



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
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Provisional agenda item 14

**GCF/B.17/09**

2 July 2017

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# Status of the GCF portfolio: pipeline and approved projects

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## **Summary**

This document provides an update of the GCF portfolio, including the pipeline of projects and programmes for the reporting period of 1 February 2017 to 15 May 2017.

## I. Status of the funding proposal pipeline

1. At its eleventh meeting, the Board requested the Secretariat to provide an update of the pipeline portfolio and to submit it for information to the Board as part of the documentation submitted for every Board meeting.<sup>1</sup> This status report responds to the Board's request and provides an update for the reporting period of 1 February 2017 to 15 May 2017.
2. As at 15 May 2017, the GCF pipeline is comprised of 58 public- and private-sector funding proposals, which request a total GCF funding of USD 3.4 billion to support projects and programmes totalling USD 13.2 billion, when taking co-financing into account.<sup>2</sup>
3. Since the sixteenth meeting of the Board (B.16), 18 new funding proposals were submitted to the Secretariat, of which 9 were developed from concept notes.
4. Of the 58 funding proposals in the pipeline, 43 are public-sector proposals requesting GCF funding of USD 2.3 billion, and 15 are private-sector proposals requesting GCF funding of USD 1.1 billion.
5. The geographical distribution of the pipeline is presented in table 1 below.

**Table 1. Geographical distribution of the GCF pipeline**

	<b>GCF amount<sup>a</sup> (millions of United States dollars)</b>
<b>Africa</b>	617.3
<b>Asia-Pacific</b>	1,310.2
<b>Latin America and the Caribbean</b>	1,031.3
<b>Eastern Europe</b>	34.7
<b>Cross-regional<sup>b, c</sup></b>	376.1
<b>Total</b>	<b>3,369.6</b>

<sup>a</sup> The individual funding amounts are rounded to the nearest tenth.

<sup>b</sup> For funding proposals that target multiple regions, a simple attribution methodology according to the number of countries is used for the geographical distribution of the target countries.

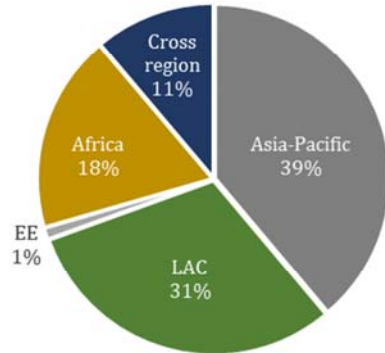
<sup>c</sup> The cross-regional category includes multiregional activities, targeting countries in multiple regions.

6. In the funding proposal pipeline, 36 proposals target the least developed countries (LDCs), small island developing States (SIDS) and African States, totalling USD 1.7 billion, and account for 51 per cent of the total requested GCF funding amount.
7. The distribution of the pipeline by geography, theme and financial instrument is provided in figures 1–4 below.

<sup>1</sup> Decision B.11/11, paragraph (g).

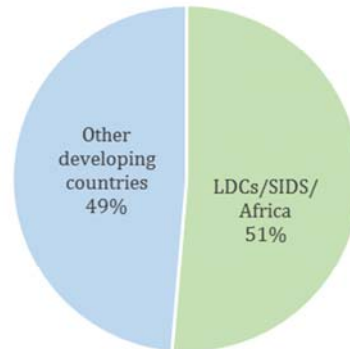
<sup>2</sup> The full list of funding proposals is provided in GCF/B.17/09/Add.01 titled "Status of the GCF portfolio – addendum: list of funding proposals and project preparation facility requests". Due to the deliberative nature of the document, the addendum is made available to the Board on a limited distribution basis.

**Figure 1. Regional distribution of the requested amount of GCF funding (percentage)**



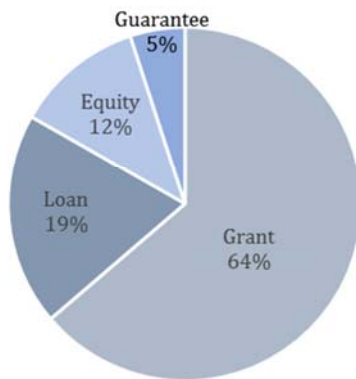
*Abbreviations:*  
EE = Eastern Europe, LAC = Latin America and the Caribbean

**Figure 2. Regional distribution of the requested amount of GCF funding (percentage)**

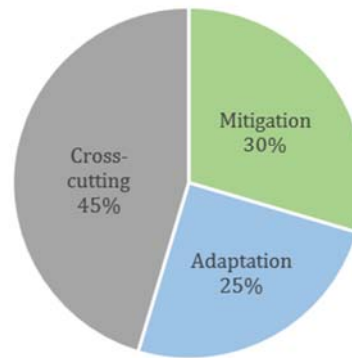


*Abbreviations:*  
LDCs = least developed countries, SIDS = Small island developing States

