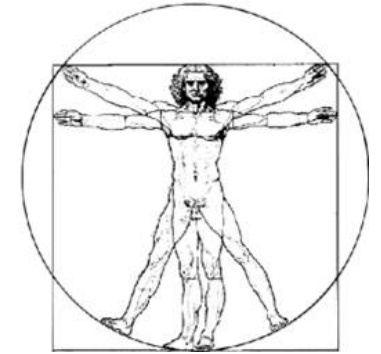




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The Adaptation Fund in the new climate finance regime

Its role in relationship with the GCF

Thursday, 11 June 2015, La Redoute, Bad Godesberg

Benito Müller

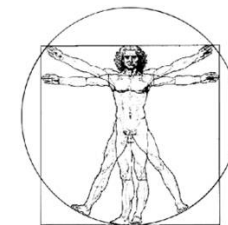
Director [ecbi](#),

MD [oxford climate policy](#)

for sustained capacity building in support of international climate change negotiations

pour un renforcement durable des capacités en appui aux négociations internationales sur les changements climatiques

GCF Modes of Engagement: Specialized Fiduciary Criteria



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Project
Implementing Entity (IE)

Intermediaries

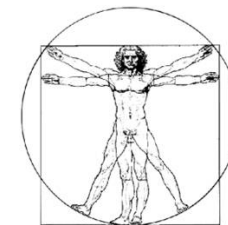
- Funding Entity

- Financial Intermediary

NB: These categories are NOT mutually exclusive

Specialized fiduciary criteria	
Project management	<ul style="list-style-type: none"> • Project preparation and appraisal (from concept to full funding proposal) • Project oversight and control
	<ul style="list-style-type: none"> • Monitoring and evaluation
	<ul style="list-style-type: none"> • Project-at-risk systems and related project risk management capabilities
Grant award and/or funding allocation mechanisms	<ul style="list-style-type: none"> • Grant award procedures
	<ul style="list-style-type: none"> • Transparent allocation of financial resources
	<ul style="list-style-type: none"> • Public access to information on beneficiaries and results
	<ul style="list-style-type: none"> • Good standing with regard to multilateral funding (e.g. through recognized public expenditure reviews)
On-lending and/or blending	<ul style="list-style-type: none"> • Appropriate registration and/or licensing by a financial oversight body or regulator in the country and/or internationally, as applicable;
	<ul style="list-style-type: none"> • Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources;
	<ul style="list-style-type: none"> • Creditworthiness;
	<ul style="list-style-type: none"> • Due diligence policies, processes and procedures;
	<ul style="list-style-type: none"> • Financial resource management, including analysis of the lending portfolio of the intermediary;
	<ul style="list-style-type: none"> • Public access to information on beneficiaries and results;
	<ul style="list-style-type: none"> • Investment management, policies and systems, including in relation to portfolio management;
	<ul style="list-style-type: none"> • Capacity to channel funds transparently and effectively, and to transfer the Fund's funding advantages to final beneficiaries;
	<ul style="list-style-type: none"> • Financial risk management, including asset liability management;
	<ul style="list-style-type: none"> • Governance and organizational arrangements, including relationships between the treasury function and the operational side (front desk).

GCF Scales of Engagement: Executing Entities



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Interpretation Note on Small and Medium Enterprises and Environmental and Social Risk Management

January 1, 2012

NOTE ON ENTERPRISE DEFINITIONS FOR MICRO, SMALL AND MEDIUM FIRMS

Global Financial Markets categorizes its clients' sub-borrowers according to the following definitions:

- (1) Microenterprise if loan < US\$10,000 at origination
- (2) Small Business if loan < US\$100,000 at origination
- (3) Medium Business if loan < US\$ 1 million at origination (US\$2 million for more advanced countries)

Technically, the above definitions are a proxy for the official IFC definition, based on an enterprise qualifying under two of the following three indicators, as follows:

Indicator	Micro Enterprise	Small Enterprise	Medium Enterprise
Employees	<10	10<50	50<300
Total Assets	<\$100,000	\$100,000<\$3 million	\$3 million < \$15 million
Total Annual Sales	<\$100 000	\$100,000<\$3 million	\$3 million < \$15 million



Simplified Processes for the Approval of Proposals for Certain Activities, in Particular Small-scale Activities



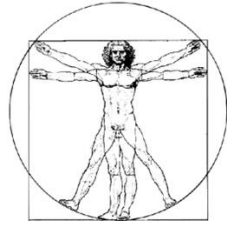
Large Executing Entity
Medium/Large Project/Programme

