Approved Project Preparation Funding Application

Application Title	**GREEN GUARANTEE COMPANY (GGC)**
Country/ Region	Indonesia, the Philippines, Brazil, Trinidad & Tobago
Accredited Entity	MUFG Bank, Ltd. (MUFG)
Approval Date	29 October 2021

GREEN CLIMATE FUND

Project Preparation Facility (PPF) Application

Application Title	Green Guarantee Company ("**GGC**")
Country(ies)	Indonesia, the Philippines, Brazil, Trinidad & Tobago
Accredited Entity	MUFG Bank, Ltd. ("MUFG")
Date of first submission/ Version number	*October 13th, 2021*
Date of current submission/ version number	*October 13th, 2021*

GREEN CLIMATE FUND

Notes
• The PPF supports the development of projects and programmes and enhance their quality at entry into the Fund's pipeline. With a view to enhancing the balance and diversity of the project pipeline, the PPF is designed to especially support Direct Access Entities for projects in the micro-to-small size category. International Accredited Entities seeking project preparation support from the PPF are encouraged to do so especially for LDCs, SIDS and African countries where no Direct Access Entity is accredited. All Accredited Entities are encouraged to articulate counterpart support for project preparation within their requests for support from the PPF. • A PPF submission should include below documents: 1. PPF request (this form) 2. PPF No-Objection letter (note1) 3. Concept Note • Please copy the National Designated Authority (ies) when submitting this PPF request. • Requests for support from the PPF should be submitted at the same time or following submission of a GCF Concept Note for a project or programme. • A guidance note is annexed to this application form and referenced throughout the document • Further information on GCF PPF can be found on GCF website Project Preparation Facility Guidelines.

List of acronyms

AE: Accredited Entity

GCF: Green Climate Funds

LDCs: Least Developed Countries

PPF: Project Preparation Facility

PMC: Project Management Costs

SIDs: Small Island Developing States

TORs: Terms of Reference

USD: United States Dollars

[Please add any other acronyms used in the PPF application here]

<table>
<tr><th colspan="4">A. Executive Summary</th></tr>
<tr><td>Accredited Entity (AE)</td><td colspan="3">Name: Chika Fukuyama/Atsuko Nuibe
Position: Vice President/Director
Email: chika_fukuyama@mufg.jp/atsuko_nuibe@mufg.jp
Tel: +81-80-4178-6843
Full Office address:2-7-1 Marunouchi, Chiyodaku, Tokyo, Japan 100-8338</td></tr>
<tr><td>Has a Concept Note (note 2) been submitted in association with this request for support from the PPF?</td><td>Yes ☒ No ☐
If yes, please indicate Project/Programme title: The Green Guarantee Company
(Requests for support from the PPF should be submitted at the same time or following submission of a GCF Concept Note for a project or programme)</td><td>Has a No-Objection Letter(note 3) been submitted for this request for support from the PPF?</td><td>Yes ☒ No ☐
(Please note that a PPF No-Objection Letter is a requirement for the submission of this request)</td></tr>
<tr><td>Total Cost</td><td colspan="3">Total cost of Project Preparation activities: USD [ ]
Amount requested from GCF PPF: USD [ ]

Repayable Grant ☒ (amount: USD [ ])

Counterpart funding from the AE: USD [ ]to pay external legal/auditing costs

In-Kind Contribution from Cardano Development (CD): USD [ ]</td></tr>
<tr><td>Anticipated Duration</td><td colspan="3">Number of months to implement the Project Preparation activities:9 Months</td></tr>
<tr><td>Summary of the request for Project Preparation support</td><td colspan="3">The Green Guarantee Company (“GGC”) is an innovative finance solution which is proposing to use blended finance and guarantees to mobilise greater climate finance into Indonesia, the Philippines, Brazil, Trinidad & Tobago and other developing countries (as No-Objection Letters are received in future) from global capital markets to help them meet their mitigation/adaptation targets as articulated in their Nationally Determined Contributions (NDC).

With a combined population of almost 600 million the four pathfinder countries of Indonesia, the Philippines, Brazil and Trinidad & Tobago represent a strong platform for GGC to commence operations. According to the Climate Bond Initiative these four countries have demonstrated private sector appetite for issuing green bonds however have experienced limited growth. For example, Brazil has a green bond market of USD 11 billion, however spread across only 53 issuers and circa 90 bonds, meaning that a limited pool of companies are repeatedly issuing bonds rather than a growing pool driving the growth of the market. It is the ambition of GGC to help more issuers access capital markets by issuing green bonds.

A GGC Funding Proposal for USD 125 million of equity financing from GCF is presently being developed, however requires support from PPF to help overcome some specific challenges that are presented by the innovative and ground-breaking nature of the GGC proposition. These challenges are:

(1) The establishment of GGC as an independent professional financial institution with clear governance arrangements, that is compliant with all relevant legal and regulatory requirements to operate and in possession of the requisite institutional capacity.
(2) The need to develop a Logical Framework for a guarantor of green (or climate) bonds issued in global capital markets that is aligned with GCF’s own Results Management Framework (RMF) and Performance Measurement Framework (PMF).</td></tr>
</table>

This PPF application seeks to address these two specific challenges by enabling the procurement of international consultants to support the development of the Logical Framework and an international law firm to help establish the corporate structure of GGC including its governance, regulatory and legal policies and procedures.

(Please provide a maximum 200 words brief description of the Project Preparation activities to develop the Concept Note into a Funding Proposal with support from the GCF's Project Preparation Facility.)

B. Description of Project Preparation Activities

Activities (note 4) and Outputs *(Please select Activity Areas (note 5) as needed)*	Month *(Please shade the implementation period from the starting month of the Output and Activity in the schedule. Please also indicate the month of completion of each deliverable with "X" in the corresponding cell)*																						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Activity 1: GGC establishment arrangements and preparation PPF activity area: Other project preparation activities *(Please provide a 50-100 words description for each sub-activity and the associated output.)*									X															
Output 1.1 - Setting up institutional and governance structure: A guarantee company focused on developing countries but operating in global capital markets does not exist and so GGC will need to have an organisational and governance structure which bestows confidence in its integrity not just for its direct stakeholders but also for the international rating agencies that will rate GGC as well as the beneficiaries of its guarantees. Hence consideration and application of international best practices is necessary to ensure the success of GGC. The proposed funding from PPF will support the procurement of a reputable international law firm with the relevant experience and track record to develop: • The organisational structure as it relates to governance. • The relevant policies and procedures relating to governance (including ESG) and reporting obligations. • The necessary human resources policies and procedures and template employment contracts.									X															
Output 1.2 - Preparation for incorporation and capitalisation of GGC: So that GGC can become operational quickly it is proposed that the guarantee company will be incorporated in the United Kingdom and operate initially in the City of London's (with the scope to			X																					

expand its activities to other global capital markets in time) regulatory environment. The proposed funding from the PPF will support the procurement of a reputable international law firm with the relevant experience and track record to develop/carry out: • A draft Shareholders Term Sheet which will form the basis for the Shareholders Agreement into which GGC's equity investors, such as GCF (potentially via MUFG as AE) will be a party to. • Due diligence on the regulatory and tax requirements for GGC to become operational in the United Kingdom and to provide guarantees for developing country issuers seeking to raise climate finance on the London Stock Exchange. • All other necessary due diligence and documentation for incorporation. • All pre-incorporation activities and consents.																								
Output 1.3 - Development of a Management Agreement for GGC: GGC is envisaged to be a public-private-partnership with the day-to-day management of the company and its operations being outsourced to the Development Guarantee Group ((DGG), the private sector sponsor of GGC. The proposed funding from the PPF will support the procurement of a reputable international law firm with the relevant experience and track record to carry out the drafting of a Management Agreement which will be between GGC and DGG as Manager.					X																			
Activity and Deliverable 2: Selection of fund level indicators and identification and development of programme level indicators and a methodology for monitoring them PPF activity area: Identification of programme/project level indicators *(Please provide a 50-100 words description for each sub-activity and the associated output)*				X																				
2.1 Development of a Theory of Change for GGC The GCF funding proposal requires an inclusion of a Theory of Change for GGC which explains how its unique nature as a financing programme which indirectly (via guarantees) supports climate mitigation and adaptation projects which will address GHG emissions and climate vulnerabilities/improve resilience. To assist in doing so, the PPF will support the procurement of climate specialist consultants to support MUFG in developing and delivering a clear and effective Theory of Change for GGC.			X																					

2.2 Development of a Logical Framework for GGC which is aligned with GCF's RMF/PMF The GCF funding proposal requires a Logical Framework that is aligned with GGC's Theory of Change and GCF's RMF/PMF. The unique nature of GGC as a financing programme which indirectly (via guarantees) supports climate mitigation and adaptation projects means that a Logical Framework needs to be created which can achieve the measurement and reporting requirements of GCF. To assist in doing so, the PPF will support the procurement of climate specialist consultants to support MUFG in developing and delivering the following: • The Logical Framework requirements in the funding proposal with supporting methodology which takes into account the unique nature of GGC. • Analysis and methodologies for calculating the climate adaptation and mitigation impact of GGC. This will need to include analysis of the climate data needed for building the adaptation rationale. • Development of a Monitoring and Evaluation Plan that is aligned with GCF's RMF/PMF.				X																				
2.3 Perform a comparative review of the existing and upcoming green bond standards and justify why Climate Bond Standards and Certification has been chosen. GGC will be working with global capital markets in which presently multiple green bond standards are either prevalent or proposed thereby giving rise to a need for a comparative review in the GCF funding proposal. The comparative review will provide comfort that the green bond standards adopted by GGC will be aligned with the requirements of GCF and its target global capital markets.				X																				
Estimated time for submission corresponding full Funding Proposal to the GCF *(Please indicate the month with 'X'.)*																								

C. Justification of the Project Preparation Request
In April 2021, MUFG (Accredited Entity), submitted a Concept Note for GGC which was subsequently approved by GCF's CIC2 in May 2021. Consequently, in July 2021 the GGC Funding Proposal was developed by MUFG in close consultation and guidance of the GCF Secretariat who reviewed and provided their initial comments and recommendations as follows:

- **GGC Concept and Funding Proposal:** GCF supports the overall concept of GGC and recognises the product gap that it will fill in terms of helping mobilise greater amounts of climate finance from global capital markets into developing countries. GCF also recognises that GGC has the potential to support national level GHG savings ambitions in developing countries as well as the efforts of developing countries to move to more resilient pathways based on their country specific NDCs under the Paris Agreement. The climate finance gap that exists for the developing world is a key barrier to build and operationalise the infrastructure needed to mitigate and/or adapt to the impact of climate change. Experts estimate developing countries will require new investments of up to USD 500 billion annually by 2030 to adequately counter the impact of climate change. In this context, GGC has the potential to be a globally scalable, replicable and game-changing capital mobilisation solution to help reduce the climate finance gap for developing countries.

