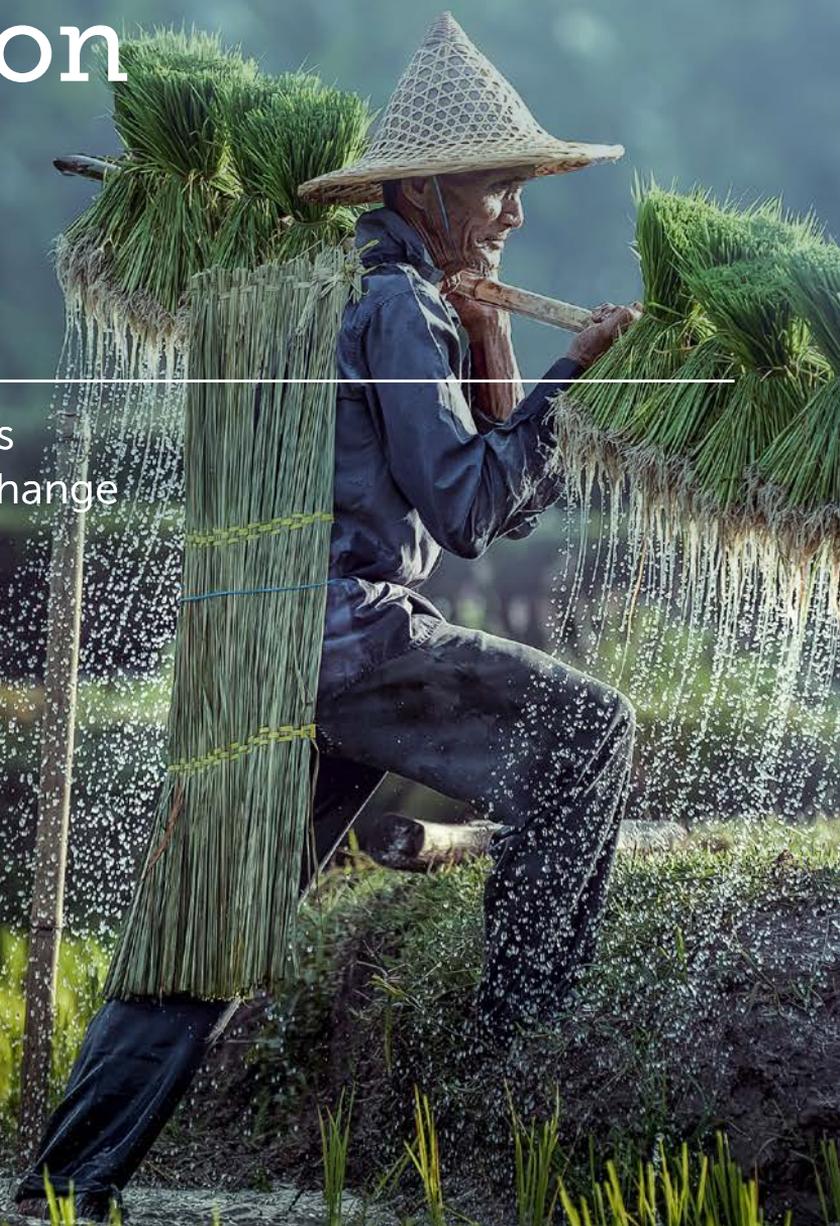

Turning Ambition into Action

How GCF catalyses
transformational change



GREEN
CLIMATE
FUND



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Foreword

Climate change is the most urgent challenge facing the planet. As the UN Secretary-General says, the world needs to respond with more urgency and more ambition and this year is the opportunity to put ourselves on track for success. The UN Climate Action Summit will provide new momentum to tackle the problems, and also to take advantage of the opportunities offered by the transition to a new model of sustainable development. Climate finance is key to these changes in developing countries, and the Green Climate Fund (GCF) has a critical role to play.

GCF is a unique institution. GCF is designed to break down barriers, to scale up ambition, and to empower developing countries to realise their climate ambitions. We are already delivering results. In less than five years, we have built a portfolio of over USD 5 billion across 97 countries, as well as putting in place a Readiness Support Programme that is building capacity, and helping countries to develop long-term plans to fight climate change. GCF is now the world's largest dedicated climate fund, equally committed to supporting countries to adapt to climate change, and to drive the transformation to low emissions economies.

As GCF moves into its first replenishment period we can already see the first results of its transformative investments. GCF is proving a climate innovator, piloting new programmes, scaling up projects, and deploying



Yannick Glémarec,
GCF Executive Director

A handwritten signature in black ink, appearing to be 'Y. Glémarec', written on a light blue background.

its flexible toolkit of financial instruments from targeted grants to concessional loans, equity investments and guarantees. Working together with our huge network of partners, GCF is driving a paradigm shift to low carbon economies and supporting essential action to adapt to the impacts of climate change, particularly in the most vulnerable countries, including SIDS, LDCs, and African States. Our commitment to direct access is channelling finance at a local level, whilst our network of international partners delivers effective, tailored solutions around the world.

You can see the impact of our work reflected in the pages of this publication, which shows how GCF resources are already transforming lives and protecting the planet. GCF has come a long way in just a few years, and we are ready to step up the pace and achieve even more in the years to come. A successful and ambitious replenishment is crucial if we are to help developing countries reach and increase their climate goals and deliver on our ambitious mandate. With the backing of our partners, we are ready to rise to the challenge.



