

Green Climate Fund Data for investment prioritization

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01

Set up by the UNFCCC, and serving the Paris Agreement

02

Supporting developing countries to transition to low-emission, climate-resilient societies

03

Serving as a hub of the climate finance landscape



GCF in Figures (USD)

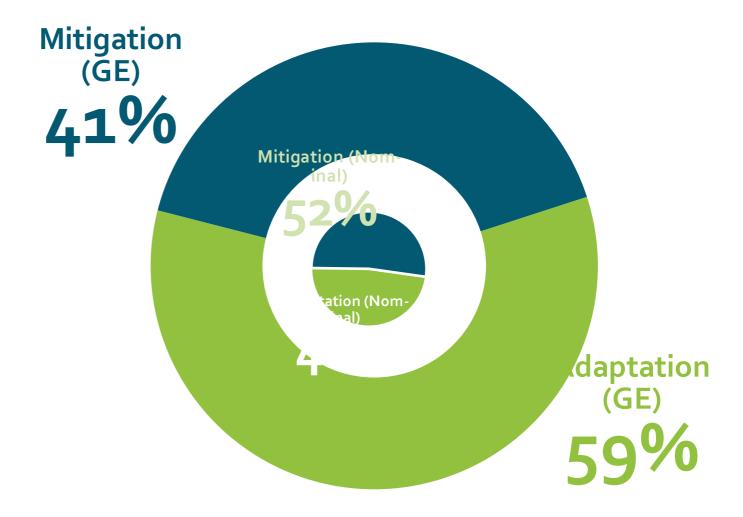


PORTFOLIO VALUE, INCLUDING CO-FINANCING:



Our portfolio in focus

Balancing adaptation & mitigation





How we drive change

01

Establish enabling environment for novel climate solutions



02

Catalyse innovation



03

De-risk and mobilise finance at-scale

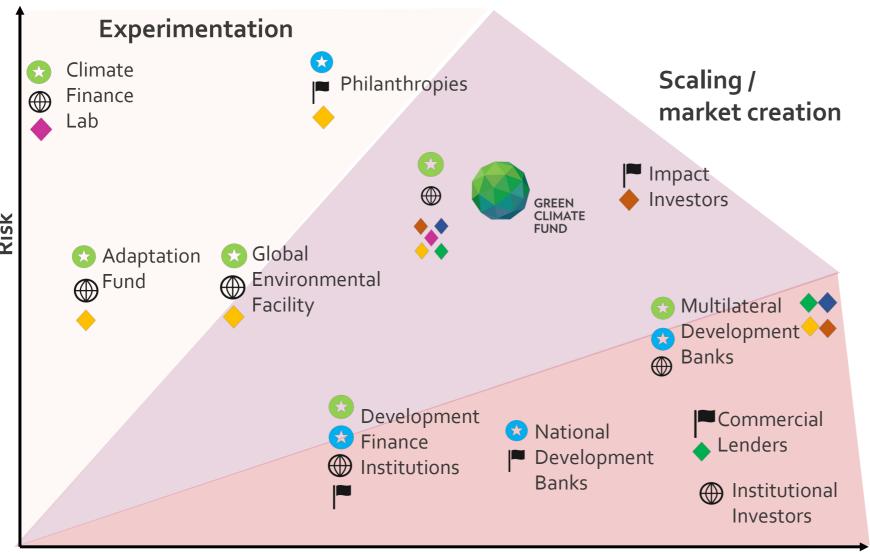


04

Strengthen
national
financial
institutions to
drive adoption
of novel climate
solutions



GCF's size and risk appetite position it to play a scaling / market creation role



