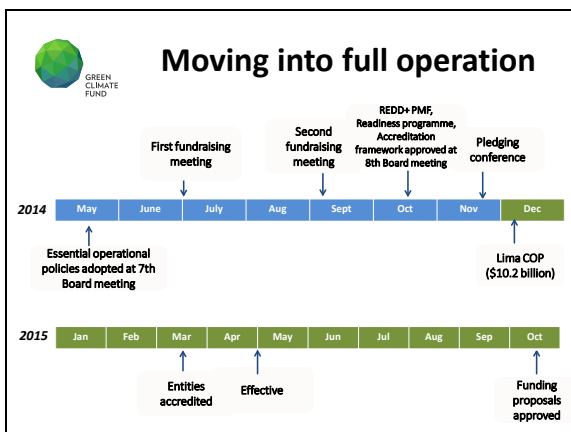


State of Play Update from the Green Climate Fund
Tao Wang (Green Climate Fund)



What I am going to do today is to share with you the state of play of the Green Climate Fund, where we are and we are aiming to go for the next calendar year and beyond. I would also like to present to you a few operational pillars that have been established so far. More importantly, I would like to also give you a status update on what had been established and achieved on the forestry and land use sector in the Green Climate Fund context.

1. Moving into Full Operation

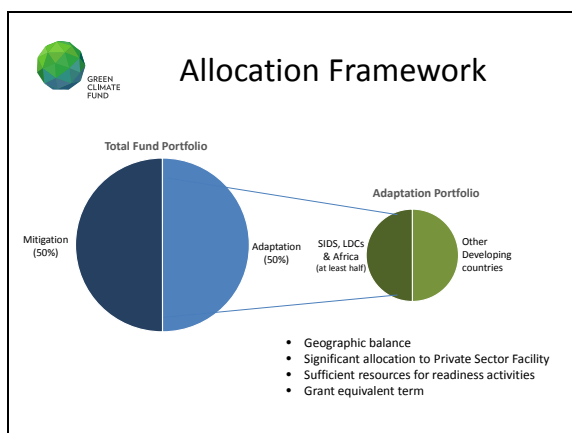


This shows what has been achieved in past few months in the Green Climate Fund context, and then how we see ourselves in the next 12 months; the main milestones that we want to reach. As you can see, in May 2014, the essential operational policies have been adopted including the investment framework, results management framework, and proposal approval process. Since then, the fund has really undergone an intensive exercise of mobilizing funding. As of December 2014, the Lima COP, the Green Climate Fund has mobilized US\$10.2 billion.

Very importantly, I want to highlight that, in October 2014, the REDD+ Performance Management Framework was also adopted. I will talk about this later because I know that many of you are expert in this sector and will be interested in knowing how the Green Climate Fund can help contribute to this agenda.

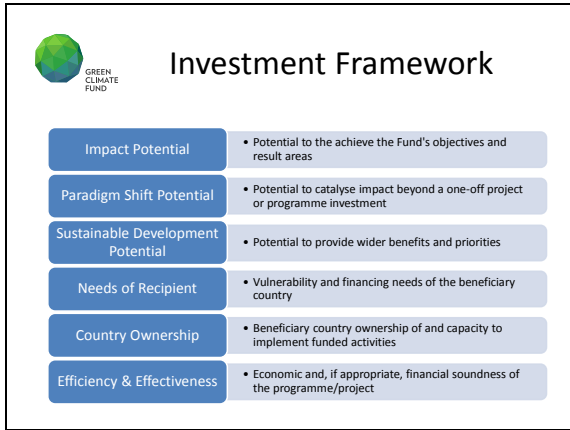
Looking forward, as you can see at the bottom of this slide, in 2015 we have three main milestones. First, by March, we will have the first group of implementing entities or intermediaries accredited. At the moment, the team is very actively reviewing the applications from all kinds of entities. The second milestone is that, by end of April, we aim to convert at least 50% of the US\$10 billion pledge into legal commitments. That will mark the effectiveness of the fund. By October, our last Board meeting in 2015, we aim to have the first group of funding proposals approved by the Board. That will send a positive signal to the Paris COP that the fund is fully operational and delivering results. With this slide, you can see that the Green Climate Fund is now open for business and fast moving into full operation.

