



**GREEN
CLIMATE
FUND**

Meeting of the Board
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Provisional agenda item 10

GCF/B.46/02/Add.21

5 October 2026

Consideration of funding proposals – Addendum XXI

Funding proposal package for FP328

Summary

This addendum contains the following seven parts:

- a) A funding proposal summary titled “Transformation Pathways Initiative (TPI)”;
- b) No-objection letter(s) issued by the national designated authority(ies) or focal point(s);
- c) Environmental and social report(s) disclosure;
- d) Secretariat’s assessment of the project-specific assessment approach applicant;
- e) Independent Technical Advisory Panel’s assessment;
- f) Response from the project-specific assessment approach applicant to the independent Technical Advisory Panel’s assessment; and
- g) Gender documentation of the funding proposal.

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The designations and the presentation of the materials used in this document, including their respective citations, maps and references, have been included by the relevant project-specific assessment approach applicant and do not imply the expression of any opinion whatsoever on the part of the Green Climate Fund concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Also, the boundaries and names shown, and the designations used in this document have been included by the relevant project-specific assessment approach applicant and do not imply official endorsement or acceptance by the Green Climate Fund.

Pursuant to the Comprehensive Information Disclosure Policy of the Fund, the funding proposal is being circulated on a limited distribution basis only to Board Members and Alternate Board Members to ensure confidentiality of certain proprietary, legally privileged or commercially sensitive information of the entity.

Funding Proposal

Programme title: Transformation Pathways Initiative (TPI)
Côte d'Ivoire, Dominican Republic, Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa, Uzbekistan

Countries:

PSAA applicant: Finance in Motion Asset Management S.a.r.l.

Date of first submission: 2025/04/25

Date of current submission 2026/07/18

Version number V.12



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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the [GCF Information Disclosure Policy](#), project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

A. PROJECT/PROGRAMME SUMMARY				
A.1. Project or programme	Programme	A.2. Public or private sector	Private	
A.3. Request for Proposals (RFP)	Not applicable			
A.4. Result area(s)			GCF contribution	Co-financers' contribution ¹
	Mitigation total		80 %	80 %
	☒ Energy generation and access		17.5 %	17.5 %
	☒ Low-emission transport		5 %	5 %
	☒ Buildings, cities, industries and appliances		57.5 %	57.5 %
	☐ Forestry and land use		0 %	0 %
	Adaptation total		20 %	20 %
	☒ Most vulnerable people and communities		10 %	10 %
	☒ Health and well-being, and food and water security		10 %	10 %
	☐ Infrastructure and built environment		0 %	0 %
	☐ Ecosystems and ecosystem services		0 %	0 %
A.5. Expected mitigation outcome (Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)	31.15 MtCO _{2e}	A.6. Expected adaptation outcome (Core indicator 2: direct and indirect beneficiaries reached)	Total # of direct and indirect beneficiaries 1,445,781	
			# of direct beneficiaries 38,465	# of indirect beneficiaries 1,407,315
			% of direct beneficiaries in total population 0.01%	% of indirect beneficiaries in total population 0.45%
A.7. Total financing (GCF + co-finance ²)	720.0 million USD	A.9. Project size	Large (Over USD 250 million)	
A.8. Total GCF funding requested	187.0 million USD			

¹ Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or Programme described in the funding proposal.

² Refer to the Policy of Co-financing of the GCF.

A.10. Financial instrument(s) requested for the GCF funding	☒ Grant <u>12.000.000</u> ☐ Loan <u>Enter number</u> ☐ Guarantee <u>Enter number</u> ☒ Equity <u>175.000.000</u> ☐ Results-based payment <u>Enter number</u>		
A.11. Implementation period	Total implementation period 20 years (of which 5-year ramp-up period and 15-year investment & wind-down period. Each GCF equity contribution has a 15 year tenor) With the option for the GCF, at a future date, to extend the tenor of its equity contributions by 5 years and thereby extend the total implementation period to up 25 years³	A.12. Total lifespan	35 years
A.13. Expected date of AE internal approval	11/18/2026	A.14. ESS category	I-2
A.15. Has this FP been submitted as a CN before?	Yes ☒ No ☐	A.16. Has Readiness or PPF support been used to prepare this FP?	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	NOT APPLICABLE Yes ☐ No ☐	A.18. Is this FP included in the country programme?	Yes ☐ No ☒
A.19. Complementarity and coherence	Yes ☒ No ☐		

³ With any decision on extension to be taken in line with the relevant GCF Policy on Restructuring and Cancellation

A.20. Executing Entity information

- Finance in Motion Asset Management S.a.r.l. (Finance in Motion or FiM) will be the Accredited Entity for the Programme under the Project Specific Assessment Approach (PSAA) modality.
- Finance in Motion will act as Executing Entity for Component 1 and Component 2 Activities 2.1.1 and 2.1.2.
- The Transformation Pathways Initiatives Fund and the General Partner (both to be established as Luxembourg domiciled entities) will act as Executing Entities for Component 1.
- Local Financial Institutions (FIs) will act as Executing Entities for Component 1 Activity 1.2.1.
- The United Nations Industrial Development Organization (UNIDO; GCF Accredited Entity since 21 August 2020) will act as Executing Entity for Component 2 Activities 2.2.1 and 2.2.2.

A.21. Executive summary

Climate change problem

The industrial and agrifood productive sectors are cornerstones of economic development across the Transformation Pathway's Initiative's (TPI) 10 target emerging markets and developing economies (EMDEs): Côte d'Ivoire, Dominican Republic, Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa, and Uzbekistan. Together, industry and agrifood systems account for over 40% of global greenhouse gas (GHG) emissions.^{4 5} At the same time, these sectors are severely vulnerable to increasing climate risks including heat stress, prolonged droughts, changing precipitation patterns which disrupt production processes and threaten supply chains.

Despite their significant contribution to global emissions, low-GHG industrial transformation has received only 2% of tracked international climate finance^{6,7}

Institutional investors face constraints entering emerging market climate finance due to fiduciary duties, regulatory requirements (such as capital charges), and risk-return hurdles. To allocate capital safely, pension funds and insurers require specific conditions: scale, broad geographical diversification, product standardization, and investment-grade risk mitigation.

Proposed interventions

The Transformation Pathways Initiative (TPI) mobilizes institutional private capital to accelerate low-GHG industry and the transformation to climate-resilient agri-food systems across emerging markets. The TPI is designed as a blended debt fund with a closely linked, targeted technical assistance facility. It deploys targeted blended debt to companies within segments of industrial value chains where the deployment of proven climate technologies is constrained by structural financing and capacity barriers. The fund provides a clear thematic focus by driving investments in priority sectors that differ between countries based on climate relevance, relevance for socio-economic development, financing additionality and implementation feasibility, and by focusing on four core investment topic: (i) Efficiency and Circularity, (ii) Industrial Renewables, (iii), Electrification and Sustainable fuels and (iv) Climate-smart Agrifood Systems. Tailoring the fund's investment strategy to national contexts, priorities and needs has been a proven component of the multi-country funds that FiM currently manages to ensure both additionality and complementarity of the provided finance, as well as successful uptake of the funds' offerings in the local context (i.e. ensuring demand). Tailoring the fund's investment strategies to country needs also aligns with the priorities expressed by NDAs to target a broad range of sectoral and technological focus areas within industry and agri-food systems.

4 IPCC Sixth Assessment Report, Working Group III, Chapter 11

5 IPCC Sixth Assessment Report, Working Group III, Chapter 11

6 Climate Policy Initiative. (2024). Global Landscape of Climate Finance 2024

7 BCG (2025) Financial Institutions Global Asset Management Report 2025: 23rd Edition

Table 1: Target technologies by investment topic and expected shares in overall portfolio

EFFICIENCY & CIRCULARITY	INDUSTRIAL RENEWABLES	ELECTRIFICATION & SUSTAINABLE FUELS	CLIMATE-SMART AGRI FOOD SYSTEMS
52.5%	17.5%	10%	20%
- Energy efficiency (industrial & agri EE equipment/machinery, process optimization, energy management) - Efficient buildings & infrastructure - Resource & material efficiency, incl. bio-based materials/inputs, recycling & low-carbon waste management	- Renewable power generation (captive/self-consumption, corporate off-take) - Renewable heat - Battery storage systems	- Electrification (e.g., industrial heat pumps, induction & microwave heating, etc.) - Low carbon-fuels, e.g., bio-energy switch and green hydrogen - Electric vehicles & infrastructure	- Soil conservation practices (e.g., reduced tillage, crop cover, etc.) - Water & irrigation systems - Climate-resilient crops & aquaculture - Climate-risk management solutions - Value chain resilience
			Mitigation Adaptation

Component 1: Transformation Pathways Initiative – Blended Finance Debt Fund

Component 1 deploys USD 700 million in blended debt capital in a revolving manner. The financial structure is designed to directly address the barriers faced by institutional investors. By utilizing the GCF's first-loss junior equity to absorb idiosyncratic market risks, the TPI creates an investment-grade senior risk profile. The fund structure provides the risk mitigation, scale, and diversification that pension funds and insurers require, facilitating the mobilization of institutional capital into emerging market low-GHG industry. The TPI addresses structural financing and capacity barriers faced by local companies in industry and agri-food systems by investing through two distinct delivery channels:

- **Intermediated lending:** Deploying about 60% of the portfolio via Financial Intermediaries (FIs). A focus lies on **'Complex-to-abate' fragmented value chains** targeting SMEs whose climate investments are too small and dispersed for direct international financing, but who remain structurally excluded from local commercial credit due to short loan tenors, rigid collateral requirements, and a lack of technical readiness. By providing mid- to long-term debt and technical assistance to local FIs, the TPI aggregates this demand and creates transformative impact within local financial sectors.
- **Direct lending:** Deploying approximately 40% of the portfolio through targeted corporate and project financing, to both address **hard-to-abate emission sources** and **bridge the 'missing middle' financing gap across sectors**. These are capital-intensive investments requiring ticket sizes (e.g., USD 10–45 million) that are often too large, long-dated, or structurally complex for local commercial banks, yet fall below the typical minimum transaction thresholds of direct Development Finance Institution (DFI) financing. Crucially, direct financing demonstrates the commercial viability of complex, capital-intensive low-GHG and resilience investments that are underserved by local banks, creating replicable models that can be scaled and financed by broader markets over time.

Component 2: Transformation Pathways Initiative – Technical Assistance Facility (TAF)

Operating alongside the Fund, Component 2 is a USD 20 million TAF (comprised of USD 12 million from the GCF and USD 8 million from other donors).

- The Finance Track, executed by Finance in Motion (FiM), delivers transaction-enabling services and helps green partner FIs by building their climate-aligned strategies and green loan products.
- The Market Track, executed by UNIDO, brings deep expertise in delivering sector-level technical assistance. UNIDO provides investment readiness advisory to SMEs, works with sector associations on knowledge-sharing, leads proactive, localized stakeholder and community engagement, and engages with regulators to strengthen enabling environments and unlock private-sector investment opportunities.

The TPI utilizes a highly capital-efficient, revolving fund structure. GCF's catalytic first-loss junior equity contribution of USD 175 million achieves a lifetime private capital mobilization of over 1:10. This explicitly demonstrates the transformational impact of leveraging institutional investments.

The TPI is executed by FiM, drawing on FiM's 15-plus year track record in originating and managing climate-focused debt portfolios across diverse EMDEs, its extensive local presence and in-depth technical expertise across the target sectors and technologies included in the TPI. FiM manages EUR 4.3 billion in assets with an outstanding cumulative track record⁸. Rigorous, demonstrated credit risk management prudently leverages GCF's first-loss junior shares.

Climate results

To meet national resilience needs, the TPI allocates 20% of the fund specifically to climate adaptation, bridging industrial mitigation with agrifood resilience. The fund recognizes that integrated industrial and agrifood value chains face a compounded climate threat: agri-food systems are highly vulnerable to physical climate shocks, while downstream value-added processing is often locked into carbon-intensive technologies. The Programme benchmarks favourably on mitigation impact relative to the requested GCF contribution and tenor. Over its 20-year lifespan, the TPI is estimated to reduce 31.1 MtCO₂e of GHG emissions and directly benefit nearly 39,000 people (and over 1,400,000 indirectly) through enhanced resilience, based on a conservative definition of beneficiary.

⁸ Figures as of Q4 2025

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context

Climate change problem Industry and agri-food productive sectors are cornerstones of economic development, as well as major contributors to global GHG emissions. Industry accounts for over a third of total GHG emissions, with direct emissions of 14.1 gigatons (Gt) CO_{2e} and 5.9 Gt CO_{2e} arising from indirect emissions, primarily linked to electricity consumption⁹. The primary drivers of industrial GHG emissions are power consumption and the combustion of fossil fuels for process heat, followed by emissions from industrial processes, product use, and waste. Agrifood systems add an additional 8%¹⁰, underscoring their significance in the climate challenge.

These sectors have seen significant growth in the Programme's target countries, with manufacturing activity more than doubling on average on a per capita basis over the last 20 years and almost tripling on an absolute basis¹¹. These sectors are forecast to continue to grow significantly under a business-as-usual scenario with **major and increasing contributions from EMDEs**, who account for over half of global manufacturing value-added and roughly two thirds of manufactured goods consumption. Immediate action to reduce GHG emissions from global value chains is essential, with most investments required in EMDEs, where industry and agrifood systems are expanding rapidly and shaping future emissions trajectories. At the same time, GHG mitigation in the sector is found to be cost efficient but hindered by systemic financial and non-financial barriers (see below). According to CPI research, **reducing emissions in industry is more cost-effective**, measured in GHG avoided per USD, than energy sector interventions, on average, and 2-3 times more efficient than mitigation efforts in the transport or buildings sector¹². However, low-GHG emission transitions in industry are starkly underfunded in EMDEs. In recent years, the sector received on average 2% of tracked climate finance, with underfunding particularly severe in EMDEs¹³.

