

# Serbia's engagement with the Green Climate Fund

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Developing the capacities of the Republic of Serbia for an effective engagement with the Green Climate Fund - First national multi-stakeholder consultations on the NDA institutional structure and Country Programme development

**13<sup>h</sup> March 2019,**  
**Hotel 88 Rooms, Belgrade**

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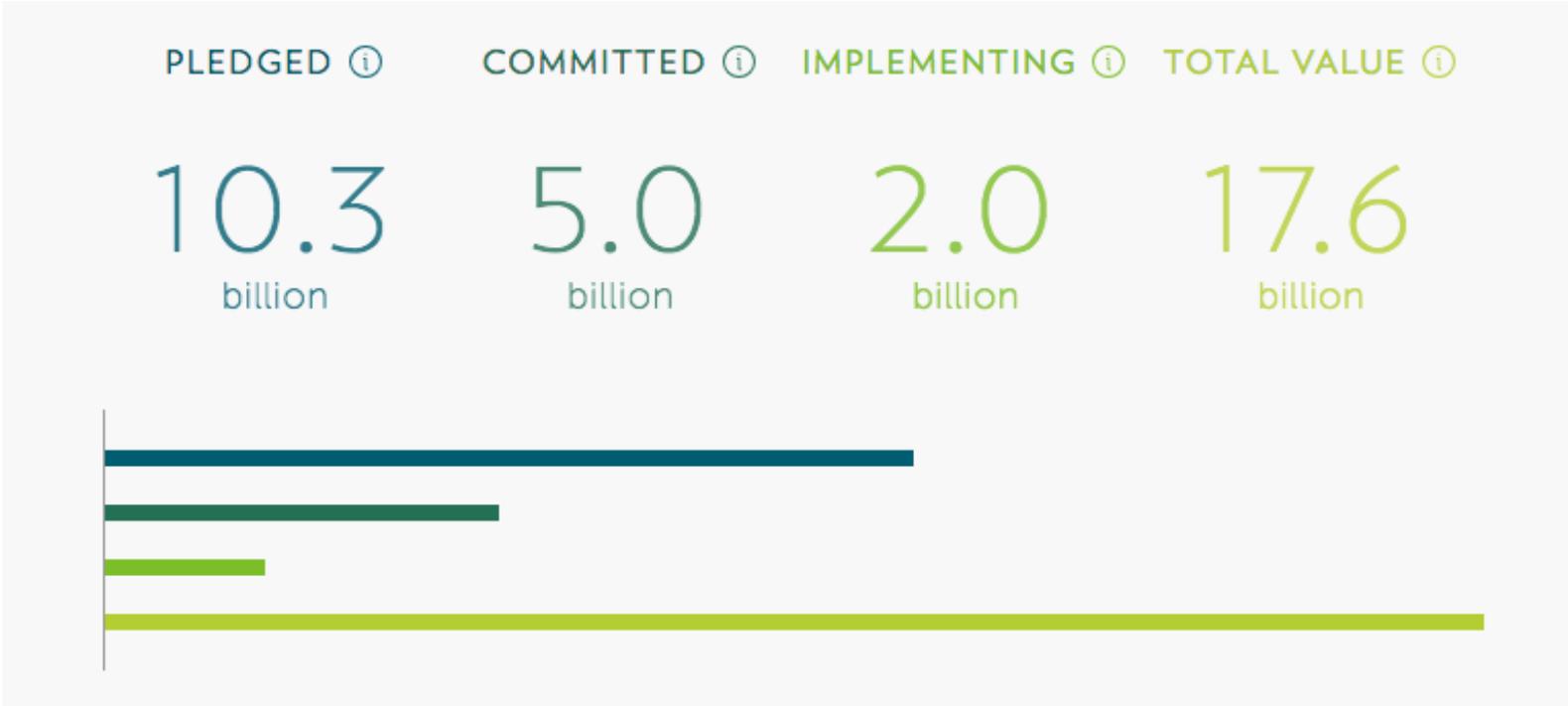
# Understanding the Green Climate Fund



