

Discussion Group - Ecosystems & Ecosystem Services Agriculture, Forestry and Land Use



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What is a good GCF project?

Additionality of GCF Funding

- Why GCF?
- Projects must crowd-in additional financing on top of GCF

Strong Climate Rationale

- Climate impact of investment is key
- Scientific evidence to support climate rationale

8 Results Areas



Energy



Transport



Buildings, Cities, Industries



Forests and land use



Livelihoods of people & comm.



Health, food and water security



Ecosystems



Infrastructure

Compliance with GCF Policies

- Fiduciary standards
- Risk Management
- ESS
- M&E Criteria
- Gender Policy
- Legal Standards

Country Driven Approach

- Alignment with NDCs
- Early country (NDA) engagement
- No-objection letter

Six Investment Criteria

1. Impact Potential
2. Paradigm Shift Potential
3. Sustainable development potential
4. Recipient needs
5. Country ownership
6. Efficiency & effectiveness

Completeness of documentation

- Feasibility study
- Financial Model
- Project Timetable
- Gender Analysis
- Environmental studies
- No-objection letter

SECTOR GUIDES



AGRICULTURE

- <https://www.greenclimate.fund/document/sectoral-guide-agriculture-and-food-security>

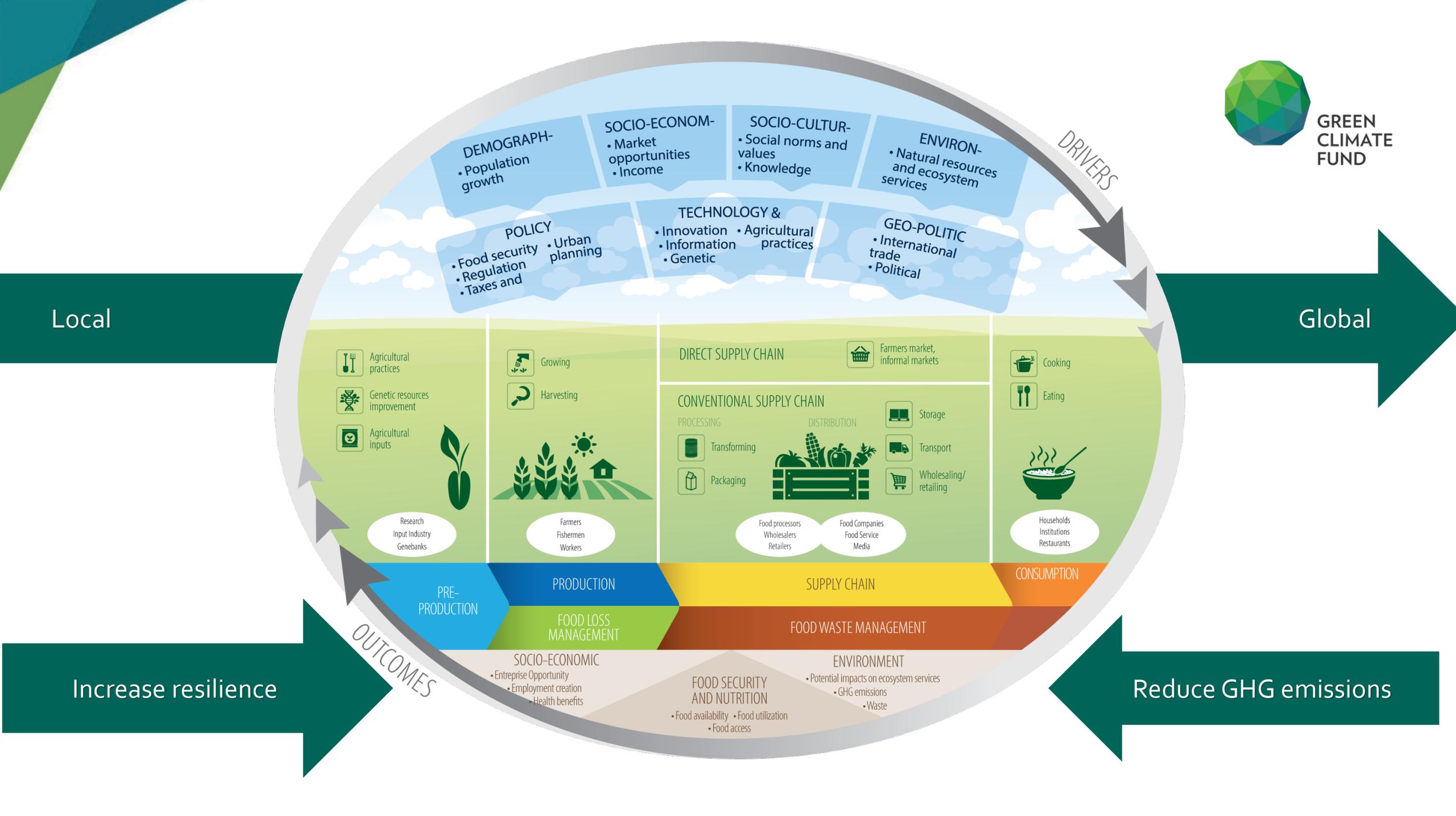
ECOSYSTEMS

- Consultation to be published in Q1 2022

AGRICULTURE



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GCF AGRICULTURE SECTORAL GUIDE: PATHWAY 1: PROMOTING RESILIENT AGROECOLOGY