Thematic area

- Climate / Environment
- Development

Scope

- (f) Global
- Local / origin country

Financial Instrument

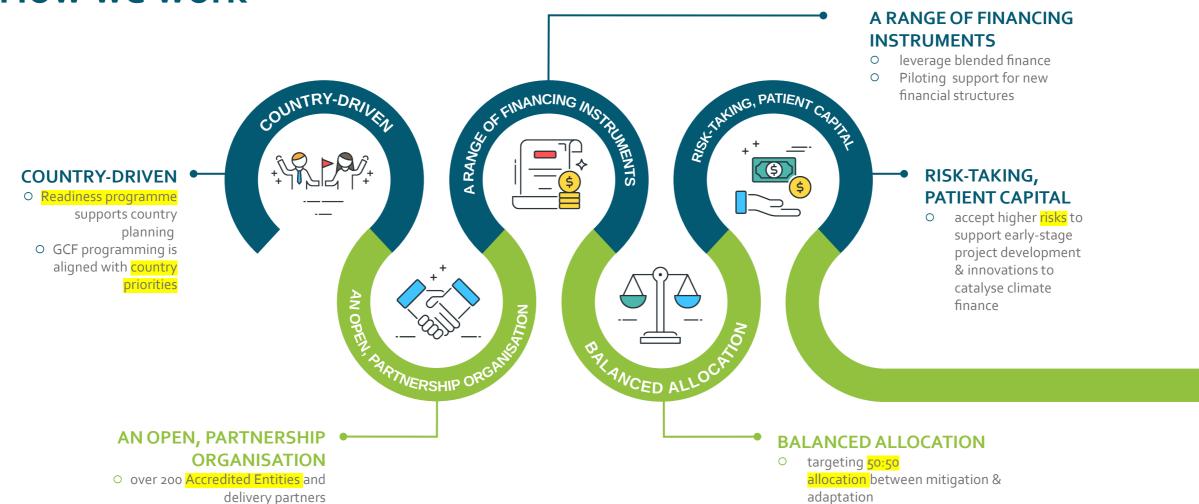
- Equity
- Guarantee
- Grants
- Loan
- Seed support

Mature markets & asset classes

+



How we work





Result areas

Top level data:

GHG emissions reduced Land conserved/protected

Beneficiaries (adaptation benefit of protected lives and enhanced livelihoods)

Value of resilient infrastructure

Reduced Emissions from:



Energy generation and access



Transport



Buildings, cities, industries and appliances



Forests and land use

Increased Resilience of:



Livelihoods of people and communities



Health, food and water security



Infrastructure and the built environment



Ecosystems and ecosystem services

Stage 1 Investment Planning and Mobilization

1. Institutional arrangements and expertise

Capacity

- 2. Stakeholder engagement
- 3. Mapping existing investment frameworks
- 4. Mainstreaming climate goals
- 5. Monitoring and reporting

Stage 2 **Investment Needs** Identification and Prioritization

INVESTMENT PLANNING

- 1. Evidence-based investment needs identification
- 2. Cost-benefit analysis
- 3. Investment needs prioritization
- 4. Feedback loop for NDC/NAP/LTS

Stage 3 **Financing Strategy**

- 1. Mapping sources of finance for prioritized investments
- 2. Pipeline stock taking
- 3. Identifying finance partners and setting up a detailed financing plan
- 4. Strengthening enabling environments

Private sector

Stage 4 **Programming** with financial partners

Blended

Public sector

- 1. Programming dialogue with finance partners
- 2. Concept preparation for public and blended finance
- 3. Unlocking private sector led investments

Stage 5 Funding proposal development

FINANCE MOBILIZATION

1. Project and program preparation and approval for international and national public sector and blended

financing

Stage 6 **Project** implementation

1. Project and program implementation and monitoring

Implementation capaci ty in place and climate priorities mainstreame d

Coordination mechanisms

- Key ministry capacities
- NDB & Central Bank capacities
- capacities
- mechanisms
- **Enabling environments**
- Demographics, socioeconomics
- Measurement, Reporting, Verification

Prioritized, evidencebased set of mitigation & adaptation investme nt needs identified

ng environments

Financial plan identifying best-fit financial sources and strengthened enabli

Projects identified and financiers engaged

Proiects / **Programmes** developed & approved

Projects / **Programmes** Implemented, mon itored & reported



- Direct Access Entity
- · Stakeholder engagement
- Sectoral planning

- Emissions scenarios
- Climate risk and vulnerability assessment
- Common practice analysis
- Cost-benefit analysis
- Option identification, analysis & costing

- Financial flow tracking Financial source mapping
- Assessing financing options (private/blended/public)
- Investment analysis
- Barrier analysis
- Policy/regulatory change

- Country programmes
- Concept note development
- Additionality
- · Addressing barriers to private sector investment
- Structuring investments for private sector de-risking

