

**GREEN
CLIMATE
FUND**

Meeting of the Board
17 – 20 October 2022
Incheon, Republic of Korea
Provisional agenda item 13

GCF/B.34/02/Rev.01
16 October 2022

Consideration of funding proposals

Summary

This document presents the funding proposals to the Board for consideration at its thirty-fourth 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 thirty-fourth meeting of the Board (B.34), a total of 9 funding proposals are presented to the Board for its consideration. These 9 proposals request USD 593.1 million of GCF funding at this Board meeting, supporting projects and programmes with a total volume of USD 1,767.1 million. Table 1 presents the 9 proposals numbered in sequence from the proposals approved at previous Board meetings.¹

Table 1: Funding proposals submitted for consideration by the Board at its thirty-fourth meeting

| No. | Project name | Accredited entity | Country/ies | Thematic window | Public/private | RFP | GCF funding (million USD) ^a |
|--------------|--|-------------------|---|-----------------|----------------|-----|--|
| FP191 | Enhancing Adaptation and Community Resilience by Improving Water Security in Vanuatu | SPC | Vanuatu | Adaptation | Public | | 23.3 |
| FP192 | The R's (Reduce, Reuse and Recycle) for Climate Resilience Wastewater Systems in Barbados (3R-CReWS) | CCCCC | Barbados | Cross-cutting | Public | | 39.4 |
| FP193 | Peruvian Amazon Eco Bio Business Facility (Amazon EBBF) | PROFO NANP E | Peru | Mitigation | Public | EDA | 9.0 |
| FP194 | Programme for Energy Efficiency in Buildings (PEEB) Cool | AFD | Albania, Argentina, Costa Rica, Djibouti, Indonesia, Mexico, Morocco, Nigeria, North Macedonia, Sri Lanka, Tunisia | Cross-cutting | Public | | 220.5 ^b |
| FP195 | E-Motion: E-Mobility and Low Carbon Transportation | CAF | Panama, Paraguay, Uruguay | Mitigation | Public | | 76.6 |
| FP196 | Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States | KDB | Indonesia | Mitigation | Private | | 105.0 |
| FP197 | Green Guarantee Company ("GGC") | MUFG Bank | Brazil, Gabon, India, Indonesia, Lao People's Democratic Republic (the), Rwanda, Philippines (the), Trinidad and Tobago | Cross-cutting | Private | | 82.5 |
| FP198 | CATALI.5°T Initiative: Concerted Action To Accelerate Local I.5° | GIZ | Argentina, Benin, Burkina Faso, Costa Rica, Cote d'Ivoire, | Mitigation | Private | | 26.9 ^b |

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 of 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 Conservation International continues); and approval of FP104 lapsed on 13 February 2021. Accordingly, this results in 200 approved projects/programmes – 158 public sector and 42 private sector – as at 19 September 2022.



| | | | | | | | |
|------------------------------------|---|-----|--|------------|--------|--|--------------|
| | Technologies – Latin America and West Africa | | Dominican Republic (the), Guinea, Honduras, Mauritania, Mexico, Niger (the), Senegal, Togo | | | | |
| SAP 025 | Adaptation of agricultural production systems in Coastal Areas of Northwest Guinea-Bissau | OSS | Guinea-Bissau | Adaptation | Public | | 9.8 |
| Total GCF funding requested | | | | | | | 593.1 |

Abbreviations: AFD = Agence Française de Développement, CAF= Corporación Andina de Fomento, CCCC= Caribbean Community Climate Change Centre, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, KDB = Korea Development Bank, MUG Bank = MUG Bank, Ltd., OSS = Sahara and Sahel Observatory, PROFONANPE= Peruvian Trust Fund for National Parks and Protected Areas, RFP = request for proposal, SPC = the Pacific Community.

^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.

^b The requested GCF amount in EUR is converted into USD at the United Nations Operational Rates of Exchange effective as at 15 September 2022 (EUR 1 = USD 1.00300903).

2. For B.34, the Secretariat had endorsed 17 funding proposals (6 adaptation, 5 mitigation and 6 cross-cutting) with a total requested GCF funding amount of USD 1,496.4 million (USD 916.1 million, or 61 per cent, for adaptation and USD 580.3 million, or 39 per cent, for mitigation in nominal terms); or USD 775.3 million (USD 516 million, or 67 per cent, for adaptation and USD 259.4 million, or 33 per cent, for mitigation in grant equivalent terms). The Secretariat’s submission included 7 projects from direct access entities with a total requested amount of USD 498.1 million, or 33 per cent, in nominal terms or USD 266.8 million, or 34 per cent, in grant equivalent terms.

3. All 17 funding proposals endorsed by the Secretariat were submitted to the independent Technical Advisory Panel (TAP) for its assessment on a rolling basis. Table 2 represents the Secretariat’s submission to the independent TAP on a rolling basis as mandated by the Board in decision B.28/03 and the results of the assessments of the independent TAP. Furthermore, as mandated by the same decision, the independent TAP assigned two lead reviewers for each funding proposal review, with each review being peer reviewed by three other independent TAP members, in lieu of the prior practice of final approval based on the consensus of all 10 independent TAP members.

Table 2: Funding proposals submitted to the independent Technical Advisory Panel

| No | Public/private | Project name | Accredited entity | Thematic window | Date of submission | Independent TAP assessment result | Independent TAP assessment received by the Secretariat |
|----|----------------|--|-------------------|-----------------|--------------------|---------------------------------------|--|
| 1 | Public | Sustainable Renewables Facility | IAE | Cross-cutting | 20 May 2022 | Endorsed with conditions ^a | 27 June 2022 |
| 2 | Private | Green Guarantee Company ("GGC") | MUG Bank | Cross-cutting | 21 April 2022 | Not endorsed | 5 June 2022 |
| | | | | | 18 July 2022 | Endorsed with conditions | 14 September 2022 |
| 3 | Public | Peruvian Amazon Eco Bio Business Facility (Amazon EBBF) | PROFON ANPE | Mitigation | 21 July 2021 | Not endorsed | 30 August 2021 |
| | | | | | 29 July 2022 | Endorsed with conditions | 7 September 2022 |
| 4 | Public | Ecosystem based climate resilience project | IAE | Adaptation | 21 July 2022 | Not endorsed | 25 August 2022 |
| 5 | Public | Forest landscape management Programme | IAE | Cross-cutting | 28 July 2022 | Endorsed with conditions ^a | 3 September 2022 |
| 6 | Public | Enhancing Adaptation and Community Resilience by Improving Water Security in Vanuatu | SPC | Adaptation | 1 August 2022 | Endorsed | 12 September 2022 |