  The GCF Secretariat recommended that MUFG hire an internationally reputable climate advisory firm to support in developing a clear Theory of Change which highlights the strong paradigm shift that underpins GGC's business model and to develop a Logical Framework and Monitoring and Evaluation Plan which will enable GGC to demonstrate its Climate Impact potential and align it with GCF's own RMF/PMF.

- **GGC Equity Investment:** GCF is considering providing up to 50% of the initial USD 250 million equity investment required, leaving the balance USD 125 million to be raised from other government, multilateral and development finance institution investors for GGC to be able to commence operations and achieve its full mobilisation potential.

  To assist the fundraising process, the GCF Secretariat suggested that a reputable international law firm be hired to help incorporate GGC with a solid operational and institutional structure which meets international best practice in respect to governance thereby helping other government and multilateral investors become more comfortable with investing in GGC.

The PPF activities are aimed at improving the GGC Funding Proposal by progressing the incorporation and establishment of GGC with an operational and institutional structure that will meet best international best practice for governance and to clearly articulate its "green" credentials via an evidence-based Climate Impact rationale supported by a credible Monitoring and Evaluation Plan. Implementation of the above GCF suggestions will enable MUFG to significantly improve the GGC Funding Proposal thereby improving its chances of being approved by the GCF Board. GCF is playing a critical role as an anchor investor in GGC and building confidence in an initiative that is pioneering and unprecedented - as such obtaining GCF Board approval is critical to the overall success of GGC.

(Please provide rationale for the AEs' need to receive GCF Project Preparation Facility to strengthen development of the corresponding funding proposal. Especially for international AEs, please outline counterpart resources that will complement GCF PPF fund also in the budget table in section E.)

From past communication with GCF's PSF team, MUFG understands that the current draft funding proposal does not fully explain the climate rationale of the project. As the project is still at a preliminary stage, noting that the GGC has not been incorporated yet, MUFG believes that it is worth asking an external consultant for advice and establish a company that is suited for a GCF's funded project. Given that potential bond issuers in developing countries need a company like the GGC to provide a guarantee to enhance their credibility, we understand that we are in an emergent mission to assist incorporate GGC appropriately. In that context, it is crucial for MUFG to receive GCF Project Preparation Facility Funding and use the funds to speed up the process to establish GGC. MUFG's strong commitment is evidenced in various perspectives including the fact that MUFG has been supporting implementation of GGC by engaging with the NDAs for NOLs, liaising with Japanese Ministry of Foreign Affairs for advice, sharing the experience from the two portfolio projects (FP115 and FP128). Moreover, MUFG's cash contributions though not in the form of loans nor equity have been described as below:

(i) (PPF stage) MUFG will retain the experienced external legal counsel for the documentation of the Grant Agreement between GCF and MUFG, and the Sub-Grantee Agreement between Cardano Development (CD) and MUFG. The estimated cost would be around USD [ ], which would be paid out of the pocket by MUFG. The external legal counsel is the same attorney which MUFG retained in the past two transactions and considered to be in the best position to opine on the documentation, therefore, MUFG believes it is more reasonable to retain an external as our internal legal office is not familiar with GCF's legal documents.

(ii) (PPF stage) MUFG will retain the external auditor to prepare the audited financial report as required under the PPF guideline. The estimated cost would be around USD [ ] , to be paid out of the pocket by MUFG. MUFG will prepare a draft financial report and the evidence of payments made under the PPF fund and submit to the auditor for its review.

(iii) (FP stage) After the establishment of GGC, MUFG intends to act as arranger of the green bonds which will be guaranteed by GGC. MUFG as the largest financial institution in Japan by asset and the top global financial institution, MUFG could assist to connect good investors to bond issuers in developing countries with the assistance from MUFG's group companies including Mitsubishi UFJ Securities Holdings.

Moreover, CD and DGG are strategic partners for MUFG as we look to expand the Blended Finance franchise within Emerging Markets. Additionally, it is a mutually beneficial relationship to increase our reach in the Sustainable Financing space; GGC will provide key risk mitigation which will allow MUFG to support its client in Emerging Markets for Green Financing;

MUFG and DGG have entered into a Memorandum of Understanding in May 2021. The specific form of co-operation between the Parties with respect to a joint project shall be agreed to as the occasion arises and could include

1. Joint bids for sovereign or corporate financings, whereby the MUFG will lend or act as an agent or advisor or arranger or market maker, and whereby DGG as a manager of GGC, will arrange for a guarantee against financial or country risks
2. The guarantee to be arranged by DGG against non-payment risk of direct loans extended to sovereigns or corporates by MUFG or bonds or debt instruments arranged by MUFG.

MUFG has strong presence in all the major focus countries of GGC which will facilitate the identification and origination of transactions.

D. Implementation Arrangement

The PPF grant will be used to cover the costs the services of a reputable international climate advisory and law firm to carry out the planned activities included in this PPF application. It is expected that Cardano Development (CD), a Netherlands based not-for-profit foundation which focuses on incubating and managing innovative companies that deliver market-transforming financial solutions and products in emerging markets, will be responsible for implementing the activities. CD will also be a shareholder in the Development Guarantee Group (DGG), the manager of GGC.

MUFG (as AE) will be responsible for determining, through the successful completion of a Capacity Assessment (which accompanies this PPF application) that CD (as PMU and sub-grantee) has the ability to perform successfully the activities under its overall supervision, according to the terms and conditions of the Grant Agreement between the GCF and MUFG. MUFG will be responsible and accountable to the GCF for the overall design, development, management, implementation and supervision of activities financed through this PPF in accordance with the MUFG's policies and procedures. The Sub-grantee Agreement between CD and MUFG will mirror the obligations created by the PPF Grant Agreement between MUFG and GCF.

CD, under the supervision of MUFG, will conduct a competitive bid inviting qualified and reputable candidates to provide the required advisory services under the PPF. Procurement, selection, monitoring and reporting of PPF activity will be carried out per a procurement Terms of Reference agreed between CD and MUFG and aligned with MUFG's Procurement Guidelines as disclosed on its webpage[1].

The scope and nature of the activities planned under the PPF will be tendered as two separate contracts for advisory services.

1. **Activity 1**: The scope of work for legal services are in the Terms of Reference (TOR) attached in Annex II and only prequalified international law firms with matching qualifications for the assignment will be invited and procured.

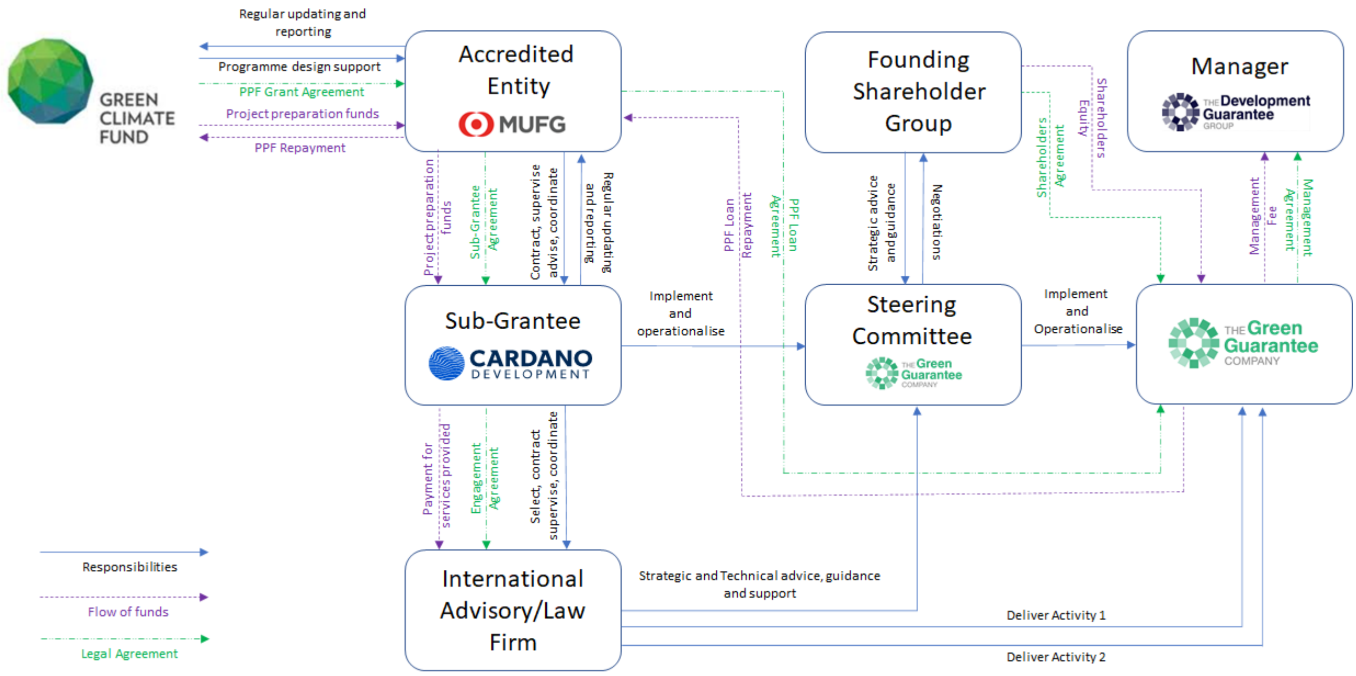
[1] https://www.bk.mufg.jp/global/productsandservices/corpandinvest/pdf/procurement_guidelines.pdf

MUFG will be informed and provide consent for selecting and contracting the preferred international law firm. DGG will also provide advisory services to support the international law firm in ensuring that the Outputs are compatible with the operational realities of a guarantee company like GGC.

2. **Activity 2:** The scope of work of consultancy services are in the TOR attached in Annex III. Only prequalified consultancy firms with matching qualifications for the assignment will be invited and procured. In its capacity as AE, MUFG will be informed and provide consent for selecting and contracting a consultancy firm to conduct planned Activity 2.

The consultancy and legal services are to be carried out in a 9-month period upon approval of this PPF by the GCF. MUFG will prepare interim and final delivery reports along with a PPF funding audited financial report to GCF.

The PPF funding amount will be included in GGC's capital structure and will be repayable to GCF, with the terms of repayment to be agreed upon approval of the Funding Proposal.



MUFG will be responsible for implementation of the PPF and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with MUFG's policies and procedures and with the PPF Grant Agreement to be signed with GCF or its fiduciary agent.

