

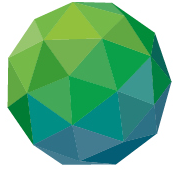
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# GCF REGIONAL DIALOGUE

with MIDDLE EAST & NORTH AFRICA

**Rabat, Kingdom of Morocco**  
24–28 June 2024





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**GCF REGIONAL DIALOGUE**  
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# Establishing the Climate Change Context of GCF proposals

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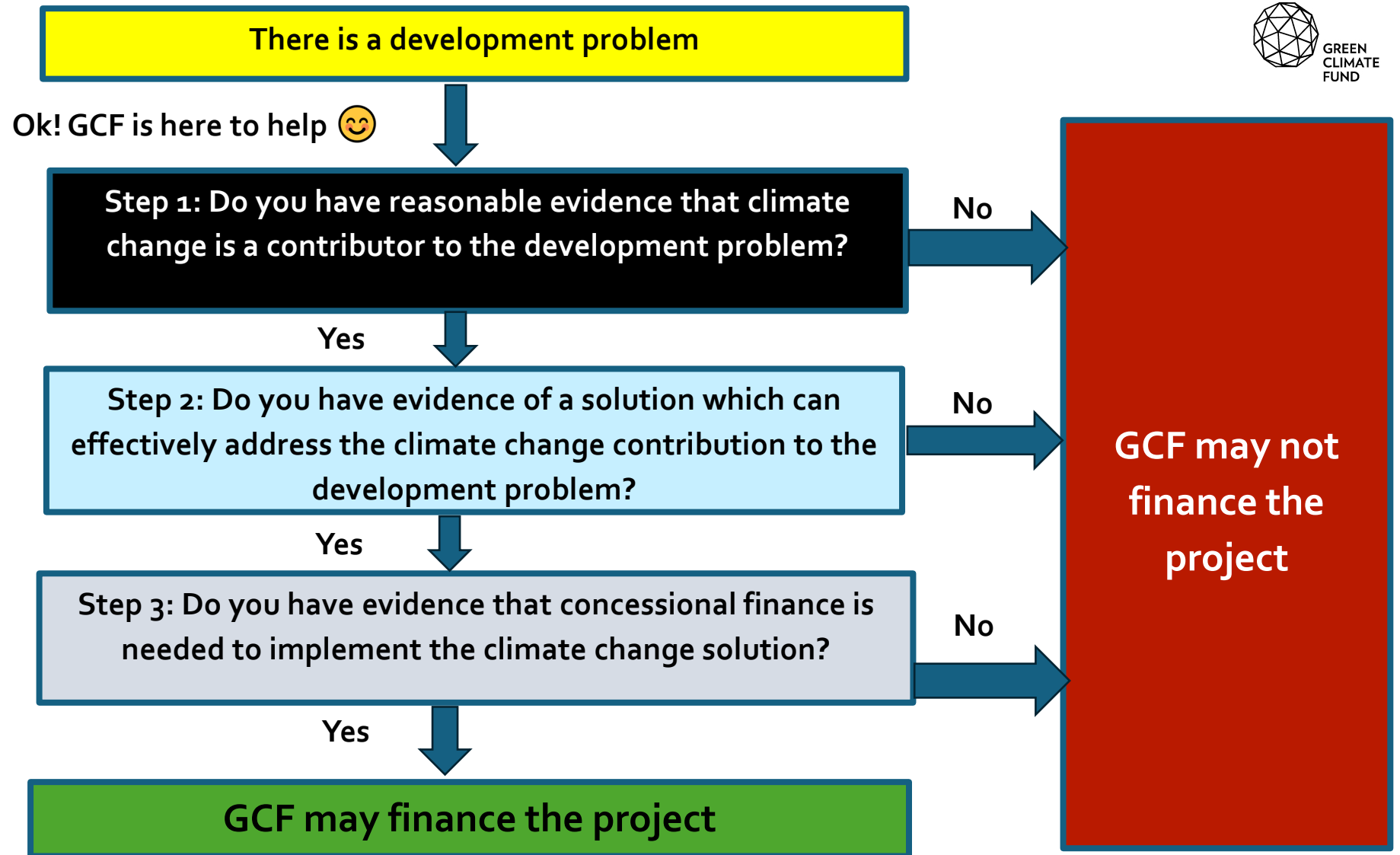
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# Presentation Outline