| | | | | | | | |
|----|---------|--|-------|---------------|---------------|---------------------------------------|-------------------|
| 7 | Public | Programme for Energy Efficiency in Buildings (PEEB) Cool | AFD | Cross-cutting | 3 August 2022 | Endorsed | 7 September 2022 |
| 8 | Public | Agriculture project | IAE | Cross-cutting | 8 August 2022 | Endorsed ^a | 15 September 2022 |
| 9 | Public | The R's (Reduce, Reuse and Recycle) for Climate Resilience Wastewater Systems in Barbados (3R-CReWS) | CCCCC | Cross-cutting | 8 August 2022 | Endorsed | 10 September 2022 |
| 10 | Public | Agriculture project | IAE | Adaptation | 8 August 2022 | Endorsed with conditions ^a | 15 September 2022 |
| 11 | Public | Adaptation of agricultural production systems in Coastal Areas of Northwest Guinea-Bissau | OSS | Adaptation | 8 August 2022 | Endorsed | 11 September 2022 |
| 12 | Public | E-Motion: E-Mobility and Low Carbon Transportation | CAF | Mitigation | 8 August 2022 | Endorsed | 14 September 2022 |
| 13 | Public | Low carbon transportation programme | IAE | Mitigation | 8 August 2022 | Not endorsed | 14 September 2022 |
| 14 | Public | Water Reuse Programme | DAE | Adaptation | 8 August 2022 | Not endorsed | 11 September 2022 |
| 15 | Private | Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States | KDB | Mitigation | 8 August 2022 | Endorsed | 18 September 2022 |
| 16 | Private | CATALI.5°T Initiative: Concerted Action To Accelerate Local I.5° Technologies – Latin America and West Africa | GIZ | Mitigation | 8 August 2022 | Endorsed with conditions | 14 September 2022 |
| 17 | Private | Infrastructure Fund | IAE | Adaptation | 8 August 2022 | Not endorsed | 9 September 2022 |

^a one funding proposal has been withdrawn by the AE due to incomplete documentation and three funding proposals have been deferred to the next available Board meeting in a view of available commitment authority

Abbreviations: AFD = Agence Française de Développement, CAF= Corporación Andina de Fomento, CCCCC= Caribbean Community Climate Change Centre, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, IAE = international access entity, independent TAP = independent Technical Advisory Panel, KDB = Korea Development Bank, MUFU Bank = MUFU Bank, Ltd., OSS = Sahara and Sahel Observatory, PROFONANPE = Peruvian Trust Fund for National Parks and Protected Areas, SPC = the Pacific Community.

4. The independent TAP did not endorse the public sector proposal for an ecosystem based climate resilience project submitted by an international access entity (IAE). In its assessment, the independent TAP rated the impact potential of the project as medium; paradigm shift potential as uncertain; sustainable development potential as high; needs of recipients as high; country ownership as medium to high; and efficiency and effectiveness as low to medium. The independent TAP recommended that the funding proposal be improved in the following areas: detailed criteria for selecting target farmer beneficiaries; baseline assessment of greenhouse gas (GHG) emissions in the targeted project areas covered by the funding proposal (although the funding proposal was submitted by the accredited entity (AE), and appraised by the Secretariat as an adaptation project proposal); more in-depth baseline assessment of farmers in the Valles macro-region; more granularity on impacts attributable to development and climate change, variability and extreme events; execution of an agri-finance market study as part of the formulation of the project and not as part of the project implementation as originally envisioned; provision of draft copies of last mile agreements with farmers, cooperatives and autonomous governments, and collaboration agreements with strategic partners as part of the

formulation stage of the proposal; and inclusion of indicative term sheets of the proposed parametric insurance and green credit facilities for the farmers.

5. The independent TAP did not endorse the public programmatic sector proposal for a low carbon transportation programme submitted by an IAE. In its assessment, the independent TAP rated the impact potential of the programme as low; paradigm shift potential as low; sustainable development potential as high; needs of recipients as high; country ownership as low; and efficiency and effectiveness as low. The independent TAP assessed the country ownership investment criteria to be very low and recommended that it should be revisited by the AE in close consultation with potential participant countries. The independent TAP also recommended to provide the baseline situation regarding electric vehicle (EV) deployment and relevant GHG reduction trends for all seven participant countries (investees as well as countries to receive only technical assistance) and should be reflected in the relevant monitoring logical framework. In addition, the independent TAP also recommended to provide a facts-based financial and capital market assessment for each country, including information on the local private financial institutions (banking and non-banking) capital and financial products and services being offered in the transport sector; relevant details (e.g. interest rates, tenor, security, key terms and conditions, loan exposure and performance, structured schemes, public-private partnership modalities), important regulatory and financing barriers, issues, challenges, and opportunities affecting the EV transportation sector.

6. The independent TAP did not endorse the public programmatic sector proposal for a water reuse programme submitted by a direct access entity. In its assessment, the independent TAP rated the impact potential of the program as low; paradigm shift potential as medium; sustainable development potential as high; needs of recipients as high; country ownership as high; and efficiency and effectiveness as medium. The independent TAP assessed that the Water Reuse Programme has great potential for GCF funding, but also recommended that the funding proposal be strengthened on the benefits of wastewater reuse, comparison between historical data and model projections for the same time period (i.e. validation process), project eligibility criteria including weighted criteria methods to prioritize projects with high climate change risk and vulnerability and mitigation benefits; and the blended financial model and market analysis of possible private sector investors. In addition, the independent TAP recommended that individual sub-projects should provide an assessment for GHG emissions from sludge, nitrification, and pumping, and potential mitigation measures should be assessed. Further, the independent TAP recommended to extend the feasibility study at the sub-project level to include engagement with industry, assess water reuse for irrigation in relation to technologies, and economic return, and assess the feasibility of ecological buffer in linkage to indirect potable reuse. Also, the proposal at sub-projects should include assessment of the biosolids and sludge management plan including an assessment of fertilizer's potential and its economic viability in addition to saline management plan.

7. The independent TAP did not endorse the private sector proposal submitted by an IAE. In its assessment, the independent TAP rated the impact potential of the proposal as medium to high; paradigm shift potential as medium to high; sustainable development potential as medium-high; needs of recipients as low to medium; country ownership as low to medium; and efficiency and effectiveness as low to medium. The independent TAP recommended that the funding proposal be strengthened on the front of country ownership, as well as baseline assessment of the priority sectors of the no-objection letter countries, capital and financial market sector and insurance companies. The independent TAP also recommended the revision of climate risk impact assessment methodology, as well the provision of case studies to demonstrate the AE's knowledge, experience and capability to undertake climate related investment processing activities.

8. The independent TAP, in addition to a desk review of the funding proposal packages submitted, undertook one round of written questions and responses with the respective accredited entities, one round of discussion per funding proposal with the Secretariat and relevant accredited entity, and the corresponding process of internal discussions among the

independent TAP members to reach consensus on the funding proposals which the independent TAP considered as ready or not ready to be endorsed.