2. Allocation & Investment Frameworks



I wanted to introduce you a few operational pillars that have been established that give you an overview of how the fund operates. This is the allocation framework, very high level allocation guideline. As you can see from the left pie, the fund strives to maintain a balance between mitigation and adaptation. 50% of the resources will be channeled to mitigation with another 50% channeled to adaptation. Within adaptation, at least half of the resources will be allocated to small island developing states, least developed countries, and African states. In the meantime, we want to ensure sufficient resources for the readiness activities and also significant resources will be allocated to private sector facility. All this is in grant equivalent term.

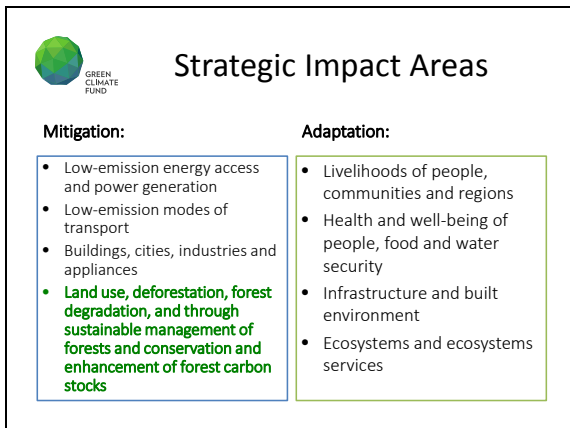
You may wonder where REDD+ fits. In fact, we all know that REDD+ actually cuts across both mitigation and adaptation. You will see that REDD+ is one of the strategic impact areas that the fund has already adopted in mitigation.




Investment framework: these are the six criteria that we will use to assess funding proposals. We would like to work with all the entities to develop high quality project programs that aim to perform against these six criteria in a very robust and innovative fashion.

Impact potential talks about the potential to achieve the mitigation and adaptation results. Paradigm shift potential means that we do not look at only the proposed project program, but we also look at the potential to catalyze impact beyond this one-off project or program through scaling up, replication, or through creation of enabling environment and promoting new market segments. Also, sustainable development potential, needs of the recipient, country ownership, and efficiency and effectiveness. I will be happy to elaborate if you are interested in what all these criteria mean essentially and how you prepare proposals to demonstrate your performance against these criteria.

3. Strategic Impact Areas & Readiness Program

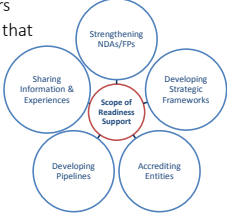


REDD+ is in one of the eight strategic impact areas that the fund has agreed up; four on mitigation and four on adaptation. In total, there are eight impact areas. Land use and REDD+ is one of the four mitigation impact areas. That indicates the Green Climate Fund's commitment and priority in this area. Of course, REDD+ activity actually can achieve a lot of the results on the adaptation side; the livelihood of people, community, and regions; health and well-being; and ecosystem and ecosystem services.



Readiness Programme

- Support countries to engage with Fund
- Respond to country needs and priorities, working in collaboration with the NDA/FP
- Build on existing structures and efforts, and work in partnership with others
- Identify and support interventions that will add value at country level



The Fund's readiness program aims to support countries to engage with the fund establishing the national designated authority/focal points so that we have a counterpart in a country to work with to identify the priorities in a country and also nominate the national or subnational implementing entities that can directly access to the financing from the fund and to carry out project programs.

You may wonder how that relates to the readiness activities in the REDD+ framework. I think the answer is that the readiness program definitely can support the readiness needs of the country in REDD+ if the country across the spectrum of readiness activities see this as a priority for them. We are very keen to take the country-driven approach, so all the readiness requests will come from the country's national designated authorities. We will act upon their request.

4. Accreditation Framework




Accreditation Framework

– Who can apply for accreditation?

- **All entities**, including international, regional, national and subnational and public and private entities, can apply for accreditation through one of two modes of access:
- **Direct access track**: for regional, national and sub-national entities.
 - NDA nomination required
 - Entities may be eligible to receive readiness and preparatory support on accreditation
- **International access track**: for international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions

Accreditation framework: as I mentioned earlier that we are now open to all kinds of entities, international, national, sub-national, and local entities to apply accreditation. This is the first and the mandatory step that the entities need to go through before they can start preparing proposals and access funding. So far, we have received about 30 applications and we are in full swing reviewing these applications. Next week, actually, there is an accreditation panel that will come to the headquarters to review the applications. We aim to make the first set of recommendations in March for accreditations. As you may recall, one of the milestones we want to achieve in this calendar year is to accredit a group of highly qualified national, international, regional entities, to start working in the Green Climate Funds' context bringing project and programs to us.

