



GREEN
CLIMATE
FUND

| GCF.10 |

| 10 YEARS OF CLIMATE IMPACT |

GCF REGIONAL DIALOGUE

with EAST AND SOUTH ASIA

Colombo, Sri Lanka
14–17 September 2026

Climate Finance in Sri Lanka

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Sri Lanka – Climate Priorities

Sri Lanka's climate priorities are anchored in its **NDC 3.0 (2026–2035)**, **National Adaptation Plan**, and **National Climate Finance Strategy (2025–2030)**, with a strong emphasis on mobilizing international support to implement conditional targets.

- **Adaptation priorities**

- Adaptation priorities span **agriculture, water, biodiversity, health, urban planning, fisheries, coastal zones, and disaster risk reduction**, emphasizing resilience, early warning systems, and nature-based solutions.
- **Key adaptation commitments**
 - ❖ **Water security:**
 - ❖ **Climate-smart agriculture:**
 - ❖ **Fisheries and coastal resilience:**
 - ❖ **Urban resilience:**
 - ❖ **Disaster risk reduction and early warning:**

Mitigation priorities

Overall target

As per the NDC 3.0, reduce 20.09% of GHG emissions from business-as-usual (BAU) levels by 2035, with 8.11% unconditional and 11.98% conditional on international support. Increase net carbon removal by 4.49% above BAU through forestry and natural ecosystems.

GHG emission reduction commitment

- reduce the cumulative GHG emissions by 20.09% and to increase net removal of carbon by 4.49%.

Clean power transition and energy efficiency

- reduce power-sector emissions by 33.9% while maintaining 70% renewable energy from 2030, avoiding new coal, adding gas for reliability, and cutting electricity demand by ~30,000 GWh through efficiency.

Sustainable transport shift and fleet efficiency

- increase the share of public transport (bus and rail) from 35% in 2025 to 40% by 2030 and 50% by 2035; improve fuel economy and emissions performance of the vehicle fleet by 25% by 2035.

Circular industry and low-emission cooling

- promote circular economy practices across industries, including the development of eco-industrial parks and villages; transition industrial and commercial refrigeration systems to low global warming potential technologies.

Integrated waste management

- achieve a 20.8% reduction in GHG emissions over 10 years through integrated waste management approaches aligned with the waste hierarchy.

Agriculture

- reduce post-harvest losses and enhance value addition of crops.

Forest expansion and land restoration

- expand forest cover to 32% by 2035 through sustainable forest management, restoration of degraded lands, and tree planting outside forests

Partnership with GCF

5

Number of total projects

106.1 million

Total GCF financing

6

Number of readiness activities

7.5 million

Readiness support approved

3.29 million

Target beneficiaries

7.27 million

Target tonnes of emissions avoided (lifetime)

National Designated Authority



Ministry of Environment

Direct Access Entities



International Access Entities



Empowered lives.
Resilient nations.



Food and Agriculture
Organization of the
United Nations

Accomplishments and impact of GCF investments

Two National projects worth USD 101.1 million and Four GCF Readiness Grants have delivered 8 concept notes, the updated NAP, 9 Provincial Adaptation Plans and Four Multi Country Projects.

National Projects

1. Climate Resilient Integrated Water Management Project (CRIWMP) –

Successfully Completed

Accredited Entity: UNDP

Total Budget: USD 52.1 million (USD 38 million GCF)

Coverage: 6 districts across the Dry Zone in 3 river basins

- 325 village irrigation systems across 20 cascades were rehabilitated
- the project established 7 community water supply units, 90 advanced filtration systems, and over 4,100 rainwater harvesting tanks
- installed 10 automatic rainfall stations, 25 automated water level sensors,

2. Strengthening Climate Resilience of Subsistence Farmers and Agricultural Plantation Communities in the Knuckles Mountain Range Catchment

ongoing project

Accredited Entity: IUCN

Total Budget: USD 49.0 million (USD 39.78 million GCF grant)

Project Duration: 6 years (17 January 2023 – 16 January 2029)

Objective: Build climate resilience and food security for subsistence farmers in upstream/downstream rural communities.

GCF Readiness Project	Major Deliverables
1 st NDA Readiness Project Completed	• Operation Manual and Stakeholder Engagement Strategy for GCF-related activities in Sri Lanka.
2 nd NDA Readiness Project Completed	• Climate-Smart Green Growth Strategy and Investment Plan; Project Development Working Group • Accreditation Help Desk within the Ministry
3 rd NDA Readiness Project Completed	• Sri Lanka's technology needs for mitigation and adaptation across 15 sectors • National Climate-Smart Agriculture Investment Plan;
NAP Readiness Project Completed	• Sri Lanka's second NAP (2026 – 2035) with costed, adaptation action plans for 13 sectors; • Nine costed Provincial Adaptation Plans (PAPs); • Gender and Social Action Plan (GSAP); • Institutional arrangements set up (at national and sub-national level); • Monitoring, Evaluation & Learning (MEL) framework • Financing framework – feasibility of National Adaptation Fund, thematic bonds and blended finance

- 4th NDA Readiness is approved on 5th December 2023
- 5th NDA Readiness Approved on 12th March 2025
- USD 3 million Multi Year Readiness is submitted on 4th September 2026

Future Climate Priorities and Financing Gaps for Sri Lanka

Aligned with Sri Lanka's climate priorities from NDC3.0 and reviewed NAP and the National Climate Finance Strategy (2025–2030)

Future Climate Priorities

LOW-CARBON TRANSITION

- Renewable energy, grid modernization & storage
- Energy efficiency and low-emission transport
- Circular industry, cooling and integrated waste management

CLIMATE RESILIENCE & ADAPTATION

- Climate-resilient water and irrigation
- Climate-smart agriculture
- Coastal, marine and ecosystem resilience

INVESTMENT & IMPLEMENTATION

- Bankable public and private climate project pipelines
- Stronger project preparation and investment readiness
- Nature-based solutions and socially inclusive climate action

Key Financing Gaps

- 1 Scale & affordability**
High upfront costs and limited public resources constrain investment.
- 2 Adaptation finance**
Long payback periods and uncertain returns limit private investment.
- 3 Project bankability**
More feasibility work, project preparation and investment-ready pipelines are needed.
- 4 Risk & cost of capital**
Credit, currency, technology and climate risks raise financing costs.
- 5 Private capital mobilization**
Greater use of blended finance, guarantees and risk-sharing is required.

The financing challenge is not only to mobilise more climate finance, but to structure finance to unlock investment at scale.

Innovative Financing Opportunities for Sri Lanka

GCF.10

Building on financing instruments identified in the National Climate Finance Strategy

01

Catalytic Climate Finance

Blended finance & de-risking

Use concessional finance, guarantees and risk-sharing to make priority climate investments bankable and mobilize private capital.

Renewables • storage • water • resilient infrastructure • agriculture

GCF role: catalytic capital • guarantees • project preparation

02

Green & Blue Capital Markets

Sustainable investment

Build a pipeline of climate- and nature-aligned investments that can access green, blue, sustainability and sustainability-linked finance.

Energy • water • nature • sustainable infrastructure

GCF role: technical assistance • pipeline development • market demonstration

03

Climate Resilience Finance

Risk transfer + resilience investment

Combine disaster-risk insurance, concessional finance and risk-sharing to strengthen financial resilience to climate impacts.

Farmers • SMEs • vulnerable communities • resilient infrastructure

GCF role: premium support • risk-sharing • concessional finance

From financing individual projects → to building a climate finance ecosystem that mobilises public, private and market capital.



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Thank you

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