

SESSION 6: TARGETED PARTNERSHIP RESPONSES

Green ODA as a Bridge to Climate Finance: KOICA's Role

Outline a partner-ready, country-led pathway to unlock climate finance for SIDS, LDCs, and FCAS through Green ODA.

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KOICA

The Question Before Us

CONTEXT: High transaction costs, fragmented support, capacity, and data gaps currently impede the translation of NDCs and NAPs into funding proposals for SIDS, LDCs, and FCAS.

01

What immediate **bottlenecks** can partners address now?

02

What support can be credibly offered within the **next six months**?

03

How will follow-up remain **country-led** rather than partner-led?

Immediate vs. Long-term Bottlenecks

IMMEDIATE BOTTLENECKS

(Partner-addressable interventions)

- **Baseline Climate Finance Technical Assessments:** Identifying existing flows and gaps.
- **Concept Development & Matchmaking:** Translating NAPs/NDCs into concept notes and securing Accredited Entity (AE) partnerships.
- **Coordination of Support:** Streamlining fragmented readiness offers to reduce high transaction costs.

LONG-TERM BOTTLENECKS

(Institutional change & systemic reform)

- **Fiduciary & Safeguards Systems:** Establishing robust procurement, environmental/social (ES) safeguards, and anti-corruption frameworks.
- **Durable Coordination Platforms:** Building lasting inter-ministerial architectures beyond temporary project structures.
- **Systemic Readiness Models:** Evolving fund policies and MRV data architecture tailored for fragile and conflict-affected contexts.

EVIDENCE OF IMPACT (FCAS CONTEXT)

GCF readiness investments of ~**USD 141M** have yielded ~**USD 2.72B** in climate finance access—a **19:1 ratio**. This underscores both the immense multiplier effect of foundational support and the critical need to close the remaining pre-readiness gap.

The Bridge That Is Missing

THE DIAGNOSIS

Readiness presupposes institutional **functionality**. Many SIDS, LDCs, and FCAS face profound **pre-readiness gaps** that stall access before it begins.

Missing Foundations:

- Institutional mandates & coordination
- Baseline data architecture
- Fiduciary & safeguards systems
- Concept development capacity



THE BRIDGE PROPOSITION

ODA is the essential precursor to climate **finance**. It absorbs preparatory risk, funds foundational capacity, and maintains long-term in-country presence.

Role 1: Invest in Pre-Readiness

Build the institutional groundwork required to access global climate funds.

Role 2: Channel Finance (AE)

Serve as an Accredited Entity to structure and deliver scaled climate investments.

KOICA's Green ODA: Strategic Positioning

STRATEGIC FRAMEWORKS

Guided by the Mid-term Strategy for Climate Action (2021–2025) and scaling up through the new Climate Mainstreaming Strategy & Action Plan (2026–2030).

\$881.6M

Annual ODA Budget (2024)

39.6% Korea's total Grant ODA
Operating 47 country offices

35%

Climate-related ODA

Share of bilateral allocable ODA
Exceeding the OECD DAC average (29%)

GCF ACCREDITED ENTITY

First Project Approved (Mar 28, 2026)

FP289: Ethiopia NbS

- \$47M total investment
- \$25M GCF funding
- 300,000 direct beneficiaries
- 1.4M indirect beneficiaries

\$300M

Korea's GCF Pledge

Committed to the Green Climate Fund's second replenishment (2024–2027)

KOICA ODA Strategy & Portfolio

MID-TERM STRATEGY FOR CLIMATE ACTION (2021-2025)

1

Support for low carbon transition

Support for the achievement of carbon neutrality by 2050

2

Support for green recovery & climate adaptation

Improving the climate resilience of cities, ecosystem, and infrastructure

3

Increasing green climate partnership

Increasing climate funding and technology partnerships



CLIMATE MAINSTREAMING STRATEGY AND ACTION PLAN (2026-2030)

KEY APPROACHES

1. Linking the goals of the UNFCCC (Paris Agreement) and the government's 2050 carbon neutrality strategy.
2. Promoting major projects for each key sector and mainstreaming climate action across all sectors.
3. Portfolio management to support the balance between low-carbon and climate resilience programs.
4. Promoting projects and managing performance in a program-based integrated approach.

What KOICA Can Offer in the following months

01 FINCOAHN Pipeline Development

Advance to **resource mobilization and access phase**. Co-develop project pipelines, initiate direct matchmaking with Accredited Entities and TA providers via Deal Rooms, and issue time-bound action notes.

02 Country-Specific Advisory Support

Chad: Adaptation finance planning; **South Sudan:** Stakeholder coordination strategy; **PNG:** National Climate Finance Strategy consultations; **Timor-Leste & Yemen:** Aligning Technical Assessments with climate laws and NAP processes.

03 GCF Accredited Entity Partnerships & Replication

Explore replicating the **Ethiopia NbS model** and developing other pipelines.

04 Bilateral ODA Entry Point (The PCP Process)

Project Concept Paper (PCP) → Review & Design → Appraisal → Planning (Record of Discussions) → Implementation → Evaluation

Initiate engagement via KOICA country offices and relevant Korean embassies.

KOICA Bilateral ODA Project Cycle



Case 1 — Guatemala: Building Livelihood Resilience in the Highlands (GCF FP087)



Image: IUCN — Building livelihood resilience in Guatemala's Highlands

KEY PROJECT FACTS

- Implementing AE: IUCN
- Period: 2019–2026
- Geography: 5 highland provinces (146,500 ha target area)
- Beneficiaries: 12,688 direct

PROJECT ARCHITECTURE (USD 38M TOTAL)

GCF: \$22M | KOICA: \$5M | INAB: \$5M | Gov. In-Kind: \$6M

HOW ODA CATALYZED GCF RESOURCES

KOICA–IUCN joint pre-feasibility study (Jan 2018) established the evidence base, and KOICA’s \$5M pre-committed co-financing strengthened Board confidence.

