Private Sector Strategy

This document captures the policy as adopted by the Board in decision B.32/06, paragraph (d). The policy was sent to the Board for consideration at B.32 in document GCF/B.32/06 titled "Review of the initial private sector facility modalities and the private sector strategy".

All decisions and documents adopted at B.32 can be found in document GCF/B.32/15 titled "Decisions of the Board - thirty-second meeting of the Board, 16-19 May 2022".

GREEN CLIMATE FUND

1. In line with the Governing Instrument (para. 3) and decision B.04/08, which decided that the Private Sector Facility (PSF) will address barriers to private sector investment in adaptation and mitigation activities, the objective of the GCF private sector strategy is to catalyse private climate finance in a manner fully aligned with a country-driven approach to meet developing countries' needs and the objectives of the USP. This objective will advance the goals of the Paris Agreement and addresses the Independent Evaluation Unit's recommendation to position GCF as a high-risk fund that aims to catalyse investment in transformative adaptation and mitigation projects.[1]

2. Since its inception, the GCF private sector portfolio has invested USD 3,418.6 million in GCF resources and mobilized an additional USD 11,126.8 million in co-financing. A large part of the GCF's private sector portfolio in its ramp-up phase was oriented towards climate mitigation especially renewable energy projects and financed by senior debt. However, in the past 12 months, the trend towards adaptation and the use of other financial instruments is a reassuring sign towards what this strategy could help achieve.

3. GCF's early private sector experience as well as inputs from partners, including direct access entities (DAEs), demonstrates a huge appetite for climate action beyond mitigation including in home-grown innovation, resilient infrastructure, ecosystem-based approaches, and new asset classes. GCF's unique business model of country centricity and partnership model, positions it well to help increase the capacity of domestic capital markets, local financial institutions and enterprises including MSMEs to attract large-scale financing for climate mitigation and adaptation impact.

4. GCF's private sector strategy is in line with its practice of work to address the barriers for scaling up private climate finance and consistent with the USP (para. 22), the private sector strategy takes a four-pronged approach, as set out in paragraphs 6 to 18 below, with each prong specifically designed to overcome one of the four groups of barriers identified.

5. The approach is grounded in meeting priorities set out in the Governing Instrument and Board policies, notably in terms of thematic and geographic balance; prioritizing developing countries under UNFCCC that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States; paying specific attention to adaptation activities; promoting the participation of local private sector actors in developing countries, including small and medium-sized enterprises and local financial intermediaries; and unlocking private finance at scale, including from institutional investors. In line with decision B.04/08, GCF seeks efficient solutions to developing climate markets without creating market distortions or crowding out private capital. Ensuring implementation of GCF policies related to indigenous peoples, gender and environmental and social safeguards are also mainstreamed across the GCF investment approach.

6. The four prongs of the private sector strategy are discussed below.

7. **Promote a conducive investment environment for combined climate and economic growth activities**. Transparent, long-term and clear policies and regulations that internalize the positive externalities of low emissions and climate-resilient growth are required to reduce investment risk in developing countries. The first prong of GCF's private sector strategy builds on decision B.04/08 to enhance the readiness and enabling environment to drive private investment – both domestic and international capital – in climate mitigation and adaptation depending on the needs of the country.

8. GCF is the largest international source of grant assistance to develop national capacities for climate action. Through its grant-based Readiness and Preparatory Support Programme

[1] Independent Evaluation Unit. 2021. *Independent Evaluation of the Green Climate Fund's Approach to the Private Sector: Final Report*.

(Readiness Programme), GCF will further support NDAs, national and subnational entities to develop long-term climate investment road maps, green investment plans and policies targeting private investments for climate action that maximize co-benefits between mitigation, adaptation and sustainable development.

9. The participation of private sector actors, particularly at the local level, is critical to achieving developing countries' national climate goals.[2] To promote engagement with the private sector, Readiness Programme proposals submitted to GCF will assist national actors involved in finance and investment, including NDAs, to develop policies and strategies such as carbon pricing, integrated climate and green finance road maps, climate risk disclosure, valuing positive externalities of climate action and development of an appropriate private sector investment strategy driven by local circumstances.