MUFG will be responsible and accountable to the GCF for the overall implementation and supervision of activities financed through this PPF in accordance with the MUFG's policies and procedures. MUFG will be responsible for contracting the sub-grantee and determining that it has the capability to select, contract, supervise and coordinate under its overall guidance and supervision, according to the terms and conditions of the agreement between the GCF and the MUFG. Consequently, MUFG and CD will enter into a Sub-Grantee Agreement which will mirror the obligations created by the PPF Grant Agreement between MUFG and GCF. MUFG has completed a capacity assessment of CD and has determined that it is competent and qualified to implement the required activities. DGG will solely provide advisory services to CD in respect of implementing the required activities and will not be a recipient of PPF funding. DGG represents the future manager of GGC and consequently, they will be an important stakeholder in the implementation process alongside the lead shareholders.

MUFG will submit a Funding Proposal to the GCF that is supported by the PPF resources as detailed in section E below "Budget details and disbursement schedule" within 2 years of approval of this application, as per GCF Board Decision B.13/21.

Annex I: PPF Funding Application Guidance note

Note 1: PPF No-Objection letter:
Please note that the PPF No-Objection Letter is different from the Funding Proposal No-Objection Letter. PPF No-Objection Letter template can be downloaded from here.

Note 2: Concept Note.
See here to download the Concept Note template.

Note 3: PPF No-Objection letter.
Template for PPF No-Objection Letter can be downloaded here.

Note 4: **Environmental and Social Safeguards and gender studies.**
If seeking support from the GCF's PPF for project preparation studies related to environmental and social safeguards: please 1) specify the provisional environmental and social risk category in Section A.14. of the Concept Note, 2) provide a brief justification of this initial categorisation and annex a screening report of potential environmental and social risks and impacts. This should be consistent with the environmental and social management system of the accredited entity specified during the GCF Accreditation, (Definitions of GCF risk categories can be downloaded here), and 3) provide Terms of Reference of the environmental and social safeguards studies.

If seeking support from the GCF's PPF for project preparation studies related to gender:
Please provide Terms of Reference of the gender studies.

Please ensure that ESS studies and Gender studies are separated in the description of activities as these should be presented separately when the FP is submitted to GCF.

Note 5: PPF activity areas.
The PPF can provide support within the following project preparation activity areas:

i. Pre-feasibility and feasibility studies
ii. Environmental, social (guidance can be downloaded here and here), and gender studies (guidance can be downloaded here)
iii. Risk Assessments (including legal and regulatory due diligence)
iv. Identification of programme and project level indicators

Other activities of direct relevance for Direct Access Entities that the PPF can support are as follows:

v. Pre-contract services, including the revision of tender documents
vi. Advisory services and/or other services to financially structure a proposed activity
vii. Other project preparation activities, where necessary, and with sufficient justification

Please also note that consultations of stakeholders should ideally be consolidated in order to avoid stakeholder fatigue and improve efficiency of the use of PPF resources.

Note 6: **Sub-total costs.**
Such costs must be provided for each activity, and broken down by the "cost categories" (e.g. Consultants, Travel, Equipment, Training & workshops, Others). Please provide sufficient breakdown of costs to enable effective review.

Note 7: **Other costs.**
Other costs may include below. For detailed information, please refer to the PPF guidelines.

- Project management costs (PMCs):
  - PMCs are the direct administrative costs incurred to execute a PPF. In most cases, these costs are directly related to the support of a dedicated project management unit (PMU) which manages the day to day execution related activities of the PPF.
  - **PMC budget threshold is up to 7.5 percent of total activity budget and contingency**.
  - PMCs should be shown as a separate component in the budget with detailed breakdown. It should include the cost of preparing externally audited expenditure statements.

- AE fee:
  - The use of AE fee will be subject to reporting and certification. It is intended that AE fees are used to support the implementation of GCF PPF activities and other eligible GCF-related activities.
  - **AE fee is up to 8.5% of total activity budget + contingency + PMC**

Note 8: **Disbursement schedules.**
Please use the text below for disbursement schedules:

For PPF requests of 12 months or less:

• 1st Tranche: 90% of total grant, which equates to USD ………..(………….. US Dollars) only will be disbursed upon or after effectiveness of the Grant Agreement and also upon fulfilment of the disbursement conditions specified in the Grant Agreement and Standard Conditions.
• Final Tranche: 10% of total grant, which equates to USD ……………… (………….. US Dollars) only, will be transferred upon submission of a project completion report and final Audit Report. Submission of a completion and audit report will be furnished no later than three (3) months after the completion of the PPF Support.

For PPFs of 12 months or more:

• 1st Tranche: 50% of total grant, which equates to USD ………..(………….. US Dollars) only will be disbursed upon or after effectiveness of the Grant Agreement and also upon fulfilment of the disbursement conditions specified in the Grant Agreement and Standard Conditions.
• 2nd Tranche: 40% of total grant, which equates to USD ……………… (…………..US Dollars) only, will be transferred (provided that at least 70% of the 1st Tranche has been incurred) upon submission of an interim progress report and Certified Financial Report and also upon fulfilment of the disbursement conditions specified in the Grant Agreement and Standard Conditions.
• Final Tranche: 10% of total grant, which equates to USD …………… (…………. US Dollars) only, will be transferred upon submission of a project completion report and final Audit Report. Submission of a completion and audit report will be furnished no later than three (3) months after the completion of the PPF Support.

For AEs with a Framework Agreement with the GCF, the following paragraph should be filled out and added in the main body text.

Disbursements will be made in accordance to *[Clause xx]* *"Disbursement of Grants"* and *[Clause xx]* "*Use of Grant Proceeds by the Delivery Partner*" of the Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and *[AE's name]* on *Click or tap to enter a date*.

Annex II: Activity and Deliverable 1 – Draft Terms of Reference

GREEN GUARANTEE COMPANY ("GGC")

SCOPE OF WORK:

- **A. PROVIDE LEGAL SERVICES WHICH INCLUDES ADVICE ON THE COUNTRY OF DOMICILE OF GGC AND ADVISE ON AND PREPARING RELEVANT LEGAL DOCUMENTATION WITH RESPECT TO THE INCORPORATION AND MANAGEMENT OF GGC;**
- **B. INCORPORATING GGC;**
- **C. REGULATORY ADVICE; AND**
- **D. TAX ADVICE**

1. Background

The Green Guarantee Company ("GGC") will seek to guarantee global investors (including British institutional investors) active in the City of London to catalyse their investments into green (or climate) bonds and green securitisations listed on the London Stock Exchange ("LSE") that are issued from developing countries. GGC will then seek to syndicate (or share) some of its guarantee exposure with the private credit insurance market (i.e. Lloyd's of London) thereby crowding-in multiple pools of capital and building an ecosystem to mobilise greater climate finance into developing countries.

Cardano Development, is currently seeking proposals from suitably qualified law firms interested in providing external legal services.

Description of the scope of the services are detailed below.

2. Scope of Work

A. Legal services which includes advice the country of domicile of GGC and advice on and preparing relevant legal documentation with respect to the incorporation and management of GGC

This work will involve:

1. preparing a transaction timetable;
2. attending a planning and kick-off call with stakeholders;
3. advising which country GGC should be domiciled;
4. advise what the legal form of GGC should be;
5. reviewing and advising on proposed corporate structures;
6. drafting constitutional documents (based on country of domicile law);
7. drafting and negotiating a term sheet (separately the "Term Sheet" or jointly "Term Sheets") for equity and callable capital investors;
8. negotiating the following documents based on the Term Sheets:
   (a) shareholders agreement;
   (b) callable capital agreement (if any) between GGC and any lender;
9. With respect to any callable capital agreement - prepare a conditions precedent closing checklist and monitor satisfaction of conditions precedent;
10. drafting and negotiating a management services agreement between GGC and DGG with respect to the management of GGC;
11. drafting and negotiating an asset management agreement between GGC and any third-party investment management company who will invest GGC's initial capital in highly rated, highly liquid securities;
12. generally co-ordinating the legal aspects of the Transaction;
13. monitoring the perfection of all security and the registration and stamping (if required) of all documentation;
14. arranging execution of the documentation and preparing transaction bibles;
15. attending meetings and calls with the Transaction counterparties in respect of the above.

B. Incorporate GGC

This work will involve:

1. incorporate GGC in the country recommended under Section A above; and
2. setup all statutory registers.

C. Regulatory advice

This work will involve:

1. identify legal issues arising under any applicable regulatory framework in the country of incorporation, including but not limited to:

- what legal and regulatory approvals / licenses / consents / permits / registrations would GGC require in respect of its proposed investment activities (e.g. from the reserve Bank or the Financial Services regulator or other central or local government body) including the ability to receive fees or be reimbursed for costs?
- if no licences, etc. are required, would it nonetheless be advisable for GGC to seek negative clearance from the Reserve Bank/any other applicable regulator?
- are there any indigenisation or other empowerment laws or requirements that GGC ought to be aware of that may impact on its proposed investment activities?
- are there any ways of mitigating these potential impacts?
- from the borrower's perspective:
- are there any constraints on entering into US$ payment obligations (including the payment of fees or reimbursement of costs)?
- what approvals (if any) will a borrower require in order to make any such payment?
- will GGC be subject to any external reporting requirements due to doing business in the chosen country of incorporation?

D. Tax advice

This work will involve:

1. What are the local tax implications for an entity engaging in GGC's business in the chosen country of incorporation?
2. What is the rate of withholding tax (WHT) on interest payments, dividends, payments for services?
3. Does the rate of WHT differ if the lender or shareholder or service provider is a foreign entity?
4. Is there a case for requesting tax exemptions due to GGC's social/development agenda?

