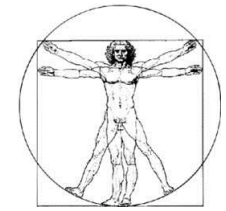
The Reformed Financial Mechanism of the UNFCCC Architecture and Governance

Benito Müller,
Luis Gomez-Echeverri

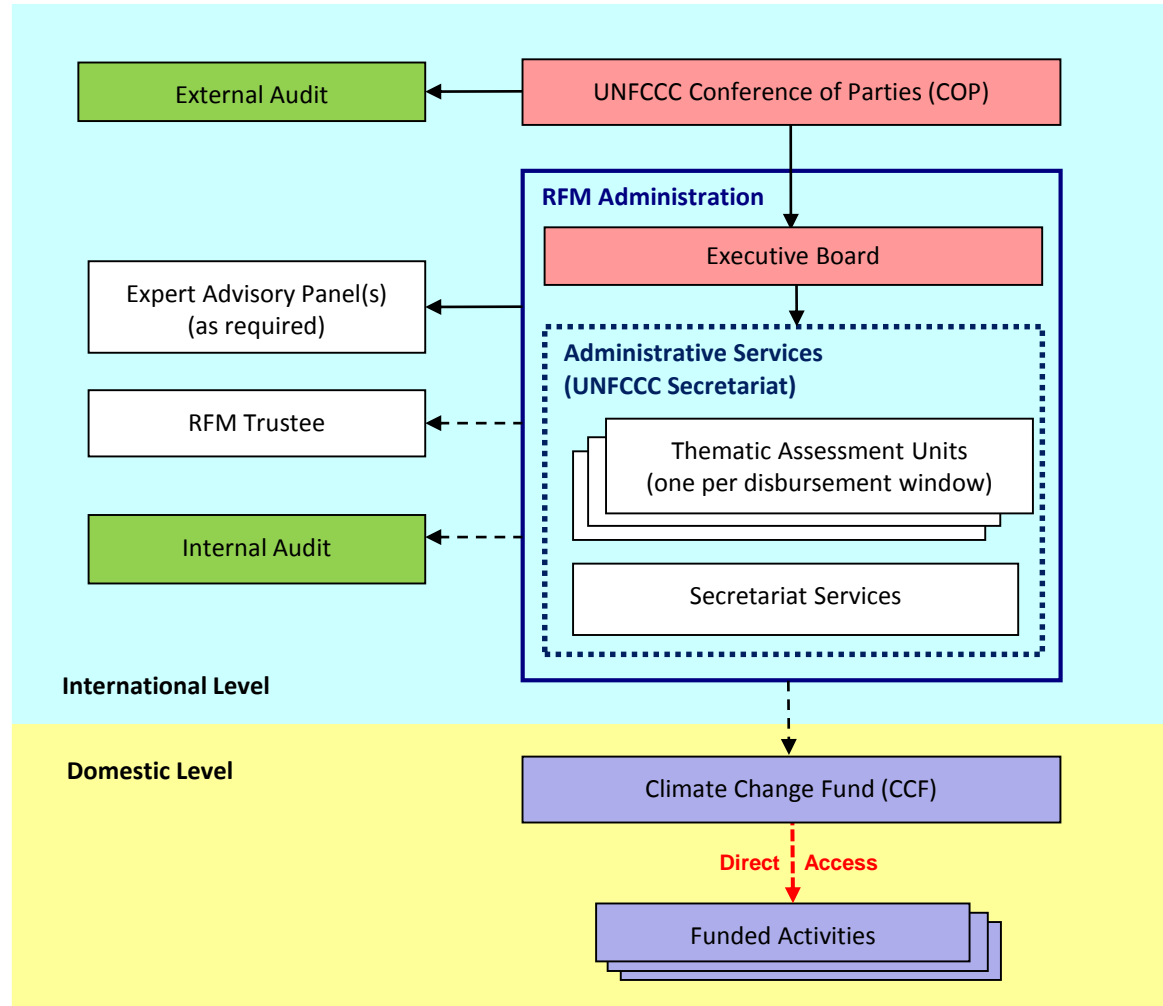


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The Reformed Financial Mechanism (RFM) Institutional Architecture



