



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
12 – 14 October 2016  
Songdo, Republic of Korea  
Provisional Agenda Item 11(f)

**GCF/B.14/07/Rev.01**

**10 October 2016**

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# Consideration of funding proposals

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## **Summary**

This document presents the funding proposals for the Board's consideration at its fourteenth 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 31 August 2016, the GCF pipeline is comprised of 44 funding proposals (FPs) which request a total GCF funding of USD 3.4 billion to support projects and programmes totalling USD 11.4 billion.<sup>1</sup> Of the 44 FPs, 10 proposals have gone through the 4 stages<sup>2</sup> of the proposal review and approval process and are being submitted to the Board for consideration at its fourteenth meeting (B.14). These 10 proposals request USD 787.7 million of GCF funding, supporting projects and programmes with a total cost of USD 2,706.8 million. Table 1 presents the list of the 10 proposals. The numbering of the FPs continues from the 17 FPs approved at B.11 and B.13.

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

| No.    | Project name   | Accredited entity | Country / Region   | Mitigation/ adaptation/ cross-cutting | Public/ private | GCF funding (in M USD)* |
|--------|--|-------------------|--|---------------------------------------|-----------------|-------------------------|
| FP 018 | Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan   | UNDP              | Pakistan   | Adaptation                            | Public          | 37                      |
| FP 019 | Priming Financial and Land-Use Planning Instruments to Reduce Emissions from Deforestation                                     | UNDP              | Ecuador  | Mitigation                            | Public          | 41.2                    |
| FP 020 | Sustainable Energy Facility for the Eastern Caribbean  | IDB               | Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines                | Mitigation                            | Public          | 80                      |
| FP 021 | Senegal Integrated Urban Flood Management Project <sup>3</sup>   | AFD               | Senegal  | Adaptation                            | Public          | 16.7                    |
| FP 022 | Development of Argan Orchards in Degraded Environment  | ADA Morocco       | Morocco  | Cross-cutting                         | Public          | 39.3                    |
| FP 023 | Climate Resilient Agriculture in Three of the Vulnerable Extreme Northern Crop Growing Regions (CRAVE)                         | EIF               | Namibia  | Adaptation                            | Public          | 9.5                     |
| FP 024 | Empower to Adapt: Creating Climate Change Resilient Livelihoods through Community-Based Natural Resource Management in Namibia | EIF               | Namibia  | Adaptation                            | Public (EDA)    | 10                      |
| FP 025 | Sustainable Energy Financing Facilities (SEFF)   | EBRD              | Albania, Armenia, Egypt, Georgia, Jordan, Kyrgyz Republic, Moldova, Mongolia, Montenegro, Morocco, Serbia, | Cross-cutting                         | Private         | 420.5 <sup>4</sup>      |

<sup>1</sup> For detailed information regarding the Fund's pipeline, please see document B.14/Inf.05 "Status of the Fund's portfolio: pipeline and approved projects".

<sup>2</sup> 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.

<sup>3</sup> The GCF requested amount is in EUR and converted into USD at the UN Operational Rates of Exchange as of 1 September 2016 (USD/EUR=0.897).

<sup>4</sup> A portion of GCF amount requested and total project costs are denominated in EUR and converted into USD at the UN Operational Rates of Exchange as of 1 September 2016 (USD/EUR=0.897).

|                                    |   |                  |   |               |         |              |
|------------------------------------|---|------------------|---|---------------|---------|--------------|
|                                    |   |                  | Tajikistan and Tunisia                      |               |         |              |
| FP 026                             | Sustainable Landscapes in Eastern Madagascar    | CI/EIB           | Madagascar                                  | Cross-cutting | Private | 53.5         |
| FP 027                             | Universal Green Energy Access Programme (UGEAP) | Deutsche Bank AG | Benin, Kenya, Namibia, Nigeria and Tanzania | Mitigation    | Private | 80           |
| <b>Total GCF funding requested</b> |   |                  |   |               |         | <b>787.7</b> |

\*The amounts are rounded to the nearest tenth.

