

**GREEN
CLIMATE
FUND**

Meeting of the Board
4 – 7 October 2021
Virtual meeting
Provisional agenda item 15

GCF/B.30/02
14 September 2021

Consideration of funding proposals

Summary

This document presents the funding proposals to the Board for consideration at its thirtieth meeting. It also presents an overview of the projected GCF 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. For the thirtieth meeting of the Board (B.30), a total of 13 funding proposals are presented to the Board for its consideration. These 13 proposals request, at this Board meeting, USD 1,206.6 million of GCF funding, supporting projects and programmes with a total value of USD 4,001.3 million. Table 1 presents the list of the 13 proposals numbered in sequence from the proposals approved at previous Board meetings.¹

Table 1: List of funding proposals submitted for consideration by the Board at its thirtieth meeting

No.	Project name	Accredited entity	Country/ies	Thematic window	Public/private	RFP	GCF funding (million USD) ^a
FP169	Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia	SPC	Micronesia (Federated States of)	Adaptation	Public	EDA	16.6
FP170	Enhancing climate resilience in Thailand through effective water management and sustainable agriculture	UNDP	Thailand	Adaptation	Public		17.5
FP171	Enhancing Early Warning Systems to build greater resilience to hydro-meteorological hazards in Timor-Leste	UNEP	Timor-Leste	Adaptation	Public		21.0
FP172	Mitigating GHG emission through modern, efficient and climate friendly clean cooking solutions (CCS)	AEPC	Nepal	Mitigation	Public		21.1
FP173	The Amazon Bioeconomy Fund: Unlocking private capital by valuing bioeconomy products and services with climate mitigation and adaptation results in the Amazon	IDB	Brazil, Colombia, Ecuador, Guyana, Peru, Suriname	Cross-cutting	Public		279.0

¹ Note that: FP031 was not submitted; FP032 was withdrawn; FP055 and FP057 were not approved by the Board; approval of FP029 lapsed on 23 October 2017; approval of FP030 lapsed on 28 July 2018; approval of FP006 lapsed on 26 September 2018; FP079 and FP088 (currently FP110) were withdrawn by the accredited entity; approval of FP054 lapsed on 27 June 2019; approval of FP065 lapsed on 16 February 2020; FP123 was withdrawn by the accredited entity; approval of FP038 lapsed on 13 June 2020; approval for financing for the EIB-implemented part of the FP026 lapsed on 13 June 2020 (the technical assistance component of FP026 is unaffected and its implementation by the Conservation International continues); and approval of FP104 lapsed on 13 February 2021. Accordingly, this results in 177 approved projects/programmes – 142 public sector and 35 private sector – as of 2 September 2021.



FP174	Ecosystem-based Adaptation to increase climate resilience in the Central American Dry Corridor and the Arid Zones of the Dominican Republic	CABEI	Costa Rica, Dominican Republic (the), El Salvador, Guatemala, Honduras, Nicaragua, Panama	Adaptation	Public	174.3
FP175	Enhancing community resilience and water security in the Upper Athi River Catchment Area, Kenya	NEMA	Kenya	Adaptation	Public	9.5
FP176	Hydro-agricultural development with smart agriculture practices resilient to climate change in Niger	BOAD	Niger (the)	Cross-cutting	Public	35.5
FP177	Cooling Facility	WB	Bangladesh, El Salvador, Kenya, Malawi, North Macedonia, Panama, Sao Tome and Principe, Somalia, Sri Lanka	Cross-cutting	Public	157.0
FP178	Desert to Power G5 Sahel Facility	AfDB	Burkina Faso, Chad, Mali, Mauritania, Niger (the)	Mitigation	Private	150.0
FP179	Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP)	CRDB	Tanzania	Adaptation	Private	100.0
FP180	Global Fund for Coral Reefs Investment Window	PCA	Bahamas, Belize, Brazil, Colombia, Comoros (the), Ecuador, Fiji, Guatemala, Jamaica, Jordan, Mexico, Mozambique, Panama, Philippines (the), Seychelles, Sri Lanka	Adaptation	Private	125.0
FP181	CRAFT - Catalytic Capital for First Private Investment Fund for Adaptation Technologies in Developing Countries	PCA	Bahamas, Brazil, Mexico, Rwanda, South Africa, Trinidad and Tobago	Adaptation	Private	100.0
Total GCF funding requested						1,206.6

Abbreviations: AEPC = Alternative Energy Promotion Centre, Ministry of Energy, Water Resources and Irrigation, Government of Nepal, AfDB = African Development Bank, BOAD = Banque Ouest Africaine de Développement, CABEI = Central American Bank for Economic Integration, CRDB = CRDB Bank PLC, EDA = Enhancing Direct Access, IDB = Inter-American Development Bank, NEMA = National Environment Management Authority, PCA = Pegasus Capital Advisors, RFP = Request for proposal, SPC = Pacific Community, UNEP = United Nations Environment Programme, UNDP = United Nations Development Programme, WB = World Bank.

^a The individual funding amounts are rounded to the nearest tenth therefore the total may not be the exact sum of these numbers due to rounding in the document.

2. The Secretariat had endorsed 14 funding proposals (8 adaptation, 3 mitigation and 3 cross-cutting) with a total GCF requested amount of USD 1,215.5 million in nominal terms (USD 766.6 million or 63 per cent for adaptation; and USD 448.9 million or 37 per cent for mitigation

in nominal terms); or USD 646.1 million in grant equivalent terms (USD 375.1 million or 58 per cent for adaptation; and USD 271.0 million or 42 per cent for mitigation in grant equivalent terms). The Secretariat's submission also included 7 projects from direct access entities (DAEs) with a total requested amount of USD 365.9 million or 30 per cent in nominal terms (USD 229.8 million or 36 per cent in grant equivalent terms).

3. The Secretariat submitted the above-mentioned 14 proposals in batches to the independent Technical Advisory Panel (TAP) for a rolling review process between 7 June and 21 July 2021 as mandated by the Board in decision B.28/03. Further, as mandated by the same decision, for B.30, the independent TAP assigned two lead reviewers for each funding proposal review, and each review was peer reviewed by three other independent TAP members in lieu of prior practice of final approval based on the consensus of all ten independent TAP members.

4. The first two proposals were submitted for rolling review on 7 June 2021: an international access entity (IAE) proposal in Asia, and a DAE proposal in Africa. These two proposals were not endorsed by the independent TAP.

5. The independent TAP did not endorse the funding proposal by the IAE in Asia in June 2021 because the scientific underpinning of climate rationale was not considered to have been clearly presented. The independent TAP review stated that the IAE had failed to provide adequate data and analysis to demonstrate a strong rationale that flooding and drought in the future would be climate induced. Further, the IAE's submission did not delineate anthropogenic drivers of increased flooding from climate drivers. The independent TAP also requested climate projections and hydrological modelling to quantify the levels of water discharge at which flooding would occur in the future, and the extent of the flooding due to climate change. On a similar note, the scientific underpinning and evidence presented of droughts being exacerbated by the impacts of climate change was deemed to be inconclusive and the future climate projections were assessed as "flawed".

