



Accessing the Green Climate Fund

Session 5: Partners and Funders

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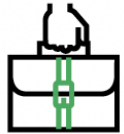
Needs Based Finance Investment Forum
29 November 2024

Programming Priorities 2024-2027



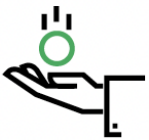
Empower developing countries

As a climate capacity-builder, GCF will enhance its Readiness Programme to help countries translate their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and Long-term Climate Strategies (LTS) into climate investments and programming.



Mobilise the private sector

GCF will optimise its risk appetite and flexible financing to engage the private sector and unlock the financial flows needed by developing countries for climate action.



Improve access

GCF is committed to significantly improve access for developing countries to GCF finance, ensuring funding is delivered efficiently and effectively to communities who need it the most.



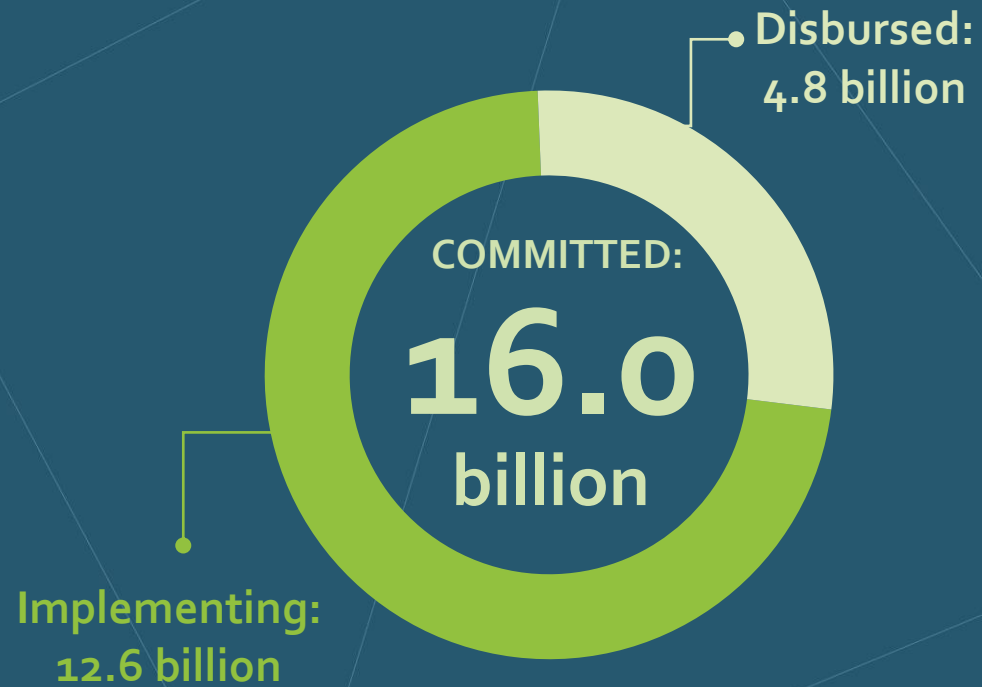
Protect the most vulnerable

GCF will enhance support for the most vulnerable people and communities to address their immediate adaptation and resilience needs, such as urgent climate threats by expanding coverage of climate information and early warning systems.

GCF in Figures (USD)



TOTAL GCF PORTFOLIO COMMITMENT



PORTFOLIO VALUE, INCLUDING CO-FINANCING:

61.5 
billion

As of October 2024

Our portfolio in focus

Balancing adaptation & mitigation

Where we focus

Reduced Emissions from:



Energy generation and access



Transport



Buildings, cities, industries and appliances



Forests and land use

Increased Resilience of:



Livelihoods of people and communities



Health, food and water security

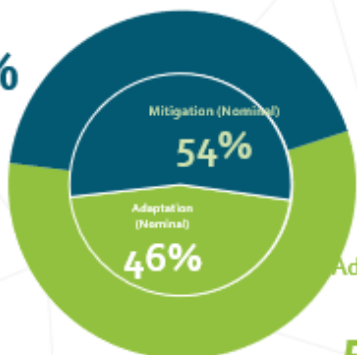


Infrastructure and the built environment



Ecosystems and ecosystem services

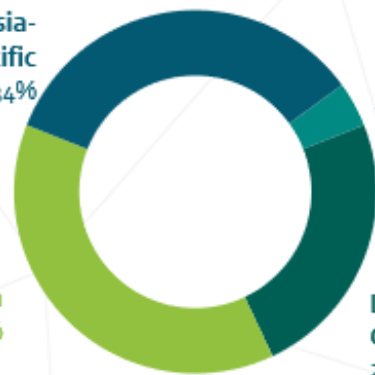
Mitigation (GE)
43%



Adaptation (GE)
57%

Asia-Pacific
34%

Africa
38%



Eastern Europe
4%

LatAm & Caribbean
24%

Asia Pacific

GCF FINANCING (USD)

5.5B

GCF funding *

20.1B

Co-financing

120

Total approved GCF projects including 18 multiregional projects

99

Projects under implementation

* The sum reflects the total GCF funding amount of multi-country projects that include some countries from the Asia-Pacific region

** This factsheet uses the exchange rate from the UN Treasury at USD : EUR = 1 : 0.9943

GCF GLOBAL PORTFOLIO (USD)

15.8B

Total GCF funding

5.5B (35%) of 15.8B

DIRECT ACCESS ENTITIES (DAE)

44

DAEs

Total number of accredited DAEs

AEPC	MFEM_COK
BTFEC	NABARD
FDB	NRSP
IDCOL	PKSF
JSBank	SIDBI
KDB	SPC
Landbank	SPREP
MCT	XacBank

List above shows DAEs with approved projects/programmes in the region.

Go to www.greenclimate.fund/about/partners/ae for more information on Accredited Entities and the GCF projects they support.

As of 25 November 2024

READINESS SUPPORT

240 grants

Total number of readiness grants approved

200.0 million

Total value (USD) of readiness grants approved

200 grants

Total number of readiness grants disbursed

118.1 million

Total value (USD) of readiness grants disbursed

How we work

COUNTRY-DRIVEN

- Readiness programme supports country planning
- GCF programming is aligned with country priorities



A RANGE OF FINANCING INSTRUMENTS

- leverage blended finance
- Piloting support for new financial structures



RISK-TAKING, PATIENT CAPITAL

- accept higher risks to support early-stage project development & innovations to catalyse climate finance