10. **Accelerate innovation for business models, financial instruments and climate technologies**. The International Energy Agency projects that half of all emission reductions needed to reach net zero by 2050 will have to come from technologies that are not yet commercially available.[3] Technological innovation is crucial to scale up adaptation in developing countries, notably those under UNFCCC that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States. According to UNFCCC, of the 70 estimated climate technology incubators and accelerators, only 25 of these are in developing countries.[4] In addition to technology innovation, there is a huge opportunity for scaling up investments in business model innovations that are home-grown and fit for purpose for developing countries.

11. Article 10 of the Paris Agreement notes the importance of accelerating innovation for the long-term global response to climate change. In this context, the COP, by decision 7/CP.21, invited the GCF Board to consider ways to provide support for facilitating access to environmentally sound technologies, and for undertaking collaborative research and development to enabling developing countries to enhance their climate action.[5] The Board by decision B.18/03 requested the Secretariat to develop terms of reference for a request for proposals (RFP) to support climate technology incubators and accelerators. However, the RFPs approved to date have not achieved their potential in the absence of a nimble and cost-effective process for private sector non-accredited entities to access GCF financing for demonstration or scale-up of a single meritorious project. With the approval of the updated accreditation framework at the thirty-first meeting of the Board (B.31) which included the launch of the new project-specific assessment approach (PSAA) in 2023, GCF's private sector strategy is well positioned to accelerate financing to private entrepreneurs in developing countries.

12. The private sector strategy will also support the development of high-quality public–private innovation ecosystems to drive climate innovation in developing countries. Such ecosystems help domestic entrepreneurs in developing countries, especially in LDCs, SIDS and African States to ideate, tailor and test novel climate technology and business models relevant to their own local circumstances by enabling connection to world-class technical expertise, data and information, and market access.[6] In line with decision B.18/03 related to the continued collaboration with the UNFCCC Technology Executive Committee, GCF also helps to foster such ecosystems by supporting developing countries in carrying out technology needs assessments and developing national climate technology frameworks. Technology needs assessments enable

[2] In line with the Governing Instrument and decision B.04/08.
[3] See https://www.iea.org/reports/net-zero-by-2050.
[4] UNFCCC. 2018. *Climate Technology Incubators and Accelerators*.
[5] UNFCCC decision 7/CP.21.
[6] Mazzucato M. 2015. *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*.

developing countries to determine high-priority sectors and identify technologies for mitigation and adaptation within these sectors.

13. Greater access to early-stage risk capital is also needed to support climate technology ventures and accelerate climate innovation in developing countries. There are few early-stage and venture capital investors in developing countries, particularly for adaptation technologies, and those investors have been less likely to support climate technologies owing to their high upfront capital requirements, longer payback periods and greater uncertainty related to scale-up. GCF provides technical support and early-stage financing to pilot new technologies, business models, financial instruments and practices to assist domestic innovators in establishing a proof of concept and in developing viable enterprises for products and services in low-emission and climate-resilient development. The development phase is critical for entrepreneurs because, at this stage, they are particularly exposed as they engage personal equity and take the risks of, among other things, sunk costs and cost overrun.

14. **De-risk market-creating investments to crowd in private climate finance**. In line with the principle of country ownership and Board-approved policies, GCF's private sector strategy will increase the capacity of local financial institutions, private project developers, and enterprises including MSMEs in developing countries to attract private capital for climate action. GCF is uniquely positioned to leverage its wide range of financial instruments (grant, concessional debt, guarantees and equity) to enable the development of fit-for-purpose blended finance instruments to support flow of capital at scale to developing countries. By blending public resources with private finance, GCF investments help to reduce the high risks, both perceived and real, faced by private sector actors seeking to scale successful climate solutions in new developing markets to demonstrate their commercial viability. If successful, the blended finance structure will establish a track record and enable financiers to reassess the risks of specific classes of climate assets such as resilient infrastructure, thematic climate bonds and others, enabling their market-driven diffusion and widespread adoption.

15. GCF also continues to use blended finance to enable a more significant role for domestic MSMEs in meeting national climate action priorities. Notably, GCF promotes lines of credit, revolving funds and new insurance vehicles through domestic financial institutions for MSMEs engaged in climate action.

16. Going forward, the private sector strategy, building upon successful financing models in its current private sector portfolio will expand its adaptation portfolio by focusing on new asset classes that address the urgent and immediate needs of countries particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States such as climate-resilient infrastructure that combines grey and green infrastructure and cross-cutting projects. GCF will leverage its unique capital agnostic financing ability and convening power of diverse domestic and international partner networks to encourage philanthropies, corporates and other impact investors to co-invest in platforms at scale (through use of PSAA, AEs or other existing modalities) in climate adaptation in developing countries.