9. During the one round of oral discussion per funding proposal with the Secretariat and the relevant accredited entity, the independent TAP required that no executing entity representatives or consultants for the relevant accredited entity answer questions raised by the independent TAP. In addition, the conditions imposed by the independent TAP for endorsed funding proposals are only known by relevant project task teams upon receipt of the draft independent TAP assessments by the Secretariat. The independent TAP did not allow technical discussions between the independent TAP, the accredited entity and the Secretariat on the alignment with GCF policies and implementability of the conditions imposed by the independent TAP. Owing to the coronavirus disease 2019 (COVID-19) pandemic, the review by the independent TAP members took place remotely.

10. In accordance with decision B.17/09, paragraph (j), the non-endorsed funding proposals will be revised by the respective accredited entity 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 proposals at a future meeting of the Board.

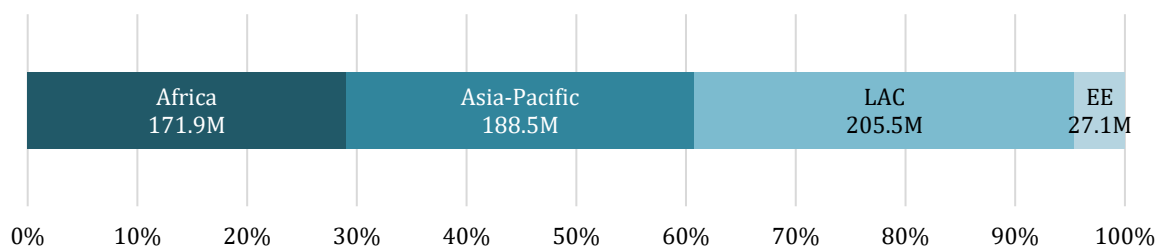
11. In accordance with decision B.17/09, paragraph (i), the Secretariat is submitting the funding proposals whose approval has been recommended by the independent TAP and the Secretariat for the Board's consideration. It is to be noted that one IAE proposal endorsed by the independent TAP in Asia-Pacific was withdrawn by the accredited entity before the start of the board meeting due to incomplete documentation (pending no-objection letter from the NDA in the correct format).

12. Following guidance of the Co-Chairs, three funding proposals which were approved by both the Secretariat and the independent TAP have been deferred from consideration by the Board until the next available Board meeting, in order to avoid exceeding the available Commitment Authority at B.34. This was necessary as a result of the GCF receiving a lower volume of contributions from contributors than was anticipated by the end of Q3 2022, as well as the impact of recent foreign exchange rate volatility.

13. Therefore, the total number of projects to be considered at B.34 is 9.

14. The regional distribution of the 9 funding proposals is presented in figure 1.

Figure 1: Regional distribution of GCF funding (in USD)



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

15. The 9 funding proposals submitted for the Board's consideration are 6 public-sector proposals, requesting GCF funding of USD 378.6 million (64 per cent), and 3 private-sector proposal, requesting GCF funding of USD 214.4 million (36 per cent).

16. On a thematic basis, USD 363.6 million (61 per cent) is allocated for mitigation projects and USD 229.4 million (39 per cent) for adaptation projects. The information in grant equivalent terms is presented in figure 2.

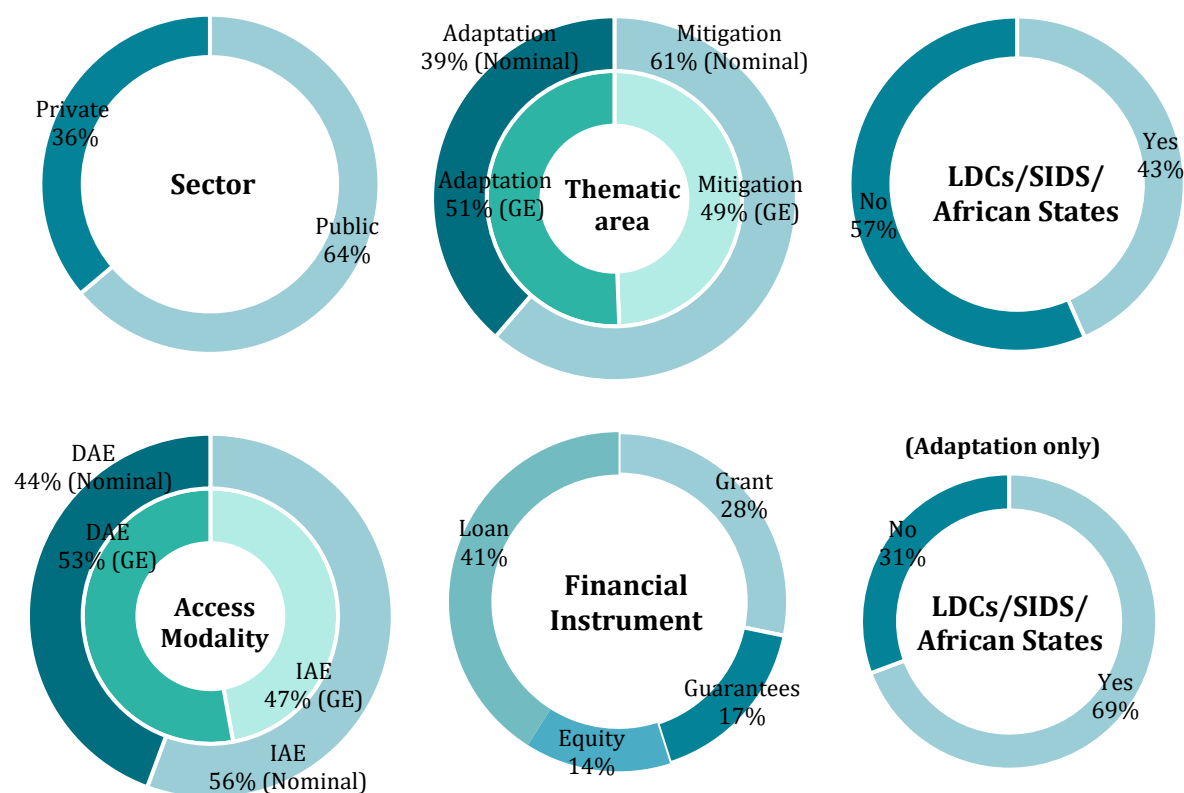
17. USD 329.9 million (3 projects, 56 per cent) is for international access entities and USD 263.1 million (6 projects, 44 per cent) is for direct access entities. The information in grant equivalent terms is presented in figure 2.

18. The largest portion of the financial instruments are loans (41 per cent, USD 243.2 million), followed by grants (28 per cent, USD 167.4 million), guarantees (17 per cent, USD 100 million) and equity (14 per cent, USD 82.5 million).