5. Results-based Payments



Update on REDD+ RBPs

The logic model (LM) and Performance Measurement Framework (PMF) for REDD+ results-based payments (RBPs) was adopted in October 2014.


4 levels in the LM

- (a) Paradigm shifts objective
- (b) Impacts
- (c) Programme outcomes
- (d) Programme outputs

} Linked to the Fund's Mitigation Logic Model

} Defined specifically for REDD+ RBPs

I wanted to provide you an update on the REDD+ results-based payments. The REDD+ land use and forestry is one of the mitigation strategic areas. Also, very importantly, last October, the Green Climate Fund Board has adopted this performance measurement framework and logic model for REDD+ results-based payments. It has four levels: paradigm shift objective, impacts, program outcomes, and program outputs. The bottom two levels are defined specifically for REDD+ results-based payment. The top two levels are linking to the fund's overall mitigation logic model. With this, we can say that the Green Climate Fund is really open to further work on the REDD+ results payment mechanism and trying to use this mechanism to maximize the results and impact of the fund in this area. Of course, this is just the start of the journey.





Logic Model for REDD+ RBPs

Level	Results				
Paradigm Shift	Shift to low-emission sustainable development pathways (forest cover and forest carbon loss is slowed, halted, and reversed)				
Impacts (Fund level)	4.0 Reduced emissions from land use, deforestation, forest degradation, and through sustainable management of forests and conservation and enhancement of forest carbon stocks				
REDD+ results-based payments (for verified tCO ₂ e)					
Programme outcomes (national or sub-national)	A. Reduced emissions (tCO ₂ eq) from deforestation	B. Reduced emissions (tCO ₂ eq) from forest degradation	C. Reduced emissions and increased removals(tCO ₂ eq) through the conservation of forest carbon stocks	D. Reduced emissions and increased removals (tCO ₂ eq) through the sustainable management of forests	E. Increased removals (tCO ₂ eq) through the enhancement of forest carbon stocks
Programme outputs (national or sub-national)	Reduced deforestation	Reduced forest degradation	Increased conservation of forest carbon stocks	Increased application of sustainable management methods	Forest carbon stocks enhanced

This gives you an overview of the logic model that has been adopted for the REDD+ results-based payments. In the next few months, we propose to develop the operational guidelines, how it works in a concrete fashion the results-based payment on REDD+. Of course, as you have seen the excellent points that Elly has made in the previous presentation, there are a lot of complex issues we need to think through when we operationalize the REDD+ results-based payment for the Green Climate Fund. We should keep in mind that other funds and facilities already are quite advanced and have made a lot of progress in this aspect.

We are aiming to build upon the experience and expertise that has been built over the years by the other funds and facilities and really bring added value in this aspect.

6. Potential Priority Area: Forestry

 <p>Potential Priority Area: Forestry</p> <ul style="list-style-type: none">• High mitigation potential at a relatively low cost: >7 GtCO₂eq/year (27% of global mitigation potential)• Remarkable co-benefits, including adaptation areas (livelihoods, food security, health, water, biodiversity)• Opportunities in results-based payments (REDD+)• Limited support from existing climate channels (only accounts for 5% of current mitigation and 8% of adaptation financing, combined with agriculture)	 <p>Thank you</p> <p>Tao Wang Director of Mitigation & Adaptation twang@gcfund.org +82-32-458-6095</p>
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I wanted to just share with you part of the emerging findings coming out of an exercise that we are undertaking now, which is called analysis of the expected role and impact of the fund. We aim to present these findings of analysis at the next board meeting in March. One of our findings is that forestry is really one of the potential priority areas that the fund needs to focus on because of the high mitigation potential at a relatively low cost and strong resilience aspect. 70 gigatons per year represents 27% of the global mitigation potential. Through intervention in forestry and land use activities, we can achieve remarkable co-benefits. We have excellent opportunities in utilizing the results-based payment mechanism. Last but not least, we also find that there is limited support from the existing climate finance channels with only 5% of the mitigation financing and 8% of adaptation financing is channeled to forestry and agriculture combined. That sends a clear signal that there is a lot more we can do in this area.

With that, perhaps I will conclude my presentation by saying that the Green Climate Fund is a new institution. We are fast growing and really eager to engage with all of you and call on your support to work with us to get highly qualified entities accredited and bringing forward high quality projects and programs and to deliver the results on the ground.