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Key Design Principles

COP Authority

Subsidiarity

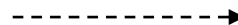
Independent Oversight

Legend:

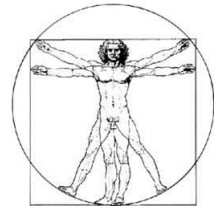
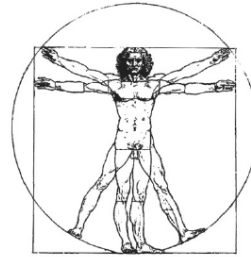
Governance Relation ('under the authority of')



Contractual Relation (MOU or contract)



ecbi policy report



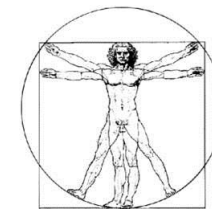
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How many people does it taketo administer long-term climate finance?

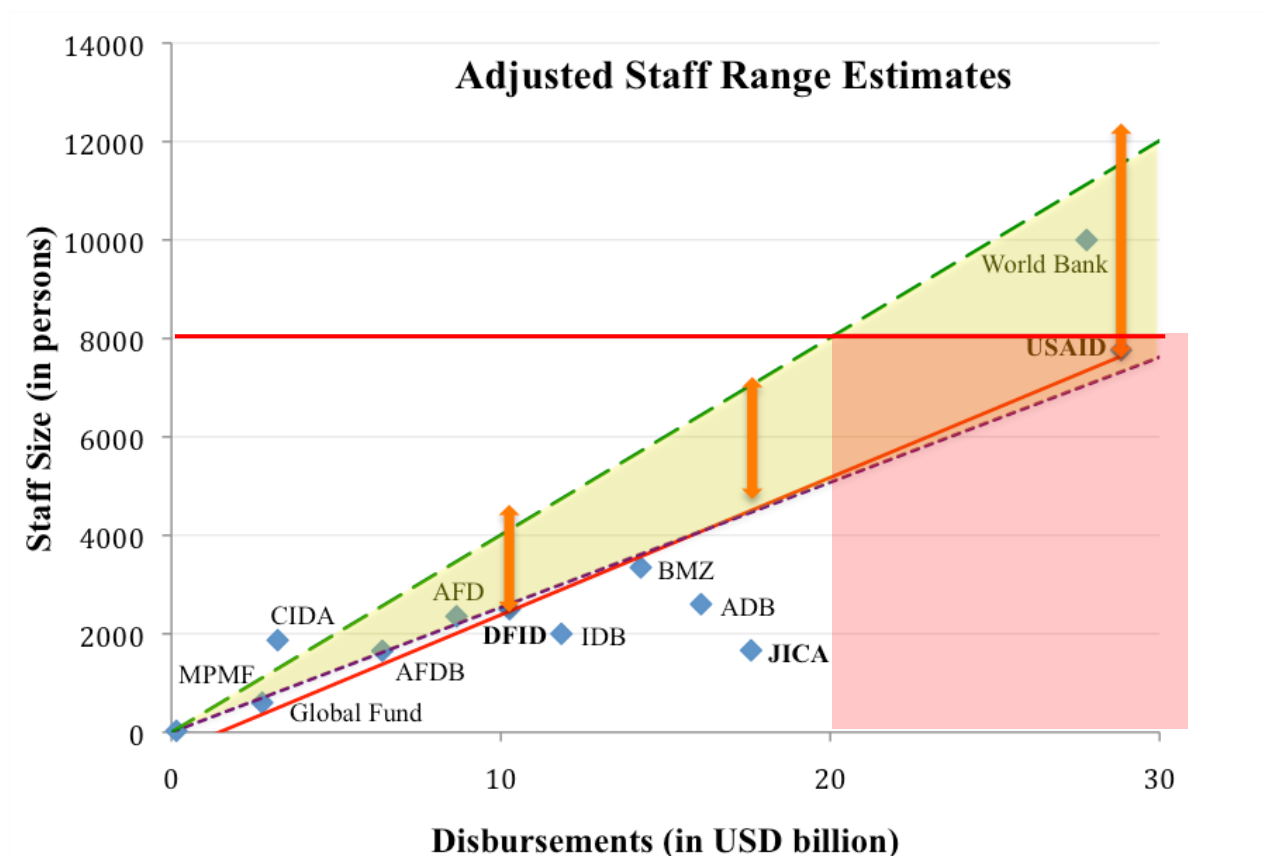
David Ciplet, Benito Müller, and
J. Timmons Roberts

October 2010

How many?