19. In terms of distribution among vulnerable countries, 6 funding proposals either wholly or partly target the least developed countries (LDCs), small island developing States (SIDS) and/or African States, totalling USD 257.3 million, and account for 43 per cent of the total requested GCF funding amount.²

20. An overall snapshot of GCF funding requested by sector, thematic area, access modality, financial instrument and vulnerable countries is presented in figure 2.

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

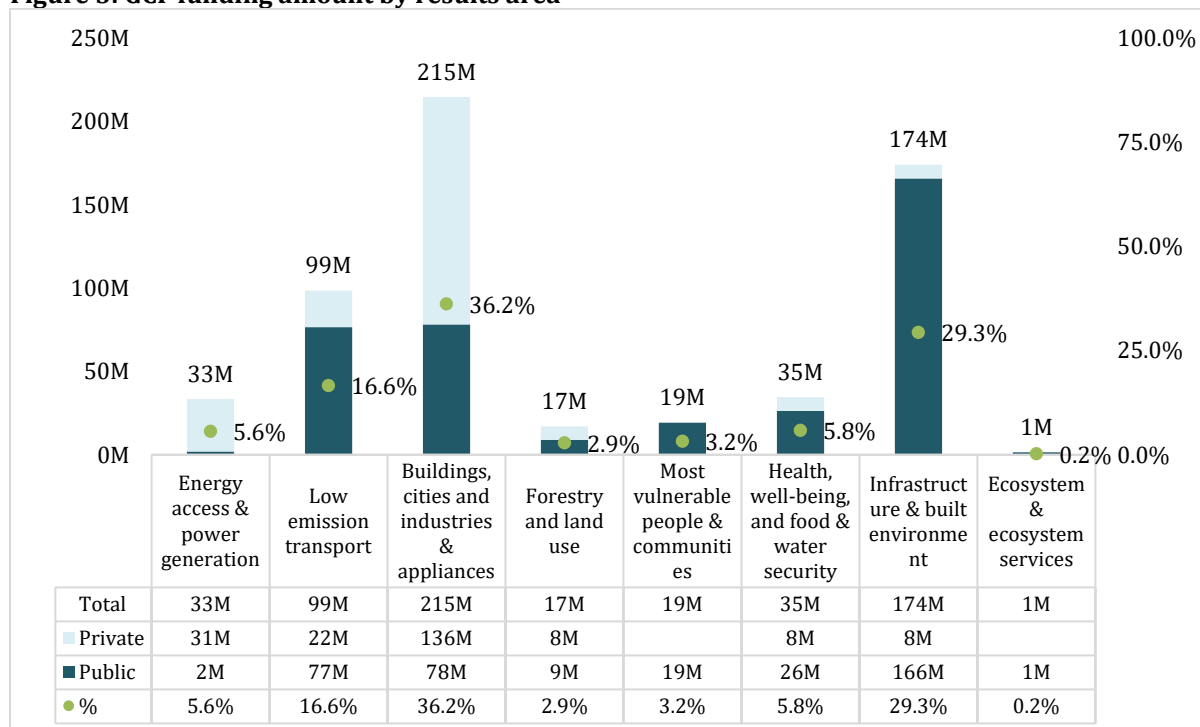


Abbreviations: DAE = direct access entity, GE = grant equivalent, IAE = international access entity, LDCs = least developed countries, SIDS = small island developing States.^a For multi-country projects/programmes of LDCs, SIDS and African States, the amount of GCF funding allocated to each country is 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.

21. In terms of results areas, “Buildings, cities and industries & appliances” will receive the largest portion of GCF funding (USD 215 million, or 36.2 per cent) while “Ecosystem and ecosystem services” will receive the lowest portion of GCF funding (USD 1 million, 0.2 per cent) (see figure 3).

² Distribution among LDCs, SIDS and African States in nominal terms, is broken down as follows:
9 per cent LDCs, and 91 per cent non-LDCs;
14 per cent SIDS, and 86 per cent non-SIDS;
29 per cent African States, and 71 per cent non-African States.

Figure 3: GCF funding amount by results area ^a

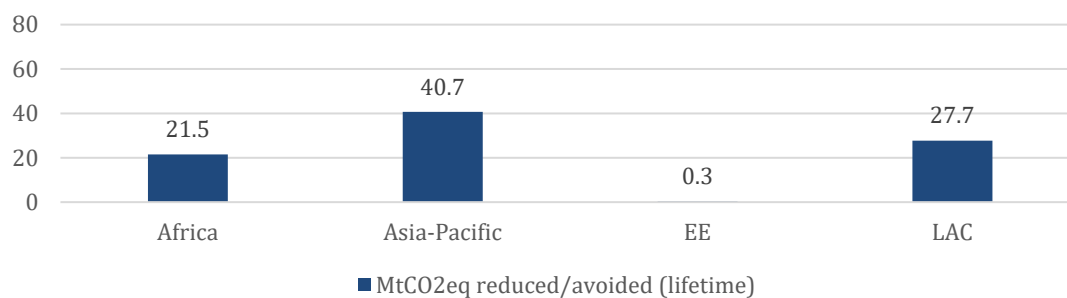


Abbreviation: M = million.

^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; the estimates may therefore change over time.

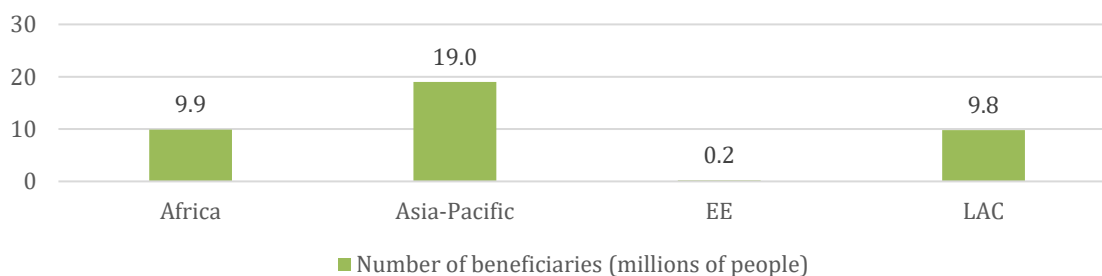
22. The expected impact potential is the abatement of a total of 90.2 million tonnes of carbon dioxide equivalent (MtCO₂eq) emissions and reach 38.9 million (direct and indirect) beneficiaries, based on the estimations of accredited entities (see figures 4 and 5).

Figure 4: Estimated mitigation impact potential by region



Abbreviation: LAC = Latin America and the Caribbean; EE = Eastern Europe.