Although dynamics vary across countries and industrial sub-sectors, **the industrial and agrifood sectors in EMDEs are deeply interconnected within broader, often export-oriented value chains**. These value chains are central to economic development, driving job creation and economic growth across emerging markets. Export-oriented industries, often operating with tight margins, can benefit from embracing low-GHG, climate resilient technologies, especially as global markets increasingly demand sustainable practices. Meeting value-chain driven climate-related requirements can strengthen market access and foster economic resilience. By prioritizing competitiveness alongside climate action, EMDEs can position themselves as leaders in the global transition to a low-GHG economy, driving both economic development and environmental stewardship. Agri-food systems face a particularly compounded climate threat: industrial value-added processing and manufacturing is locked into carbon-intensive, inefficient technologies, while agri-food systems are highly vulnerable to physical climate shocks. This presents a unique transformational opportunity: TPI interventions can provide both mitigation benefits (low-GHG interventions for processors and manufacturers) and adaptation benefits (e.g. resilient practices/technologies for producers) across value chains.

Mitigation needs and GHG emissions profile

While the industrial and agrifood sectors are critical to economic development across the TPI target countries, their continued reliance on fossil fuels and inefficient technologies presents a major low-GHG transformation challenge. To outline the specific mitigation needs across the target regions, Table 1 details the baseline GHG emissions profile and the key sectoral drivers currently locking industry and agri-food systems into carbon-intensive pathways.

⁹ IPCC Sixth Assessment Report, Working Group III, Chapter 11

¹⁰ IPCC Sixth Assessment Report, Working Group III, Chapter 7; 8% exclude emissions from deforestation and other land-use changes

¹¹ Relative change based on manufacturing value-added on a per capita basis and absolute change adjusted for population growth. UNIDO (2024) Data Browser – SDG 9 indicators

¹² Based on data in Climate Policy Initiative (CPI), 2025, *Global Landscape of Climate Finance* on climate finance needs and GHG mitigation potentials by 2030.

¹³ CPI, 2024, *Global Landscape of Climate Finance* 2024; based on average total climate finance in 2021/22.

Table 1: Baseline emissions profiles (2023) and key drivers per country. Note: Industrial emissions include industrial process emissions, emissions from energy use in manufacturing/construction and from electricity use in industry/construction. Source: Climate Watch data for 2023; UNSD Electricity Profiles 2023, Ember Carbon Emissions Intensity 2023.

Country	Baseline Total GHG Emissions ex. LULUCF (per capita)	Industry share of GHG emissions	Key drivers for GHG emissions in industry and agri-food systems
Côte d'Ivoire	52 MtCO ₂ e (1.7 tCO ₂ e p.c.)	42.5%	– Significant self-generation across manufacturing and agro-processing, as well as large industrial process emissions – Cocoa, cashew, rubber and palm-oil processing add material industrial energy demand.
Dominican Republic	47 MtCO ₂ e (4.1 tCO ₂ e p.c.)	29.5%	– Imported fossil fuels underpin industrial electricity and process heat demand. – Manufacturing, refrigeration and cold-chain activity are key sources of industrial energy use.
Ecuador	77 MtCO ₂ e (4.3 tCO ₂ e p.c.)	13.2%	– Inefficient industrial energy use raises production costs and emissions intensity. – Food processing, aquaculture, cement and ceramics are principal emissions sources.
India	4,125 MtCO ₂ e (2.9 tCO ₂ e p.c.)	32.8%	– Coal-based power and process heat remain central drivers of industrial emissions. – Chemicals, pharmaceuticals, textiles and metals add substantial energy-intensive demand.
Mexico	715 MtCO ₂ e (5.5 tCO ₂ e p.c.)	26.7%	– Fossil fuels remain material for industrial heat and manufacturing processes. – Cement and export-oriented manufacturing contribute significantly to industrial emissions.
Nigeria	307 MtCO ₂ e (1.3 tCO ₂ e p.c.)	9.4%	– Unreliable grid supply drives diesel self-generation, likely understating industrial emissions. – Cement, petrochemicals and agro-processing are growing sources of fossil-fuel demand.
Peru	115 MtCO ₂ e (3.4 tCO ₂ e p.c.)	23.6%	– Fossil fuels remain important for industrial heat and manufacturing processes. – Cement, textiles, paper, packaging and agro-industry concentrate industrial emissions.
Serbia	68 MtCO ₂ e (10.0 tCO ₂ e p.c.)	19.0%	– Carbon-intensive electricity and high energy intensity drive industrial emissions. – Ageing industrial assets constrain efficiency and sustain elevated emissions intensity.
South Africa	458 MtCO ₂ e (7.2 tCO ₂ e p.c.)	29.3%	– Coal-fired electricity creates high indirect emissions across industrial users. – Chemicals, metals, machinery and food processing are major energy-intensive subsectors.
Uzbekistan	190 MtCO ₂ e (5.3 tCO ₂ e p.c.)	23.3%	– Natural gas dependence drives emissions from power, heat and industrial production. – Textiles, construction materials and manufacturing remain energy-intensive emissions sources.

Adaptation needs, climate hazards and vulnerabilities

Climate hazards and agrifood vulnerability The agri-food systems across the TPI's 10 partner countries represent a critical backbone of economic development, rural employment, and food security. However, these value chains are highly exposed to escalating physical climate risks. Under moderate and high-emission climate scenarios (RCP4.5 and 8.5), mean annual temperatures in the targeted partner countries are projected to rise by 2 to 5°C by the end of the century. This warming is accompanied by increasingly erratic precipitation patterns, severe water stress, and the escalating frequency of droughts and heatwaves.

These climate hazards translate directly into severe operational and economic vulnerabilities. For example, in South Africa, rising temperatures and prolonged droughts are projected to reduce the yields of staple crops like maize by up to 30% by mid-century, while heat stress and declining pasture quality could reduce meat and dairy yields by 10-15%. Across the target regions, climate variability continuously disrupts supply chains, accelerates post-harvest spoilage, and threatens the business continuity of the agro-processing sector and livelihoods of people employed in agriculture, their families and communities.

Causality and adaptation impact pathways To address these vulnerabilities, the TPI dedicates 20% of its financing to adaptation interventions within agrifood systems. By providing patient, risk-tolerant debt through both intermediated and direct lending channels, the TPI enables the deployment of climate-resilient agriculture and resilient processing technologies.

The Programme's adaptation approach is based on a clear impact pathway, linking identified climate hazards to climate impacts on agrifood systems, targeted adaptation interventions, and resulting resilience outcomes for vulnerable communities, workers, and enterprises.

Table 2 illustrates the causal logic by mapping the relationships between key climate hazards, affected systems, examples of adaptation investments that may be supported by the TPI, and the resilience outcomes they are expected to achieve.

Table 2: Adaptation impact pathways for TPI adaptation investment examples in agrifood systems

SECTOR	CLIMATE HAZARD	CLIMATE IMPACT	EXPOSED SYSTEM	TPI RESPONSE	ADAPTATION OUTCOME
PRIMARY AGRICULTURE & SMALLHOLDER SUPPLY CHAINS	Prolonged droughts, erratic precipitation, and severe water stress.	Declining agricultural productivity due to water shortages, soil degradation, and shifting rainfall patterns.	Agricultural soils, crop yields, livestock production, and vulnerable rural livelihoods.	Financing soil conservation practices; advanced water storage; efficient irrigation systems; the adoption of drought-resistant crop varieties.	Enhanced soil moisture retention; stabilised agricultural productivity; reduced dependency on strained water resources; and safeguarded incomes against climate shocks.
AGRO-PROCESSING & COLD CHAIN LOGISTICS	Rising temperatures, extreme heat-waves, and flooding.	Heat stress accelerates post-harvest spoilage and increases cooling costs. Flooding and extreme weather events damage logistics infrastructure and disrupt power supplies to critical processing facilities.	Agro-processing facilities, cold-chain infrastructure, food security, and SME business continuity.	Financing enhanced refrigeration and cooling systems, water reuse and recycling, and captive renewable-storage solutions to ensure power reliability during grid outages.	Reduced post-harvest product losses, improved water security for processing, ensured business continuity during extreme weather, and protected food security.

While the above table presents the sector-level adaptation impact pathways and overarching causal logic of the Programme, climate risks and resilience needs vary across TPI's target countries. The Programme will therefore apply these impact pathways in country-specific contexts characterized by different hazard profiles, exposure levels, and vulnerability patterns.

To provide a high-level overview of these differences, **Error! Reference source not found.** summarises the principal climate hazards affecting agrifood systems in the ten target countries, the key risks and impacts for agricultural value chains, and indicative categories of adaptation investments that may be supported through the TPI. The table illustrates how the Programme's adaptation strategy responds to diverse local climate challenges while maintaining a consistent focus on strengthening resilience, safeguarding productivity, and supporting climate-resilient livelihoods. Detailed country-level analyses of hazards, impacts, vulnerability considerations, and potential adaptation measures are provided in Annex 23.

Table 3: Analysis of climate hazards, risk/impacts and potential adaptation activities per country

COUNTRY	KEY CLIMATE HAZARDS	MAIN AGRIFOOD RISKS & IMPACTS	PRIORITY ADAPTATION MEASURES
CÔTE D'IVOIRE	Rising temperatures, rainfall variability, flooding, drought, wildfire risk	Declining cocoa yields, heat and water stress, infrastructure damage from flooding	Climate-smart agriculture, agroforestry, efficient irrigation, water storage, flood protection, early warning systems
DOMINICAN REPUBLIC	Heat, drought, changing rainfall patterns, hurricanes and tropical storms	Yield reductions in sugarcane, coffee, cocoa and banana; storm damage to agricultural assets	Water-efficient irrigation, drought management, resilient storage infrastructure, storm-proofing and early warning systems
ECUADOR	Heat stress, drought, flooding, extreme rainfall, El Niño-related events	Reduced yields of maize and rice, water scarcity, flood and landslide damage	Climate-smart agriculture, water conservation, flood management, resilient infrastructure and early warning systems
INDIA	Extreme heat, drought, flooding, erratic monsoons, wildfire risk	Reduced crop yields, lower livestock productivity, water scarcity and food security risks	Heat-resilient farming, efficient irrigation, water storage, flood management and wildfire prevention
MEXICO	Rising temperatures, drought, water stress, flooding	Yield declines in maize, wheat, beans and rice; reduced livestock productivity and water availability	Water-efficient irrigation, drought-resilient crops, flood-resilient infrastructure and soil moisture management
NIGERIA	Heat stress, drought, flooding, rainfall variability	Lower productivity of staple crops, increased crop failures and livelihood risks for smallholders	Irrigation expansion, water storage, drought adaptation, flood management and climate-resilient agriculture
PERU	Rising temperatures, glacier retreat, drought, flooding	Reduced water availability, lower agricultural productivity, increased flood damage	Water resource management, efficient irrigation, flood protection and climate-resilient farming practices
SERBIA	Heat stress, drought, flooding, wildfire and erosion risks	Higher irrigation demand, lower agricultural productivity and increasing water scarcity	Efficient irrigation, water management, erosion control, heat adaptation and wildfire prevention
SOUTH AFRICA	Heat stress, drought, water scarcity, flooding, wildfires	Significant yield losses in maize and wheat, declining water availability and growing climate vulnerability	Water-efficient technologies, drought-resistant crops, flood protection and wildfire management
UZBEKISTAN	Extreme heat, water scarcity, drought, flooding	Major yield losses for wheat and cotton, heightened pressure on irrigated agriculture	Efficient irrigation, water-saving technologies, drought adaptation, flood management and climate risk planning

The Climate Finance Gap: climate investments in developing countries remain far below the levels needed to align with global climate goals - particularly in sectors such as industry and agrifood systems, which are both high-impact and underfunded. Significant financing gaps persist in both mitigation and adaptation, with emerging markets especially constrained in mobilizing private capital at scale. According to CPI's most recent Top-Down Climate Finance Needs report, developing countries require more than USD 2.4 trillion annually by 2030, yet actual flows cover less than one-third of this need. The TPI Programme target markets alone

require over USD 200 billion annually based on the results of a related bottom-up assessment by CPI, noting that study has only partial country/needs coverage (i.e. provides a conservative/ underestimate) (Table 4). The UNFCCC Standing Committee on Finance has consistently emphasized that public and concessional resources alone are insufficient to meet this scale of demand and that substantially increased mobilization of private capital, particularly long-term institutional capital, is essential to achieving climate objectives in EMDEs.¹⁴ Global institutional investors collectively manage capital in the order of USD 130 trillion, the vast majority of which remains concentrated in advanced economies rather than deployed in emerging markets. Redirecting even a small share of around 1–3% of institutional assets toward well-structured, appropriately de-risked investments could substantially close the climate finance gap in EMDEs.

Investment in climate-resilient agri-food systems face a specific financing gap. Small and mid-sized agribusinesses face mounting costs for water and adaptation technologies but are structurally underserved by commercial banks. Because agribusinesses often experience seasonal cash flows and high exposure to commodity and weather volatility, local lenders view them as high-risk. Furthermore, commercial banks are often reluctant to provide the mid-to long-term debt required for resilience investments (such as advanced irrigation or cold-chain infrastructure) because the financial returns of adaptation are often realized as "avoided crop losses" or "export-market continuity" rather than contracted, immediate cash flows.

The Programme directly addresses the financing shortfall in industry and agri-food systems by channelling blended capital towards companies and project companies that address key mitigation and adaptation needs in industry and agrifood systems in strategically selected countries. Through four core investment themes – i) efficiency & circularity, ii) industrial renewables, iii) electrification & sustainable fuels, and iv) climate-resilient agriculture, in country-specific priority sectors, the Programme responds to the mitigation and adaptation needs of industrial and agri-food sectors. It does this in alignment with the target countries' national priorities including Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and other climate and/or sustainable industrial development strategies.