6. In response to the independent TAP's assessment, the IAE pointed to the annexes that included data to elaborate on the above points and which has been included in a feasibility study to demonstrate the climate trends. These data utilized a full suite of available observations (including 12 weather stations, Climate Research Unit (CRU) gridded data since 1920, Climate Hazards Group InfraRed Precipitation with Station (CHIRPS) satellite data and future projection ensembles). Data were used to look at trends and projected changes using climate scenarios RCP4.5 and RCP8.5 in a range of metrics/indices including Standardized Precipitation Index (SPI), Standardized Precipitation Evapotranspiration Index (SPEI) measures or rainfall and temperature extremes, evapotranspiration, crop water requirements and irrigation water requirements.

7. In response to the independent TAP's assessment the IAE provided additional evidence that SPEI would continue to decrease (increasing drought intensity) and potential evapotranspiration will increase beyond any increases in rainfall under future climates. This leads to increases in crop and irrigation water requirements for both irrigated and non-irrigated rice.

8. The second proposal submitted on 7 June 2021 was not endorsed by the independent TAP – the DAE proposal in Africa – because the results from hydrological modelling based on climate projections prepared by the accredited entity (AE) were not considered by the independent TAP to be conclusive in demonstrating a strong climate rationale for intervention in the Upper Athi River Basin. Although the AE indicated to the independent TAP that the increase in water supply projected by the climate modelling for the dry months would be counterbalanced by a major increase in moisture loss from the top soils, which would lead to drier conditions, the independent TAP noted that data to substantiate these claims were not provided by the AE. The independent TAP also indicated that the proposal did not include an adequate water balance (demand and supply) for each system, on a seasonal basis and for the project period, considering the impact of climate change. As such, the independent TAP could not determine the adequacy of the proposed infrastructure for adaptation. The independent

TAP also found a lack of reliable operation and maintenance plans to ensure long-term sustainability of the water infrastructure. Subsequently, revisions to the funding proposal were made by the DAE and submitted a second time as part of the rolling review for B.30. The independent TAP endorsed the funding proposal for B.30. In its assessment, the independent TAP accepted weaknesses in the climate rationale arising from a lack of data density involving long-term longitudinal observation data for the target catchment areas, as this is typical of an African country that has recently graduated from least developed country (LDC) status. Following discussions with the AE, the independent TAP also accepted that the adaptation response measures for drought presented nominal risks. Further, the AE submitted a revised annex 29 to the funding proposal with projections on irrigation water demand based on current and projected Potential Evapotranspiration (PET) and the irrigation area, showing that the apparent increase in water flow in the dry season would not fully compensate for the losses in topsoil moisture that are predicted to be caused by perhaps much greater effects of increasing temperatures for the 2011–2040 period.

9. The proposals from a DAE in Africa and an IAE in Asia were then re-submitted along with 12 other funding proposals (for a total of 14) to the independent TAP on 21 July for their review. However, one funding proposal (a mitigation and DAE funding proposal) was not endorsed by the independent TAP for submission to the Board. This was a DAE proposal in LAC. Further details on the independent TAP’s views regarding the non-endorsement are provided in paragraph 13.

10. The following tables 2 and 3 represent the Secretariat’s submission to the independent TAP on a rolling basis on 7 June and 21 July respectively and the results of the independent TAP’s assessments. As per Board decision B.28/03, under the rolling review process, specific deadlines were set by the Board in order to meet publication requirements. These dates are listed below along with the submission dates of the assessments by the independent TAP to the Secretariat.

Table 2: Funding proposals submitted to the independent TAP on 7 June 2021

No.	Public/private	Project name	Accredited entity	Thematic window	Independent TAP assessment result	Independent TAP assessment received (due on 12 July 2021)
1	Public	Enhancing climate resilience project	IAE	Adaptation	Not endorsed	13 July 2021
2	Public	River project	DAE	Adaptation	Not endorsed	13 July 2021

Abbreviations: DAE = direct access entity, IAE = international accredited entity

Table 3: Funding proposals submitted to the independent TAP on 21 July 2021

No.	Public/private	Project name	Accredited entity	Thematic window	Independent TAP assessment result	Independent TAP assessment received (due on 30 August 2021) ^a
1	Public	Enhancing climate resilience in Thailand through effective water management and sustainable agriculture	UNDP	Adaptation	Endorsed with conditions	28 August 2021
2	Public	Enhancing community resilience and water security in the Upper Athi River Catchment Area, Kenya	NEMA	Adaptation	Endorsed, no conditions	26 August 2021
3	Public	Mitigating GHG emissions through modern, efficient and climate friendly clean cooking solutions (CCS)	AEPC	Mitigation	Endorsed with conditions	7 September 2021

4	Public	Ecosystem-based Adaptation to increase climate resilience in the Central American Dry Corridor and the Arid Zones of the Dominican Republic	CABEI	Adaptation	Endorsed with conditions	7 September 2021
5	Public	Enhancing Early Warning Systems to build greater resilience to hydro and meteorological hazards in Timor-Leste	UNEP	Adaptation	Endorsed, no conditions	27 August 2021
6	Public	Cooling Facility	WB	Cross-cutting	Endorsed with conditions	7 September 2021
7	Public	Hydro-agricultural development with smart agriculture practices resilient to climate change in Niger	BOAD	Cross-cutting	Endorsed with conditions	30 August 2021
8	Public	Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia	SPC	Adaptation	Endorsed, no conditions	26 August 2021
9	Public	The Amazon Bioeconomy Fund: Unlocking private capital by valuing bioeconomy products and services with climate mitigation and adaptation results in the Amazon	IDB	Cross-cutting	Endorsed with conditions	27 August 2021
10	Public	Eco project	DAE	Mitigation	Not endorsed	30 August 2021
11	Private	CRAFT - Catalytic Capital for First Private Investment Fund for Adaptation Technologies in Developing Countries	PCA	Adaptation	Endorsed with conditions	28 August 2021
12	Private	Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP)	CRDB	Adaptation	Endorsed with conditions	30 August 2021
13	Private	Global Fund for Coral Reefs Investment Window	PCA	Adaptation	Endorsed with conditions	30 August 2021
14	Private	Desert to Power G5 Sahel Facility	AfDB	Mitigation	Endorsed with conditions	28 August 2021

Abbreviations: AEPC = Alternative Energy Promotion Centre, Ministry of Energy, Water Resources and Irrigation, Government of Nepal, AfDB = African Development Bank, BOAD = Banque Ouest Africaine de Développement, CABEI = Central American Bank for Economic Integration, CRDB = CRDB Bank PLC, DAE = direct access entity, IDB= Inter-American Development Bank, NEMA = National Environment Management Authority, PCA = Pegasus Capital Advisors, SPC = Pacific Community, UNEP = United Nations Environment Programme, UNDP = United Nations Development Programme, WB = World Bank.

