



REPUBLIC OF ARMENIA
MINISTRY OF
ENVIRONMENT



GREEN
CLIMATE
FUND

About «Scaling up green finance practices in Armenia»
readiness program funded by «Green Climate Fund»

2021

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The Climate challenge

- ✓ The impact of human induced climate change is **unprecedented** - emissions are projected to cause further warming and increase the likelihood of severe, pervasive, and irreversible effects on every continent
- ✓ **Greenhouse gas (GHG) emissions are continuing to rise** - current trajectory of GHG emissions rates will cause global temperatures to increase by 4°C by the end of this century
- ✓ **United Response** - advanced economies have agreed to jointly mobilize USD 100 billion per year by 2020



About Green Climate Fund

- ✓ A core GCF principle is to follow a country-driven approach, which means that developing countries lead GCF programming and implementation.
- ✓ Total 197 parties to the Paris agreement are members of GCF and 147 countries have designated NDAs and FPs
- ✓ The funds of GCF are generated from developed countries and are channeled to mitigation and adaptation of climate change impact in developing countries.
- ✓ GCF provides opportunity each country to have direct access to funds through National Developed Authorities (NDA) National Designated Authorities (NDAs) are government institutions that serve as the interface between each country and the Fund
- ✓ GCF offers an unprecedented chance to capitalize on new growth and investment opportunities that can protect the planet as well via different instruments including loans, equity, guarantees and grants.

Currently the budget of the fund is close to USD **10.3 billion**



About Green Climate Fund /continued/

- ✓ The goal of GCF is to keep climate change below 2 degrees C
- ✓ GCF is mandated to invest 50% of its resources to mitigation and 50% to adaptation in grant equivalent. At least half of its adaptation resources must be invested in the most climate vulnerable countries (SIDS, LDCs, and African States).
- ✓ Unlocking private finance – engages directly through Private Sector Facility taking climate-related risks and allowing to leverage additional financing
- ✓ Through its partnerships approach, GCF acts not just as a catalyst of finance, but also of strengthened decision-making and institution building, promoting the uptake of class-leading environmental, social and gender standards
- ✓ DNA (Ministry of Environment) - interface between Government and GCF



About Green Climate Fund /continued/

- ✓ **Accredited entities** manage and monitor projects, that are financed by GCF. They provide broad strategic oversight of the GCF's activities in the country and communicate the country's priorities for financing low-emission and climate-resilient development
- ✓ **Direct Access Entities** are sub-national, national or regional organizations - to be nominated by NDAs
- ✓ **International Access Entities** - United Nations agencies, multilateral development banks, international financial institutions and regional institutions. Do not need to be nominated by developing country NDAs.
- ✓ Some of the International Accredited Entities are presented in the next slide



About Green Climate Fund /continued/

Among accredited parties of GCF are:



What is «Scaling up green finance practices in Armenia» readiness program about ?

«Scaling up green finance practices in Armenia» is implemented by initiative of the Ministry of Environment of RA and by funding of GCF: The goal of GCF is to spread and develop the best practice among partner countries : More details about this program are provided below.

- ❖ Name of the program - «Scaling up green finance practices in Armenia»
- ❖ Duration – 24 months
- ❖ Budget – 664,000 USD
- ❖ Goal – analyze and develop the best practices of “green finance” in the Republic of Armenia.
- ❖ Expected end of the program– 06/2022



What is «Scaling up green finance practices in Armenia» readiness program about ?

Project Steering Committee

The Project Steering Committee has 6 members, who represent Ministry of Environment, Ministry of Economy, Central Bank Central Bank of Armenia. The strategic leadership and governance oversight to the Readiness Project is provided by the Project Steering Committee.

Project Implementation Unit

The Delivery partner of the program is ARMSWISSBANK CJSC. PIU acts as the secretariat for Project Steering Committee (PSC) and Procurement Evaluation Committee (PEC), administer and disburse funds, arranges meeting, seminars, workshops, trainings and other necessary events, monitors and supervise the project activities of consulting firms and individual consultants, banks, nonbanking financial institutions and other concerned agencies



Who are beneficiaries of «Scaling up green finance practices in Armenia» readiness program?

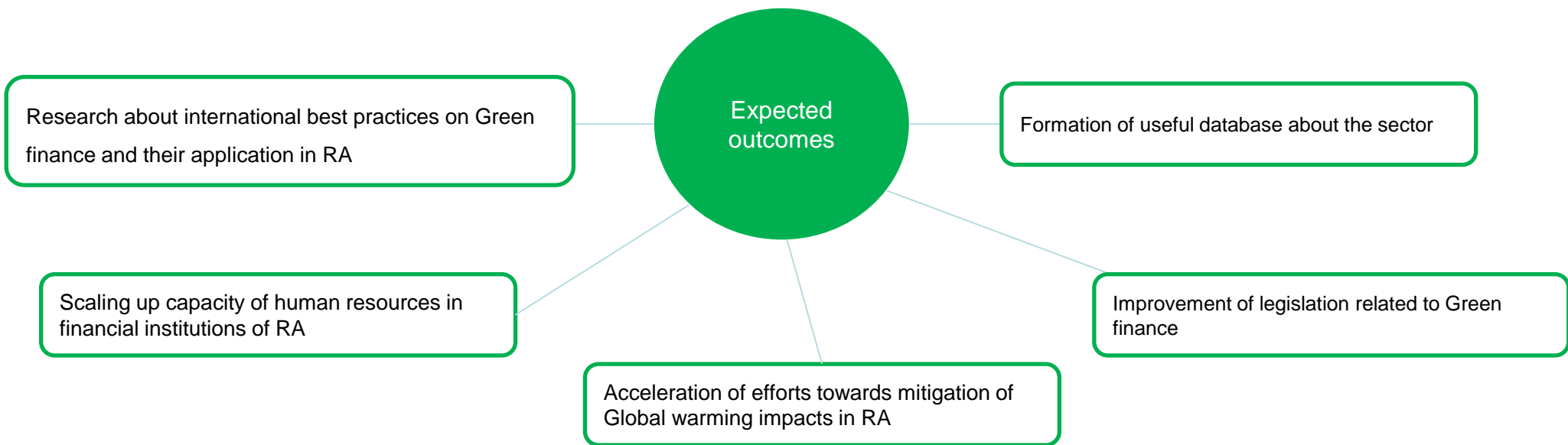
The proposed Readiness Project is aimed at designing Green Finance Roadmap, as key political document outlining current state, existing impediments for green finance development and establishing comprehensive vision for green finance strategy contributing to implementation of Armenia's NDCs and Paris Agreement. This program shall provide a strategic framework to mainstream green finance in the architecture and practice of financial markets and thus, in medium to long term shall contribute to mobilizing private and public capital for green projects in Armenia The Beneficiaries of this program are:

- Government of the Republic of Armenia in face of the Ministry of Environment
- Central Bank of Armenia
- Commercial banks and Non-banking financial institutions of the Republic of Armenia
- Private sector entities, which are related to “green” investments

What are the phases of this readiness program and what is the current progress



What are the expected results after implementation of «Scaling up green finance practices in Armenia» readiness program?



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