



Supporting Developing Country Financial Institutions

to Access the Green Climate Fund



Photo credit: CGIAR Research Program on Dryland Systems

GCF Asia Structured Regional Dialogue, Bali, April 2017



The Green Climate Fund



- **Finance is critical** to support the transition to a low carbon and climate resilient economy.
 - The **Green Climate Fund** can play a catalytic role in mobilizing financial institutions in developing countries, public and private, to enable and drive climate-compatible growth.
 - Currently **low number of accredited financial intermediaries from developing countries** due to capacity and awareness limitations.
- > UN Environment, with support by the GCF, aims at addressing this with a new initiative supporting financial institutions.
- > **to assist more developing countries directly access the GCF**

Programme to support direct access of financial institutions

Help developing countries **directly access the GCF through their financial institutions** by:

- Raising financial institutions' **awareness and knowledge** about the GCF
- Raising financial institutions' **know-how** on financing mitigation and adaptation
- Helping financial institutions become **accredited** by the GCF
- Supporting financial institutions in the development of **funding proposals** for direct access to GCF funding



Country ownership

Collaboration with NDAs is key

- Help NDAs include FI-related aspects into their **GCF country strategic frameworks**
- **Support NDAs in the process of nominating FIs** for GCF accreditation
- **Support NDAs in identifying and prioritising funding proposals** that align national climate change priorities with what financial institutions can offer





UNEP
FINANCE
INITIATIVE



Support component 0 (global)



Capacity building activities to
approx. 200 financial institutions

- Raise awareness of needs and low carbon and adaptation opportunities
- Guidance on engaging with NDAs and how to work with GCF
- Equip FI executives with know-how required to develop corresponding financial products



Support component 1 (in-country)

Support component 2 (in-country)

Technical assistance to **20 National Designated Authorities**

- Support the NDA in the **identification of NIE candidates** from national or sub-national commercial financial institutions

Technical assistance to **20 financial institutions**

- Support the priority entity in the **accreditation process**: self assessment, identification of capacity gaps and capacity support; preparation of accreditation application



Support component 3 (in-country)

Technical assistance and targeted grant support to **20 financial institutions**

- **Identification and removal of barriers** to concrete financial products
- Assistance to **prepare, develop and pilot** ensuing financial product

Support component 4 (in-country)

Technical assistance and targeted grant support to **20 financial institutions**

- Assist to **develop and submit direct access proposals** to GCF

1. UN Environment has an extensive track record of effectively engaging with, and mobilizing, the finance sector:



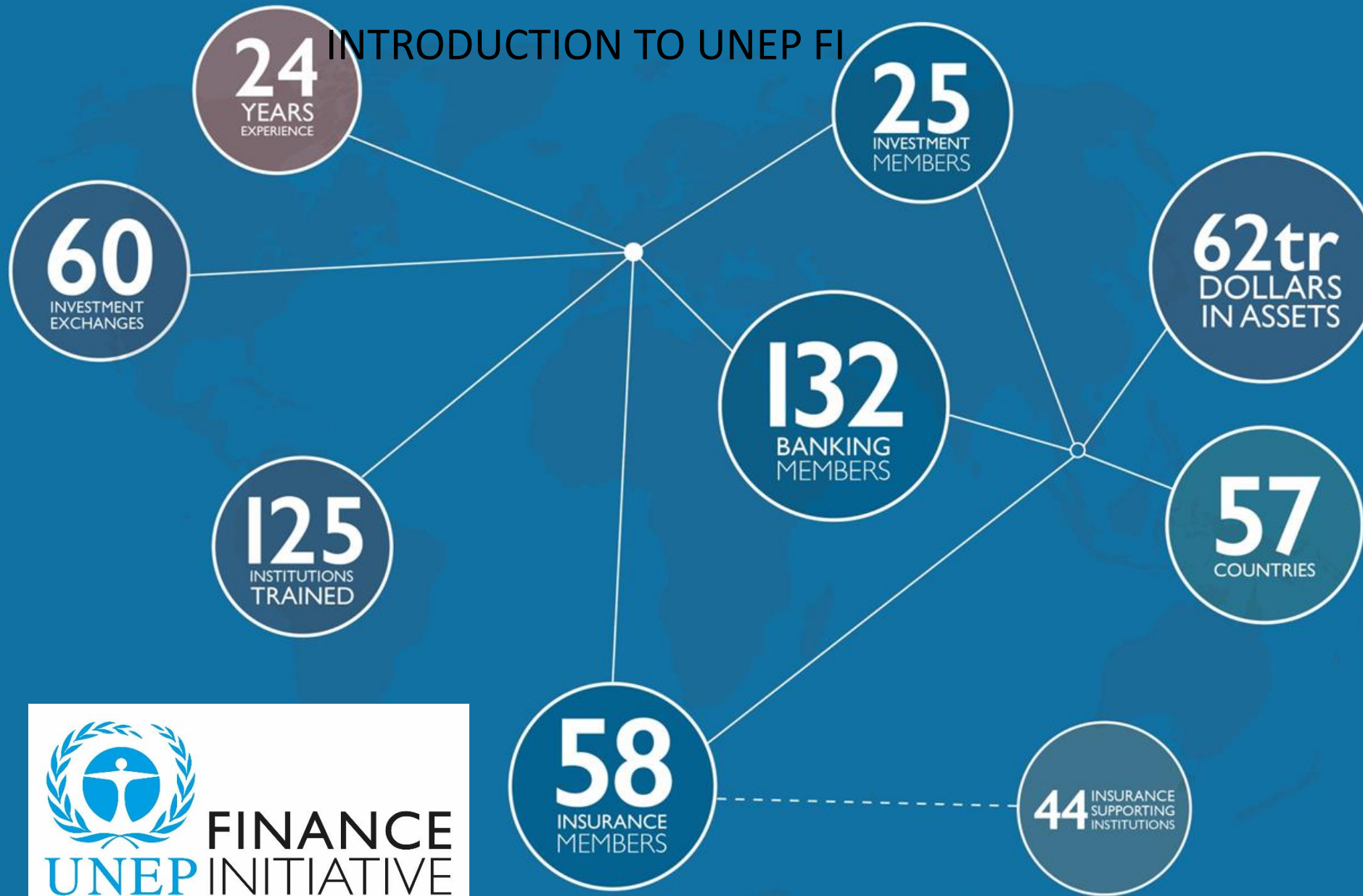
UNEP FI: a UNEP-run **network of 220 banks, insurers and investors** worldwide, has had catalytic impact on how environmental and social issues are addressed in financial markets

