

Source: <https://www.greenclimate.fund/who-we-are/about-the-fund>

United Nations Framework Convention on Climate Change (UNFCCC) Green Climate Fund

The Green Climate Fund (GCF) is a new global fund created to support the efforts of developing countries to respond to the challenge of climate change. GCF helps developing countries limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change. It seeks to promote a paradigm shift to low-emission and climate-resilient development, taking into account the needs of nations that are particularly vulnerable to climate change impacts.

It was set up by the 194 countries who are parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2010, as part of the Convention's financial mechanism. It aims to deliver equal amounts of funding to mitigation and adaptation, while being guided by the Convention's principles and provisions.

When the Paris Agreement was reached in 2015, the Green Climate Fund was given an important role in serving the agreement and supporting the goal of keeping climate change well below 2 degrees Celsius.

Responding to the climate challenge requires collective action from all countries, including by both public and private sectors. Among these concerted efforts, advanced economies have agreed to jointly mobilize significant financial resources. Coming from a variety of sources, these resources address the pressing mitigation and adaptation needs of developing countries.

GCF launched its initial resource mobilization in 2014, and rapidly gathered pledges worth USD 10.3 billion. These funds come mainly from developed countries, but also from some developing countries, regions, and one city (Paris).

GCF's activities are aligned with the priorities of developing countries through the principle of country ownership, and the Fund has established a direct access modality so that national and sub-national organisations can receive funding directly, rather than only via international intermediaries.

The Fund pays particular attention to the needs of societies that are highly vulnerable to the effects of climate change, in particular Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States.

GCF aims to catalyze a flow of climate finance to invest in low-emission and climate-resilient development, driving a paradigm shift in the global response to climate change.

Our innovation is to use public investment to stimulate private finance, unlocking the power of climate-friendly investment for low emission, climate resilient development. To achieve maximum impact, GCF seeks to catalyse funds, multiplying the effect of its initial financing by opening markets to new investments.

The Fund's investments can be in the form of grants, loans, equity or guarantees.

KEY FEATURES

GCF invests in adaptation and mitigation activities in developing countries, managing a [project portfolio](#) that is implemented by its partner organisations, known as [Accredited Entities](#).

GCF's approach is marked by several distinct features:

BALANCED PORTFOLIO. GCF's investments are aimed at achieving maximum impact in the developing world, supporting paradigm shifts in both mitigation and adaptation. The Fund aims for a 50:50 balance between mitigation and adaptation investments over time. It also aims for a floor of 50 percent of the adaptation allocation for particularly vulnerable countries, including Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States.

UNLOCKING PRIVATE FINANCE. The Fund is unique in its ability to engage directly with both the public and private sectors in transformational climate-sensitive investments. GCF engages directly with the private sector through its Private Sector Facility (PSF). As part of its innovative framework, it has the capacity to bear significant climate-related risk, allowing it to leverage and crowd in additional financing. It offers a wide range of financial products including grants, concessional loans, subordinated debt, equity, and guarantees. This enables it to match project needs and adapt to specific investment contexts, including using its funding to overcome market barriers for private finance.

COUNTRY OWNERSHIP. GCF recognizes the need to ensure that developing country partners exercise ownership of climate change funding and integrate it within their own national action plans. Developing countries appoint a National Designated Authority (NDA) that acts as the interface between their government and GCF, and must approve all GCF project activities within the country. This country-driven approach ensures GCF's activities operate in harmony with national priorities.

The aim of all GCF activities is to support developing countries limit or reduce their greenhouse gas emissions and adapt to climate change impacts.

To understand how you can work with the Fund, visit our [101 Guide](#).

TIMELINE

- 2017: The Fund made great strides in accelerating climate action on the ground, with 19 projects under implementation by the end of the year, totalling USD 633 million in GCF resources.
- 2016: Marks GCF's first full year of operations, with the Fund developing a project portfolio of 35 projects, worth over USD 1.5 billion by the end of the year, to be implemented by its 48 Accredited Entities.
- 2015: The first investment decisions are taken, including both mitigation and adaptation projects, meeting the target set by the UNFCCC in advance of the Paris COP. 195 countries agree to the historic Paris Agreement, which GCF now serves as a financial mechanism of the Convention.
- 2014: Following the establishment of its operational principles and guidelines, GCF commences its initial resource mobilization, raising over USD 10 billion equivalent by the end of the year. Initial mobilization lasts until 2018, while the Fund remains open for further contributions during this time from both public and private sources.
- 2013: GCF's first Executive Director Hla Cheikhrouhou is appointed. The Fund establishes its permanent headquarters in Songdo, Republic of Korea, in December 2013.
- 2012: GCF's governing Board holds its first meetings. The Board is equally balanced with members from both developed and developing countries.
- 2011: GCF's Governing Instrument is adopted in Durban, South Africa (COP 17), where it is given the mandate to make "an ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change."
- 2010: The COP in Cancun, Mexico (COP 16), decides to establish GCF.
- 2009: The general concept for GCF is first proposed at the Conference of the Parties (COP) to the UNFCCC in Copenhagen, Denmark (COP 15).