

Can the Least Developed Countries Count on the Green Climate Fund?

The Green Climate Fund (GCF) is positioned to provide the bulk of the funding to implement the Paris Agreement. Though the Fund promises to balance funding between adaptation and mitigation, as well as geographically, the distribution of funds has not aligned with these promises. There have also been delays in accrediting implementing agencies located in Least Developed Countries. Ensuring that the GCF fulfills its funding promises is crucial for successful adaptation in these vulnerable nations.

Policy Pointers

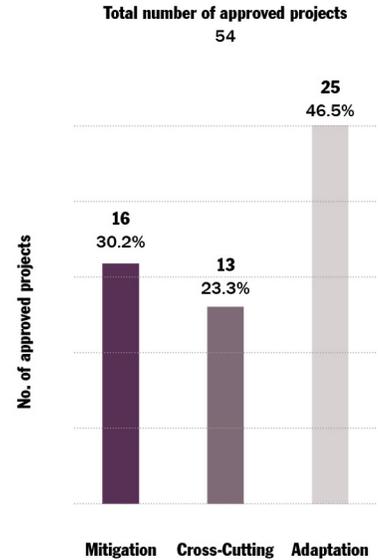
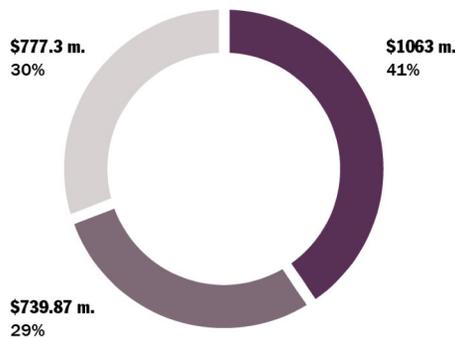
- The GCF must follow through on its promise to equally allocate its funds to adaptation and mitigation.
- The GCF must achieve geographic balance in funding and ensure that vulnerable countries receive adequate funds.
- Processes for accrediting implementing agencies must be streamlined so as to not inhibit LDCs from gaining direct access.

The Green Climate Fund (GCF) is set to become the central fund for implementing the Paris Agreement; it will distribute the bulk of the USD 100 billion that industrialized countries aim to mobilize every year for climate mitigation and adaptation from 2020 onwards. The Fund, launched at the climate negotiations in Cancún in 2010, has so far received pledges of USD 10.3 billion. Founded with the objective of supporting a paradigm shift to low-carbon, climate-resilient development, it began financing projects and programs in 2015. As of the end of September 2017, 43 projects had been approved, worth more than USD 2 billion. There is no doubt that the progress made by the GCF so far is important in successfully implementing the Paris Agreement. However, despite this positive progress, the Fund has yet to overcome several barriers to realizing the promised paradigm shift. This brief summarizes, reflects on and evaluates the progress of the GCF thus far from the perspective of Least Developed Countries (LDCs).

At its inception, the GCF promised to dedicate half of its funds to adaptation (the

other half going to mitigation), an aspiration that would be achieved “over time”. Of the 54 approved projects, 25 are adaptation projects amounting to USD 777.3 million (30% of the total allocated funds). USD 1.063 billion has been allocated to 16 mitigation projects and USD 739.9 million (31%) to cross-cutting projects, incorporating both adaptation and mitigation. As these figures show, adaptation-only projects receive significantly less funding than mitigation projects.

The GCF aims for “geographic balance”, paying special attention to “particularly vulnerable” countries, including LDCs, small island developing states (SIDS), and African states. Among the 25 adaptation projects approved so far, 12 projects, amounting to USD 357.6 million or 46% of the funds allocated for adaptation, went to LDCs. Among the 13 cross-cutting projects, four projects amounting to USD 172.6 million were directed to LDCs (one of the projects also involved a non-LDC country). The two projects also included several non-LDCs, as



■ MITIGATION ■ CROSS-CUTTING ■ ADAPTATION

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such only partial project funds will be going to the targeted LDCs.

The International Institute for Environment and Development (IIED) estimates that the cost to the 48 LDCs of implementing their post-2020 climate action plans could be around USD 93 billion a year. As yet, only four LDCs have managed to accredit national entities with GCF. The money allocated by GCF for adaptation in LDCs is less than half a billion dollars. At this rate, it will take decades for the GCF to provide adaptation funding to all the LDCs. Given that the poorest communities in the LDCs are already facing the adverse effects of climate change, it would seem that putting their faith in getting funding from the GCF may not be worth the effort and that funding may not materialize in time for them to prevent the devastating effects of climate change. Instead, LDCs may have to be proactive in using their own resources to adapt. While this is what LDCs are fortunately

already doing, the costs of climate adaptation will be enormous; international support through the GCF is still urgently needed.

To read the full chapter on this research, look for the 2017 Adaptation Watch Report, to be released at COP23 in November 2017.

Authors

- Naznin Nasir
International Centre for Climate Change and Development (ICCCAD), Bangladesh
- M. Feisal Rahman
Independent University, Bangladesh
- Saleemul Huq
International Institute for Environment and Development, United Kingdom