Session 1
Overview of international climate finance landscape

Accreditation Workshop “What does it take to become a National Implementing Entity (NIE) to directly access the Green Climate Fund (GCF)?”

Tashkent, Uzbekistan
29th September 2016
WHAT TO EXPECT FROM THIS SESSION

Understanding climate finance

• Get a more detailed understanding of the current state of **global climate finance architecture**

• Reflections on one of the most recent development in international finance:
  
  • Overview of the UN **Green Climate Fund**
According to the Standing Committee on Finance:

- No climate finance definition by UNFCCC
- Potential convergence based on the review of the climate finance definitions:

Climate finance aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts.

Source: Standing Committee on Finance 2014
The UNFCCC agreements state that funding must be:

- mobilised by developed countries
- provided to developing country parties, taking into account the urgent and immediate needs of those that are particularly vulnerable to the adverse effects of climate change
- balanced in allocation between adaptation and mitigation
- committed in the context of transparency on implementation, and
- scaled-up, new and additional, predictable and adequate.
The Paris Agreement
Sets out global mitigation and adaptation goals, and renewed support

- All countries to come together every 5 years to set more ambitious mitigation and adaptation targets as required by science;
- Developed countries will continue to support climate action to reduce emissions and build resilience to climate change impacts in developing countries: collective goal to mobilise USD 100 billion per year is renewed and extended until 2025 – a new and higher goal will be set for after this period.
- Other countries are encouraged to provide or continue to provide such support voluntarily.
To meet the ambition set out in climate negotiations, financial needs of countries are increasing but so are flows.
Where are ‘global climate funds’ going?

### Sources of finance
- Private sources: 38%
- Public sources: 62%

### Climate Finance Flows
- Domestic: 77%
- Cross boundary: 23%

- Private sources of finance with a strong preference for domestic investment dominate the landscape.
- Most finance stays where it was generated – OECD.
- Most finance flows to mitigation that provides return on capital.

### Global Expenditure
- Mitigation: 93%
- Adaptation: 7%
Complex landscape of international climate finance
Types of funds
Relative Climate Fund Sizes

Source: CFU, 2015
Main adaptation funds

Pilot programme for Climate Resilience (PPCR): 1.2b USD

Adaptation for Smallholder Agriculture Programme (ASAP) 366

Least Developed Countries Fund (LDCF): 964m USD

Special climate change fund (SCCF): 350m USD

Adaptation Fund: 487m USD

Source: CFU, 2015
Main Mitigation funds

Non-UNFCCC

- Clean Technology Fund (CTF): 5.30b USD
- GEF4: 1.0b USD
- GEF5: 1.3b USD
- GEF6: 1.1b USD
- SREP: 528m USD

Source: CFU, 2015
Funds with multiple focus:

UNFCCC

Green Climate Fund: 10.2b USD

UKs ICF: 6b USD

Germany IKI, 1.08b USD

Source: CFU, 2015
REDD focussed funds

Non UNFCCC

Forest investment program (FIP): 583m USD

Norway’s international climate & forest initiative: 1.6b USD

Amazon Fund: 1.03b USD

Forest Carbon partnership facility: 826m USD

Germany IKI: 1.08b USD

Source: CFU, 2015
Need to access the GCF
ANY QUESTIONS?
THANK YOU!

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Session 2
Introduction to the GCF and its access modalities

Accreditation Workshop “What does it take to become a National Implementing Entity (NIE) to directly access the Green Climate Fund (GCF)?”

Tashkent, Uzbekistan
29th September 2016
WHAT TO EXPECT FROM THIS SESSION

• Gain an overview of the GCF and its mandate
• Get a better understanding of its key design elements
• Understand the different ways that a country can access the GCF and the ecosystem of GCF actors, their roles and responsibilities
OVERVIEW OF THE GREEN CLIMATE FUND

Source: The Global Climate Finance Architecture (Climate Funds Update)
Objective:
The GCF aims to promote a paradigm shift and help developing countries transform their economies and put them on a low emission and climate-resilient pathway.