- Project financial structuring
- Feasibility studies Environmental, social and gender studies
- Risk assessments
- Pre-contract services
- Advisory services
- Climate impact potential

- Programmatic investment decisions
- Project implementation
- Project monitoring & evaluation

Stage 1Investment
Planning and
Mobilization
Capacity

- 1. Institutional arrangements and expertise
- 2. Stakeholder engagement
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Stage 2
Investment Needs
Identification and
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with financial
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Public Blended GCF

Country Programmes

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Private sector

GCF Stage 5
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GCF Stage 6
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GCF Country Programmes and concept notes developed

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- Coordination mechanisms
- Key ministry capacities
- NDB & Central Bank capacities
- Direct Access Entity capacities
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- Economic advisors
- MRV

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- Project implementation
- Project monitoring & evaluation
- Knowledge sharing of impact

DAE Modality

Readiness: country & adaptation modality

COMPONENTS

Identify the country's emission scenarios for mitigation potential

Based on assumptions about how society will develop to estimate trends in emissions.

The determining factors for emission scenarios are known as 'driving forces'.

Driving forces:

- Population growth
- Energy use
- Economic and technological development
- Land-use change

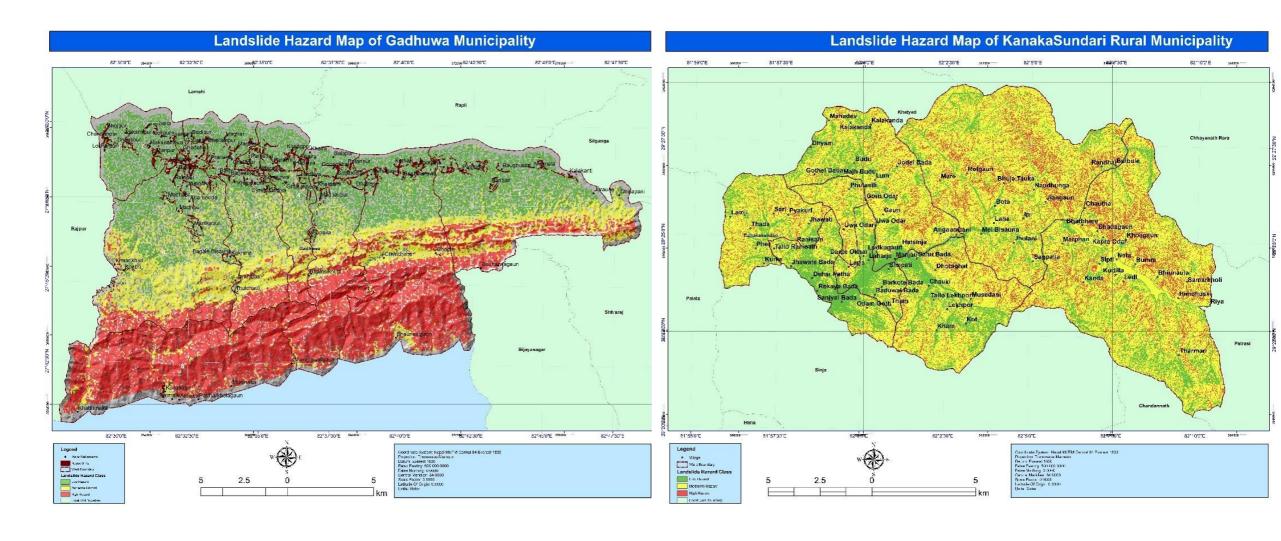
Climate risk and vulnerability assessment

- Contain a context-specific analysis of climate change hazards, exposure, vulnerability, and overall risks;
- Include historical and future trends or instances of climate change events/hazards and their impacts;
- Present mapping of hotspots of vulnerability to climate change hazards;
- Analyse potential non-climatic factors and the adaptive capacity to climate hazard risks and impacts;
- Interdisciplinary and participative;
- Link to any existing adaptation planning and ongoing adaptation activities.

