



“Building Armenia’s National Transparency Framework
under the Paris Agreement” UNDP-GEF Project

“National Adaptation Plan to Advance Medium and
Long-term Adaptation Planning in Armenia” UNDP-GCF Project

Funding sources for adaptation (GEF, GCF, AF): challenges and opportunities for Armenia

*Workshop on Introductory Training on Climate Change Transparency Framework
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International Financing of Climate Change Adaptation and Mitigation in Armenia

Vertical - UN Funds (focus of this presentation):

- Global Environment Facility (GEF)
- Green Climate Fund (GCF)
- Adaptation Fund (AF)

Horizontal:

- European Union
- Bilateral



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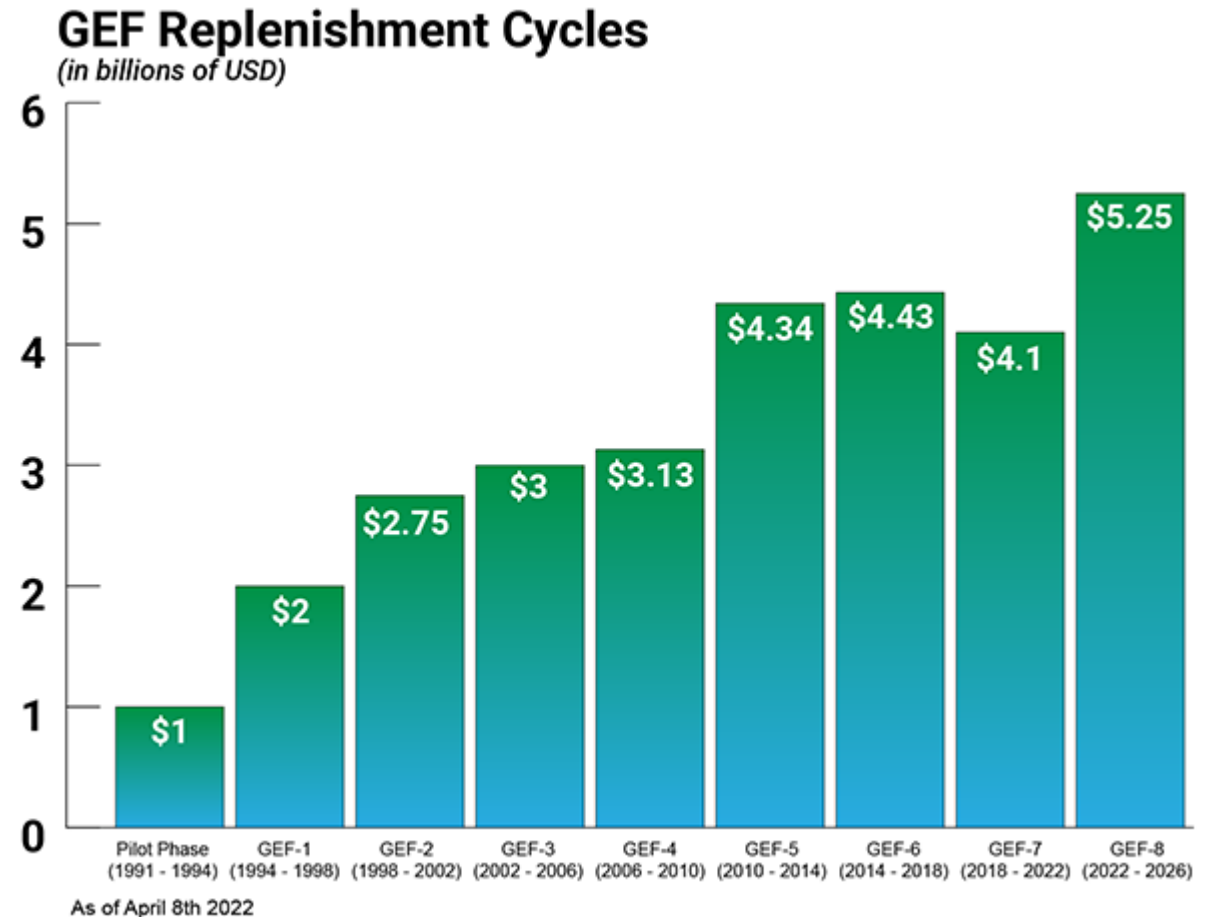