- Resilient agroecology supports adaptation and mitigation efforts while seeking to promote the agroecological conditions that reduce climate shocks on agricultural productivity
- **Improved seeds, crop varieties, and breeds** (e.g. drought-tolerant maize, etc.)
- **Diversifying crops, aquaculture and livestock** (e.g. crop rotation, intercropping, etc.)
- **Sustainable practices and technologies** (e.g. landscape approaches, water and soil management, IPM, agroforestry, solar irrigation, micro-pumps, minimum tillage, residue management, etc.)

PATHWAY 2: FACILITATING CLIMATE INFORMED ADVISORY AND RISK MANAGEMENT SERVICES



- Climate information and early warning systems
- Digital agricultural advisory and extension
 - Overcoming existing gaps
 - **Effective delivery mechanisms** that facilitate personal relationships and multi-way communication at low or no cost
- **Financial literacy training, access to finance** (e.g. mobile money) helps ensure financial services reach women, youth, impoverished
- **Index Insurance** increase resilience by linking insurance payouts to predetermined index e.g., rainfall, temperature, yield



PATHWAY 3: RECONFIGURING FOOD SYSTEMS



Changing how food is produced, stored, transported, sold and consumed

- reshaping supply chains, food processing, storage, marketing, and procurement;
- reducing food loss and waste;
- shifting consumers to demand safer, healthier and more environmentally sustainable diets;

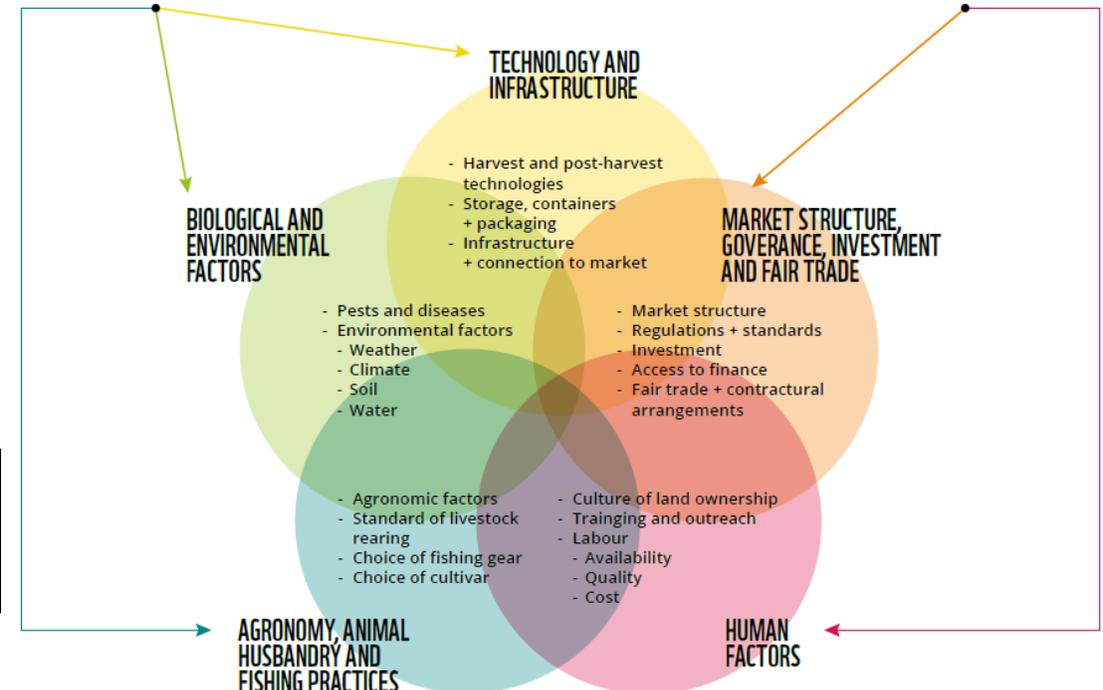
Must be environmentally sustainable, deforestation-free, inclusive, and enhancing rural employment opportunities

