

Framing a long-term response to climate finance – What can we expect the Green Climate Fund to deliver?

SDSN Germany Round Table
20 November 2014 | BMZ Berlin

On 20 November 2014, SDSN Germany held a round table discussion at the occasion of the High-Level Pledging Conference for the Initial Resource Mobilisation of the Green Climate Fund (GCF) in Berlin. This was to provide a platform for representatives from civil society, business and academia to interact with GCF officials and other participants of the High-Level Pledging Conference. More than 60 people came together in the conference hall, among them HÉla Cheikhrouhou (GCF Executive Director), Meena Raman (Active Observer to the GCF on behalf of Civil Society Organisations) and Abyd Karmali (Active Observer to the GCF on behalf of Private Sector Organisations). Henrik Harboe (Co-Chair of the GCF Board, Norway), several GCF Board Members (Patrick McCaskie, Barbados; Omar El-Arini, Egypt; Manfred Konukiewitz, Germany) and a number of country delegates also attended the meeting.

The GCF was established in 2010 by the UNFCCC Conference of the Parties (COP). It is meant to support developing countries in their efforts for low-carbon and climate-resilient development. Therefore, the GCF will provide grants and credits for both mitigation and adaptation. The Fund also aims to serve as a catalyst for private sector investment in climate action.

At the GCF High-Level Pledging Conference hosted by the German Federal Government on

20 November, governments pledged a total of 9.3 billion USD to the GCF for its initial financing. These contributions make it the largest multilateral climate fund (see [Joint Press Release](#) of the Federal Ministries BMUB¹ and BMZ², 20 November 2014).

The SDSN Germany dialogue took place immediately after the Pledging Conference in the same venue (BMZ Berlin). Prof. Klaus Töpfer, Co-Chair of SDSN Germany, opened the meeting by congratulating GCF associates and partners around the table on the historic outcome of the Pledging Conference. He claimed that the urgency of climate action including mitigation has to become common sense much beyond expert talks, something that SDSN Germany also stands up for. Töpfer expressed his gratitude to BMZ and BMUB for supporting the round table event.

GCF Executive Director HÉla Cheikhrouhou briefly reported on the conference outcomes and highlighted that pledges were made by 21 countries, among them four from the Global South. More countries are expected to announce their contributions by the end of the year as well as throughout the first four-year-period. She underlined that the GCF Secretariat will support the GCF Board in using

¹ Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

² Federal Ministry for Economic Cooperation and Development

this excellent momentum to become operational and promote a paradigm shift towards low-emission and climate-resilient development pathways.



From left to right: Abyd Karmali, H la Cheikhrouhou, Prof. Klaus T pfer, Adolf Kloke-Lesch, Meena Raman | [More pictures \(link\)](#)

Whose paradigm shift are we referring to? And who is going to benefit most from it? Meena Raman, Civil Society Active Observer to the GCF, argued that climate action should be very much country- and community-driven, taking into account the poor and vulnerable at the front-lines of global warming. On a more general note, Raman argued that despite its size the Fund is still a small part of what may need trillions of funding.

Abyd Karmali, Private Sector Active Observer to the GCF, said he was optimistic about the Fund's ability to be truly transformative nonetheless. He added that the GCF is by far not the only element in the climate financing cosmos as the latter even includes foreign direct investment (FDI) and other forms of mainstream investment. In order to increase their share in climate finance, investment risks as well as liquidity and policy gaps may need to be addressed, as Karmali argued.

The discussion picked up many of these aspects. Civil society, business and academic representatives generally welcomed the

outcome of the Pledging Conference, arguing at the same time that this can indeed only be a starting point. There was also a common claim for practical examples of what kind of instruments the GCF could support through its upcoming investment framework. Meena Raman had earlier on suggested ecosystem-based approaches and climate-smart agriculture as two promising people-centred measures for climate change mitigation and adaptation. Other discussants mentioned feed-in tariffs, micro-insurances and clean cook stoves.

One concern shared by several participants was whether the money pledged to the GCF comes in addition to general development funding instead of distracting funds and attention from those efforts. Members of the GCF Board were confident that in many cases money pledged to the Fund is over and above previous and more general financing commitments, although it may be difficult to fully assess this. Ingrid-Gabriela Hoven from BMZ added that climate action and poverty reduction can actually not be thought of as two separate goals. Lutz Weischer from Germanwatch had previously called for climate action with development impacts.

The importance of substantive GCF outcomes for trust-building prior to international climate negotiations was highlighted by several discussants, among them Henrik Harboe, Norwegian Co-Chair of the GCF Board. Norbert Gori sen from BMUB appreciated that the GCF will have a 50/50 balance between mitigation and adaptation, with 50 percent of adaptation funds going to the most vulnerable countries. Others reaffirmed that the paradigm shift towards low-carbon development has to be global. This, for instance, is reflected in SDSN Germany's efforts to promote sustainable development as a basic principle in German politics, economy and society.