Introducing GCF

The Green Climate Fund (GCF) is the world's largest dedicated fund helping developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change. It was set up by the United Nations Framework Convention on Climate Change (UNFCCC) in 2010. GCF has a crucial role in serving the Paris Agreement, supporting the goal of keeping average global temperature rise well below 2 degrees C. It does this by channelling climate finance to developing countries, which have joined other nations in committing to climate action.

GCF finances are now driving catalytic change in 97 countries with a portfolio of USD 5 billion that is leveraging a total of USD 17.6 billion in investment. This equates to an anticipated 1.5 billion tonnes of CO₂ equivalent avoided and 276 million people benefiting from increased climate resilience.

In October 2018, GCF began its first replenishment. GCF's activities to date have been based on its initial resource mobilization in 2014. USD 10.3 billion was pledged from 46 countries and regions (including nine developing countries) and the city of Paris, and around USD 7 billion has been received to date. GCF is well on-track to allocate all these funds for climate adaptation and mitigation, and is ready to seek replenishment so it can achieve even more.

This publication provides a snapshot of GCF progress to date. Since starting to build its portfolio in 2015, GCF has taken great strides forward, and achieved results:

- [Contributing to global climate ambition](#)
- [Part of the green energy transition](#)
- [Helping people and planet adapt to climate change](#)
- [Strengthening our 84 partners for greater impact](#)
- [Creating a country driven model](#)
- [Catalysing private investment](#)
- [A fully operational Fund](#)

The following pages illustrate how far we have come, and indicate our ambition for the future.

FUNDED ACTIVITIES

102

USD 5.0 billion

Projects approved

51

USD 2.2 billion

Projects under implementation

97

Countries



38 projects in Least Developed Countries (LDCs)

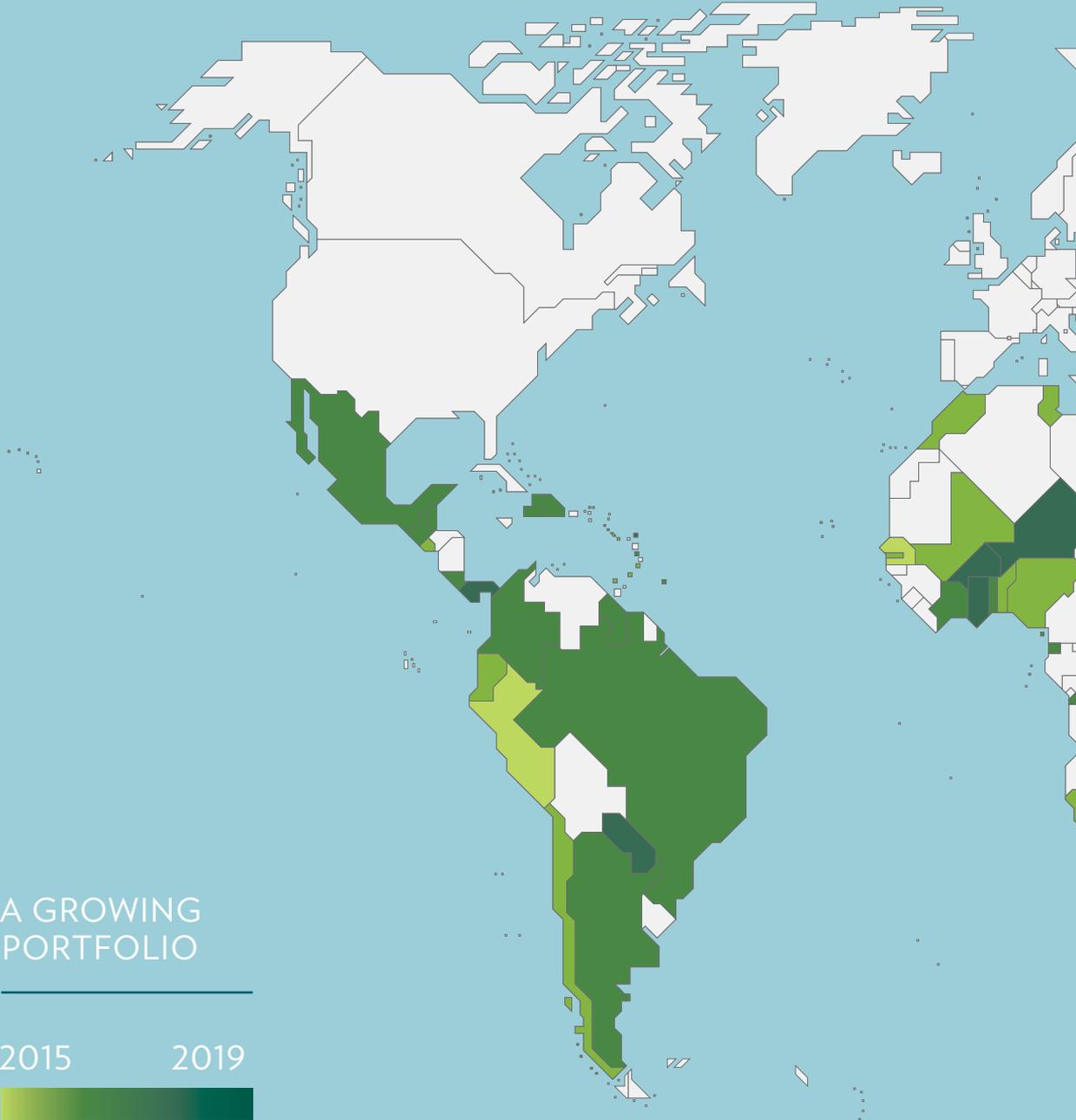
22 projects in Small Island Developing States (SIDS)