17. **Strengthen domestic and regional financial institutions to scale up private climate finance**. Domestic and regional financial institutions (public and commercial) play a central role in providing access to finance to scale up the adoption of climate investments with a successful track record. GCF strengthens the capacity of domestic and regional private financial institutions to catalyse private climate finance in two ways:

(a) Directly, by co-financing private sector projects and programmes. GCF invests in projects and programmes through domestic and regional private financial AEs.

(b) Indirectly, by supporting public development banks, which in turn finance the domestic and regional private financial institutions to increase their climate investment, including by extending green credit lines. There are almost 260 public development banks (including regional and national development banks) in developing countries, representing USD 5 trillion in assets, with the capacity to extend more than USD 400 billion in climate finance per year. Doubling their investment capacity or leverage effect would be enough to bridge the climate infrastructure investment gap.

18. Increasing national development banks' access to domestic, regional and international capital markets through issuing green bonds or other thematic climate bonds (such as blue bonds, transition bonds, etc.) could also be a game changer for such banks in closing the climate finance gap. However, only 58 national development banks have accessed international capital markets to capitalize their operations, and of the USD 305 billion in green bonds issued in 2020, only USD 8.9 billion (or 3 per cent) were from developing countries (excluding China). Furthermore, the total volume of green bond issuance from developing countries has been reducing in percentage terms over the past three years.[7]

19. With its partners, GCF's private sector strategy will support developing countries in issuing green bonds and green asset-backed securities and developing new financing facilities and instruments such as climate-resilient bonds. Issuing green bonds and green asset-backed securities requires a regulated market to be in place and the issuer needs to meet certain criteria for listing financial products. GCF grant assistance can be leveraged by governments to ready their stock exchanges to list bonds.

Way Forward

20. In order to implement the four-pronged strategy described above, and reflecting on the positive trends as well as areas for improvement during the IRM period, five ways forward have been identified, as set out below, to advance private sector objectives and portfolio targets set out in the USP.

21. **Enhance the private sector's contribution towards developing and implementing NDCs, NAPs and long-term climate strategies**. Experience from the Readiness Programme shows that engagement between governments and the private sector to promote the private sector's role in developing and implementing NDCs, NAPs and long-term climate strategies is limited and underleveraged. The number of proposals under the Readiness Programme that target engagement with the private sector – 80 countries under the first phase of readiness and 22 proposals under the second phase – represents a relatively lower share than other targeted readiness outcomes.

22. The private sector has noted that its engagement in realizing NDC ambitions is limited by the lack of investment plans in NDCs and NAPs. As a country's vision to transform development trajectories to limit global warming to 1.5 °C, NDCs are typically designed as policy signals for national climate priorities, rather than portfolios of bankable investment projects. While many countries have included estimates of financing needs associated with implementing their NDCs and similar strategies, only a handful have developed climate investment plans or climate financing strategies that take into consideration all available sources of finance. One of the reasons has been the lack of tools and methodologies.

23. GCF will use its Readiness Programme to promote greater engagement between governments and the private sector and increase the private sector's contribution towards achieving national climate goals. The Independent Evaluation Unit's *Independent Evaluation of the GCF's Approach to the Private Sector* also highlights the need to better integrate the private

[7] GCF and International Development Finance Club. 2020. *The Green Climate Fund and the International Development Finance Club: A strategic alliance to realize the full potential of public development banks in financing the green and climate-resilient transition.*

sector into country processes to have better collaboration on GCF programmes, a key enabling factor to promote country ownership. In particular, GCF will support developing countries, including through NDAs, in translating NDCs, NAPs and long-term climate strategies into investment plans that (i) align, combine and sequence multiple sources of international and domestic finance from the public and private sectors; (ii) address policy and regulatory gaps to improve the bankability of the NDC project pipeline; and (iii) identify financial mechanisms that do not increase sovereign debt, but catalyse private funds and increase access to long-term affordable finance.

