

# Green Climate Fund

## New opportunities for the transport sector

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## Key features of the Green Climate Fund

### An overview

- Purpose is to make a significant contribution to the global efforts to limit warming to below 2 degrees C
- Promote a paradigm shift by helping developing countries shift their economies towards low-emission and climate-resilient development pathways
  - Activities to be country-driven and integrated into development plans/strategies
  - Linked to climate change strategies and plans, (e.g. LEDs, NAMAs, NAPAs, NAPs, etc.)
- Strong emphasis on adaptation and support to vulnerable countries
- Private Sector Facility to directly and indirectly finance private sector mitigation and adaptation activities:
  - PSF as integral part of the Fund
  - Address barriers to private sector investment (e.g. market failures, capacity gaps, lack of awareness)
  - Avoid displacement of investments, market distortions, moral hazard
  - PSF to mobilize funds at scale

## Progress in operationalizing the Fund

- GCF Board has been working since August 2012
- Good progress in developing the Fund's business model
- Already defined many aspects of the operational set-up
- GCF Secretariat established
- Will operate out of the headquarters in Songdo after the opening on 4 December.
- Board agreed on a list of elements to be completed before the Fund can receive, manage, programme and disburse financial resources
- Prioritized for the first two meetings in 2014
- If completed, initial resource mobilization in second half of 2014

## Initial result areas

As adopted by the Board in October 2013

- Design and planning of cities to support mitigation and adaptation
- Energy efficiency of building and appliances
- Energy efficiency of industrial processes
- **Low-emission transport**
- Low-emission energy access
- Small-, medium- and large-scale low-emission power generation
- Sustainable land use management to support mitigation and adaptation
- Sustainable forest management to support mitigation and adaptation including afforestation and reduction of forest degradation
- REDD+ implementation
- Adaptation activities to reduce climate-related vulnerabilities
- Selected “flagship” activities cutting across adaptation result areas
- Readiness and capacity building for adaptation and mitigation activities
- Scaling up of effective community-based adaptation actions
- Supporting the coordination of public goods such as “knowledge hubs”

## Low-emission transport

### Some illustrative examples

#### Measures could include:

- Acceleration of the deployment of public transportation infrastructure in mega-cities;
- Support for the commercialization and deployment of high-efficiency, low-polluting vehicles and related supporting infrastructure;
- Support for the development of advanced low-carbon transport fuels;
- Promoting modal shift to public transport, and encouraging a shift in freight transport from road to rail.

#### Other opportunities:

- Electrification as part of a decarbonisation strategy, with significant innovation potential in battery technology and motor efficiency.
- Advanced biofuels to reduce fossil fuel reliance, e.g. in aviation.
- Low-carbon transport options can be highly scalable and replicable, but need to be addressed through national and local planning frameworks.
- Also important to consider life-cycle emissions of planned investments and interventions.

### Need to get ready!

- Beneficiary countries need to be ready to come up with activities that can be funded by the GCF
- Secretariat will provide readiness and preparatory support:
  - Preparation of country programmes
  - In-country, GCF-related institutional capacities, including for country coordination and multi-stakeholder consultation mechanisms
  - Readiness to directly access the Fund
- Partners need to get involved now!
- Readiness of potential contributors to make credible pledges for the initial resource mobilization
- Need for significant amount of public funds
- Huge potential to leverage private funds

Thank you!

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