2. Of the 10 FPs submitted for the Board’s consideration, 7 are public-sector proposals requesting GCF funding of USD 233.6 million, of which one proposal has been submitted to the pilot phase for enhancing direct access requesting GCF funding of USD 10 million. Three FPs are private-sector proposals requesting GCF funding of USD 554 million.

3. The geographic distribution of the 10 FPs is as follows:

- (a) 6 proposals in Africa requesting USD 209 million (27%);
- (b) 1 in Asia-Pacific requesting USD 37 million (5%);
- (c) 2 in Latin America and Caribbean (LAC) requesting USD 121 million (15%); and
- (d) 1 targeting multiple regions requesting USD 421 million (53%).

4. Of the 10 FPs for consideration, 8 proposals are targeting least developed countries (LDCs), small island developing States (SIDS) and African States, totalling USD 499 million, and account for 63% of the total requested GCF funding amount.

5. The geographical and thematic distribution, as well as the distribution by financial instrument of the 10 FPs are as follows:

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

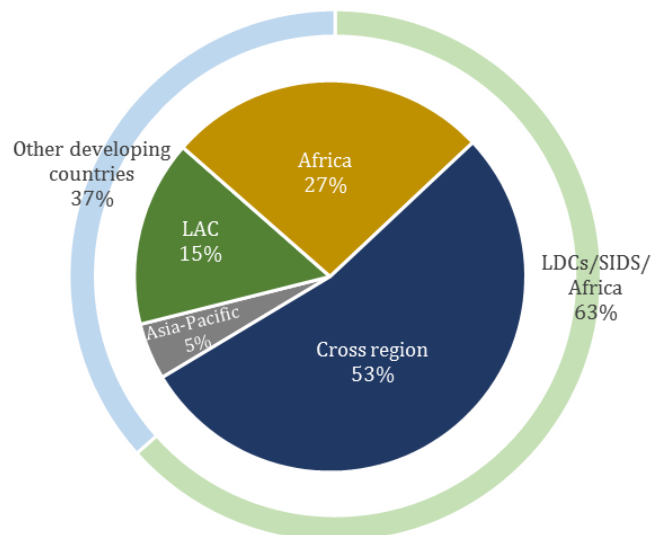


Figure 2. Total requested GCF amount by financial instrument (%)

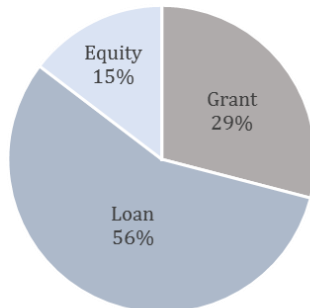
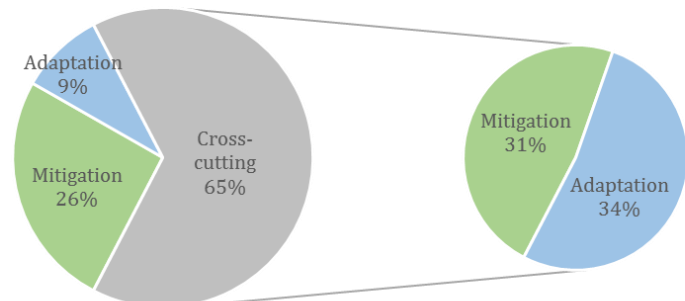


Figure 3. Total requested GCF amount by theme (%)



6. Of the 10 FPs for consideration, 3 proposals were submitted by direct access entities, 1 by Agency for Agricultural Development of Morocco and 2 by Environmental Investment Fund.

## 1.2 Projected portfolio composition

7. If the 10 FPs presented at B.14 are approved by the Board, the aggregated portfolio would comprise 27 projects and programmes, with a total GCF funding amount of USD 1,212 million, and USD 3,915 million in total project costs.