Data-driven prioritization of local climate investment: Case of Nepal Climate Change Support Programme (locally-led adaptation)

No	Rank	Province	District	Palika	Vulnerability scores (sensitivity and adaptive capacity) 2010 (districts)- NAPA	Exposure i.e. Remoteness/ population (NNRFC database)	Exposure Index	Current Hazard scores (MoHA DRR portal)	Risk index = hazard x exposure x vulnerability	Risk divider	Population
32	1	6	Mugu	Mugum Karmarong	0.922	10151	0.71	0.55	0.73	1.45	5396
19	2	6	Jajarkot	Triveni Nalgad	0.838	10289	1.00	0.32	0.72	1.44	25597
10	3	6	Dolpa	Mudkechula	0.649	10125	0.66	0.56	0.62	1.24	5129
20	4	6	Jajarkot	Barekot	0.838	10160	0.73	0.20	0.59	1.18	18083
45	5	6	Salyan	Bagchaur	0.603	10169	0.75	0.41	0.59	1.17	34118
18	6	6	Humla	Simkot	0.476	10117	0.64	0.57	0.56	1.13	11557
1	7	6	Dailekh	Aathbis	0.625	10210	0.84	0.22	0.56	1.12	29227
25	8	6	Jumla	Patarasi	0.562	10136	0.68	0.39	0.55	1.09	14571

Local climate action planning



2. Stakeholder engagement

3. Mapping existing investment framewor

COMPONENTS

OUTCOMES

SUPPORT

4. Mainstreaming climate goals

5. Monitoring and reporting

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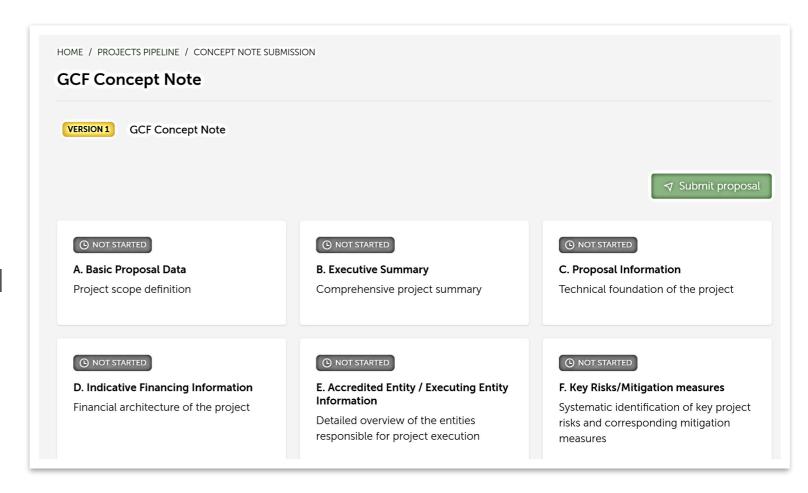
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Concept Note

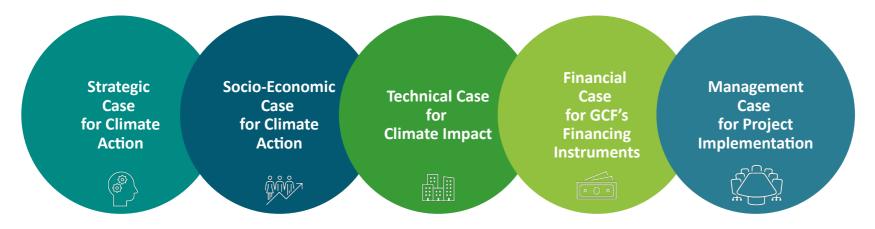


- Focuses on information needed for screening
- Facilitates routine minor updates over time
- Links with GCF's digital funding proposal template



3. New approach – The 5 Case Model as a structure

- ✓ Provides a compelling narrative that aligns with GCF investment hurdle criteria
- ✓ Whilst also providing the information required to test the investment hypothesis



What is the strategic case for climate action and the strategic fit for the country?

What is the economical context of the country and how will the project maximize value for the recipients?

What is the costexpenditure profile, the proposed implementational arrangements, and the technical solution and how will this deliver impact? Is the financial structure optimized to sustainably deliver impact, and is there a case for GCF's Concessionality & Additionality?

Can the project be delivered successfully by the entity and its implementing partners?