^a Per Board decision B.28/03, the pre-determined deadline was 25 August 2021 and in light of the large volume of funding proposals, the deadline was agreed to be moved to 30 August 2021.

11. In accordance with decision B.17/09, paragraph (i), the Secretariat is submitting the funding proposals whose approval has been recommended by the independent TAP and the Secretariat for the Board's consideration. Table 4 below provides a comparison of the GCF portfolio before and after the independent TAP review process.

Table 4: Comparison between the funding proposals portfolio before and after the independent TAP review (in grant equivalent terms)

		Before the independent TAP review	After the independent TAP review
Thematic balance	Number of FPs	8 adaptation, 3 mitigation and 3 cross-cutting	8 adaptation, 2 mitigation and 3 cross-cutting
	Adaptation share in GE terms (B.30)	USD 375.1 million (58%)	USD 375.1 million (59%)
	Adaptation share in GE terms (overall portfolio)	USD 3.1 billion (48%)	USD 3.1 billion (48%)
DAE share	Number of FPs	7 from DAEs and 7 from IAEs	6 from DAE and 7 from IAEs
	DAE share in GE terms (B.30)	USD 229.8 million (36%)	USD 220.9 million (35%)
	DAE share in GE terms (overall portfolio)	USD 1.1 billion (17%)	USD 1.1 billion (17%)

Abbreviations: B.30 = Thirtieth meeting of the Board; DAE = direct access entity; FP = funding proposal, GE = grant equivalent, IAE = international access entity; independent TAP = independent Technical Advisory Panel.

12. The independent TAP undertakes several rounds of questions and responses, interviews with the respective AEs, discussions with the Secretariat, and an extensive process of discussions among the independent TAP members to reach a consensus on the funding proposals which the independent TAP considers as not ready to be endorsed. Due to the COVID-19 pandemic, the review by the independent TAP members took place remotely.

13. The funding proposal by the DAE in LAC was not endorsed by the independent TAP. The independent TAP considered in its assessment that certain elements of the proposal were insufficiently developed, affecting the overall capacity of the project to contribute effectively to preventing deforestation in the country. The independent TAP thus recommended a revision of the funding proposal to

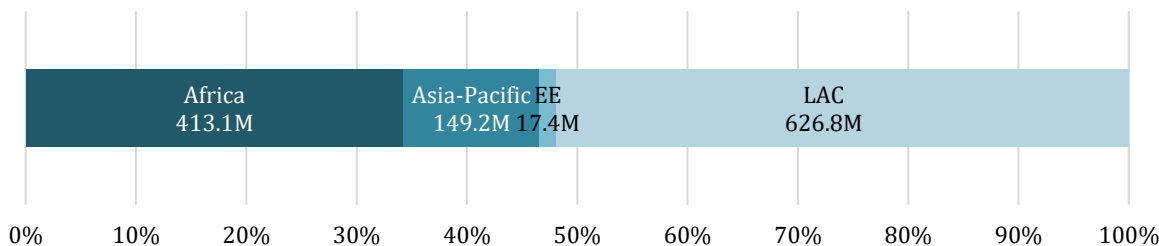
- (a) Improve project design with the support of stakeholder consultations, providing more resources to investments in Eco-Biobusinesses (EBBs);
- (b) Establish more detailed investment criteria for the Eco-Biobusiness Facility in line with GCF investment principles, and a broader governance system;
- (c) Improve the estimation of greenhouse gas emission reductions through clearer assumptions and a credible methodology;
- (d) Provide a comprehensive analysis on how EBBs may profit from the results-based payment scheme; and
- (e) Considers linkages with the IDB proposal under consideration at B.30.

14. In response to the independent TAP assessment, the DAE responded acknowledging the points raised by the TAP as well as the difficulties faced by DAEs in developing proposals, and committing to working on the improvement of the proposal following the guidance from the independent TAP and enhanced direct access (EDA) guidelines.

15. In accordance with decision B.17/09, paragraph (j), the non-endorsed funding proposal will be revised by the respective AE with a view to addressing the comments made by the independent TAP and will be reviewed again by the Secretariat with a view to presenting the funding proposal at a future meeting of the Board.

16. The regional distribution of the 13 funding proposals is presented in Figure 1 below.

Figure 1: Regional distribution of GCF funding in USD



Abbreviations: LAC = Latin America and the Caribbean, M = million.

17. The 13 funding proposals submitted for the Board’s consideration are 9 public-sector proposals, requesting GCF funding of USD 731.6 million (61 per cent), and 4 private-sector proposals, requesting GCF funding of USD 475.0 million (39 per cent).

18. On a thematic basis, USD 440.0 million (36 per cent) is allocated for mitigation projects and USD 766.6 million (64 per cent) is allocated for adaptation projects. The information in grant equivalent terms is presented in Figure 2.

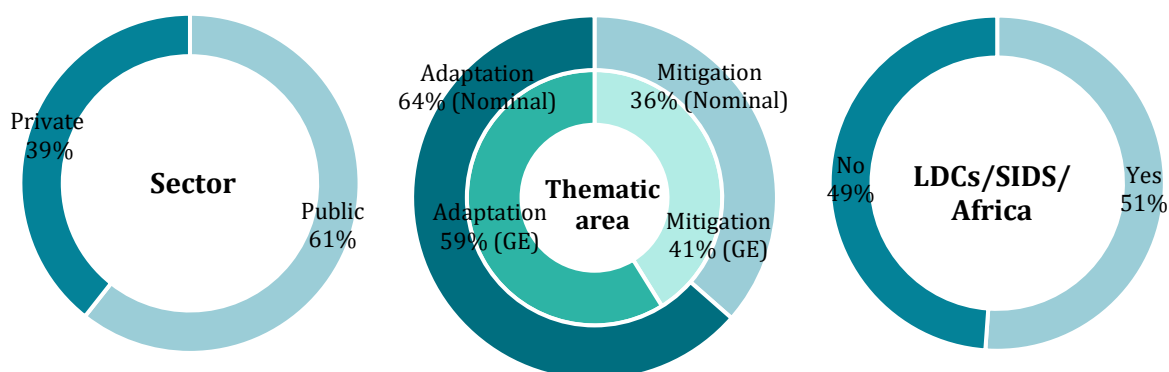
19. USD 849.5 million (7 projects, 70 per cent) is from international access entities (IAEs) and USD 357.1 million (6 projects, 30 per cent) is from direct access entities (DAEs). The information in grant equivalent terms is presented in Figure 2.

