

Fiji National Designated Authority (NDA)
Climate Change, Climate Finance, Green Climate Fund (GCF), Accreditation
Frequently Asked Questions (FAQ)

1. General

What is climate change?

The [Fiji Climate Change Act 2021](#) defines climate change as “... a change of climate that is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.”

The [Intergovernmental Panel on Climate Change \(IPCC\) describes climate change](#) as “...a change in the state of the climate that can be identified (e.g. using statistical tests) by changes in the mean and/or the variability of its properties, and that persists for an extended period, typically decades or longer. It refers to any change in climate over time, whether due to natural variability or as a result of human activity.”¹

For details on other terms related to climate change, please check the [Glossary](#).

How to deal with climate change impacts?

Climate scientists have developed two approaches to deal with climate change issues:

- Mitigation - Actions reducing the concentration of greenhouse gas (GHG) emissions in the atmosphere by reducing the emissions from different sectors such as energy generation, transport, agriculture, etc. This requires an alternate low carbon development pathway of economic activities through unique and new technologies for improved energy efficiency/use of renewable energy.
- Adaptation – Actions increasing resilience and lessening the impacts of climate change on societies and economies in the foreseeable future. This could be done through increasing awareness, introducing technologies, etc.

Both approaches, mitigation and adaptation, are not mutually exclusive, and both need to be enacted simultaneously.

Further information on climate change adaptation and mitigation in Fiji can be found in the [Republic of Fiji National Adaptation Plan \(2018\)](#) and the [Fiji Low Emission Development Strategy 2018-2050 \(2018\)](#) here (link to policies- NAP and LEDS)

¹ IPCC, 2018: Annex I: Glossary [Matthews, J.B.R. (ed.)]. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. In Press. Retrieved from https://www.ipcc.ch/site/assets/uploads/sites/2/2019/06/SR15_AnnexI_Glossary.pdf

What is climate finance?

Climate finance refers to local, international, or transnational financing to support mitigation and adaptation actions to address climate change. It may be drawn from public, private, and alternative sources of financing. Climate finance is critical to addressing climate change because large-scale investments are required to reduce GHG emissions.

Climate finance is equally important for mitigation actions, and for adaptation actions. Significant financial resources are also needed to enable countries to adapt to negative impacts and reduce the effects of climate change. In financing climate change projects, the following key aspects should be considered:

Financing plans need to include all possible sources, namely the Government, private parties, as well as multilateral and bilateral financing organizations. The financing plan should also address issues like cost recovery, returns to investors, etc.

To facilitate the provision of climate finance, the United Nations Framework Convention on Climate Change (UNFCCC) was established to provide funds to developing countries. Following the Paris Agreement in 2015, the Green Climate Fund (GCF) supports the goal of keeping climate change below 2 degrees Celsius.

What are key vulnerabilities to climate change impacts in Fiji?

According to Fiji's [National Climate Change Policy](#), global sea level changes will more than double by the end of the century. Since 1993, Fiji has recorded a 6 millimetre (0.2 inch) increase in its sea level per year, larger than the global average. The rapid rise in sea levels and the resulting saltwater intrusion from increased coastal floods have made portions of Fiji uninhabitable.

- **Rising sea levels coupled with warmer temperatures and stronger El Niño patterns increase the island's susceptibility to deadly food- and water-borne diseases.** Across Fiji's two main islands, the number of cool nights has decreased, and warmer days has increased since 1942. Tropical cyclones are predicted to decrease in frequency and increase in intensity. These changing weather patterns have worsened Fiji's susceptibility to viral disease outbreaks. Fiji recorded a drought-induced outbreak of diarrheal disease in 2011, combatted a post-flood leptospirosis outbreak in 2012 and quelled a Dengue outbreak in 2013.
- **Changing weather extremes threaten the livelihoods of the Fijian people—implicating the island's ecosystems, on land and at sea.** Saltwater intrusion from coastal flooding destroys farmland, disrupting the supply of staples in the Fijian economy and forcing communities to migrate to safer ground. The damages sustained to Viti Levu, Fiji's most populous island, total some \$52 million per year, or 4 per cent of Fiji's GDP. In 2012, residents of Vunidogoloa became the first to begin relocating due to the impact of rising tides, eroding agricultural lands and intensifying floods.
- **Ocean acidification—or carbon pollution that increases the ocean's acidity—will continue in Fiji**, impacting the health of the island's coral reef systems.
- **Countering the crisis will require collective action from the Fijian Government, the nation's private sector and the world's industrialized nations.** Fiji remains at the frontline in advocating international policies to counter climate change. But internally,

the nation lacks sufficient technical expertise, human resources and financial capacity to fully implement protective measures. The private sector, other governments and international financial institutions can play key roles in helping Fiji mobilise financing to implement integral climate adaptation measures.

Climate change represents one of the biggest threats to sustainable development. In Fiji specifically, destructive weather patterns have hindered the island's economy and uprooted thousands across the island nation. In February 2016, Cyclone Winston ravaged Fiji. It took the lives of 44 Fijians, destroyed homes, uprooted families and inflicted serious damage on the nation's sugar crop, a foundation of the Fijian economy.