Micro/Small/Medium Executing Entity (MSME)
Micro/Small Project/Programme

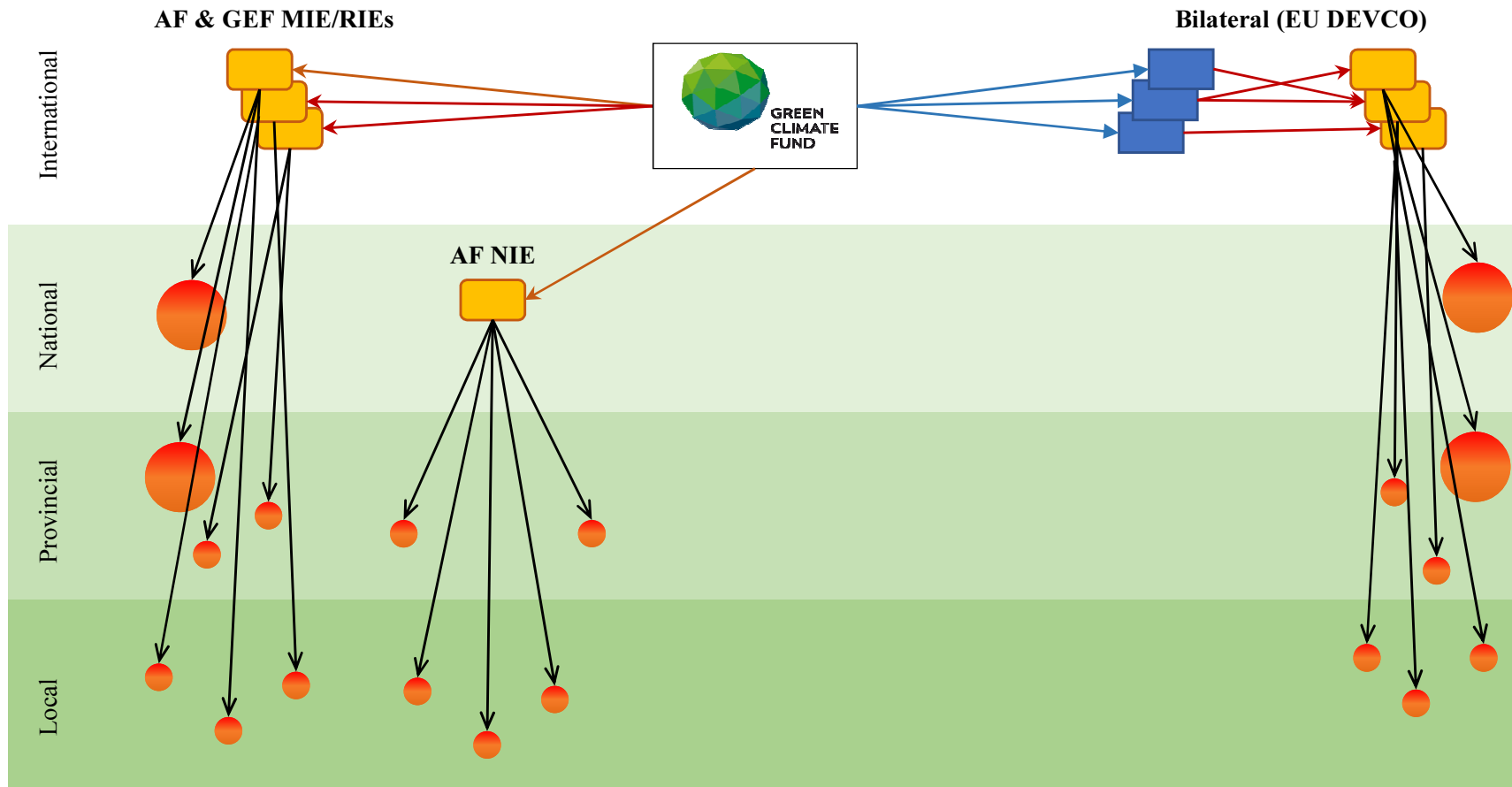
I. Micro and Small Funding Proposals

2. Funding proposals of up to a threshold of US\$ 10 million for any financial instrument are eligible for a simplified no-objection procedure with a reduced timeline by the National Designated Authority (NDA).
3. Such funding proposals are approved by the Executive Director of the Secretariat to reduce timeframes associated with approval.