24. In line with the principle of country ownership, the Readiness Programme and PPF will also strengthen the capacity of NDAs, focal points, DAEs and local private sector actors to better quantify climate risks and identify climate-friendly business opportunities. GCF is collaborating with two global coalitions to develop new valuation and labelling methodologies to better assess the risk-reward profile of LECR investments. The ambition of these methodologies is to accelerate the creation of new climate-friendly asset classes such as climate-resilient infrastructure and enable developing countries to attract private investment aligned with their NDCs and NAPs. The initial response from developing countries to pilot these methodologies has been extremely positive.

25. **Leverage improvements in the accreditation process, including a project-specific assessment approach and enhance GCF engagement with non-accredited entities**. To manage the trade-offs in its programming goals, GCF requires a subset of private sector AEs, particularly DAEs, to bring forward for Board consideration large-sized funding proposals in adaptation, using financial instruments with a high catalytic impact. AEs with the capacity to advance the GCF mandate related to climate technologies and innovation are also required and should also be prioritized in future GCF accreditation efforts.

26. To complement its core accreditation process, GCF has also relied on RFPs to accelerate the origination and development of transformative private sector projects. However, RFPs did not achieve their full potential owing to the lack of an expedited accreditation process for non-accredited entities and the reticence of AEs to partner with them. The PSAA modality, recently approved by the Board within the updated accreditation framework, would provide a more viable path for the private sector to work with GCF on strategic priorities such as climate innovation and catalysing adaptation finance at scale in developing countries. While a detailed implementation plan for the PSAA is still under development, the Secretariat expects to perform due diligence internally on entities that present proposals under the PSAA modality, greatly reducing the processing time for accreditation and improving access to finance for local entities which are not able to complete a full accreditation process. The Secretariat will also put in place target service standards for accreditation to improve the efficiency and partners' experience of the accreditation process.

27. During the IRM period, GCF acted primarily as a co-financier, providing second-level due diligence to projects and programmes brought forward for Board consideration. GCF is increasingly requested by developing countries and AEs to play the role of a co-investor and convenor. This role fully leverages the unique comparative advantages of GCF as a hub of climate finance with over 200 delivery partners and the capacity to deploy a unique set of grant and non-grant instruments to complement the financing modalities of its partners. This can enable GCF to catalyse finance from large institutional investors, including pensions funds, insurance companies, sovereign wealth funds and asset managers, who have expressed a strong interest in partnering with GCF but have viewed the accreditation process as a barrier.

28. To create the bandwidth it needs in order to increase GCF engagement with private sector entities, PSF will focus on private investors at the global, regional and national levels, including institutional investors, commercial banks, equity and debt funds, impact investors and

insurance companies, and engage strategically with development finance institutions only when it pertains to private sector development or as co-investors.

29. **Explore new modalities to scale up the use of guarantees and equity, enhance GCF support to close the insurance protection gap and reduce foreign exchange risks for DAEs**. Global trends highlight the potential of guarantees and equity to mobilize more capital than any other instrument as they expand developing countries' access to capital markets at a lower cost and longer maturities.[8] The initial experience of GCF with new forms of blended finance is consistent with these global trends and seems to also indicate a strong potential of these instruments to catalyse private finance at scale in adaptation, including in the LDCs, SIDS and African States, which have historically received the least amount of private investment.

30. To date, GCF has limited its investment in equity to pooled funds. In line with its mandate to support transformative change, GCF will continue to invest in pooled funds and complement that with equity to invest in new innovative financial structures to advance business models and technologies. Early-stage financial instruments or initiatives typically leverage innovation to offer new types of products or services, often with direct-to-consumer or other innovative distribution channels. Such initiatives can be a catalytic way to pilot new solutions to create a track record and increase the likelihood of creating low-emission and climate-resilient markets from large-scale investment.

31. GCF was able to rapidly build up its equity portfolio in GCF-1. However, its capacity to deploy guarantees in a commensurate manner is limited by its lack of credit rating. To address this barrier, GCF will explore options to deploy guarantees in a more efficient manner in the absence of credit rating through partnerships with green guarantee companies. This may include structuring guarantee products as a revolving fund, partly funded by an initial grant, with additional revenues from fees paid by the service user. Proceeds from the guarantee funds could be deployed to guarantee or insure a specific element of a programme (e.g. energy savings guarantee). Specific contract guarantee to power purchase agreements (PPAs)[9] and contract for differences (CfD)[10] could also be structured to transfer risk and incentivize investment from project developers who typically bear high upfront costs for capital expenditure and long lifetimes for returns on investment.[11]

32. When GCF co-finances activities involving equity and guarantees, its resources are leveraged at the project and at each individual investment level. As a learning institution, GCF will monitor the leveraging ratio from the use of guarantees and equity to confirm the catalytic impact at each individual investment level across geographies and thematic areas. Lessons learned will be used to inform future project origination and development efforts.