20. The largest portion of the financial instruments are loans (40 per cent, USD 478.9 million), followed by grants (36 per cent, USD 436.2 million), equity (19 per cent, USD 231.5 million) and guarantees (5 per cent, USD 60 million).

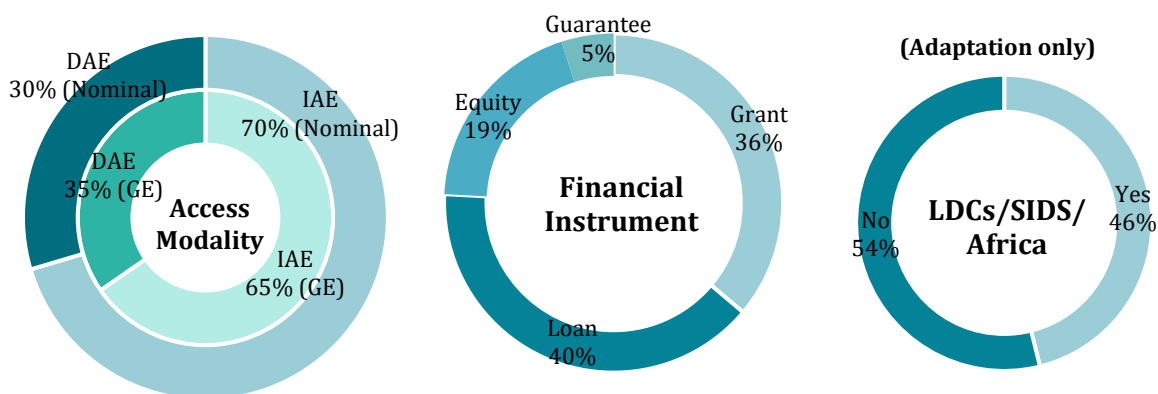
21. In terms of distribution among vulnerable countries, 12 of the funding proposals either wholly or partly target the least developed countries (LDCs), small island developing States (SIDS) and/or African States, totalling USD 617.0 million, and account for 51 per cent of the total requested GCF funding amount.²

22. The overall snapshot of GCF funding requested by sector, thematic area, access modality, financial instrument and vulnerable countries are presented in Figure 2 below.

Figure 2: SNAPSHOT - GCF funding amount by sector, thematic area, entity type, financial instrument and vulnerable countries, including LDCs/SIDS/African States, in USD (per cent) ^a



² The further breakdowns for LDCs, SIDS and African States, respectively are as follows:
 For LDCs: 35% LDCs, and 65% non-LDCs;
 For SIDS: 16% SIDS, and 84% non-SIDS;
 For African States: 34% Africa, and 66% non-African States.

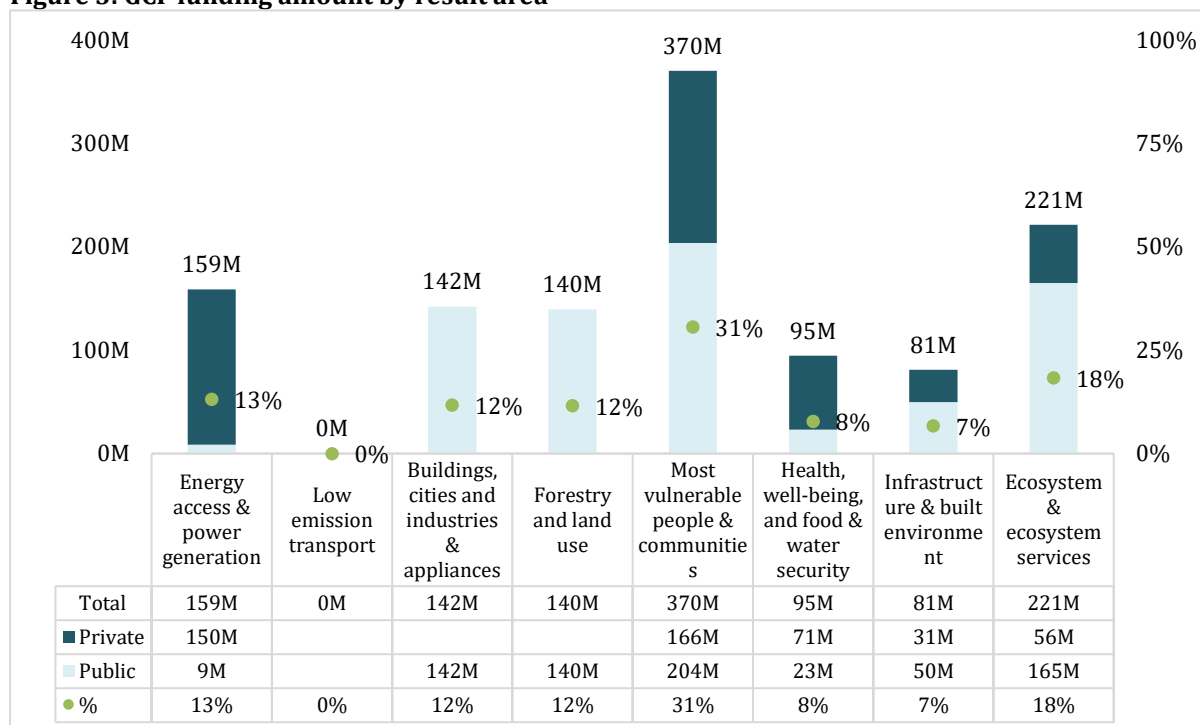


Abbreviations: DAE = direct access entity, IAE = international access entity, LDCs = least developed countries, SIDS = small island developing States.

^a For multi-country projects/programmes of LDCs/SIDS/African States, the amount of GCF funding allocated to each country is estimated based on the best information available to the Secretariat. Unless the allocation information is provided in funding proposals or by accredited entities, the funding amounts are evenly distributed to each country according to the number of targeted countries. As the estimates will be updated once expenditure information is received, there may be modifications to the data in the coming months.

23. In terms of results areas, the area for “Most vulnerable people & communities” will receive the largest portion of GCF funding (USD 370 million, 31 per cent) while the area “Infrastructure & built environment” will receive the lowest portion of GCF funding (USD 81 million, 7 per cent). The areas for low emission transport will not receive GCF funding at this Board meeting (see Figure 3).