Average bottom-up climate finance needs by 2030 based on NDC, by country and objective (USD bn)						Sectors covered in financing needs and/or NDC target & measures and/or national climate policies/strategies		
Country	Yearly needs 2021 - 2030 (average scenario) 2022 USD bn				Cumulative needs 2021 - 2030 (average scenario) 2022 USD bn	Industry	AFOLU*	Energy
	Mitigation	Adaptation	Multiple Objectives	Total				
Côte d'Ivoire	1	1	0	2	20	•	•	•
Dominican Republic	1	1	0	2	19	•	•	•
Ecuador			0.7	0.7	6.5	•	•	•
India				83	834	•	•	•
Mexico	17	0	0	17	168	•	•	•
Nigeria	19	0	0	19	191	•	•	•
Peru	N/A	N/A	N/A	N/A	N/A	•	•	•
Serbia	N/A	N/A	N/A	N/A	N/A	•	•	•
South Africa	7	16	0	23	228	•	•	•
Uzbekistan	N/A	N/A	N/A	N/A	N/A	•	•	•
Total/Average	45	18	1	147	1466	21	21	21

*Agriculture, forestry, other land use

Sources: Climate Policy Initiative, 2024, Bottom-up Climate Finance Needs

Climate Watch by World Resources Institute; National policies & strategies

Table 4: Financing needs and priority sectors¹⁵

Alignment with national priorities

The TPI contributes to operationalising the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of the 10 target countries. Combined, industry and agri-food systems contribute an average of 42% (25% for industry only – including direct and indirect emissions) of total baseline emissions across these target markets, meaning their transition to low-GHG pathways is a strict prerequisite for these nations to achieve their Paris Agreement commitments.

¹⁴ UNFCCC Standing Committee on Finance (2024/2025), *Sixth Biennial Assessment and Overview of Climate Finance Flows*

¹⁵ Finance needs by 2030 may differ from numbers provided in original NDCs as values in Table 2 are in USD billion (2022).

The TPI's four investment themes directly support specific national policy targets:

- **Mitigation Targets (NDCs):** The Programme's focus on efficiency and electrification and industrial renewables directly supports highly specific national mitigation goals. For example, Côte d'Ivoire's NDC targets a 20% increase in industrial energy efficiency and the addition of 490 MW of solar capacity by 2030. India's NDC commits to a 45% reduction in the emission intensity of its GDP which is heavily industry driven and achieving 50% non-fossil power capacity by 2030. Similarly, Nigeria's NDC explicitly models 14 MtCO₂eq in mitigation potential from industrial processes, while Uzbekistan aims to double its national energy-efficiency indicator and achieve 25% renewable power generation by 2030.
- **Adaptation Targets (NAPs):** To support the Programme's 20% adaptation allocation, TPI aligns with the agricultural and supply-chain resilience priorities defined in host country NAPs. For instance, the NAPs of the Dominican Republic and Ecuador explicitly prioritize increasing water-use efficiency and adopting climate-resilient technologies in food production. Mexico and South Africa similarly prioritize resilient agricultural production systems, disaster risk management, and the protection of food security in their national strategies.

Alignment with Sustainable Finance Strategies Crucially, while the financial sector is not always explicitly referenced in overarching NDCs, all target countries have established or are developing national climate, green or sustainable finance strategies. These strategies formally recognize the key role of the local financial sector to achieve national climate targets. By deploying a target share of 60% of the TPI's investments via intermediated lending and providing Technical Assistance to green local partner FIs, the TPI directly supports these national financial sector policies, transforming local banks into conduits for NDC implementation.

More details on each country's GHG emission profile, mitigation needs, policy framing, and expected interventions can be found in Annex 2.

Complementarity and Coherence

The TPI complements (see Annex 2 for a more detailed review) the efforts of multilateral financing sources – including the Global Environment Facility, Adaptation Fund, Climate Investment Funds (CIF), and existing GCF projects – as well as regionally relevant DFIs – including IFC, IDB, AfDB, EBRD and local DFIs – by significantly expanding the availability of private-sector climate finance in underfunded sectors such as industry and agrifood systems. Finance in Motion has a more than 15-year track record in providing private debt offerings that are complementary and additional to DFI lending strategies, as evidenced by the significant investments (approx. USD 1.2 billion as of Q4 2025) of eight different MDBs/DFIs in funds managed by Finance in Motion.

The TPI will provide terms and structures that have strict financial additionality versus commercial market practices. Financial additionality derives from several features: a higher risk appetite that allows lending to less established or riskier entities; favourable risk-adjusted pricing/return requirements; willingness to take junior positions in loan syndications to crowd in other private financiers; flexibility to offer longer tenors; and the ability to structure non-standard terms, collateral requirements, and limited or non-recourse financing. The TPI will scale-up proven, and grow emerging, climate solutions through intermediated financial sector channels (targeting primarily SMEs) and direct lending (targeting companies and project companies/SPVs). The fund's target countries have established various baseline programmes to address industrial emissions and agricultural resilience. A comprehensive, country-by-country mapping of these baseline interventions, and the specific financing gaps within them, is detailed in the Feasibility Study (Annex 2). The TPI is explicitly designed to complement, rather than duplicate existing national and multi-country climate finance initiatives, including by supporting investments that no longer require grant-based or highly concessional sovereign programmes that lack the scale and private-sector leverage to transform entire industrial sectors. At the same time, the TPI complements large-scale DFI lending e.g. the CIF Industry Decarbonization Program which typically target major corporates in heavy-emitting sectors (like primary steel or cement) through the TPI's explicit focus on private institutional capital mobilisation and private sector investment channels, solutions, and investees, as well as by catering to the "missing middle" of investment/ticket sizes that typically are too

large/non-standard for local lending practices, yet fall under the threshold of DFIs to be considered for financing.

The TPI has also been structured to ensure **strong coherence with GCF's broader portfolio**. It seeks to:

- **Scale up activities previously piloted** through GEF and GCF projects by expanding financing for proven technologies and business models in low-GHG industry and climate-resilient agrifood systems.
- **Leverage parallel financing** and selected **co-financing opportunities** from existing and upcoming projects, ensuring coordinated deployment of concessional capital and maximizing catalytic impact.
- **Support the mainstreaming of climate finance** within domestic financial systems by working directly with local financial institutions, with targeted technical assistance to enhance sustainable finance capacities, pipeline development, and climate impact monitoring.
- Facilitate the **dissemination of best practices** and climate investment standards across financial intermediaries and corporate borrowers, reinforcing alignment with the methodologies and safeguards of other climate funds.

Specific complementarity with other GCF funded investments and technical assistance is analysed as part of the initial assessment of pipeline companies for investments by the Blended Finance Debt Fund, and as part of the planning of TA activities under the Finance and Market Track (see Annex 21).

PROJECTS / PROGRAMME	COMMON COUNTRIES	REMAINING GAPS / BARRIERS	TYPE OF SYNERGIES
FP025 – EBRD: GCF-EBRD SEFF Co-financing Programme: The TPI is complementary to prior FP025 by building on the foundational climate finance ecosystems partially established through EBRD's SEFFs. In overlapping geographies, the two programmes can coordinate through common local financial institutions, syndicated FI lending, and shared TA efforts.	Serbia	Shortage of mid- to long-term debt financing at the local level on appropriate, commercial terms, including for investments that are of a size below the focus of most DFIs but beyond the scope of local financial sectors.	While FP025 focuses on small-scale EE/ RE improvements with concessional elements, the TPI enables larger climate-resilient CAPEX and transformational investments across agrifood and industrial sectors. TPI can help scale up scale up investment activities of FIs graduating from SEFF engagement, making the projects into natural complements in both scope and sequencing.
FP095 - AFD: Transforming Financial Systems for Climate: The TPI complements FP095 by deepening sectoral focus in climate-resilient agriculture and low-GHG industry - sectors that are climate-critical but underserved. TPI deploys financing with strict financial additionality versus commercial market practices, and targets larger private-sector actors, including agribusinesses and industrial firms, which are outside the primary focus of FP095. The overlap in geographies provides opportunities to scale up climate lending ecosystems, and the two initiatives operate at complementary ends of the climate finance value chain.	Cote d'Ivoire, Ecuador, Nigeria, South Africa	Lack of targeted lenders familiar with specific industry/ technology risks, and within the corporate sector, oftentimes a low awareness of characteristics and benefits of low-GHG climate-resilient technologies. Shortage of mid- to long-term debt financing at the local level on appropriate, commercial terms.	The TPI leverages the capacity gains FP095 creates in FIs to deliver actual transaction flow, while offering technical assistance tailored to project- and borrower-level needs. FP095 builds financial system readiness; the TPI activates climate investments at scale.
FP140 – EBRD: High Impact Programme for the Corporate Sector: In overlapping markets, the two initiatives can operate in parallel and synergistically: FP140 targets larger corporates able to commit to GHG or resilience KPIs, using SLL/PBF mechanisms.	Serbia, Uzbekistan	Shortage of mid- to long-term debt financing at the local level on appropriate, commercial terms, including for investments that are of a size below the focus of most DFIs but beyond the scope of local financial sectors. Within the corporate sector, especially for SMEs, there is oftentimes a low	TPI can finance smaller/mid-sized firms and builds the local finance ecosystem (via local FIs) and offers TA to improve investment readiness. This structure enables graduated engagement: Companies supported by the TPI could later qualify for SLLs under FP140, local FIs supported by the TPI could co-

		awareness of characteristics and benefits of low-GHG climate-resilient technologies.	finance deals with EBRD or refer pipeline.
FP212 – FMO: &Green Fund: Investing in Inclusive Agriculture and Protecting Forests: The &Green Fund and the TPI offer complementary financing solutions that, when combined, can accelerate the transition to sustainable, climate-resilient and deforestation-free agriculture. The &Green Fund focuses on large-scale commodity producers, providing tailored financing, while the TPI works	Cote d'Ivoire, Ecuador	Shortage of mid- to long-term debt financing at the local level on appropriate, commercial terms, including for SMEs and mid-sized agribusinesses. FP212 engagement focused on land-use related sectors.	TPI complements FP212 through its focus on industry more broadly and - in the agri-business sector - by targeting SMEs through local financial institutions and direct lending to medium-sized agribusinesses (typically further downstream in value chains), ensuring that smaller agribusinesses also receive financing for low-GHG and climate-resilient improvements.
FP230 – COFIDES: Kualu Fund-GCF: The Kualu Fund-GCF invests in local financial service providers (small banks, MFIs, cooperatives, non-bank financial institutions etc) to support climate-smart agriculture, adaptation and mitigation solutions for vulnerable SMEs, smallholder farmers and households with a strong focus on land-use sectors, climate-smart agriculture and financial inclusion. TPI complements this by focusing on low-GHG industry, agro-processing, manufacturing and value-chain transformation, and by mobilizing larger volumes of medium- to long-term debt.	Peru, India	Shortage of medium- to long-term financing for climate investments requiring payback periods beyond typical microfinance or SME lending tenors. Limited availability of financing for low-GHG industrial technologies, climate-resilient processing infrastructure, resource-efficiency investments, and larger-scale corporate climate investments. Lack of local lenders with experience assessing technology and transition risks in industrial and agro-industrial sectors.	TPI provides a natural scale-up pathway by financing larger climate investments. Capacity built under Kualu can generate climate-focused borrowers and FIs that subsequently graduate to larger climate transactions financed by TPI. Together, the two programmes address different segments of the financing market and create a continuum from early-stage inclusion-focused climate finance to transformational investment and capital mobilization
FP253 – EBRD: Greening Financial Systems: Delivering Climate Finance for All: FP253 and TPI complement each other well. Both FP253 and TPI support climate mainstreaming without duplicating efforts. In common markets, co-financing opportunities are anticipated, with FP253 enhancing FI pipelines and TPI scaling climate-aligned finance to real economy actors.	Serbia, Uzbekistan	Within the corporate sector, oftentimes a low awareness of characteristics and benefits of low-GHG climate-resilient technologies. Shortage of mid- to long-term debt financing at the local level on appropriate, commercial terms and lack of targeted lenders familiar with specific industry/ technology risks	FP253 builds climate finance capacities within selected financial institutions, while the TPI targets debt to agribusinesses and industrial actors directly or through FIs. The TPI finances technologies beyond energy efficiency, including resource efficiency, electrification, and bio-based inputs.
TPI Additionality: To ensure continuous additionality over the Fund's 20-year lifespan, the TPI's assessment of each potential investment includes both a dedicated financial and non-financial additionality screening that is conducted ex-ante, prior to investment approval, and integrated into FiM's established Impact Scoring Tool. Further to this, given increasing market maturity, C&I solar investments must satisfy a dedicated additionality assessment against a market penetration threshold, that is systematically revised to reflect evolving market adoption. By subjecting every investment to a specific assessment of eligibility and additionality the Fund ensures that capital is directed toward activities that deliver meaningful climate additionality and accelerate market transformation beyond what would reasonably occur under a business-as-usual scenario.			
B.2 (a). Theory of change narrative and diagram			
Goal statement and intervention logic			

The Transformation Pathways Initiative (TPI) is designed to address a critical market failure: the structural inability of domestic and international financial markets to fund the low-GHG and climate-resilient transformation of industrial and agrifood value chains in Emerging Markets and Developing Economies (EMDEs).

The TPI Theory of Change (ToC) is anchored in the following logic:

IF the Programme mobilizes private capital through the blended-finance structure, strengthens the capacity of financial institutions and borrowers to identify, finance and implement low-GHG and climate-resilient investments, and improves the enabling conditions for climate finance in industry and agrifood systems,

THEN financial institutions and businesses in partner countries will increase investment in low-GHG technologies, climate-resilient practices and enabling infrastructure, accelerating the low-GHG transition and climate resilience of industry and agrifood systems,

BECAUSE the Programme reduces financial, technical and market barriers to climate investment, demonstrates the viability of climate-compatible business models, and embeds climate finance capabilities and incentives within local financial markets, catalysing sustained private-sector investment beyond the Programme's direct intervention.

The TPI is built around two mutually reinforcing components specifically designed to dismantle the interconnected financial, knowledge, and market barriers identified by the programme (Table 5):

Component 1: Blended Finance Debt Fund

TPI's blended finance debt fund **mobilizes private capital for low-GHG climate-resilient industry and agrifood systems (Output 1)**. The mobilization of private capital is achieved by establishing the Blended Finance Debt Fund in a way that makes it attractive to private investors, including institutional investors from developed countries and EMDEs, by continuous fund-raising with private investors and effective fund management (Activities 1.1.1 – 1.1.3).

Moreover, Component 1 directly leads to **increased investment in low-GHG climate-resilient industry, agrifood systems and enabling infrastructure in partner countries (Output 2)**. Component 1 acts to mainstream the deployment of climate solutions across these markets and helps to achieve levels of technology penetration that have their own commercial momentum and create viable markets without the support of targeted interventions like the TPI.

