Q	A
“What is the difference between designated authorities and accredited entities in term of receiving funds and implementing?”	**“National designated authorities**” are the developing countries’ Government focal points liaising with the climate funds. They are in charge of the overall coordination of climate funds’ projects in a given country, similar to what cooperation offices do for the Swiss project portfolio in a country. They should ensure prioritization of project pipelines submitted to climate funds, making sure they are aligned to national priorities. Often these same authorities (usually ministries) also play a central or important role in national climate governance, coordinating strategies (such as long term climate strategies) and plans (such as Nationally Determined Contributions, National Adaption Plans, etc.). They should not exercise their task alone, but in consultation with relevant stakeholders such as line ministries, civil society organizations, private sector, other international partners and academia. In the Green Climate Fund (GCF) they are called “national designated authorities”, in the Adaptation Fund (AF) “designated authorities”, in the Global Environment Facility (GEF) “focal points” and in the Climate Investment Funds (CIF) “government focal points”. **“Accredited entities”** in turn design, submit and coordinate the implementation of specific projects. Accredited entities can be public, private, national or international including multilateral institutions. For implementation they might hire executing agencies. The vocabulary varies here too: “accredited entities” (GCF), “implementing entities” (AF) and “GEF agencies” (GEF). In the case of CIFs, Multilateral Development Banks (MDBs) fulfil that role.
“Within the current climate funds landscape, the coherence and complementarity between climate funds is unfortunately no longer there. Many funds have comparable scope, work with the same implementing entities, provide comparable support (TA, policy support, de-risking instruments) etc. Still Switzerland is part of all of these funds. Would it not make sense to prioritise our financing and select the most effective ones? And those where Switzerland can have an influence on the steering of the funds? ”	The four supported main funds are **complementary to a large degree**, have by now proven track records and established multiple channels to promote coherence and cooperation amongst themselves, not least thanks to our insistence. Switzerland has influence on the steering of each of these funds through its board seats, playing an active role. Given the linkages of these funds to the environment conventions Switzerland is a party to and as partnerships grow over time, there are also political dimensions to our contributions. Furthermore, contributions to climate funds are 100% accountable as “climate finance” under the international collective climate finance objective (USD 100 BN, yearly) and the CHF 400 million target of Swiss international cooperation, which is not the case of core contributions to other multilateral institutions. **Could we design the climate finance landscape from scratch, would it look different? Certainly so.** Switzerland has in fact been advocating against creating new funds (we originally also opposed the creation of the GCF), but tend to be overruled by others (in particular developing countries but also large contributors). In particular developing countries consistently contributed to the proliferation of climate funds under the United Nations Framework Convention. They expect additional funds, higher concessionality (optimally grants), easier access and more say in the governance bodies compared to MDBs and other multilateral organizations. This strong global political pressure for the