Funding proposal appraisal: 6 investment criteria



Criteria

Impact potential

Paradigm shift potential

Sustainable development potential

Needs of the recipient

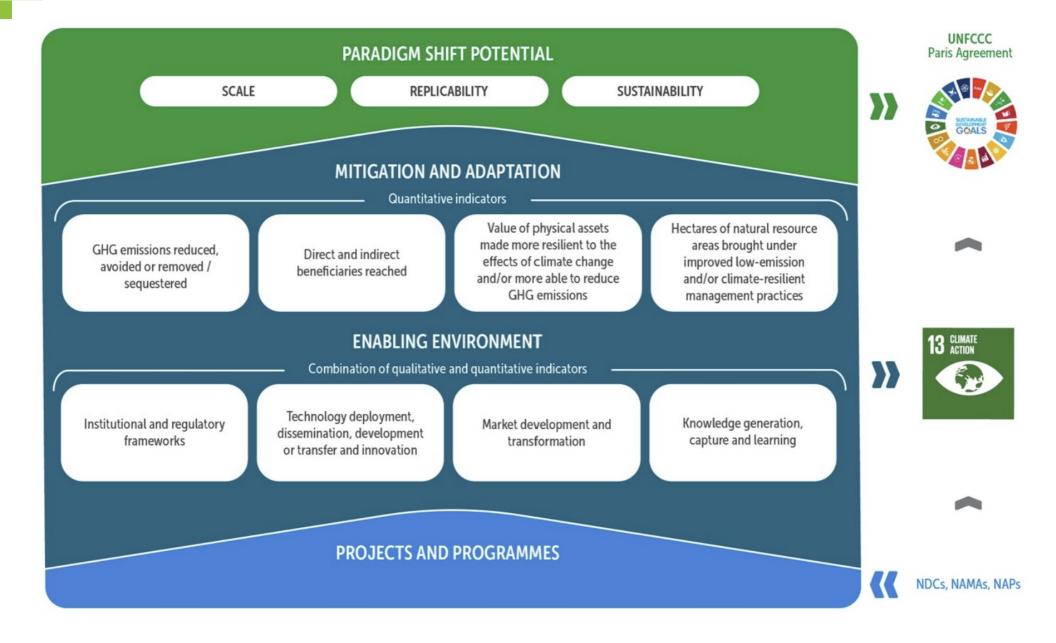
Country ownership

Efficiency and effectiveness

3. New approach – Investment Memo

The 5 Cases	Big Picture Guiding Questions	Country ownership	Paradigm Shift	Climate Impact	Needs of the Recipients	Sustainable Devel. Potential	Efficiency & Effectiv.	Data requirement
Strategic Case for Climate Action	What is the strategic case for climate action and the strategic fit for the country?	Х	X	X	Recipients	Potential		Sector/institutional data
Socio-Economic Case for Climate Action	What is the economical context of the country and how will the project maximize value for the recipients by creating climate-resilient assets, sustainable services and protecting livelihood?				X	X		Target beneficiary data
Technical Case for Climate Impact	- What is the proposed technical solution and how will this deliver impact? - What are the proposed implementational arrangements? - What is the cost and expenditure profile?						X	Result and impact data Value for Money
Financial Case for GCF's Financing Instruments	 Is the financial structure optimized to sustainably deliver impact? Is there a case for GCF's Concessionality & Additionality? 						Х	Financial data
Management Case for Project Implementation	Can the project be delivered successfully by the entity and its implementing partners?						Х	Partner performance data

Project implementation: Integrated Results Management Framework



Challenges and opportunities



Challenge	Opportunity
Data is insufficiently strong at Concept Note stage	Focus on information on climate additionality and alignment with GCF's mandate, de-risking investment.
GCF frameworks and data requirement are not aligned	Complementarity and coherence MDB/MCF climate metrics initiatives
Data completeness do not always receive sufficient priority	Monitoring and Accountability Framework and policy strengthening.
Countries (NDAs) have insufficient information on progress of GCF funded activities and readiness/ppf grants	Strengthen country ownership through information management
Data are not granular enough and insufficiently triangulated	Introducing community monitoring practice Introducing technology
Data flows on results are too slow	Introduce Technologies for 'live' reporting on keymetrics.
Good partner performance is not incentivized	Generate project data to measure partner performance. Decision-support for new investments

THANK YOU!