2. Green Climate Fund (GCF)

Who can apply for funding from the GCF and how to access this funding?

Any Accredited Entity (AE) or Executing Entity (EE) registered in Fiji may access funding from the GCF . An AE can be private or public and can be either an international or national entity. The AE is responsible for presenting funding applications to GCF, and then overseeing, supervising, managing, and monitoring the overall GCF-approved projects and programs. Alternatively, an EE can also apply as direct implementer of funding proposals.

An AE can access GCF resources to undertake climate change projects and programs by submitting funding proposals to the GCF at any time. An AE may submit a concept note for feedback and recommendations from the GCF. The submission needs to be done in consultation with the National Designated Authority (NDA) in case of Fiji the Ministry of Economy.

What projects can be funded by the GCF?

Funding proposal of projects must meet Fiji's pipeline of thematic areas, namely:

- Agriculture,
- Blue Economy
- Climate-Induced Relocation
- Disaster Risk Management
- Electricity
- Forestry
- Gender and Social Inclusion,
- Housing
- Human health
- Climate Policy and Governance
- Transport
- Water and Sanitation

Funding proposals must include an Impact Assessment to ensure the project meets the Environmental and Social Standards (ESS) and gender inclusion. Every GCF project must be approved, which is expressed via a no-objection letter (NOL), by the NDA.

3. Accreditation

What is the GCF accreditation?

The GCF accreditation process evaluates an applicant entity's policies and procedures, track record, and demonstrated capacity to undertake projects or programmes. Different financial instruments and environmental and social risk categories are assessed against the standards of the Green Climate Fund.

An entity seeking accreditation will need to submit a completed fit-for-purpose application through the GCF Accreditation System. The result of the accreditation process will specify the project or programme activity size and the fiduciary functions. This will shape the operation of GCF resources (grants, loans, equity, and guarantees) and the category of environmental and social risk of intended projects.

This accreditation approach recognises a wide range of entities. It accommodates a diverse scope and nature of activities and capacities in advancing the objectives of the Fund. The approach matches the nature, scale, and risk of activities to fiduciary standards, environmental and social safeguards, and gender policy. For further information check the [GCF Website here](#).

How can the NDA gain access to finance?

The NDA (Fiji Ministry of Economy MoE) can access GCF finance after a) the approved accreditation and b) a successful project proposal. This is done once they have demonstrated adequate project management and fiduciary standards to be accredited by the GCF. There are a wide range of financial products, enabling it to match project needs:

- Concessional loans
- Equity
- Guarantees and
- Grants

To become accredited and receive financing, the NDA / MoE must meet certain fiduciary standards and adequately manages environmental and social risks associated with funded activities.

What are the environmental and social risk accreditation categories?

There are three different accreditation categories for environmental and social risks. Institutions can be accredited to implement:

1. Low Risk Categories (Category C)
2. Medium Risk Categories (Category B)
3. High Risk Categories (Category A)

The MoE will open for climate financing with the ability to originate projects and join up project opportunities with other international funding taking place in Fiji.

What are Direct Access Entities (DAE)?

The DAEs are public or private sector entities that partner with the GCF to implement projects. The NDA is responsible for the selection of the DAEs and for the GCF country work program.

The DAE submits concept notes to the NDA for approval. The NDA determines if the project is aligned with the country work program. Once the NDA is satisfied with the concept note, it issues a **No-Objection Certificate (NOC)** for the project.

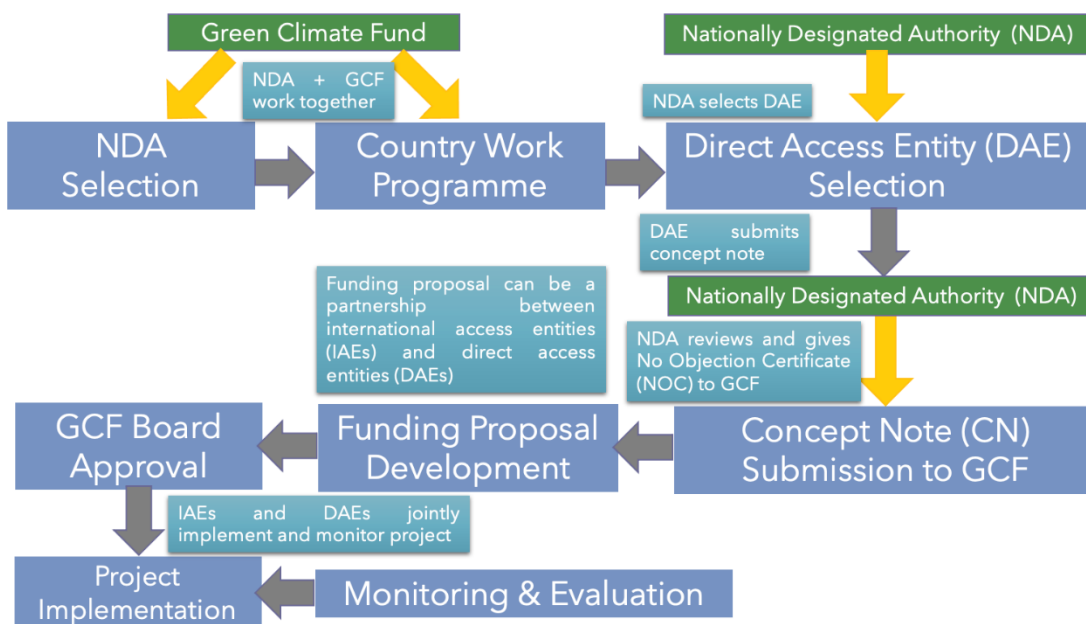
Projects can be prepared and implemented by a DAE or in a partnership with **International Accredited Entities (IAEs)**. IAEs include the World Bank, Asian Development Bank etc.