Annex III: Activity and Deliverable 2 – Draft Terms of Reference

Main Activities

The consultant has to deliver the following:

1. The Climate part of the Funding Proposal for GCF
2. The Climate mitigation and adaptation calculation tools and KPI calculations for the indicative GGC portfolio (in multiple countries) including the interface with the GGC Monitoring & Reporting digital platform that will be developed simultaneously
3. The Environmental and Social (E&S) Framework of GGC

Activities in detail

1. The Climate part of the Funding Proposal for GCF
   a. Prepare all parts of the GCF Funding Proposal (including the Annexes) regarding climate mitigation and adaptation
      i. There is a considerable amount of building blocks available including
         A. A draft Funding Proposal and draft Annexes that need to be worked on towards full alignment with GCF requirements
         B. Funding proposal and Annexes Guidelines on the GCF website

C. Example Funding Proposals and Annexes on the GCF website
ii. The annexes include (but are not limited to)
A. A Gender Policy and Action Plan
B. An Environmental and Social Management System
C. A climate analysis of the 19 countries and an oversight of all 19 countries climate mitigation and adaption NDCs (is available and has to be updated)
b. The logframe
i. The logframe has to reflect the guidance in the GCF Programming Manual
ii. The indicators and targets have to be correctly selected
iii. The assumptions for the climate mitigation and adaptation KPIs calculations need to be fully clear (including references for all relevant calculation tools and data and literature)
iv. On the mitigation side, it has to fully align with the work of the Green Bonds initiative and develop the relevant mitigation impact analysis
v. On the adaptation side, only one very narrow result area should be selected and the adaptation should focus only there and only in a selected number of countries

2. <u>Climate mitigation and adaptation impact / calculations</u>
a. Select all required climate mitigation and adaption calculation tools
i. Calculation methodology should be in line with GCF requirements
A. For mitigation using the PCAF methodology (the Greenhouse Gas Protocol Emissions Calculation Tool (0-3)), the IFI Approaches to GHG Accounting, the CDM methodologies and relevant data bases like the data reports of the International Renewable Energy Agency and from The International Energy Agency, and the relevant databases of the Worldbank.
B. For adaptation to be determined, selected and to be worked-out. Including the data and approached of the World Bank Group like A green reboot for emerging markets – key sectors for post-covid sustainable growth – IFC, 2021; The World Bank Impact Report, Sustainable Development Bonds & Green Bonds, The World Bank, 2020; and the Climate Change Knowledge Portal – for development practitioners and policy makers, of the World Bank Group.
ii. The calculation tools should cover all sectors and asset types that GGC focusses on
iii. It should be possible to verify all the mitigation impact and adaptation impact assessments
iv. There should be a clear methodology to confirm how the beneficiaries are estimated.
v. Including references for all relevant calculation tools and data and literature
b. Prepare an Artificial Portfolio of 40 $100 million projects (about 2 projects in each of the 19 countries)
c. Collects all required climate mitigation and adaption data for the 19 countries and the 40 Projects
d. Digital Platform. The Climate mitigation and adaptation calculation tools and KPI calculations for the indicative GGC portfolio (in multiple countries) including the interface with the GGC Monitoring & Reporting digital platform that will be developed simultaneously. Provide all required climate mitigation and adaption calculation tools for the digital monitoring & reporting platform to BasisPoint (the firm developing the digital platform)

3. <u>E&S Framework</u>
a. Support and refinement of GGC E&S Framework (Eligibility Guide)
i. There is an E&S Framework available that is prepared by GGC but need to be refined, extended and made in line with GCF requirements
ii. The E&S Framework has to be in line with other state of art climate mitigation and adaptation financing / guaranteeing funds and set a new industry standard
iii. the E&S Framework has to be fully aligned with the requirements of the GCF

A. Environmental and Social Management System
    a. IFC E&S Performance Standards are the basis
    b. Ensure compliance with EU SFDR categorization and related EU Taxonomy
B. Climate Impact
    a. Mitigation and adaptation KPIs
    b. SDG and NDC related
C. Bond and Loan Certification
    a. Include verification of the ICMA's Green Bond Principles and certification by the Climate Bonds Standards and Certification Scheme
D. Monitoring and Reporting
    a. Financial industry leadership is the objective of GGC

iv. Refinement of the GGC Theories of Change
    A. With special attention for how exactly the guarantee facility will address GHG emissions as well as climate vulnerabilities

<u>Track record</u>

<u>GCF Experience</u>

a. Experience (2019-2021) in the preparation of Funding Proposals for GCF, in particular of multi country funding proposals with a variety of foreseen climate mitigation and adaptation projects

<u>Climate mitigation and adaptation calculations experience</u>

b. Experience in climate mitigation and adaptation calculating and working with calculation tools and excel sheets
c. Experience in the interface of calculation tools and data with digital monitoring and reporting platforms

<u>E&S Framework experience</u>

d. Experience in the set-up of E&S Frameworks for climate mitigation and adaptation financing / guaranteeing funds
e. Ability to build the E&S Framework fully aligned with the requirements of the GCF as well as with other organisations like DFC and CDC
f. Experience in the preparation of Theories of Change for climate mitigation and adaptation financing / guaranteeing funds

MINISTÉRIO DA ECONOMIA
Secretaria Especial de Comércio Exterior e Assuntos Internacionais
Secretaria de Assuntos Econômicos Internacionais
Subsecretaria de Instituições Internacionais de Desenvolvimento
Coordenação-Geral de Instituições Globais de Desenvolvimento

OFÍCIO SEI Nº 267139/2021/ME

Brasília, 18 October 2021.

Mr. Yannick Glemarec

Deputy Executive Director
Green Climate Fund
G-Tower, 24-4 Songdo-dong, Yeonsu-gu
Incheon City, Republic of Korea

Re: Proposal for the GCF Project Preparation Facility by MUFG Bank, Ltd regarding "Green Guarantee Company"

Referência: If you answer this letter, please indicate the Process n.º 12120.100384/2021-15.

Dear Mr. Glemarec,

1. We refer to the Project Preparation Facility proposal Green Guarantee Company for preparation of development of programme level indicators and a monitoring methodology and establishment arrangements and in Brazil as included in the PPF proposal submitted by MUFG Ltd to us on July 21st, 2021 ("PPF Proposal").

2. The undersigned is the duly authorized representative of the Secretariat for International Economic Affairs, Ministry of Economy, the National Designated Authority for Brazil.

3. Pursuant to GCF decisions B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the Project Preparation Facility activities as included in the PPF Proposal.

4. By communicating our no-objection, it is implied that:

a) The government of Brazil has no objection to the Project Preparation Facility request as included in the PPF Proposal;

b) The PPF Proposal is in conformity with Brazil's national priorities, strategies and plans; and

c) In accordance with the GCF's environmental and social safeguards, the PPF activities as included in the PPF Proposal is in conformity with relevant national laws and regulations.

5. We also confirm that our national process for ascertaining no-objection to the PPF Proposal has been duly followed.

6. We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Documento assinado eletronicamente

ERIVALDO ALFREDO GOMES

Secretary for International Economic Affairs

Ministry of Economy of Brazil

Documento assinado eletronicamente por **Erivaldo Alfredo Gomes**, **Secretário(a) de Assuntos Econômicos Internacionais**, em 18/10/2021, às 18:40, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do Decreto nº 10.543, de 13 de novembro de 2020.

A autenticidade deste documento pode ser conferida no site https://sei.economia.gov.br/sei/controlador_externo.php?acao=documento_conferir&id_orgao_acesso_externo=0, informando o código verificador **19263342** e o código CRC **BC73F4A7**.

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CEP 70048-900 - Brasília/DF
(61) 2020-5644 - e-mail cgpin.sain.df@fazenda.gov.br - www.economia.gov.br

MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
FISCAL POLICY AGENCY

R.M. NOTOHAMIPRODJO BUILDING 2ND FLOOR JALAN DR. WAHIDIN RAYA NOMOR 1 JAKARTA 10710
TELEPHONE (+62 21) 3441484; FACSIMILE (+62 21) 3848049; WEBSITE www.fiskal.kemenkeu.go.id

Ref. : S-124/KF/2021 19 October 2021

Mr. Yannick Glemarec
Executive Director
Secretariat of the Green Climate Fund
175, Art center-daero
Yeonsu-gu, Incheon 406-840
Republic of Korea

Subject : Revision of No-Objection Letter (NOL) - Project Preparation Facility (PPF) for the GCF by MUFG Bank regarding Green Guarantee Company

Dear Mr. Glemarec,

We refer to the Project Preparation Facility (PPF) Proposal for preparation of the Green Guarantee Company submitted by MUFG Bank to us on 18 August 2021 ("PPF Proposal").

The undersigned is the Chairman of Fiscal Policy Agency, Ministry of Finance as the National Designated Authority of Indonesia.

Pursuant to GCF decision B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the PPF activities as included in the PPF Proposal.

By communicating our no-objection, it is implied that:

(a) The government of Indonesia has no-objection to the PPF request as included in the PPF Proposal;

(b) The PPF Proposal is in conformity with Indonesia's national priorities, strategies and plans;

(c) In accordance with the GCF's environmental and social safeguards, the PPF activities as included in the PPF Proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to programme as included in the PPF has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Yours faithfully,

Ditandatangani secara elektronik
Febrio Nathan Kacaribu
Chairman

Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr.Street
Manila 1004

Mr. YANNICK GLEMAREC
Executive Director
Secretariat of the Green Climate Fund
175 Art Center-daero
Yeonsu-gu, Incheon
Republic of Korea

SUBJECT : Proposal for the GCF Project Preparation Facility by MUFG Bank, Ltd. regarding Green Guarantee Company

Dear **Mr. GLEMAREC:**

We refer to the Project Preparation Facility Proposal "Green Guarantee Company" for preparation of the appropriate Funding Proposal for the same, in the Philippines as included in the PPF proposal submitted by MUFG Bank Ltd. to us on August 18, 2021 ("PPF Proposal").

The undersigned is the duly authorized representative of the Department of Finance, the National Designated Authority of the Republic of the Philippines.

Pursuant to GCF decisions B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the Project Preparation Facility activities as included in the PPF proposal.

By communicating our no-objection, it is implied that:

(a) The Government of the Republic of the Philippines has no-objection to the Project Preparation Facility request as included in the PPF Proposal;

(b) The PPF Proposal is in conformity with the Republic of the Philippines' national priorities, strategies and plans; and

(c) In accordance with the GCF's environmental and social safeguard, the PPF activities as included in the PPF proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no objection to the PPF Proposal has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Very truly yours,

CARLOS G. DOMINGUEZ
Secretary of Finance

OCT 14 2021

015136

MINISTRY OF PLANNING AND DEVELOPMENT
OFFICE OF THE PERMANENT SECRETARY

Level 14, Eric Williams Financial Building, Independence Square, Port-of-Spain, Trinidad and Tobago, WI
Tel: 612 3000 ext. 2016/1329 Fax: 623 8123

PD(EPPD):14/5/39

September 3, 2021

Yannick Glemarec
Executive Director
Green Climate Fund
Songdo Business District
175 Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea

Dear Mr. Glemarec

Re: Proposal for the GCF Project Preparation Facility by MUFG Ltd regarding Green Guarantee Company

Reference is made to the Project Preparation Facility proposal, ***Green Guarantee Company*** ("PPF Proposal") for the preparation and development of programme level indicators and a monitoring methodology and the establishment of arrangements in Trinidad and Tobago as included in the PPF proposal submitted by MUFG Ltd to us on August 17th, 2021.

The undersigned is the duly authorized representative of The Ministry of Planning and Development, the National Designated Authority of Trinidad and Tobago.