GREEN  
CLIMATE  
FUND

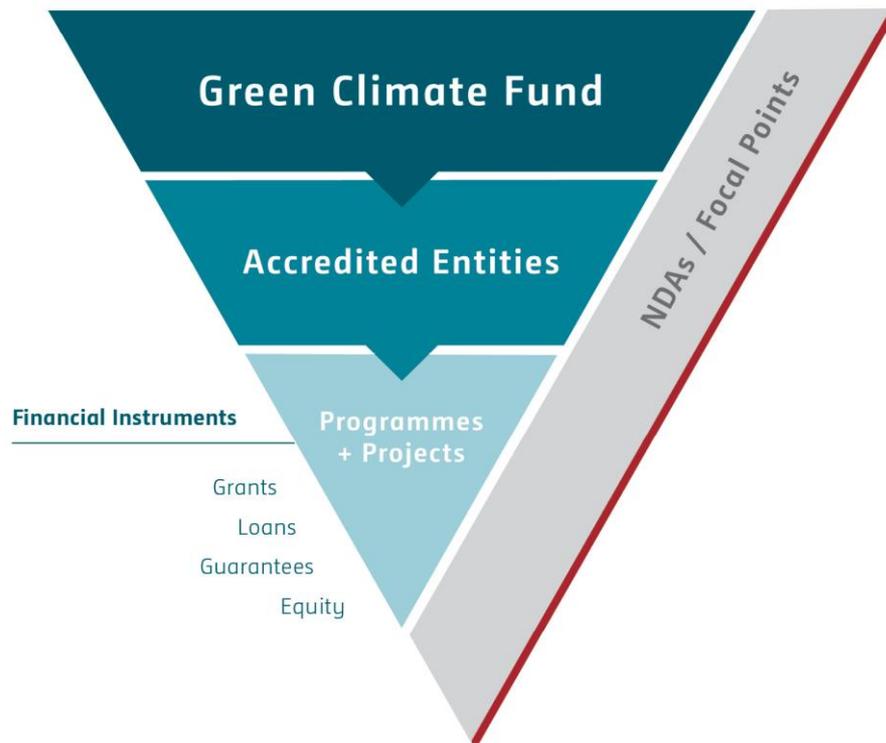
- Centrepiece of long-term finance under UNFCCC
- GCF Vision:
  - Promote a paradigm shift towards low-emission and climate-resilient development
- The Green Climate Fund was **first proposed at COP 15 in Copenhagen, Denmark and** established at COP 16 in Cancun, Mexico in 2010
- GCF is a unique global initiative to respond to climate change by investing into low-emission and climate-resilient development
- GCF was established by **194 governments** to limit or reduce greenhouse gas emissions in developing countries, and to help adapt vulnerable societies to the unavoidable impacts of climate change

# Why is the Green Climate Fund important?



# How does the GCF works?

## GCF Architecture



## Current programmes:

- Readiness and Preparatory Support Programme
- Project Preparation Facility
- Simplified approval Process
- Full projects

# Who is the NDA?

The NDAs are government institutions that serve as the **interface between each country and the GCF** - provide broad strategic oversight of the GCF's activities in the country and communicate the country's priorities for financing low-emission and climate-resilient development.

## Core functions of NDA

- Communicates with the secretariat, facilitates visits and meetings
- Facilitates nomination of NIEs
- Facilitates national stakeholder engagement
- Develop a strategic country work programme that identifies priorities for the Fund and implementing entities/intermediaries.
- Participates in pre-screening of project concepts
- Disseminates operational procedures of the Fund
- Maintains an overview of all proposals
- Ensures country ownership

# Who can become accredited to 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.**
- The entity must **demonstrate compliance with the GCF's fiduciary standards, environmental and social safeguards and gender policy.**
- To apply for accreditation, the entity must have :
  1. **legal status** — full legal capacity to undertake the intended activities
  2. an **institutional system** with robust policies, procedures and guidelines, and
  3. **proven track record** (at least three years), which demonstrates that it implements these policies, procedures and guidelines.