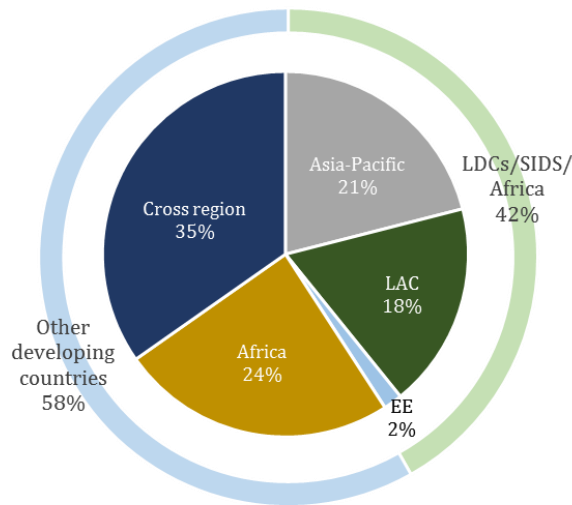
8. The geographic distribution of the 27 projects or programmes would be as follows:

- (a) 11 in Africa requesting GCF funding of USD 297 million (24%);
- (b) 8 in Asia-Pacific requesting GCF funding of USD 254 million (21%);
- (c) 6 in Latin America and Caribbean requesting GCF funding of USD 220 million (18%);
- (d) 1 in Eastern Europe requesting GCF funding of USD 20 million (2%); and
- (e) 1 in multiple regions requesting GCF funding of USD 421 million (35%)

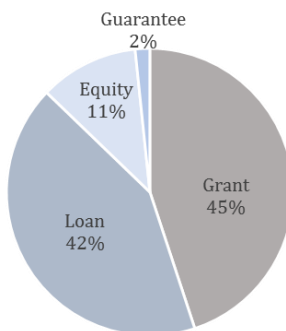
9. Of the 27 FPs in the potential portfolio, 17 projects and programmes are targeting LDCs, SIDS and African states totalling USD 508 million, and account for 42% of the total requested GCF funding amount.

10. The geographical and thematic distribution, as well as the distribution by financial instrument of the 27 FPs are presented as follows:

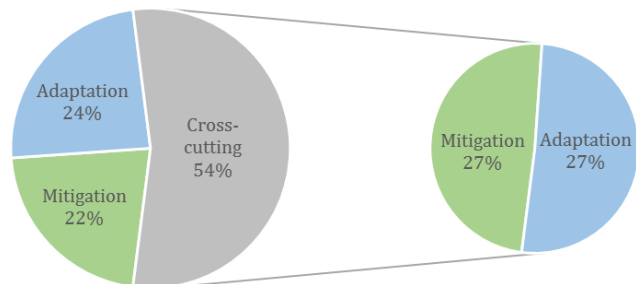
**Figure 4. Regional distribution of the potential portfolio (Requested GCF amount in %)**



**Figure 5. Breakdown of potential portfolio by financial instrument (Requested GCF amount in %)**



**Figure 6. Breakdown of potential portfolio by theme (Requested GCF amount in %)**



## II. Funding proposal package guide

11. Ten funding proposal packages are presented as individual addenda (addenda I-X) containing three parts:
  - (a) Part A. Funding proposal<sup>5</sup>, 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. An additional 8 addenda are also provided to supplement the packages referred to in paragraph 11 above:
  - (a) Addendum XI – Addendum XIII: Funding proposal packages for FP 025, 026 and 027, including the full funding proposals, term sheets, Secretariat’s reviews, and the third party risk opinion (when relevant).

<sup>5</sup> Due to the confidentiality of the private sector proposal, a funding proposal information document summarizing the funding proposal is presented.