GCF Fast-track Accreditation



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Project Implementing Entity



Programme Implementing Entity

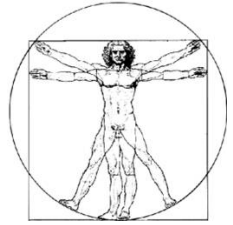


Large Executing Entity
 Medium/Large Project/Programme

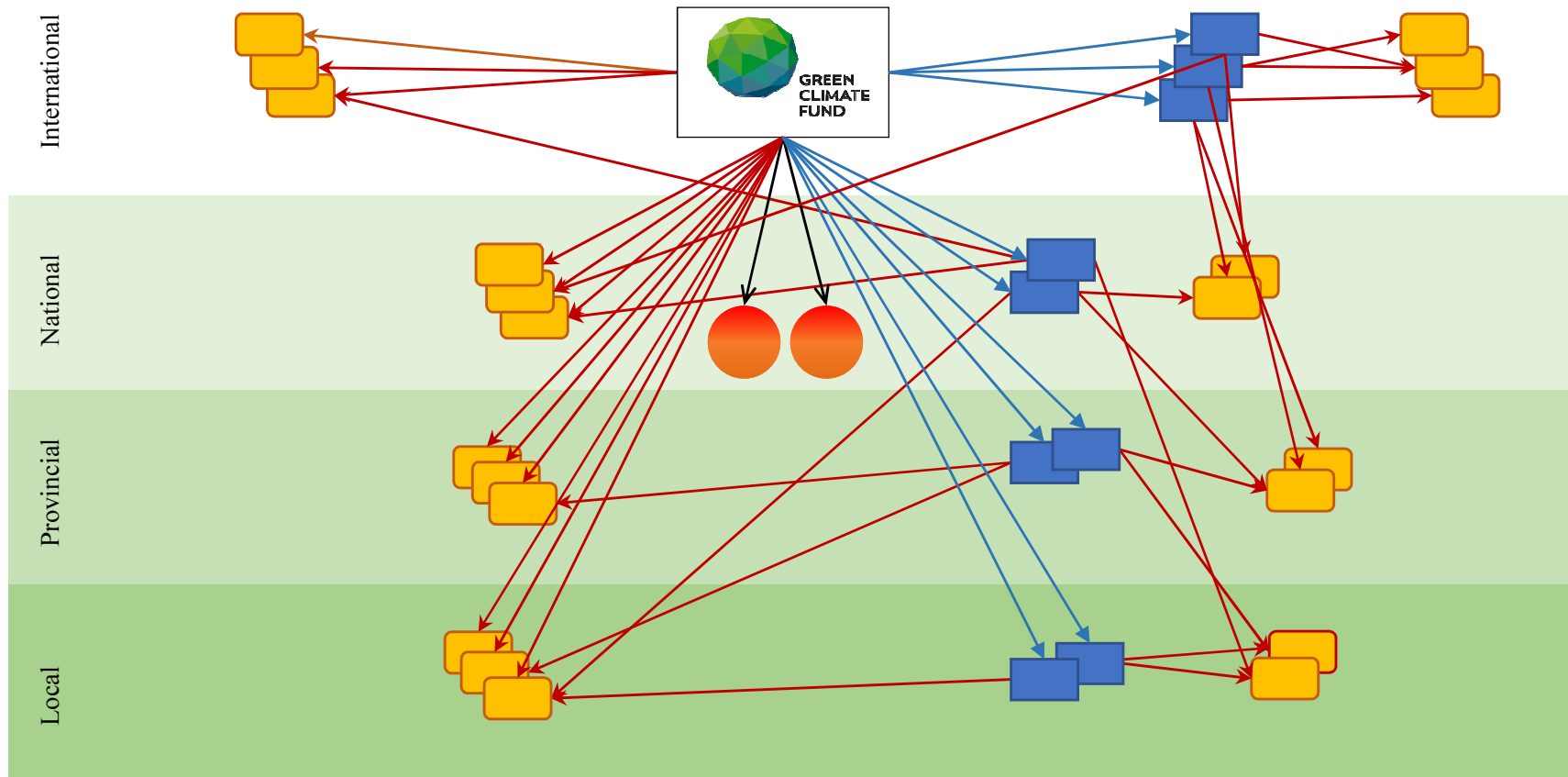


Micro/Small/Medium Executing Entity
 Micro/Small Project/Programme

GCF Maximum Entropy Accreditation?