KOICA explicitly financed Output 2 (52 small grants; 312 farmer trainings), absorbing grassroots, proposal-writing, and indigenous-language outreach that GCF’s results-based framework alone would not fund.

THE PRE-READINESS FUNCTION

Funded early diagnostics and supported indigenous farmers' access to national forestry subsidies (PROBOSQUE, PINPEP), creating a clear pathway from **ODA small grants** → **national recurrent support** → **GCF watershed investments**.

DEMONSTRATION EFFECT

Experience as co-financier with an established AE (IUCN) built KOICA’s own institutional capacity, contributing directly to KOICA’s own AE accreditation in 2021 and subsequent FP289 approval.

Case 2 – Fiji: Agrophotovoltaic Programme in Ovalau (GCF SAP016)



Image: Green Climate Fund – SAP016 Fiji Agrophotovoltaic Project

KEY PROJECT FACTS

- Objective: 4 MWp APV + 5 MWh BESS
- Components: Climate-adaptive agriculture under panels; capacity building
- Target: Ovalau Island (zero carbon island initiative)
- Implementing AE: FDB (Fiji Development Bank)

BLENDED FINANCE STRUCTURE (USD 20M TOTAL)

KOICA Grant: \$8M | **GCF: \$8.9M (\$5M grant/\$3.9M loan)** | **FDB Loan: \$1M** | **Private Equity: \$2.1M**

HOW ODA CATALYZED FINANCE

KOICA funded preliminary (2018) and full (2019) feasibility studies, producing technical specifications. Financed GCF concept note and full proposal, managing the entire submission process on behalf of the NDA and FDB, overcoming FDB's initial capacity gaps.

DE-RISKING THE INVESTMENT

KOICA grant absorbs lowest-return segments (BESS, agriculture, TA), making the overall investment concept notes for private equity. Concessional GCF/FDB loans cover medium-risk infrastructure. **KOICA's \$8M leveraged ~\$12M in additional capital (1:1.5 ratio)** for Fiji's first independent solar power producer project.

BUILDING INSTITUTIONAL CAPACITY

Component 3.3 strengthened FDB's AE systems (climate-risk assessment, safeguards toolkits). Component 3.4 shared the APV model regionally. KOICA also convened two inter-governmental conferences to align all Fijian stakeholders behind a single coherent program.

Case 3 — Ethiopia: Urban Climate Resilience through NbS (GCF FP289)



Image: Green Climate Fund — FP289 Project Page

KEY PROJECT FACTS

- **Status:** Approved March 28, 2026 (B.44)
- **Role:** KOICA as Accredited Entity
- **Geography:** Addis Ababa and Jimma
- **Beneficiaries:** 300,557 direct (>1.4M indirect) (~\$156/direct)

PROJECT ARCHITECTURE (USD 47M TOTAL)

GCF Grant: \$25M (53.2%) | **KOICA + Gov. Co-finance: \$22M (46.8%)**

THREE OUTCOMES (ODA-GCF SYNERGY)

- 1. Enabling Environment:** Policy reform, municipal capacity, and coordination—long-term upstream governance work that ODA excels at.
- 2. Large-scale NbS Investments:** Restoration, flood-resilient riverbanks, green corridors, and urban agriculture—GCF scale combined with KOICA community engagement.
- 3. Replication Financing Mechanism:** A dedicated facility to replicate proven NbS interventions in additional climate-vulnerable Ethiopian cities.

FROM CO-FINANCIER TO ACCREDITED ENTITY

A qualitative leap from Guatemala and Fiji: KOICA developed, submitted, and will directly oversee implementation and M&E across the full project lifecycle.

KNOWLEDGE TRANSFER

Explicitly designed to transfer South Korean expertise in nature-based solutions, embedded organically through KOICA's role as AE and co-financier.

Cross-cutting Lessons: How ODA Catalyzes GCF Climate Finance

01 Fund the Full Preparation Pipeline

ODA absorbed pre-investment risks and costs across all cases, from needs identification to full GCF proposal development.

02 Provide Confirmed Co-financing

Pre-committed grants strengthen GCF proposals, signal donor confidence, and enable blended finance structures or integrated management.

03 Target Low-return, High-impact Components

ODA strategically finances grassroots grants, essential TA, and governance reforms that make physical investments viable.

04 Invest in Institutional Capacity

Leave lasting capability behind, whether training national AEs, equipping farmers to access subsidies, or embedding replication mechanisms.

05 Follow a Deliberate Learning Trajectory

From co-financier (Guatemala) to project architect (Fiji) to Accredited Entity (Ethiopia)—a replicable roadmap for vulnerable regions.

Keeping Follow-up Country-led

01

Start with what exists.

Complement and strengthen ongoing national strategies and processes; do not duplicate or impose new standalone frameworks.

02

Invest in national focal points and coordination.

Channel support through existing nationally designated focal points rather than creating parallel or external Project Implementation Units (PIUs).

03

Define support via country-owned, time-bound action notes.

Establish clear accountability by specifying responsible national institutions, strict timelines, and the exact supporting role of external partners.

04

Ensure country-driven bilateral cycles.

Maintain formal national ownership from PCP initiation to co-signed Records of Discussions (RD), intergovernmental agreements, and final evaluations.

05

Build exit into design.

Deliver precise technical outputs and mature project pipelines, then transition long-term implementation back to national governments and relevant funds.

Thank You

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