Context

- 2010  Established at the UNFCCC COP 16 in Cancún
- 2011  Launched at the UNFCCC COP 17 in Durban
- 2014  1st Resource Mobilization
- 2015  First Disbursements
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<th>Key Design Elements</th>
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<td>Governance</td>
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<td>Ambition &amp; Scale</td>
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<td>Resource allocation</td>
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<tr>
<td>Engagement with the private sector</td>
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<tr>
<td>Readiness Support</td>
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• Secretariat established in S. Korea since 2013.

• Board has a equal number of members from developed and developing countries.

• Dedicated seats for SIDS and LDCs.
Ambition & Scale
• The largest public global climate fund:
  ➢ Make a significant contribution to deliver the global objective of USD 100 billion per year starting from 2020
• Total funding available for approx. USD 10 billion.
• 17 projects have been approved so far, for a total of USD 424.6 million.
• Aspirational target to invest USD 2.5 billion during 2016, therefore calling for more proposals.
Resource allocation
- 50:50 between mitigation and adaptation
- 50% floor for adaptation for SIDS, LDCs and Africa
- Geographical balance and equitable distribution among countries
- Significant allocation to the private sector
## INVESTMENT CRITERIA FOR PROJECT APPROVAL

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<tr>
<th>Impact potential</th>
<th>Does the programme contribute to the achievement of fund’s objectives &amp; result areas?</th>
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<td>Paradigm shift potential?</td>
<td>To what degree can the proposed activity catalyse impact beyond a project investment?</td>
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<td>Efficiency and effectiveness</td>
<td>Is the programme or project economically — and, if appropriate, financially — sound?</td>
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Engagement with the private sector
- Private sector involved in the governance through the Private Sector Advisory Group (PSAG)
- Significant resource allocation to private sector (about 20%)
- Resource mobilization from institutional investors
- **Access:** Private sector entities can become accredited to the GCF (international, regional, national and subnational implementing entities)
• To address barriers in private sector mitigation and adaptation investments;
• Mobilise private capital and expertise at scale; and
• To remain in accordance with national priorities.
Readiness Support
**WHAT IS « READINESS SUPPORT »?**

**Strategic Priority:**
- Contributing to maximize efficiency and reduce risk
- Reducing the possibility that funding is not well suited to country needs

- Readiness Support provides **early support to countries:**
  - Countries should be able to **access and deploy the resources** of the Green Climate Fund
• Minimum funding of 50% targeting the most vulnerable countries: LDCs / SIDS / Africa
• **Total amount available:** $30m
• **Ceiling:** 1 m $ per year per country
• **Eligibility:** Through the NDA/FP of the country
Readiness request received → Elaboration of support programme with countries → Review and decision taking → Implementation

Time frame of 1-2 months
How to access the Green Climate Fund?
Countries accessing the financial resources of the Fund, need to **fulfil the following preconditions:**

- A **functioning National Designated Authority (NDA)** or Focal Point, which is in charge of domestic coordination among relevant stakeholders involved in climate change and climate finance
- Choose an **accredited Implementing Entity (IE)** (international, regional, national), for project proposals which is in charge of administration and management of the projects
- An initial project pipeline in line with the goals of the GCF

Voluntary but recommended by the Fund:
- A **country work programme**, that builds the base for the engagement with the Fund, building on existing national policies and the frameworks of the Fund
FUND’S ARCHITECTURE

- **Focal point / National Designated Authority (NDA):** nationally designated individual / agency

- **Implementing entities (IEs):** national, regional, multilateral, public and private

- **Executing Entities (EEs)**
A National Designated Authority (NDA):

• Is a country’s focal point for engaging with the fund

In Uzbekistan, the GCF focal point that has been covering NDA functions is:

• Uzhydromet
<table>
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<tr>
<th>Implementing Entity (IE)</th>
<th>Executing Entity (EE)</th>
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<tr>
<td>• Oversight and supervision responsibilities</td>
<td>• Implementation responsibilities</td>
</tr>
<tr>
<td>• Administers grants, loans and also blend funds with its own</td>
<td>• Execute, carry out and implement day-to-day project activities</td>
</tr>
<tr>
<td>• Accredited by the Fund</td>
<td>• No need for accreditation but work under the supervision and overall management of the accredited entity</td>
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# THREE MAIN ACCESS MODALITIES

## Multilateral access:
- **Management and oversight**
- **Implementation**
- **Execution**

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<tr>
<th>International domain</th>
<th>Fund Manager</th>
<th>Implementing Body</th>
<th>Executing Body</th>
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<tr>
<td>National domain</td>
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<td>Executing Body</td>
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## Direct access:
- **Management and oversight**
- **Implementation**
- **Execution**

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<th>Implementing Body</th>
<th>Executing Body</th>
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<tr>
<td>National domain</td>
<td></td>
<td></td>
<td>Executing Body</td>
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</table>

## Enhanced access:
- **Management and oversight**
- **Implementation**
- **Execution**

<table>
<thead>
<tr>
<th>International domain</th>
<th>Fund Oversight</th>
<th>Implementing Body</th>
<th>Executing Body</th>
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<tr>
<td>National domain</td>
<td>Fund Manager</td>
<td>Implementing Body</td>
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Direct access as a prominent focus of international climate finance
Besides international access through multilateral organisations such as UNDP or UNEP, **direct access** is an access modality to tap the GCF, strengthening country ownership, thereby

- **Accredited sub-national, national and regional institutions** can administer resources of the fund
- This requires institutions to fulfil certain criteria:
  - they have to meet **fiduciary standards**,  
  - have **adequate environmental** and **social governance systems**
- From the perspective of developing countries and emerging economies, direct access holds out:
  - **opportunities** as it includes a high ownership of countries
  - **challenges** in accessing and making effective use of financial resources
WHAT ARGUMENTS ARE BEING MENTIONNED IN FAVOUR OF DIRECT ACCESS?

- Greater country ownership, oversight, and involvement
- Stronger accountability
- Reduced transaction costs
- Faster delivery
- Better targeting
- Harmonization with national systems and strategies
ANY QUESTIONS?
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THANK YOU!
Session 3
Introduction to the GCF accreditation process and requirements

Accreditation Workshop “What does it take to become a National Implementing Entity (NIE) to directly access the Green Climate Fund (GCF)?”

Tashkent, Uzbekistan
29th September 2016
WHAT TO EXPECT FROM THIS SESSION

• Get an overview of the **GCF fit for purpose approach** and the **three staged accreditation process**
• Get a better understanding of the **role of accredited entities**
• Look at **examples from accredited entities** and understand their **success criteria**
• Learn about the **readiness support** for accreditation
Key considerations about Implementing Entities (IEs)
WHO CAN BECOME AN IMPLEMENTING ENTITY OF THE GREEN CLIMATE FUND

- **All entities**, including international, regional, national and subnational organisations from both the public and **private sector**, provided they successfully receive accreditation.

- Accreditation is given if the entity **demonstrates it complies with the GCF’s fiduciary principles, standards and interim environmental and social safeguards**.

- An entity can apply if
  - A solid track record of implementing the type of projects or programs that the institution will oversee as an NIE;
  - Experience managing international aid and development or climate finance;
  - Effective and documented processes and policies to reduce fiduciary, environmental, and social risk;
  - Its scope of work should be related to climate change adaptation and mitigation.
ROLE AND RESPONSIBILITY OF IMPLEMENTING ENTITIES ONCE ACCREDITED

- Develop and submit funding proposals for projects and programmes
- Oversee project management and implementation
- Deploy a range of financial instruments- grants, concessional loans, equity and guarantees, and
- Mobilise private sector capital
How can you get accredited to access funds directly?
What is accreditation?
• This is the process of selecting institutions within developing countries that will funnel and implement the Green Climate Fund (GCF).