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Global Environment Facility (GEF)

- Established in 1992
- Provided more than **\$21.7 billion** in grants globally and mobilized an additional \$119 billion in co-financing for more than **5,000 projects and programs**
- Funds: both developed and developing countries are or have been donors to the GEF Trust Fund. Since its inception the GEF has received contributions from **40 donor countries**



Global Environment Facility (GEF)

GEF is a financial mechanism to support implementation of UN global Conventions in developing countries:

- Convention on Biological Diversity (UNCBD)
- UN Framework Convention on Climate Change (UNFCCC)
- UN Convention to Combat Desertification (UNCCD)
- Stockholm Convention on Persistent Organic Pollutants (POPs)
- Minamata Convention on Mercury
- Montreal Protocol on Ozone Layer Depleting Substances
- Multilateral Agreements on International Waters and Transboundary Water Systems

Global Environment Facility (GEF)

GEF Governance:

- **GEF Assembly:** all 184 participant countries
- **GEF Council:** 32 members (14 from developed countries, 16 from developing countries and 2 from economies in transition) + 32 alternates; Council Members rotate every three years; Council meets twice annually
- **GEF Secretariat:** WB hosts the GEF Secretariat in Washington DC
- **Trustee** of the GEF Trust Fund: World Bank

Global Environment Facility (GEF)

GEF Agencies (18 Agencies as of 2022)

- United Nations Development Programme (UNDP)
- United Nations Environment Programme (UNEP)
- World Bank (WB)
- UN Food and Agriculture Organisation (FAO)
- United Nations Industrial Development Organisation (UNIDO)
- Asian Development Bank (ADB)
- African Development Bank (AfDB)
- European Bank for Reconstruction and Development (EBRD)
- International Fund for Agricultural Development (IFAD)
- WWF-US
- International Union for Conservation of Nature (IUCN)
- Other

Global Environment Facility (GEF)

- Armenia is a Participant country since 1994
- Funds: quota for Armenia - ~\$8 mln per GEF 4-year cycle

Projects in Armenia since 1997

Project Type	Number of Projects	Total Financing	Total Co-Financing
National	39	\$51,688,615	\$15,561
Regional/Global	20	\$264,881,167	\$7,980

- Max GEF Grant received: \$5,120,000 (NRMPR)
- Min GEF Grant received: \$100,000 (Enabling Activity)

Small Grants Programme:
\$4,5 mln total since 2009

Global Environment Facility (GEF)

Projects in Armenia since 1997

Focal Areas	# of Projects
Climate Change	25
Biodiversity	22
Land Degradation	12
Multi Focal Area	10
POPs	8
Chemical & Waste	4
Ozone Depleting Substances	2
International Waters	1

Project Type	# of Projects
Enabling Activity	17
Full-size Project	26
Medium-size Project	16

Implementing Agency	# of Projects
UNDP	29
UNEP	15
UNIDO	8
WB	7
FAO	2
EBRD	2
ADB	1
IFAD	1
DBoSA	1
GEF Secretariat	2

Global Environment Facility (GEF)

GEF Focal Point in Armenia: Minister of Environment (Operational & Political Focal Point)

Project approval Cycle:

- Project Identification Form (PIF)
- Project Preparation Grant (PPG)
- Project Proposal Document

Eligibility Criteria:

- Eligible country: ratified the convention(s) the GEF serves
- National priority: driven by the country and be consistent with national priorities
- GEF priorities: to achieve global environment benefits
- Financing: GEF financing only is for the agreed incremental costs; co-financing requirement ~1:7
- Preparation: broad stakeholder consultation

Global Environment Facility (GEF)

Challenges and opportunities for Armenia:

- Technical assistance
- Experience gained over long period
- UNDP-GEF unit
- Rather pilot projects
- Covering incremental costs
- Co-financing requirements: 1:7
- No direct access