# The GCF Readiness and Preparatory Support Programme

## Strategic Priority:

- Contributing to maximize efficiency and reduce risk
- Reducing the possibility that funding is not well suited to country needs
- Minimum funding of 50% targeting the most vulnerable countries: LDCs, SIDS, Africa
- Capped at USD 1 million per year per country, plus up to USD 3 million per country for the formulation of National Adaptation Plans (NAPs) and/ or other adaptation planning processes.
- Support may be delivered directly through NDAs or Focal Points through a wide range of delivery partners with relevant expertise and experience

Readiness Support provides **early support to countries** -countries should be able to **access and deploy the resources** of the Green Climate Fund

# The GCF Readiness and Preparatory Support Programme

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Programme aims to support five outcomes:

- Strengthening country capacity
- Engaging stakeholders in consultative processes
- Realizing direct access
- Providing access to finance
- Mobilizing the private sector

# The Project Preparation Facility (PPF)

- Established to support project and programme preparation requests from all accredited entities
- Up to **1.5 million** available per request
- Support for PPF requests will be provided through the form of grants and repayable grants while equity may be considered for private sector projects

## Eligible activities:

- Pre-feasibility and feasibility studies, as well as project design;
- Environmental, social and gender studies;
- Risk assessments;
- Identification of programme/project-level indicators;
- Pre-contract services, including the revision of tender documents;
- Advisory services and/or other services to financially structure a proposed activity;
- Other project preparation activities, where necessary, provided that sufficient justification is available.

# The Simplified Approval Process (SAP)

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Launched at COP23

Simplifications are two-fold:

1. The documentation to be provided with the Funding Proposal is reduced;
2. The review and approval processes are streamlined;

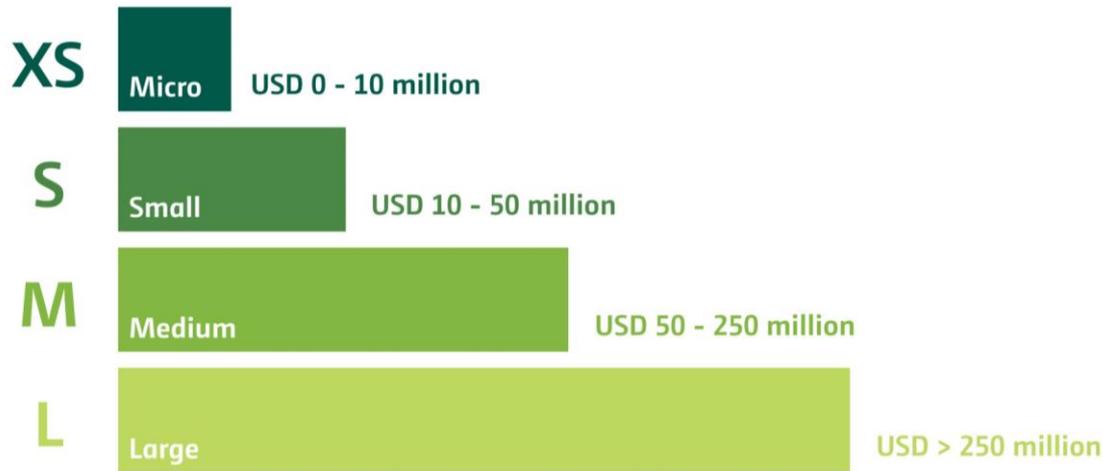
Up to 80 million total budget of the scheme