Figure 3: GCF funding amount by result area ^a

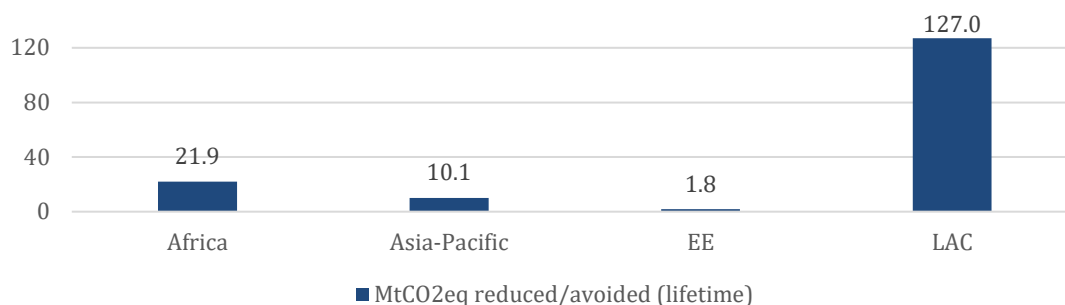


Abbreviation: M = million.

^a Estimates of GCF funding by mitigation/adaptation and the eight results areas are based on the information provided by the accredited entities and/or an analysis by the Secretariat of the budget for each funding proposal, with review and verification by the appropriate accredited entities. The methodology continues to be refined and improved, so the estimates may change over time.

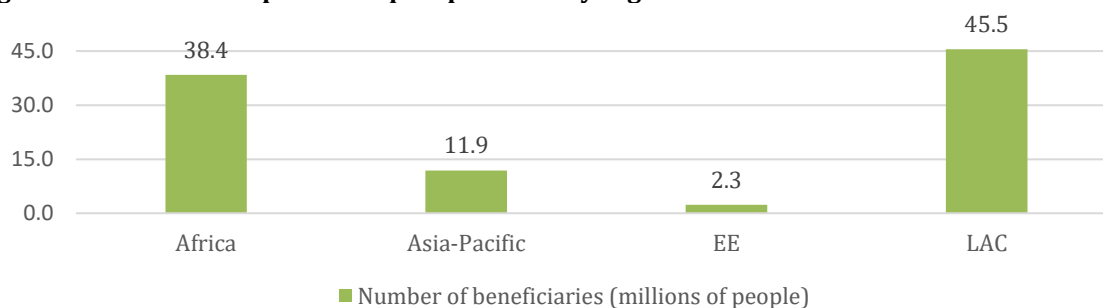
24. The expected impact potential is to abate a total of 160.8 million tonnes of carbon dioxide equivalent (CO₂eq) of greenhouse gases and reach 98.1 million (direct and indirect) beneficiaries, based on the estimations of accredited entities (AEs) (see Figures 4 and 5).

Figure 4: Estimated climate impact potential by region



Abbreviations: MtCO₂eq = million tonnes of carbon dioxide equivalent, EE = Eastern Europe, LAC = Latin America and the Caribbean.

Figure 5: Estimated adaptation impact potential by region

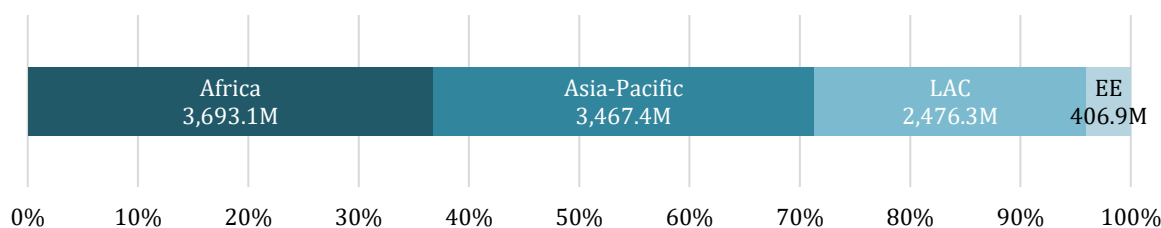


1.2 Projected portfolio composition

25. If the 13 funding proposals presented at B.30 are approved by the Board, the aggregated portfolio would comprise 190 projects and programmes, with a total GCF funding amount of USD 10.0 billion and a total value of USD 37.2 billion, when taking co-financing into account.

26. As per decision B.27/06, paragraph (i), the Board requested GCF to aim for a reasonable and fair allocation across a broad range of countries to ensure appropriate geographic balance of funding. The regional distribution of the 190 projects or programmes is presented in Figure 6 below.

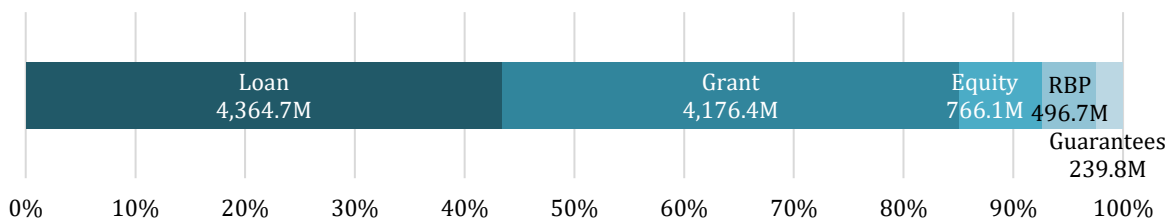
Figure 6: Regional distribution of GCF funding in USD



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

27. The portfolio will utilize a wide range of financial instruments as authorized by the Governing Instrument for GCF. The largest portion of the portfolio will be financed by loans (43 per cent, USD 4.4 billion), grants (42 per cent, USD 4.2 billion) followed by equity (8 per cent, USD 766.1 million), result-based payments (5 per cent, USD 496.7 million), and guarantees (2 per cent, USD 239.8 million) (see Figure 7).

Figure 7: GCF funding amount by financial instrument (per cent)



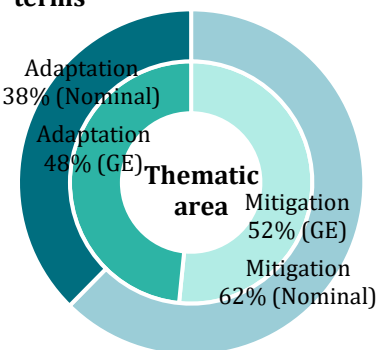
Abbreviations: RBP = results-based payments, M = million.

28. Information on the projected GCF portfolio of approved projects, as per the Updated Strategic Plan for the Green Climate Fund: 2020 – 2023,^{3,4} is shown in below sections in both grant equivalent and nominal terms.⁵

29. For thematic areas, USD 3.3 billion (52 per cent) will be allocated for mitigation projects and USD 3.1 billion (48 per cent) will be allocated for adaptation projects in grant equivalent terms. In nominal terms, USD 6.3 billion (62 per cent) will be allocated for mitigation projects and USD 3.8 billion (38 per cent) will be allocated for adaptation projects. Most adaptation projects reaching GCF are relatively small, single-country projects. If all projects are approved at B.30, the GCF's portfolio will consist of 82 adaptation projects, 60 mitigation projects and 48 cross-cutting projects.