• Fit for purpose accreditation:
  Simplified and tiered accreditation—Fiduciary standards and environment and social safeguards to be adjusted to suit the nature, scope and risks of the proposed activities (by activity and institution type).
Applicants seeking accreditation to the Green Climate Fund in order to access its resources will:

- Need to be **nominated by the country’s NDA or focal point** - Uzhydromet
- Be assessed against the Fund’s **fiduciary principles and standards and Environmental and Social safeguards (ESS)**, according to the ‘Fit for purpose approach’. 
FIT FOR PURPOSE APPROACH

- Alignment with funds objectives
- At least 3 yrs. of operations

Mandate & Track Record

- Micro
- Small
- Medium
- Large

Fiduciary Functions

- Basic
- Specialised

Environmental & Social Risk Category

- A (High)
- B (Medium)
- C (Low)

Project Size
Fiduciary criteria determine how an AE will operate using the Fund’s resources.

Basic Fiduciary criteria:
- Key administrative & financial capacities
- Transparency & accountability

Specialised Fiduciary criteria:
- Project management
- Grant award funding mechanism
- On lending and/or blending

FIDUCIARY STANDARDS & PRINCIPLES
PROJECT SIZE

- XS (Micro): USD 0 - 10 million
- S (Small): USD 10 - 50 million
- M (Medium): USD 50 - 250 million
- L (Large): USD > 250 million

Source: GCF
**ENVIRONMENTAL AND SOCIAL SAFEGUARDS**

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Funding proposals</th>
<th>Intermediation</th>
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<tbody>
<tr>
<td>• High</td>
<td>• <strong>Category A:</strong> Activities with potential significant E&amp;S impacts</td>
<td>• <strong>Intermediation 1:</strong> When an intermediaries existing or proposed portfolio has high exposure to risks</td>
</tr>
<tr>
<td>• Medium</td>
<td>• <strong>Category B:</strong> Activities with potential mild E&amp;S impacts</td>
<td>• <strong>Intermediation 2:</strong> Medium exposure to risks</td>
</tr>
<tr>
<td>• Low</td>
<td>• <strong>Category C:</strong> Activities with potential No E&amp;S impacts</td>
<td>• <strong>Intermediation 3:</strong> Low exposure to risks</td>
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RISK CATEGORISATION BASED ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

- **Category A:** significant risks
  - Adverse impacts that are diverse, irreversible, or unprecedented

- **Category B:** medium risks
  - Few in number
  - Generally site-specific
  - Largely reversible
  - Readily addressed by mitigation measures

- **Category C:** minimum risks
  - Adverse impacts that are minimum or negligible
Based on the **Performance Standards of the International Finance Corporation (IFC):**

- **PS 1** - Assessment and management of environmental and social risk and impacts
- **PS 2** - Labor and working conditions
- **PS 3** - Resource efficiency and pollution prevention
- **PS 4** - Community health, safety and security
- **PS 5** - Land acquisition and involuntary resettlement
- **PS 6** - Biodiversity conservation and sustainable management of living natural resources
- **PS 7** - Indigenous people
- **PS 8** - Cultural heritage
THREE STAGED ACCREDITATION PROCESS

Stage 1
- Pre-accreditation completeness check
- No objection by NDA and readiness

Stage 2
- Review and Board decision

Stage 3
- Legal arrangements
- Post-accreditation validation
Can the applicant meet the **Basic and Specialized Fiduciary criteria**?

Can the applicant **demonstrate with evidence** (through documents, project example) its ability to meet these standards?

Are there well **documented appropriate policies and guidelines** in place?

And is there **evidence that the policies are operational**?

Do policies reflect the **processes of how work flows within the entity**?

Do policies exist that **elaborate the processes required to achieve this work**?

Is the entity able to demonstrate that it has **experience and competency to do the work as defined in the processes and systems**?
• Thoroughly review GCF application; perform institutional self-assessment to identify obvious capacity gaps.

• Are the gaps areas in which the entity is willing and able to change?