50% funds set aside for Direct Access Entities

## **SAP requirements:**

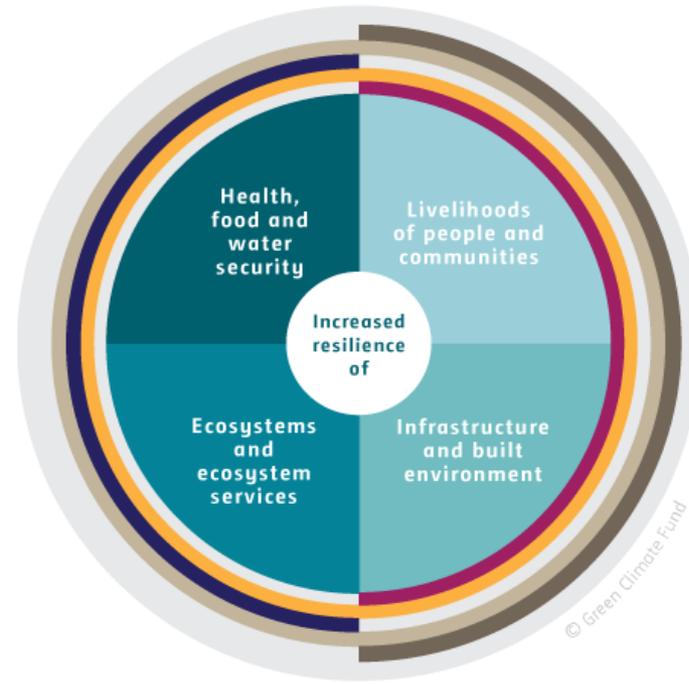
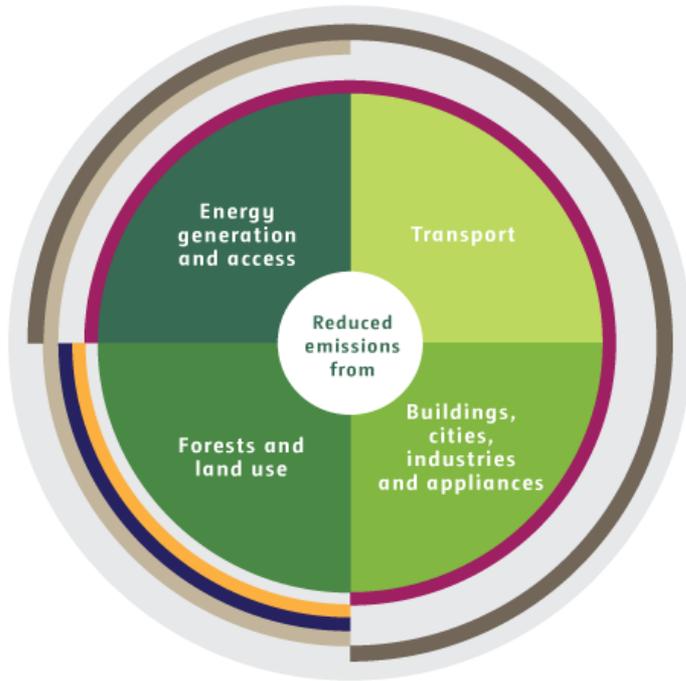
- ready for scaling-up, with a potential for transformation
- requiring a GCF contribution of under USD 10 million
- having minimal environmental and social (ESS) risks and impacts

# Projects - size



102	276m	1.5b
PROJECTS	BENEFICIARIES	TONNES of CO <sub>2</sub>
	Anticipated number of people with increased resilience	Anticipated tonnes of CO <sub>2</sub> equivalent avoided

