

2021 Leaders Summit on Climate

Session 2: Investing in Climate Solutions

Transcript of remarks from Yannick Glemarec, Executive Director of the Green Climate Fund

Special Presidential Advisor on Climate John Kerry:

The GCF has a very big portfolio now of climate projects around the world. How is the fund going to enable developing countries to join in pushing the boundaries of innovation and to blunt the impacts of the climate crisis?

Yannick Glemarec:

Thank you very much Special Envoy for inviting the Green Climate Fund to participate in this special Summit, we feel honoured to be part of it.

Innovation in new technologies, business models and financing instruments is imperative to achieve the goals of the Paris Agreement.

GCF was established to foster a paradigm shift in our fight against climate change. If I may quote your words in a recent event, Secretary Kerry, GCF's mission is to put new ideas to work and scale up existing ideas.

We are an open, country-driven partnership. We work with over 200 national and international partners, including commercial and development banks, civil society organizations, United Nations agencies and private equity funds. This enables us to foster unprecedented coalitions to finance frontier climate investments.

We use a range of financing instruments to meet the needs of developing countries and investors - grant, concessional debt, guarantees and equity. This flexibility lets us pilot new financial structures to create new markets for new climate solutions.

We leverage these capabilities in four ways:

- First, – we have a dedicated grant-funded readiness programme to support developing countries' efforts to incubate novel ideas.
- Second, we pilot innovative ideas to establish a proof of concept. For example, we are providing risk capital to SMEs that are developing off-grid solar and climate-resilient agriculture solutions for vulnerable communities in East Africa. Risk capital is extremely scarce in developing countries, yet it is a pre-condition for innovation.
- Third, often together with partners like the World Bank and the African Development Bank, we crowd-in private finance by serving as an early investor to establish a commercial track record for new climate solutions. As an illustration, we are an anchor investor to mobilize institutional investors for what will be the world's largest seawater-solar power plant in Chile.

- Finally, we strengthen the capacity of domestic financial institutions and entrepreneurs to accelerate the widespread adoption of commercially attractive climate innovation.

Plain vanilla projects are a luxury we cannot afford; we must make every dollar count in the fight against climate change.