**Figure 3. Total requested GCF amount by financial instrument (percentage)**

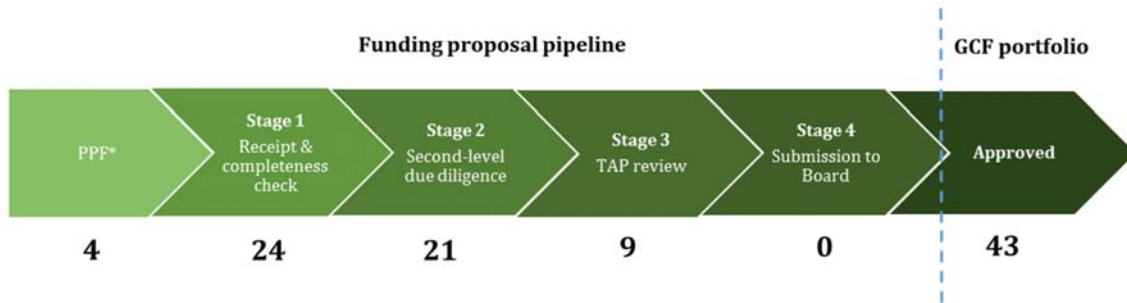


**Figure 4. Total requested GCF amount by theme (percentage)**



8. Figure 5 below presents the status of the funding proposals in the pipeline with respect to their level of progress in the GCF due-diligence process.

**Figure 5. Status of funding proposal progress**



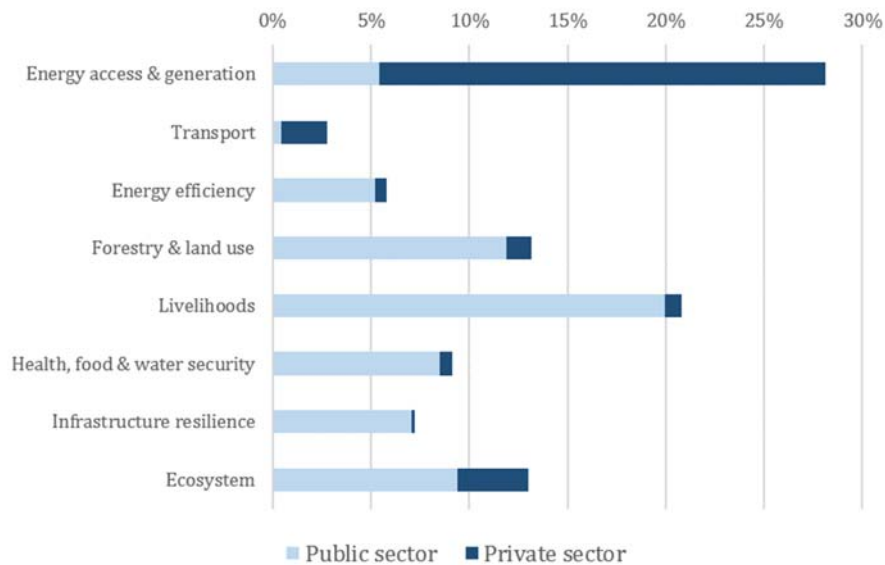
\* The four FPs identified as being in the PPF stage refer to funding proposals which, as a result of engagement between the Secretariat and the AE and NDA during the initial due-diligence process, are accompanied by PPF funding requests. In total, there are 18 PPF requests submitted to

*Abbreviations:*

AE = Accredited entity; FP = Funding proposal; ITAP = Independent Technical Advisory Panel, NDA = National designated authority  
PPF = Project Preparation Facility

9. The distribution of the requested funding of the pipeline across the eight results areas of the GCF is presented in figure 6 below. In terms of the number of funding proposals, 60 per cent target adaptation results areas, while 40 per cent target mitigation results areas.<sup>3</sup> In terms of the total requested GCF funding, it is well-balanced with both mitigation and adaptation targeting 50 per cent each.

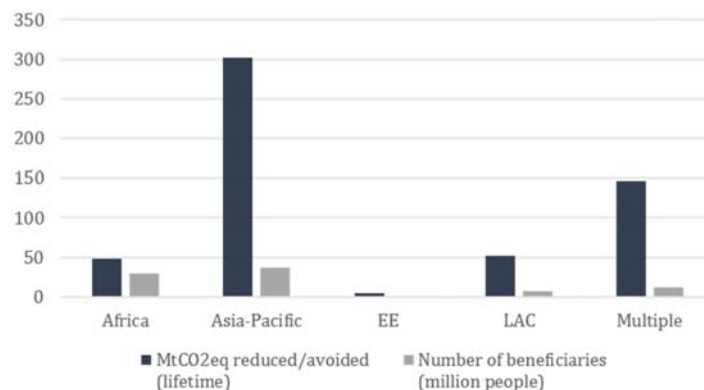
**Figure 6. Requested GCF funding by results areas (percentage)**



10. The climate impact potential of the pipeline in terms of the contribution to GCF core indicators is estimated to be 552 million tonnes of carbon dioxide equivalent reduced or avoided over the lifetime of the proposed activities, and 87 million people that are projected to benefit from reduced vulnerability and/or increased resilience. The climate impact potential by region is presented in figure 7 below.

<sup>3</sup> For funding proposals that target multiple results areas, a simple attribution methodology is used, according to the number of results areas marked in each funding proposal.

Figure 7. Estimated climate impact potential by region



Abbreviations: EE = Eastern Europe, LAC = Latin America and the Caribbean.

11. Based on the level of advancement of each funding proposal,<sup>4</sup> it is estimated, at this juncture, that 30 projects and programmes within the pipeline are expected to be presented to the Board within the next 12 months, with a total requested GCF funding of USD 1.7 billion supporting projects and programmes worth USD 6 billion. The list of these projects and programmes is presented in table 2 below. The list may change subject to the level of readiness of each funding proposal as well as future funding proposal submissions.

