

Green Climate Fund Starts the Flow of Climate Finance to Developing Countries by Approving First 8 Investments

The Green Climate Fund (GCF) Board approved US \$168 million of funding for projects and programmes worth US\$ 624 million, marking the end of its launch phase and kick-starting the flow of climate finance through the Fund to developing countries. The activities supported by the Board will generate up to US\$ 1.3 billion in investments over the coming five years.

The Board, meeting in Zambia this week, has approved an initial batch of projects, covering mitigation and adaptation measures. The projects include three in Africa, three in Asia-Pacific, and two in Latin America. The partnering entities for the projects include national, regional, and international bodies accredited to the Fund, from both the public and private sectors.

The eight projects approved are:

1. Building Resilience of Wetlands in the Province of Datem del Marañón in Peru, with Profananpe (GCF funding: US\$ 6.2 million)
2. Scaling Up the Use of Modernized Climate Information and Early Warning Systems in Malawi, with UNDP (GCF funding: US\$ 12.3 million)
3. Increasing the Resilience of Ecosystems and Communities through the Restoration of the Productive Bases of Salinized Lands, in Senegal, with CSE (GCF funding: US\$ 7.6 million)
4. Climate Resilient Infrastructure Mainstreaming in Bangladesh, with KfW (GCF funding: US\$ 40 million)
5. KawiSafi Ventures Fund in Eastern Africa, with Acumen (GCF funding: US\$ 25 million)
6. Energy Efficiency Green Bond in Latin America and the Caribbean, with IDB (GCF allocation: US\$ 217 million)
7. Supporting Vulnerable Communities to Manage Climate Change Induced Water Shortages, in Maldives, with UNDP (GCF funding: US\$ 23.6 million)
8. Urban Water Supply and Wastewater Management in Fiji, with ADB (GCF funding: US\$ 31 million)

"Approving these first projects is an important milestone, particularly for GCF's partnering entities and beneficiaries," stated Gabriel Quijandria Acosta, Co-Chair of the Board. "This first review of projects has been an enriching experience for the Board. It has allowed us to reflect on the areas that need to be further enhanced to speed up support to countries that are already experiencing the devastating impacts of climate change."

"The approved projects showcase the transformative impacts that GCF has been designed to deliver," added Board Co-Chair Henrik Harboe. "We have some innovative projects which have all satisfied our rigorous review process, including the assessment by the independent Technical Advisory Panel," Harboe said. "The Fund is now truly up and running, and I am confident the Board will go on to scale and fund much bigger projects in the near future, living up to our ambition with the Fund."

The Board also agreed to allocate up to US \$195 million to the future phases of the Energy Efficiency Green Bond Programme in Latin America and the Caribbean, further mobilizing an estimated US\$ 630 million in private investments.

"The energy efficiency green bond is innovative. It demonstrates how capital markets can move mainstream institutional funds into energy efficiency," said Samy Ben-Jaafar, Director of GCF's Private Sector Facility. "If replicated, this approach could unlock the capital necessary to address global financing shortfalls in energy efficiency," he explained.

The Intergovernmental Panel on Climate Change (IPCC) has repeatedly identified the financing shortfall in energy efficiency as being the greatest gap in global climate finance.

The Green Climate Fund has completed the final element of the ambitious work programme targeted by the Board and has now moved to full operation by making its first funding decisions ahead of the UNFCCC Paris climate conference.

With climate finance being a critical element of global climate talks, the approval of the first project proposals marks a major trust-building measure between developing and developed countries. Countries have called for GCF funding to be delivered at scale to finance their Intended Nationally Determined Contribution (INDC) objectives.

"We have come a long way to build the Green Climate Fund capacity completely from scratch over the last two years," said HÉla Cheikhrouhou, Executive Director of the Fund. "I am delighted that we have reached all of the objectives set by the Board for this year, culminating in approving the first full funding applications," she explained. "There are many more projects under development in GCF's pipeline, and we are at last starting to deliver on our mission to advance the global response to climate change."

The Board also welcomed several new members and elected two new Co-Chairs, Mr. Ewen McDonald (Australia) and Mr. Zaheer Fakir (South Africa), for the forthcoming year.

The 12th meeting of the GCF Board will take place in the week of 7 March 2016 at GCF Headquarters in Songdo, Republic of Korea.

The Green Climate Fund, which was set up by 194 governments party to the UN Framework Convention on Climate Change (UNFCCC), was given the mandate to help keep the planet's atmospheric temperature rise below 2 degrees Celsius. The Fund received pledges of approximately USD 10 billion equivalent in 2014, of which more than half have been signed into contribution agreements. It has now started to invest its resources to support developing countries' transition to climate-resilient and low-emission development, enabling the achievement of the United Nations Sustainable Development Goals (SDGs).

Notes to Editors

The implementing entities responsible for partnering with the Green Climate Fund to implement the above projects and programmes are as follows (geographic scope in parentheses):

Peruvian Trust Fund for National Parks and Protected Areas, PROFONANPE (Peru)

United Nations Development Programme, UNDP (International)

Centre de Suivi Ecologique, CSE (Senegal)

Kreditanstalt für Wiederaufbau, KfW (International)

Acumen Fund, Inc., Acumen (Regional)

Inter-American Development Bank, IDB (International)

Asian Development Bank, ADB (International)

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