Figure 5: Estimated adaptation impact potential by region



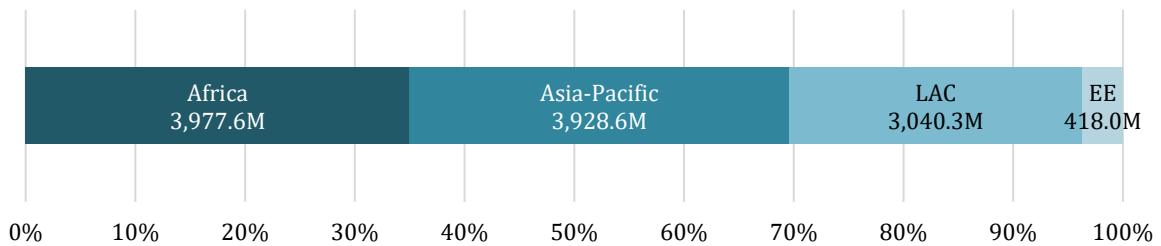
Abbreviation: LAC = Latin America and the Caribbean; EE = Eastern Europe.

1.2 Projected portfolio composition

23. If the 9 funding proposals presented at B.34 are approved by the Board, the aggregated portfolio would comprise 209 projects and programmes, with a total GCF funding amount of USD 11.4 billion and a total value of USD 42.5 billion, when taking co-financing into account.

24. As per decision B.27/06, paragraph (i), the Board requested GCF to aim for a reasonable and fair allocation of funding across a broad range of countries to ensure appropriate geographic balance. The regional distribution of the 209 projects or programmes is presented in figure 6.

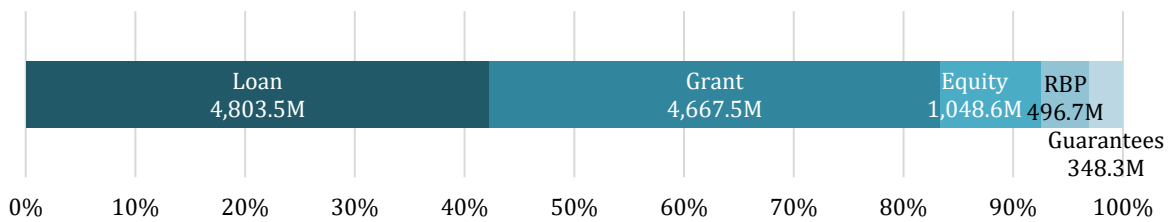
Figure 6: Regional distribution of GCF funding (in USD)



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

25. The portfolio will utilize a wide range of financial instruments as authorized by the Governing Instrument for the GCF. The largest portion of the portfolio will be financed by loans (42 per cent or USD 4.8 billion), followed by grants (41 per cent or USD 4.7 billion), equity (9 per cent or USD 1 billion), results-based payments (4 per cent or USD 496.7 million) and guarantees (3 per cent or USD 348.3 million) (see figure 7).

Figure 7: GCF funding amount by financial instrument (in USD)



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

26. 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

27. For thematic areas, USD 3.6 billion (51 per cent) will be allocated for mitigation projects and USD 3.5 billion (49 per cent) for adaptation projects in grant equivalent terms. In nominal terms, USD 7.0 billion (62 per cent) will be allocated for mitigation projects and USD 4.3 billion (38 per cent) for adaptation projects. Most adaptation projects reaching GCF are relatively small, single-country projects. If all projects are approved at B.34, the GCF portfolio will consist of 85 adaptation projects, 66 mitigation projects and 58 cross-cutting projects.

28. 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 initial resource mobilization (IRM) outcomes. The GCF portfolio of approved projects is expected to abate a total of 2.4 Gt CO₂eq greenhouse gas emissions and reach 676.4 million (direct and indirect) beneficiaries, based on the estimations of accredited entities. This will result in 339 Mt CO₂eq per billion USD invested in mitigation and 156.3 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

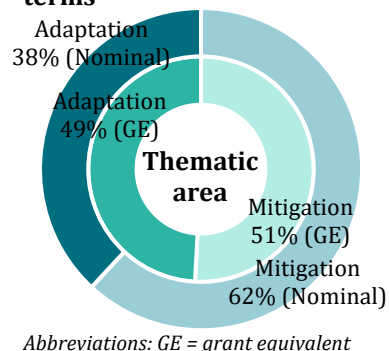
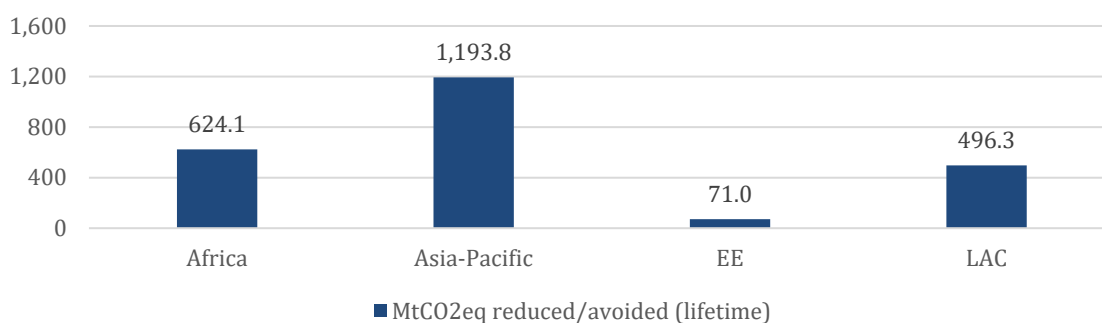


Figure 9: Estimated mitigation impact potential by region



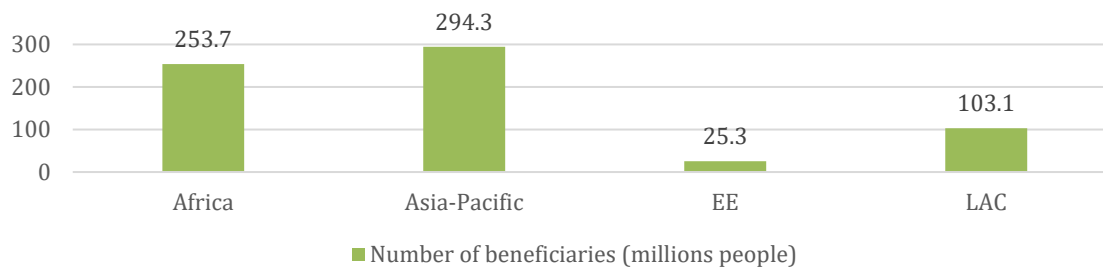
Abbreviations: EE = Eastern Europe, LAC = Latin America and the Caribbean.