33. There is a large insurance protection gap in developing countries, with those who are the most vulnerable to the impacts of climate change being those who are the least able to afford insurance coverage. Increased insurance coverage could reduce losses in the poorest countries by as much as 25 per cent through a range of instruments, including parametric insurance, insurance-backed social protection and indemnity-based products.[12]

34. There is a growing demand for GCF to support projects with an insurance component. This is consistent with the guidance from COP 26 to GCF, which highlighted the importance of GCF addressing climate risk through a diversified set of financial instruments, including

[8] Organisation for Economic Co-operation and Development. 2021. *Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuance in Developing Countries*.
[9] Power purchase agreements are contracts between the purchaser or ‘offtaker’ and a privately owned power producer.
[10] Contract for differences is a long-term contract between, for example, an electricity generator and a low-carbon contracts company for establishing a set price for energy.
[11] Climate Finance Advisors. 2020. Review of financial terms and conditions of the GCF financial instrument
[12] See RMS – Executive Summary.

parametric insurance. Most of the GCF insurance-related work to date supports the design of insurance schemes, the provision of climate information to inform insurance products and the development of insurance markets by reducing basis risk for weather-related shocks

35. However, experience has shown that scaling up insurance for the most vulnerable is limited by the capacity to pay for insurance coverage in a sustainable manner, as well as by a limited supply of insurance providers to create a sustainable market. There are opportunities emerging. New climate insurance products, including parametric insurance (also known as event-based insurance or index-based insurance); crop insurance and energy performance insurance are increasingly demonstrating their potential to provide cover for natural disasters and enhance the resilience of the most vulnerable groups. Financial technologies ('fintech')[13] in the insurance sector is also creating a track record of delivering a range of benefits, including efficiency improvements, cost reductions, improved risk assessment and superior customer experience. Moreover, new risk financial instruments tools, such as insurance for mangroves and coral reefs to protect coastal assets, livelihoods and biodiversity, are entering the market.[14]

36. GCF will expand its existing work related to insurance under its existing modalities. For example, GCF can provide grant funding through the Readiness Programme and PPF to design and pilot new insurance products, notably weather-indexed insurance, and invest in new microinsurance companies that offer affordable products to vulnerable borrowers. As with its experience in overcoming challenges in scaling up its support to guarantees, GCF will explore opportunities to partner with insurance companies to provide insurance products in a sustainable manner and deepen the insurance markets in developing countries. As a follow-up on the USP capability review, the Secretariat will enhance its technical capabilities in this area. While insurance can be an effective risk management tool in many circumstances, high residual climate risks can make insurance premiums unaffordable for local populations. Accordingly, GCF will retain its focus on ex ante risk reduction, including through early warning systems.

37. The private sector strategy will leverage other ongoing work by GCF on local currency financing when available[15] to improve GCF support to DAEs and MSMEs and mitigate exchange risk for foreign investors. DAEs have noted that they are forced to bear the foreign exchange risk to pass the GCF concessionality downstream. However, their capital structure will not be able to sustain such exposure over the long term. Similarly, MSMEs are also negatively impacted by their exposure to foreign currency risk. In sub-Saharan Africa, for example, energy service companies finance their technology in hard currency, but receive their service payments in the local currency. If the latter depreciates, these business models are exposed to significant risks which could be mitigated by local currency funding. Local currency lending is also critical to deepen local capital markets and improve debt sustainability by contributing to debt predictability. So far, only two funding proposals have used GCF concessionality to buy a currency swap and reduce the risk exposure to the currency fluctuations. However, these hedges were possible because the countries have relatively liquid and developed capital markets, but would not be feasible in frontier markets, with less liquid and less developed capital markets.