AN OPEN, PARTNERSHIP ORGANISATION

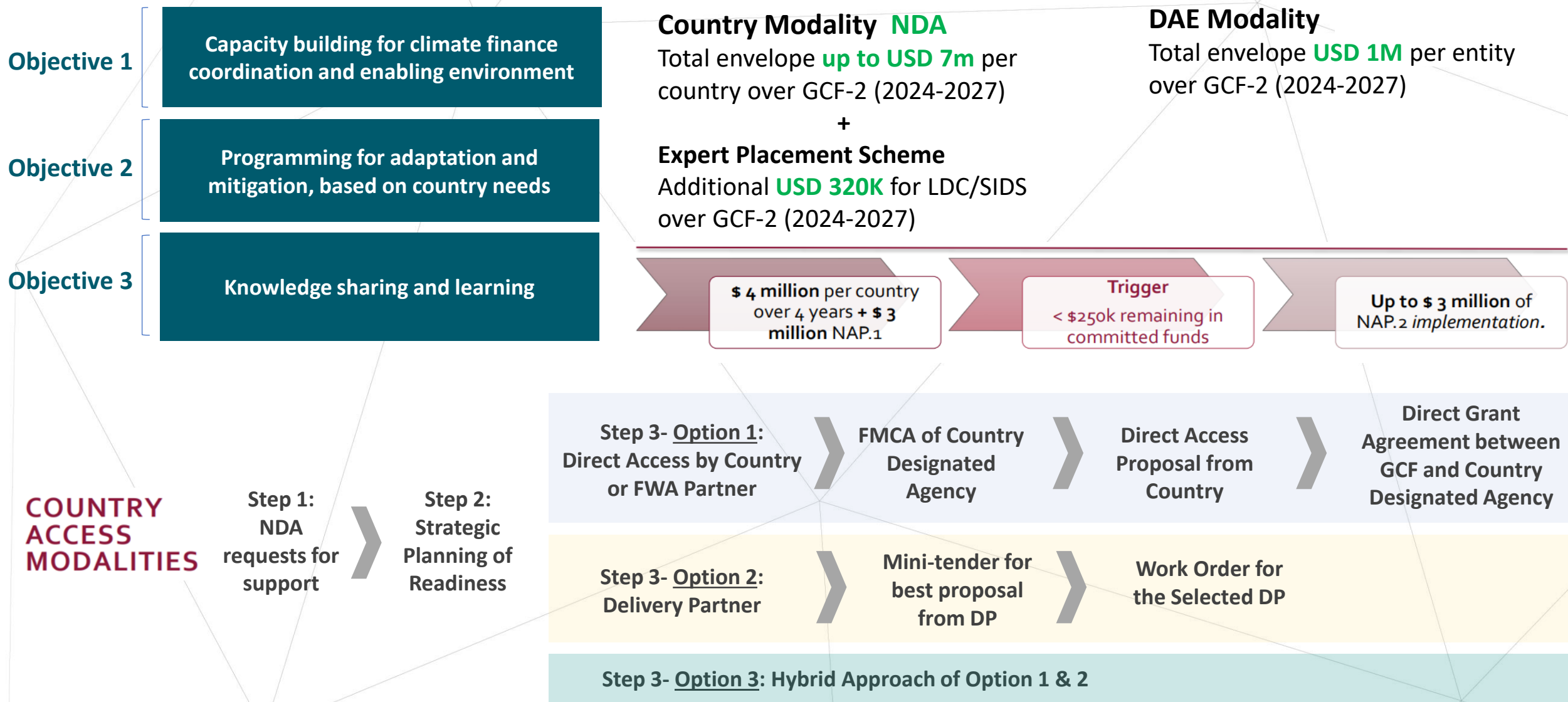
- over 200 Accredited Entities and delivery partners



BALANCED ALLOCATION

- targeting 50:50 allocation between mitigation & adaptation

Readiness Programme Finance Modalities and Access



Project Preparation Facility

Preparing investment-ready projects



Guiding Principles

Enhance Access to Climate Finance

Expedite project preparation and help DAEs, AEs, PSAA and countries to access GCF finance faster

Maximize climate impact & innovation

Support countries and AEs in designing innovative projects that reduce risk of maladaptation & unclear sustainability

Support investment at scale and speed

Enable investment at scale and build synergies at country or regional levels

Leverage Partnership & knowledge

Greater impact via partnership with other funds and lessons sharing.

PPF Supported Activities (up to \$3m per FP)

1. Feasibility studies, and project design
2. Environmental, social and gender assessments
3. Stakeholder engagement plans
4. Economic, financial and risk assessments
5. Mitigation & adaptation impact potential
6. Identification of project-level indicators
7. Pre-contract services, e.g., bidding documents
8. Advisory services to structure project activities
9. Other preparation activities

Ineligible activities: Non-project specific activities of AE; Start-up costs, demonstration and pilot projects; capital goods unrelated to project, e.g. vehicles; activities covered under Readiness.

1. Readiness

2. PPF

PPF Funding

Grants or equity to AE for FP preparation expenses recoverable during FP execution stages where feasible.

PPF Service

Consulting firm procured by GCF to assist AE in full FP preparation or select aspects of analysis



3. Funded Activities

GCF Funding Windows



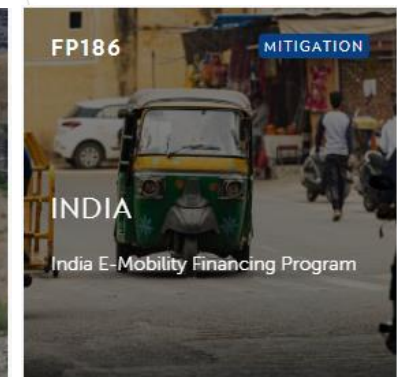
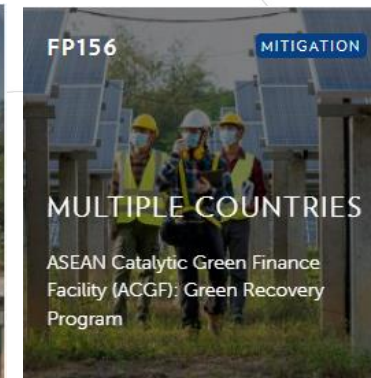
Standard project/programme window (PAP)

