

## Annex VI: Private Sector Outreach Plan

### I. Objective of the private sector outreach plan

1. GCF is a partnership institution, supporting over 148 developing countries in promoting a paradigm shift towards low-emission and climate-resilient pathways. In line with its core principle of country ownership and its business model, GCF works through national designated authorities (NDAs) and focal points, as well as with its network of over 200 accredited entities (AEs) and delivery partners. GCF also engages with a diverse range of other institutions, networks and coalitions to contribute towards achieving the goals of the Paris Agreement.
2. Implementation of the GCF private sector strategy requires continued close engagement with its key stakeholders and partners. In line with paragraph 23(f) of the updated Strategic Plan, the Secretariat has developed a private sector outreach plan in order to guide the efforts of GCF to build strong partnerships that will advance the implementation of its private sector strategy.
3. The GCF private sector outreach plan, including its partnership approach and implementation modalities, is outlined below.

### II. Private sector outreach and partnership approach

4. GCF takes a four-pronged approach to engaging and building strong partnerships with the private sector, as set out below.
5. **Engage with developing countries, notably NDAs, to enhance their understanding of the GCF private sector strategy and outreach with the private sector.** In line with its principle of country ownership, all GCF outreach efforts are anchored in its strategic engagement with NDAs and focal points, which is increasing taking place through its structured dialogues with all regions (Asia-Pacific, Latin America and the Caribbean, Eastern Europe and Central Asia), the least developed countries (LDCs), small island developing States (SIDS) and African States. These structured dialogues bring together participants from developing countries, including government, private sector, AEs, civil society organizations and development partners. They provide an opportunity for GCF to share its private sector strategy and highlight the potential of the private sector to contribute to the implementation of countries' nationally determined contributions and national adaptation plans. It also provides an opportunity to discuss how implementation of the strategy can be tailored to meet the needs of each specific region. In addition, GCF's targeted dialogues with NDAs, focal points and direct access entities can be used to support these efforts, including sharing knowledge and good practices between developing countries.
6. The GCF Readiness and Preparatory Support Programme is available for developing countries to promote greater engagement between governments and the private sector. This may include conducting national-level mappings of private sector actors (domestic and international) to identify the most relevant partners to support the achievement of countries' nationally determined contribution and national adaptation plan goals, as well as formulating and executing private sector engagement plans.
7. **Engage with a broader network of private sector entities to scale up private climate finance for developing countries.** In line with its business model, GCF needs a portfolio of private sector partners that can support the development and implementation of country-driven, private sector projects to meet its programming goals as articulated in the updated Strategic Plan. Following the approval of the updated accreditation framework, a

mapping exercise will be undertaken by the Secretariat that would, among other things, identify the most suitable private sector partners to meet the GCF programming objectives, notably in terms of adaptation and catalysing private finance for LDCs and SIDS. This will enable GCF to diversify its AE network and increase its engagement with institutional investors (including insurance companies and pension funds), commercial banks, equity and debt funds, and institutions that can service micro, small and medium-sized enterprises and impact investors.

8. Particular attention will be given to engaging with developing country institutions and leveraging the Readiness and Preparatory Support Programme to increase the share of private sector direct access entities. The mapping will provide an overview of the landscape of potential private sector partners and articulate the specific barriers that different private sector partners face in terms of their engagement with GCF. This will allow GCF to complement and leverage the knowledge and capabilities of various private sector actors and tailor its engagement to address such barriers. GCF will capture lessons learned through this engagement with its private sector partners and projects in order to contribute to the global policy dialogue on catalysing private finance for developing countries.

9. GCF will continue to build partnership coalitions with non-accredited entities, notably through its efforts to scale up the development of co-investment platforms (to be implemented through accredited entities and other existing funding modalities). The Secretariat will be able to leverage its private sector mapping to connect AEs with investors in this regard.

10. **GCF engagement in key global leadership initiatives and networks to share its knowledge and experience and to learn from others.** As a new and evolving organization, promoting the visibility of GCF and its unique role in catalysing private investments is critical to increasing the understanding of private sector investors around the opportunities of investing in climate action in developing countries.

11. At the same time, GCF is a small organization and therefore must be strategic in terms of its engagement with global and regional initiatives and networks. To prioritize its engagement, GCF will be guided by the four prongs of its private sector strategy; it will engage in initiatives and networks that advance their implementation and where it can make a substantive contribution based on its implementation experience. GCF will assess the results from its engagement in such initiatives and networks to ensure that its participation remains effective and efficient.

12. GCF will also continue to leverage its collaboration with the climate funds, including the Global Environment Facility, the Adaptation Fund and the Climate Investment Funds to build on its lessons learned and advance implementation of its private sector strategy.

13. GCF Secretariat will also engage with leading experts in and representatives of the private sector in a structured and periodic basis to advise the Private Sector Facility (PSF) on global trends and opportunities for the GCF to catalyse private sector financial flows for mitigation and adaptation in developing countries, and on enhancing GCF's private sector engagement and programming.

14. The PSF will seek advice on an as-needed basis from the leading experts, as stated above, for developing a robust pipeline of private sector proposals, both in quality and quantity, enhancing the use of innovative financial instruments such as equity and guarantees, improving processes to efficiently move projects from concept to approval and implementation, aligned with the Private Sector Strategy and for adaptation activities at national, regional and international levels.

15. **Leverage GCF convening power to promote innovative partnerships between developing countries and the private sector.** As the hub of climate finance with a large and diverse set of partners, GCF has a unique convening power to bring different actors together,

enabling it to match investors with AEs to sponsor projects and programmes that achieve greater scale.

16. GCF will also continue to build on its role as a convenor and knowledge sharer through its annual flagship Private Investment for Climate (GPIC) Conference. Bringing together global and local leaders and experts from the private and public sectors, GPIC provides a unique opportunity to showcase innovative climate investments to share experiences and promote partnerships to scale up private climate finance in developing countries. Since its inception in 2018, GPIC has positioned GCF as leader of private climate finance for developing countries. To each of its virtual editions of 2020 and 2021, it attracted more than 2,000 participants representing a mix of institutional investors, specialized climate firms, project developers and high-level country representatives.

17. The Secretariat will leverage GPIC to promote engagement on key priority areas for GCF, in particular promoting private sector investment in adaptation and in LDCs and SIDS. It will also explore the possibility of organizing regional GPICs to promote greater engagement between private sector actors at the regional and local levels.

### **III. Implementation of the private sector outreach plan**

18. To support the implementation of the private sector outreach action plan, the Secretariat will continue to develop a suite of communication material to create awareness among private sector actors of the GCF mandate and how it engages with the private sector and to provide specific project examples and impact stories, with results and lessons learned. This will enhance the GCF profile as well as the private sector's understanding of GCF, which in turn increases the quality and quantity of collaboration opportunities.

19. GCF will also amplify its outreach efforts through global champions who can reach out through their networks to communicate on the efforts of GCF to catalyse private finance at scale.

20. An annual outreach plan will be developed with specific engagement plans for key initiatives and partnerships to promote the implementation of the strategy.

21. As a knowledge organization, lessons learned from the GCF's implementation of its private sector outreach plan will be captured on an annual basis to continuously improve the effectiveness of its outreach efforts.