Pursuant to GCF decisions B.08/10 and B.13/21, the contents of which we acknowledge to have reviewed, we hereby communicate our no-objection to the Project Preparation Facility activities as included in the PPF Proposal.

By communicating our no-objection, it is implied that:

(a) The Government of Trinidad and Tobago has no-objection to the Project Preparation Facility request as included in the PPF Proposal;
(b) The PPF Proposal is in conformity with the national priorities, strategies and plans of Trinidad and Tobago;

(c) In accordance with the GCF's environmental and social safeguards, the PPF activities as included in the PPF Proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the PPF Proposal has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Sincerely,

Permanent Secretary

PERMANENT SECRETARY
MINISTRY OF PLANNING
AND DEVELOPMENT

CC: Santoshi Ota, Managing Director, Sustainable Business Office, Solution Products Division, MUFG Bank, Ltd.

Concept Note

Project/Programme Title:	Green Guarantee Company ("**GGC**")
Country(ies):	**Africa:** Cote D'Ivoire, Egypt, Kenya, Morocco, Nigeria, Senegal, South Africa, Tunisia
National Designated Authority(ies) (NDA):	**Asia:** Bangladesh, Indonesia, Philippines, Vietnam **Latin America and the Caribbean:** Brazil, Dominican Republic, Ecuador, Guatemala, Jamaica, Peru, Trinidad & Tobago
Accredited Entity(ies) (AE):	MUFG Bank, Ltd.
Date of first submission/ version number:	*[YYYY-MM-DD] [V.0]*
Date of current submission/ version number	*[YYYY-MM-DD] [V.0]*

GREEN CLIMATE FUND

Please submit the completed form to **fundingproposal@gcfund.org**, using the following name convention in the subject line and file name: ***"CN-[Accredited Entity or Country]-YYYYMMDD"***

Notes

- The maximum number of pages should **not exceed 12 pages**, excluding annexes. Proposals exceeding the prescribed length will not be assessed within the indicative service standard time of 30 days.
- As per the Information Disclosure Policy, the concept note, and additional documents provided to the Secretariat can be disclosed unless marked by the Accredited Entity(ies) (or NDAs) as confidential.
- The relevant National Designated Authority(ies) will be informed by the Secretariat of the concept note upon receipt.
- NDA can also submit the concept note directly with or without an identified accredited entity at this stage. In this case, they can leave blank the section related to the accredited entity. The Secretariat will inform the accredited entity(ies) nominated by the NDA, if any.
- Accredited Entities and/or NDAs are encouraged to submit a Concept Note before making a request for project preparation support from the Project Preparation Facility (PPF).
- Further information on GCF concept note preparation can be found on GCF website Funding Projects Fine Print.

A. Project/Programme Summary (max. 1 page)

A.1. Project or programme	☐ Project ☒ Programme	**A.2. Public or private sector**	☐ Public sector ☒ Private sector
A.3. Is the CN submitted in response to an RFP?	Yes ☐ No ☒ If yes, specify the RFP: ______	**A.4. Confidentiality[1]**	☒ Confidential ☐ Not confidential
A.5. Indicate the result areas for the oject/programme	Mitigation: (80% of portfolio) Reduced emissions from: ☒ Energy access and power generation (40% of Mitigation portfolio) ☒ Low emission transport (15% of Mitigation portfolio) ☒ Buildings, cities and industries and appliances (40% of Mitigation portfolio) ☒ Forestry and land use (5% of Mitigation portfolio) Adaptation: (20% of portfolio) Increased resilience of: ☒ Most vulnerable people and communities (20% of Adaptation portfolio) ☒ Health and well-being and food and water security (30% of Adaptation portfolio) ☒ Infrastructure and built environment (30% of Adaptation portfolio) ☒ Ecosystem and ecosystem services (20% of Adaptation portfolio) These targeted percentages are subject to market opportunities and the guarantee portfolio growth/size.		
A.6. Estimated mitigation impact (tCO2eq over lifespan)	Based on the lifetime of GGC of 20 years this would lead to 64 million tCO2e avoided (see Section B3 for additional details)	**A.7. Estimated adaptation impact (number of direct beneficiaries and % of population)**	10 Million People positively directly impacted and 10 Million People positively indirectly impacted (see Section B3 for additional details) based on GGC's bottom-up approach.
A.8. Indicative total project cost (GCF + co-finance)	Amount: USD 500 million	**A.9. Indicative GCF funding requested**	Amount: USD 125 million
A.10. Mark the type of financial instrument requested for the GCF funding	☐ Grant ☐ Reimbursable grant ☐ Guarantees ☐ Equity ☐ Subordinated loan ☐ Senior Loan ☒ Other: Callable Equity		
A.11. Estimated duration of project/ programme:	a) Only arising from depletion of GGC's core equity from losses to maintain GGC's ratings b) No repayment when called	**A.12. Estimated project/ Programme lifespan**	20 years
A.13. Is funding from the Project Preparation Facility requested?[2]	Yes ☐ No ☒ Other support received ☐ If so, by who:	**A.14. ESS category[3]**	☐ A or I-1 ☒ B or I-2 ☐ C or I-3
A.15. Is the CN aligned with your accreditation standard?	Yes ☒ No ☐	**A.16. Has the CN been shared with the NDA?**	Yes ☐ No ☒

[1] Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy (Decision B.12/35) and the Review of the Initial Proposal Approval Process (Decision B.17/18).
[2] See here for access to project preparation support request template and guidelines
[3] Refer to the Fund's environmental and social safeguards (Decision B.07/02)

A.17. AMA signed (if submitted by AE)	Yes ☒ No ☐ If no, specify the status of AMA negotiations and expected date of signing:	**A.18. Is the CN included in the Entity Work Programme?**	Yes ☐ No ☒
A.19. Project/Programme rationale, objectives and approach of programme/project (max 100 words)	According to the OECD, climate finance provided by developed countries to developing countries totalled USD 78.9 billion in 2018, this contrasts with the USD 500 billion of climate finance that experts estimate developing countries will require to mitigate and/or adapt to the impact of climate change. GGC is an innovative finance solution which is proposing to use blended finance to mobilise greater climate finance into developing countries from global capital markets to help them meet their mitigation/adaptation targets as articulated in their Nationally Determined Contributions (NDC). All developing countries have expressed the need for additional international financial support to reach their country-specific resilience and GHG savings targets – as there are limited public resources to do so. GGC provide guarantees to mobilise hard currency loans and bonds from global capital markets for climate finance into developing countries making climate solutions possible that otherwise would not happen. A key element of GGC's value proposition will be the development of a digital platform that will build the capacity of issuers and lenders not so familiar in ESG and climate change monitoring and reporting to meet the international reporting standards required by global investors, and to increase awareness at issuers and lenders for the need for climate finance. Nineteen countries have been identified at this stage to enable their public and private sectors to access the global green bond market to enable them to achieve their NDC objectives.		

B. Project/Programme Information (max. 8 pages)

B.1. Context and baseline (max. 2 pages)

B.1.1 The proposed Programme supports national level GHG savings ambitions in developing countries as well as the efforts of developing countries to move to more resilient pathways based on their country specific NDCs under the Paris Agreement. The climate finance gap that exists for the developing world is a key barrier to build and operationalise the infrastructure needed to mitigate and/or adapt to the impact of climate change. Experts estimate developing countries will require new investments of up to USD 500 billion annually by 2030 to adequately counter the impact of climate change.

B.1.2 All developing countries have expressed the need for additional international financial support to reach their country-specific GHG savings targets – as there are limited public resources to do so. This suggests a key role for the private sector in developed countries in making investments to help these countries meet the ambitions they set forth in their NDCs. This is particularly true of local private sector and sub-sovereign climate change efforts.

B.1.3 According to analysis by the Global Commission on Adaptation investing USD 1.8 trillion globally in five target areas for climate adaptation from 2020 to 2030 could produce USD 7.1 trillion in total benefits. The five target areas are early warning systems, climate-resilient infrastructure, improved dryland agriculture crop production, global mangrove protection, and projects to make water resources more resilient. Additionally, spending USD 800 million on early warning systems in developing countries could reduce climate-related disaster losses by up to USD 16 billion per year. Yet. according to the World Bank, investments in adaptation and resilience-building around the world continue to fall far short of documented needs. It is also increasingly clear that although public finance for adaptation has increased, it will not suffice. Private sector investment is critical to closing the climate finance gap for adaption and resilience-.

B.1.4 According to the Organisation for Economic Co-operation and Development (“OECD”), climate finance provided and mobilised by both the public and private sectors in developed countries for developing countries totalled USD 78.9 billion in 2018. Developed countries have set a target to increase this to USD 100 billion by the end of 2020, albeit it is widely believed that the economic impact of the ongoing COVID-19 pandemic has made achieving this target unlikely.

B.1.5 The International Capital Markets Association (“ICMA”) defines a Green Bond as any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance in part or in full new and/or existing eligible Green projects including those focused on addressing the impact of climate change. According to figures from the Environmental Finance Bond Database, the global Green Bond market has grown rapidly from circa USD 80 billion of issuance in 2016 to over USD 295 billion of issuance in 2020. This growth trend demonstrates the increasing appetite of institutional investors in developed capital markets for sustainable investment opportunities.

B.1.6 Developing countries have not benefited from the growth in the global Green Bond market however, with the total Green Bond issuance in Africa being only circa USD 2 billion and just a handful of the largest economies in developing Asia and Latin America having issued Green Bonds between 2012 and 2019.

.B.1.7 Existing guarantors such as GuarantCo, the guarantee arm of the Private Infrastructure Development Group and the Credit Guarantee & Investment Facility (“CGIF”), the guarantee trust fund of the Asian Development Bank, and InfraCredit Nigeria have demonstrated how a combination of credit enhancement and capacity building can successfully overcome these barriers to investment and mobilise local (and to a limited extent international) capital markets to provide increasing volumes of local currency climate finance including Green Bonds. While nurturing the use of indigenous capital is a worthy endeavour, building sufficient capacity, depth and climate change sensitivity within domestic markets in developing countries take time. Unfortunately, contributions from these countries towards saving the planet with investments for climate change adaptation and mitigation cannot wait the two or more decades needed for these initiatives to bear fruit as these projects are needed today. Consequently, mobilising greater private climate finance from global capital markets is of critical importance.

B.1.8 The proposed programme seeks to design, build and operate the Green Guarantee Company (“GGC”), the first ever guarantor dedicated to connecting developing country issuers to global capital markets with a mandate to work with arrangers, issuers, investors and other market stakeholders to overcome the barriers to investment identified in Section B.2.2 and mobilise greater private sector climate finance into developing countries.