43 projects in African States

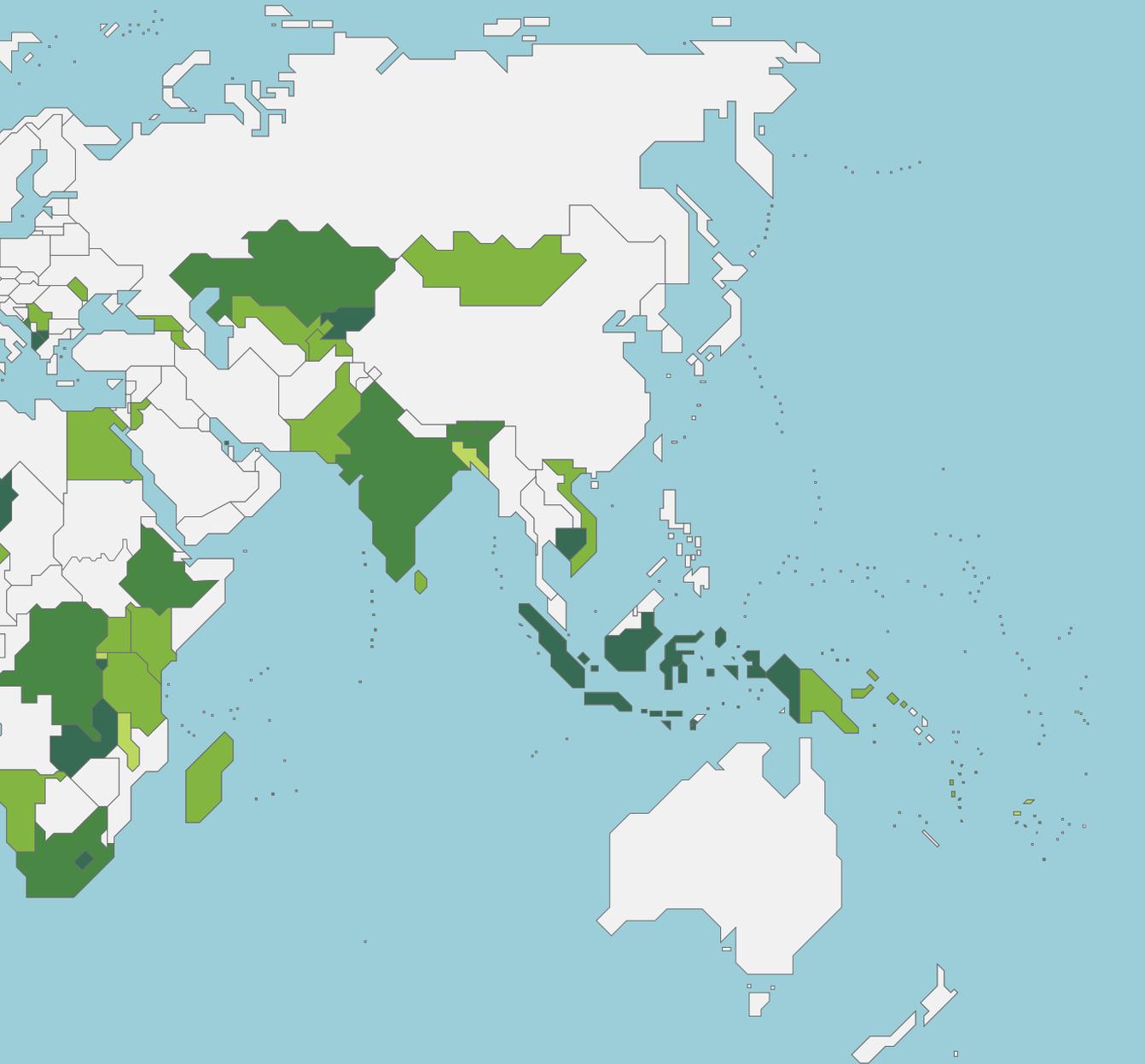


Contributing to global climate ambition

USD 5.0 billion allocation of climate finance has been focused on countries most in need. These include 38 Least Developed Countries, 22 Small Island Developing States, and 43 African states.



GCF will continue to balance its climate finance support between mitigation and adaptation. This includes directing half of its adaptation allocation to particularly vulnerable countries, including Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States. GCF support is linked closely to global goals as it helps developing countries achieve their Nationally Determined Contributions (NDCs), which chart national mitigation and adaptation targets under the Paris Agreement.



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by GCF.

Replenishing the GCF will allow it to continue playing a critical role in supporting developing countries shift to a low-emission and climate-resilient path.

Patricia Espinosa,
UNFCCC Executive Secretary



Part of the green energy transition

GCF mitigation programmes have combined concessional finance with policy support and USD 1.8 billion in investment in renewable energy and energy efficiency around the world.