In doing so, Component 1 directly **reduces and avoids GHG emissions (Outcome 1)** and **increases the resilience of vulnerable people and communities involved in agri-food systems (Outcome 2)**. In addition, the investments in low-GHG climate-resilient industry, agrifood systems and enabling infrastructure lead to co-benefits such as supporting green jobs for men and women and water savings. Through the practical experience with undertaking such investments Component 1 also contributes to **improved private sector capacities for investments aligned with industrial low-GHG pathways (Outcome 3)**.

Component 2: Technical Assistance Facility (TAF)

To deepen and strengthen the Fund's climate impacts, including beyond the scope of the individual investments undertaken by the Fund, the TPI is accompanied by a **Technical Assistance Facility (TAF) (Component 2)** with a Finance Track and a Market Track.

Component 2 delivers **Output 2.1. Enhanced capacities of borrowers for preparing, implementing and reporting on low-GHG climate resilient investments and for gender-inclusive climate-compatible financial systems** and **Output 2.2. Improved investment readiness and market environment for low-GHG climate resilient industrial investments**.

- **Output 2.1 is implemented under the Finance Track** of the TAF through the provision of transaction enabling technical assistance services, incl. project preparation advisory, technical/E&S DD advisory and impact assessments & reporting (Activity 2.1.1) and through providing support for mainstreaming climate finance for (potential) investees and the financial sector, incl. development of green loan products, end-client advisory services, capacity building and training of staff (Activity 2.1.2).
- **Output 2.2 is implemented under the Market Track** of the TAF through providing investment readiness support incl. identification of low-GHG climate-resilient investments projects, targeted advisory support for next-gen technologies (Activity 2.2.1), and technical assistance for investment market development support and scaling via targeted capacity building and advisory support (Activity 2.2.2).

The two tracks of the TAF enable the investment activities of the Fund to succeed by creating a pipeline of capable investees and therefore leading to additional investments (Output 1.2).

A **focus on gender-equality**, not only in access to TA resources, but also in project design, is a feature of both TAF Tracks. All TA components integrate gender aspects where relevant to contribute to gender equality by addressing limited access to finance and capacity building of women borrowers and women entrepreneurs, as well as awareness raising on gender equality across different stakeholders in the industrial sector and agrifood systems.

The TAF also leads to **Outcome 3: Improved enabling environment** and public and private sector capacities for investments aligned with industrial low-GHG pathways, thereby contributing to the paradigm shift impact in the partner countries.

Barriers

The Programme has identified the following **key financial, capacity, market and regulatory barriers** to mobilizing large-scale private investments into the low-GHG transformation of industry in EMDEs and for an increased uptake of low-GHG, climate-resilient investments in the Programme's partner countries. The TPI initiative was designed in direct response to these barriers, as highlighted below (Table 5).

Table 5: Identified barriers, programme solutions and rationale for GCF involvement

Barrier type	Description of the barrier	TPI intervention	GCF additionality & rationale
1. Financial (Institutional Level)	Idiosyncratic EMDE risks: private sector, particularly institutional, investors are deterred by illiquidity of investments, high (perceived) country and sector/technology risks, historical volatility and regulatory hurdles for investing into EMDE debt.	Establishment of the TPI blended finance debt fund to mobilize private capital at scale (Output 1.1)	GCF first-loss equity is the indispensable catalyst. It absorbs frontier risks, elevating the Fund to an investment-grade profile that meets the strict fiduciary mandates of institutional investors, mobilizing private capital at a 1:10 ratio over the Fund's lifetime
2. Financial (Borrower Level)	High-upfront CAPEX requirements for investments in low-GHG climate-resilient solutions and a) shortage of mid- to long-term debt financing at the local level on appropriate terms, b) limited syndication and structured lending capacities, c) lack of targeted lenders familiar with specific industry/technology risks, and d) investments that are of a size below the focus of most	Deployment of targeted debt through both direct and intermediated FI channels (Output 1.2)	GCF concessionality allows the Fund to offer the patient, risk-adjusted, mid-to long-tenor debt necessary for climate investments that commercial lenders currently reject

	DFIs but beyond the scope of local financial sectors.		
3. Capacity (Financial Sector)	Financial sector familiarity: Local FIs lack the tools and experience to underwrite low-GHG technologies and agrifood adaptation	The TAF Finance Track (FiM) mainstreams climate finance within partner FIs via product development, staff training, and ESMS integration (Output 2.1)	GCF support ensures that FIs receive the bespoke, hands-on advisory needed to build institutional capacity, enabling them to systematically originate, underwrite, and manage climate-aligned loan portfolios
4. Market & Knowledge (Corporate Level)	Investee readiness: SMEs often lack the technical awareness and capacity to originate bankable, low-GHG and climate-resilient projects	The TAF Market Track (UNIDO) provides upstream investment-readiness advisory (e.g., energy audits, pre-feasibility studies) (Output 2.2)	GCF grant funding bridges the critical pre-investment gap, allowing UNIDO to systematically convert fragmented market potential into a derisked, bankable pipeline for the Fund
5. Regulatory & Enabling Environment	Fragmented ecosystems: Regulatory frameworks provide insufficient incentives for transition, compounding the risks for early movers	The TAF Market Track (UNIDO) engages with regulators and industry associations to strengthen policies and standards (Output 2.2)	GCF support enables systemic market-building, translating national policy signals into investable opportunities and ensuring long-term market sustainability

Core assumptions and risks

The ToC is based on the following **assumptions**:

- The market environment / macroeconomic conditions in partner countries stay within the range where a private debt fund can viably operate.
- There is continued growth of demand from companies in industry, agrifood systems and enabling infrastructure to invest in low-GHG climate resilient solutions.
- The international and national climate policy environment continues to support investments in low-GHG climate resilient industry and agrifood systems.

Risks to achieving the Programme's outputs, outcomes and climate goals include credit risk (relevant to Output 1.2), currency risk (relevant to Output 1.2), market risk and political country risk (relevant to Outputs 1.2, 1.1), ramp-up risk (relevant to Outputs 1.1, 1.2, 2.1, 2.2), legal risk (relevant to all outputs), refinancing risk (relevant to Output 1.1) and implementation risk (relevant to Output 1.2). These risks are further explained in chapter F.1.

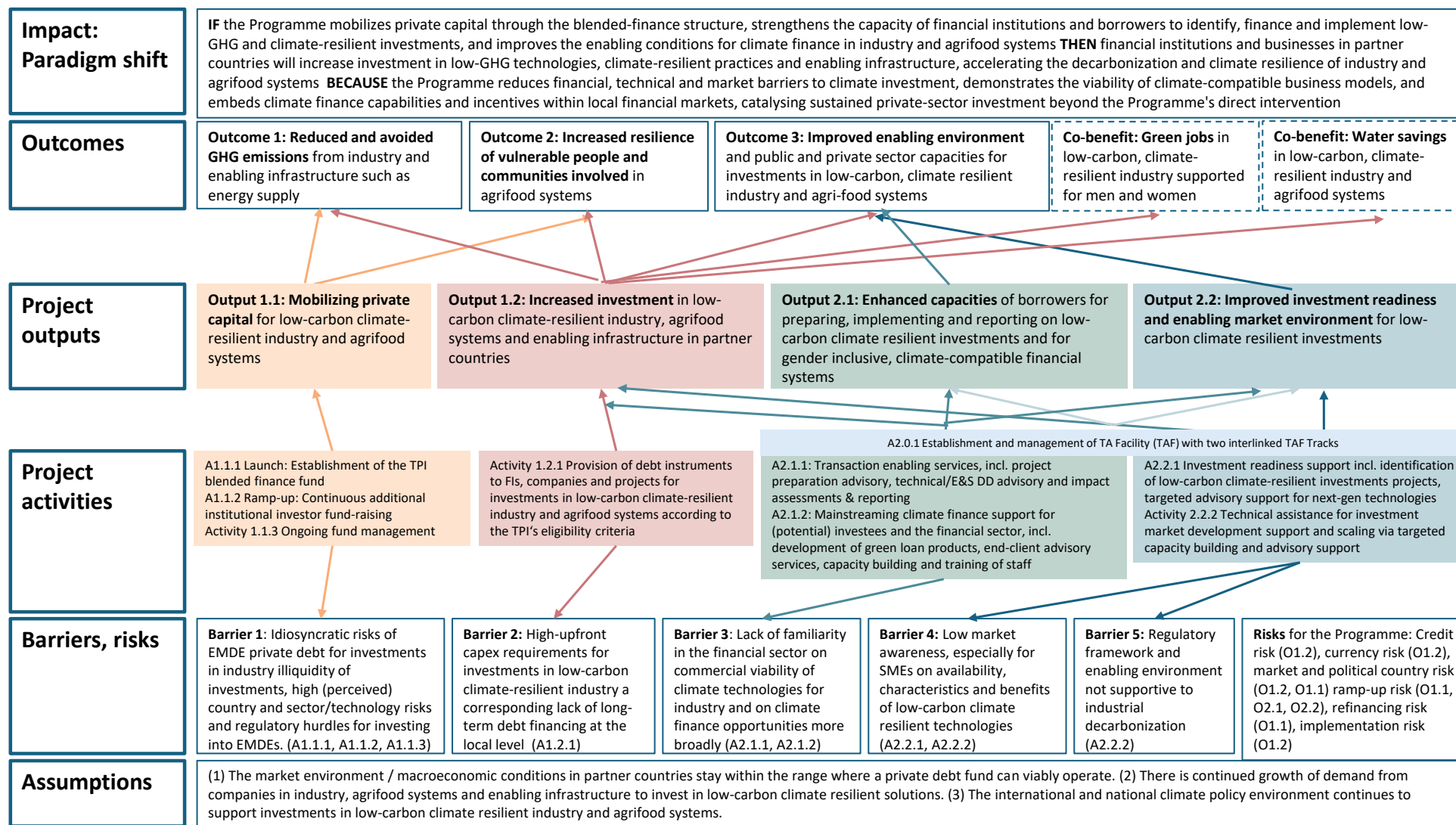


Figure 1: Transformation Pathways Initiative (TPI) Theory of Change

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	MRA 2 Low-emission transport	MRA 3 Building, cities, industries, appliances	MRA 4 Forestry and land use	ARA 1 Most vulnerable people and communities	ARA 2 Health, well-being, food and water security	ARA 3 Infrastructure and built environment	ARA 4 Ecosystems and ecosystem services
Outcome 1: Reduced and avoided GHG emissions from industry and enabling infrastructure	☒	☒	☒	☐	☐	☐	☐	☐
Outcome 2: Increased resilience of vulnerable people and communities involved in agri-food systems	☐	☐	☐	☐	☒	☒	☐	☐
Outcome 3; Improved enabling environment and public and private sector capacities for investments in low-GHG, climate resilient industry and agri-food systems	☒	☒	☒	☐	☒	☒	☐	☐
Co-benefit number	Co-benefit							
	Environmental	Social	Economic	Gender	Adaptation	Mitigation		
Co-benefit 1: Green jobs in low-GHG, climate resilient industry supported for men and women	☐	☐	☒	☐	☐	☐		
Co-benefit 2: Water savings in low-GHG, climate resilient industry and agri-food systems	☒	☐	☐	☐	☐	☐		

B.3. Project/programme description

Programme approach

Finance in Motion has a 15-plus year track record in successfully originating a pipeline of climate debt investments across diverse EMDEs and has deployed over USD 10 billion of impact capital in over 40 EMDEs. Leveraging this experience, the Transformation Pathways Initiative (TPI) will **mobilize private institutional capital to accelerate low-GHG industrial transformation and agri-food resilience across emerging markets**. The TPI is designed as a blended debt fund with a closely linked technical assistance facility.

It focuses on the segments of industrial and agri-food value chains, where the deployment of proven technologies and climate solutions is limited by structural financial and capacity barriers (Figure 2).

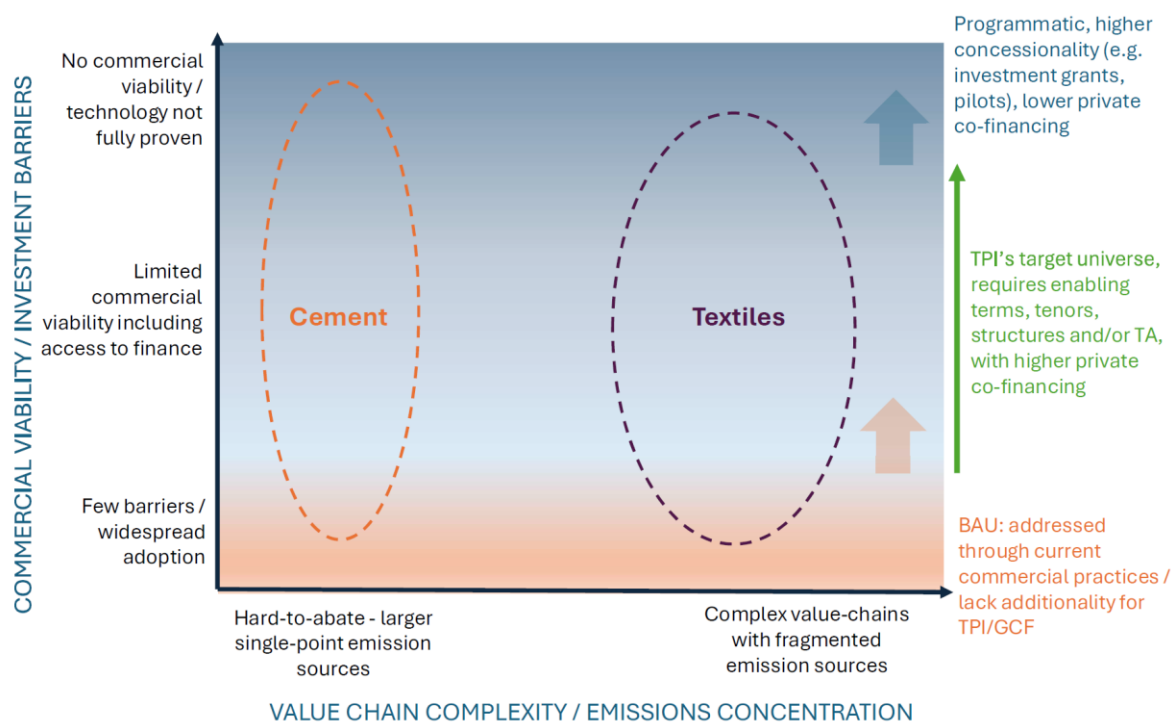


Figure 2: TPI target investment universe vs commercial viability (incl. investment barriers) and value chain complexity/emissions concentration¹⁶

Through its dual investment channels of intermediated financing and direct lending the TPI's addresses two largely distinct structural challenges:

- **"Complex-to-abate" Value Chains:** These are highly fragmented value chains with diffuse emission sources and often high vulnerability to climate risks, primarily consisting of a broad base of value-added processing and light-manufacturing SMEs and mid-sized companies in industry and agri-food systems. Because individual capital expenditures in this segment are relatively small, they are highly transaction-intensive and ideally suited to be served by the local financial sector rather than directly by international climate finance mechanisms. To address these, the TPI primarily utilizes intermediated lending (about 60% of its portfolio), working through local Financial Intermediaries (FIs). Backed by targeted technical assistance, this channel allows the TPI to aggregate smaller clean technology capital expenditures - such as high-efficiency motors, resource-efficiency upgrades, and efficient water or drip irrigation systems - leveraging local financial institutions to penetrate deep into fragmented market segments. Crucially, this indirect channel serves as a highly scalable mechanism to green the local financial sector by embedding climate-aligned lending practices into their core operations.

