

ENHANCING ACCESS TO CLIMATE FINANCE

GCF Readiness
in Papua New
Guinea

DIRECTING FINANCE TO WHERE IT IS NEEDED MOST

Delivering inclusive growth while limiting climate change to 1.5°C will require the mobilization of finance at a historic scale. Over the next 15 years, it is estimated the world needs about USD 90 trillion in climate smart infrastructure – most of it in developing countries. Investing in green, climate resilient infrastructure now will mitigate the future impacts of climate change and backstop achievement of NDCs and SDGs.

Mobilizing climate finance to where it will deliver the most impact – developing countries – is beset by various challenges, including institutional capacity. The Global Green Growth Institute (GGGI), mandated to help develop a low-carbon, resilient world of strong, inclusive and sustainable growth, works with its Member and partner countries to mobilize finance in support of climate action plans and projects aiming to achieve climate targets.

GGGI has already helped mobilize over USD 1 billion in green investments and climate finance in developing countries. GGGI has done so by supporting countries to tap-into finance from diverse sources, including bilateral aid, multilateral development banks, and the private sector.

The Green Climate Fund (GCF) is a funding mechanism that GGGI partners closely with to support developing countries access and apply climate finance. With this common goal and complementary delivery model, GGGI and GCF signed a Framework Readiness and Preparatory Support Grant Agreement in 2017. Under this strategic partnership GGGI supports its Member and partner countries to gain access to GCF financing by implementing the GCF's Readiness and Preparatory Support Programme (the Readiness Programme).

THE GREEN CLIMATE FUND (GCF)

The GCF is a global fund created to support the efforts of developing countries to respond to the challenge of climate change. GCF aims to catalyze a flow of climate finance to invest in low-emission and climate-resilient development, driving a paradigm shift in the global response to climate change.

To ensure that GGGI remains a neutral advisor to governments, GGGI carries out this work as a Readiness Delivering Partner. This means that GGGI is not an accredited entity to the GCF and can support Nationally Designated Agencies to develop funding proposals for submission to the GCF and to access Readiness Programme resources.

Over 20 countries have requested GGGI as Readiness Delivery Partner. GGGI teams on the ground have supported 16 of its government partners to access over USD 9 million in GCF approved Readiness funding and submitted over USD 14 million Readiness proposals.

THE GCF READINESS & PREPARATORY SUPPORT PROGRAMME

The Readiness Programme is a funding programme to enhance country ownership and access to the Fund. The Programme provides resources for strengthening the institutional capacities of NDAs and DAEs to efficiently engage with the Fund. All developing countries can access the Readiness Programme up to USD 1 million per year. The Programme's objectives are to strengthen country capacity, engage stakeholders in consultative processes, realize direct access, provide access to finance, and mobilize the private sector.

DEVELOPING FUNDING PROPOSALS

In addition to Readiness Programme support, GGGI works with partner governments to develop funding proposals for submission to the GCF. Two funding proposals have been approved to support climate resilience in rural communities in Ethiopia and Rwanda. Another two funding proposals have been submitted for renewable energy related projects in India and Senegal, and five other proposals are currently under development for projects in Indonesia, Rwanda, Fiji, Lao PDR and Vanuatu.

GGGI'S READINESS PROGRAMME ACTIVITIES

As a Readiness Delivery Partner, GGGI can support Readiness Programme implementation through various interventions.

Private Sector Mobilization



- In Mongolia, GGGI's Readiness activities focused on developing the Mongolia Green Finance Corporation as a market instrument to mobilize private financing to help reach the GHG reduction targets defined in Mongolia's NDCs.
- In Vanuatu, GGGI's assisted in the establishment of the National Green Energy Fund as a tool for government to leverage private capital to spur public and private sector investments in renewable energy and energy efficiency.

Access to Finance



- In Cambodia, Ethiopia, Fiji, Indonesia, Jordan and Uganda GGGI's Readiness work is helping to access climate finance by developing upwards of 20 project concept notes for submission to the GCF.
- Following completion of the Readiness Programme in Mongolia, a GCF funding proposal for the Mongolia Green Finance Corporation worth USD 90 million (USD 50 million coming from GCF) was submitted through XacBank, the national direct access entity.
- In Thailand, GGGI's Readiness activities resulted in the development of a green investment plan to reduce GHG's and enhance the competitiveness of the country's food industry.
- In Rwanda, concept notes for the development of green secondary cities and eco-industrial parks were developed as part of GGGI's Readiness work.

Stakeholder Engagement & Capacity Building



- In Mexico, Papua New Guinea and Philippines, GGGI's Readiness activities are supporting the development of the GCF Country Programme and strengthening of country capacity to enhance their access to climate finance.

Direct Access



- In Fiji, Indonesia, Guyana, Jordan, Mexico, Myanmar and Uganda, GGGI's Readiness work is supporting the nomination and application of potential national DAEs

READINESS PROGRAMME IN PAPUA NEW GUINEA



- Ongoing 2-year project with USD 677,427 in GCF funding and USD 150,000 in funding from the Korea International Cooperation Agency (KOICA).
- Partnering with the Climate Change & Development Authority (CCDA) of the Ministry of Environment, Conservation and Climate Change.
- Build capacity of CCDA as the NDA to the GCF.
- Developing PNG's GCF Country Programme.
- Mobilize and engage with private sector to contribute to climate resilience and low carbon development in PNG.
- 4 regional consultations and 1 national sectoral consultation completed.
- PNG GCF operational manual, no objection procedure, gender guideline, stakeholder and policy report are being developed.

THE GLOBAL GREEN GROWTH INSTITUTE

Based in Seoul, GGGI is a treaty-based international, inter-governmental organization founded to support and promote green growth. The organization partners with countries to help them build economies that grow strongly, are more efficient and sustainable in the use of natural resources, less carbon intensive, and more resilient to climate change. GGGI works with countries around the world, building their capacity and working collaboratively on green growth policies that can impact the lives of millions.

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