



**GREEN
CLIMATE
FUND**

Meeting of the Board
8 – 10 March 2016
Songdo, Incheon, Republic of Korea
Provisional agenda item 13 (a)

GCF/B.12/Inf.08/Rev.01

9 March 2016

Status of the Fund's portfolio: pipeline and approved projects

Summary

This document provides an update of the GCF's portfolio including pipeline of projects and programmes and the eight funding proposals approved at the eleventh Board meeting.

I. Status of the pipeline

1. In decision B.11/11, paragraph (g), the Board requests 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”. This status report was prepared in response to the Board request.

2. As of end of February 2016, the GCF pipeline comprises 34 funding proposals (FPs) and 90 concept notes (CNs), which together request a total GCF participation of USD 6.2 billion to support projects and programmes totalling USD 12 billion. These figures do not include the eight projects and programmes approved at B.11.

3. In the judgment of the Secretariat, 22 projects and programmes within the pipeline have a greater than 50% probability of being presented to the Board in 2016 (based on the level of advancement and unique circumstances of each individual proposal), for a total requested GCF funding of USD 1.5 billion supporting projects and programmes worth USD 5.4 billion as presented in Table 1 below.

Table 1. Pipeline of projects/programmes with a >50% probability of presentation to the Board in 2016

Public/private	No.	Brief Proposal Name	Project/ Programme	GCF Amount (M USD)	Financial instrument	Total Size (M USD)	Region	LDC/SIDS/ Africa ¹	Theme	Direct/ International Access
Public	1	Energy and infrastructure project	Project	50	Grant, Loan	206	Asia-Pacific	No	Cross-cutting	International
Public	2	Energy efficiency project	Project	22	Grant, Loan	42	LAC	No	Mitigation	International
Public	3	Energy efficiency project	Project	20	Grant	30	EE	No	Mitigation	International
Public	4	Disaster risk management project	Project	37	Grant	42	Asia-Pacific	No	Adaptation	International
Public	5	Energy and transport programme	Programme	41	Grant	230	Africa	Yes	Mitigation	International
Public	6	Ecosystem adaptation project	Project	23	Grant	28	Africa	Yes	Adaptation	International
Public	7	Disaster risk management project	Project	25	Grant	30	Africa	Yes	Adaptation	International
Public	8	Energy programme	Programme	40	Grant, Loan	110	LAC	Yes	Mitigation	International
Public	9	Resilient communities project	Project	30	Grant	40	Asia-Pacific	No	Cross-cutting	International
Public	10	Ecosystems and wetlands project	Project	25	Grant	45	Africa	Yes	Adaptation	International
Public	11	Agriculture resilience programme	Programme	18	Grant	20	LAC	No	Adaptation	International
Public	12	SIDS adaptation programme	Programme	42	Grant	133	Cross region	Yes	Adaptation	International
Public	13	Natural resource management programme	Programme	19	Grant	64	Asia Pacific	No	Adaptation	International
Public	14	Disaster risk management project	Project	16	Grant	77	Africa	Yes	Adaptation	International
Public	15	SIDS adaptation project	Project	31	Grant	34	Asia-Pacific	Yes	Adaptation	International
Sub-Total (public, million USD)				439		1,131				
Private	16	Renewable Energy	Project	49	Loan	263	LAC ²	No	Cross-Cutting	Direct
Private	17	Forestry and Agriculture Programme	Programme	40	Equity	300	LAC	Yes	Cross-Cutting	International
Private	18	Renewable Energy and Energy Efficiency	Programme	462	Grant, Loan	1,700	EE ³ & Asia	No	Cross-Cutting	International