• Determine fit-for-purpose conditions for success:
  ✓ Define largest project implemented to date.
  ✓ Define project/program risk level entity has experience with.
  ✓ Identify the financial instruments used to date. Is there a grant award system in place? Does entity have project management experience?

• Is accreditation in line with the entity’s strategic goals?

• Can entity differentiate itself by the way it intends to contribute to the objectives of the GCF and can it identify how it will provide value added?
Implementing Entities (IEs) accredited so far and what were the success factors for their accreditation
33 ACCREDITED IMPLEMENTING ENTITIES SO FAR
International vs. direct access:

• 60% are international organisations

• Only 3 national agencies in most vulnerable LDCs/SIDS- Senegal, Ethiopia and Rwanda

• Most direct access/ national entities are accredited for micro and small projects (less than USD 50 million projects)

• No direct access entity in Central Asia

Public vs. private sector:

• Only 5 agencies are from the private sector

• None of the private sector accredited agencies are direct access/national entities
**Agency for Agricultural Development of Morocco**

**Implementation experience:** portfolio of climate change related projects and programmes worth approximately US$ 33 million, which has been financed by bilateral and multilateral organizations. It has implemented projects and programmes in land protection and agricultural management.

**Type of accreditation:**
- **Project Size:** micro (up to US $ 10 million US)
- **Fiduciary Standards:** Basic Fiduciary Standards; Specialised Fiduciary Standards for Project Management
- **Social and Environmental Risk Category:** Medium Risk (category B / Intermediation 2)

- **National public entity based in Morocco,** which provides action plans and value-added solutions to address agricultural needs at the local and national levels.

- **Mandate:** Under the national green plan in place since 2008, is to contribute to social and economic development through more resilient and productive agriculture.
KEY CONSIDERATIONS ABOUT THE ACCREDITATION PROCESS

• **Costs:** 1,000-25,000 USD of fees for basic Fiduciary Standards and ESS for small and micro projects. Fees also apply for basic Fiduciary Standards and ESS for medium and large projects (between 10,000 and 25,000 USD). Fees for each specialised fiduciary standard (between 500 and 7,000 USD).

• **Time:** The timeframe for accreditation is six months, provided all required materials have been submitted.
• Provides an opportunity to establish clear and uniform procedures.
• Strengthen the monitoring system.
• Institutional benefit of performing self-evaluation and comparison with international standards and best practices.
• Option of future accreditation upgrade in the future:
  • The IE may qualify for an accreditation upgrade in the future – after which it can more readily qualify to increase the scope of activities, project size and/or risk level.
  • This can allow the applicant to pursue accreditation while it gains capacity and track record.
LESSONS LEARNT

• **Maintaining on-going dialogue** with the secretariat can provide invaluable guidance and direction during the accreditation process and provide clarifications in order to avoid delays.

• After **new policies** are established – they need to be **made into an instrument and operationalized**.

• GCF accreditation process put **emphasis on “track record”**: demonstrate that policies, procedures, guidelines, etc. are implemented.

• **Motivation, commitment and willingness** are also to be taken into consideration.

• All statements on the application must be backed with **evidence demonstrating stated capabilities**.

• **Be responsive in a proactive way** to every request from the Fund in order to avoid delays.

• Applicant will benefit from maintaining **institutional flexibility** – have the willingness to make adjustment and incorporate additional policies or procedures.
Readiness support for accreditation
Readiness support is available for:

- Awareness raising on accreditation processes & standards
- Institutional gap analysis
- Develop capacity building plans to address identified gaps
ANY QUESTIONS?
THANK YOU!

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• Sara Venturini  s.venturini@acclimatiswe.uk.com
Session 4
Introduction to the GCF’s project cycle and proposal requirements

Accreditation Workshop “What does it take to become a National Implementing Entity (NIE) to directly access the Green Climate Fund (GCF)?”