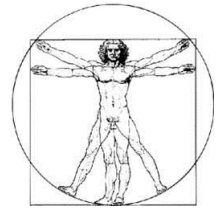
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“... the estimated economic benefit of hosting the secretariat of the Green Climate Fund stands at around 340 million US dollars a year. Songdo will host more than one hundred international meetings annually ... and eventually be home to 8 thousand staff members from around the world.”

Interview with Song Young-gil, Mayor of Incheon Metropolitan City. 20 October 2012.

My conclusion



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Oxford Climate Policy – the blog
To initiate debates on international climate policy

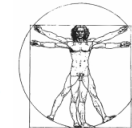
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On the Virtues of Strategic Divisions of Labour

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Devolved Programmatic Access

JOINT SUBMISSION TO THE GREEN CLIMATE FUND BOARD

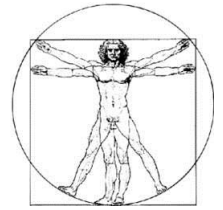
April 2016

By Benito Müller,¹

with Diann Black-Lane,² Tosi Mpanu-Mpanu,³ Cheikh Sylla,⁴ and Anders Wallberg.⁵

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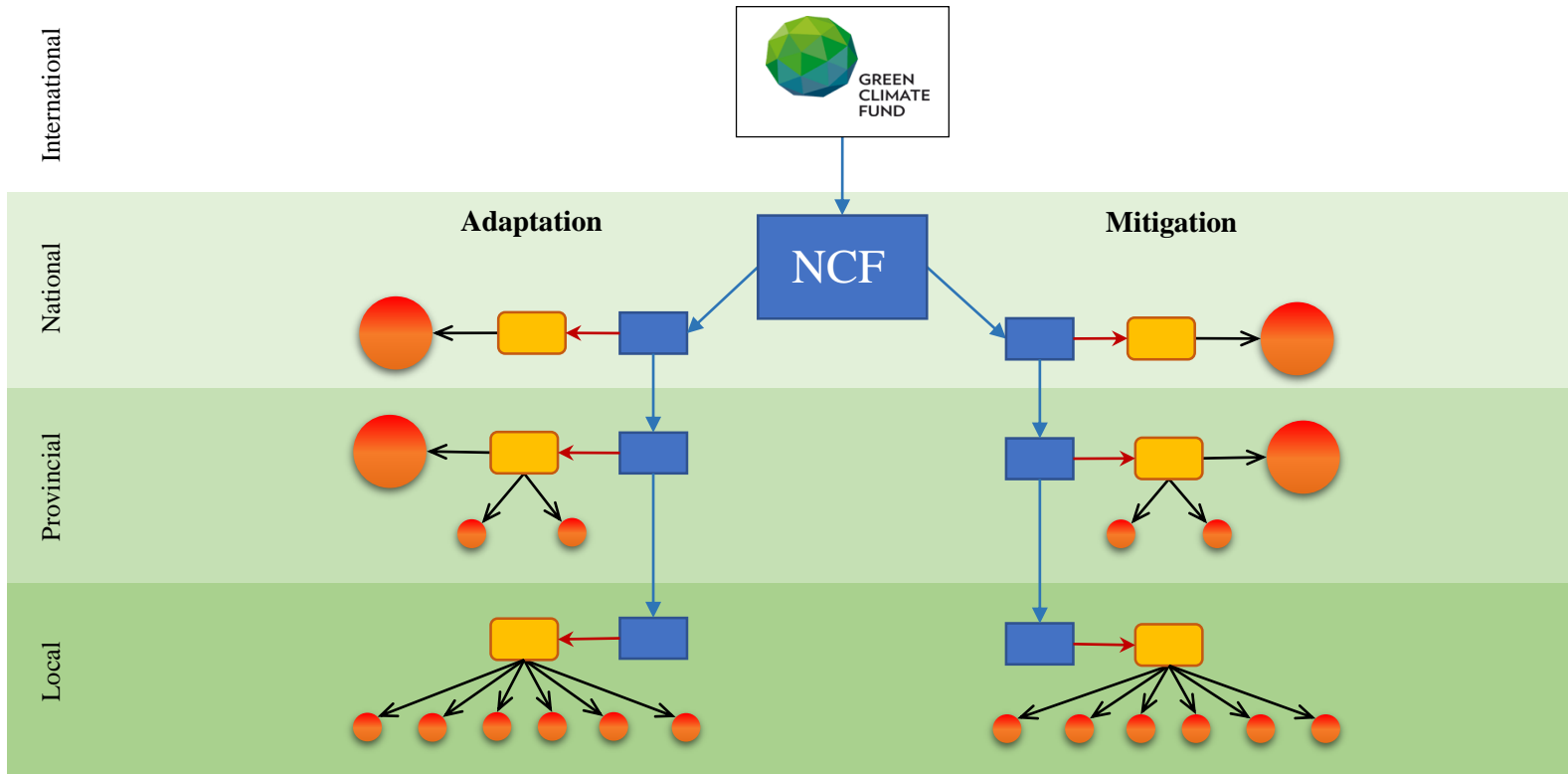
Enhanced Direct Access as GCF “Signature Access Modality”