The need to reduce the emissions intensity of energy production is pressing. The International Energy Agency predicts a rapidly urbanising world will require a 30 percent expansion of current energy demand within a little over 20 years – equivalent to adding the power needs of another Shanghai every four months. Now is the time when emerging economies need to leapfrog from an outdated reliance on fossil fuels to establish new sources of sustainable power and enhance the efficiency of the way they use energy.

The cost of renewable energy and energy efficiency is falling fast, but initial investment sources to kickstart new renewable and energy efficiency markets are often missing in developing countries. GCF mitigation programmes have combined concessional finance with policy support and USD 2.2 billion in investment in renewable energy and energy efficiency around the world.

CRUCIAL TIME TO INVEST IN EMISSIONS REDUCTION

The 2018 New Climate Economy report projects that in the next 10 to 15 years around USD 90 trillion will be invested in infrastructure in the world's urban, land use and energy sectors. This makes it clear that efforts to forge inclusive, low-emissions and resilient pathways must be ramped up.

GCF is working with developing countries in all these sectors to reduce emissions. This includes its strategic support to nurture burgeoning markets in clean energy.

BOOSTING ENERGY ACCESS IN MALI WITH SOLAR MINI-GRIDS

In Mali, over 80 percent of the population in the rural areas do not have access to electricity, while those with access are receiving most of it from fossil fuel sources. In February 2019, the GCF Board approved the Mali solar rural electrification project to improve energy access and tap the immense solar potential in the country. Working together with the West African Development Bank (BOAD), GCF will be investing EUR 46.2 million to fund the installation of 4.83 megawatts of solar PV mini-grid systems in 50 communities.

The first stage of the project will provide access to clean energy to 28,300 new households, reducing 821,000 tonnes of CO₂ equivalent over the project's lifespan. It will also help reduce the demand for electricity generated by highly emitting sources, such as diesel generators, kerosene lamps, and paraffin candles. In addition, this project will strengthen the capacity of public institutions engaged in rural electrification and will catalyse the development of an efficient solar market that will enable Mali to meet its renewable energy and greenhouse gas reduction targets.



The Green Climate Fund is the single most significant commitment of the international community to this idea that climate is only something that we can address together. Put against this backdrop, GCF is the most catalytic, the most strategic, and the most pre-conditional for us to be able to move forward with the NDCs [and] the climate strategies. GCF is also the most progressive instrument in international climate finance that allows us to leverage grants, non-grants, public-private finance, all sorts of configurations tailor-made to the realities of very different countries.

Achim Steiner,
Administrator, United Nations Development Programme (UNDP)