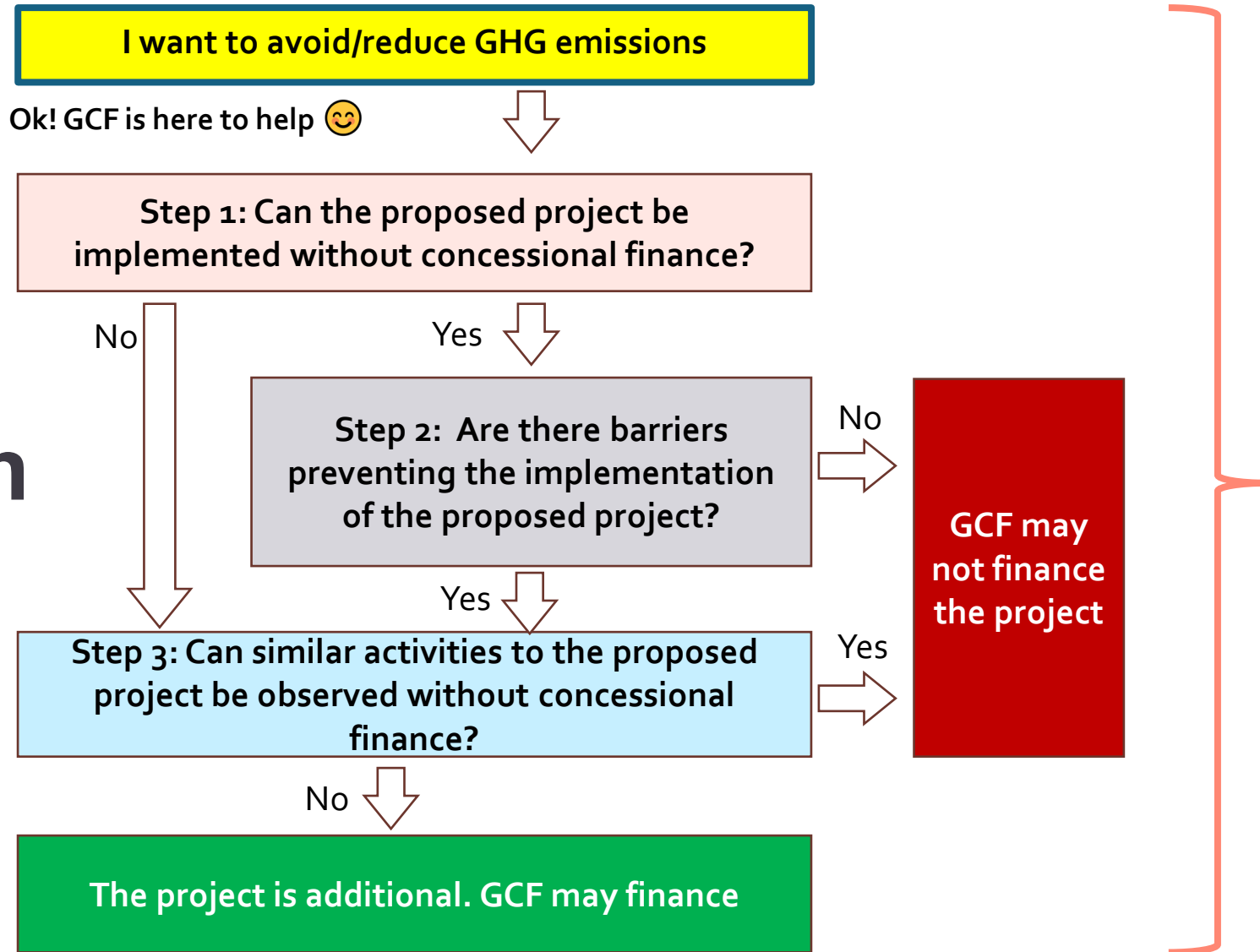
- Deciding on a GCF project/programme from a climate change perspective
- Synthesizing the climate change narrative – essential elements
- Potential sources of Information and Tools

# How do you decide whether GCF can fund your project from a climate change perspective?

# Adaptation



# Mitigation



Mitigation  
Methodologies  
specific to activity

**You now know GCF may fund your project. How do you synthesize the climate change narrative, and what are the most important elements?**

# Fund-level guidance for demonstrating impact potential



GCF\_B.33/12 established high-level principles for demonstrating the impact potential of GCF-supported activities

## For mitigation

- Alignment of the activities with host country priorities, including its nationally determined contribution (NDC)
- A methodological approach for the establishment of **boundaries, baselines** and **additionality**, and for the quantification of the mitigation results of the activity should be selected and used
- Quantification of mitigation impact should use consistent assumptions (e.g. emission factors) to those made in national GHG reporting
- Proposals should describe the establishment of a measurement, reporting, and verification system

## For adaptation

- Identification: Adaptation proposals should show how the activity addresses current or future projected climate change risk or impact
- Response: Proposals should explain how the activity will lessen the risk
- Alignment: Proposals should confirm alignment of the proposed activity with the host country's national plans and climate strategies (including NAPs, NAPAs, or long-term climate strategies)
- Monitoring and evaluation: Projects with a well-designed theory of change are more likely to result in successful outcomes

# Climate Context of Mitigation Activities (Ideation and Concept note)

## Ideation

1. **Climate Problem Identification:** Outline how the sector of interest contributes to national greenhouse gas emissions. This information should be available in the NDC or national greenhouse gas inventories.
2. **Proposed activity:** Provide a clear explanation of how the proposed activities will avoid or reduce emission
3. **Additionality:** Why do you need concessional finance? To establish the mitigation impact potential, proposals should demonstrate that a projected level of GHG emission reductions or removals will occur and that this would not have happened without the support of the GCF-funded activity.