B.1.9 GGC is proposing to provide guarantees that credit enhance both public sector and private sector borrowers from developing countries. It is hoped that this flexible approach will enable the developing countries identified in Section B.4 to access the global green bond market to finance both mitigation and adaptation projects.

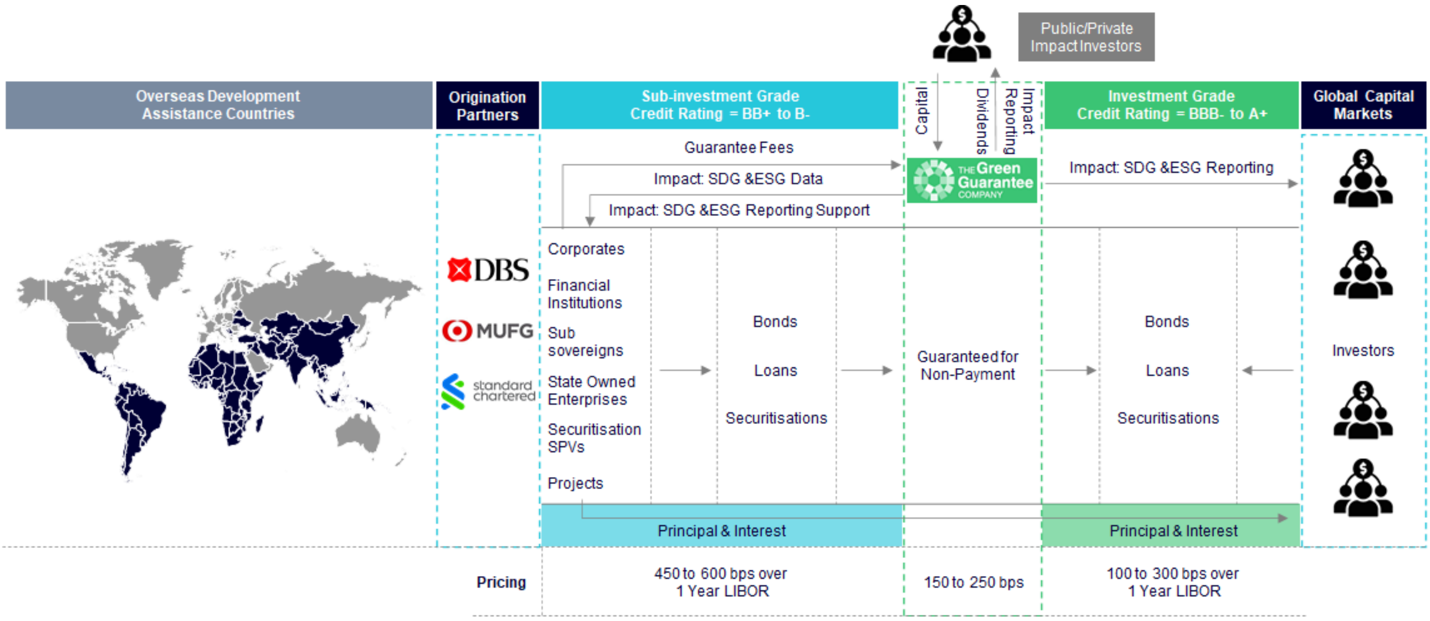
The developing countries being targeted by GGC have been selected on the following basis:

(1) They have hard currency revenue generating industries (e.g. tourism, agriculture, export manufacturing) which enable them to be able to issue hard currency green bonds in global capital markets without incurring currency risk.
(2) These countries have been identified as being highly vulnerable to climate change impacts as their economies are dependent on climate-sensitive sectors such as agriculture, energy, transport and tourism, many of which the countries also depend on for their hard currency revenues.
(3) Under a Business As Usual scenario GHG emissions in these developing countries are also projected to increase as a result of population and economic growth. Below is provided a sample of the targeted countries and the United Nations projected trends in GHG emissions growth:

- Côte d'Ivoire's GHG emissions are expected to almost double to 34 MtCO2e in 2030.
- Kenya's total GHG emissions from all sectors is expected to grow to 143 MtCO2e by 2030
- Nigeria's GHG emissions are projected to grow by 114% by 2030
- The Philippines' GHG emissions are projected to increase by over 800 per cent by 2050
- Vietnam expects its GHG emissions to grow to 927.9 million tonnes in 2030.

Despite having hard currency revenues these developing countries are considered sub-investment grade by global capital market investors which means that they are unable to access global investment on an affordable basis thereby making it difficult to raise the hard currency (as a lot of the mitigation/adaptation technologies required need to be imported) climate financing they require to invest in climate mitigation and adaptation strategies which will help them to both protect their hard currency revenue generating sectors as well as reduce their GHG emissions.

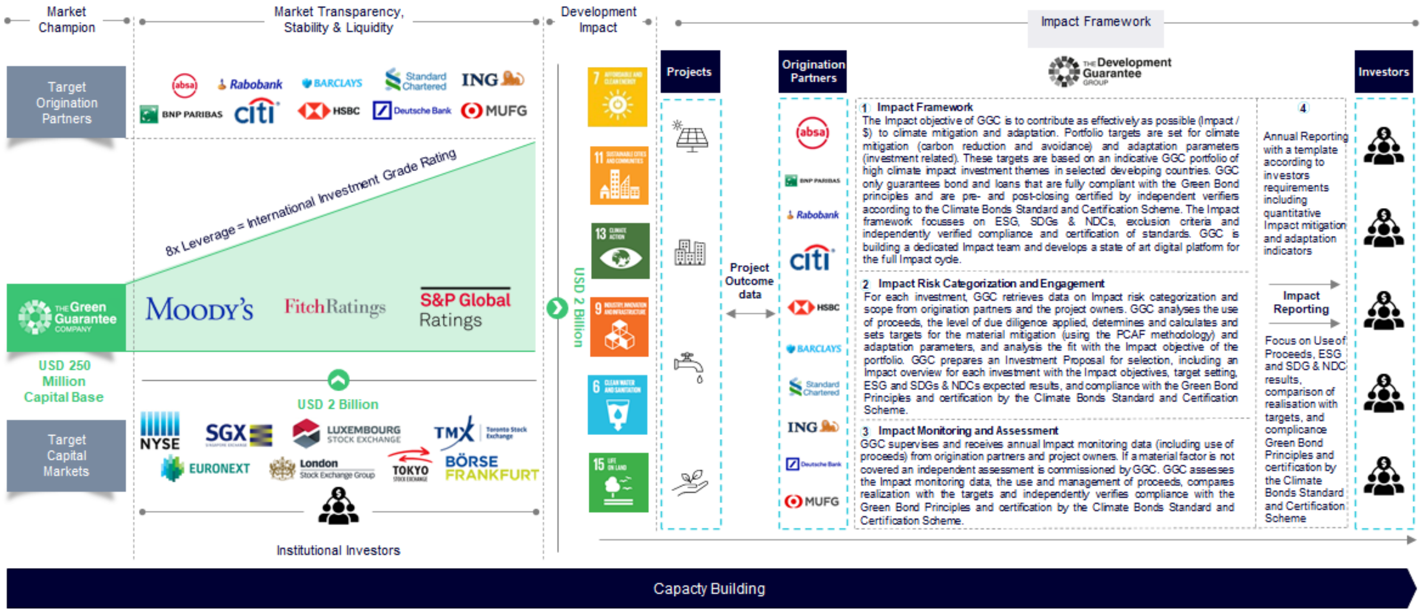
GGC's mission is to help these developing countries to gain access to global capital on a more affordable basis by transferring its own investment grade rating via a guarantee on to the developing country borrower. The graphic below outlines how GGC will work.



B.2. Project/Programme description (max. 3 pages)

B.2.1 The graphic below provides an overview of the ecosystem that GGC wishes to build to enable more private sector climate finance to be mobilised from the global capital markets into developing countries.

A key element of GGC's value proposition will be the development of a digital platform that will enable GGC to become a market-leader in reporting on Climate impact of its investments. GGC aims to achieve this through ESG target setting of selected KPIs related to the nature of the business of the borrowers, monitoring of the use of proceeds and other KPIs by the borrowers (monitoring by the issuers, lenders and by GGC directed consultants) and annual and tailor-made reporting. GGC will build the capacity to assist issuers and lenders not so familiar in ESG Monitoring and Reporting. This will be elaborated on further in the funding proposal.



B.2.2 The Emerging Market Green Bonds Report 2019, published by the International Finance Corporation and Amundi Asset Management, identifies the following as being the key barriers to greater investment being mobilised from the global Green Bond market into developing countries. GGC seeks to offers solutions to address these barriers as follows:

	Market Barrier	Description	GGC Solution
i.	Transparency	The limited capacity of issuers in developing countries to provide reporting to identify, measure, and track green investment which meet ICMA standards.	GGC will become a risk-sharing partner for investors by providing them with a total investment proposition better suited to their investment appetite and also drive quality reporting on the financial performance and impact of the borrower or the underlying projects to help address information asymmetry and build confidence.
ii.	Supply Constraints	Limited availability of labelled green assets and a pipeline of green projects of scale.	Using guarantees to mitigate barriers (risk appetite and pricing) to financial close of an issuance in developed markets, GGC can build and deliver a pipeline of guaranteed transactions to turn green bonds from developing country issuers into a commoditised asset class leading to scale as opposed to ad-hoc opportunistic issuances. GGC will also work with

			arrangers to guarantee warehouses of green loans to smaller projects which might not have the scale to issue green bonds and once a critical mass has been achieved to refinance these portfolios via the global capital markets through green securitisations.
iii.	Capacity	Lack of awareness and know-how of developing country issuers and investors about issuing and investing in green products.	GGC will work with issuers in developing countries to help them build the necessary assessment and reporting frameworks and their capacity to engage constructively with investors in global capital markets.
iv.	Stability	Negative perception of Green Bond investors in developed markets of the overall macroeconomic and policy instability of developing countries.	GGC will obtain an international credit rating from at least one of the international credit rating agencies and use its guarantees to provide investors with greater confidence that they will be protected from the perceived greater risk and volatility associated with issuers from developing countries.
v.	Liquidity	In combination the above four barriers create information asymmetry between issuers and investors which reduce market appetite and thus liquidity for Green Bonds issued from developing countries. This consequently impacts the issuance frequency of such bonds curtailing their potential to be an asset class within Green Bond investors' portfolios.	GGC will provide guarantees of up to USD 200 million to help create more investment opportunities of scale to facilitate greater liquidity.