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National Climate Fund (NCF)

- Accredited with the GCF both as funding entity and intermediary
- Governed by the National Governing Body (incl. NDA representation)



Project Implementing Entity



Programme Implementing Entity



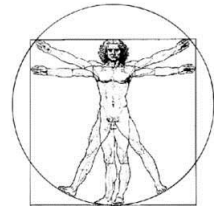
Large Executing Entity
Medium/Large Project/Programme



Micro/Small/Medium Executing Entity (MSME)
Micro/Small Project/Programme

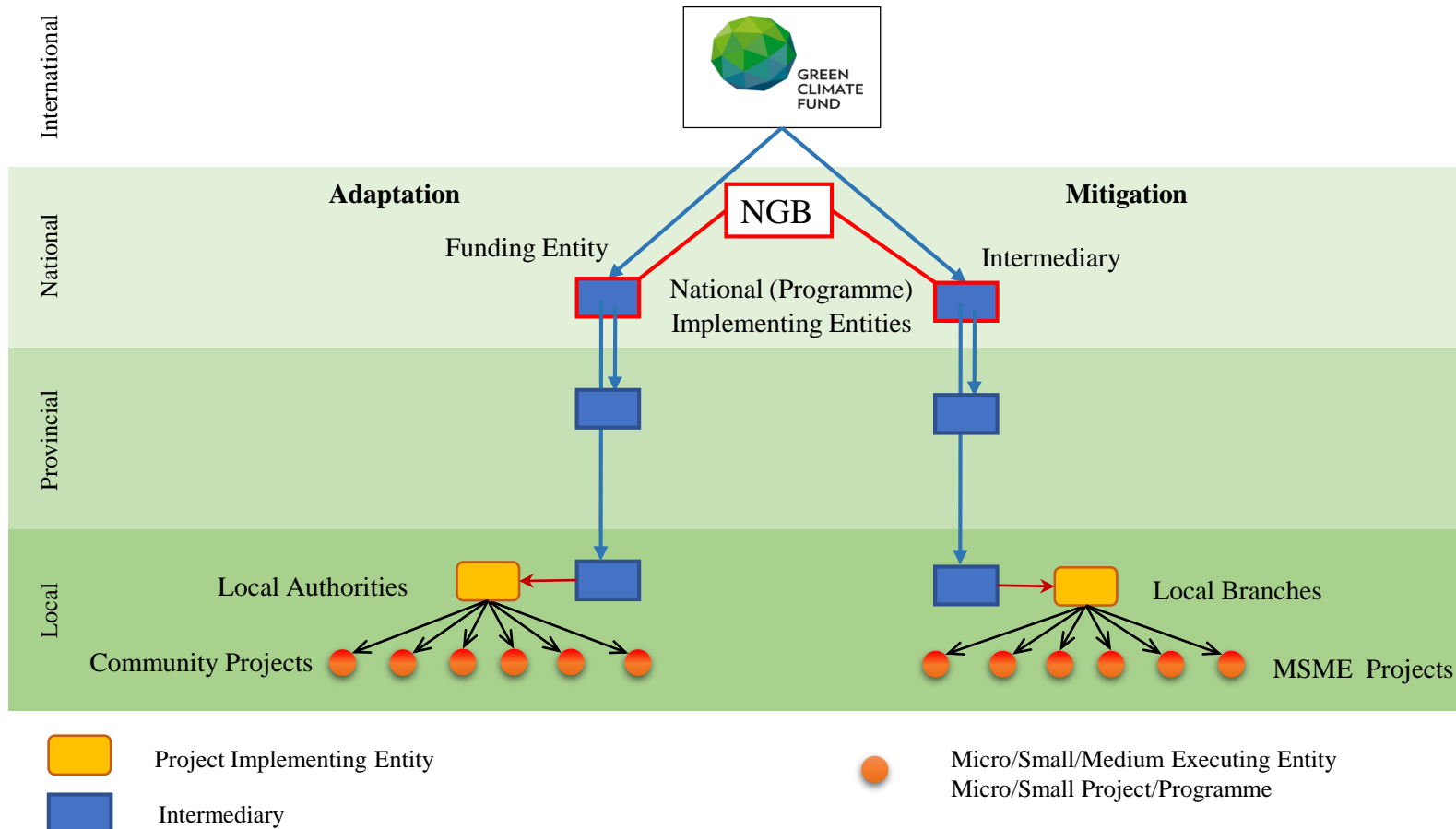
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Enhanced Direct Access as GCF “Signature Access Modality”



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- Multilateral public sector funding stream consolidation through a National Governing Body (NGB)
- In-country devolved access to the provincial and local level for engaging local stakeholders (communities, MSMEs)



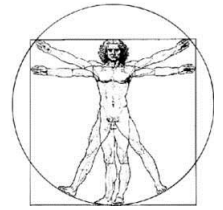
Benito Müller, *Engaging Micro, Small, and Medium Enterprises in developing countries*, OCP/ecbi, February 2015

Anju Sharma *et al.*, *Consolidation and devolution of national climate finance: The Case of India*, ecbi, March 2015