Table 2. Funding proposals expected to be presented to the Board within the next 12 months

Public/private	No.	Project/programme title	Region	Project/programme	GCF amount (million USD) <sup>a</sup>	Financial instrument	Total size (million USD)	LDCs/SIDS/African States	Theme	Direct/International access	Stage <sup>c</sup>
Public	1	Rural climate resilience project	Africa	Project	10	Grant	10	Yes	Adaptation	International	3
Public	2	Forestry and land use project	Asia-Pacific	Project	26.6	Grant	118.1	Yes	Cross-cutting	International	3
Public	3	Hydromet program	Africa	Programme	22.5	Grant	27	Yes	Adaptation	International	3
Public	4	Low-carbon public buildings project	Eastern Europe	Project	17.3	Grant	122.6	No	Mitigation	International	3
Public	5	Resilience project phase II	Asia-Pacific	Project	25	Grant	48.8	Yes	Adaptation	International	3
Public	6	Sustainable and climate resilient connectivity project	Asia-Pacific	Project	26.9	Grant	65.2	Yes	Cross-cutting	International	3
Public	7	Agricultural market development programme	LAC	Programme	18	Grant	20	No	Adaptation	International	2
Public	8	Climate resilient water infrastructure programme	Asia-Pacific	Programme	50	Grant	100	No	Adaptation	International	2
Public	9	Climate change adaptation project	Africa	Project	26.1 <sup>b</sup>	Grant	87.6	Yes	Adaptation	International	2
Public	10	Ecosystem-based adaptation project	Asia-Pacific	Project	29.7	Grant	39.9	Yes	Adaptation	International	2
Public	11	Wind development program	Asia-Pacific	Project	56	Grant, loan	217	No	Mitigation	International	2
Public	12	Energy efficiency project	Asia-Pacific	Project	86.3	Grant, guarantee	653	No	Mitigation	International	2
Public	13	Green cities programme	Multiple	Programme	184.7 <sup>b</sup>	Grant, loan	999.7	Yes	Cross-cutting	International	2
Public	14	Coastal areas resilience project	Africa	Project	50.1	Grant	54.7	Yes	Adaptation	International	2
Public	15	Climate resilient agricultural project	Africa	Project	47.8	Grant	53.3	Yes	Adaptation	International	2

<sup>4</sup> The level of advancement is determined by a number of factors, including: (1) the completeness of required information and documentation; (2) readiness in project preparation (feasibility study, appraisal, etc.); (3) alignment with the investment framework; and (4) compliance with GCF policies and others.

Public/private	No.	Project/programme title	Region	Project/programme	GCF amount (million USD) <sup>a</sup>	Financial instrument	Total size (million USD)	LDCs/SIDS/African States	Theme	Direct/International access	Stage <sup>c</sup>
Public	16	River basin management project	LAC	Project	58.5	Grant, loan	315.3	No	Adaptation	Direct	2
Public	17	REDD+ project	Asia-Pacific	Project	38	Grant	79	No	Mitigation	International	2
Public	18	Coastal climate resilience project	Asia-Pacific	Project	100	Grant	193.3	No	Adaptation	International	2
Public	19	Devolved access to climate finance project	Africa	Project	10	Grant	10	Yes	Adaptation	Direct	2
Public	20	Forestry, energy and development project	LAC	Project	119.8	Grant	119.8	No	Cross-cutting	International	2
Public	21	Climate resilient water management project	LAC	Project	74.6	Grant	141.9	No	Adaptation	International	2
Public	22	Coastal resilience project	Asia-Pacific	Project	49.9	Grant	72.7	Yes	Adaptation	International	2
Public	23	Climate change adaptation project	Asia-Pacific	Project	67.2	Grant	75.1	Yes	Adaptation	International	2
<b>Subtotal (public)</b>					<b>1,195.1</b>		<b>3,624.0</b>				
Private	24	Renewable energy programme	Asia-Pacific	Programme	110	Loan, grant	557	No	Mitigation	International	3
Private	25	Smart agriculture programme	LAC	Programme	20	Guarantee, equity, loan, grant	166	Yes	Cross-cutting	International	3
Private	26	Renewable energy programme	Asia-Pacific	Programme	9.5	Loan, grant	18.4	No	Mitigation	Direct	3
Private	27	Renewable energy programme	Cross-region	Programme	186	Equity, grant	795	Yes	Mitigation	International	1
Private	28	Agriculture programme	Africa	Programme	22.5	Equity, grant	56	Yes	Adaptation	Direct	1
Private	29	Renewable energy programme	Africa	Programme	170	Loan, guarantee	530	Yes	Mitigation	International	1
Private	30	Gender finance programme	Africa	Programme	20	Loan, grant	205	Yes	Cross-cutting	International	1
<b>Subtotal (private)</b>					<b>538.0</b>		<b>2,327.4</b>				
<b>Overall total (public + private)</b>					<b>1,733.1</b>		<b>5,951.5</b>				

Abbreviations: LAC = Latin America and the Caribbean, LDCs = least developed countries, SIDS = small islands developing States.

<sup>a</sup> The individual funding amounts are rounded to the nearest tenth.

<sup>b</sup> The requested GCF amount is in euros and is converted into United States dollars at the United Nations operational rate of exchange as at 1 May 2017 (USD/EUR=0.921).

<sup>c</sup> Stage: (1) funding proposal receipt and completeness check; (2) second-level due diligence by the Secretariat; (3) independent assessment by the independent Technical Advisory Panel; and (4) submission to the Board.