B.2.3 A number of the most active global arrangers of Green Bonds have expressed interest to act as GCC's Origination Partners and to begin identifying potential pipelines of transactions for GGC from developing countries. Feedback to date from these Origination Partners on the market opportunity for GGC has been positive and is summarised below:

i.	Issuers	Immediate opportunities have been identified to assist exporters in developing countries to "green" their supply chains so that they can meet the increasing sustainability requirements of importers from developed countries. Sub-Tier 1 financial institutions, sub-sovereign entities and parastatals (which do not benefit from sovereign guarantees) and corporates are issuers that arrangers have identified as offering significant transaction potential for GGC.
ii.	Sectors	The Climate Bond Initiative highlights the following sectors in which green bonds/loans have been certified to date: https://www.climatebonds.net/standard/available
iii.	Products	The Origination Partners have recommended that GGC has the flexibility to cover green loans as well as green bonds. This flexibility will enable arrangers to warehouse these green loans with the objective of building portfolios which can then be listed as green securitisations (guaranteed by GGC) on the global capital markets once critical mass has been achieved. This flexibility will also create a pathway for GGC to mobilise climate finance into eligible green projects which would be too small to access the global capital markets on a standalone basis.

iv. Geographies — Origination Partners have indicated that GGC being able to operate in any Official Development Assistance ("ODA") eligible country would offer the greatest potential for portfolio growth. Immediate opportunities identified by the Origination Partners have been distributed across Low Income, Lower Middle Income and Upper Middle-Income countries with a bias towards the last two categories.

B.2.4 It is proposed that GGC will initially be capitalised with USD 250 million of equity split between USD 125 million of paid-in equity and USD 125 million of callable equity Collectively both paid-in and callable equity will be leveraged up to a further 8 times (over 10 years). The business plan for GGC envisages the raising of USD 250 million of undrawn debt facilities to further leverage its equity capital in Year 4 onwards. Leverage facilities will allow for GGC to generate greater commercial returns. Even without considering the impact of future equity raisings enabled by Green Climate Fund's contributions, GGC can deliver unmatched levels of impact and leverage via the guarantee platform.

B.2.5 It is proposed that GCF provides the callable equity tranche, which will be structured so that it acts as ring-fenced mechanism to support only developing countries from which an No-Objection Letter has been received. If paid-in equity reduces (due to calls on guarantees) to USD 75 million or less then the callable equity tranche will be triggered and funded by GCF. If GCF's callable equity is triggered and paid-in then the proceeds will be used to repay global capital market investors who have suffered a loss due to a payment default on a green bond (the proceeds of which will have been used to invest in climate infrastructure) issued by a private sector borrower in a developing country.

B.2.6 The expectation is that as GGC delivers portfolio growth and builds a track record of profitability and dividend payments that an exit for the founding shareholders (including GCF) will be facilitated either through a secondary sale of their shares to private sector investors or via a listing on a global equity market. If GCF equity is not called before an exit then it may be that the paid-in equity shareholders require GCF to accept a lower return ahead of its commitment being extinguished at the point of exit. This remains a point for discussion and agreement with the other shareholders.

B.2.7 As GGC's Accredited Entity, MUFG Bank has a track record of successfully delivering competitive, long-tenor financing in developing countries. A list of some of the deals with an ESG angle is as follows:

- Cote d'Ivoire's €230 million Social Loan Bond (accredited by Vigeo Eiris), executed by MUFG to finance new social infrastructure was the "2019 African Sovereign Deal of the Year" and the first ESG accredited capex note in Sub-Saharan Africa.
- Cote d'Ivoire's €293 million financing for the design, construction and fitting of six hospitals across the Republic. The financing consisted of a €52.3m TCL (2+5y) and a €240.9 million UKEF (UK Export Finance) supported loan (3+10y). MUFG acted as Sole Coordinator, Bookrunning IMLA (Initial Mandated Lead Arranger) and Agent.
- African Export-Import Bank's USD 520 million equiv., 90% NEXI (Nippon Export and Investment Insurance)-covered loan. NEXI provided insurance cover on the basis of Japanese investors' presence and the proceeds of the loan being used for Sustainable Development Goals.

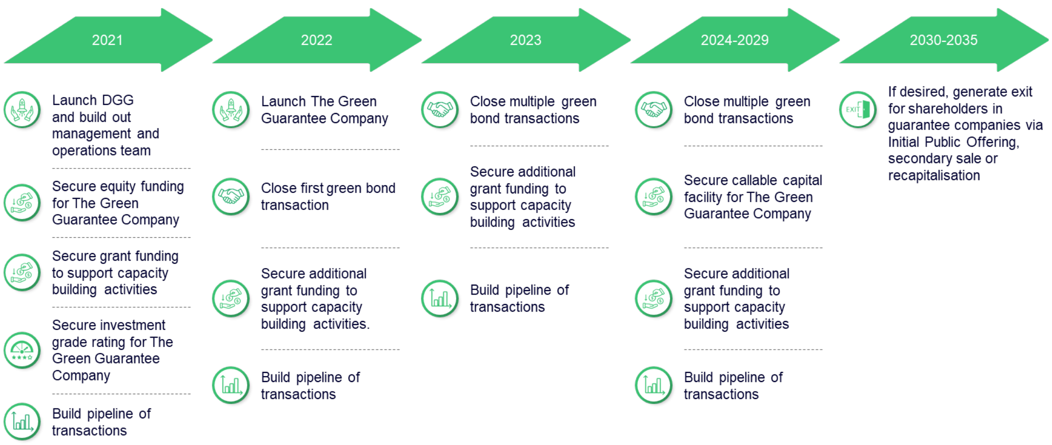
Aside from these, MUFG has extensive experience in executing loans and bonds for developing countries across the globe.

B.2.8 GGC is being developed by The Development Guarantee Group ("**DGG**") which is co-founded by Lasitha Perera, Boo Hock Khoo and Jean-Pierre Sweerts and Cardano Development (https://www.cardanodevelopment.com/). DGG will be the manager of GGC with operational support from Cardano Development (particularly in respect of risk management, systems and governance) and will invest in building a management team that has the capability of operationalising GGC and delivering its business plan. A capability analysis of DGG to execute the business plan is provided in Annex 1.

B.2.9 Potential risk factors to how quickly GGC can operationalise and scale are:

Risk Factor	Description
Pipeline	GGC can only scale as quickly as it finds suitable transactions. Mitigation: GGC will benefit from having a network of Origination Partners globally and being able to operate in any ODA eligible country which means that its addressable market is significant.
Credit Rating	GGC will need to obtain and maintain an investment grade credit rating from an international rating agency which will mean that its ability to leverage its capital will depend on the confidence that the credit rating agency has in the operations and management of GGC. Mitigation: DGG, the manager of GCC, has significant experience of working with the major international credit rating agencies and balancing portfolio growth with maintenance of credit ratings.
Human Resources	The scarcity of guarantee companies focused on developing countries means that there is a very shallow market for experienced investment professionals with guarantee experience. This means GGC will need to train up new guarantee professionals which could impact its ability to scale. Mitigation: As demonstrated in Annex 1, the co-founders of DGG have a proven track record in establishing and scaling guarantee companies including building teams of guarantee professionals.

B.2.11 The critical path to commencing operations and scaling GCC is presented in the graphic below.



B.3. Expected project results aligned with the GCF investment criteria (max. 3 pages)

Investment Criterion	Indicator	Alignment with GCF Investment Criterion
Impact Potential	Mitigation Impact	GGC has the potential to mobilise USD 4 billion of additional climate finance from developed countries into developing countries. Guarantees provided by GGC will help credit enhance climate change projects in developing countries, improving their sub-investment grade credit ratings to investment grade so that they become eligible for investors from global capital markets to consider them for investment. GGCs numbers derive from a balanced mitigation portfolio of high carbon avoidance projects like renewable energy and green buildings and somewhat lower carbon avoidance projects. Total tons of CO2

equivalent to be avoided or reduced per annum is first estimated at 800 tCO2e annually / USD million invested for a portfolio of 80% mitigation (1000 tCO2e annually / USD million) and 20% adaptation (for simplicity assumed to be zero tCO2e annually / USD million). These numbers are derived from two ways of calculations for mitigation. Firstly, by creating an indicative portfolio of investments in a number of countries (see B.4) and sectors (see A.5) and estimating the carbon reduction per USD million invested, based on data from real transactions / projects in literature, from GGCs own GHG Accounting (using i.e. the Greenhouse Gas Protocol Emissions Calculation Tool), and from the experience of GGC's sponsors. Secondly, by comparing and analysis of the carbon reduction / USD million invested of a number of existing climate finance focused investment funds. As part of the due diligence process GGC will collect data to support and refine these estimates.

GGC is expected to leverage its equity 8x thereby using USD 500 million of capital to build a guarantee portfolio of USD 4 billion. Consequently, 800 tCO2e annually / USD million multiplied by 8x gives a ratio of 6400 tCO2e annually / USD million guarantees.

GCF funding of GGC with USD 125 million would allocate GCF to 16 million tCO2e directly and including the GGC funding by other institutions to 32 million tCO2e. Including the targeted additional leverage by USD 250 million this would become 64 million tCO2e for a USD 4 billion portfolio.

GGC is currently preparing the carbon accounting and reporting methodology and is investigating, among others, the PCAF methodology (The Global GHG Accounting and reporting Standard for the Financial Industry). This will be elaborated further in the funding proposal.

GGC has created an Indicative Portfolio based on market analysis and analysis of country specific climate NDCs information (see also Annex 2) (additional in depth and specific GHG analysis for all selected countries will be completed during the Funding proposal preparation phase) with the following characteristics:

- USD 4 Billion invested into 20 exclusively Green Bonds/Loans of an average USD 200 million
- Each Green Bond/Loans has an average of 2 underlying projects
- 60% invested into private sector projects and 40% into sub-sovereign projects
- Invest 40% in Africa, 40 in Asia-Pacific, 20% in Latin America and the Caribbean and 10% in the Mediterranean

Table 1. Result Areas and Underlying Sectors

	Energy Access and Power Generation	**Low Emission Transport**	**Buildings, cities and industries and appliances**	**Forestry and land use**
Portfolio %	**40%**	**15%**	**40%**	**5%**
Mitigation	Solar, Wind and Hydro Plants	Clean Road, Rail and Shipping transport	Green buildings	Sustainable Forestry
Mitigation	Power Plants Modernisation and mini- and micro grids	Electric charging infrastructure	Energy efficiency in industry and manufacturing	
Mitigation and Adaptation			Sustainable infrastructure	Sustainable and food-secure agricultural production and processing
Adaptation			Sustainable wastewater and waste management	Water efficiency and security
Adaptation			Climate resilient port and harbor development and flood protection	Sustainable Ecosystem Management and Livelihood Ecosystem Services

The percentages are indicative and subject to market opportunities. The Indicative Portfolio will be further refined during the due diligence process and substantiated with mitigation and adaptation parameter numbers (i.e. for carbon reduced or avoided, jobs created, people reached) from realized projects in the target countries and in comparable countries.

