Green Climate Fund
Strategic pipeline development in land use sector

Training session
How to access Green Climate Fund financing for land-based projects?

September 2017

GCF Portfolio
43 projects/programmes with USD 2.2 billion of GCF funding

Committed GCF funding by region & instrument
GCF Portfolio
Climate impact and adaptation allocation

Estimated climate impact

Mitigation impacts
981 MtCO₂eq

Adaptation impacts
125 million beneficiaries

Approved amount of GCF funding

Mitigation 66%
Adaptation 34%

GCF portfolio
Land use related projects account for up to 35% of approved GCF funding

GCF committed funding by results areas (%)*

- Energy access & generation
- Transport
- Energy efficiency
- Forestry & land use
- Livelihoods
- Health, food & water security
- Infrastructure resilience
- Ecosystem

Public sector  Private sector

* The breakdown of GCF funding into the eight results areas was done based on the attribution of GCF funding amounts to each respective result area presented in the funding proposals.
Forestry and land use portfolio

Key features

- 8 projects with USD 227 million of GCF funding (as at B.16)
- Clear climate impacts & strong country ownership
- Targeting both mitigation and adaptation results
- Involvement of both public and private sectors
- Financial instrument expected to be diversified

Key challenges in developing land use projects

- Small scale project-level
- Concentrated in readiness and preparation
- Lack of enabling environment (land tenure, policy, etc.)
- Lack of coordination within the country
- High concessionality (grant) requested in financial instrument
Paradigm shift in land use

Agricultural production uncouples from deforestation

Value of agriculture and land use production (US$ billion)

Landscape of land use finance

Falconer et al., 2015
**What kind of land use investments are we looking for?**

- Programmes at scale & landscape approach
- Alignment with national climate change strategies, including NDCs, NAMA, NAP, REDD+
- Strong coherence and coordination within the country
- Various financial instruments (grant, loan, equity, guarantee) & leveraging co-financing and private sector finance
- Innovative and paradigm shifting /transformative

**Landscape approach**

- Productive land and deforested areas
  - e.g. credit lines to improve loan conditions for sustainable agriculture
- Secondary forests threatened by deforestation
  - e.g. Sustainable forest management for timber & non-timber forest products, PES
- Primary forests
  - e.g. PPP in large scale conservation, ecotourism
Strategic pipeline generation

- National strategy for Climate change (NDC, NAP, NAMA, REDD+ Strategy, etc.)
- National institutional framework
- Priority investment for paradigm shift
- Necessary actions for each priority
  - Financial planning (public & private):
    - Analysis of domestic and International funding sources
    - Analysis of financial barriers
    - Identification of gaps and necessity
    - Financial instruments needed
    - Investment priorities
- Consultation with stakeholders
- Identification of required actions for each priority
- Identification of GCF investment
- GCF projects and programmes

Opportunities for financing land-based projects at GCF

- Dedicated mitigation result area for forestry and land use investments, and also three adaptation result areas - livelihoods, water and food security and ecosystem - with a strong land focus.
- The GCF investment criteria related to sustainable development takes into account the environmental co-benefits of the proposed interventions.
- Land restoration activities will have both mitigation and adaptation benefits, thus a greater impact potential, and efficiency in the use of GCF funds.
- Many developing countries are planning actions in the land sector, both for mitigation and adaptation (as in their NDCs), and this will be reflected in the country ownership investment criteria and in the country strategic programming and pipeline development.
Developing guidance

- GCF financing forestry and land use
- REDD+ results-based payments
- Joint mitigation and adaptation
- Private sector financing
- Guidance on adaptation
- Sectoral guidance e.g. Agriculture and Food security