12. In addition to the funding proposals identified in table 2 above, the GCF is working closely with direct and international access accredited entities to develop their pipeline. Preliminary project ideas are under discussion, with a possibility of being developed into funding proposals for inclusion in the pipeline over the next 3 to 12 months.

13. Following the last Board meeting, the Private Sector Facility (PSF) launched a request for proposals (RFP) on 25 May 2017 for mobilizing funds at scale on its website and various local and international media outlets. Under this RFP, the GCF aims to finance up to USD 500 million for proposals that meet the GCF investment criteria, in areas of mitigation and adaptation and leveraging private-sector capital. Since then, the GCF has received a substantial number of inquiries from non-accredited direct and international entities. The PSF is also engaging with direct entities and potential partners through its participation in structured dialogues.

14. Table 3 below provides an additional list of the other funding proposals in the pipeline at different stages of the review process.

**Table 3. Funding proposals in the GCF pipeline at different stages of the review process**

Public/private	No.	Project/programme title	Region	Project/programme	GCF amount (million USD)	Financial instrument	Total size (million USD)	LDCs/SIDS/African States	Theme	Direct/International access	Stage
Public	1	Ecosystem-based adaptation project	LAC	Programme	40	Grant	40	Yes	Adaptation	Direct	1
Public	2	Energy efficiency project	LAC	Project	22	Grant, loan	42	No	Mitigation	International	1
Public	3	Liquid hydrocarbon facility project	Asia-Pacific	Project	10	Grant	15.8	Yes	Cross-cutting	Direct	1
Public	4	Renewable energy project	Asia-Pacific	Project	45	Grant	500	No	Cross-cutting	International	1
Public	5	SIDS adaptation programme	Multiple	Programme	42.4	Grant	133.3	Yes	Adaptation	International	1
Public	6	Energy project	LAC	Project	11	Grant	15	Yes	Cross-cutting	Direct	1
Public	7	Food security project	Asia-Pacific	Project	8.6	Grant	9.6	No	Adaptation	International	1
Public	8	Green investment programme	Africa	Project	10	Grant	10	Yes	Cross-cutting	Direct	1
Public	9	Enhancing community resilience and livelihood project	Africa	Project	9.9	Grant	28.6	Yes	Adaptation	Direct	1
Public	10	Support for native vegetation project	LAC	Project	151.5	Grant	208	No	Cross-cutting	International	1
Public	11	Enhancing community resilience and ecosystem project	Africa	Project	9.9	Grant	9.9	Yes	Adaptation	Direct	1
Public	12	Climate resilience and value chains project	Africa	Project	10	Grant	10	Yes	Adaptation	Direct	1
Public	13	Ecosystem management project	LAC	Project	420	Grant	1,400	No	Cross-cutting	Direct	1
Public	14	climate-related natural disasters project	LAC	Project	15.4	Grant	48.1	Yes	Adaptation	International	1
Public	15	Coastal resilience programme	Asia-Pacific	Programme	77.9	Grant	77.9	Partial	Cross-cutting	International	1
Public	16	Climate-resilient agriculture project	Asia-Pacific	Project	42.6	Grant	62.7	Yes	Adaptation	International	1
Public	17	Climate-resilient agriculture project	Asia-Pacific	Project	5	Grant	8.5	Yes	Adaptation	Direct	PPF
Public	18	Rural green economy project	Africa	Programme	69.5	Grant, loan	87.7	Yes	Cross-cutting	Direct	PPF
Public	19	Irrigation modernization project	Africa	Project	50	Grant	50	Yes	Cross-cutting	Direct	PPF
Public	20	Sustainable energy access project	Asia-Pacific	Project	43	Grant	49.4	Yes	Cross-cutting	International	PPF
Private	16	Green bond Programme	Africa, Asia-Pacific, LAC	Programme	75	Equity	2,100	Yes	Mitigation	International	2
Private	17	Renewable energy programme	Asia-Pacific	Programme	95	Loan, grant	581.5	Yes	Mitigation	International	2
Private	18	Transportation programme	Asia-Pacific	Programme	[50-70] <sup>a</sup>	Loan	[150-170] <sup>a</sup>	No	Mitigation	International	2
Private	19	Renewable energy programme	Africa	Programme	50	Loan, grant	189.3	Yes	Mitigation	International	2
Private	20	Forestry and agriculture programme	LAC	Programme	[30-50] <sup>a</sup>	Equity	[200-400] <sup>a</sup>	Yes	Cross-cutting	International	1
Private	21	Wind farm project	EE	Project	[10-20] <sup>a</sup>	Loan, grant	[75-95] <sup>a</sup>	No	Mitigation	International	1
Private	22	Renewable energy project	LAC	Project	[2-5] <sup>a</sup>	Loan	[20-40] <sup>a</sup>	No	Mitigation	Direct	1
Private	23	Renewable energy, energy efficiency, and environmental programme	Asia-Pacific	Programme	[150-250] <sup>a</sup>	Equity	[900-1,100] <sup>a</sup>	Yes	Cross-cutting	International	1
<b>Total</b>					<b>1,636.5</b>		<b>7,284</b>				