	creation of new global climate funds continues, as the UNFCCC/Paris 2022 decision to establish a large "loss and damage" fund shows. Switzerland's Parliament regularly decides on priority multilateral partner institutions, when it approves the Swiss International Cooperation Strategy.
"Since most of the climate funds financing is disbursed through "Multilateral Development Banks", this adds an additional layer of administration and administrative costs (Funds + MDBs overhead costs). Wouldn't it be most efficient to channel climate finance directly through MDBs?" **"What is the main additionality, beyond finance, of the GCF and other climate funds when implementing through MDBs and other Multilateral Organizations? Do you see an impact on these implementing actors' climate approaches/capacities?**	It is first important to understand that **the extent of "disbursement through MDBs" varies across funds**. CIF funds are 100% implemented by MDBs, with CIF funding having a more concessional nature than MDB funding. In the case of the GEF they collectively implement approximately 20% of the portfolio. For the GCF and the AF, MDBs are important partners, but "most" funds (more than half) are not disbursed through MDBs. It is however correct that international accredited entities collectively (MDBs, UN, bilateral agencies, private banks, etc.) implement more than half of their respective portfolios. The justification and practice of the climate funds suggests that they **add value to projects implemented by partners, including MDBs**, thanks to their broad/in-depth climate/environment expertise outweighing potential additional cost. Also, thanks to their more inclusive governance structure, developing countries have a bigger say on the strategies, policies and projects. This can make decision-making more cumbersome notably at the GCF, but it is also more inclusive. Furthermore, these funds can be considered as alternatives to smaller thematic multi-donor trust funds, where the question whether the concessional funding could also directly be entrusted to MDBs is equally relevant. As for the CIF, the additional governance mechanism has provided contributor countries the necessary oversight to provide concessional funding at scale. This mobilized climate action would otherwise not be available, tapping into the MDBs' large balance sheets. Finally, these funds have a specific role in supporting developing countries to strengthen their climate governance (capacities to strategize, design and implement climate action). It is true, however, that a "unique selling point" of the AF and the GCF is "direct access" with national entities of developing countries coordinating and implementing projects. They are progressing on strengthening the capacities of those entities and increasing the share of the portfolio implemented by them, but they (while outnumbering international entities in number) are still far from implementing even half of the GCF and AF portfolios. Generally, climate funds painstakingly scrutinize candidate entities and also engage on a dialogue of their climate ambition beyond the joint portfolio. In some cases, this has led to the commitment by entities applying for accreditation to "**Paris alignment"** (case of e.g. Korea Development Bank or the Development Bank of Southern Africa). Also, climate funds are considered **hubs of innovation and expertise**, and can activate a huge network of partners for spreading out innovation. The impact of climate funds on international/multilateral organizations climate capacities/approaches is however currently not systematically measured so it is hard to make any firm conclusions.

“To what extent is agroecology or regenerative agriculture supported by these funds?”	Agroecology and regenerative agriculture are an important action area of the GEF, the LDCF / SCCF are also active in this space. Likewise, the AF and the GCF have embedded these approaches into their agriculture projects, where feasible.
“Are forest development and Biodiversity included in these funds including pastoral landscapes? ”	Forests and land use are an important funding area of the GCF, including REDD+ (“reducing emissions from deforestation and forest degradation in developing countries”), and one where Switzerland has provided much input over the years thanks to expertise at the three offices (SDC, SECO, FOEN) and backstopping by the School of Agricultural, Forest and Food Sciences HAFL. This includes projects in pastoral regions such as the Sahel. Biodiversity is a main focal area of the GEF and most projects of the GEF but also many projects of the other climate funds generate a benefit (or “co-benefits”) for biodiversity, the GEF notably having a lot of nature-based solutions projects and programs. Switzerland advocates for nature-based solutions also in the other climate funds, where relevant.
“How are community-based organizations benefiting? ” **“What are the strategies of the funds to overcome the huge implementation challenges at local level?”**	Both the GCF and the AF promote the participation of local communities, in particular those most vulnerable to climate change, in the climate action of their partner countries. Through its “enhanced direct access” the GCF seeks to directly support communities or small and medium-enterprises (SMEs) through, for example, small grants or extended lines of credit. All of the AF’s activities are designed to promote locally based or locally led action, enhancing access to climate finance and long-term institutional capacities and empowering the most vulnerable people and communities as agents of change. It also employs “enhanced direct access” modalities devolving decision-making to sub-national and local levels and embraces the concept of “locally led adaptation”. The GEF has a "small grants program" which focuses on projects executed by local / community based organizations, with a strong focus on indigenous peoples and local communities.
“What are the strategies of the funds for conflict-affected and fragile states such as Somalia that do not have requisite capacities and/or national focal points? ”	AF, GCF and GEF cover all developing countries, thus also fragile and conflict-affected states, which have ratified the relevant conventions such as notably the United Nations Framework Convention on Climate Change and the Paris Agreement. At the GEF, there is a pre-allocation for each “recipient country” (in particular LDCs and fragile states) allowing them to better plan ahead and ensuring access. This is not the case at the GCF and the AF (with the exception of so called “readiness activities”) where, in spite of a special consideration of LDCs at the GCF, many (but not all!) fragile and conflict-affected states have received little funds. As part of their Environmental and Social Policies climate funds consider conflict-sensitivity starting with a solid stakeholder consultation and “conflict assessments”. But, to have climate funds engage more substantially and work effectively in such states and areas, Switzerland encourages them to do conflict-sensitive programme management more systematically. Also, while the climate funds do provide “readiness support” to strengthen the capacities of national focal points, we encourage them to do an “extra-effort” in this regard in fragile and conflict-affected states. The CIF and in particular its Scaling Up Renewable Energy Program (SREP) have been active in many fragile countries which over the last twelve years went through natural disasters and political turmoil. However, as they rely on the MDBs for implementation, activities in conflict affected countries is limited to the ability and readiness of respective MDBs to pursue in-country activities.