Low-emissions goals for food systems include reducing food loss and waste, improving energy efficiency, finding alternative energy sources



DIRECT DRIVERS

INDIRECT DRIVERS



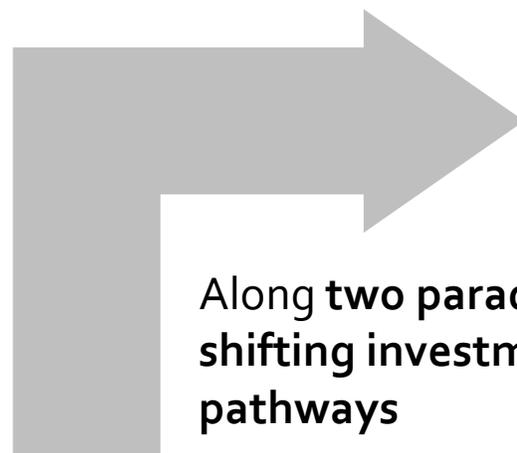


ECOSYSTEMS

ECOSYSTEMS: THE PARADIGM SHIFT NEEDED



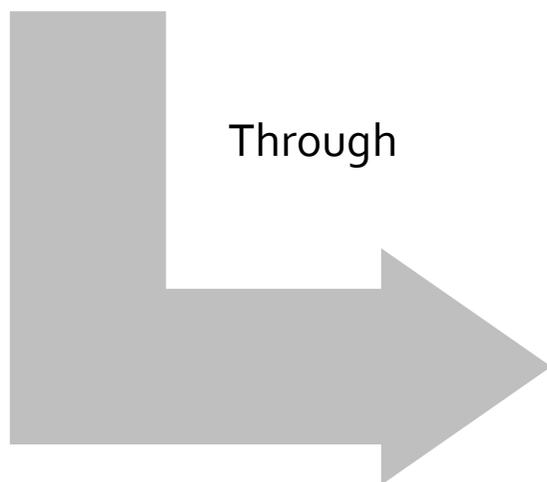
Secure ecosystem resilience, functionality, and the maintenance of ecosystem services under conditions of climate change



Along **two** paradigm shifting investment pathways

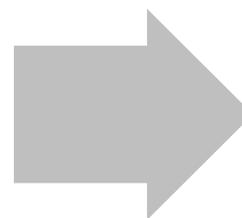


Ecosystem-based management of terrestrial and freshwater ecosystem



Through

Large-scale protection, restoration, and adaptive management



Ecosystem-based coastal and marine zone management

EXAMPLES

Agriculture and Ecosystems

BOAD NIGER (APPROVED IN 2021)



Project Description

Objective:

- Reduce food insecurity caused by climate drivers of extreme drought and rainfall events by demonstrating and scaling-up innovations in hydro agricultural development.

Activities:

- Develop and rehabilitate “perimeters” (irrigated land plots) on 1,700 ha. using (i) erosion and water control measures and (ii) installing drip irrigation and solar PV pumping (mainly GCF)
- Capacity building, market access mechanisms and cooperatives for farmers (mainly BOAD); Training and workshops (mainly GCF)
- Loan facility to scale up irrigation plan (GCF loan)
- Knowledge management and supervision (GCF and BOAD)

Results areas:

- M.1: Energy access and power generation
- A.1: Most vulnerable people; A.2: Food and water security

CN:

FP:



AE:	BOAD
EE:	National Office for Hydro-Agricultural Development (ONAHA)
Country:	Niger

Co-financing Ratio:	1:0.51	ESS	B	Climate Impact	Cross-cutting
				1,121,615 Beneficiaries	14.8 MtCO2e

Sources (EUR mil) with Co-investment:		Uses (EUR mil) of funding	
GCF (grant)	24.2	Construction & Equip.	27
GCF (low con. loan)	5.9	GCF Loan facility	5.9
BOAD (loan)	9.2	Staff, constl., prof. services, training	6.5
Niger Gov. (tax, in-kind)	6.2	Govt. tax exemptions	6
Total	45.5	Total	45.5

KEY POINTS



- Excellent example of project working with loans to develop sustainable climate smart agriculture interventions

IFAD IGREENFIN I: (SUBMITTED IN 2022)



Project Description

Objective:

Building and scale-up of the resilience and adaptive capacity of rural communities, farmers' organizations, cooperatives, and MSMEs by enabling beneficiaries to access credit lines for green agricultural investments (incl. renewable energy) through local national agricultural banks (LNABs).

