

# Capacity Building through Direct Access to GCF

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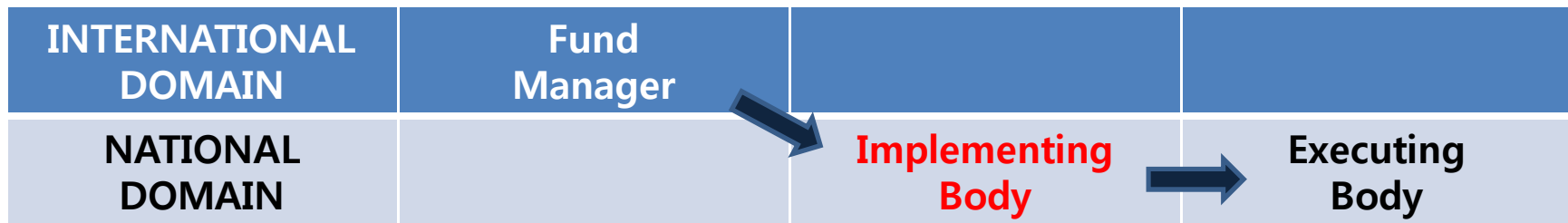
# Introduction

- The **volume** of climate finance has grown over the past decade.
- Governments have been negotiating various options that will facilitate the effective, equitable, and efficient **delivery** of finance.
- A major theme within these discussions has been **direct access**.
- Direct access implies **capacity building** in the adaptation finance.

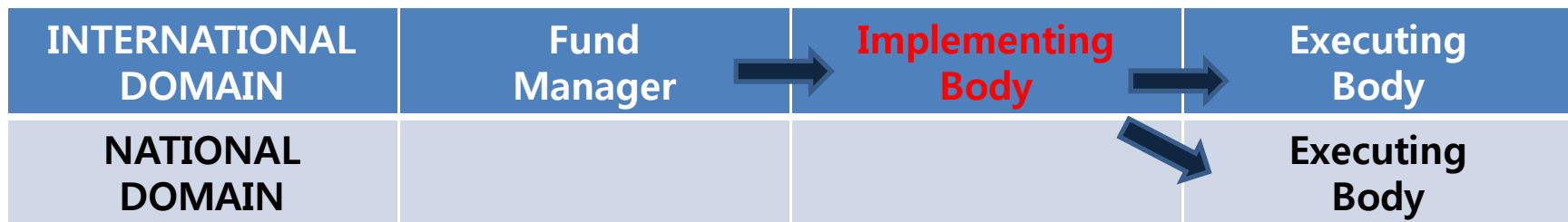
# Direct Access - Concept

- In direct access, **facilitation and project management** function is taken on by **national entity**, and not by international entities.
- Direct Access and Multilateral Access

Direct Access :



Multilateral Access :



# Direct Access - Capacity Building

- Direct access is more than just a simple financial mechanism.
- It is part of a wider capacity building process that promote national ownership and achieve climate and development objective.
- Capacities to identify the best national partners to execute projects, to develop bankable projects and programs, and to undertake financial management and good fiduciary practices, are to be developed.

# Case(1) – Adaptation Fund

- Countries receive funding through NIEs or MIEs.
- National entities must be accredited by the AF Board pursuant to fiduciary standards.
- Significant number of national institutions have failed accreditation.
- Level of capacity building support for development of NIEs was underestimated.

## Case(2) - GAVI

- Funding is disbursed from GAVI directly to the Ministry of Health(default option).
- If fiduciary risks are high, strengthening measures are taken(2<sup>nd</sup> option).
- In some cases, funding is channeled to a GAVI partner organization(3<sup>rd</sup> option)
- Assessed as highly effective(balance between strong country ownership and robust financial integrity)

# Case(3) – The Global Fund

- **Country Coordinating Mechanism (CCM)**, a multi-stakeholder forum, submits proposals.
- CCM nominates **Principal Recipient (PR)** who receive funding. PR is the implementing body.
- **Local Funding Agents (LFAs)** undertake due diligence and financial monitoring.
- In some countries, **UNDP** is the **interim PR** and **support capacity building** of national entities to become PR later.

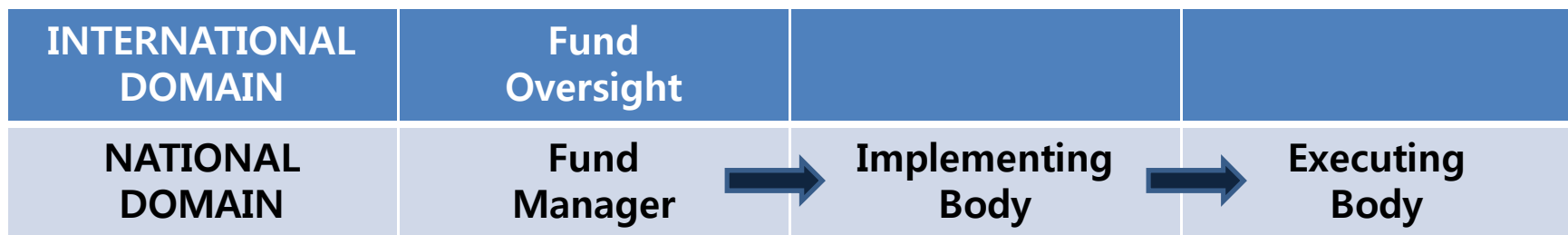
# Green Climate Fund - Access

- Recipient countries will nominate competent **subnational, national and regional implementing entities** for accreditation to receive funding (par. 47)
- Fund can also be accessed through accredited **international entities**, including UN agencies, multilateral development banks, international fiduciary institutions and regional institution (par. 48)



# GCF - Enhanced Direct Access

- The Board *will consider* additional modalities that *further enhance* direct access, including *through funding entities* with a view to enhancing country ownership of projects and programs (par. 47)



# GCF - Readiness and Preparatory Support

- The fund will provide resources for readiness and preparatory activities and technical assistance, such as the preparation or strengthening of low emission development strategies or plans, NAMAs, NAPs, NAPAs and for **in-country institutional strengthening**, including the strengthening of capacities for country coordination and to meet fiduciary principals and standards and environmental and social safeguards, **in order to enable countries to directly access the Fund**(par. 40)

# Korea, Host Country of GCF

- Will contribute a total of USD 40 mil('14-'17) to support capacity building of developing countries.
- Will organize “High Level Climate Change Conference” annually to promote balanced enhancement of mitigation and support.
- Support expedient launch of GCF operation.

# Reference

- UNDP 2011, Direct Access to Climate Finance : experiences and lessons learned
- Governing Instrument of GCF

Thank You