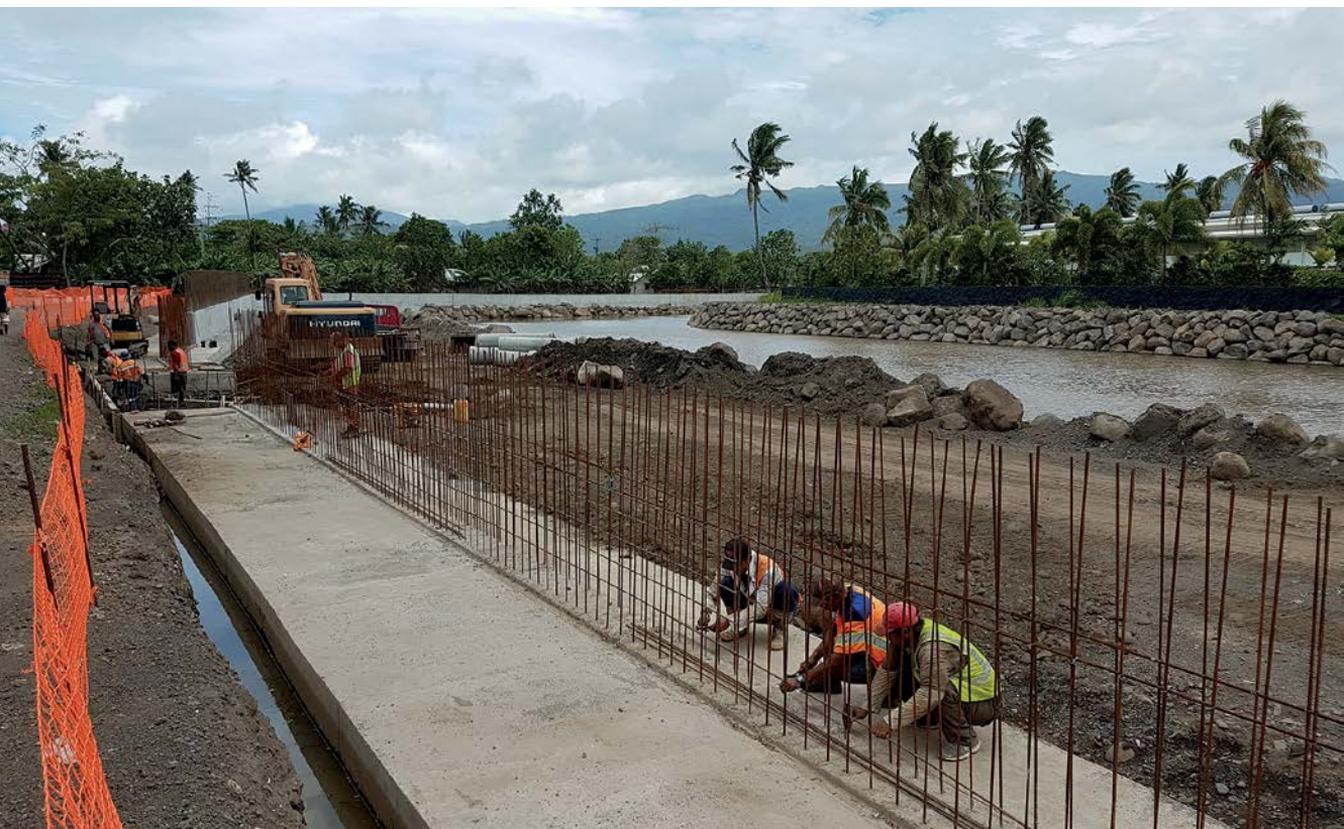


Helping people and planet adapt to climate change

GCF's commitment to dedicate 50 percent of its portfolio to adaptation has included climate investments in areas such as ecosystems, forests, agriculture, water security, and early warning systems. These measures protect communities and enhance sustainability.

ADAPTING TO A NEW CLIMATE

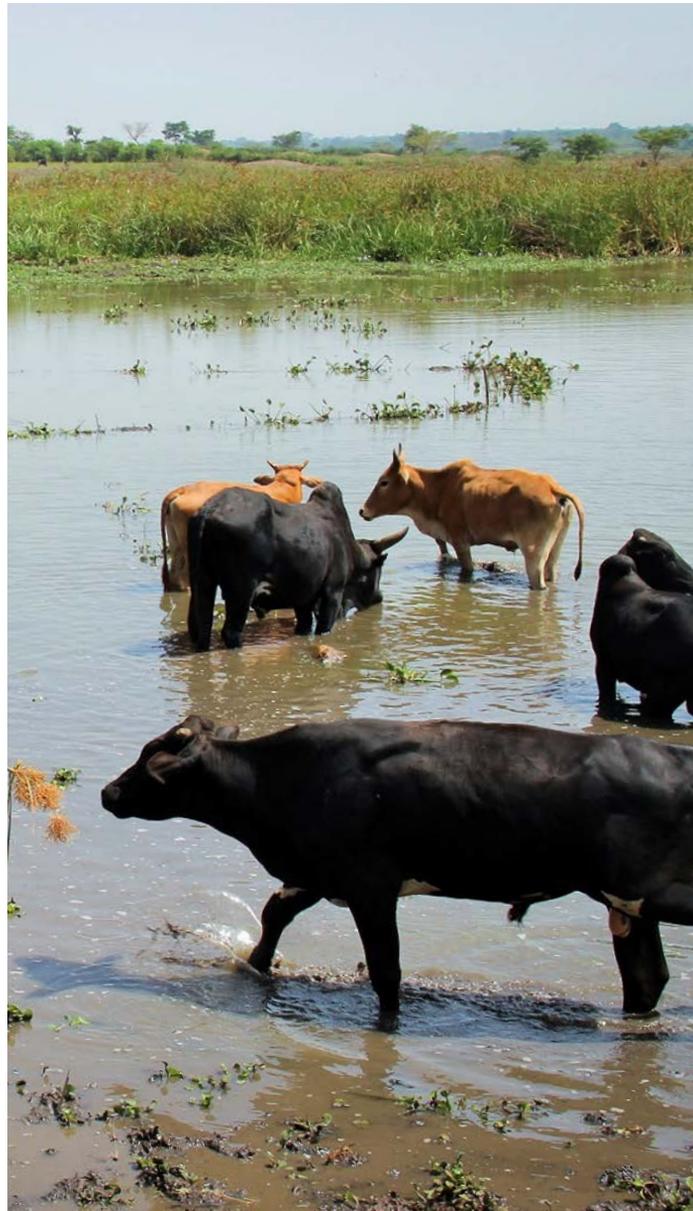
Damaging climate effects are becoming increasingly evident. In addition to the immediately apparent devastation of hurricanes, climate effects also come in more slow-moving but equally destructive forms. Climate-driven drought threatens billions of people living on farmland that is deteriorating and producing less food, and health risks related to climate change are already rising. While climate impacts manifest in many forms, they share a common aspect – they highlight the need to take preventative action.



RESTORING UGANDA'S WETLANDS FOR A SUSTAINABLE FUTURE

Wetlands are an important natural buffer in mitigating, forestalling, and adapting to climate change. They make up 11 percent of Uganda's land area and are vital to protecting the country's water resources and sustaining agricultural productivity. An estimated four million people living adjacent to wetland areas in Uganda rely on them for food and work. However, the country has lost over 30 percent of its wetlands due to encroachment, overexploitation, degradation, and the impacts of climate change over the last 15 years. This has negatively affected fisheries and resulted in increased flooding, accompanied by damage to infrastructure, reduced productivity, and silting of water bodies.

In order to prevent the further degradation of the country's wetland areas, GCF is providing a USD 24.1 million grant out of a USD 44.3 million total investment to support the Government of Uganda's project to restore at least 760 m² of degraded wetlands and associated catchments. Working with UNDP, the project also targets to improve the lives of at least 500,000 people living in 20 districts in the eastern and south western areas of Uganda which have experienced the highest levels of wetland degradation and climate change impacts. Another dimension of the project aims to strengthen the resilience of smallholder farmers by providing them with improved agricultural practices, alternative livelihood options in the wetland catchment areas, and access to decentralized climate and early warning systems.