Components:

- Green Business Financing Facility** – Provide concessional loans to National Agricultural Banks (LNABs) to foster adaptation and mitigation best practices for green businesses along 10 agricultural value chains (5 countries).
- Technical Assistance Facility (& incentive scheme)** - Capacity-building and technical assistance for LNABs, local lenders, recipients and governments (central banks). Incentive scheme to encourage adoption of adaptation and mitigation measures.
- GGW Regional Support Program** – Enhance knowledge management, uptake of best practices, digital technologies and promote innovation (all 13 countries)

Results areas:

- M.1:** Energy access and power generation (20%) and **M.2:** Forestry and land use (15%)
- A.1:** Most vulnerable people, communities and regions (25%), **A.2** Health and well-being, food and water security (25%), **A.4:** Ecosystems & ecosystem services (15%)



AE: IFAD
EE: IFAD, Nat'l Ministries if Economy or Finance
Geography: 13 countries
5 countries Comp 1,2: Burkina Faso, Cote d'Ivoire, Ghana, Mali, Senegal
11 countries Comp 3: Burkina Faso, Chad, Djibouti, Eritrea, Ethiopia, Mali, Mauritania, Niger, Nigeria, Senegal and Sudan

Co-finance ratio:
1:0.71

ESS: B

Climate Impact: 10 m tCO₂eq (lifetime 25 yrs)
 378.6k direct and 2,5 indirect beneficiaries

Fund Sources (USD mil)		Uses (USD mil)	
GCF senior loan	90	Comp 1:	130
GCF grant	36.9	Comp 2	66.76
IFAD grant	33	Comp. 3	8.88
IFAD loan	14		
AfDB grant	18	PMC:	6.27 (7% total grant)
IsDB loan	15	GCF PMC=	3.98 (63% of PMC vs GCF 41% of total grant)
NDBs	10		
Total:	216.9	Total:	216.9

KEY POINTS



- Support to national development banks to provide loans for farmer organizations and enterprise for agriculture and ecosystem restoration
- Significance of building a regional vision – Congo; southern Africa dry forest corridor
- Possible loan system for newly accredited entities, banks

OSS ANGOLA CUNENE SAP (SUBMITTED IN 2022)

Project Description

Objective: to empower women for playing an active role in climate change adaptation at local level; to enhance the resilience of communities to climate change risk, with focus on women groups; to reduce the vulnerability to food and nutrition insecurity.

Activities:

- **Component 1. Strengthening the enabling capacity for climate change awareness and gender-transformative food and nutrition security at community level.** Build capacities for natural resources management and climate risk reduction. Capacity building towards saving schemes, market studies and analysis involving women and all relevant actors (including farmer groups/organizations, local authorities).
- **Component 2. Interventions and funding for scaling-up climate-resilient agriculture at community level** Promote the diversification of income from no-farm sources and strengthened women's businesses through women's savings groups and micro enterprise development.

Results areas:

- A1.0 Most vulnerable people, communities & regions (40%)
- A2.0 Health & wellbeing, food & water security (40%)
- A4.0 Ecosystem and ecosystem services (20%)



CN: FP:



AE: 

EE: 

Geography: 

Co-financing Ratio		ESS	Climate Impact	
1:0.04		C (SAP)	110,000 direct beneficiaries 190,000 indirect beneficiaries	

Sources (USD million)			Uses	M USD
GCF	Grants	9.45	Comp 1. Water management: construct / rehabilitate	2.5 (2.4)
ADPP- GOV	In-kind, grants	0.5	Comp2. Resilient Agriculture practices, income diversification and gender-transformative forest management	7 (6.6)
			PMC*	0.45 (0.45)
Total		10.00	Total	10 (9.45)

* PMC is in discussion – to be revised in accordance with GCF policy and guideline

KEY POINTS



- Women's groups
- Address climate issues / problems
- Link to micro-finance and build capacities'

EMPOWER TO ADAPT: CREATING CLIMATE-CHANGE RESILIENT LIVELIHOODS THROUGH COMMUNITY-BASED NATURAL RESOURCE MANAGEMENT IN NAMIBIA

Project Description

Objective:

The Community-Based Natural Resource Management (CBNRM) program makes an enormous contribution to both ecosystem conservation and rural development in the communal areas of Namibia. Local institutions have developed and have gained skills and capacity, resulting in the diversification of livelihoods and the generation of economic benefits for their members.