³ By 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 channelled to vulnerable countries, including the least developed countries (LDCs), small island developing States (SIDS) and African States, while aiming to build on initial resource mobilization (IRM) outcomes; (3) a reasonable and fair allocation of funding across a broad range of countries in order to ensure appropriate geographic balance; (4) a significant increase of funding channelled through direct access entities relative to the IRM; (5) maximization of engagement with the private sector, including through micro, small and medium-sized enterprises, ensuring that allocation to the Private Sector Facility exceeds 20 per cent (grant equivalent); and (6) a significant increase of mobilized private sector finance at the portfolio level relative to the IRM. This is also in line with the guidance provided in United Nations Framework Convention on Climate Change 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 the LDCs, SIDS and African States.

⁴ The IRM outcomes as at 31 December 2019 were used as a baseline: (a) 460 MtCO₂eq 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 grant equivalent terms channelled through direct access entities; and (d) a private sector finance co-financing ratio of 1:3.

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

Figure 10: Estimated adaptation impact potential by region



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

29. On a sectoral basis, USD 5.9 billion (83 per cent) will be requested by the public sector and USD 1.2 billion (17 per cent) by the private sector in grant equivalent terms. In nominal terms, USD 7.4 billion (65 per cent) will be allocated to public sector projects and programmes and USD 3.9 billion (35 per cent) to private sector projects and programmes. GCF targets maximization of engagement with the private sector, including through micro, small and medium-sized enterprises, ensuring that allocation to the Private Sector Facility exceeds 20 per cent (see figure 11).

30. Of the 209 funding proposals in the projected portfolio, 137 projects and programmes will target, either wholly or partly, the LDCs, SIDS and/or African States.

31. The requested GCF funding amount of the adaptation allocation for vulnerable countries will be USD 2.2 billion (65 per cent) in grant equivalent terms. In nominal terms, USD 2.6 billion for adaptation, accounting for 61 per cent will be requested (see figure 11).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 figures 11a, 11b and 11c for a further breakdown of the requested GCF funding amount of the adaptation allocation in grant equivalent terms).

32. USD 5.8 billion (82 per cent) of GCF funding in grant equivalent terms will be channelled through international access entities and USD 1.3 billion (18 per cent) through direct access entities. In nominal terms, USD 9.0 billion for 159 projects, which represents 79 per cent of total GCF funding, will be channelled through international access entities. The remaining 21 per cent will flow into direct access entities in the amount of USD 2.3 billion for 50 projects. GCF aims to significantly increase funding channelled through direct access entities relative to the IRM (see figure 11).⁷

⁶ The further breakdown for the LDCs, SIDS and African States for the GCF requested funding amount of the adaptation allocation in nominal terms are as follows:

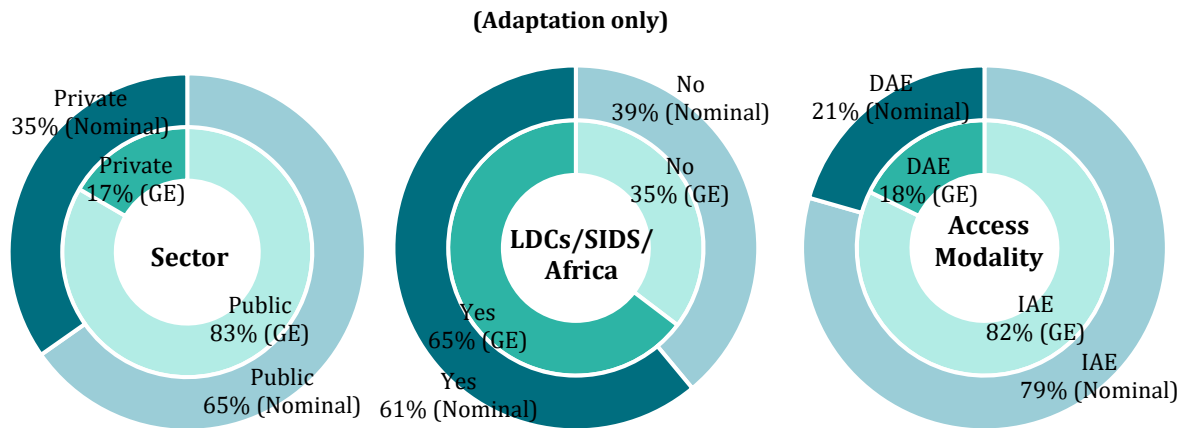
32 per cent LDCs and 68 per cent non-LDCs;

21 per cent SIDS and 79 per cent non-SIDS;

38 per cent African States, and 62 per cent non-African States.

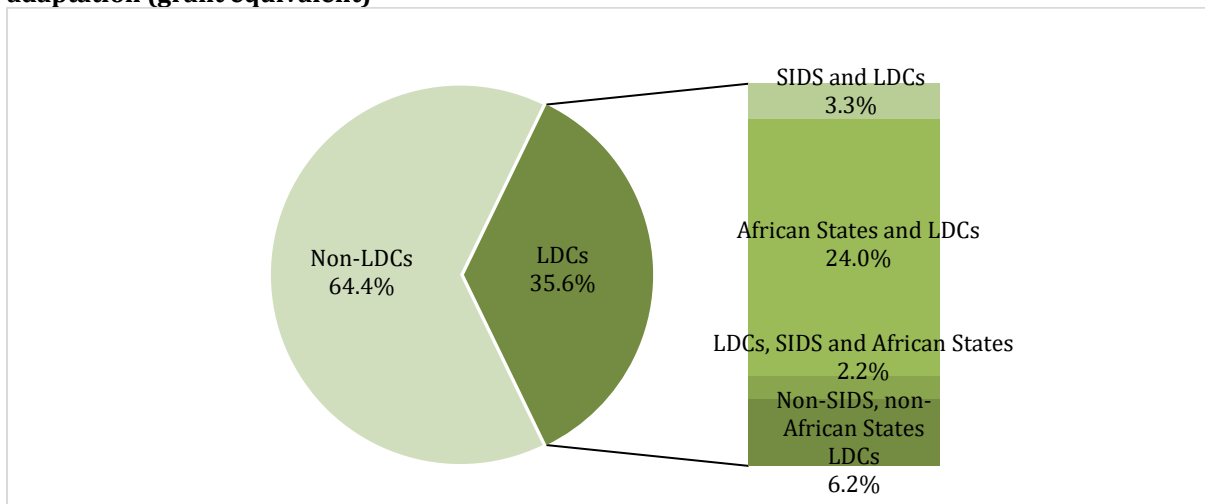
⁷ Relative to the IRM (see footnote 4 above).