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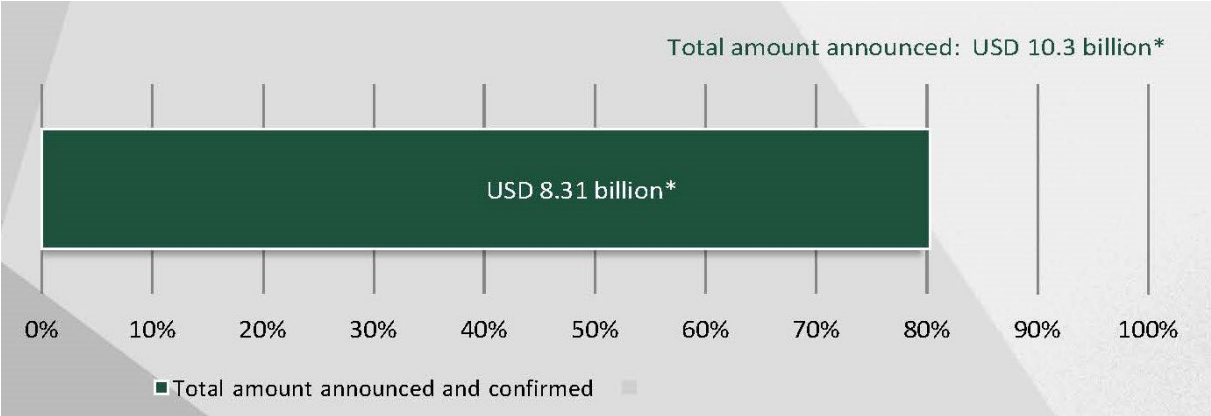
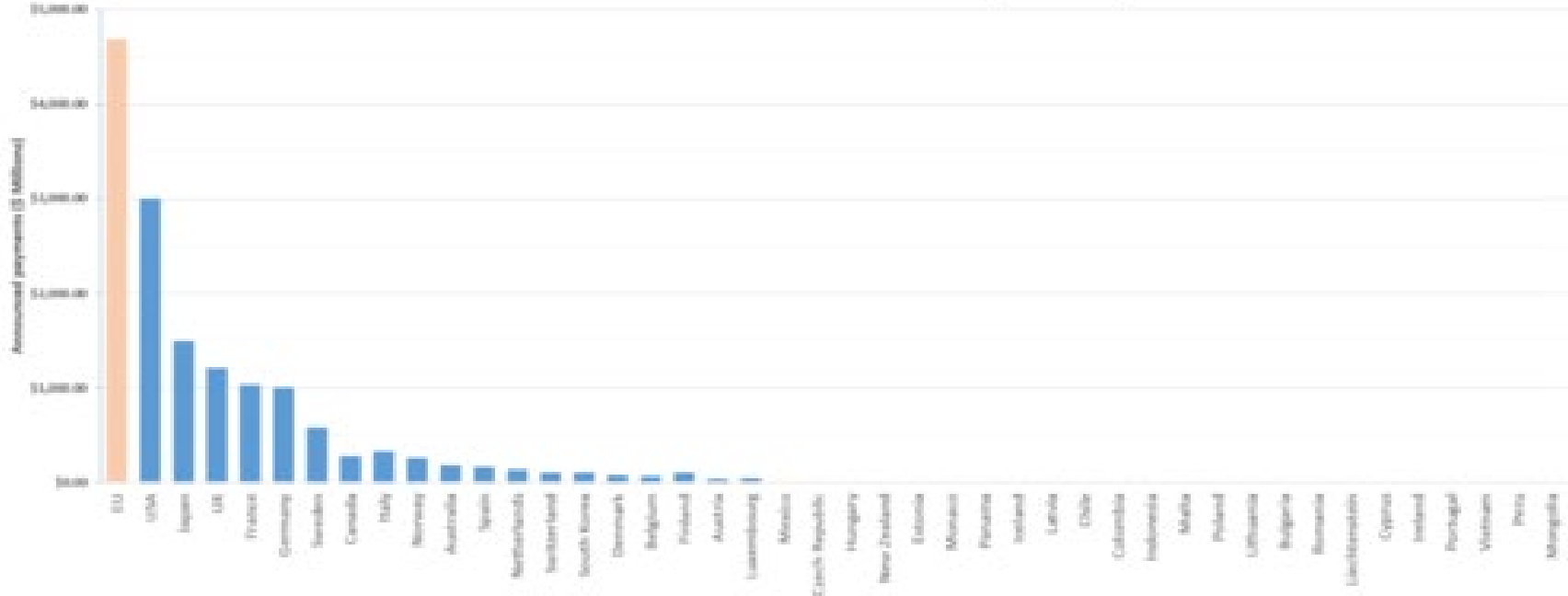
Green Climate Fund (GCF)