Simplified Approval Process (SAP)

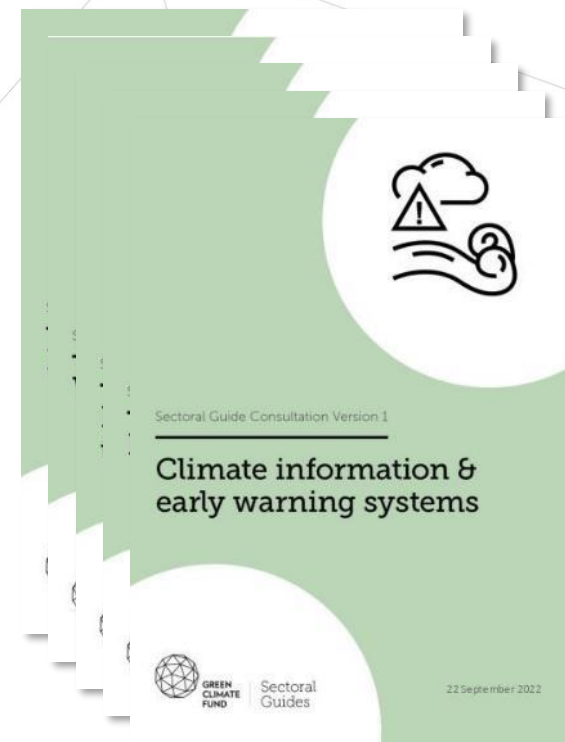
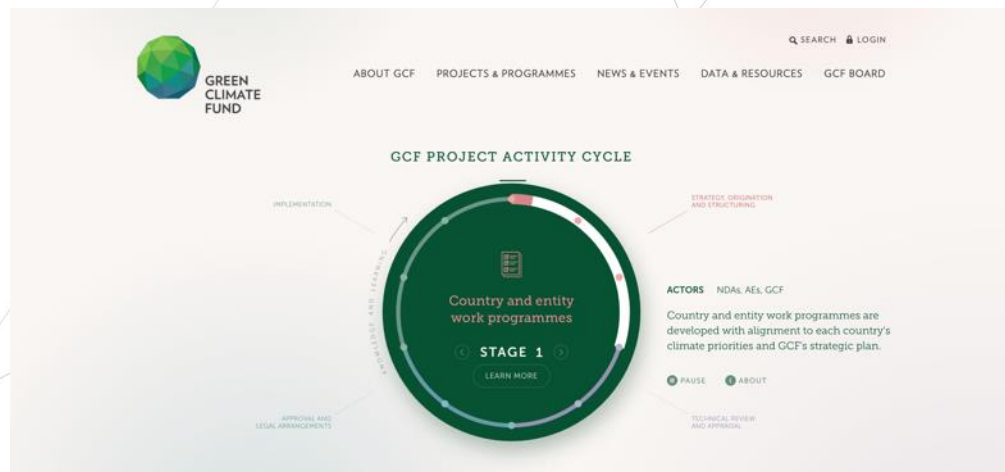
[NEW] up to USD 25M in GCF financing

Request For Proposals (RfP)

- Mobilizing Funds at Scale
- First pilot programme for MSMEs
- Enhanced Direct Access (EDA)
- REDD+ Results Based Payments



Access and Simplification measures



GCF private sector portfolio in 2024 (USD)



>6B

Total GCF
commitment

>67
Projects

94
Developing
countries

>29B

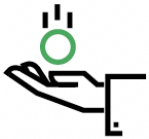
Portfolio value
including co-finance

Promoting innovation and catalysing green financing



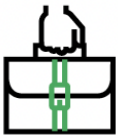
Catalyse private sector capital

Mobilising international institutional capital for climate finance as well as mobilizing local capital within target countries.