Public/private	No.	Brief Proposal Name	Project/ Programme	GCF Amount (M USD)	Financial instrument	Total Size (M USD)	Region	LDC/SIDS/ Africa ¹	Theme	Direct/ International Access
Private	19	Renewable Energy	Programme	132	TBC	500	Africa	Yes	Mitigation	International
Private	20	Forestry Notes Programme	Programme	35	Grant	45	Africa	Yes	Cross-Cutting	International
Private	21	Transportation Programme	Programme	202	Loan	450	Asia	Yes	Cross-Cutting	International
Private	22	Landscape Programme	Programme	103	Guarantee	1,000	LAC	No	Cross-Cutting	Direct
Sub-Total (private, million USD)				1,023		4,258				
Overall Total (public + private, million USD)				1,462		5,389				

Note: 1. Geographic distribution. LDC = Least developed countries; SIDS = Small island developing states 2. Latin America and Caribbean 3. Eastern Europe

4. The geographical and thematic distribution of the above 22 projects and programmes in Table 1 are as follows:

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

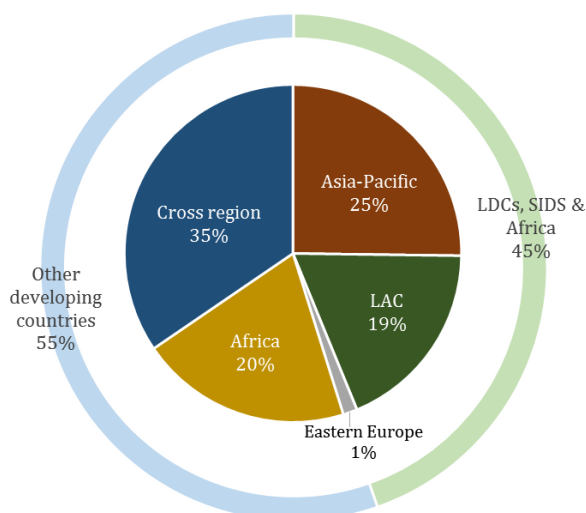
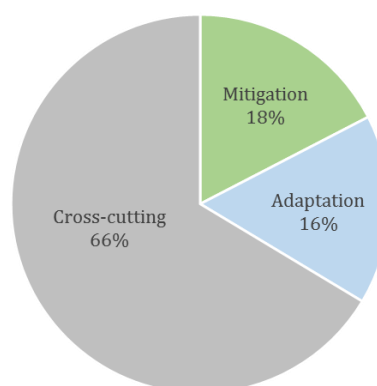


Figure 2. Thematic distribution of the requested amount of GCF funding (%)



5. Although the projects and programmes listed in Table 1 are estimated by the Secretariat to have a greater than 50% probability of presentation to the Board in 2016, it is difficult to accurately estimate the sequence of these proposals for Board decision. The funding proposals to be presented for future Board consideration will depend on the circumstances of each individual funding proposal and their varying levels of advancement, as well as the response time of each accredited entity to address remaining issues in the funding proposal.

6. Table 2 below provides a list of the other projects or programmes (15 FPs, <=50% probability of being presented to Board in 2016) in the pipeline.

Table 2. The list of other projects/programmes in the Fund's pipeline (<=50% probability in 2016)

Public/private	No.	Brief Proposal Name	Project/ Programme	GCF Amount (million USD)	Financial instrument	Total size	Region	LDC/SIDS/Africa	Theme	Direct/ International Access
Public	1	Ecosystem-based adaptation project	Programme	40	Grant	40	LAC	Yes	Adaptation	Direct
Public	2	Land-use and forestry project	Project	44	Grant	141	LAC	No	Mitigation	International