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Project Implementing Entity



Programme Implementing Entity

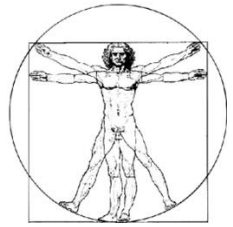


Large Executing Entity
 Medium/Large Project/Programme



Micro/Small/Medium Executing Entity
 Micro/Small Project/Programme

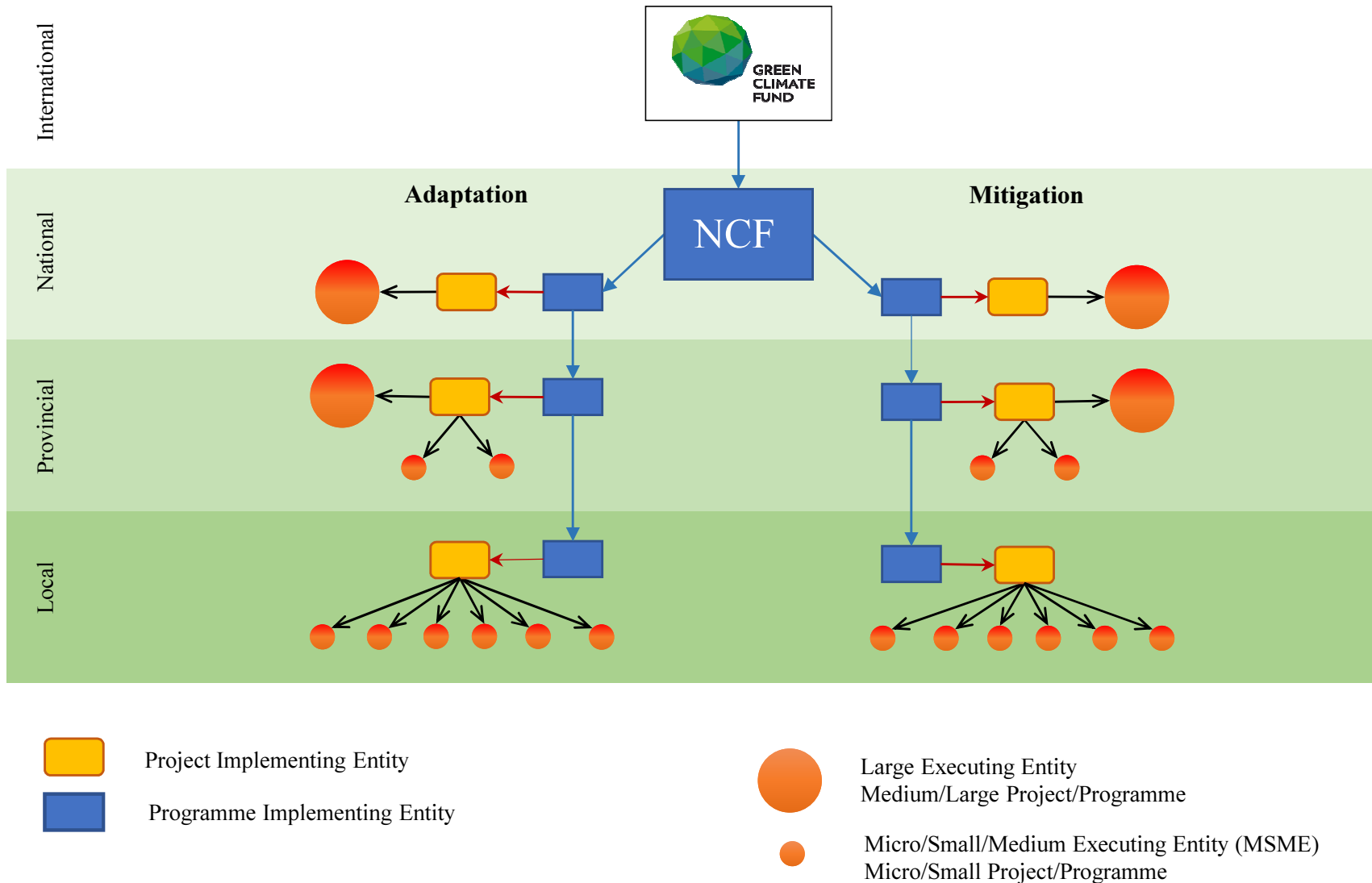
Enhanced Direct Access as GCF “Signature Access Modality”