With buy-in from industry and stakeholders, UNEP FI has:

- Created **normative frameworks** of global reach
- Facilitated **voluntary industry regulation** in a number of countries
- Created environmental **disclosure standards** for FIs, and
- Mobilized vast **industry commitments**



INTRODUCTION TO UNEP FI



FINANCE
UNEP INITIATIVE

in a nutshell



FINANCE
INITIATIVE

for example, convenes 131 banks worldwide

- To compile and convey their views on policy needs, for climate investments in developing countries
- To catalyse development of new financial products and services
- To foster financial relationships with green entrepreneurs



ICBC 中国工商银行 SHINHAN BANK

Bank of America Standard Bank
Also trading as Stanbic Bank

Banco General Deutsche Bank

YES BANK HSBC

ING

Grupo Bancolombia

Itaú

BMCE BANK

Mitsubishi UFJ Trust and Banking

SOCIETE GENERALE

GROUP

access



FINANCE is, for example, working with insurers to
UNEP INITIATIVE

- Jointly with city leaders, private sector and experts prototype solutions to major infrastructure and resilience challenges in African cities
- Generate bankable and insurable infrastructure projects
- Collaborate to lower risk and increase shared value
- Lay the foundations for a city-friendly African finance and insurance hub to reduce risk across Africa's urban infrastructure landscape
- A **collaborative project** led by Santam, PSI, ICLEI, ClimateWise, Global Infrastructure Basel, Marsh, MunichRe and Sanlam





UNEP FI, has a thorough training offer for financial executives:

- With a variety of customizable channels including in-country seminars, and online training
- With two specialized courses:
 1. Environmental & social risk management
 - ✓ *98 courses held in English, Spanish and French until 2016*
 - ✓ *Over 2000 executives trained*
 2. Climate change: risks and opportunities
 - ✓ *12 online programs carried out with a total of 735 participants from 86 countries since 2007*



2. UN Environment supports a scaling-up of investment in energy efficient and renewable energy technologies

Supporting Countries

Readiness to Access International Climate Finance

- ✓ Green Climate Fund
- ✓ NAMA Finance
- ✓ Carbon Finance

Engaging financial sector

Addressing Investment Barriers

- ✓ Sharing costs of innovation
- ✓ Reducing risks
- ✓ Multi-stakeholder engagement
- ✓ Using public finance to leverage private investment





UNEP
FINANCE
INITIATIVE



CONTEXT / PROGRAMME COMPONENTS / WHY UN ENVIRONMENT?

UN Environment / UNDP / WRI GCF Readiness Programme

- Coordinated by UN Environment and implemented through **UN Environment / UNDP/ WRI** with funding from German BMUB
- Help countries directly **access and manage** funding from the GCF, including by supporting financial institutions
- Supports 9 countries from 2013 to 2017



Contact

- Marko.Berglund@unep.org
- Remco.Fischer@unep.org

Thank you!