"Are there funds supporting private companies, co-funding green projects at different levels? "	Yes, in the case of the CIFs there are dedicated private sector access windows in each program. The GCF also has a strong private sector portfolio, including a focus on the mobilization of private funds (incl. co-financing) and on Micro-, Small-, and Medium- Sized Enterprises (MSME). However, some private partners eager to directly engage with the GCF find its procedures challenging (often time-consuming and unpredictable). The GEF has a non-grant instrument program specifically targeting the private sector and has a special private sector strategy to mobilize the private sector as an agent of market transformation.
"What about results/impact monitoring? Are we satisfied with it? "	The climate funds all have results-based management systems in place, including fund-wide result frameworks with corresponding monitoring and evaluation involving both the funds' Secretariats and independent evaluation units. On the level of specific projects, M&E by implementing partners is done based on detailed logical frameworks. Are we satisfied? The aggregated result reporting comes with methodological challenges and currently is still mostly providing anticipated result information (based on portfolios; instead of verified actual results), but is useful to get a general sense of overall impact on CO2 emission reduction and on capacities for climate-resilience. In the respective Boards, Switzerland emphasizes the need to further strengthen results management, moving away from a discussion hitherto strongly focused on providing access to resources to one stressing more impact and learning.
"Does the "PLAFICO team"[1] representing CH carry out field assessment missions and engage with selected countries to get a better sense of operational realities of these funds? What concretely informs CH decisions? "	We rely on the evaluations of the projects and programs undertaken by the independent evaluation offices (who carry out field assessment missions). Importantly, "field-informed" observations provided by SDC and SECO country offices help informing our positioning in the respective climate fund boards on specific strategies, policies and projects. Switzerland further is supportive of conducting Board field missions that are helpful not least for these Board members lacking "field exposure".
Is the Africa Risk Capacity (ARC) accredited to one or more of these funds? What about the African Union or the Regional Economic Commissions?	None of them are accredited currently. There are however a number of other African regional and national entities accredited. Also the African Development Bank is accredited to all the four climate funds. The GCF is supporting climate-related insurance schemes and ARC could potentially be an interesting partner for the GCF, while bearing in mind that the accreditation process takes a lot of time.
"The process to access GCF funds for local national actors is long and complex which deters them from applying for these funds. Does Switzerland have a role in lobbying to ease this process for easier access and have substantial local representation?"	The accreditation processes are indeed long and cumbersome, particularly so at the GCF where applicant organizations are scrutinized intensively and the huge demand overburdens the administrative capacity of the Secretariat leading to a long waiting list. Also, while processes have been streamlined somewhat, there is further scope to do so and to align accreditation more systematically with the priorities of the Fund. The improvement of the GCF accreditation system is thus a priority for Switzerland. We occasionally, if so demanded by partner organizations of SDC or SECO, provide advice and contacts at the GCF Secretariat. We however do not lobby as such for

[1] SDC, SECO and BAFU (FOEN) which are representing Switzerland in the various climate funds are running PLAFICO, a coordination platform on international climate/environmental finance involving other interested federal offices including the Federal Finance Administration, the State Secretariat for International Finance and FDFA's Prosperity and Sustainability Division

	specific waitlisted organizations respecting thus the integrity of the accreditation process and the respective roles of the Secretariat and the Accreditation Panel. Switzerland is convinced that GCF accreditation and funding proposals could benefit from reducing language barriers, notably accepting applications in French or Spanish for national actors in West Africa and Latin America.