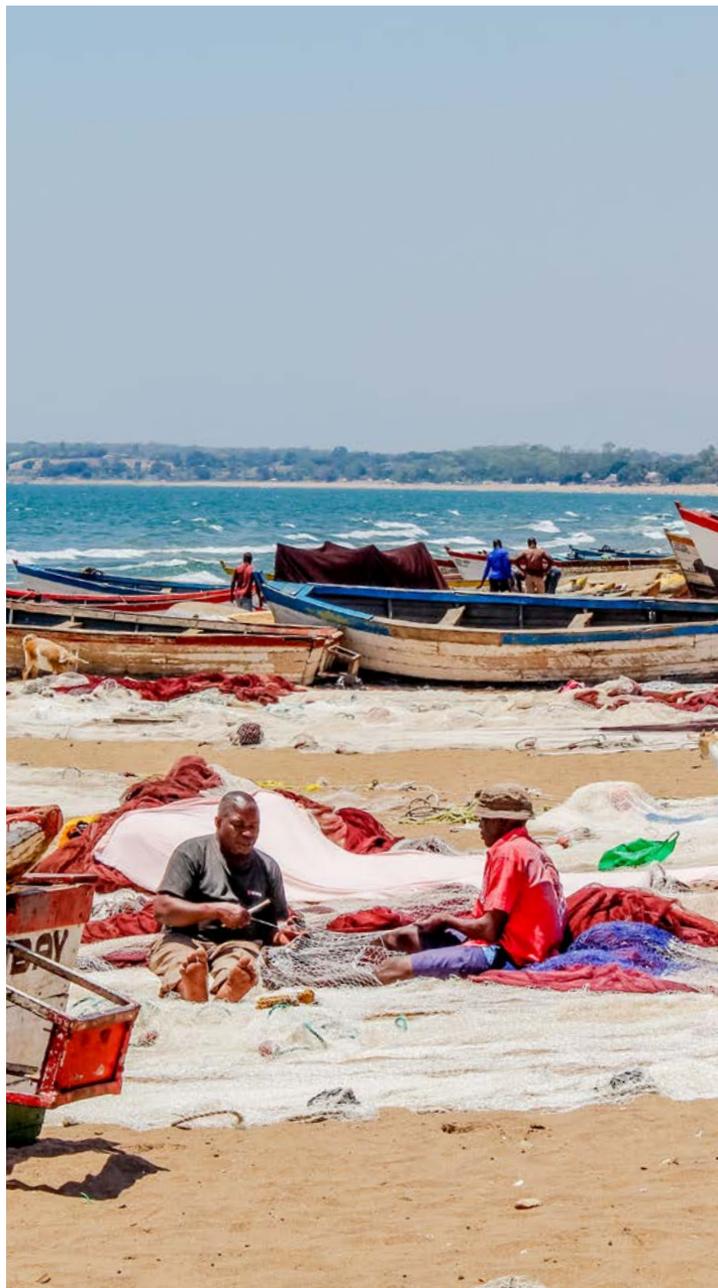


PROTECTING VULNERABLE COMMUNITIES IN MALAWI WITH CLIMATE INFORMATION AND EARLY WARNING SYSTEMS

Malawi faces more intense and frequent climate-related disasters including floods, droughts, and extreme weather events that threaten losses of life, assets, and food security. Vulnerability to climate change impacts is high, with shifts in the rainfall season, longer dry seasons, and reductions in the growing season already occurring. With 85 percent of the population living in rural areas, and over half in poverty, protecting rural farmers is a clear priority.

GCF provided a USD 12 million grant to help improve early warning weather and climate information systems to protect vulnerable communities in Malawi. The project, implemented by UNDP, will expand the meteorological network, install automatic weather stations, hydrological monitoring stations, and lake-based weather buoys. The resulting information will be better disseminated through mobile, ICT, and radio channels targeting vulnerable farming communities, as well as fishing communities around Lake Malawi. The private sector, including telecoms and micro and small enterprises, will be engaged as part of the project.

People need to know what to do with this enhanced weather information, and the project will work with affected communities to undertake awareness raising and risk reduction in flood disaster prone areas. The capacity of local communities, district councils, and national agencies to respond to emergencies will be strengthened through training and improved emergency services. Overall, it is expected that over 2.1 million people will benefit from increased resilience.



MERGING MITIGATION AND ADAPTATION BENEFITS

Climate action can provide joint benefits. Measures that reduce emissions can also enhance the resilience of societies to withstand the impacts of a changing climate. A number of GCF's cross-cutting projects boost efforts to increase mitigation and enhance adaptation together. Its work in forests provides a prime example.

AMAZON EFFORTS TO KEEP TREES STANDING

Forests are often under-served by climate finance. GCF support for forest protection is boosting adaptive capacities and capitalising on the ability of trees to store carbon naturally. This support is also helping reverse a deforestation trend, which last year impacted an area of tropical tree cover the size of Bangladesh. GCF has approved 12 forest-based projects, totalling USD 418 million. The recent launch of its REDD+ results-based payments pilot programme means it is the only funding mechanism which supports all three phases of REDD+. These cover the readiness phase, the implementation of national strategies and results-based demonstration activities, and results-based actions.