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- (b) Addendum XIV: 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 XV: Independent Technical Advisory Panel's assessments;
- (d) Addendum XVI: Secretariat's reviews for FP 018 - FP 024;
- (e) Addendum XVII: Term sheets for FP 018 - FP 024 setting out, in a summary form, the key terms and conditions relating to the proposed funded activity; and
- (f) Addendum XVIII: AE's Response to Independent Technical Advisory Panel's assessment.
13. The private sector funding proposal packages are presented in full from addendum XI to addendum XIII. Due to the confidentiality, these addenda are made available through a secure website.
14. Due to the deliberative nature of these documents, addenda XIV, XVI and XVII 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.14/07 titled “Consideration of funding proposals”:

- (a) *Takes note* of the following funding proposals:
- (i) Funding proposal 018 titled “Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan” by United Nations Development Programme, as contained in addendums I and XVII;
  - (ii) Funding proposal 019 titled “Priming Financial and Land-Use Planning Instruments to Reduce Emissions from Deforestation” by United Nations Development Programme, as contained in addendums II and XVII;
  - (iii) Funding proposal 020 titled “Sustainable Energy Facility for the Eastern Caribbean” by Inter-American Development Bank, as contained in addendums III and XVII;
  - (iv) Funding proposal 021 titled “Senegal Integrated Urban Flood Management Project” by Agence Française de Développement, as contained in addendums IV and XVII;
  - (v) Funding proposal 022 titled “Development of Argan Orchards in Degraded Environment” by Agency for Agricultural Development of Morocco, as contained in addendums V and XVII;
  - (vi) Funding proposal 023 titled “Climate Resilient Agriculture in Three of the Vulnerable Extreme Northern Crop Growing Regions (CRAVE)” by Environmental Investment Fund, as contained in addendums VI and XVII;
  - (vii) Funding proposal 024 titled “Empower to Adapt: Creating Climate Change Resilient Livelihoods through Community-Based Natural Resource Management in Namibia” by Environmental Investment Fund, as contained in addendums VII and XVII;
  - (viii) Funding proposal 025 titled “Sustainable Energy Financing Facilities (SEFF)” by European Bank for Reconstruction and Development, as contained in addendum XI;
  - (ix) Funding proposal 026 titled “Sustainable Landscapes in Eastern Madagascar” by Conservation International Foundation and European Investment Bank, as contained in addendum XII; and
  - (x) Funding proposal 027 titled “Universal Green Energy Access Programme (UGEAP)” by Deutsche Bank AktienGesellschaft, as contained in addendum XIII.
- (b) *Approves* funding proposal 018 for the amount of USD 36,960,000, submitted by United Nations Development Programme, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XVII];
- (c) *Approves* funding proposal 019 for the amount of USD 41,172,739, submitted by United Nations Development Programme, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XVII];
- (d) *Approves* funding proposal 020 for the amount of USD 80,000,000, submitted by Inter-American Development Bank, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XVII];
- (e) *Approves* funding proposal 021 for the amount of EUR 15,000,000, submitted by Agence Française de Développement, [subject to the conditions set out in Addendum XIV and in the respective term sheet set out in addendum XVII];

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- (f) Approves funding proposal 022 for the amount of USD 39,292,600, submitted by Agency for Agricultural Development of Morocco, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XVII];
- (g) Approves funding proposal 023 for the amount of USD 9,500,000, submitted by Environmental Investment Fund, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XVII];
- (h) Approves funding proposal 024 for the amount of USD 10,000,000, submitted by Environmental Investment Fund, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XVII];
- (i) Approves funding proposal 025 for the amount of up to USD 420,520,000 equivalent, of which up to USD 110,000,000 will be provided in euro, submitted by European Bank for Reconstruction and Development, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XI];
- (j) Approves funding proposal 026 for the amounts of USD 18,500,000 and up to USD 35,000,000 respectively, jointly submitted by Conservation International Foundation and European Investment Bank [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XII], taking note of potential future reflows from activities in Madagascar undertaken by European Investment Bank to the activities in the country to be undertaken by Conservation International Foundation subject to subsequent Board's approval of a funding proposal to be submitted by the latter closer to the date of such reflows;
- (k) Approves funding proposal 027 for the amount of USD 80,000,000, submitted by Deutsche Bank AktienGesellschaft, [subject to the conditions set out in addendum XIV and in the respective term sheet set out in addendum XIII];
- (l) Reaffirms that pursuant to decision B.07/03, Annex VII, the Executive Director or his 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; and
- (m) 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.
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