Consideration of funding proposals

Summary

This document presents the funding proposals for the Board's consideration at its thirteenth meeting. It also presents a view of GCF's portfolio and a brief guide to the funding proposal packages.
I. Overview of funding proposals for consideration

1.1 Funding proposals submitted for consideration by the Board

1. As of 15 May 2016, the GCF pipeline is comprised of 41 funding proposals (FPs) which request a total GCF funding of USD 2.4 billion to support projects and programmes totalling USD 6.6 billion.\(^1\) Of the 41 FPs, 9 proposals have gone through the 4 stages\(^2\) of the proposal review and approval process and are being submitted to the Board for consideration at its thirteenth meeting (B.13). These 9 proposals request USD 257 million of GCF funding, supporting projects and programmes with a total cost of USD 585 million. Table 1 presents the list of the 9 proposals. The numbering of the FPs continues from the 8 FPs approved at B.11.

Table 1. List of funding proposals submitted for consideration by the Board

<table>
<thead>
<tr>
<th>No.</th>
<th>Project name</th>
<th>Accredited entity</th>
<th>Country / Region</th>
<th>Mitigation/ adaptation/ cross-cutting</th>
<th>Public/ private</th>
<th>GCF funding (in M USD)(^*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP 009</td>
<td>Energy Savings Insurance (ESI) for Private Energy Efficiency Investments by Small and Medium-Sized Enterprises (SMEs)</td>
<td>IDB</td>
<td>El Salvador</td>
<td>Mitigation</td>
<td>Public</td>
<td>21.7</td>
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<tr>
<td>FP 010</td>
<td>De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits</td>
<td>UNDP</td>
<td>Armenia</td>
<td>Mitigation</td>
<td>Public</td>
<td>20</td>
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<tr>
<td>FP 011</td>
<td>Large-scale Ecosystem-based Adaptation in The Gambia: Developing a Climate-Resilient, Natural Resource-based Economy</td>
<td>UNEP</td>
<td>Gambia</td>
<td>Adaptation</td>
<td>Public</td>
<td>20.5</td>
</tr>
<tr>
<td>FP 012</td>
<td>Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project</td>
<td>WB</td>
<td>Mali</td>
<td>Adaptation</td>
<td>Public</td>
<td>22.8</td>
</tr>
<tr>
<td>FP 013</td>
<td>Improving the Resilience of Vulnerable Coastal Communities to Climate Change Related Impacts in Viet Nam</td>
<td>UNDP</td>
<td>Vietnam</td>
<td>Crosscutting</td>
<td>Public</td>
<td>29.5</td>
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<tr>
<td>FP 014</td>
<td>Project to Support the World Bank’s Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB) in Tajikistan and Uzbekistan</td>
<td>WB</td>
<td>Tajikistan and Uzbekistan</td>
<td>Adaptation</td>
<td>Public</td>
<td>19</td>
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<tr>
<td>FP 015</td>
<td>Tuvalu Coastal Adaptation Project (TCAP)</td>
<td>UNDP</td>
<td>Tuvalu</td>
<td>Adaptation</td>
<td>Public</td>
<td>36</td>
</tr>
<tr>
<td>FP 016</td>
<td>Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events in Sri Lanka</td>
<td>UNDP</td>
<td>Sri Lanka</td>
<td>Adaptation</td>
<td>Public</td>
<td>38.1</td>
</tr>
</tbody>
</table>

\(^1\)For detailed information regarding the Fund’s pipeline, please see document B.13/Inf. 10 “Status of the Fund’s portfolio: pipeline and approved projects”.

\(^2\)The four stages consist of: (a) Funding proposal receipt and completeness check; (b) Review by the Secretariat; (c) Independent assessment by the Technical Advisory Panel; and (d) Submission to the Board.
2. Of the 9 FPs submitted for the Board’s consideration, 8 are public-sector proposals requesting GCF funding of USD 208 million, and 1 is a private-sector proposal requesting GCF funding of USD 49 million.

3. The geographic distribution of the 9 FPs is as follows:
   (a) 2 proposals in Africa requesting USD 43 million (17%);
   (b) 4 in Asia-Pacific requesting USD 123 million (48%);
   (c) 2 in Latin America and Caribbean requesting USD 71 million (27%); and
   (d) 1 in Eastern Europe requesting USD 20 million (8%).

4. Of the 9 FPs for consideration, 3 proposals are targeting LDCs, SIDS and African states totalling USD 79 million, and account for 31% of the total requested GCF funding amount.

5. The geographical and thematic distribution, as well as the distribution by financial instrument of the 9 FPs are as follows:

*The amounts are rounded to the nearest tenth.
6. Of the 9 FPs for consideration, 1 proposal was submitted by a direct access entity, Corporacion Andina de Fomento (CAF).

1.2 Projected portfolio composition

7. If the 9 FPs presented at B.13 are approved by the Board, the aggregated portfolio would comprise 17 projects and programmes, with a total GCF funding amount of USD 424 million, and USD 1.2 billion in total project costs.

8. The geographic distribution of the 17 projects or programmes would be as follows:
   (a) 5 in Africa requesting GCF funding of USD 88 million (21%);
   (b) 7 in Asia-Pacific requesting GCF funding of USD 217 million (51%);
   (c) 4 in Latin America and Caribbean requesting GCF funding of USD 99 million (23%);
   (d) 1 in Eastern Europe requesting GCF funding of USD 20 million (5%).

9. Of the 17 FPs in the potential portfolio, 9 proposals are targeting LDCs, SIDS and African states totalling USD 219 million, and account for 52% of the total requested GCF funding amount.