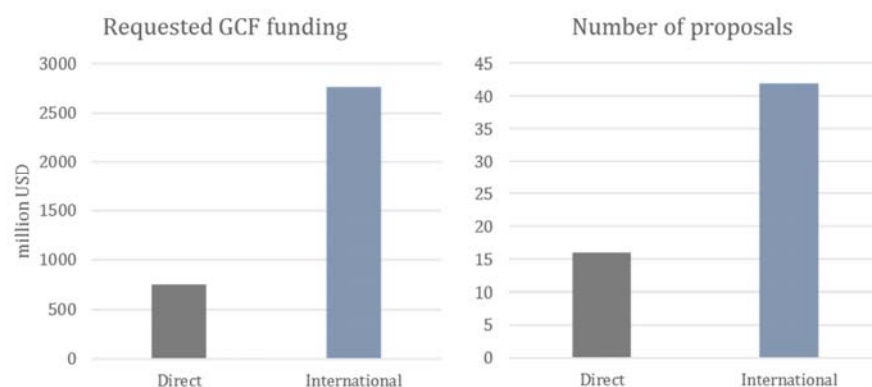
*Abbreviations:* EE = Eastern Europe, LAC = Latin America and the Caribbean, LDCs = least developed countries, PPF = Project Preparation Facility, SIDS = small island developing States.

<sup>a</sup> The exact funding amount and financial instrument are to be determined. For the funding proposals with ranges of GCF funding requested and a total project size, estimated values are used to calculate the totals.

<sup>b</sup> The requested GCF amount is in euros and is converted into United States dollars at the United Nations operational rate of exchange as at 1 May 2017 (USD/EUR=0.921).

15. As at 15 May 2017, a total of 16 funding proposals from direct access entities are in the GCF pipeline, accounting for 28 per cent of the total submissions. The submitted funding proposals request USD 750 million of GCF funding with a total value of USD 2.1 billion. Figure 8 below shows the breakdown of the pipeline by access modality.

**Figure 8. GCF pipeline by access modality**



16. As at the same date, 47 concept notes had been submitted by direct access entities requesting USD 2.4 billion of GCF resources. In addition, 11 concept notes were submitted directly from national designated authorities (NDAs) with the requested GCF amount of USD 710 million.

17. The Secretariat continues to work closely with direct access entities and NDAs/focal points in developing their pipelines of proposals to be submitted to the GCF. As at the reporting date, there are five requests for Project Preparation Facility (PPF) support submitted by direct access entities, one of which was approved and is under implementation, and those in the pipeline are under the process of due diligence by the Secretariat. In total, there are 18 PPF requests submitted to the GCF as at 15 May 2017. The list of these requests is presented in table 4 below (including the four PPFs in table 3 (No. 17–20)). There are also 16 enhanced direct access proposals requesting the GCF amount of USD 322 million.

**Table 4. Project Preparation Facility request in the GCF pipeline at different stages of the review process**

Public/private	No.	Project/programme title	Region	PPF amount (USD)	Financial instrument	LDCs/SIDS/African States	Theme	Direct/International access	Stage <sup>d</sup>
Public	1	Climate-resilient agriculture project	Asia-Pacific	287,287	Grant	Yes	Adaptation	Direct	2
Public	2	Rural green economy project	Africa	1,498,841	Grant	Yes	Cross-cutting	Direct	4
Public	3	Irrigation modernization project	Africa	717,407	Grant	Yes	Cross-cutting	Direct	2
Public	4	Sustainable energy access project	Asia-Pacific	975,000	Grant	Yes	Cross-cutting	International	2
Public	5	Early warning systems project	Asia-Pacific	515,833	Grant	Yes	Adaptation	International	3
Public	6	Climate knowledge for resilience project	Africa	843,695	Grant	Yes	Adaptation	International	2
Public	7	Solar based economy project	LAC	166,670	Grant	No	Cross-cutting	Direct	2
Public	8	Waste management project	Asia-Pacific	1,500,000	Grant	No	Cross-cutting	International	2
Public	9	Energy project	Africa and Eastern Europe	1,028,100	Grant	Partial	Cross-cutting	International	2
Public	10	Ecosystem service project	LAC	704,000	Grant	No	Cross-cutting	International	2
Public	11	Sustainable rural development project	Africa	410,000	Grant	Yes	Adaptation	International	2
Public	12	Forestry and land use project	Africa	1,500,000	Grant	Yes	Cross-cutting	International	2
Public	13	Forestry and agrosystem project	Africa	300,000	Grant	Yes	Adaptation	International	2



Public/private	No.	Project/programme title	Region	PPF amount (USD)	Financial instrument	LDCs/SIDS/African States	Theme	Direct/International access	Stage <sup>d</sup>
Public	14	Increasing the resilience of livelihood project	Africa	621,019	Grant	Yes	Adaptation	International	2
Public	15	Coastal protection project	Africa	928,260	Grant	Yes	Adaptation	International	2
Public	16	Enhancing adaptive capacity of local communities project	Africa	295,826	Grant	Yes	Cross-cutting	International	2
Public and Private	17	Public and private sector energy efficiency programme	Africa	260,000	Grant	Yes	Mitigation	Direct	2
Public	18	Strengthening resilience of coastal ecosystems and communities project	Africa	250,000	Grant	Yes	Cross-cutting	International	2
<b>Total</b>				<b>12,801,938</b>					

<sup>a</sup> Stage: 1. PPF receipt and completeness check; 2. Secretariat's review; 3. PPF approved; 4. PPF under implementation.

## II. Status of the concept note pipeline

18. As at 15 May 2017, the GCF pipeline is comprised of 196 concept notes, indicating potential requested GCF funding of USD 10.2 billion.<sup>5</sup> In the reporting period, 19 new concept notes were submitted and 9 concept notes were developed into funding proposals.