Public/private	No.	Brief Proposal Name	Project/ Programme	GCF Amount (million USD)	Financial instrument	Total size	Region	LDC/SIDS/Africa	Theme	Direct/ International Access
Public	3	Enhancing adaptive capacity project	Project	32	Grant	47	Asia-Pacific	Yes	Adaptation	International
Public	4	Hydrocarbon facility project	Project	10	Grant	11	Asia-Pacific	Yes	Cross-cutting	Direct
Public	5	Climate resilient development programme	Programme	69	Grant, Loan	88	Africa	Yes	Mitigation	Direct
Public	6	Energy project	Project	11	Grant	15	LAC	Yes	Cross-cutting	Direct
Public	7	Climate information project	Project	12	Grant	15	Asia-Pacific	Yes	Adaptation	Direct
Public	8	Climate-resilient agriculture project	Project	5	Grant	8	Asia-Pacific	Yes	Adaptation	Direct
Public	9	Water infrastructure programme	Programme	50	Grant	100	Asia-Pacific	No	Adaptation	International
Public	10	Agriculture resilience project	Project	22	Grant, Loan	63	Africa	Yes	Adaptation	International
Public	11	Natural resource management project	Project	28	Grant, Loan	86	Africa	Yes	Adaptation	International
Public	12	Ecosystem-based adaptation project	Project	30	Grant	40	Asia-Pacific	Yes	Adaptation	International
Private	13	Renewable energy programme	Programme	TBD ¹	TBD	TBD	Africa	Yes	Mitigation	International
Private	14	Renewable energy project	Project	TBD	TBD	TBD	Eastern Europe	No	Mitigation	International
Private	15	Renewable energy project	Project	TBD	TBD	TBD	LAC	No	Mitigation	Direct
Total (million USD)				354		656				

7. The Secretariat is working with the accredited entities and NDAs or focal points to advance the proposals in the pipeline, working through the gaps of each of the funding proposals. The common gaps identified are related to project design and preparation, such as the completeness of the submitted package, the performance against the investment criteria, and consistency with GCF policies.

8. Some proposals are incomplete and do not contain the required documentation such as feasibility studies, environmental and social safeguard documents, gender assessments and analyses, procurement plans, detailed budget breakdowns, risk assessments, logic frameworks, economic analyses, stakeholder consultations, and others.

9. In some cases, the proposals do not adequately address the criteria in the Investment Framework. For example, on the criteria of climate impact potential, some proposals suggest good developmental or environmental results but do not clearly demonstrate strong relevance and linkage to climate change. Some mitigation proposals do not include robust methodologies to calculate emission reductions and some adaptation proposals lack strong justification of how to achieve increased resilience. On the efficiency and effectiveness criteria, some proposals have gaps on the economic and financial soundness of the proposed interventions. In particular, there are many proposals that fail to demonstrate sustainability or the ability to ensure that the climate mitigation and/or adaptation results will continue to be achieved in the long term after GCF funding ends. For some proposals, there are pending issues on the appropriateness of concessionality requested in terms of the proposed financing instrument and requested funding amount.

10. In addition, some proposals have gaps in terms of consistency with the Fund's policies, notably: the Interim Environmental and Social Safeguards and the Initial Fiduciary Principles and Standards adopted in Decision B.07/02; the Initial Results Management Framework

¹ Due to the preliminary nature of the projects/programmes, the exact financing amounts and instruments are to be determined.

adopted in Decision B.07/04; the Initial Financial Risk Management Framework adopted in B.07/05; and the Gender Policy adopted in Decision B.09/11. Some of the gaps noted include lack of quality in the environmental and social safeguards documents provided, need for gender assessment and analysis, need to improve the logic framework and the cause-effect relationship to remove the barriers in achieving climate results, lack of proper risk assessment and identification of solid risk mitigation measures, and lack of quality in the procurement plans and detailed budget breakdowns.

11. As can be seen from Table 1 and 2 above, many of the direct access entities' funding proposals are less advanced and require support in addressing the gaps identified above.

12. To this end, the Secretariat team has been proactively reaching out to the entities and NDAs to inform them of the Readiness Programme and the new Project Preparation Facility (PPF), provided advice on the operating modalities, noting that many details pertaining to how the PPF will function are yet to be defined.