30. The GCF aims at a 50:50 funding balance between adaptation and mitigation over time, while seeking to deliver portfolio-level mitigation and adaptation outcomes that exceed average IRM outcomes. The GCF portfolio of approved projects is expected to abate a total of 2.0 billion tonnes of CO₂e of greenhouse gases and reach 598.5 million (direct and indirect) beneficiaries, based on the estimations of AEs. This will result 316.5 million tonnes of CO₂e per billion USD invested in mitigation and 158.5 million beneficiaries per billion USD invested in adaptation. Figures 9 and 10 show estimated impacts by region.

Figure 8: Thematic areas in grant equivalent and nominal terms



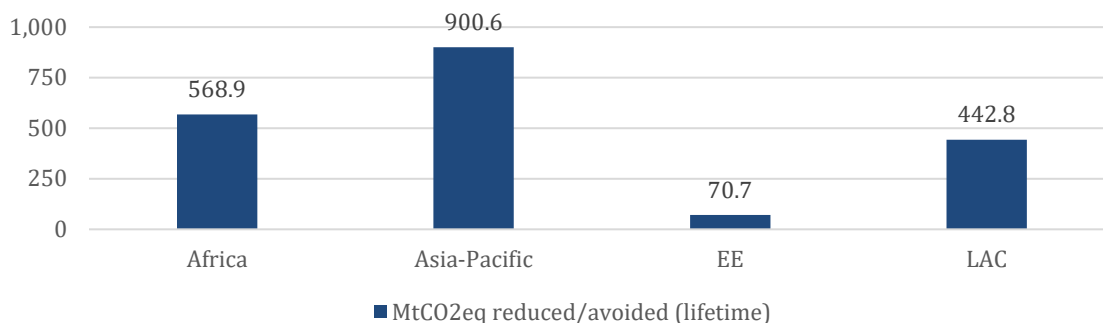
Abbreviations: GE = grant equivalent

³ As per decision B.27/06, the Board requested GCF to aim for the following portfolio targets: (1) a 50:50 funding balance between adaptation and mitigation over time, while seeking to deliver portfolio-level mitigation and adaptation outcomes that exceed average IRM outcomes; (2) a floor of 50 per cent of the allocated adaptation funding to be channeled to vulnerable countries, including the least developed countries (LDCs), small island developing States (SIDS) and African States, while aiming to build on IRM outcomes; (3) a reasonable and fair allocation across a broad range of countries in order to ensure appropriate geographic balance of funding; (4) significant increase of funding channeled through direct access entities relative to the IRM; (5) maximization of engagement with the private sector, including through small, micro, and medium-size enterprises, ensuring allocation to the Private Sector Facility exceeds 20 per cent (GE); and (6) significant increase of mobilized private sector finance at the portfolio level relative to the IRM. Also, in line with guidance in United Nations Framework Convention on Climate Change (UNFCCC) decision 7/CP.20, paragraph 13, where the Conference of the Parties requested the Board, in its implementation of the accreditation framework, to pay adequate attention to the priorities and needs of developing country Parties, including LDCs, SIDS and African States.

⁴ The IRM outcomes as at 31 December 2019 were used as a baseline: (a) 460 MtCO₂e mitigation impact and 166 million beneficiaries per billion USD invested in adaptation; (b) 69 per cent of adaptation funding allocation in grant equivalent terms; (c) 11 per cent of funding in nominal terms channeled through direct access entities; and (d) private sector finance co-financing ratio was 1:3.

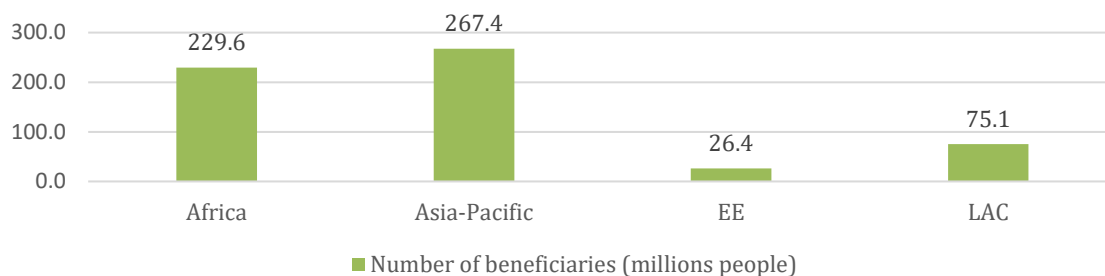
⁵ The grant equivalents were estimated for each project using a uniform five per cent discount rate. The Grant Equivalent Calculator tool developed by the Office of Risk Management and Compliance of the GCF to measure the grant-like element embedded in GCF financing has been used for the calculations.

Figure 9: Estimated climate impact potential by region



Abbreviations: EE = Eastern Europe, LAC = Latin America and the Caribbean, MtCO₂eq = million tonnes of carbon dioxide equivalent.

Figure 10: Estimated adaptation impact potential by region



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

31. On a sector basis, USD 5.3 billion (84 per cent) will be requested by the public sector and USD 986.5 million (16 per cent) will be requested by the private sector in grant equivalent terms. In nominal terms, USD 6.6 billion (66 per cent) will be allocated to public sector projects and programmes and USD 3.4 billion (34 per cent) will be allocated to private sector projects and programmes. GCF targets maximization of engagement with the private sector, including through small, micro and medium-size enterprises, ensuring allocation to the Private Sector Facility exceeds 20 per cent (See Figure 11).

32. Of the 190 funding proposals in the projected portfolio, 125 projects and programmes will target, either wholly or partly, the LDCs, SIDS and/or African States.

33. The GCF requested funding amount of the adaptation allocation for vulnerable countries will be USD 2.0 billion (66 per cent) in grant equivalent terms. In nominal terms, USD 2.3 billion for adaptation, accounting for 62 per cent will be requested.⁶ GCF aims to target a floor of 50 per cent of the allocated adaptation funding to be channelled to vulnerable countries, while aiming to build on IRM outcomes (See Figure 11).