Tashkent, Uzbekistan
29th September 2016
WHAT TO EXPECT FROM THIS SESSION

• Priority areas to consider when developing proposals

• How can a direct access entity submit proposals- Key steps

• Look at examples from approved projects so far and understand their success criteria

• Learn about the readiness support for project identification and preparation
Progress so far
• 17 projects have been approved so far. Pipeline includes 41 proposals.
• **Good news for Adaptation funding:** Highest amount approved in the last tranche and those being considered in the next round focus on adaptation.
• **Balanced allocation for low and middle income countries:** More than half of project funds signed off last year were in LDCs/SIDS

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<tr>
<td>Adaptation</td>
<td>200</td>
<td>100</td>
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<tr>
<td>Mitigation</td>
<td>50</td>
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<td>Crosscutting</td>
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<th>LDC &amp; SIDs</th>
<th>Approved (2015)</th>
<th>Being considered (2016)</th>
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• **But large scale investments still dominate:** These are business usual pipelines of MDBs and agencies.

• **International agencies trump local actors:** 90% of the spend is through multilaterals like UNDP, World Bank, IADB rather than national or local agencies
How are projects selected?

What are the criteria?
• **Strategic Impact Areas:** Projects should fit the Strategic Impact Areas of the Green Climate Fund

• **Thematic areas:** Money will be allocated to themes - adaptation, mitigation, or the Private Sector Facility (PSF)

• **Investment Criteria of the fund**

• **Risk appetite of the fund**
• Targets to spend USD 2.5 billion of its USD 10.3 billion pot by end of 2016.

• Projects expected to bring a ‘Paradigm shift’ by investing in innovative adaptation and mitigation projects within the strategic impact areas of GCF.

• Implementing Entities (IEs) can access funds by submitting spontaneous proposals to — or responding to the GCF’s Requests for Proposals (RfPs)
Priority areas to consider when developing proposals
To access money for specific projects, accredited IEs need to develop proposals that fulfil the

- **Strategic Impact Areas**: Projects should fit the Strategic Impact Area of the fund
- **Thematic areas**: money will be allocated to themes - adaptation, mitigation, or the PSF
- **Investment Criteria of the fund**
- **National priorities specified in national plans & strategies**.
Project to Support the World Bank’s Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB) in Tajikistan and Uzbekistan

Implementing Entity: World Bank

Executing Entities: Executive Committee for International Fund for Saving the Aral Sea (EC-IFAS) ; National Coordination Units (NCUs), including Uzbekistan Ministry of Agriculture and Water Resources and Tajikistan Committee on Environmental Protection

Funding requested: US $ 19 million requested from the GCF with (72.4%) of co-financing of US $ 38 million from the International Development Association (IDA) and US $ 11.78 from beneficiary countries

Financial Instrument: Grant

Overview: Scale up the World Bank Group-funded CAMP4ASB project, which focuses on Tajikistan and Uzbekistan which aims to help Central Asian countries build upon the benefits of regional cooperation to address the mounting challenges from climate change, which often transcend borders. Lays the foundation for an institutional platform for regional cooperation on climate change across a broad range of sectors.
PROJECT FUNDING BASED ON STRATEGIC IMPACT AREAS OF THE FUND

Adaptation

Health, food & water security

Infrastruct ure & built environme nt

Livelihoods of people & communities

Mitigation

Eco-systems Services

Forests & land use

Energy generation & Access

Building, cities, transport & appliances

Transport
## INVESTMENT CRITERIA FOR PROJECT APPROVAL

1. **Impact potential**
   - Does the programme contribute to the achievement of fund’s objectives & result areas?

2. **Paradigm shift potential?**
   - To what degree can the proposed activity catalyse impact beyond a project investment?

3. **Sustainable development potential**
   - What are the project’s wider benefits and priorities — environmental, social, economic?

4. **Responsive to recipient’s needs**
   - Does it fulfil the vulnerability & financing needs of the beneficiary country & population?

5. **Promote country ownership**
   - Does the beneficiary country own the project?

6. **Efficiency and effectiveness**
   - Is the programme or project economically — and, if appropriate, financially — sound?
Implementing Entities (IEs) should also align with national priorities for submitting proposals.