GCF is financing projects in Ecuador and Brazil to help protect the Amazon - the planet's largest rainforest. In Ecuador, GCF is working with UNDP on a REDD+ initiative aimed at helping the country achieve a goal of net zero deforestation by 2020.

In Brazil, GCF approved its first REDD+ results-based payment as a financial incentive to protect forests. The Fund will pay Brazil USD 96.5 million to keep Amazon forests standing in 2014 and 2015, demonstrating that the concept of REDD+ is starting to pay off for countries stepping up efforts to halt deforestation.

Brazil will reinvest the funds for REDD+ activities included under its NDC as a signatory to the Paris Agreement. These activities, planned by the Brazilian Government together with GCF project partner UNDP, include financially rewarding farmers, and indigenous and traditional communities for conserving and restoring native vegetation. They will also include measures to prevent illegal deforestation.

“Despite its large mitigation potential, forest protection currently receives less than 2 percent of climate finance.”

Frances Seymour,
a well-known forest expert at the World Resources Institute

There is a gap between what is required and what is available, so a blended finance approach is needed, combining public and private sources of funding. GCF is in a unique position to bring the private sector in climate projects.

Aiyaz Sayed-Khaiyum,
Attorney-General and Minister for Economy, Fiji



Strengthening our 84 partners for greater impact

GCF relies on its expanding network of partners to deliver results across the spectrum of climate action to promote low-carbon and climate-resilient paths. GCF draws upon the global reach of its international Accredited Entities and the specialized knowledge of its Direct Access Accredited Entities to translate innovative climate action ideas into projects on the ground. International Accredited Entities include multilateral development banks that have already established strong records in promoting the growth of developing countries. Also, in order to strengthen the climate rationale in sustainable development activities, GCF is collaborating closely with a number of UN agencies. Direct Access Accredited Entities include sub-national, national or regional organisations with strong grassroots links to local innovation.

GCF's Accredited Entities, currently numbering 84, include a broad range of representation from the public, private, and non-profit sectors – highlighting that the breadth of expertise and capacities are key to driving climate action.

The commonality among these organisations is their ability to develop climate finance proposals along with the capacities to implement them. They must also meet GCF standards of responsible climate finance based on financial standards, environmental and social safeguards, and gender. In addition to GCF's regular funding cycle, its Readiness Programme helps to upgrade the capacities of local organisations to submit and implement climate finance proposals.

DIRECT ACCESS



PRIVATE SECTOR



INTERNATIONAL ACCESS



Through our contribution to the Green Climate Fund, we are sending a strong signal that we are standing together. This is well-invested money, because it will help to foster climate-friendly solutions worldwide. We will encourage other industrialised countries to make similar pledges, and we will seek to get emerging economies to join the effort.

Svenja Schulze,
Federal Minister for the Environment,
Nature Conservation and Nuclear Safety, Germany



Creating a country driven model

National priorities are the corner stone of GCF support to developing countries. This includes building their capacity to deliver on their climate ambitions.

Every country in the world is impacted by climate change. The Paris Agreement shows that countries are ready to work together in response. But the targets, priorities, and responses need to be determined by each country. GCF has built this principle of country ownership into all its activities to ensure that climate solutions are implemented according to priorities set by the countries themselves. A defining feature of GCF's country driven principle is its Readiness Programme, which provides grants and technical assistance to developing countries to improve their ability to prioritise and programme climate action, and to enhance access to climate finance from GCF and other sources.

READINESS AND PREPARATORY SUPPORT PROGRAMME

260

Readiness grants approved



150

USD million committed



125

Countries given access



STRENGTHENING CARIBBEAN SIDS' RESILIENCE

The wild weather which smashed into the Caribbean during September 2017 showed Small Island Developing States (SIDS) in this region face a whole new sense of urgency in dealing with a warmer world. Hurricanes Irma and Maria caused deaths, crippled economies and brought home the immediacy of the need to strengthen Caribbean SIDS' preparation for climate change.

GCF is working closely with its partners in the Caribbean to help them prepare both for the destructive effects of extreme weather events and the slower onset of climate effects. A GCF project under implementation in Barbados is financing the Caribbean Community Climate Change Centre, a GCF direct access Accredited Entity, to strengthen the resilience of SIDS' water resources.

While Barbados is surrounded by sea and only 23 km wide, the onset of climate change means water scarcity has become an increasingly daunting problem. The expected increase of tropical storms and hurricanes, along with sea level rise, represent an increasing risk to the country's groundwater resources.

GCF is providing USD 26.6 million in grant funding for this project, which will mobilise an additional USD 17.6 million in co-financing. This includes installing solar-powered pumping stations that will both improve resilience to storms and reduce the carbon footprint of the Barbados Water Authority – the country's largest energy client. The project will also reduce water losses and reduce disruptions to the national water supply.

The Barbados project is expected to act as a model for other regional countries facing similar water scarcity challenges. GCF currently has seven projects in the Caribbean strengthening climate resilience and the transition to low emissions development, with a total GCF investment of USD 456.7 million.





Catalysing private investment

This is done by using GCF resources to unlock new markets, crowd-in investors, and overcome barriers to private sector climate investment.

