

Green Climate Fund

COMMUNITY REQUEST FY 2020

\$500 M

FY 2019 President's Request: \$0

FY 2018 Enacted: \$0

DESCRIPTION

The Green Climate Fund (GCF) is a multilateral fund that fosters resilient, low-emission development. The GCF employs a range of financial instruments to support projects and programs that promise the greatest impact in reducing greenhouse gas (GHG) emissions and building resilience in developing countries. It mobilizes private-sector capital and fosters stronger policy environments to better address the challenges of a changing climate.

WHAT DOES THIS BUY?

Generates grants, concessional debt financing, guarantees, and equity. Projects are implemented through partnerships with entities accredited by the Fund.

JUSTIFICATION FOR THE REQUEST

- The GCF has **approved \$4.6 billion for 93 projects in 102 countries, worth a total of \$16.4 billion.** These projects, ranging from solar installations to reforestation projects, anticipate avoiding 1.6 billion tons of carbon emissions and increasing the resiliency of communities that are home to 272 million people.
- In East Africa, a \$10 million investment was matched to create a \$200 million equity fund to finance off-grid solar power in Rwanda and Kenya, where 70% of the population lives in rural villages without access to grid electricity. These rural villages are now more connected to global markets.
- In Latin America, a \$215 million loan guarantee was matched to create a \$700 million energy efficiency green bond focused on small- to medium-sized energy firms, reducing GHG emissions by 13 million tons annually.
- An increase in extreme weather-related events will put 50 million more people – the population of Spain – at high risk for going hungry by 2050. In addition, 25 million children will be at risk of stunting and other damaging effects of malnourishment.
- GHG emissions continue to rise, complicating the global effort to keep atmospheric temperature from rising above 2°C.

THE AMERICAN IMPACT

The GCF aligns with and amplifies the goals of U.S. development assistance and the broader sustainable development goals. The Fund's focus on cofinance arrangements means that **every \$1 contribution leverages \$2.56 from other sources.** This helps increase the effectiveness and reach of U.S. assistance, allows developing countries to demonstrate climate action at international negotiations, and provides the conditions for a more peaceful and prosperous global community.



Looking to the Future

Green Climate Fund – TITLE V

BOLD VISION

Climate change will remain a problem for the foreseeable future. It requires additional U.S. investment to adapt and mitigate its effects as well as transition to clean energy. Several years ago, the U.S. committed to provide \$3 billion over 4 years to the Green Climate Fund; however, to date, the U.S. has only contributed \$1 billion. It is critical for at-risk communities in the U.S. and the world and that the U.S. fully honor its pledge by providing funding to the Green Climate Fund in FY 2020.

The Fund is now fully operational and has a proven track record. It will help those countries in most need of assistance to reduce emissions and adapt to a changing climate. It will support innovative solutions to the toughest climate challenges, such as curbing global deforestation or managing global sea-level rise. As climate crises mount in the coming decades, additional investment can make the GCF the place developing countries turn to first for help when they need additional assistance.

IMPACT OF CUTS

Continued U.S. neglect of the global challenge of climate change might lead other donors to renege on their Paris commitments, provide the grounds for more fraught negotiations in the United Nations Framework Convention on Climate Change, and put climate-sensitive communities in the developing world more at risk.

¹ “Responding to climate change,” UN Environment. <https://www.unenvironment.org/regions/africa/regional-initiatives/responding-climate-change>.

Global warming above 2° C would put over

50%

of the African continent’s population at risk of **undernourishment.**¹

5 YEAR FUNDING HISTORY

■ House

■ Senate

Funding levels may not accurately reflect those in the appropriations bills and/or reports due to rounding.