13. Several NDAs and direct access entities have expressed their interest in seeking the GCF support in pipeline development through the two instruments. The Secretariat team has been assisting the NDAs and direct access entities in developing their applications. As of end of February, two formal requests were developed and submitted seeking pipeline development support under the Readiness Programme and one application was developed for Project Preparation Facility support.²

14. As indicated above, there are 90 concept notes in the Fund's pipeline, requesting USD 4.6 billion of GCF funding in total. Figures 3 and 4 present geographic and thematic distribution of the requested GCF amount for the 90 concept notes. In these figures, the majority of the concept notes are from LDCs, SIDS and Africa, and close to half of the funding requested by dollar volume targets cross-cutting results (both mitigation and adaptation).

Figure 3. Regional distribution of concept notes in GCF funding (%)

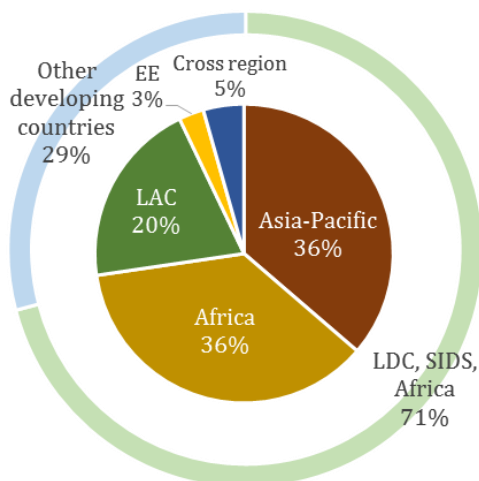
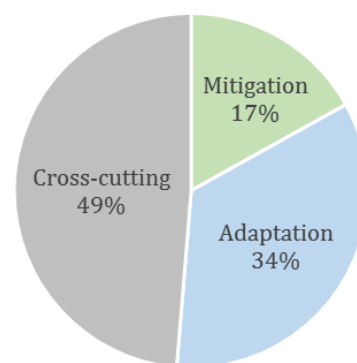


Figure 4. Thematic distribution of concept notes in GCF funding (%)



² A further discussion of pipeline development and enhancing transparency is presented under the agenda item for the proposal approval process review.

15. The concept notes received vary significantly in their quality. Many concept notes only contain preliminary project information and require significant work or major revisions, while a few are quite advanced and have potential to be converted into funding proposals in due course.
16. The Secretariat is working closely with accredited entities and potential accredited entities in consultation with the NDAs or FPs to advance the development of project/programme concepts.
17. Additional project proposals may emanate from the Request for Proposals (RFP) process. However, it is too early to forecast with certainty the number of proposals the RFP process will deliver. The RFP was relaunched in January 2016 to hire two firms to manage the design and establishment of two RFPs: Micro, Small, and Medium Enterprise (MSME) RFP and Mobilizing Funding at Scale (MFS) RFP. As of the end of February, four proposals were submitted for the MSME RFP and five for the MFS RFP. Proposals are now under review.

II. Status of projects approved at the eleventh meeting

18. The status of the eight funding proposals approved at B.11 through decision B.11/11 is summarized in Table 3 below.

Table 3. Milestones of projects and programmes execution

	Conditions agreed by AE¹	AE Internal Approval	AMA executed²	FAA executed³
Profonanpe Peru	Yes	Yes	Not yet	Not yet
UNDP Malawi	Yes	Yes	Not yet	Not yet
CSE Senegal	Yes	Yes	Yes	Not yet
KfW Bangladesh	Yes	Yes	Not yet	Not yet
KawiSafi Fund	Yes	Yes	Not yet	Not yet
IDB Green Bond	Yes	Not yet	Not yet	Not yet
UNDP Maldives	Yes	Yes	Not yet	Not yet
ADB Fiji	Yes	Not yet	Not yet	Not yet

Note: 1. Accredited Entity 2. Accreditation Master Agreement 3. Funded Activity Agreement