19. Figures 9 and 10 below present the geographical and thematic distribution of the requested GCF amount for the 196 concept notes. In these figures, requested GCF funding from the concept notes is distributed across different regions, with 59 per cent targeting the least developed countries, small island developing States and African States.

Figure 9. Regional distribution of concept notes in GCF funding (percentage)

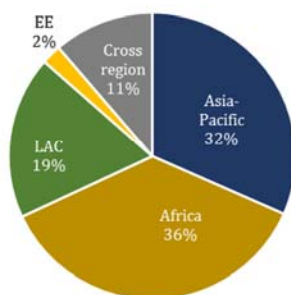
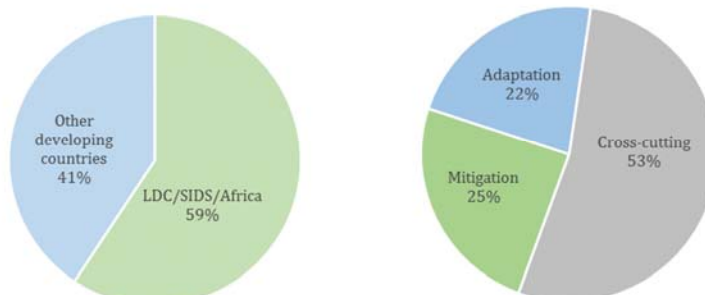


Figure 10. Thematic distribution of concept notes in GCF funding (percentage)



*Abbreviations*

EE = Eastern Europe; LAC = Latin America and the Caribbean;

LDCs = least developed countries; SIDS = small islands developing States

## IV. Portfolio review and recommendations for alignment

20. In decision B.09/02, paragraph (b), the Board requested the Secretariat to monitor the portfolio, report to the Board, and recommend needed actions, in order to align the portfolio composition with the initial results management framework (RMF) as contained in decision B.07/04 when the portfolio reaches USD 2 billion, but no later than two years after the first

<sup>5</sup> The full list of concept notes is provided in GCF/B.17/09/Add.02 titled "Status of the GCF portfolio – addendum: list of concept notes". Due to the deliberative nature of the document, the addendum is made available to the Board on a limited distribution basis.

funding decision. This section responds to the Board’s request and provides an overview of the GCF portfolio and recommendations for better alignment of the portfolio with the initial RMF. It also presents a review of the portfolio against the initial portfolio targets as set out in the initial investment framework.<sup>6</sup>

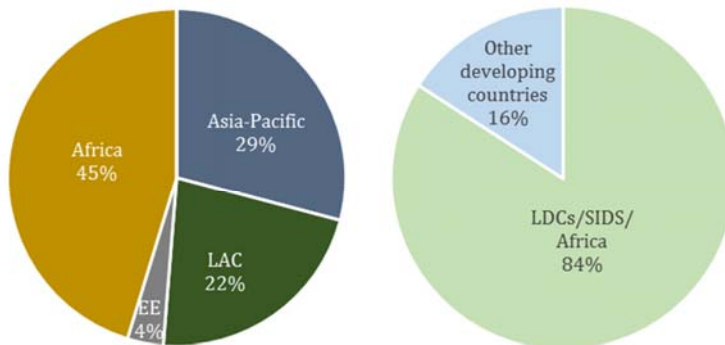
21. As at B.16, the GCF portfolio is consisted of 43 approved projects and programmes with a total GCF committed funding of USD 2.2 billion, leveraging USD 5 billion of co-financing. Of the committed GCF funding amount, USD 6.6 million has been disbursed for three approved projects. In the portfolio, 11 projects/programmes are from the private sector with GCF funding of USD 1,192 million, and 32 are from the public-sector with USD 1,048 million of GCF funding commitment. The geographical distribution of the portfolio is presented in table 5 below.

**Table 5. Geographical distribution of the GCF portfolio**

	<b>Committed GCF amount (millions of United States dollars)</b>
<b>Africa</b>	1,014.4
<b>Asia-Pacific</b>	652.3
<b>Latin America and Caribbean</b>	496.2
<b>Eastern Europe</b>	77.1
<b>Total</b>	<b>2,240.0</b>

22. The GCF portfolio generally meets the initial portfolio targets set out in the initial investment framework. The 43 approved projects/programmes target 64 developing countries, and 29 projects and programmes target LDCs, SIDS and African States totalling USD 1.9 billion, and account for 84 per cent of the total committed GCF funding amount. The geographic and thematic distributions as well as the distribution by financial instrument and access modality of the portfolio are presented in figures 11–13 below.

**Figure 11. Regional distribution of the portfolio  
(GCF funding in percentage)**

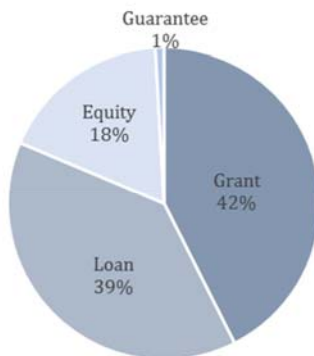


*Abbreviations:*

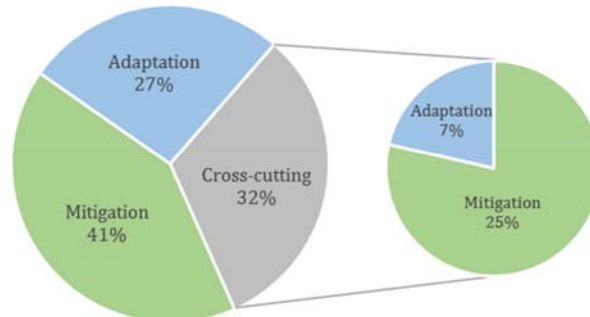
EE = Eastern Europe, LAC = Latin America and the Caribbean, LDCs = least developed countries, SIDS = small islands developing states

<sup>6</sup> For the initial portfolio targets, see annex XIV to decision B.07/06 (annex XIV to document GCF/B.07/11).