¹⁶ Finance in Motion (2026)

- **"Hard-to-abate" Sectors:** These involve larger, often single-point emission sources requiring highly capital-intensive upgrades (e.g., larger corporates and mid-market industrial facilities) that require larger, longer-tenor investments. Local commercial banks are typically unable to finance these interventions due to a structural lack of long-term liquidity, limits in single party lending volumes and corresponding lack of depth in local bank syndication markets, and/or a lack of technical expertise to assess emerging low-carbon and climate-resilient technology risks. To address this, the TPI primarily works through direct lending (approximately 40% of the portfolio), providing the scalable, mid- to long-term capital required for complex industrial upgrades. Crucially, direct financing demonstrates the commercial viability of complex, capital-intensive low-GHG and resilience investments that are underserved by local banks, creating replicable models that can be scaled and financed by broader markets over time. In selected markets, intermediated financing can also offer a channel to reach these typically larger firms, backed by appropriate long-term TPI financing and technical assistance.

The fund provides a clear thematic focus by prioritizing focus sectors within industry and agri-food systems at the national level based on their climate relevance, relevance for socio-economic development, financing additionality and implementation feasibility, and by driving investments through four investment topics: (i) Efficiency and Circularity, (ii) Industrial Renewables, (iii), Electrification and Sustainable fuels and (iv) Climate-smart Agrifood Systems (Figure 3), that align with NDCs and other national priorities. Tailoring the fund's investment strategies to country needs also aligns with the priorities expressed by NDAs to target a broad range of sectoral and technological focus areas within industry and agri-food systems.

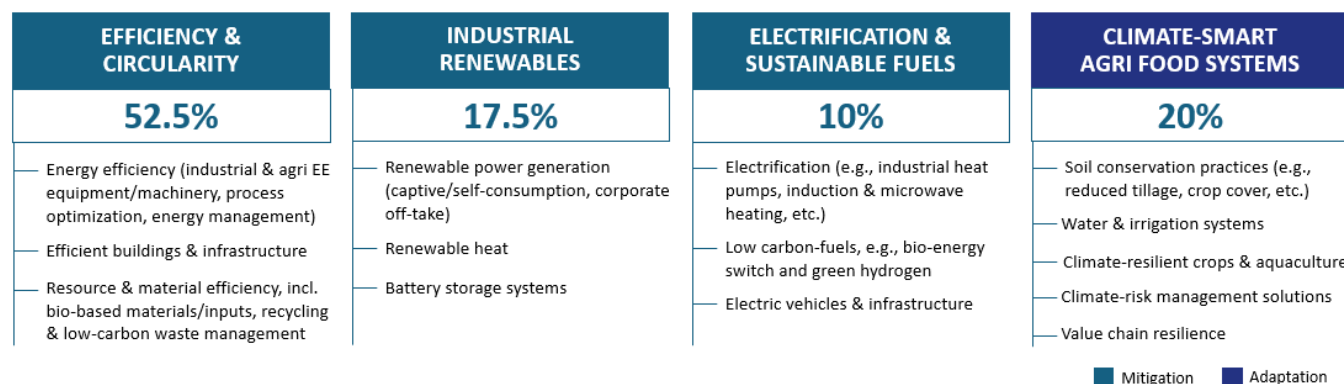


Figure 3: Target technologies by investment topic and estimated share in overall portfolio

The first three pillars are focused on climate change mitigation, contributing to a reduction in GHG emissions across industrial and agricultural value chains, while the fourth pillar focuses on enhancing the resilience of agri-food systems to the impacts of climate change. Each of these investment pillars need to massively scale their deployment across TPI target markets to achieve levels of technology and practice penetration that have their own commercial momentum. Within these themes, the fund targets replicable, but otherwise financing constrained, technology interventions and bottlenecks within export-oriented value-added processing, industry and manufacturing value chains.

Table 6 illustrates how the TPI's targeted interventions will resolve specific bottlenecks within high-impact priority sectors to unlock measurable low-GHG and climate-resilience outcomes.

Table 6: Climate needs and barriers, priority sectors and TPI interventions

Country	Identified barriers and gaps	Priority sectors	Sample TPI interventions
Côte d'Ivoire (Emerging industrial economy)	- Limited affordable long-term finance for industrial and agro-processing upgrades. - Cocoa, cashew, rubber and palm-oil chains face efficiency, logistics and bankability gaps.	- Agricultural production, processing and cold-chain logistics - Food and beverage manufacturing - Chemicals, plastics, and pharmaceuticals	- FI-led SME finance for efficient agro-processing, renewable cold chains and logistics. - TA for audits, project preparation and climate-impact assessment.

Dominican Republic (Emerging industrial economy)	– Fossil-fuel dependence exposes industry and agro-processing to power-cost volatility. – SMEs in food, beverage, packaging and chemicals lack longer-tenor capex finance.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing – Chemicals, plastics, and pharmaceuticals	– Finance for efficient boilers, motors, refrigeration, HVAC, water reuse and wastewater treatment. – TA for green SME products covering efficiency and resilient cold chains.
Ecuador (Mid-sized industrial economy)	– Agro-industry and aquaculture face water, climate-resilience and resource-efficiency constraints. – SMEs/mid-caps need longer-tenor finance and stronger pipeline, technical and climate-finance capacity.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing – Manufacture of non-metallic mineral products – Chemicals, plastics, and pharmaceuticals	– Direct/FI lending for efficient irrigation, resilient cold chains, cleaner production and processing renewables. – TA with associations, FIs and service providers for replicable investment models.
India (Large industrial economy)	– Emissions are driven by coal-based energy, energy-intensive manufacturing and fragmented MSME chains. – MSMEs face weak long-term finance and project preparation; – Agri-food value chains face adaptation needs around irrigation, storage and resilient supply chains.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing – Chemicals, plastics, and pharmaceuticals – Textiles, apparel, leather and footwear – Machinery, components and metal fabrication	– Direct lending for efficiency, process optimisation, electrified heat and fuel-switching. – FI lending for MSME efficiency and climate-resilient agri-food, with TA for audits and bankability.
Mexico (Large industrial economy)	– Industrial sectors rely on fossil fuels for process heat and face climate-competitiveness pressures. – Export-oriented SMEs/suppliers face high borrowing costs, compliance capex and longer-tenor debt gaps. – The market has relevant policy and investment activity, but gaps remain for structured, longer-tenor debt for industrial upgrades.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing – Manufacture of non-metallic mineral products – Electrical, Electronic & Medical Technology Manufacturing – Automotive and transport equipment	– Direct lending for efficiency, heat recovery and low-carbon materials in automotive, minerals and food. – Selective finance, efficient HVAC/cooling and BESS integrated RE for electronics and medical-device manufacturing.
Nigeria (Large industrial economy)	– Unreliable grid supply drives diesel self-generation across industry and agro-processing. – SMEs lack climate finance, TA and bankable preparation – Emissions concentrate in cement, petrochemicals and energy-intensive manufacturing.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing – Manufacture of non-metallic mineral products – Chemicals, plastics, and pharmaceuticals – Textiles, apparel, leather and footwear	– FI-led lending for efficient motors, refrigeration, boilers and processing equipment, as well as SME oriented RE replacing diesel generation – Selective direct lending for cement or chemicals/plastics efficiency, waste-heat recovery, alternative fuels or circularity where bankable.
Peru (Mid-sized industrial economy)	– Agro-export and processing chains face climate risks, water constraints and cold-chain/logistics needs. – Firms lack longer-tenor capex finance, project preparation and technical capacity for efficiency and resilience upgrades.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing – Textiles, apparel, leather and footwear – Machinery, components and metal fabrication	– SME credit lines for textile, food-processing and machinery efficiency, with TA for audits. – Direct/FI lending for irrigation, water-retention basins, resilient processing and cold chains
Serbia (Manu.-intensive economy)	– Ageing assets, high energy intensity and EU-linked supply-chain pressures drive manufacturing investment needs. – Exporters and SME suppliers face low-GHG transformation pressure, limited collateral and project-preparation barriers.	– Food and beverage manufacturing – Chemicals, plastics, and pharmaceuticals – Machinery, components and metal fabrication – Automotive and transport equipment	– FI-led/selective direct finance for efficiency, boiler/steam, compressed air, refrigeration, heat recovery and rooftop solar. – TA for feasibility, permitting, technical screening and climate-impact documentation.
South Africa	– Coal-based electricity and supply constraints create high Scope 2 emissions and operational risks.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing	– Direct finance for efficiency, heat recovery and resource efficiency.

(Large industrial economy)	– Mid-market firms need structured finance for efficiency, self-generation, heat recovery, process upgrades and water-resilient agri-processing. .	– Chemicals, plastics, and pharmaceuticals – Textiles, apparel, leather and footwear – Machinery, components and metal fabrication	– FI lending for water efficiency, resilient cold chains, process upgrades and circular materials.
Uzbekistan (Manu.-intensive economy)	– Energy-intensive manufacturing creates needs in textiles, food processing and construction-related manufacturing. – SMEs/mid-sized firms lack tailored climate finance and TA; agriculture faces heat, water scarcity and irrigation-efficiency challenges.	– Agricultural production, processing and cold-chain logistics – Food and beverage manufacturing – Textiles, apparel, leather and footwear – Machinery, components and metal fabrication	– FI-led lending for motors, boilers, chillers, waste-heat recovery, water reuse and rooftop solar. – Adaptation finance for drip irrigation, water-saving agro-processing and resilient cotton, wheat and food value chains

To enable this comprehensive approach, the TPI utilizes a blended finance structure designed to mobilize private capital at scale and on terms that allow the fund to provide financial additionality. This pooled fund structure translates emerging market private debt into standardized investment products that mitigate the specific risks, capital charges, and fiduciary constraints¹⁷ that otherwise deter private institutional capital. In this way, the Programme successfully crowds in institutional investors - such as pension funds, insurers, commercial banks, and other asset managers - channelling their resources into underfunded industrial and agrifood sectors in EMDEs to support both intermediated and direct lending modalities. Targeted technical assistance anchors and amplifies the impact of climate investments and thereby plays a key role in supporting the required transformation in TPI target markets.

Geographic focus

The TPI is structured as a multi-regional fund active in Côte d'Ivoire, Dominican Republic, Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa, and Uzbekistan. The Fund's partner countries were selected through a two-stage process combining climate impact potential, industrial relevance, climate vulnerability, and alignment with national climate priorities. A second screening assessed investment fundamentals, financing additionality, financial-sector depth, sovereign risk, and portfolio diversification. In this way, beyond supporting the programme's climate objectives, the country selection approach also seeks to create a geographically diversified and investable portfolio that is attractive to institutional investors and facilitates the mobilisation of private capital at scale. Participation in the final portfolio additionally required demonstrated government interest in the Programme and willingness to support the necessary GCF approval processes.

Spreading investments across these diverse geographies provides the diversification and scale needed to unlock institutional capital. This multi-country approach directly targets the financial and technical barriers preventing emerging markets from enacting low-GHG industrial transformation and adapting agrifood systems to climate impacts. By blending lower-middle-income countries (which face high investment risk-premiums) with larger manufacturing hubs, the TPI balances risk while effectively scaling clean-technology investments. Ultimately, this structure drives a paradigm shift: proving that low-GHG, climate-resilient investments are commercially viable across varied economies, thereby crowding in long-term private finance. Regarding the investment strategy, this multi-region approach allows the Fund to tap into a broader range of opportunities, leveraging the unique strengths and growth potentials of different markets. While one certain sector or climate solution may need financing in a specific market (e.g., more fundamental energy efficiency improvements delivered via local FI partners), a different climate solution or business model will require another financing strategy elsewhere (e.g., non-recourse structures for emerging ESCO/RESCO models). Crucially, having a diversified fund ultimately makes it possible for private institutional capital to flow to individual countries on suitable terms, which typically will not occur through a locally focused investment program where isolated risk profiles are often prohibitive.

¹⁷ As just one example, Solvency II, a cornerstone of European insurance regulation, steers insurers towards safer, more liquid assets, making riskier EMDE investments less attractive. Under Solvency II, the 'matching adjustment' allows insurers to discount long-term liabilities favourably but only for investment-grade assets with fixed cash flows, excluding many EMDEs with lower sovereign ratings. ODI (2025) Mobilising European Institutional Investors into Emerging Markets and Developing Economies

To address specific market failures and prevent the clustering of capital in a single market, the TPI establishes a target minimum financing allocation of USD 75 million per partner country over the Programme lifetime. Final investment volumes over time will be impacted by many factors including the prevailing operating environment in each country, noting the extended timeframe of the Programme. Portfolio concentration risks are further managed through strict regulatory exposure limits codified in the Fund's documentation. Beyond these structural risk parameters, the portfolio intentionally combines countries with differing levels of market maturity and size of economy. By blending diverse countries, the Fund leverages deeper local financial sectors to scale investments, while it includes underdeveloped markets to maximise climate-finance additionality.