NATIONAL PRIORITIES TO CONSIDER FOR PROJECT DEVELOPMENT
How can Implementing Entities (IEs) submit proposals
• After accreditation, an Implementing Entity (IE) can submit projects proposals for funding

• IEs must seek the No objection letter from the NDAs or focal points for funding proposals

• Funding proposals will be evaluated against GCFs criteria
KEY STEPS

Stage 1: Generation of projects or programmes funding proposals

Stage 2: Concept development (voluntary)

Stage 3: Submission of funding proposals

Stage 4: Evaluation & recommendations to the Board

Stage 5: Board decision Commissioning and launch

Stage 6: Legal arrangements for approved proposals
The Secretariat publishes calls for funding proposals on the GCF website.

The funding proposals are submitted to the GCF spontaneously on an ongoing basis.

Stage 1: Generation of projects or programmes funding proposals

Stage 2: Concept development (voluntary)

Stage 3: Submission of funding proposals

Stage 4: Evaluation & recommendations to the Board

Stage 5: Board decision
Commissioning and launch

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KEY STEPS

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Commissioning and launch

Stage 6: Legal arrangements for approved proposals

- Concept development
- Submission of the concept note to the Secretariat and the NDA
- Endorsement of the concept by the Secretariat

- Voluntary step.
- NDA may conduct multi-stakeholder workshop to generate proposal ideas aligned with National climate change strategies, NDC, National plans
Stage 1: Generation of projects or programmes funding proposals

Stage 2: Concept development (voluntary)

Stage 3: Submission of funding proposals

Stage 4: Evaluation & recommendations to the Board

Stage 5: Board decision Commissioning and launch

Stage 6: Legal arrangements for approved proposals

• IE submits funding proposal to the Secretariat in accordance with the No-objection procedure.
• The Secretariat acknowledges submission and reviews the application for completeness.
• The funding proposal package should include a no-objection letter by NDA. NDA should be included in different stages of communication.
Stage 1: Génération de projets ou programmes des propositions de financement

Stage 2: Concept development (voluntary)

Stage 3: Submission of funding proposals

Stage 4: Evaluation & recommendations to the Board

Stage 5: Board decision
Commissioning and launch

Stage 6: Legal arrangements for approved proposals

KEY STEPS

- **Step 1**: Completeness check
- **Step 2**: Secretariat review
- **Step 3**: Independent assessment by the Independent Technical Advisory Panel (ITAP)
- **Step 4**: Submission and recommendation to the board
Stage 1: Generation of projects or programmes funding proposals

Stage 2: Concept development (voluntary)

Stage 3: Submission of funding proposals

Stage 4: Evaluation & recommendations to the Board

Stage 5: Board decision
Commissioning and launch

Stage 6: Legal arrangements for approved proposals

KEY STEPS

- Approve funding
- Provide an approval which is conditional upon modifications to project
- Reject the funding proposal.
Stage 1: Generation of projects or programmes funding proposals

Stage 2: Concept development (voluntary)

Stage 3: Submission of funding proposals

Stage 4: Evaluation & recommendations to the Board

Stage 5: Board decision Commissioning and launch

Stage 6: Legal arrangements for approved proposals

Validation and finalization of legal arrangements between the Implementing Entity (IE) and GCF
Readiness Support for pipeline identification & development
Submitted by: IE
Eligibility:
- Small scale activities
- Direct access entities
Financing limit: up to 10% of GCF financing with a limit of USD 1.5 million for 1 proposal

Submitted by: NDA
Eligibility: NDA
Financing limit: subject to the readiness funding limit of USD 1 million per year
Things to Consider for Project Development

- **Time taken:** Takes approx. 34 person months (6.5 months)

- **Resources:** 3 full time persons and 4 part time persons

- **Costs:** Less than US$ 150,000

- **Time taken for Non Objection Letter from NDA:** Over 3 months

- **Concepts notes:** while a voluntary step, help them design a better GCF Project
ANY QUESTIONS?
THANK YOU!

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Session 5
Looking ahead - NIE Self-Assessment

Accreditation Workshop “What does it take to become a National Implementing Entity (NIE) to directly access the Green Climate Fund (GCF)?”