Creation and scaling of new markets

Funding the deployment of technologies or business models at scale in order to mainstream them and reach a critical market size.



Greening the financial sector

Empowering financial institutions and asset managers to build a robust track record in funding mitigation and adaptation activities, as well as better assessing and monitoring climate risks.



Support development of high-quality innovation ecosystems

Helping domestic entrepreneurs and companies to ideate, tailor and scale novel climate solutions and business models, and also provide broad-based early-stage and seed and risk capital.

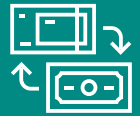
How do we invest?

De-risking private capital for climate

Instruments



Loans



Equity



Guarantees



Grants

- High-risk tolerance
- Senior / subordinated loans with flexible pricing & tenor
- Can take subordinated / first-loss position
- Tailored instruments
- Reimbursable grants
- Anchor investor



1

De-risk climate investments with minimum **concessionality**

2

Offset risks and other barriers to climate investment

3

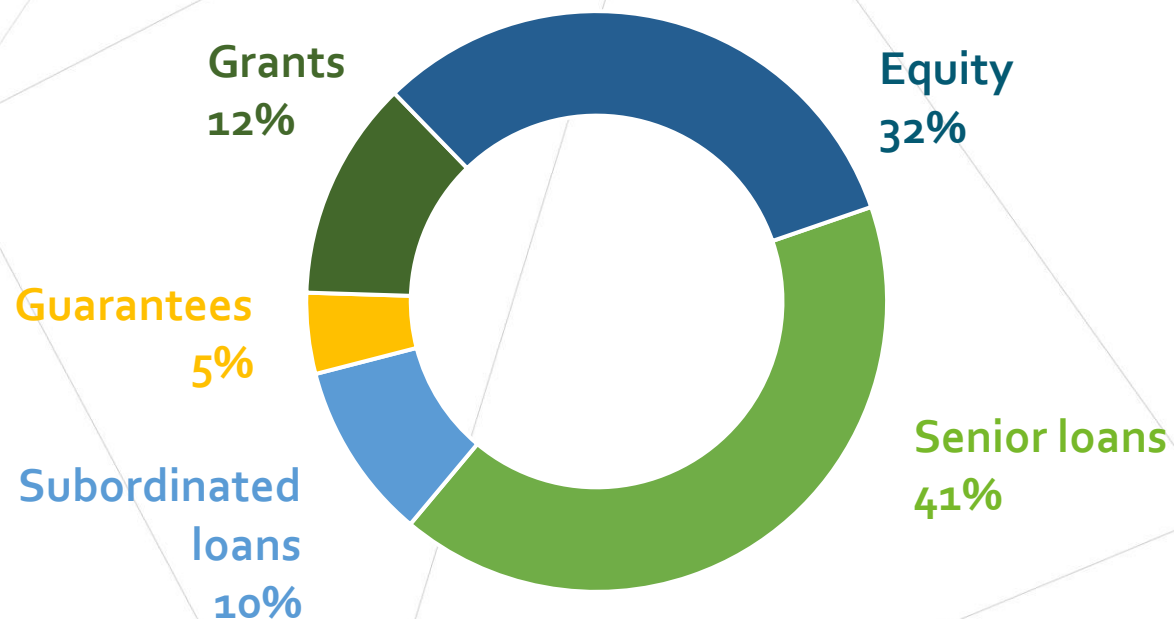
Encourage high impact climate investments and act as **market maker**