**Figure 12. Breakdown of portfolio by financial instrument (GCF funding in percentage)**



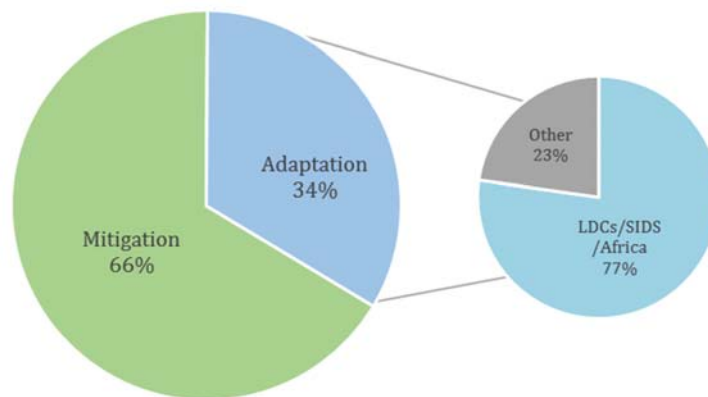
**Figure 13. Breakdown of portfolio by theme (GCF funding in percentage)**



*\* The "cross-cutting" category is broken down into adaptation and mitigation based on the attribution of GCF funding amounts to respective adaptation and mitigation activities presented in the funding proposals.*

23. The GCF portfolio exceeds its targets in terms of adaptation allocation for vulnerable countries. As shown in figure 14 below, close to 80 per cent of the committed GCF funding for adaptation targets LDCs, SIDS and African States.

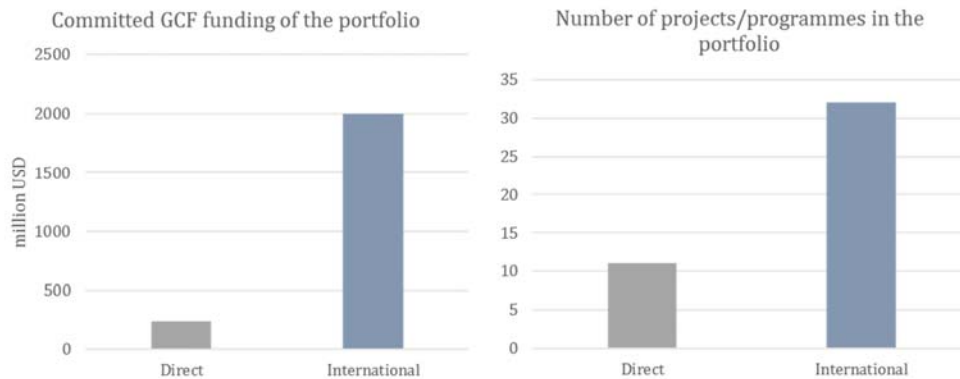
**Figure 14. Adaptation allocation for vulnerable countries**



*Abbreviations: LDCs = least developed countries, SIDS = small island developing States.*

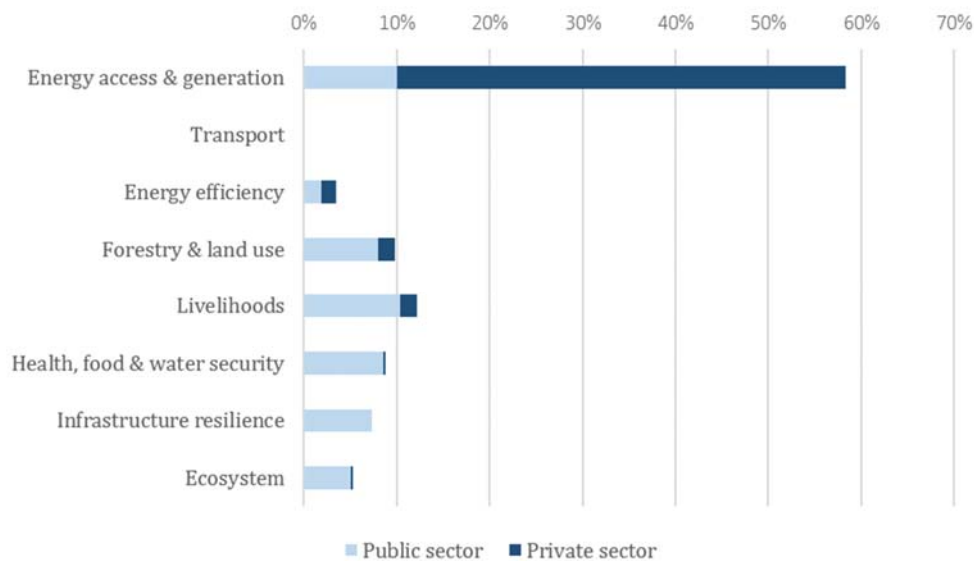
24. The current GCF portfolio includes 11 funding proposals from direct access accredited entities (AEs), which accounts for 26 per cent of total approved funding proposals. The 11 proposals from direct access AEs amount to a total GCF funding of USD 236 million, representing 11 per cent of the total approved as at B.16. Figure 15 below represents the breakdown of portfolio by access modality both in terms of the committed GCF funding amount and the number of funding proposals.