<http://www.eurocapacity.org/public/pubarchive-brief.shtml>

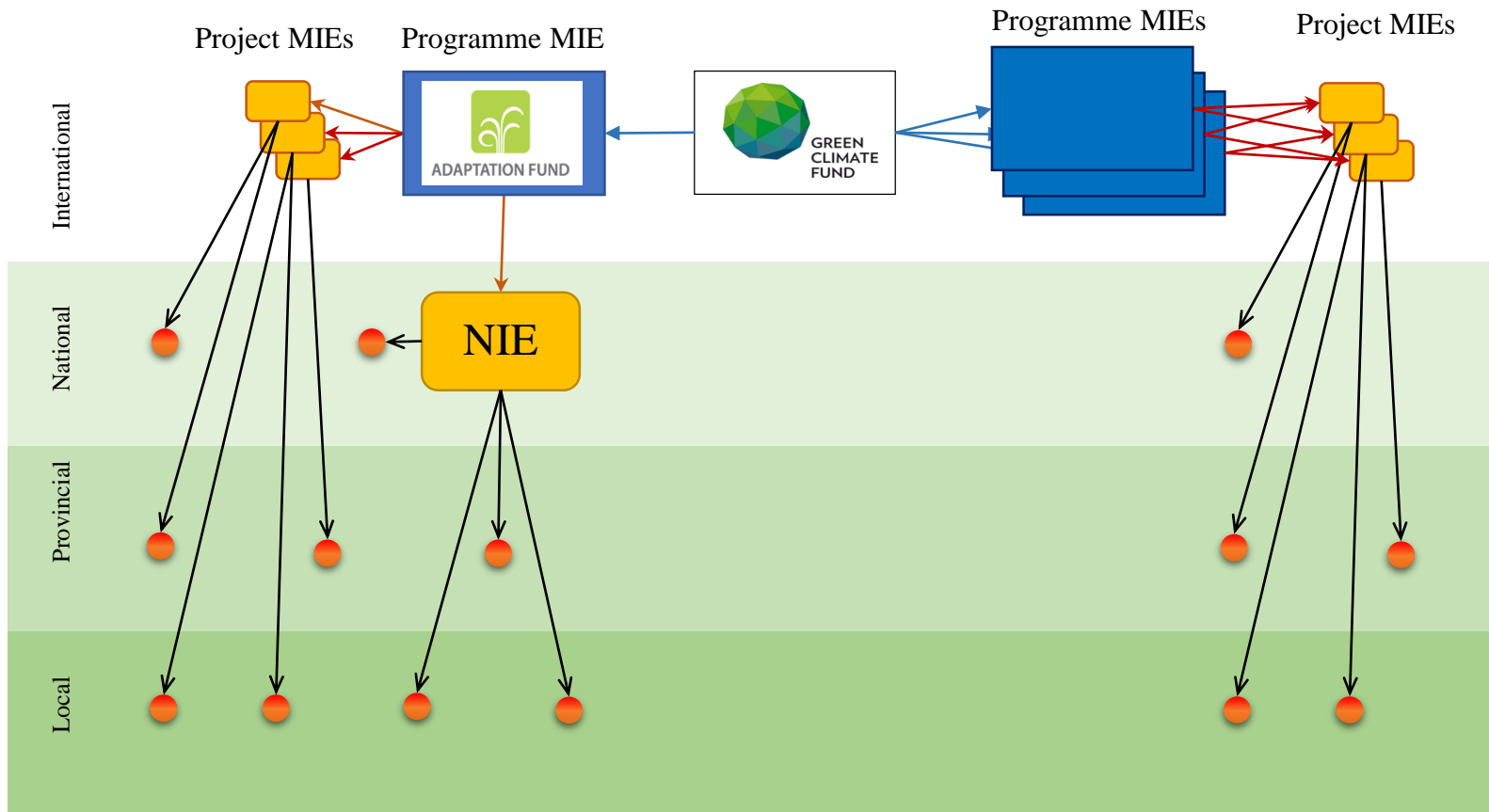
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“Enhanced International Access”



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To enable the GCF to function at scale as wholesale agent



“Joint Replenishments”

Oxford Climate Policy – the blog

To initiate debates on international climate policy

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Whatever happened to the Paris Predictability Problem? (Part I)

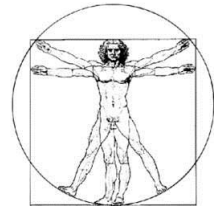
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Contents [\[show\]](#)

The Paris Cycle-wreck: beyond (partial) salvage?

Benito Müller

The concept of a “Joint Replenishment Cycle” for the Financial Mechanism of the Paris Agreement was introduced by LDCs into the draft text on Friday 11 December, and dropped at 1am on Saturday 12 December.



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A PARIS REPLENISHMENT CYCLE

FOR CONTRIBUTIONS TO THE UNFCCC FINANCIAL MECHANISM

Concept Note¹

October 2015

By Benito Müller,² and Xolisa J. Ngwadla (South Africa) –

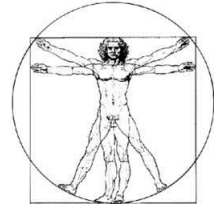
with Carlos Fuller (Belize), Sun Guoshun (China), Gebru Jember (Ethiopia), Thinley Namgyel (Bhutan), Selam Kidane (Ethiopia), Juan Hoffmaister (Bolivia), Kishan Kumarsingh (Trinidad and Tobago), Andrés Pirazzoli (Chile), Tosi Mpanu Mpanu (DRC), El Hadji Mbaye Diagne (Senegal), Giza Gaspar Martins (Angola), Amjad Abdulla (Maldives), Nagmeldin G. Elhassan (Sudan).