What is the GCF programme and project cycle?

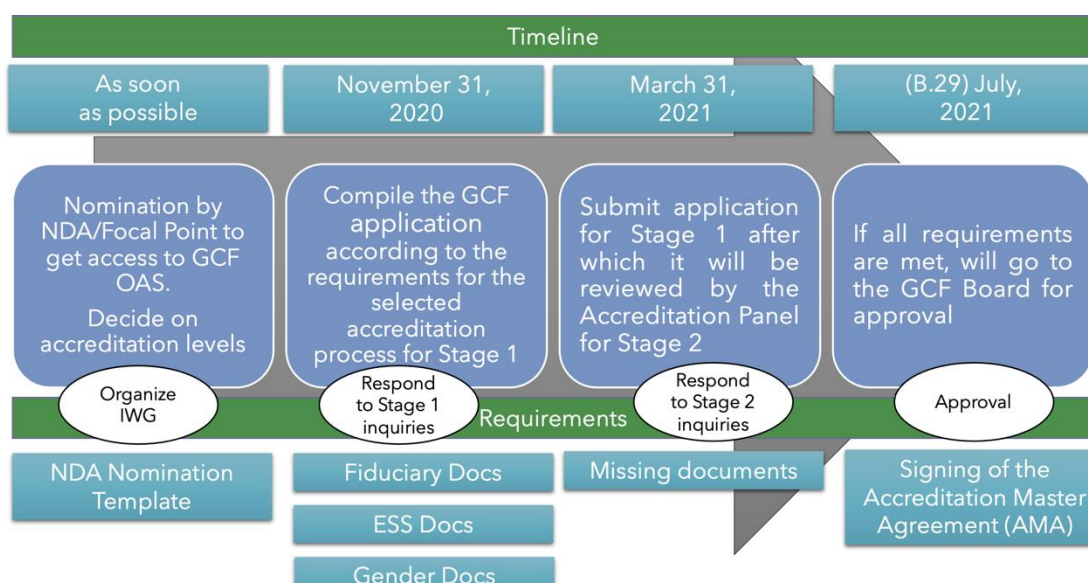
The GCF programme and project cycle is a set of steps and stages to prepare and implement an activity.

Key steps include the development of a concept note followed by a **funding proposal**.

Once the funding proposal passes the various project approval stages, it becomes a GCF-funded project which is monitored and evaluated for progress.



What are the timelines and requirements for accreditation?



What are the investment criteria for projects?

Different investment criteria apply for the GCF projects. The criteria include:

- Impact potential – considering the GCF objectives and result areas.
- Paradigm shift potential – Influence beyond a single project or programme.
- Sustainable development potential – Considering environmental, social, economic, and gender-sensitive aspects and co-benefits.
- Recipient needs – the country and target group vulnerability and financing needs.
- Country ownership - Efforts and capacity to implement a project or programme.
- Efficiency and effectiveness - sound economic and financial approaches.

How much does the accreditation cost?

Applicants in Small Island Developing States (SIDS) and Least Developed Countries (LDCs) can receive waivers of some accreditation fees for micro and small size project categories.

Accreditation fees are based on the total projected costs of the proposed project or activity within a programme at the time of the application. There are four categories which refer to the total projected costs of the activity, irrespective of the portion that is funded by GCF.

Category	Projected Project Costs	Fees
Micro	Up to and including a threshold of US\$10 million	US\$1,000 for the basic fiduciary standards and US\$500 for each specialized fiduciary standard
Small	Above US\$10 million and up to and including US\$50 million	US\$5,000 for the basic fiduciary standards and US\$1,000 for each specialized fiduciary standard
Medium	Above US\$50 million and up to and including US\$250 million	US\$10,000 for basic fiduciary standards and US\$3,000 for each specialized fiduciary standard

Large	Above US\$250 million	US\$25,000 for basic fiduciary standards and US\$7,000 for each specialized fiduciary standard
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More details on accreditation fees are available in the [GCF Policy Fees](#).