GREEN CLIMATE FUND: Direct & Enhanced Direct Access
(Experience from Nepal)

Raju Pandit Chhetri
Prakriti Resources Centre (PRC)
Email – raju@prc.org.np
Kathmandu, Nepal
Paris Agreement and GCF

Paris Agreement
• ...scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries......

Green Climate Fund (GCI)
• The Fund will provide simplified and improved access to funding, including direct access, basing its activities on a country-driven approach and will encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects.
Accreditation to the GCF

- Entities seeking accreditation to the GCF in order to access its resources will have to be accredited with the Fund. They will be assessed against the GCF’s fiduciary principles and standards, environmental and social safeguards (ESS) and gender policy.

- All entities, including public and private, can apply for accreditation via the:
  - Direct Access Modality
  - International Access Modality

- Entities seeking GCF’s resources through projects/programmes will be evaluated against the GCF’s six investment criteria.
Fit-for-Purpose Approach to Accreditation

Mandate & track record
- Alignment with Fund objectives
- At least 3 year of operations

Project size
- Micro (<10mn)
- Small (10-50mn)
- Medium (50-250mn)
- Large (>250mn)

Fiduciary functions
- Basic
- Specialized
  - Project management
  - Grant award
  - On-lending/blending (loans, equity and/or guarantees)

Environmental & social risk category
- A (high)
- B (medium)
- C (minimal or no)
Direct Access

• It is a hard fought and earned concept over many years under the climate change regime

• Putting the developing countries in the driving seat – changing the rule of the game

• Empowers the country and its institutions to promote ‘bottom up’ thinking rather than abide by the ‘top down’ process

• Multiplier effect – networking and collaboration for national institutions

• Though first introduced by Adaptation Fund, it was followed by the Green Climate Fund with the additional concept of “Enhanced Direct Access” (programmatic approach and devolved decision-making)

• National Entities are accredited with these Funds that can directly access and manage resources. These entities are under the control of the respective countries.
Country Driven Process

Inclusive Decision Making

Relevant Stakeholders
- Gender
- Communities
- Indigenous Groups
- Marginalized Groups

Government Bodies

Country Plans and Policy Priorities
Opportunities and Challenges

**Opportunities**
- Opens up wide range of opportunities for the developing countries and its institutions
- Developing countries in the driver’s seat.
- Builds the capacity of the national institutions to bring them at the international level
- Helps align with the national plans and priorities

**Challenges**
- Accreditation and Fund access processes are lengthy, cumbersome and technical,
- Some find it beyond their capacity (short run)
- Leaving the comfort zone
- Facing the development partners and international agencies
Learning from Country Driven LAPA Case in Nepal for EDA

- Investing in national systems promote local action
- Encouragement for coordination and consolidation
- Capacity and confidence building
- Flexibility for adaptation/low carbon development planning
- Reaching the poor and most vulnerable
- Inclusion of gender and indigenous people
- Giving importance to the country’s plans and priorities
- Allows for innovation and up scaling good practices
- Effectiveness and efficiency
Nepal and GCF

Ministry of Finance (MoF) – NDA
(Secretary of Ministry of Finance)

International Economic Cooperation Coordination Division, Ministry of Finance
Chair – Joint Secretary, Chief of IECCD, MoF

Climate Finance Unit
(3 member team lead by Under Secretary of IECCD)

Climate Finance Steering Committee
(11 Members, Chair – Secretary, MoF)

Technical Committee
(9 Members, Chair – IECCD Head)
What’s Happening?

Direct Access Entity – 4 entities in the process of accreditation

Funding Proposals – 4 concepts being developed into funding proposal

Activities
- Meetings with stakeholders and Technical Committee
- Capacity Building activities
- Preparation of country programming document
- Call for potential DAE and funding concepts notes in the newspapers
- Involvement of stakeholders in proposal development
- Publication and sharing of GCF related information
Experience of working with stakeholders

• Climate finance is relatively new issue in Nepal – limited stakeholders are working

• PRC formed an informal Climate Finance Groups comprised of Women organization, Environmental organization and those relatively working on climate finance.

• Organized several meetings, interaction programme and information sharing on GCF and climate finance.

• Publications for Nepali audience – www.prc.org.np

• Research publication on EDA

• Will continue this year with “Climate and Development Dialogue” a loose forum to discuss and further climate finance and GCF in the context of Nepal
Some take away

- Identify key stakeholders those those would be interested in the topic and potentially be allies
- Organize frequent meetings, invite speakers (including government representatives)
- Organise events and help each other with information sharing and capacity building
- Organise lobby meetings and engage with the government representatives and Accredited (potential) Entities.
- Inform and invite government representatives and other stakeholders to the work and actions of the group
Thank You