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**Bulgarian Presidency
of the Council of the European Union**

Informal Meeting of
Environment Council
(ENVI)



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Wednesday 11 April

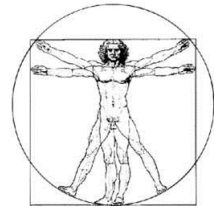
Session III: International Climate Negotiations and “Talanoa Dialogue” – the way forward

“The Commission would suggest that Member States should seriously consider the **replenishment of the climate funds under the Climate Convention, the Global Environment Facility, and the Green Climate fund**. Our position on this issue will be very important for the negotiating dynamics at COP 24 and actions on these issues will have a positive impact which will be disproportionate to the relatively small funds that would be needed.”

Raffaele Mauro Petriccione,
Deputy Director General for Climate Action, European Commission
(transcribed from webcast)


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The Role of the LDCF : ‘Capacitator’ Fund/Facility



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LDCF Business Model

Q&A

Discussion Note¹

Review Draft

July 2016

By Benito Müller²

LDC Expert Group Proposal

Establish a ‘capacitator’ Programme Priority at the LDCF to

- pilot concrete climate change activities particularly relevant for LDCs;
- enhance longer-term institutional capacity to design and execute such activities.

Why?

To enhance the LDCF’s attractiveness for contributors, in particular for innovative finance contributions which may need some mitigation related activities in the project portfolio.

FCCC/CP/2015/10/Add.2

Decision 8/CP.21

Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility

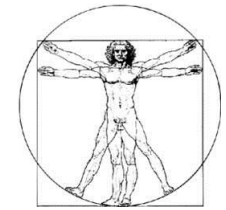
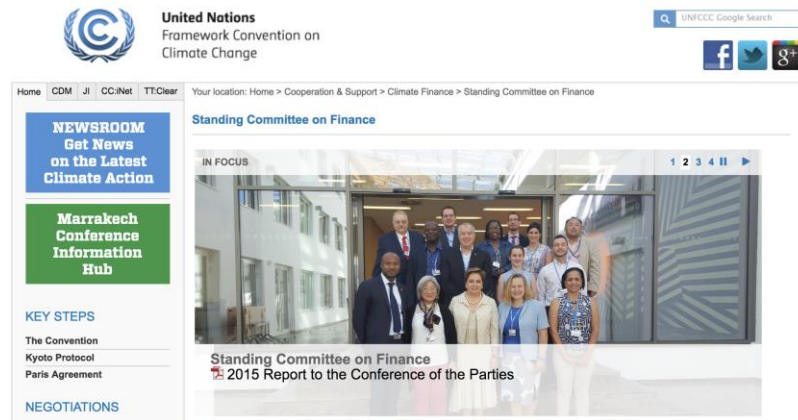
8. *Requests* the Global Environment Facility to carry out a technical review of the programme priorities of the Least Developed Countries Fund, taking into account the independent review referred to in paragraph 6 above, and to focus the technical review on, inter alia:

(a) Undertaking pilot concrete climate change activities that are particularly relevant for the least developed countries;

(b) Enhancing longer-term institutional capacity to design and execute the activities referred to in paragraph 8(a) above;

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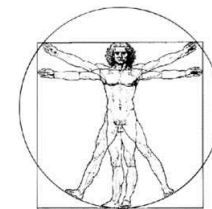
Draft Guidance to the GEF



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17. *Requests* the Global Environment Facility, taking into account the conclusion of the technical review of the programme priorities of the Least Developed Countries Fund³ and in accordance with decision 5/CP.7, paragraph 11(a), and decision 2/CP.7, paragraph 17(a), to add an additional programming priority for the Least Developed Countries Fund, to strengthen the institutional capacity of the national climate change secretariats or focal points of the least developed country Parties, for supporting local project developers by, inter alia:

- (a) Identifying potential funding sources, both national and international;
- (b) Providing support to and advice on formulating project proposals and documentations;



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