## All components of Ideation (1 to 3) +

## Concept Note

4. **Mitigation Methodology:** A mitigation methodology should be selected that includes guidance on *boundaries*, and how to derive *baselines* and prove *additionality*. Provide a brief narrative as to why the project is expected to be additional as per the methodology.
5. **Common practice analysis:** Explain whether or not similar activities/technologies/ practices have been undertaken in the region/country, with and without concessional finance
6. **Mitigation target:** Define the actual expected emission reductions

# Climate Context of Adaptation Activities (Ideation and Concept note)

## Ideation

1. **Climate change problem definition:** Identify the climate change hazard or risk, Identify the population / sector that is exposed to the climate hazard, describe the vulnerability of the population / sector that is exposed to the climate hazard; and Describe the observed impact of the climate change hazard on development outcomes, vulnerable populations, sectors etc.
2. **Response:** Provide an analysis of how the activity is expected to reduce the exposure and/or vulnerability (of people, systems, ecosystems or sectors) and thus lessen the climate change risk and impact.
3. **Benefit:** Outline the key adaptation benefits

## Expansion of the components of Ideation

## Concept Note

4. **Expansion of climate change problem definition:** provide information on the historical trends and future projections of the climate change hazard (use RCP or SSP scenarios for future projections); accentuate implications of climate change trends on future risks and impacts using models and scientific literature sources. Use tables, charts and model outputs where necessary.
5. **Analysis of adaptive capacity:** Provide information on the current capacity to anticipate or respond to the applicable climate change hazards
6. **Response:** Describe how proposed activities will contribute to adaptation including an estimate of the number of beneficiaries. Provide supporting methodology (as an Annex) with key assumptions of how the number of beneficiaries was estimated per activity or project output/outcome.

# CASE STUDY: ADAPTATION



Over the past two decades, the production of major staple food crops has decreased by 10-20% in five MENA regional countries. This is a threat to food security.

Despite facing technological, infrastructural, financial, and other socioeconomic barriers, studies indicate that recurrent droughts and shorter growing seasons, due to unusually brief rainfall periods, are major contributors to these significant yield losses. These climatic conditions are also accelerating desertification in agrarian areas, leading to increased loss of biodiversity and soil fertility.

Governments in these five countries view investment in water infrastructure, restoration of degraded lands, and climate-smart agricultural practices as crucial opportunities to enhance agricultural production. They are considering submitting a proposal to the Green Climate Fund through an Accredited Entity. How should they structure their climate rationale to meet the GCF Impact Potential Investment Criterion?

# ANSWER



## 1. Evidence of climate change impact

| Country | Climate change hazard | Historical trend | Future projection | Observed impact on agric production | Projected impact on agric production |
|---------|-----------------------|------------------|-------------------|-------------------------------------|--------------------------------------|
|         |                       |                  |                   |                                     |                                      |
|         |                       |                  |                   |                                     |                                      |
|         |                       |                  |                   |                                     |                                      |

## 2. Adaptive capacity

| Country | Non-climatic barriers to anticipating and responding to CC risk and impact |
|---------|--|
|         |  |
|         |  |
|         |  |

### 3. Climate change solution



| Country | Description of Component/Activity | Climate change impact addressing | Past and present projects, initiatives complementing | Expected positive changes in CC impact and adaptive capacity | Number of beneficiaries |
|---------|-----------------------------------|----------------------------------|--|--|-------------------------|
|         |                                   |                                  |  |  |                         |
|         |                                   |                                  |  |  |                         |
|         |                                   |                                  |  |  |                         |

# CASE STUDY: MITIGATION



The MENA region is characterized by its high reliance on fossil fuels for energy production, contributing significantly to greenhouse gas emissions. The region's growing population and economic development have led to increased energy demand, further exacerbating carbon emissions and environmental degradation. Despite the vast potential for renewable energy sources such as solar and wind, the transition to sustainable energy has been slow, hindered by economic, technological, and policy challenges.

A private sector entity accredited to the GCF sees a viable business opportunity and has negotiated for a PPP to invest in e-mobility and renewable energy production. However, they could perceive significant uncertainties. They are considering submitting a proposal to the Green Climate Fund in collaboration with the NDA of 3 countries to de-risk the investment and strengthen national capacities to sustain the e-mobility and renewable energy projects. How should they structure their climate rationale to meet the GCF Impact Potential Investment Criterion?

# ANSWER



## 1. GHG emission scenario

| Country | Sectoral GHG emissions – historical trend | Sectoral GHG emissions – future projected trend | Barriers to reducing/avoiding GHG emissions from the sector |
|---------|---|---|---|
|         |   |   |   |
|         |   |   |   |
|         |   |   |   |

## 2. Common practice analysis and additionality

| Country | Current practices and technologies implemented to reduce GHG emissions from the energy and transport sectors | Justification for concessional finance |
|---------|--|--|
|         |  |  |
|         |  |  |
|         |  |  |

### 3. Mitigation solution

| Country | Description of the solution | Alignment with NDC priorities | Methodology for assessing mitigation potential and additionality | Mitigation target – actual emission reduction expected |
|---------|-----------------------------|-------------------------------|--|--|
|         |                             |                               |  |  |
|         |                             |                               |  |  |
|         |                             |                               |  |  |



# Thank you