**Figure 15. GCF portfolio by access modality**



25. The distribution of the portfolio across the eight results areas of the GCF is presented in figure 16 below.

**Figure 16. GCF committed funding by results areas (%)\***



\* The breakdown of GCF funding into the eight results areas was done based on the attribution of GCF funding amounts to each respective result area presented in the funding proposals.

26. From the above figure, it can be observed that the public-sector portfolio is well-balanced across the four adaptation results areas, with the strongest emphasis on increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions. In terms of the number of projects and programmes in the portfolio, the public sector shows strengths in adaptation results: of the 32 proposals, 23 (72 per cent) are adaptation proposals. In terms of the GCF funding amount, close to 70 per cent of the funding is targeting adaptation results. In the mitigation area, there is an imbalance in GCF funding with 21 per cent targeting low emission energy access and generation, while the rest of the mitigation results (12 per cent) lie within energy efficiency and forestry and land use. There is no project targeting reduced emissions through increased access to low-emission transport in the public-sector portfolio.

27. In the private-sector portfolio, there is a strong focus on energy access and generation, due to several large-scale private sector programmes targeting multiple countries across different regions focusing on low-emission energy access and generation. This can be explained by the countries' needs as well the strong private-sector interest in energy efficiency and

renewable energy. In the adaptation area, the committed funding focuses on improved livelihoods of people and communities (3 per cent out of the total private-sector commitment). There are no approved projects or programmes targeting low-emission transport and increased resilience of infrastructure and the built environment to climate change threats. The PSF is currently exploring ways to increase forestry and low-emission transportation projects in developing countries. A discussion paper with recommendations on this subject has been prepared by the Secretariat for the Private Sector Advisory Group consideration.

28. The private-sector portfolio is also expected to generate substantial deal flow in multiple countries in all result areas through the mobilizing funds at scale RFP with the envelope of USD 500 million as decided by the Board. As indicated in paragraph 12 above, the RFP was launched on 25 May and is open to both accredited entities and non-accredited entities that will apply for accreditation. Non-accredited entities responding to this RFP that apply in parallel for accreditation can be prioritized as per decision B.14/08, paragraph (d)(i). The PSF is also designing a framework to support adaptation and mitigation projects and programmes in the LDCs and SIDS which will be reflected in an initial strategic paper that will be presented by the Private Sector Advisory Group in its recommendations in due course. In addition, the PSF is working closely with the Country Programming Division to identify strong private sector entities (direct and international) that can support the needs of the countries. It is expected that the combination of these new private-sector initiatives will generate deal flow and ensure the private sector portfolio will be more balanced and geographically diversified.

29. Overall, the GCF portfolio of 43 approved projects and programmes gives some positive signals. Three quarters of the GCF funding will be disbursed in the LDCs, SIDS and African States using various financial instruments including grants, loans and equity. Public-sector projects and programmes focus on adaptation results areas, targeting all four adaptation results in a balanced manner. However, there is also room for improvement.

- (a) The current portfolio leans more heavily towards mitigation by a split of 66 per cent to 34 per cent for adaptation, and is lacking proposals for some result areas, particularly for low emission transport;
- (b) The current range of Board-approved financial products is not flexible enough to allow for efficient deployment of GCF resources, in particular for concessional loans for public sector projects/programmes; and
- (c) Proposals should be more balanced in terms of access modality, by having more projects from direct access entities.

30. In order to have a more balanced portfolio with the GCF initial RMF, there are a number of options that could be considered by the Board. These options, which are not mutually exclusive, are presented as follows:

- (a) The issuance of targeted RFPs with specific requests aimed at those results areas that the GCF portfolio is currently lacking (e.g. reduced emissions through increased access to low-emission transport, etc.), building on the two RFPs (micro, small, and medium-sized enterprises, and mobilizing funds at scale) already launched;
- (b) The prioritization of project ideas and concept notes that have already been submitted to the GCF and that are in the current pipeline, which target those results areas that the GCF portfolio is currently lacking;
- (c) More engagement with the AEs and NDAs by technical teams of the Secretariat and providing guidance and recommendations at the early stage of project/programme development;



- (d) Targeted outreach to promote partnerships between AEs and non-AEs that have the technical expertise to support those results areas that the GCF portfolio is currently lacking in proposal development and implementation;
- (e) Identifying and fast-track accreditation of entities targeting the result areas the GCF portfolio is currently lacking;
- (f) Additional analysis of the portfolio, taking into consideration the analysis and potential investment priority areas presented in the analysis of the expected role and impact of the GCF,<sup>7</sup> to identify specific areas of targeted GCF investment; and
- (g) Providing additional flexibility regarding the attributes of concessional loan products for the public sector.

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<sup>7</sup> Document GCF/B.09/06.



## **Annex: Draft decision of the Board**

The Board, having considered document GCF/B.17/09 titled “Status of the GCF portfolio: pipeline and approved projects”:

*Takes note* of the status of the GCF pipeline and the analysis of the portfolio.

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