Programme components

The Programme is implemented through two components – **Component 1: Transformation Pathways Initiative – Blended Finance Debt Fund** and **Component 2: Transformation Pathways Initiative – Technical Assistance Facility (TAF)**. The following describes for each component the results that will be achieved and the underlying outputs and activities.

Component 1: Transformation Pathways Initiative – Blended Finance Debt Fund

- Financed by 175 million USD junior shares contribution by the GCF, 525 million USD senior shares/notes contribution from private investors that revolve – i.e. are redeemed and reissued over the vehicle lifetime)
- Component 1 implemented by Finance in Motion as EE, further the TPI Fund as EE and, in respect of the on-lending of proceeds, local FIs as EEs. The TPI's direct and indirect investees (including via local FIs) are the beneficiaries.

The TPI will be established as a blended finance private debt fund that mobilizes investments in senior shares and notes from private investors, enabled by a first-loss junior share contribution of the GCF. The fund has a 20-year implementation period, including ramp-up and wind-down (see B.5. below for more details). The Blended Finance Debt Fund delivers Output 1.1 and 1.2 through the following activities:

Output 1.1 Mobilizing private capital for low-GHG climate-resilient industry and agrifood systems

- **Activity 1.1.1 Launch: Establishment of the Blended Finance Debt Fund:** FiM will document, register and launch the TPI (under FiM's licence as an Alternative Investment Fund Manager; AIFM) with an initial investor base including the GCF and private investors as co-financing. See Figure 4 in Chapter B.4 for a depiction of the Fund structure. In this activity the operational/legal documentation, and Fund governance will be finalized.
- **Activity 1.1.2 Ramp-up: Continuous institutional investor fund-raising:** Given the TPI's variable share structure and growth plan during the 5-year ramp up period, private fund-raising will continue in line with portfolio growth. The TPI will raise US\$ 525 million in institutional capital to reach full scale, including launch and ramp-up. The activity will be headed by FiM as EE, building on its successful track record in this regard and its existing investor relations and sales capacities, as well as third party distribution support¹⁸. The ongoing draw-down of the GCF junior shares will be matched with appropriate institutional capital co-financing per an agreed schedule with the GCF, with co-finance requirements specified in the term sheet which ensure that GCF capital is only subscribed if respective co-financing is mobilized simultaneously. With a Programme implementation period of 20 years, FiM will continuously manage the mobilization of new private capital over time given an assumed tenor of 7 to 10 years for senior shares and of 3 to 7 years for notes. This ensures that fund level co-financing ratios are maintained and that the junior capital achieves a targeted lifetime co-financing ratio (see B.5. below for more details).
- **Activity 1.1.3 Ongoing fund management:** This activity includes ongoing management of the TPI's portfolio and reporting on financial and non-financial (including impact and other KPIs) results to investors and

¹⁸ Pre-marketing activity demonstrates strong interest from key target institutional investors/limited partners (LPs), both existing investors in FiM funds, as well as new investors for whom the target sectors and climate focus are relevant. These are primarily leading insurance providers and pension companies. Finance in Motion brings strong experience in raising and growing blended-capital vehicles, having mobilised over USD 3 billion of private institutional capital to date, supported by junior public commitments.

stakeholders, including NDAs. Fund management comprises inter alia asset and liability management, portfolio risk management, financial reporting, ESG risk management, and impact monitoring and reporting. With a Programme implementation period of 20 years, FiM will continuously manage the re-investment of amortizing assets (as a revolving fund) to achieve the total targeted climate financing volume and the efficient leverage of catalytic/concessional capital (see B.5. below for more details). Through active liquidity monitoring and management, FiM ensures that maturing notes and senior shares can be repaid out of the available cash that the Fund holds and that the fund subscribes to sufficient new funding to fund the investment pipeline and maintain the targeted co-financing ratios.

Output 1.2 Increased investment in low-GHG climate-resilient technologies and practices in industry, agrifood systems and enabling infrastructure in partner countries

- *Activity 1.2.1 Provision of debt instruments to FIs, companies and projects for investments in low-GHG climate-resilient industry and agrifood systems according to TPI eligibility criteria:* The TPI will make investments that advance the low-GHG transition and future-proof industry by reducing GHG emissions and increasing the resilience of vulnerable communities to effectively address the varying needs of the market, the Fund deploys capital through intermediated and direct lending. The TPI applies the following (Table 7) indicative financing parameters to reach a broad range of companies by size and sector.

Table 7: Indicative Financing Parameters by Lending Modality

Modality	Target investee	Financing instruments	Indicative terms
Intermediated lending (60%)	Financial institutions (local commercial banks, leasing companies, NBFIs)	Senior or subordinated loans, bonds, or other debt instruments	– FI ticket size: USD 5–50 million – Average sub-loan ticket sizes: USD 200k (SMEs), USD 2.5m (corporates) – Tenors: typically 5 to 10 years
Direct lending (40%)	Mid-sized corporates & infrastructure SPVs	Corporate loans, project finance, and other structured debt instruments	– Direct ticket size: USD 5-50 million – Tenors: average 8 years (up to 15 years)

The asset split by country will directly depend on local market conditions and needs, including characteristics of existing financial systems and levels of climate technology penetration across sectors. For example, it is expected in a market such as Côte d'Ivoire that a larger portion of the lending is intermediated to SMEs via local financial institutions supported by appropriate TA, whereas in markets like India, South Africa, or Mexico, there may be a stronger focus on providing direct financing for corporates or industrial infrastructure reflecting both gaps and opportunities in those markets. Similarly, differences in sectoral composition and technology needs meant that the TPI will necessarily tailor its lending to those industries and agri-food sectors that see demand for emerging or under-financed climate technologies. A set of exemplary investments are shown below.

Eligibility of target investments

The Fund's eligibility criteria and investment process are designed to ensure that the Fund's investments in low-GHG, climate resilient technologies and solutions are ambitious, in line with established methodologies, while also seeking to drive adoption at scale in line with the Fund's ToC. An indicative list of eligible activities is provided in Annex II of the Operations Manual (Annex 21), along with requirements for measurement/assessment requirements to confirm each financed activity meets the Fund's eligibility criteria. To ensure the highest levels of climate impact, investees must use the Fund's proceeds solely for eligible climate investments, in line with the Operations Manual. Investments must achieve emission reductions or adaptation impacts according to eligibility and additionality criteria aligned with GCF best practices and established reporting frameworks.

TPI climate mitigation eligibility criteria are grounded in the GCF overarching principles for climate mitigation potential and further build on internationally recognized frameworks, including:

- a) MDB Common Principles for Climate Mitigation Finance Tracking¹⁹ to ensure robust assessment and reporting of climate mitigation activities
- b) MDB Joint Assessment Framework for Paris Alignment²⁰ to ensure investments are consistent with the climate change mitigation and adaptation goals of the Paris Agreement,
- c) Recognised best-in-class eligibility frameworks/taxonomies, such as the substantial contribution criteria of the EU Taxonomy²¹.

Aligned with the MDB Principles, the Fund can finance negative/no/low emission activities, transitional and enabling activities. To qualify, underlying investments must demonstrate a substantial reduction in GHG emissions against recognised baselines and additionality criteria; meet the mitigation requirements of the EU Taxonomy; or finance eligible energy service and supply companies²².

TPI climate adaptation eligibility criteria are grounded in the GCF guiding principles for adaptation impact potential to ensure robust assessment and reporting of climate adaptation activities. Due to climate change risks and vulnerabilities in agrifood systems, the TPI predominantly focuses on increasing climate resilience in this sector by i) enhancing climate risk management practices at the investee level, including through the use of physical climate risk assessments and development of corresponding adaptation plans that include practices associated with reducing climate change vulnerability, and ii) through specific investments in adaptation interventions that enhance the resilience of beneficiaries to relevant climate hazards, such as efficient irrigation, hydroponic production, agroforestry, shaded systems, and water retention infrastructure, where these can be demonstrated to respond to a climate hazard. The additionality of these adaptation interventions draws on adaptation frameworks such as the Climate Bonds Resilience Taxonomy, ensuring interventions are both impactful and in line with existing best practices. TPI will also target mitigation solutions in agrifood systems when available and eligible against appropriate baselines, such as low/zero-carbon agricultural production techniques and equipment.

Maladaptation and fossil-fuel lock-in exclusion filter: to prevent fossil-fuel lock-in, the Fund enforces strict early-replacement thresholds for brownfield investments and retrofits: carbon-intensive technologies must be replaced before the end of their remaining technical lifetime, and the investment must demonstrate that the baseline asset would have otherwise continued operation. Investments in adaptation and resilience are screened against maladaptation to ensure they do not inadvertently transfer or increase climate vulnerability in adjacent systems or communities (e.g., ensuring agricultural upgrades do not deplete shared local water resources).

Due diligence and screening process: each investment undergoes a comprehensive technical and financial due diligence including evaluation via a dedicated and established Impact Scoring Tool that requires the assessment of both financial and non-financial additionality. Further to this, given increasing market maturity, C&I solar investments must satisfy a dedicated additionality assessment against a market penetration threshold, that is systematically revised to reflect evolving market adoption. Where impact assessments are required to establish eligibility, these follow the “International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting” (see Annex 21). In addition to core credit underwriting aspects, the DD further includes analysis of the targeted use of proceeds, alignment with national legal and regulatory frameworks, E&S risk management practices, and potential technical assistance needs. Annex 21 gives a detailed overview of the investment process.

Component 2: Transformation Pathways Initiative – Technical Assistance Facility (TAF)

¹⁹ Common Principles for Climate Mitigation Tracking (2023), available [here](#).

²⁰ <https://www.worldbank.org/en/publication/paris-alignment/joint-mdb-paris-alignment-approach>

²¹ The EU Taxonomy criteria can be found i.a. in the EU Taxonomy Navigator, available [here](#).

²² Companies that manufacture products, or provide related services, that enable a substantial contribution climate change mitigation (e.g., manufacturing of renewable energy technologies)

- Financed by 12.0 million USD grant contribution by the GCF and 8.0 million USD grant contribution from other donors.
- Subcomponent 2.1 (Finance Track) implemented by FiM as EE. Subcomponent 2.2 (Market Track) implemented by UNIDO as EE.
- *Activity 2.0.1 Establishment and management of the Technical Assistance Facility (TAF) with two interlinked Tracks:* FiM and UNIDO will jointly engage in a structured process to establish the TAF governance and operational structures, including programme-level and operational-level coordination bodies (see B.4 below). The management and operation of the two TAF Tracks follows best practices to ensure efficiency, transparency, quality, and alignment with the Fund's objectives. Each TAF Track management team contracts and manages consultants through legal agreements that define deliverables, timelines, and performance metrics. In addition, an Insights Manager drives knowledge management by capturing and synthesizing lessons from both TAF Tracks in a shared repository. Systematic data collection ensures that lessons learned are not only gathered but also analysed and shared with the wider market to help financiers, industry, and policymakers advance industrial climate finance activities. Against a Programme implementation period of 20 years, the two EEs will jointly seek additional technical assistance resources/grants in a timely manner in line with future Programme needs. Activity 2.0.1 equally contributes to Output 2.1 and 2.2.

Subcomponent 2.1 Technical Assistance Facility (TAF) - Finance Track

Subcomponent 2.1 delivers Output 2.1. Enhanced capacities of borrowers for preparing, implementing and reporting on low-GHG climate resilient investments and for gender inclusive, climate-compatible financial systems through the activities listed below. Subcomponent 2.1 will be implemented by Finance in Motion as Executing Entity. Beneficiaries of Output 2.1 are investees of direct and intermediated lending of the TPI, as well as financial sector stakeholders, such as central banks and regulators.

- *Activity 2.1.1 Transaction enabling services:* This activity includes TA services that directly support the origination, implementation and reporting on the loans extended by the TPI. It includes project preparation advisory, incl. feasibility studies or studies to establish minimum criteria, providing technical/E&S due diligence advisory, impact assessments, and setting up reporting approaches for the Fund and investees. These services facilitate the investment in technically sound, financially viable projects, the fulfilment of highest E&S standards and the alignment of investments with TPI's climate objectives.
- *Activity 2.1.2 Mainstreaming climate finance for (potential) investees and the financial sector:* This activity offers TA support to investees and potential investees of the Fund to both a) improve client-uptake of TPI financing (e.g. for developing green/eco loan products, outreach/marketing/awareness-raising strategies, and end-client oriented advisory services), and b) build up climate-compatible financial systems (e.g. capacity building and training of staff, development of sustainability strategies and practices, and championing of sustainable finance with central banks and regulators. In line with the Gender Action Plan, this includes supporting investees in addressing material gender-related risks and institutionalizing gender mainstreaming in policies and processes. For the TAF Finance Track, technical assistance needs are identified on an ongoing basis in direct discussion/cooperation with investees and financial sector stakeholders.

Activity 2.1.1 Example: Transaction Enabling Services

Target: Partner Financial Institution

Objective: Enable TPI FI investee to receive and channel financing to eligible end-clients

Activities:

- End-client advisory services: advice to end-clients on feasibility and sustainability of proposed projects, focusing on engineering designs, operational plans, and compliance with E&S standards
- Impact assessment services: conduct confirmatory impact assessments of financed measures, evaluating baseline and post-investment KPIs
- Impact monitoring & reporting system: implement a reporting platform to track sub-loans and impact indicators, including staff training on data collection and processes

Activity 2.1.2 Example: Mainstreaming Climate Finance

Target: Partner financial institution

Objective: Enable TPI FI investee to grow its climate lending capacities and ambition aligned to ESG risk management standards

Activities:

- Diagnostic study of internal capacity and gaps including recommendations
- Development of ESG risk management policy and procedures
- Climate compatible lending strategy development built on segment specific market surveys
- Climate solution focused product development, implementation and marketing/client promotion
- Staff training and coaching

Subcomponent 2.2 Technical Assistance Facility (TAF) – Market Track

Subcomponent 2.2 delivers Output 2.2 Improved investment readiness and enabling market environment for low-GHG climate-resilient investments through the activities listed below. It will be implemented by UNIDO as Executing Entity.