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



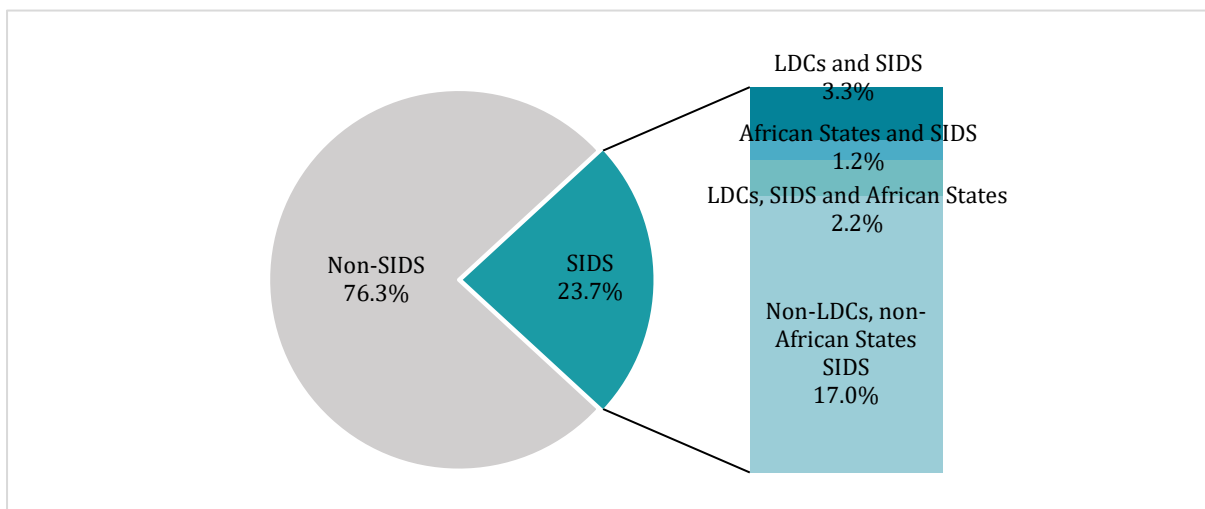
Abbreviations: DAE = direct access entity, GE = grant equivalent, IAE = international access entity, LDCs = least developed countries, SIDS = small island developing States.

Figure 11a: Least developed countries distribution of the requested amount of GCF funding for adaptation (grant equivalent)



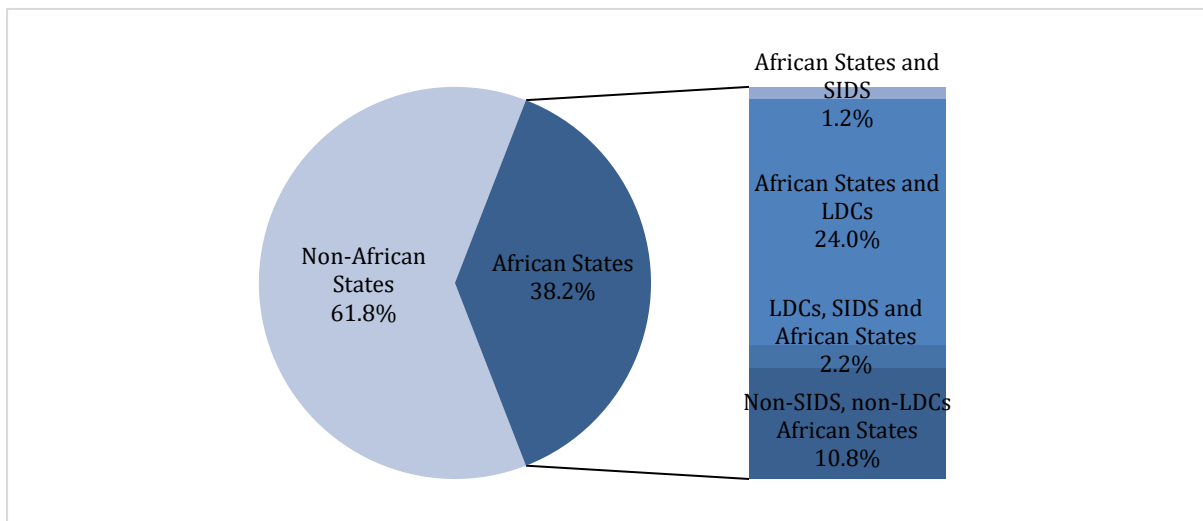
Abbreviations: LDCs = least developed countries, SIDS = small island developing States.

Figure 11b: Small island developing States distribution of the requested amount of GCF funding for adaptation (grant equivalent)



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

Figure 11c: African States distribution of the requested amount of GCF funding for adaptation (grant equivalent)

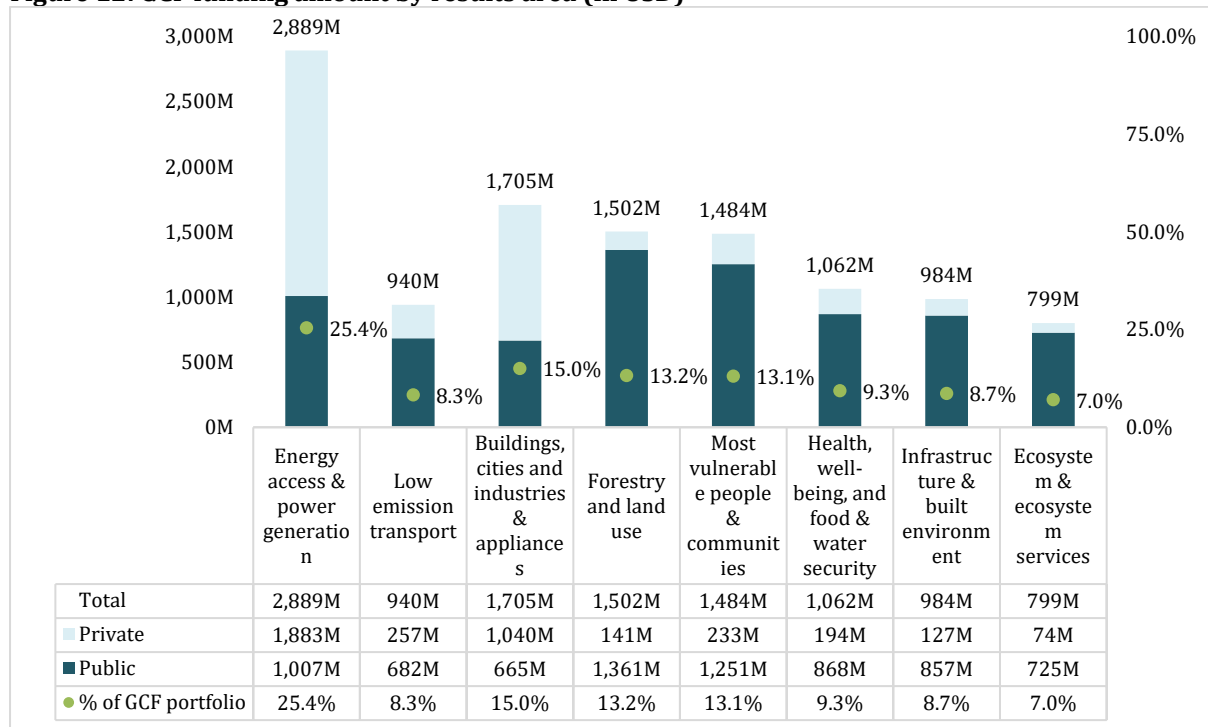


Abbreviations: LDC = least developed countries, SIDS = small island developing States.