# Projects – Strategic Impact areas

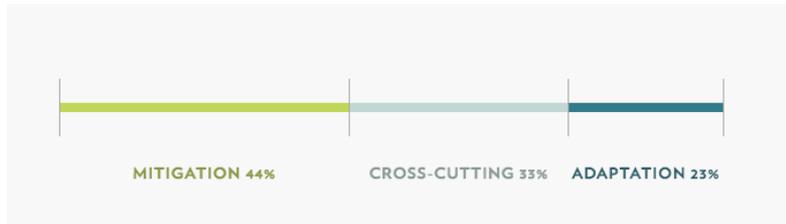


## Projects – GCF investment Criteria

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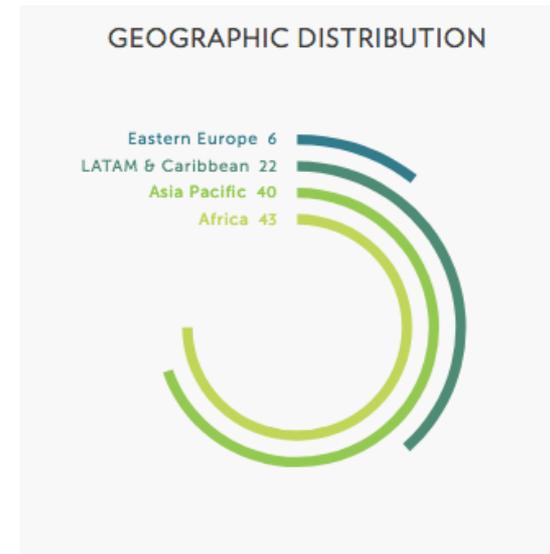
- Impact potential
- Paradigm shift potential
- Sustainable development potential
- Responsive to recipients needs
- Promote country ownership
- Efficiency & effectiveness

# Projects – distribution



## Geographical

## By target



# What can be the role of the private sector?

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GCF can finance private sector projects relating to mitigation and adaptation activities at all levels

GCF uses flexible financial instruments (including debt, equity, and guarantees). It can combine these instruments with concessional funding to promote private sector investing in our core activities by:

- De-risking investments, including foreign exchange and investors' default
- Bundling small projects into portfolios, providing scale and making them attractive to institutional investors
- Supporting capacity building amongst different groups and local institutions
- Helping develop public-private partnerships for infrastructure resilience projects
- Encouraging innovation, for example by overcoming scale problems and fragmentation within the supply chain
- Being active in the clean energy, climate resilience and sustainability communities

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# Developing the capacities of the Republic of Serbia for an effective engagement with the Green Climate Fund

Goal: contribute to strengthening the Serbia's technical and coordination capacities for accessing adequate climate finance for low carbon and resilient development

**Outcome 1:** Strengthening country capacities in relation to the GCF

**Outcome 2:** Engaging stakeholders in consultative processes

**Outcome 3:** Realizing direct access



# Developing the capacities of the Republic of Serbia for an effective engagement with the Green Climate Fund

**Outcome 1:** Strengthening country capacities in relation to the GCF

## Activities:

- Identify an appropriate institutional structure for the NDA/FP
- Create a NDA/FP dissemination mechanism
- Identify, support and strengthen knowledge and capacity of the NDA/FP coordination team
- Establish and implement the no-objection procedure



# Developing the capacities of the Republic of Serbia for an effective engagement with the Green Climate Fund

## **Outcome 2:** Engaging stakeholders in consultative processes

### Activities:

- Prepare a country programme including Serbia's development priorities with respect to the Green Climate Fund, consistent with the country's national environmental, waste management, industrial, agricultural and energy strategies, and the Fund's Initial results management framework;



# Developing the capacities of the Republic of Serbia for an effective engagement with the Green Climate Fund

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## **Outcome 3:** Realizing direct access

### Activities:

- Identify mechanisms to facilitate the communication of nominations of prospective public and private sector entities seeking accreditation with the GCF



# Collaboration with the Ministry of the Environment of the Czech Republic

The Ministry of the Environment of the Czech Republic donated 20,000,000 CZK (around 900,000 USD) to support preparedness of Western Balkan countries to access the Green Climate Fund

Timeline: December 2017 - November 2019

## **Key activities:**

- Prioritization at a regional level;
- Capacity building, including at a regional level;
- Technical assistance for proposal development (national and regional projects)

**Concrete opportunities for the region:**

- Ministerial Conference of Climate Action in the Western Balkans in April 2019;
- Preparation of 3 full project proposals and three SAP or PPF proposals;



Thank you for your attention!

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