34. USD 5.3 billion (83 per cent) of GCF funding in grant equivalent terms will be channelled through IAEs and USD 1.1 billion (17 per cent) will be channelled through DAEs. In nominal terms, USD 8.0 billion for 146 projects, which represents 80 per cent of total GCF funding, will be channelled through IAEs. The other 20 per cent will flow into DAEs in the amount of USD 2.0 billion for 44 projects. GCF aims to significantly increase funding channelled through direct access entities relative to the IRM (See Figure 11).⁷

⁶ The further breakdowns for LDCs, SIDS and African States respectively are as follows:

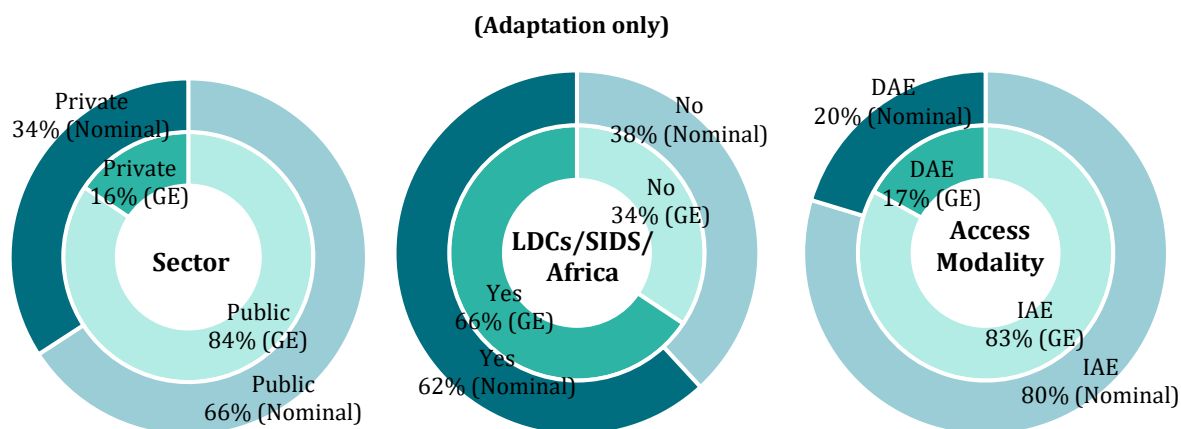
For LDCs: 29% LDCs, and 71% non-LDCs;

For SIDS: 12% SIDS, and 88% non-SIDS;

For African States: 37% African, and 63% non-African States.

⁷ Relative to the IRM (see note 4).

Figure 11: GCF funding amount by sector, vulnerable countries including LDCs/SIDS/African States (adaptation only) and entity type, in grant equivalent and nominal terms (per cent)

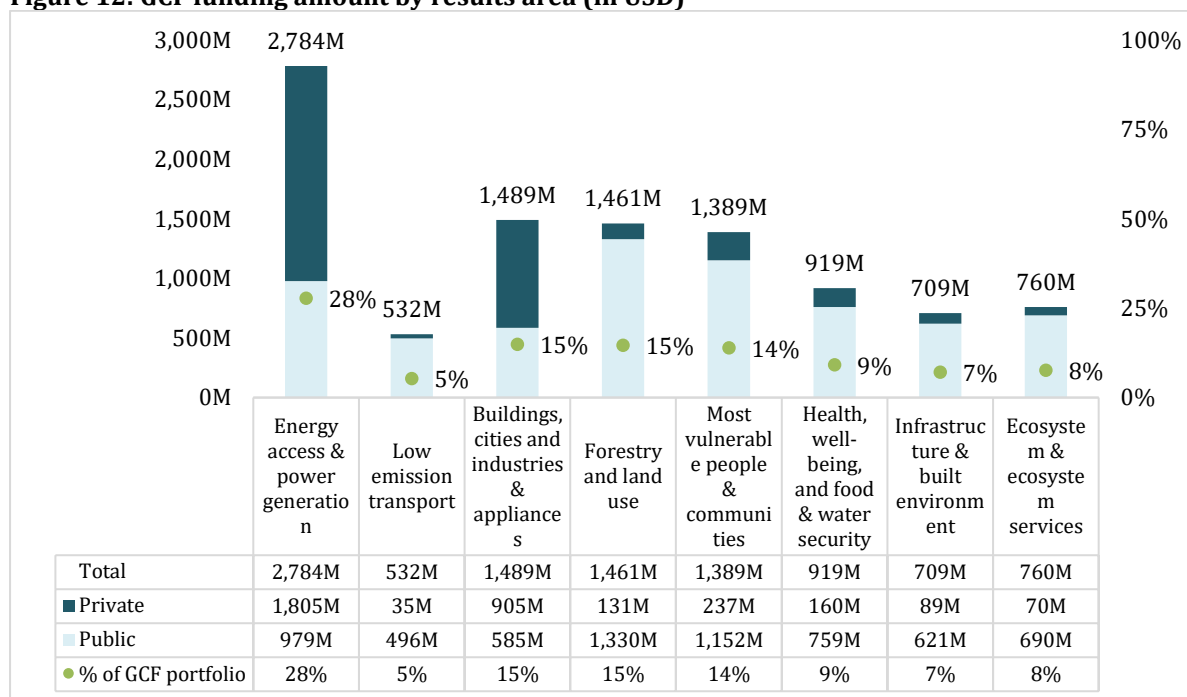


Abbreviations: GE = grant equivalent, LDCs = least developed countries, SIDS = small island developing States, DAE = direct access entity, IAE = international access entity.

35. GCF aims for significant increase of mobilized private sector finance at the portfolio level relative to the IRM. As requested under the co-financing policy adopted at B.24, internal guidelines for measuring the mobilization of private finance have been under development. As the first step, the Secretariat has explored methodologies utilized by other international institutions and multilateral development banks and is piloting application of the alternative instrument-based methodologies to identify and agree on the most-suitable approach for the GCF. The Secretariat has also formed an internal working group to consider issues such as the distinction between public/private finance and data cut off points to verify which additional data and/or disaggregation of data is required, attribution of direct private sector co-financing, and standardization of approaches to calculating and reporting indirect/leveraged finance. As a phased approach is taken, the internally agreed methodology for attribution of direct private sector co-financing is expected to be applied for a pilot starting from September 2021 and then will be refined as necessary. The matters related to calculating leveraged finance and parallel finance will be covered in 2022.

36. Figure 12 shows the projection of GCF funding in the eight results areas. Among the results areas, the “energy access and power generation” area will receive the largest portion of GCF funding (USD 2.8 billion, 28 per cent) while the “low emission transport” area will receive the lowest (USD 532 million, 5 per cent).

Figure 12: GCF funding amount by results area (in USD) ^a



Abbreviation: M = million.

^a Estimates of GCF funding by mitigation/adaptation and the eight results areas is based on the information provided by the accredited entities and/or an analysis by the Secretariat of the budget for each funding proposal, with review and verification by the appropriate accredited entities. The methodology continues to be refined and improved, so the estimates may change over time.