33. GCF aims for a significant increase in mobilized private sector finance at the portfolio level relative to the IRM. As requested under the GCF Policy on Co-financing adopted at B.24, internal guidelines for measuring the mobilization of private finance are under development. As a first step, the Secretariat has explored methodologies utilized by other international institutions and multilateral development banks and is piloting the application of alternative instrument-based methodologies to identify and agree on the most suitable approach for GCF. The Secretariat has also formed an internal working group to consider issues such as the distinction between public and private finance, data cut-off points to verify which additional data and/or disaggregation of data are required, attribution of direct private sector co-financing, and standardization of approaches to calculating and reporting indirect/leveraged finance. In addition, the Secretariat has enhanced an internal database to accommodate relevant workflows related to mobilized private finance. The matters related to calculating leveraged finance and parallel finance will be addressed this year.

34. Figure 12 shows the projection of GCF funding in the eight results areas. Among the results areas, “Energy access and power generation” will receive the largest portion of GCF funding (USD 2.9 billion, or 25.4 per cent) while “Ecosystem and ecosystem services” will receive the lowest (USD 799 million, or 7 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 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; the estimates may therefore, change over time.

II. Funding proposal package guide

30. Nine funding proposals are presented as individual addenda (see document GCF/B.34/02/Add.01-07/Rev.01, 8 and 12/Rev.01), each containing seven parts:
- (a) Part A. The funding proposal,⁸ as submitted by the accredited entity;
 - (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
 - (e) Part E. The independent Technical Advisory Panel's assessment;
 - (f) Part F. The response from the accredited entity to the independent Technical Advisory Panel's assessment; and
 - (g) Part G. The gender assessments and action plans.
31. The following additional addenda are provided to supplement the nine funding proposal packages referred to above:
- (a) Document GCF/B.34/02/Add.09, 10/Rev.01 and 11: the funding proposal packages for FP196-198, including the full funding proposal, term sheet and the Secretariat's assessment;¹⁰
 - (b) Document GCF/B.34/02/Add.13: the list of proposed conditions and recommendations for FP191-198 and SAP025. 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); and
 - (c) Document GCF/B.34/02/Add.14: the term sheets for FP191-195 and SAP025 setting out, in summary form, the key terms and conditions relating to the proposed funded activity.
32. 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.
33. Once the decision is made, it will be recorded by the Secretariat and communicated to the Trustee. The Secretariat will also inform the accredited entity and the national designated authority (NDA) or focal point (FP) of the decision and the next steps. In the case of rejection, the Secretariat will inform the NDA/FP that they may request reconsideration of the funding decision via the Independent Redress Mechanism.¹¹

⁸ Owing 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 is made available only on a secure website.

¹⁰ For confidentiality purposes, this addendum is made available only on a secure website.

¹¹ See decision B.17/09.

Annex I: Draft decision of the Board

34. The Board, having considered document GCF/B.34/02/Rev.01 titled “Consideration of funding proposals”:
- (a) Takes note of the following funding proposals:
- (i) Funding proposal 191 titled “Enhancing Adaptation and Community Resilience by Improving Water Security in Vanuatu” by the Pacific Community (SPC) as contained in document GCF/B.34/02/Add.01 and 14;
 - (ii) Funding proposal 192 titled “The R’s (Reduce, Reuse and Recycle) for Climate Resilience Wastewater Systems in Barbados (3R-CReWS)” by Caribbean Community Climate Change Centre (CCCCC) as contained in document GCF/B.34/02/Add.02 and 14;
 - (iii) Funding proposal 193 titled “Peruvian Amazon Eco Bio Business Facility (Amazon EBBF)” by the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE), as contained in document GCF/B.34/02/Add.03 and 14;
 - (iv) Funding proposal 194 titled “Programme for Energy Efficiency in Buildings (PEEB) Cool” by the Agence Française de Développement (AFD), as contained in document GCF/B.34/02/Add.04 and 14; and
 - (v) Funding proposal 195 titled “E-Motion: E-Mobility and Low Carbon Transportation” by the Corporación Andina de Fomento (CAF), as contained in document GCF/B.34/02/Add.05 and 14;
 - (vi) Funding proposal 196 titled “Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States” by Korea Development Bank (KDB), as contained in document GCF/B.34/02/Add.09;
 - (vii) Funding proposal 197 titled “Green Guarantee Company (“GGC”)” by MUFG Bank Ltd., as contained in document GCF/B.34/02/Add.10/Rev.01;
 - (viii) Funding proposal 198 titled “CATALI.5°T Initiative: Concerted Action To Accelerate Local I.5° Technologies – Latin America and West Africa” by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, as contained in document GCF/B.34/02/Add.11; and
 - (ix) Simplified funding proposal 025 titled “Adaptation of agricultural production systems in Coastal Areas of Northwest Guinea-Bissau” by the Sahara and Sahel Observatory (OSS), as contained in document GCF/B.34/02/Add.12/Rev.01 and 14
- (b) Approves funding proposal 191 for the amount of USD 23,325,033, submitted by the Pacific Community, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.14;
- (c) Also approves funding proposal 192 for the amount of USD 39,390,913.29, submitted by Caribbean Community Climate Change Centre, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.14;
- (d) Further approves funding proposal 193 for the amount of USD 8,972,400 submitted by the Peruvian Trust Fund for National Parks and Protected Areas, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.14;

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- (e) Approves funding proposal 194 for the amount of EUR 175,000,000 and USD 45,000,000, submitted by the Agence Française de Développement, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.14;
- (f) Also approves funding proposal 195 for the amount of USD 76,616,550, submitted by the Corporación Andina de Fomento, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.14;
- (g) Further approves funding proposal 196 for the amount of USD 105,000,000, submitted by Korea Development Bank, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.09;
- (h) Approves funding proposal 197 for the amount of USD 82,500,000, submitted by MUFG Bank Ltd., subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.10/Rev.01;
- (i) Also approves funding proposal 198 for the amount of EUR 26,840,204 submitted by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.11; and
- (j) Further approves simplified funding proposal 025 for the amount of USD 9,807,800 submitted by the Sahara and Sahel Observatory, subject to the conditions set out in document GCF/B.34/02/Add.13 and in the respective term sheet set out in document GCF/B.34/02/Add.14;
- (k) 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
- (l) 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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