Tashkent, Uzbekistan
29th September 2016

Supported by:
Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

based on a decision of the German Bundestag
WHAT TO EXPECT FROM THIS SESSION

• An overview of the next steps for the identification of a National Implementing Entity (NIE) in Uzbekistan
  1. Mapping and identification of potential NIEs
  2. NIEs Self-assessment

• Timeline
Mapping and institutional assessment of potential NIEs
A preliminary mapping of government agencies and institutions in the Republic of Uzbekistan was undertaken before and during this workshop.

NIE candidates should express strong willingness and motivation in participating in the mapping exercise.

Further mapping to be undertaken after this workshop through:

a. Desk-based research regarding mandates and capacities of identified entities, through review of existing documents and interviews with entities’ representatives and key actors of climate change and climate finance in the country;

b. Set of screening criteria based on high-level accreditation requirements of the GCF;

c. Application of the screening criteria to interested national entities

Result: a shortlist of potential NIEs for further engagement under the institutional assessment is identified.
SELF-ASSESSMENT OF SHORTLISTED NIEs

• **Kick-off workshop for the institutional assessment** with shortlisted entities

• **Self-assessment of NIEs** is conducted through:
  
  a. **Semi-structured interviews**: interview questionnaires, followed by semi-structured interviews with each of the entities
  
  b. **Desk-based study**: to supplement our assessment on the level of readiness for GCF accreditation of the entities.

• **Results**: **at least one national institution that could apply for accreditation to the GCF, and its capacity needs, are identified**
EXAMPLES OF INTERVIEW QUESTIONS FOR THE INSTITUTIONAL ASSESSMENT

Self-assessment interview questions for NIEs

BASIC ELIGIBILITY
1) **Legal entity**: Is the entity a legal entity with the necessary registrations and licenses to undertake activities?

READINESS FOR GCF STANDARDS
2) **Basic Fiduciary standards**:
   2.1 Does your organisation have requisite key financial and administrative capacities?
   2.2 Does your organisation have a track record of managing financial resources
   2.3 Does your organisation have experience with project management
3) **Specialised Fiduciary standards**:
   3.1 Does your organisation have grant award funding or blending and on lending
   3.2 Does your organisation assess and mitigate the environmental and social risks associated with projects and/or programmes.
   3.3 Does that organisation have policies in place that are aligned to GCFs gender policy.

CAPACITY GAPS:
4) What are the knowledge gaps?
5) What are the evidence gaps?
6) What are the technical gaps?
For instance, for the Basic Fiduciary Standards

- **Basic fiduciary standards**
- **Key administrative & financial capacity**

- **General management & administrative capacities**
- **Financial management & accounting**
- **Internal external audit**
- **Control frameworks**
- **Procurement**

**EXAMPLES OF EVIDENCE NEEDED FOR SELF-ASSESSMENT**
How can we demonstrate these competencies

By providing evidence in following capacities

Key administrative & financial capacity

- Clear and formal definition of the main “corporate governance” actors.
- Existence of adequate internal oversight bodies and transparent rules
- Clear organisation chart
- Consistent and formal process to set objectives and alignment with those.
- Indicators to measure defined objectives
- A general management plan that also includes processes to monitor and report.

General management & administrative capacities
Timeline
TENTATIVE TIMELINE OF ACTIVITIES

**NIE accreditation workshop**
- July 2016
- September 2016
- October 2016

**NIE self-assessment kick-off workshop**
- November 2016
- December 2016
- January 2017

- Project kick-off workshop

**Mapping of potential NIEs and selection of the best-placed candidate(s)**

**Self-assessment of selected NIE candidate(s)**
Support NIE to prepare a capacity development strategy to address any identified capacity building needs and gaps.

End of self-assessment of selected NIE candidate(s) and gap analysis.

**Targeted technical assistance** to improve selected NIE’s institutional capacity and readiness to meet the GCF requirements.
ANY QUESTIONS?
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