- **Activity 2.2.1 Investment readiness support:** This activity engages with primarily SMEs and mid-sized companies that are prospective investees of the TPI's intermediated FI lending. It includes the identification of low-GHG climate-resilient investments projects via pre-feasibility assessments (including among other measures energy audits), targeted advisory support, and investment plan development. The activity builds a pipeline of new/additional investments for lending by FIs, catalyses the deployment of climate solutions in a market segment with generally low technical awareness and capacity, and helps to future proof SMEs.
- **Activity 2.2.2 Market development and scaling:** This activity acts to increase the supply of investment ready projects and companies for the TPI (via both direct and intermediated lending models) by enhancing the investment enabling environment in a targeted way in selected partner countries. Informed by potential direct and indirect investees of the Fund, this activity engages with sector/industry associations, industry regulators, and other public bodies/agencies in selected markets and sector where structural barriers are preventing viable investment opportunities from emerging. It will unlock private-sector investment opportunities through activities that focus on: a) raising awareness at company and sector level of the benefits of specific climate solutions in the local context (via e.g. sectoral investment/feasibility assessments), b) improved regulatory frameworks, standards and enforcement (via e.g. mandatory audit or energy management system schemes). The activity also ensures that experiences and learnings from the TPI's direct investment activities are disseminated within the respective sector and among financial institutions to enable a transition of larger-scale climate investments becoming investable for the local financial sector over time (see also chapter 5.2 in Annex 2). In addition, the activity ensures that experiences from investments are integrated into the improved design of regulations and promotional activities of sector-entities (such as associations) to strengthen the enabling environment for low-GHG industry and climate resilience.

Activity 2.2.1 Example: Investment Readiness Support

Target: SMEs adopting Electric Motor Driven Systems (EMDS)

Objective: Identify SME climate finance opportunities for financing by TPI partner FIs, thereby accelerating market penetration of efficient motors

Activities:

- Detailed motor efficiency audits for selected enterprises conducted by UNIDO-trained motor system optimization experts
- Technical and business advisory services for motor upgrade projects development
- System optimization for EMDS and install EE motors in enterprises
- Public private partnerships with international suppliers developed to accelerate the deployment of EE motors.

Activity 2.2.2 Example: Market Development & Scaling

Target: Companies in the textile and garment sector

Objective: Create climate finance opportunities for TPI by strengthening and enforcing a zero-waste policy in the textile sector to maintain or increase competitiveness

Activities:

- Stakeholder consultation and mapping
- Comprehensive analysis of policies, regulations and buyer requirements relevant to textile & garment sector.
- Technology review and cost assessment to provide sub-sector specific inputs on financing needs
- Outreach and awareness raising on enhanced resource efficiency costs/benefits in the context of global competitiveness.
- Evidence-based policy design and recommendations

Through its two mutually reinforcing components, the TPI comprehensively addresses the barriers described under B.2 above. The Blended Finance Debt Fund (Component 1) addresses the financial barriers for advancing the low-GHG transformation and future-proofing industry. Effective fund structuring, management, and active fundraising efforts (Activities 1.1.1, 1.1.2, and 1.1.3) attract private investors, reducing the funding gap for the low-GHG transformation and future-proofing of industry (Barrier 1). At the same time, the TPI provides long-term financing with requisite structures/terms (Activity 1.2.1) that is lacking in partner countries (Barrier 2). The Technical Assistance Facility (TAF) (Component 2) addresses the identified knowledge and capacity barriers. By increasing awareness of the commercial viability of low-GHG, climate-resilient technologies and solutions, and by integrating climate finance opportunities more broadly into investment decision-making (Activities A.2.1.1 and A.2.1.2), the Programme tackles the challenge of limited familiarity with these technologies and their market potential (Barrier 3) The TAF Market Track works across targeted industrial sectors on improving awareness of the characteristics and benefits of low-GHG climate-resilient technologies, improving the enabling environment for the low-GHG transformation of industry, and catalysing new investment opportunities at the SME level (Barriers 4 & 5).

B.4. Implementation arrangements

Governance arrangements

The core element of the TPI Programme is the blended finance debt fund that will be established under Luxembourg law/regulations and managed by FiM as EE and registered AIFM. Alongside this, the Programme will establish an appropriate structure for TA delivery, a TA Facility with two Tracks, based on a Fiduciary Agreement with a Luxembourg based custodian/fiduciary bank for the TAF – Finance Track executed by FiM and a Trust Fund Agreement between FiM and UNIDO for the TAF-Market track executed by UNIDO. A Strategic Committee will be created by the founding partners of the Programme to oversee the work of the two components of the Programme, to monitor progress and align on market, investment and capacity development priorities, risks and opportunities.

Please also see Annex 9 Legal Due Diligence for additional details.

TPI Blended Finance Debt Fund

The Fund will be structured under Luxembourg law and regulations as an alternative investment fund (AIF) set up as a Luxembourg limited partnership, with a general partner (GP) and limited partners (LP) formalized through a partnership agreement. The GCF would invest the junior capital as an LP in this partnership, over time alongside other LPs investing the senior capital. Based on these partnership interests in the capital structure, the Fund

would then issue fixed-income notes to institutional investors which are senior to the LPs. The organizational and governance setup would then include the following bodies and entities (see also Annexes 9 and 21):

- *Limited Partners (LPs)*: The GCF will invest in the junior capital through junior limited partnership interests and private investors will invest in the senior capital through senior limited partnership interests. LPs would be granted protective rights, which are held to prohibit fundamental changes in the activities of the fund that the LPs do not agree with and usually only apply in exceptional circumstances.
- *General Partner (GP)*: An entity to be created by Finance in Motion will act as GP. The GP would then, per usual practice, be given the broad decision-making powers (substantive rights) covering operating and financing decisions (except for areas where LP's protective rights apply), or it could be structured as an orphan entity without management rights which appoints the AIFM as statutory manager.
- *Limited Partner Advisory Committee (LPAC)*: The Fund partnership agreement will establish an LPAC as a governance and oversight body representing the interests of the LPs. It will not be involved in the day-to-day management of the fund and will be given responsibilities typical for LPACs in the market, such as oversight over conflicts of interest, valuation and audit matters, or other matters in the governance or compliance of the fund. The LPAC's role is advisory, supportive, and protective of LP interests – ensuring the GP operates within the governing documents and market standards.
- *Alternative Investment Fund Manager (AIFM)*: Finance in Motion Asset Management will be appointed to act as AIFM and to provide amongst other portfolio management, risk management, marketing and administrative services to the Fund, as further described in an AIFM agreement. For more efficient conduct of its business, the AIFM may delegate to third parties the power to carry out some functions on its behalf, subject to limitations and requirements, in accordance with applicable laws and regulations. The delegated functions shall remain under the supervision and responsibility of the AIFM. As part of its duties to perform the portfolio management for the Fund, the AIFM will set up an Investment Committee to take investment decisions for the Fund and employ an appropriate risk management function.
- *Investment Committee*: The AIFM will establish the Investment Committee that shall take the relevant investment-related decisions within the AIFM. The Investment Committee shall consist of qualified members of the AIFM staff such as the Head of Portfolio Management Debt and independent, non-AIFM senior experts with in-depth regional, climate, and/or fund experience. The IC has the responsibility to ensure that all investments and portfolio management decisions are in line with the fund documentation, investment guidelines, impact strategy and other fund regulations.
- *Risk management function*: The AIFM employs an appropriate risk management system consisting of mainly two elements: (i) an organisational element in which the permanent risk management function plays a central role, and (ii) a procedural element documented in the risk management policy, which sets out measures and procedures employed to measure and manage risks, the safeguards for independent performance of the risk management function, the techniques used to manage risks and the details of the allocation of responsibilities within the AIFM for risk management and operating procedures. In addition, the risk management function of the AIFM shall ensure that the risk profile of the Fund as disclosed in the Fund documentation is consistent with the limits as defined by the AIFM.
- *Depository*: The Fund will appoint a Luxembourg-based licensed depository with the core responsibilities of cash flow monitoring, asset ownership verification and general oversight responsibility, in line with Luxembourg regulation and the AIFM law. The depository is responsible for the safekeeping of the assets of the Fund.
- *Administrative Agent*: The Fund and the AIFM will appoint a Luxembourg-based licensed administrative agent to provide administrative and registrar agency services to the Fund. As such the administrative agent shall perform all administrative duties that arise in connection with the administration of the Fund, including the issue and, where applicable, redemption of shares and repayment of notes, the calculation of the shares' net asset value (NAV), the accounting and maintenance of the register of shareholders and noteholders, the proper book-keeping of the Fund, and the mailing of relevant statements, reports, notices and other documents to the shareholders and noteholders.

- *Other service providers:* In addition, the Fund will appoint additional service providers as required or needed, such as the Fund's auditors, legal counsel or any other service provider.

The above describes the targeted structure and governance arrangements. It is in line with regulatory requirements and common market practice for similar blended finance investment vehicles. Similar structures have been successfully managed and advised by Finance in Motion, at scale, for over 15 years. FiM has made a meaningful investment in all the Funds it manages. FiM will make a GP commitment in line with market standards, to be provided in proportion with subscription of other capital. To further align a mechanism will be contractually agreed by which dividends earned by FiM's interests would be reduced accordingly in years in which the GCF's junior interests would have suffered from realized write-offs. This further ensures that FiM's financial participation is directly linked to the preservation of portfolio value and long-term fund performance.

TPI Technical Assistance Facility (TAF)

The TAF with its two tracks shall be overseen by the TAF Coordination Group ("TAFCG") coordinated by UNIDO. The TAFCG is composed of management representatives of both EEs and provides coordination and strategic direction and guidance on priorities with respect to country, sector, technology and investment themes, while also establishing mechanisms for information-sharing between the two TAF Tracks to maximize synergies. The TAFCG also evaluates the monitoring and evaluation (M&E) frameworks of the respective tracks to assess progress, effectiveness, and impact.

Technical Assistance resources shall be made available through:

- 1) for the Finance Track, a Fiduciary Arrangement governed by a Fiduciary Agreement between: i) the Donors/Contributors to the TAF (including FiM acting as AE); ii) the fiduciary Bank (the fiduciary) and iii) FiM (acting as EE for Subcomponent 2.1),
- 2) for the Market Track, a Multi-party ledger account structure governed by individual Funding Agreements between: i) the Donors/Contributors to the TAF (including FiM acting as AE) and (ii) UNIDO (acting as EE for Subcomponent 2.2).

This structure allows additional flexibility for future TA grant funding to be raised from additional sources, as planned, and allocated to the TAF and adequately incorporated in governance arrangements. The Luxembourg Trust and Fiduciary Contracts Act 2003 provides the legal basis for the creation of the relevant fiduciary arrangements, which are a proven approach for the deployment of TA resources by private sector entities. Similar structures have been used successfully by FiM to allocate cumulatively more than 125 million USD (as of Q4 2025) of TA resources. The second type of structure has been used successfully by UNIDO over several decades to accept funding from multiple donors while keeping the ability to earmark funding and report to each donor based on individual contributions and mandates. Figure 4 shows the governance structure, flow of funds and legal arrangements of the TPI Technical Assistance Facility.

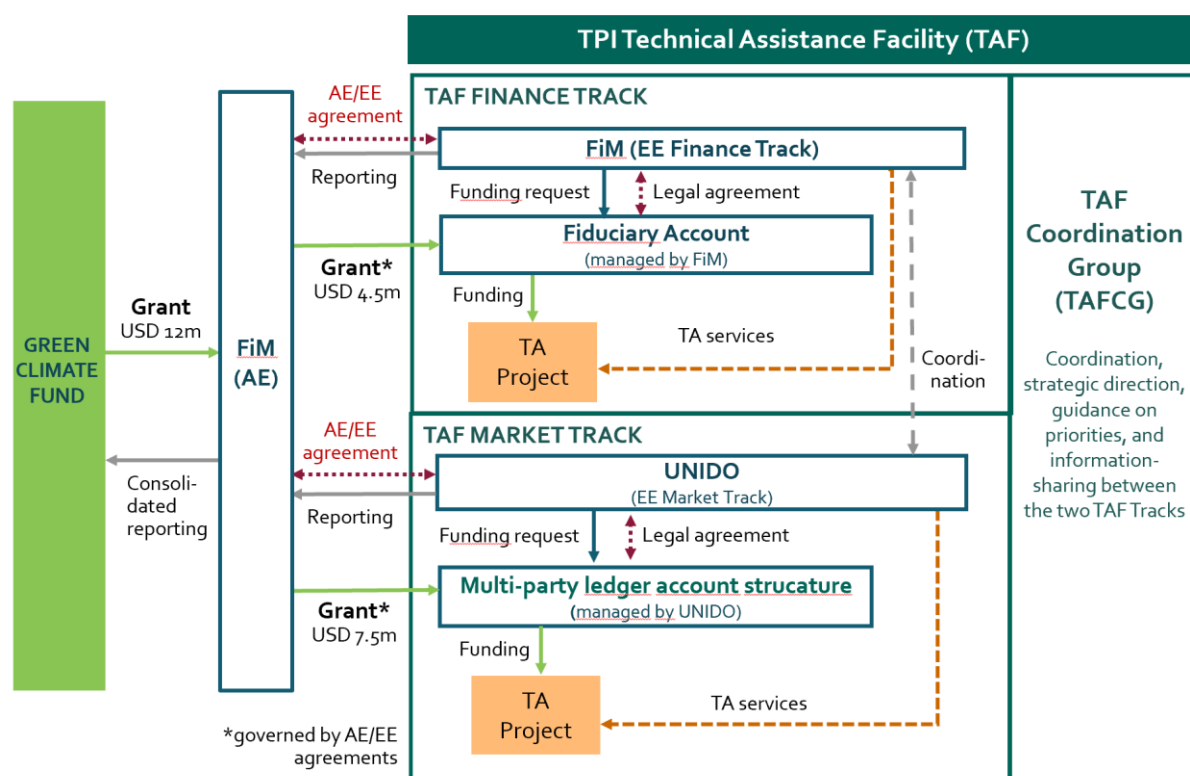


Figure 4: Governance structure, flow of funds and legal arrangements of the TPI Technical Assistance Facility

Flow of funds

Figure 5 shows an overview of the generalised financing structure and flow of funds. The Fund comprises first-loss junior shares, held by GCF, as well as senior shares and notes held by private investors. It provides debt instruments directly to companies and projects in industry and agrifood systems, or via credit lines to local financial institutions that on-lend to eligible companies and projects.²³ The TAF, complements the Fund by offering technical assistance for (potential) investees, as well as policy makers and private sector actors who play a crucial role to drive the market transformation, with a focus on interventions that are aligned to the investment strategy of the Fund and local market needs.