GCF was fund established within the framework of the UNFCCC as an operating entity of the Financial Mechanism for Paris Agreement to assist developing countries in implementation of **adaptation** and **mitigation** commitments.

- Established: 2010
- First Project Approval: 2015
- Funds: Committed contribution from developed countries (voluntary from developing countries)

Green Climate Fund (GCF)

Green Climate Fund Contributions by Country



2020-2023
replenishment period

Green Climate Fund (GCF)

GCF Governance:

- **Board:** 24 members from developed and developing countries (+24 alternates)
- **Secretariat:** legal status in Korea
- **Trustee:** WB

GCF Accredited Entities	
Direct (National)	58
Direct (Regional)	14
International	41

Green Climate Fund (GCF)

- **GCF National Designated Authority in Armenia:** Minister of Environment
- **Accredited Direct (National) Entity in Armenia:** Environmental Projects Implementation Unit of the Ministry of Environment (2016)

GCF Projects in Armenia

	Implementing Entity	GCF Grant Amount	Total (GCF + co-finance)	Sector
De-risking and scaling-up investment in energy efficient building retrofits in Armenia	UNDP	\$20 mln	\$29,820,000	Mitigation
Forest resilience of Armenia, enhancing adaptation and rural green growth via mitigation	FAO	\$10 mln	\$18,704,703	Adaptation / Mitigation
NDA Strengthening and Country Programming support for Armenia through Ministry of Nature Protection	EPIU	\$300,000		Readiness
National Adaptation Plan	UNDP	\$2,999,593		Readiness
3 regional projects (grant + loan)	EBRD	\$1b + \$271m + \$1,4b		Mitigation / Adaptation
Other (ArmSwissBank, R2E2)				

Green Climate Fund (GCF)

Challenges and opportunities for Armenia:

- Limited capacities to access funds for adaptation
- Big projects opportunity
- Direct access
- Co-financing requirements
- Implementation monitoring from GCF Secretariat
- Fast track accreditation with AF if accredited with GCF



Adaptation Fund (AF)

Adaptation Fund: international fund that finances concrete adaptation projects and programs in developing countries helping eligible developing countries to adapt to the harmful effects of climate change.

Created under the Kyoto Protocol of United Nations Framework Convention on Climate Change (UNFCCC) and continued under Paris Agreement

- Launched: 2007
- Operational: 2010
- **Direct Access by accredited national entities**

Adaptation Fund (AF)

Funds:

- 2% share of proceeds of the Certified Emission Reductions (CER) issued by Kyoto Protocol's Clean Development Mechanism (CDM)
- Donor contributions (donations)
- \$211.27 million was received through Clean Development Mechanism generated emissions reductions sales proceeds and \$964.44 million in donations, totaling cumulative receipts of \$1,175.70 million as of December 31, 2021
- Initially \$10 mln country cap; since 2021 - \$20 mln country cap for national projects in each country by accredited implementing entities

Adaptation Fund (AF)

AF Governance

- **Board:** 32 (16 members and 16 alternates) representing UN regional constituencies, Annex I countries, Non-Annex I countries, LDCs and SIDSs; rotation every two years; legal status in Germany
- **Secretariat:** Hosted by GEF Secretariat in Washington DC (WB)
- **Trustee:** World Bank

Accredited Implementing Entities:

- National Implementing Entities (NIE) - **DIRECT ACCESS**
- Multilateral Implementing Entities (MIE)
- Regional Implementing Entities (RIE)

Multilateral Implementing Entities (MIE)

African Development Bank (AfDB)

Asian Development Bank (ADB)

European Bank for Reconstruction and Development (EBRD)

UN Food and Agriculture Organization (FAO)

Inter-American Development Bank (IDB)

International Fund for Agricultural Development (IFAD)

United Nations Development Programme (UNDP)

UN Educational, Scientific and Cultural Organization (UNESCO)

United Nations Environment Programme (UNEP)

UN Human Settlements Programme (UN-Habitat)

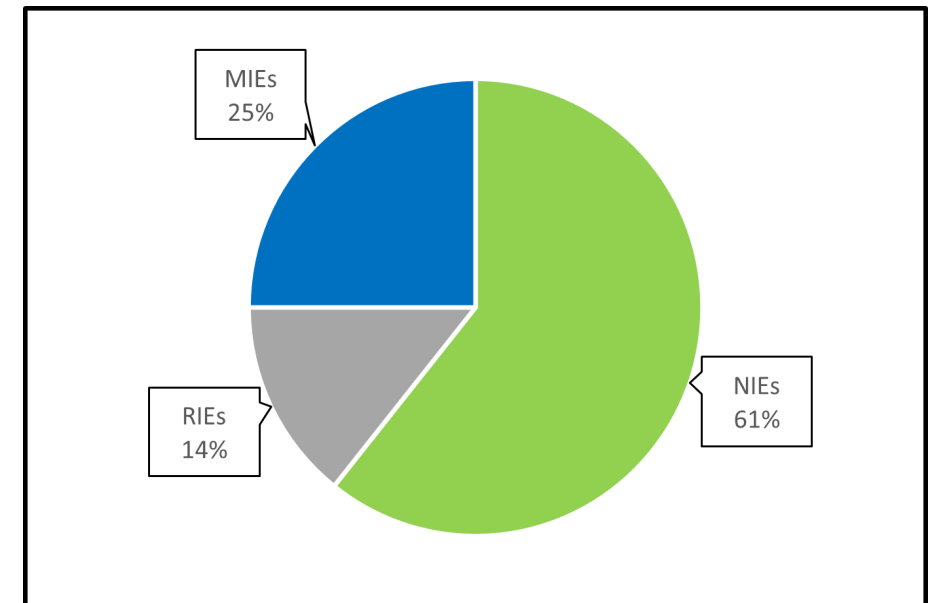
UN Industrial Development Organisation (UNIDO)

UN World Food Programme (WFP)

World Bank (WB)

World Meteorological Organisation (WMO)

Adaptation Fund (AF)



Adaptation Fund (AF)

- Armenia Designated Authority: Minister of Environment
- NIE in Armenia: Environmental Projects Implementation Unit (EPIU) of the Ministry of Environment (2016)

AF Projects in Armenia

Project Title	Implementing Entity	Grant Amount	Sector
Strengthening land based adaptation capacity in communities adjacent to protected areas in Armenia	EPIU	\$2,506,000	Forestry
Artik city closed stonepit wastes and flood management pilot project	EPIU	\$1,435,100	Urban development
Innovation Small Grant	EPIU	\$230,000	
Technical Assistance Grant	EPIU	\$19,000	

Adaptation Fund (AF)

Challenges and opportunities for Armenia:

- Total available: \$20 mln
- Accessed so far: \$4 mln
- Streamlined accreditation of EPIU (access to \$4 mln)
- Re-accreditation process of EPIU (potentially access to another \$4 mln)
- Demanding accreditation process
- Fast track accreditation with GCF if accredited with AF
- Possibility of second NIE accreditation
- Opportunity of a up to \$10 mln infrastructure project
- Pre-conditions to access the second \$10 mln (out of \$20)

UN Vertical Funds

Funding:

- Regular Projects and Programmes
- Readiness Grants (GCF, AF),
Enabling Activity (GEF)
- Learning/Knowledge Grants
- Innovation Grants



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