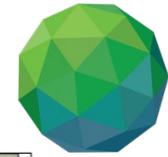
Activities:

Component 1. Capacity Building and Community Support: This component is essential for the success and sustainability of community-based climate action. It comprises awareness raising, capacity building and support to development and implementation of climate investment plans at the local level

Component 2. Resilient Grant Facility for CBNRM Livelihoods in Namibia: This component will empower rural CBNRM communities to increase their resilience to climate change through direct access to climate finance. It comprises a ring-fenced grant facility that will focus on the development and strengthening resilient CBNRM livelihoods through grants in three defined investment areas.

Results areas:

- A1.0 Most vulnerable people, communities & regions
- A2.0 Health & wellbeing, food & water security
- A4.0 Ecosystem and ecosystem services



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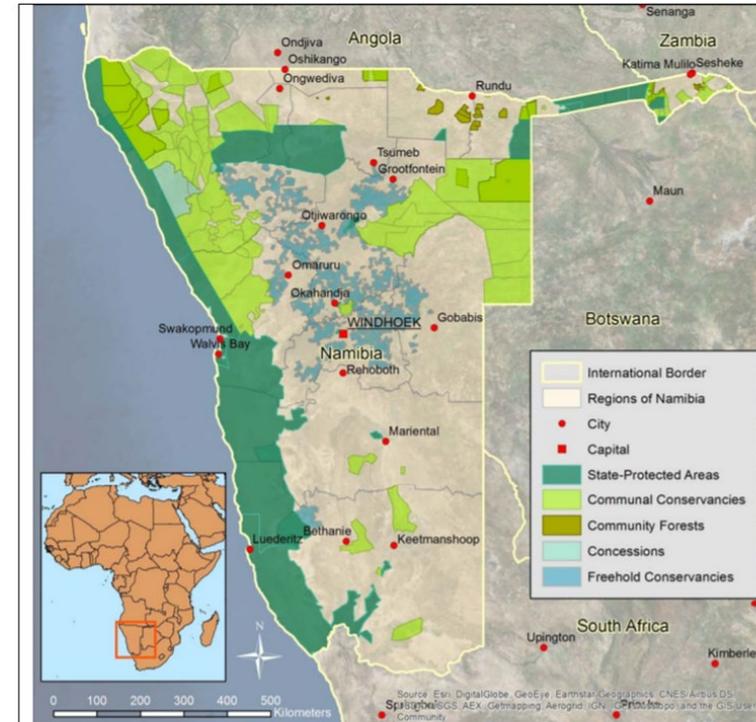


Figure 1: Conservation areas in Namibia. In total, almost 44% of Namibia's land surface are under some form of conservation. The proposed project targets registered Communal Conservancies and Community Forests, which cover roughly 20% of Namibia's land surface.

Uses

Climate Smart Agriculture

Climate Resilient Infrastructure

Ecosystem Based Adaptation

Total

KEY POINTS



- Enhanced Direct Access facility

DAE	Approved Projects	Submitted (Pipeline)	CIC2 Approved	FP Submitted
BOAD	4	9	0	2
CSE	1	5	0	1
CRDB / Tanzania	1	0	0	0
FNEC / Benin	0	4	1	0
Zimbabwe Bank	0	0	0	0
Bank Agricole	0	1 (PSF)	0	0
MoWE – Uganda	0	0 (5 idea notes)	0	0
OSS	0	8	2	0
SANBI	0	3	2	0

SUGGESTIONS

- **1. DAE's are a priority** – examine & reassess the Country Work Plans
- **2. Focus** – *'Get one through the pipeline'*
- **3. Origination Support** – happy to support banks with assistance
- **4. Financing** – innovative finance; links to micro-finance
- **5. TA Support** – please utilize the TA support that can be provided by DCP
- **6. Assign a team** – teams need to be assigned or a slow process
- **7. Partnerships** – form partnerships, e.g. technical assistance with banking DAE's

DISCUSSION



- Addressing climate change in ecosystems, agriculture, forests use are priorities for Africa
- **How can GCF support Direct Access Entities?**