Adaptation Impact

GGC has determined its focus sectors (A.5) and countries (B.4) and have built an artificial portfolio based on these countries and sectors. These will include both public, private and public-private investments. Vulnerability assessments for the specific sectors in the specific countries that GGC focusses on will be part of the analysis and will enable the further refinement of the pipeline. This will be finalized before submission of the Funding proposal to GCF and in communication with GCF.

Currently, GGC's high level estimate of the impact is that there will be one direct beneficiary per USD 25 of equity used by GGC to issue guarantees subject to the make-up of the portfolio. For example, climate resilient water and sanitation investments may well increase the ratio of number of direct beneficiaries per USD of equity utilised whilst land/flood protection projects may lower the ratio.

Based on this rough estimate of one beneficiary per USD 25 of equity utilised and a total opening equity position of USD 250 million we expect that GGC will reach 10 million direct beneficiaries via its guarantees. GGC expects that the total number of direct and indirect beneficiaries are about equal based on the analysis of other adaptation portfolios, although this varies up to a factor of 100+ among projects. The number of beneficiaries

		relative to total population is hard to give at this stage because we do not know yet in which countries and sectors GGC will be active. GGC designs its methodology based on The Green Bond (and Loans) Principles and the Climate Bonds Standard and Certification Scheme. The implications of the EU taxonomy for sustainable activities for GGC are not fully clear yet as the EU taxonomy is still in development. The basis of the GGC methodology, including a state of art digital platform, is to be the market-leader in Climate Financing related ESG Monitoring and Reporting through ESG target setting of selected KPIs related to the nature of the business of the borrowers, monitoring of the use of proceeds and other KPIs by the borrowers (monitoring by the issuers, lenders and by GGC directed consultants) and annual and tailor-made reporting. GGC will build the capacity to assist issuers and lenders not so familiar in ESG Monitoring and Reporting. This will be elaborated further in the funding proposal.1
Paradigm Shift Potential	Innovation	There are several research papers and reports produced by industry and academic experts which look at the barriers to mobilizing climate finance into developing countries. https://assets.bbhub.io/company/sites/55/2021/03/CFLI_Private-Sector-Considerations-for-Policymakers-April-2021.pdf https://imperialcollegelondon.app.box.com/s/ge9thj52rcehma4bwxyt0fchi3q2niv5 What all these reports conclude in common is that new ideas and innovations are needed to mobilise greater climate finance at scale. There are presently no other guarantee companies focused on mobilizing hard currency debt from global capital markets into developing countries. GGC would therefore be the first ever guarantee company to exist with this specific objective which makes it innovative and ground-breaking. Furthermore, as explained in Section C.1 the unique ability of a guarantee company to leverage its capital offers the opportunity for GCF to benefit from a mobilization ratio of up to 32x thereby offering to bring investors into climate investments at the scale that the research papers and reports conclude is essential to meet the Paris targets. Annex 3 provides a draft Theory of Change diagram for GGC.
	Potential for Scaling Up and Replication	As well as mobilising capital the guarantee also plays an important role as a capacity building tool. This is because the guarantee does not come between the bond issuer and bond investor building a direct relationship. Consequently, by being forced to face each other the bond issuer and bond investor can learn about each other over a period of time with the guarantor acting as an “safety blanket” should there be any unexpected issues. The nature of the guarantee is that it can be removed from a financing structure without complication, which means that should the initial information asymmetry between a bond issuer and bond investor be resolved then they have the bond investor has the option to invest in future bonds by the same issuer or similar issuers without the need for third-party credit enhancement. This increase in capacity of the bond investor will be replicated across multiple bond investors in a single bond transaction and thereby has the potential to enable green bond issuance from developing countries to scale exponentially.
	Potential for Knowledge and Learning	GGC’s additionality is also premised on the risk assessment and structuring solutions it deploys when guaranteeing transactions – methods of which can be proliferated after its demonstrated success. Risks and concerns are initially allayed via the guarantee, however dissemination of

		the structuring solutions and case studies of how the guarantor gained comfort to expose its capital, can permeate through the marketplace allowing for similar structures and terms to be deployed for stand-alone transactions. Such additionality will be highly valuable to a market looking for solutions to deploy capital in sustainable finance especially from developing countries.
	Contribution to the creation of an enabling environment	GGC will have the flexibility to cover green loans as well as Green Bonds. This flexibility will enable arrangers to warehouse these Green Loans with the objective of building portfolios which can then be listed as green securitisations (guaranteed by GGC) on the global capital markets once critical mass has been achieved. This flexibility will also create a pathway for GGC to mobilise climate finance into eligible green projects which would be too small to access the global capital markets on a standalone basis.
	Contribution to the regulatory framework and policies	GGC will apply IFC Performance Standards and the ICMA Green Bond Principles in relation to ESG standards and disclosures. Additionally, both DGG and GGC will meet international best practice in respect of areas of regulation and compliance (e.g. Know Your Customer). GGC will work with issuers in developing countries to help them build the necessary assessment and reporting frameworks and their capacity to engage constructively with investors in global capital markets.
Sustainable Development Potential	Economic Co-Benefits	GGC expects to mobilise at least USD 4 billion of private sector climate finance into developing countries within a 20-year period.
	Social Co-Benefits	The immediate opportunities for GGC identified by the Origination Partners have the scope to address a number of the Sustainable Development Goals ("SDG") including Sector SDGs 6, 7, 9, 11 and 15, and cross sector SDGs 1, 5, 8, 10, 12, 13 and 16.
	Environmental Co-Benefits	The Climate Bond Initiative highlights the following sectors in which green bonds/loans have been certified to date: https://www.climatebonds.net/standard/available
Needs of Recipients	Absence of alternative sources of financing	The COP16 Accord states that: "developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries". According to the United Nations it is not realistic that this target has been met. https://www.un.org/sites/un2.un.org/files/100_billion_climate_finance_report.pdf
Country Ownership	Alignment with national climate strategy and priorities	GGC has the potential to mobilise at least USD 4 billion of additional climate finance from developed countries into developing countries to enable those countries to meet their NDCs. Annex 2 provides an overview of how GGC's investment strategy (as outlined in Table 1 located earlier in Section B.3) aligns with the published Nationally Determined Contributions ("**NDC**").

	Capacity of Executing Entities to Deliver	A capability analysis of DGG to execute the business plan is provided in Annex 1.
	Expected volume of finance to be leveraged	As explained in sections B.2.1 and B.2.4, it is the intention of GGC to be provide guarantees up to 8x the value of its capital. On this basis GGC expects to be able to mobilise at least USD 4 billion of private sector climate finance into developing countries in the next 10 years.
	Ration of Co-Financing	GCF's callable equity can be immediately leveraged by GGC's paid-in cash equity by 2 times. Collectively both paid-in and callable equity will be leveraged up to a further 8 times (over 10 years).
	Financial Adequacy	GGC is going to be run on a fully commercial basis and therefore the expectation is that shareholders, including GCF, invest in the equity on a non-concessional basis.

B.4. Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)

Africa: Cote D'Ivoire, Egypt, Kenya, Morocco, Nigeria, Senegal, South Africa, Tunisia

Asia: Bangladesh, Indonesia, Philippines, Vietnam

Latin America and the Caribbean: Brazil, Dominican Republic, Ecuador, Guatemala, Jamaica, Peru, Trinidad & Tobago

To date no formal engagement with the NDAs has taken place but this will commence immediately once GCF has confirmed that GGC is eligible to move to the funding proposal stage.

C. Indicative Financing/Cost Information (max. 3 pages)

C.1. Financing by components (max ½ page)

The following table provides an overview of the investors with whom DGG has commenced discussions and their respective indicative investment appetite for GGC. These indications of appetite for GGC are non-binding and subject to successful completion of due diligence, internal approval processes and legal documentation.

Tranche	Amount USD m	Potential Founding Shareholder	Appetite USD m
~~Cash~~ Equity	125	~~Foreign, Commonwealth & Development Office~~To Be Confirmed ~~European Union~~ ~~US Development Finance Corporation~~	~~50~~125 ~~50~~ ~~25~~
~~Callable~~ Equity	125	Green Climate Fund	125
Callable ~~Debt~~Capital	250	To Be Confirmed	250
TOTAL	**500**		**500**

As explained in sections B.2.1 and B.2.4, it is the intention of GGC to be provide guarantees up to 8x the value of its equity capital. On this basis, GGC expects to be able to mobilise at least USD 4 billion of private sector climate finance into developing countries in the next 10 years.

Consequently, it is expected that GCF will have a potential mobilisation ratio of 32x (USD 4 billion portfolio/USD 125 million GCF investment).

C.2. Justification of GCF funding request (max. 1 page)

GCF's participation fits squarely within GGC's ambitions to attract both private and public capital to join in an innovative initiative. The use of public sector capital combined with private sector equity participation to mobilise multiple folds more of private capital is a highly efficient blended finance opportunity that can be matched with other solutions.

It is proposed that GCF invests on commercial terms like other investors and not on a concessional basis. The value that GCF brings to GGC will be in the form of the strong alignment it will have with the climate and ESG objectives of the beneficiaries of GGC's guarantees and the credibility its participation will give GGC with the international rating agencies from which GGC will need to secure investment grade credit ratings to enable it to operate.

C.3. Sustainability and replicability of the project (exit strategy) (max. 1 page)

The expectation is that as GGC delivers portfolio growth and builds a track record of profitability and dividend payments that an exit for the founding shareholders (including GCF – the mechanism of which needs to be agreed with other shareholders if the callable equity remains unpaid at exit) will be facilitated either through a secondary sale of their shares to private sector investors or via a listing on a global equity market.

D. Supporting documents submitted (OPTIONAL)

☐ Map indicating the location of the project/programme
☒ Diagram of the theory of change
☐ Economic and financial model with key assumptions and potential stressed scenarios
☐ Pre-feasibility study
☐ Evaluation report of previous project
☐ Results of environmental and social risk screening

Self-awareness check boxes

Are you aware that the full Funding Proposal and Annexes will require these documents? Yes ☒ No ☐

- Feasibility Study
- Environmental and social impact assessment or environmental and social management framework
- Stakeholder consultations at national and project level implementation including with indigenous people if relevant
- Gender assessment and action plan
- Operations and maintenance plan if relevant
- Loan or grant operation manual as appropriate
- Co-financing commitment letters

Are you aware that a funding proposal from an accredited entity without a signed AMA will be reviewed but not sent to the Board for consideration? Yes ☒ No ☐