Overview of Climate Finance
CLIMATE FINANCE

- Finance for MITIGATION & ADAPTATION
- From Public, Private, Alternative, or Blended sources
- Delivered through National, Regional and/or International channels
Global Climate Finance Architecture

The architecture of the funds

Contributor Countries: Australia, Canada, EU, France, UK, Germany, Japan, Norway, US, Denmark, Others

Bilateral Institutions:
- Dedicated climate finance funds and initiatives monitored on CFU
- Implementing agencies

Multilateral Institutions:
- The CIFs are administered by the World Bank
- GEF serves as secretariat for all the non-market UNFCCC funds except the GCF

NOTE: The schematic is indicative and does not capture all climate finance funds and initiatives
The diagram illustrates the financing for climate adaptation and resilience building, categorizing sources into Public Finance, Private Finance/Cooperation & Other, and Capital Markets. It outlines different sources of funding, implementing agencies, and financing mechanisms, including bilateral organizations, multilateral institutions, national implementing entities, and private sector actors. The diagram emphasizes the importance of risk-pooling mechanisms and sources of finance, such as UNFCCC funds, CDM, and GEF. It also highlights the role of official development assistance and “New and Additional” Climate Finance.
FINANCIAL LEVERAGE: PRIVATE - PUBLIC FUNDING SOURCES, WITH GRANTS

Financial Package: Private funds, Public funds, and Technical Assistance
The Green Climate Fund

• UNFCCC financing entity. Operationally effective in 2015.

• National Designated Authorities

• Country no-objection

• Accredited Entities (WB & IFC are accredited entities; along with MDBs, commercial banks, national banks, UN agencies, etc.)

• GCF additional review and due diligence

• Readiness funding available

• Simplified Application Process (SAP >U$10 million)

• Transformational requirement
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<th>Adaptation</th>
<th>Mitigation</th>
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<td>Health, food and water security</td>
<td>Energy generation and access</td>
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<td>Livelihoods of people and communities</td>
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<td>Infrastructure and built environment</td>
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<td>Ecosystems and ecosystem services</td>
<td>Buildings, cities, industries and appliances</td>
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Green Climate Fund Project Cycle

1. The Accredited Entities or the National Designated Authority submit a concept note (voluntary);
2. The AE submit the project proposal to the GCF, in conjunction with a no-objection letter signed by the NDA;
3. The GCF reviews selected sections of the proposal and the Independent Technical Advisory Panel (ITAP) of the Fund undertakes a technical assessment and provides recommendations;
4. Based on the review and the technical assessment, the GCF decides whether or not to approve the funding; and,
5. If the proposal is approved, a Funded Activity Agreement (FAA) is negotiated and signed between the AE and the GCF.