4

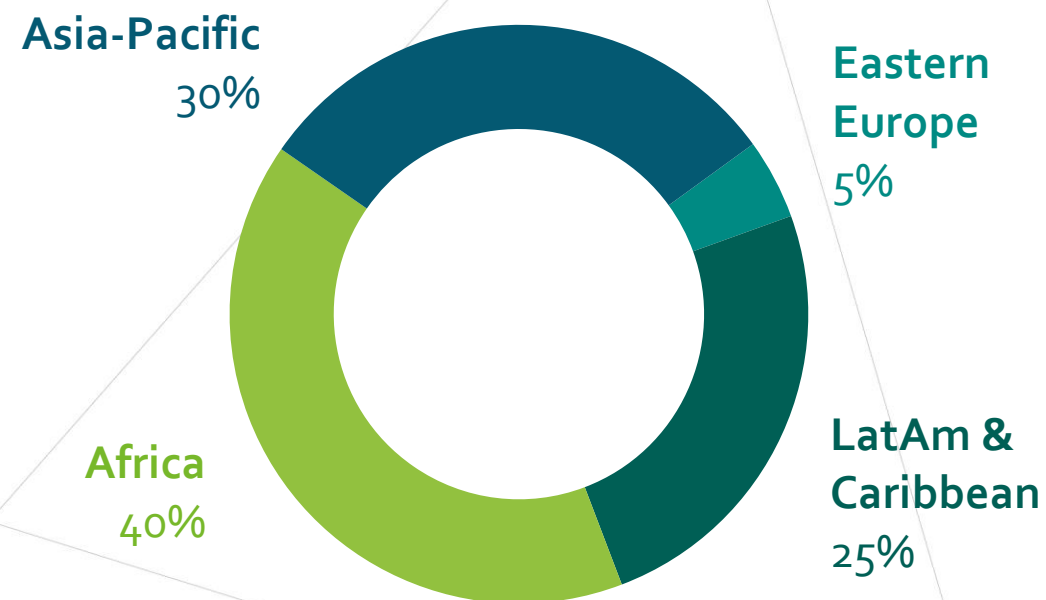
Development of **climate compatible financial systems**

PSF portfolio at glance

Financial instrument



Geographical distribution



Financing Models (examples)



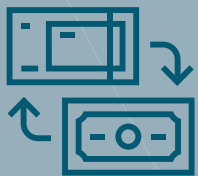
Funds

- Private Equity and Debt
- GCF frequently taking a junior position in the layered fund structure
- GCF concessional funding contributes to attractive returns for crowding in additional capital



Financial Institutions

- Concessional Loans
- Sustainability-linked loans
- Risk-sharing facility



Direct Equity

- Strengthening local climate investments & architecture by investing in climate solution companies/ platforms
- Ensures knowledge transfer and mission alignment
- Promotes innovation through investments in accelerators