10. The geographical and thematic distribution, as well as the distribution by financial instrument of the 17 FPs are presented as follows:
II. Funding proposal package guide

11. 9 funding proposal packages are presented as individual addenda (addenda I-IX) containing three parts:
   (a) Part A. Funding proposal\(^3\), as submitted by the Accredited Entity (AE);
   (b) Part B. No-objection letter, as issued by the National Designated Authority (NDA); and
   (c) Part C. Environmental and social report disclosure document.

12. Following the 9 funding proposal packages, 5 additional addenda are provided to supplement the packages:
   (a) Addendum X: Funding proposal package FP 017 including the full funding proposal, term sheet and Secretariat’s review;

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\(^3\) Due to the confidentiality of the private sector proposal, a funding proposal information document summarizing the funding proposal is presented.
(b) Addendum XI: List of proposed conditions and recommendations. The Board is requested to review the proposed conditions and recommendations and then may choose to adopt some or all of them for inclusion in the decision;

(c) Addendum XII: Independent Technical Advisory Panel’s assessments;

(d) Addendum XIII: Secretariat’s reviews; and

(e) Addendum XIV: Term sheets. The term sheet sets out, in a summary form, the key terms and conditions relating to the proposed funded activity.

13. The private sector funding proposal package is presented in full in addendum X. Due to the confidentiality, this addendum is made available through a secure website.

14. Due to the deliberative nature of these documents, addenda XI, XIII and XIV are made available in limited distribution.

15. On the basis of the information and assessments presented, the Board is requested to arrive at a decision for each funding proposal. Pursuant to decision B.07/03, the Board has three decision options:

(a) Approve the funding proposal;

(b) Provide an approval that is conditional on modifications to project or programme design or subject to availability of funding; or

(c) Reject the funding proposal.

16. Once the decision is made, it will be recorded by the Secretariat and communicated to the Interim Trustee. The Secretariat also informs the AE and the NDA or focal point of the decision and next steps (decision B.07/03).
Annex I: Draft decision of the Board

The Board, having considered document GCF/B.13/16/Rev.01 titled “Consideration of funding proposals”:

(a) *Takes note* of the following funding proposals:

(i) Funding proposal 009 titled “Energy Savings Insurance (ESI) for Private Energy Efficiency Investments by Small and Medium-Sized Enterprises (SMEs)” by Inter-American Development Bank, as contained in addendum I;

(ii) Funding proposal 010 titled “De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits” by United Nations Development Programme, as contained in addendum II;

(iii) Funding proposal 011 titled “Large-scale Ecosystem-based Adaptation in The Gambia: Developing a Climate-Resilient, Natural Resource-based Economy” by United Nations Environment Programme, as contained in addendum III;

(iv) Funding proposal 012 titled “Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project” by World Bank, as contained in addendum IV;

(v) Funding proposal 013 titled “Improving the Resilience of Vulnerable Coastal Communities to Climate Change Related Impacts in Viet Nam” by United Nations Development Programme, as contained in addendum V;

(vi) Funding proposal 014 titled “Project to Support the World Bank’s Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB) in Tajikistan and Uzbekistan” by World Bank, as contained in addendum VI;

(vii) Funding proposal 015 titled “Tuvalu Coastal Adaptation Project (TCAP)” by United Nations Development Programme, as contained in addendum VII;

(viii) Funding proposal 016 titled “Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events through an Integrated Approach to Water Management” by United Nations Development Programme, as contained in addendum VIII; and

(ix) Funding proposal 017 titled “Climate Action and Solar Energy Development Programme in the Tarapacá Region in Chile” by Corporacion Andina de Fomento, as contained in addendum IX.

(b) *Approves* funding proposal 009 for the amount of USD 21,700,000, submitted by Inter-American Development Bank, [subject to the conditions set out in addendum XI];

(c) *Approves* funding proposal 010 for the amount of USD 20,000,000, submitted by United Nations Development Programme, [subject to the conditions set out in addendum XI];

(d) *Approves* funding proposal 011 for the amount of USD 20,546,756, submitted by United Nations Environment Programme, [subject to the conditions set out in addendum XI];

(e) *Approves* funding proposal 012 for the amount of USD 22,750,000, submitted by World Bank, [subject to the conditions set out in addendum XI];

(f) *Approves* funding proposal 013 for the amount of USD 29,523,000, submitted by United Nations Development Programme, [subject to the conditions set out in Addendum XI];

(g) *Approves* funding proposal 014 for the amount of USD 19,000,000, submitted by World Bank, [subject to the conditions set out in addendum XI];

(h) *Approves* funding proposal 015 for the amount of USD 36,010,000, submitted by United Nations Development Programme, [subject to the conditions set out in addendum XI];
(i) Approves funding proposal 016 for the amount of USD 38,084,000, submitted by United Nations Development Programme, [subject to the conditions set out in addendum XI];

(ii) Approves funding proposal 017 for the amount of USD 49,000,000, submitted by Corporacion Andina de Fomento, [subject to the conditions set out in addendum XI];

(k) Reaffirms that pursuant to decision B.07/03, Annex VII, the Executive Director or her designee is authorized to negotiate and enter into legal agreements on behalf of the Green Climate Fund with accredited entities and other parties involved in respect of funding proposals approved by the Board, taking into account any condition set by the Board in this decision and in the decision accrediting the relevant accredited entity;

(l) Authorizes the Secretariat to disburse fees for each funded project/programme approved by the Board as per the disbursement schedule to be agreed in the funded activity agreement in accordance with the interim policy on fees for accredited entities adopted by the Board pursuant to decision B.11/10; and

(m) Approves an amount not to exceed USD 200,000 in addition to the administrative budget for 2016 to be utilised for the purposes of conducting necessary legal due diligence in connection with the funded projects/programmes approved by the Board pursuant to this decision.