TAPPING THE POWER OF THE PRIVATE SECTOR

The sheer scale of the climate challenge means that even though GCF is the largest international climate finance fund, it cannot hope to match the vast levels of financial resources available in the private sector. Combating climate change will require the global flow of private sector investment to align with low emission, climate-resilient pathways. A key GCF feature is its ability to partner with the business world to mobilise institutional investors at scale to fund climate action, and to encourage local private sectors in developing countries to deliver climate solutions. GCF is continuing to search for innovative ways to help businesses combine profits with planetary protection, and half of its portfolio is managed by its Private Sector Facility.



SUPPORTING MONGOLIA'S AMBITION TO PURSUE A LOW-EMISSION FUTURE

Mongolia's Green Development Policy stipulates that renewables should account for 20 percent of its power by 2020 and 30 percent by 2030. GCF is supporting the country's energy transition by providing low-interest loans that help Mongolia's private sector overcome initial investor wariness about diving into the renewable and energy efficiency sectors.

Built in less than a year since its funding proposal was approved by the GCF Board, the Sumber Solar Plant is the first completed solar power plant financed by GCF. It is also the first solar plant funded by a local Mongolian bank. Xacbank's ability to invest in the construction of the solar plant was buoyed by GCF's capacity to plug the financial risk gap for initial renewable investment. GCF provided a long-term, concessional loan of USD 8.7 million of the USD 17.6 million total project investment. The plant represents 20 percent of the country's solar power and provides clean energy to 22,000 families.



BRINGING THE PRIVATE SECTOR INTO AGRICULTURE ADAPTATION

Whilst the vast majority of private sector climate investments currently focus on clean energy, there is a huge potential to engage the local private sectors in different countries to build climate resilience. GCF is making an equity investment of USD 23 million in the Acumen Resilient Agriculture Fund to transform the pattern of investment in adaptation within developing countries. This is designed to supplement grant-based adaptation interventions with investment through blended finance. This project supports innovative private sector entrepreneurs offering financial services to smallholder farmers, helping them to access the finance needed to build climate resilience. It covers Ghana, Nigeria and Uganda.





A fully operational Fund with the standards and systems for effective and efficient operations

SAFEGUARDS

GCF ensures that the climate finance it allocates does not harm local communities or ecosystems. GCF standards include equitably managing environmental and social risks in relation to its activities, as well as implementing an Indigenous People's Policy to reflect the importance of fully and effectively engaging with indigenous peoples in the design, development and implementation of the strategies and activities to be financed by GCF, while respecting their rights. GCF is also the first climate finance mechanism to mainstream gender perspectives from the outset of its operations as an essential decision-making element for the deployment of its resources.





OPERATIONS

GCF's Secretariat, based in Songdo, Republic of Korea, ensures that high quality proposals are brought to the Board for consideration, and that all its activities are undertaken efficiently and effectively. Its international staff are drawn from over 60 countries, all dedicated to enhancing access to GCF while ensuring that resources are properly allocated for maximum climate impact. The Fund's Independent Evaluation Unit provides another mechanism to evaluate the impact of activities and recommend improvements. GCF's financial resources are stewarded by the World Bank, as its trustee.

Looking to the future

The latest report by the Intergovernmental Panel on Climate Change warns us that the world is not on track to achieve the Paris Agreement. Urgent and accelerated climate action is needed to avoid the irreversible and devastating consequences of a warming planet. The next few years will determine our growth and future.

UN Environment has further alerted us to the dangers of inaction as CO₂ emissions increased in 2017 after levelling off for three years. 2018 was another year of extreme weather events, according to the World Meteorological Organisation. Now, more than ever, the world needs to come together to save the planet and people. Hence, the clarion call for ambitious, urgent, unprecedented action.

Set against this background, the GCF replenishment is a unique opportunity to reinforce global solidarity and partnerships for countries and communities most at risk from the disastrous effects of climate change. An ambitious and successful replenishment is crucial to accelerate the speed, scale and impact of climate action, focusing on countries most in need. It is also a vital stepping stone towards the mobilisation of USD 100 billion a year by 2020.

Based on past experience and its comparative advantage, GCF is ready to consolidate achievements, drive innovation and catalyse breakthroughs that promote low-carbon and climate-resilient paths. GCF will continue to work closely with its global network of partners to enhance its strategic outcomes and operational delivery to match the scale and urgency of ambitious climate action.

The GCF replenishment now underway comprises two consultations and a pledging conference planned for the end of 2019. Since the Board decided on the first replenishment in October 2018, a series of developments have set a good momentum in the lead up to COP24. The initial organizational meeting for replenishment held in Bonn set the foundations for the replenishment meetings, whilst the first consultation meeting in Oslo in April 2019 showed the strong support of contributors that will be critical to success.

The UN Secretary General has made it clear that he sees GCF's replenishment as an essential part of the UN Climate Summit that will take place in September, and expects world leaders to step up. Germany and Norway have already led the way, each promising to double the contributions they made to GCF to date.

An ambitious replenishment roadmap that harnesses global leadership, capitalises on global milestones and reinforces partnerships with governments, civil society, business and other organisations is critical. The global landscape has shifted dramatically since GCF was established in 2010. GCF has made a successful start and is poised towards an ambitious future. A strong GCF is vital to global efforts to win the race on climate change that leaves no one behind.

- For updates on GCF's replenishment visit: www.greenclimate.fund/replenishment