What can Swiss cooperation offices do in order to facilitate access in LDC's to different funds, do you see any role there?	To help facilitate access, interested cooperation offices can: - Find out what access a country currently has, looking at its current portfolio[2] with the funds (including pipelined projects[3]), which accredited entities are present in country and what the country's institutional set-up is on climate change (coordination/planning mechanisms, etc.). - Contact the national "contact points" (or "designated authorities", see above), as well as other relevant stakeholders (accredited entities, other government offices, civil society, etc.) getting a sense what challenges and problems they face. - Understand what support action (by climate funds[4] and other partners) is already underway to overcome access issues: institutional capacity building support (to contact point, accredited entities and other relevant stakeholders), pipelined projects incl. project preparation support received. - If warranted given the situation (see previous steps), support institutional strengthening of national contact points (capacity to strategize, design and implement climate action, including portfolios for the climate funds, in inclusive coordination with relevant stakeholders) or support accredited entities in designing projects and/or their general project cycle management capacities. - National accredited entities can be helpful to provide access (in the case of GCF and AF), but are not a must as multilateral/regional entities can also implement projects. Where such national accredited entities are lacking, institutional capacity support could be provided to capable and committed candidate organizations to make it through the accreditation process, in cases where it is felt that the climate fund readiness support programs are not sufficient and being mindful that accreditation is a lengthy/cumbersome process taking years.

[2] All the funds have websites showing ongoing projects: GCF (https://www.greenclimate.fund/countries), AF (https://www.adaptation-fund.org/projects-programmes/), GEF (https://www.thegef.org/projects-operations/database) and CIFs (https://www.cif.org/where-we-work).

[3] The AF publishes its pipeline online. See: https://www.adaptation-fund.org/projects-programmes/active-pipeline/. For the GCF pipeline, please contact SDC CDE section (sdc.gpcce@eda.admin.ch) or SECO Multilateral Cooperation (wemf@seco.admin.ch).

[4] Climate funds have so called readiness programs to help strengthen national climate governance, including the ability of national contact points to fulfill their coordination role in devising and implementing a project pipeline. Some have also project preparation support for accredited entities, see e.g. the GCF's project preparation facility, or the AF's project formulation grants.

“How can the Swiss Cooperation Office in Kosovo help Kosovar institutions to apply and benefit from these climate funds? ”	Given its status, Kosovo is not a party to the UNFCCC, Kyoto Protocol and the Paris Agreement, currently not benefitting of their climate funds GCF and AF. CIFs don’t cover Eastern Europe. However, despite its status Kosovo is a GEF “recipient country” in the focal area focusing on international waters and has a GEF operational and a political focal point (see focal points, above). Also, in 2021, Kosovo initiated a discussion with international stakeholders to prepare a voluntary “Nationally Determined Contribution” and established a Climate Change Council. If not done already, as a first step, the Swiss Cooperation Office in Pristina could initiate a conversation with the Kosovar GEF focal point to identify possible challenges in accessing funds (see previous question).
“What will be the source of funds for the AF going forward since “share of proceeds” from the Clean Development Mechanism (CDM) may not be feasible anymore? Will this continue to be major channel for climate finance flows?”	Only about 13% of AF’s funding to date comes from “share of proceeds”, i.e. a 2% levy on international emission compensation projects of the Clean Development Mechanism of the Kyoto Protocol. The rest comes from voluntary contributions mostly by governments (84%) and investment income (3%). When the new international greenhouse gas emission compensation system under Article 6.4 of the Paris Agreement is running (expected 2024), the AF levy will be raised to 4%. We remain thus hopeful that the AF can increasingly rely on this funding source, but at the same time it is evident that the AF still requires voluntary contributions to finance its portfolio. Also, a contributor like Switzerland can’t hold its seat without making contributions.