38. Terms and conditions could be more explicit in defining and detailing the potential trade-off between concessionality and the cost of hedging, with the possibility for the AE to transfer a portion of the concessionality received to cover the costs of hedging or to buy a currency swap. Usually, the more developed the capital markets, the greater the liquidity, the number of swaps counterparties and tenors and hence the higher the hedging arrangements options and the lower the costs of hedging (which may imply that a lower concessionality may

[13] 'Fintech' is defined as the use of technology and innovation to improve activities in finance.
[14] UNDP. 2021. UNDP insurance and risk financing facility. Available at https://irff.undp.org/sites/default/files/2021-12/irff-brochure-updated-nov-12.pdf
[15] Under development by GCF's Office of Risk Management and Compliance under the Board's Investment Committee.

be needed). On the other hand, the less developed the capital markets, the higher the likelihood that some products are not available, or too risky, and therefore more expensive (which may justify a higher level of concessionality). This is a situation that needs to be addressed on a case-by-case basis and on the merits of the project, for example by seeing whether the borrower is in need of liquidity at a lower cost or to protect repayments against currency fluctuations. [16]

39. As the GCF private sector portfolio continues to shift from concessional debt towards more high-impact financial instruments and modalities, risk management becomes increasingly important. GCF will build on its existing robust risk management system and further strengthen its risk management capacity. GCF has a comparative advantage in terms of risk management as it provides two levels of due diligence: a primary level of due diligence and appraisal carried out by NDAs and AEs and a secondary level of due diligence and appraisal carried out by the Secretariat.[17]

40. **Develop innovative financial instruments that catalyse developing countries' access to private climate finance without increasing their debt burden**. The impact of the coronavirus disease 2019 (COVID-19) pandemic has been particularly devastating for developing countries and is exacerbating the challenges of closing the climate finance gap. Efforts to revive economies and address the impact of the pandemic have led to a sharp increase in sovereign debt estimated at 23.6 per cent in emerging economies and 14.6 per cent in low-income countries.[18] Among the poorest countries, the proportion of those in or at high risk of debt distress climbed to 55 per cent in January 2021 from 50 per cent in 2019.[19] Those countries most affected have neither deep domestic financial markets nor excess savings to overcome these challenges. As credit ratings fall, interest rates climb. This increases the cost of new debt, further burdening fiscal budgets and undermining their capacity to finance climate action. Closing the climate financing gap to ensure a climate-resilient recovery from the pandemic in developing countries will require using public resources to catalyse private finance, notably with financial instruments that will not increase their debt burden.

41. The COVID-19 pandemic has resulted in a significant increase in the number of GCF projects requiring adaptative management. In particular, projects have experienced challenges in meeting co-financing requirements due to the lack of access to finance. Expenditure rates have also decreased as projects have reported slowdowns in implementation activities due to travel restrictions and lockdowns, supply chain bottlenecks and liquidity constraints.

42. GCF will build on its existing work to support developing countries that wish to leverage non-conventional debt instruments to catalyse private climate finance. Through its Readiness Programme, GCF is assisting several countries in exploring the potential of national climate finance vehicles, such as green banks or trust funds

43. **Develop and implement a private outreach plan to advance the implementation of the private sector strategy**. Continued implementation of the GCF private sector strategy and roll-out of new programming and financing modalities will require greater engagement with both national GCF partners and the private sector. In line with paragraph 23(f) of the USP, the Secretariat has developed a private sector outreach plan, which is set out in annex II for consideration by the Board. The outreach plan outlines a four-pronged approach to building strong partnerships with the private sector:

[16] As footnote 35 above.
[17] Further details of the GCF approach to portfolio risk management may be found at https://www.greenclimate.fund/sites/default/files/document/gcf-b17-12.pdf.
[18] See https://www.imf.org/external/datamapper/G_XWDG_G01_GDP_PT@FM/ADVEC/FM_EMG/FM_LIDC.
[19] World Bank Low-Income Country Debt Sustainability Framework database.

(a) Engage with developing countries, including NDAs and ministries responsible for finance and investment, to enhance their understanding of the GCF private sector strategy and its value to the national investment priorities;

(b) Engage domestic private sector actors including commercial banks, local financial institutions, capital market players, and enterprises to increase their participation in GCF-financed activities and as a potential engagement in PSAA;

(c) Engage with a broader network of international and domestic private sector entities to scale up private climate finance for developing countries;

(d) Participate in global and regional leadership initiatives and networks to share GCF knowledge and experience and to learn from others; and

(e) Leverage GCF convening power to promote innovative partnerships between developing countries and the private sector.