II. Funding proposal package guide

1. Thirteen funding proposals are presented as individual addenda (see document GCF/B.30/02/Add.01-13), each containing seven parts:
 - (a) Part A. The funding proposal,⁸ as submitted by the accredited entity (AE);
 - (b) Part B. The no-objection letter(s), as issued by the national designated authority(ies);
 - (c) Part C. The environmental and social report disclosure document;
 - (d) Part D. The Secretariat's assessment;^{9 10}
 - (e) Part E. The independent Technical Advisory Panel's assessment;
 - (f) Part F. The response from the AE to the independent Technical Advisory Panel's assessment; and
 - (g) Part G. The gender assessments and action plans.
2. The following additional addenda are also provided to supplement the thirteen funding proposal packages referred above:
 - (a) Document GCF/B.30/02/Add.14-17: the funding proposal package for FP178-181, including the full funding proposal, term sheet and the Secretariat's assessment¹¹;
 - (b) Document GCF/B.30/02/Add.18: the list of proposed conditions and recommendations for FP169-181. The Board is requested to review the proposed conditions and recommendations, which it may choose to adopt in full or in part, for inclusion in the draft decision (see annex I);
 - (c) Document GCF/B.30/02/Add.19: the term sheets for FP169-177 setting out, in summary form, the key terms and conditions relating to the proposed funded activity; and
 - (d) Document GCF/B.30/02/Add.20: the funding proposal package for FP174 including the full version of Secretariat's assessment.
3. 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.17/09, the Board has three decision options:
 - (a) To approve the funding proposal;
 - (b) To provide an approval that is conditional on modifications to project or programme design or that is subject to the availability of funding; or
 - (c) To reject the funding proposal.
4. Once the decision is made, it will be recorded by the Secretariat and communicated to the Trustee. The Secretariat will also inform the AE and the national designated authority (NDA) or focal point (FP) of the decision and the next steps. In case of rejection, the Secretariat will inform the NDA/FP that they may request reconsideration of the funding decision via the independent Redress Mechanism.¹²

⁸ Due to the confidentiality of the private-sector proposals, a funding proposal summary package is presented.

⁹ For confidentiality purposes, the Secretariat's assessment of private-sector proposals only is made available on a secure website.

¹⁰ Document GCF/B.30/02/Add.06 contains the redacted version of Secretariat's assessment.

¹¹ For confidentiality purposes, this addendum is made available on a secure website.

¹² Decision B.17/09.

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.30/02 titled “Consideration of funding proposals”:

(a) Takes note of the following funding proposals:

- (i) Funding proposal 169 titled “Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia”, by the Pacific Community, as contained in document GCF/B.30/02/Add.01 and 19;
- (ii) Funding proposal 170 titled “Enhancing climate resilience in Thailand through effective water management and sustainable agriculture” by the United Nations Development Programme, as contained in document GCF/B.30/02/Add.02 and 19;
- (iii) Funding proposal 171 titled “Enhancing Early Warning Systems to build greater resilience to hydro-meteorological hazards in Timor-Leste” by the United Nations Environment Programme, as contained in document GCF/B.30/02/Add.03 and 19;
- (iv) Funding proposal 172 titled “Mitigating GHG emission through modern, efficient and climate friendly clean cooking solutions (CCS)” by the Alternative Energy Promotion Centre, Ministry of Energy, Water Resources and Irrigation, Government of Nepal, as contained in document GCF/B.30/02/Add.04 and 19;
- (v) Funding proposal 173 titled “The Amazon Bioeconomy Fund: Unlocking private capital by valuing bioeconomy products and services with climate mitigation and adaptation results in the Amazon”, by the Inter-American Development Bank, as contained in document GCF/B.30/02/Add.05 and 19;
- (vi) Funding proposal 174 titled “Ecosystem-based Adaptation to increase climate resilience in the Central American Dry Corridor and the Arid Zones of the Dominican Republic” by the Central American Bank for Economic Integration, as contained in document GCF/B.30/02/Add.20 and 19;
- (vii) Funding proposal 175 titled “Enhancing community resilience and water security in the Upper Athi River Catchment Area, Kenya” by the National Environment Management Authority as contained in document GCF/B.30/02/Add.07 and 19;
- (viii) Funding proposal 176 titled “Hydro-agricultural development with smart agriculture practices resilient to climate change in Niger” by the Banque Ouest Africaine de Développement, as contained in document GCF/B.30/02/Add.08 and 19;
- (ix) Funding proposal 177 titled “Cooling Facility”, by the World Bank, as contained in document GCF/B.30/02/Add.09 and 19;
- (x) Funding proposal 178 titled “Desert to Power G5 Sahel Facility” by the African Development Bank, as contained in document GCF/B.30/02/Add.14;
- (xi) Funding proposal 179 titled “Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP)” by the CRDB Bank PLC, as contained in document GCF/B.30/02/Add.15;
- (xii) Funding proposal 180 titled “Global Fund for Coral Reefs Investment Window” by Pegasus Capital Advisors, as contained in document GCF/B.30/02/Add.16; and



- (xiii) Funding proposal 181 titled "CRAFT - Catalytic Capital for First Private Investment Fund for Adaptation Technologies in Developing Countries" by Pegasus Capital Advisors, as contained in document GCF/B.30/02/Add.17
- (b) Approves funding proposal 169 for the amount of USD 16,591,556, submitted by the Pacific Community, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (c) Also approves funding proposal 170 for the amount of USD 17,533,500, submitted by the United Nations Development Programme, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (d) Further approves funding proposal 171 for the amount of USD 20,980,722, submitted by the United Nations Environment Programme, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (e) Approves funding proposal 172 for the amount of USD 21,128,224 submitted by the Alternative Energy Promotion Centre, Ministry of Energy, Water Resources and Irrigation, Government of Nepal, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (f) Also approves funding proposal 173 for the amount of USD 279,000,000, submitted by the Inter-American Development Bank, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (g) Further approves funding proposal 174 for the amount of USD 174,300,000, submitted by the Central American Bank for Economic Integration, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (h) Approves funding proposal 175 for the amount of USD 9,526,603, submitted by the National Environment Management Authority, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (i) Also approves funding proposal 176 for the amount of EUR 30,138,772, submitted by the Banque Ouest Africaine de Développement, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (j) Further approves funding proposal 177 for the amount of USD 157,000,000, submitted by the World Bank subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.19;
- (k) Approves funding proposal 178 for the amount of USD 150,000,000, submitted by the African Development Bank, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.14;
- (l) Also approves funding proposal 179 for the amount of USD 100,000,000, submitted by the CRDB Bank PLC, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.15;
- (m) Further approves funding proposal 180 for the amount of USD 125,000,000, submitted by Pegasus Capital Advisors, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.16;



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- (n) Approves funding proposal 181 for the amount of USD 100,000,000, submitted by Pegasus Capital Advisors, subject to the conditions set out in document GCF/B.30/02/Add.18 and in the respective term sheet set out in document GCF/B.30/02/Add.17;
- (o) Reaffirms that pursuant to annex IV to decision B.17/09, the Executive Director or his designee is authorized to negotiate and enter into legal agreements on behalf of the GCF with accredited entities and other parties involved in respect of funding proposals approved by the Board, taking into account any condition approved by the Board in this decision and in the decision accrediting the relevant accredited entity; and
- (p) 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 policy on fees and the general principles and indicative list of eligible costs covered under GCF fees and project management costs adopted by the Board pursuant to decision B.19/09.
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