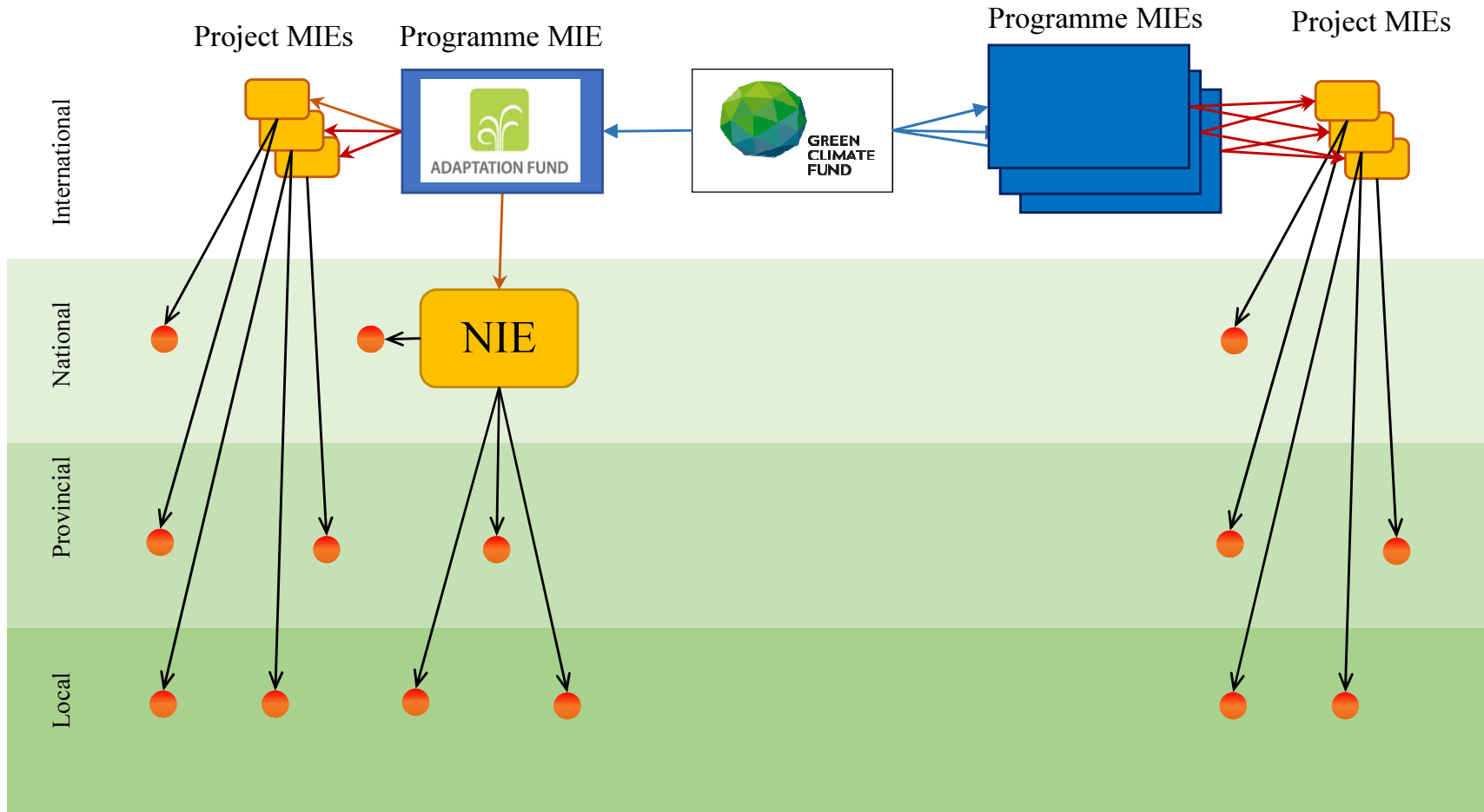
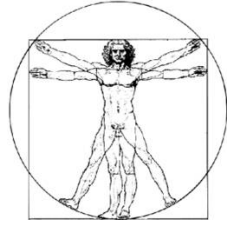
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National Climate Fund (NCF)

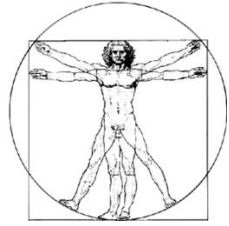
- Accredited with the GCF both as funding entity and intermediary
- Governed by the National Governing Body (incl. NDA representation)



GCF Enhanced Multilateral Access



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Thank You!