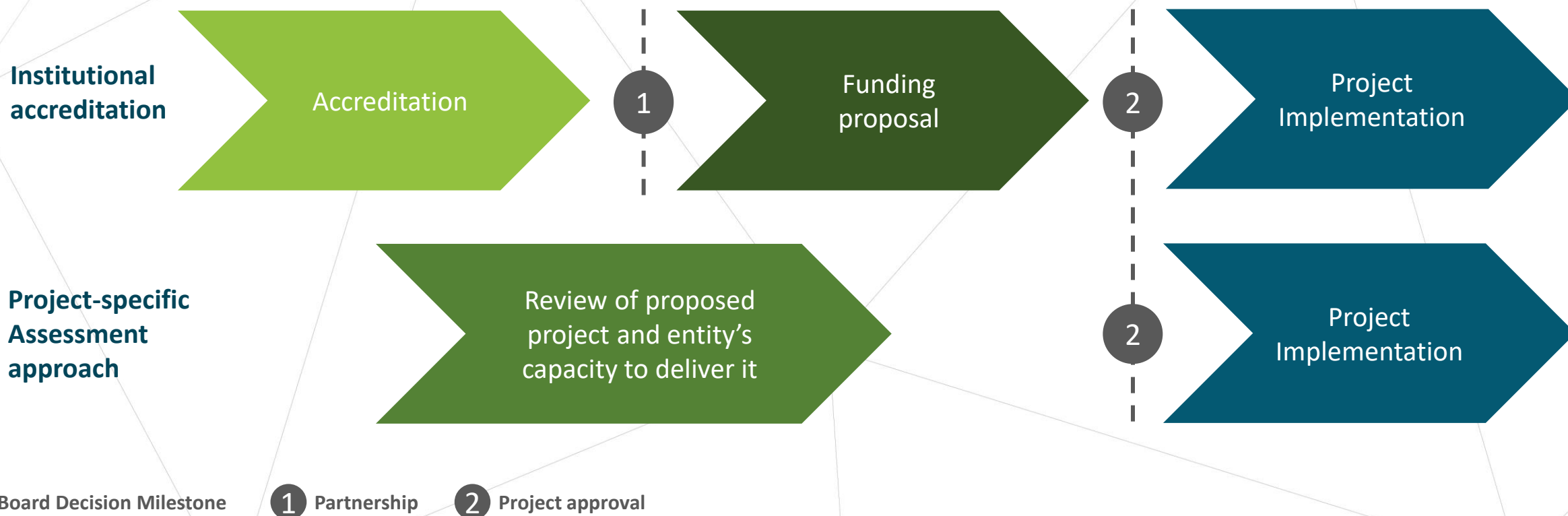


Project Finance

- Financing of renewables and climate infrastructure on a non-recourse basis
- Assume project risk
- Context specific calibrated concessionality – pricing, tenor and / or structural subordination.

Accreditation approaches

GCF works with partners through two approaches: **Institutional accreditation** or **Accreditation Project-specific assessment approach (PSAA, ending in March 2026)**.



GCF's Investment Process



GCF

Pitch Deck

Initial Review

(Optional)
Project
Preparation
Facility

Full Due Diligence

Independent
Technical
Advisory Panel
(ITAP)

Board
Approval

Signature and
Commitment

Disbursement

Preparing Strong Proposals for GCF Financing



Strong Climate Thesis

- Clear identification of climate change problems, supported by scientific evidence
- Why the proposed investment would be the most appropriate to address it

Six Investment Criteria

- Impact potential
- Paradigm shift potential
- Sustainable development potential
- Recipient needs
- Country ownership
- Efficiency & effectiveness

Country Driven Approach

- Alignment with Nationally Determined Contributions
- Early country (NDA) engagement
- NDA no-objection

Key required documentation

- Feasibility study
- Financial model
- Project timetable
- Gender analysis
- Environmental studies
- No-objection letter

Additionality of GCF Funding

- Why GCF?
- Crowd-in additional financing on top of GCF
- Complementarity & coherence of funds

Compliance with GCF Policies

- Accreditation
- Fiduciary standards
- Risk management
- Environmental and social safeguards
- M&E criteria
- Gender, Sexual Exploitation, Abuse and Harassment (SEAH), Indigenous Peoples Policy
- Legal standards

Climate Problem Identification

Mitigation

Climate Problem Identification: Analysis of how the sector of interest contributes to national greenhouse gas emissions. This information should be available in the Nationally Determined Contributions (NDC) documentation or in national greenhouse gas inventories.

Solution identified: Provide a clear explanation of how contemplated solutions have the potential to transform the sector and reduce emissions, with an explanation of why current mitigation efforts are insufficient and emission reduction would not occur without the proposed intervention.

Adaptation

Climate Problem Identification: Outline how the activity addresses current or future projected climate change risk or impact:

- a. Identify the climate hazard or climate risk
- b. Identify the population / sector that is exposed to the climate hazard
- c. Identify the vulnerability of the population / sector that is exposed to the climate hazard

Solution identified: Provide an analysis of how the activity is expected to reduce the exposure and/or vulnerability (of people, systems, ecosystems or sectors) and thus lessen the climate change risk or impact.

GCF's Climate Thesis Framework

Climate Problem
Identification

Step 1: Justification that describes the Climate Problem to be solved in the targeted geographies and what the appropriate solutions would be.

Theory of Change

Step 2: Strategic Roadmap that links the barriers and risks to implementing appropriate solutions, activities to address them and targeted results.

Logical
Framework

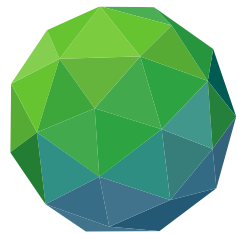
Step 3: Management Tool that translates the Theory of Change into concrete, actionable, and measurable indicators.

Climate
Impact
Forecasts

Step 4: Forecasted calculations of emissions reductions and adaptation beneficiaries, supporting methodologies as well the process for selecting such methodologies

M&E

Step 5: Process for collecting data, monitoring and evaluation of results and reporting to GCF.



GREEN
CLIMATE
FUND

Raising
ambition.
Empowering
action.

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