²³ In selected instances the TPI may provide financing via both intermediated and direct lending modalities to the same company or project, for example in the case of a local partner FI seeking to syndicate with the Fund given specific limits they face or the need for the engagement of a specialised lender.

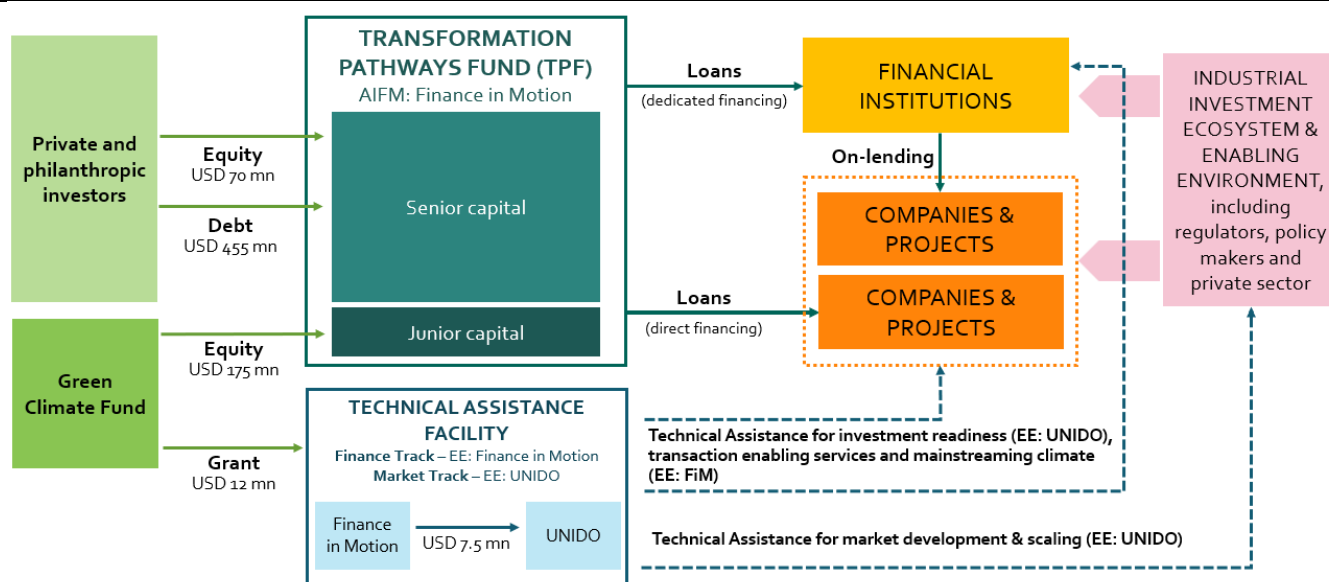


Figure 5: Overview of proposed financing structure and flow of funds

The Fund applies a set of investment criteria that describe the commercial and strategic parameters guiding pipeline development across financial institutions, corporates and project finance, as detailed in Annex 21 (Operations Manual). Financial institution investments target regulated and non-regulated entities with proven track records and the capacity to serve target segments aligned with the Fund's impact objectives, through medium- to long-term financing with ticket sizes in the range of USD 5–50 million and tenors aligned with balance-sheet and on-lending needs. Direct lending focuses on lower to mid-sized companies with limited access to long-term financing and high-impact larger sized companies with the right risk/return profile, with indicative ticket sizes of USD 5-50m and medium- to long-term tenors, and on investments into mid-market infrastructure projects and larger high-impact projects, leveraging on the existing know how and expertise within FiM's existing funds, typically with tenors of 10–15 years. Across all segments, investments are assessed on a case-by-case basis, informed by country and sector assessments, counterparty strength and resilience, and alignment with the Fund's climate and additionality objectives, and remain subject to full due diligence and approval in line with the Fund's governance framework.

Experience and track record of AE and EEs

Finance in Motion Asset Management S.à r.l. (FiM) is a private limited company (société à responsabilité limitée), incorporated under the laws of the Grand Duchy of Luxembourg. FiM is a leader in emerging market blended impact funds, advising USD 4.3 billion in assets across ten funds, all Article 9 SFDR compliant. Of this, over USD 1 billion of assets are invested into climate change mitigation, including renewable energy, industrial efficiency, and sustainable mobility and over USD 900 million with a thematic focus on climate resilience and biodiversity conservation in agricultural value chains. The company has 15+ years of experience in originating climate investments, and across the targeted asset classes, and has invested in over 40 EMDEs through an extensive local network of 13 offices. Through its 300 employees and established network of external consultants, FiM has the technical and financial expertise to identify and assess investments across the TPI's target sectors, investment themes and financing modalities including indirect and direct lending. (See Annex 2a for details on FiM's track record) FiM's regional offices will support origination, management and monitoring of the TPI's investments and TA activities. The funds advised by FiM have proven their ability to mobilize private institutional capital, with over 3 billion USD mobilized to date, driven by an exceptional track record. FiM has extensive experience in delivering TA alongside investments, with almost 2,000 TA projects provided for a total contract value of over USD 125 million.

For the delivery of the Technical Assistance Facility, Finance in Motion's capabilities are complementary to the skills and capacities of UNIDO. The Programme optimizes the impact and efficiency of TA provision, as each

entity draws on their unique strengths and builds on existing relationships and activities with key stakeholders in partner countries.

The **United Nations Industrial Development Organization (UNIDO)** is the specialized agency of the United Nations whose mandate is to promote a path of industrialization that is economically competitive, socially inclusive, and environmentally sustainable, thus fostering “inclusive and sustainable industrial development”. UNIDO's standard setting, normative function and convening power are important elements to realize a structural impact in the target markets by the Programme. UNIDO is well positioned to build on successful previous and ongoing investment readiness support and capacity building activities towards SMEs and companies to improve their access to climate finance and create an investment-ready pipeline for the local financial institutions supported by TPI: e.g. the Private Financing Advisory Network (PFAN) mobilized USD 2.2 billion for PFAN supported climate SMEs. On the market development and scaling side, UNIDO has a wealth of experience working on strengthening enabling environments and successfully implemented key flagship projects related to the key thematic investment themes of the Programme like the Global Eco-Industrial Parks Program, Industrial Energy Efficiency Accelerator, and the SWITCH to Circular Economy Value Chains (SWITCH2CE) programme. Due to its global reach and established partnerships with governments, industry associations, companies and financial intermediaries it can build on the learnings from country specific technical assistance projects implemented by UNIDO in the field of low-GHG industry, circularity, blue economy, agrifood systems and adaptation. UNIDO is an accredited entity to the GCF since 21 August 2020, thus meeting the GCF's standards for implementing technical assistance activities in line with its mandate and based on extensive experience and expertise.

Drawing on the complementary track records of both institutions, the TPI demonstrates a strong level of implementation readiness. As Component 1 EE, FiM brings extensive experience in fundraising and managing comparable blended-finance vehicles, has pre-marketed the proposed fund to impact-oriented institutional investors (including existing), and has developed a strong pipeline of eligible investments. Moreover, the established on-the-ground presence of FiM and UNIDO across target markets enables effective TA delivery, supporting a timely fund launch and efficient execution.

Local FIs in the target countries will act as EEs for intermediated lending, leveraging their established local presence, client base, and market knowledge to efficiently on-lend TPI funding to eligible end-clients in line with the Fund's requirements. The local FI EEs will be necessarily identified in the course of Programme delivery after appropriate due diligence and contracting arrangements, building on a strong pipeline of potential local FI partners available to the TPI Fund.

B.5. Justification for GCF funding request

EMDEs need private capital to support climate finance flows to industry and agrifood systems

There is an urgent and pressing need to substantially grow climate finance flows to industry and agrifood systems in EMDEs which have grown rapidly to account for 50% of global trade and almost two thirds of manufactured goods consumption yet see extremely low levels of dedicated climate financing to these sectors (less than 2% of tracked climate finance²⁴). While non-financial barriers such as capacity gaps within financial institutions and companies exist, the structural absence of appropriate, mid- to long-term private debt at the local level is a key constraint preventing industrial and agrifood enterprises from deploying capital-intensive climate solutions.²⁵ Public finance must be deployed catalytically to finance the low-GHG transition and resilience of industrial value chains by mobilizing a fraction of the roughly USD 130 trillion institutional capital pool. The TPI will help address the

²⁴ CPI (2025) Global Landscape of Climate Finance 2025

²⁵ See e.g. SEED / adelphi (2024). *Closing the Climate Financing Gap for SMEs: Insights on innovative climate financing for climate-smart SMEs*, available [here](#); ISF Advisors / United Nations Capital Development Fund (UNCDF) (2025). *The case of missing middles: Gaps in the development finance landscape*, available [here](#)

shortage of dedicated long-term funding for clean technologies and climate resilience, with the Programme mobilizing approx. 1.9 billion USD in total financing²⁶).

GCF will have a catalytic effect to mobilize private institutional capital at scale

TPI seeks GCF funding as junior, first-loss shares to address the key financial barriers to private capital mobilization into industrial low-GHG pathways in EMDEs. This junior contribution by the GCF has a **highly catalytic effect** and efficiently mobilizes private capital over the Programme implementation period, achieving lifetime levels **of private mobilization of over 1:10 through ongoing asset-liability management** (i.e. the continuous mobilization of private capital to allow for the continuous reinvestment of asset inflows as they amortize). This targeted lifetime mobilization ratio is strictly grounded in FiM's proven operational track record. Across its existing portfolio of over EUR 4.3 billion AUM with 100% invested in EMDEs, FiM has demonstrated the capacity to achieve comparable or higher mobilization multiples, successfully leveraging first-loss public capital to continuously crowd in risk-averse institutional investors over extended fund lifetimes. See Annex 3 for definitions, assumptions and total lifetime funding subscriptions.

Private institutional investors face significant risk and structural restrictions to invest in private debt in emerging markets, which is further compounded by the additional challenges of investing in impactful climate projects. **Junior investors play a key role in reducing risk and associated volatility for senior investors**, unlocking private capital. This capital protection for senior investors enables the involvement of institutional investors whose risk-return and/or regulatory requirements²⁷ otherwise restrict their engagement in such markets and instruments. Junior capital is therefore essential in attracting institutional investors, given the higher risks (both real and perceived) and corresponding lack of commensurate risk-adjusted returns (from the investor perspective) associated with EMDE private debt investing for impact. **Without the 25% first loss tranche provided by the GCF, the TPI would not achieve an investment grade rating, which is a critical prerequisite for participation by most institutional investors.** This has been confirmed through a rating assessment exercise by a major global credit rating agency on the TPI Blended Debt Fund (see below), confirming the additionality and catalytic role of the GCF's first-loss investment. To protect GCF resources and mitigate fundraising risk, individual tranches of GCF junior shares will only be drawn down and subscribed by the Fund if the corresponding private co-financing is secured in parallel at the pre-agreed ratios.

Such a structure can also provide entry points for domestic institutional investors to invest in climate action in their home markets/regions. These investors typically face fewer information asymmetries than international investors, and often may seek to support domestic investments, but face the same challenges as the wider set of institutional investors – i.e. a preference or fiduciary duty for market-conform investment products with adequate risk-return profiles. As a result, less than 1% of the capital currently financing climate activities in all EMDEs comes from domestic institutional investors²⁸. However, these **pools of domestic capital could triple to \$45 trillion by 2040 as these economies mature²⁹, such that even modest allocations to climate finance via blended structures can deliver transformational changes.** Targeting these pools of domestic capital is part of the fundraising strategy of the TPI given the close alignment in interests and outcomes.

The blended fund private debt structure creates adequate risk-adjusted returns, with minimum concessionality

The blended fund private debt structure allows investment products to be offered that mitigate the risks and fiduciary constraints that otherwise deter private institutional capital. To meet the needs of investors (and based on FiM's long track record of successfully mobilizing private institutional capital in EMDEs), while ensuring minimum concessionality, the **junior shares tranche is determined through a detailed assessment of the risk profile of the Fund's target markets and indicative investment portfolio**, using industry standard methodologies (as

²⁶ The lifetime mobilized finance considers a) private capital mobilized at the fund level including replacement of maturing capital over the implementation period – approx. 1.35 billion USD, b) parallel financing mobilized from partner FIs – approx. 0.21 billion USD, and c) parallel financing mobilized as equity contributions at the investment level – approx. 0.35 billion USD

²⁷ As just one example, Solvency II, a cornerstone of European insurance regulation, steers insurers towards safer, more liquid assets, making riskier EMDE investments less attractive. Under Solvency II, the 'matching adjustment' allows insurers to discount long-term liabilities favourably but only for investment-grade assets with fixed cash flows, excluding many EMDEs with lower sovereign ratings. ODI (2025) Mobilising European Institutional Investors into Emerging Markets and Developing Economies

²⁸ CPI (2026) Global Landscape of Climate Finance

²⁹ Blended Finance Taskforce (2024) Mobilising Domestic Capital to Drive Climate-Positive Growth

adopted by private investors in assessing their participation in such investment vehicles) for assessing the risk of mixed debt portfolios and cross-country exposures. The tranching structure is designed to offer an investment-grade risk profile to senior private investors to be able to tap into a large pool of institutional capital that typically require such a product profile. **The TPI has successfully completed a Rating Assessment Service (RAS) of the fund structure by one of the major global credit rating agencies**, to both evidence the viability of the structure to deliver investment-grade products, and to help ensure that mobilized capital is raised cost effectively. At launch and in the initial 2-3 years, private investors face elevated risk given the lack of fund-specific track record and limited diversification. As the fund successfully ramps up and maintains high asset quality, private investor return expectations can be expected to reduce over time as rating levels are realised, with this translating into a further reduced cost of capital for beneficiaries, as well as additional returns to the GCF as junior investor.

The GCF catalytic contribution allows the TPI to target a risk-adjusted return sufficient to attract institutional investors based on FiM's strong track record and extensive market sounding. It remains however below several market standards (including comparably rated offerings in OECD markets), especially given the reduced liquidity offered by EMDE private debt impact funds like TPI, with this illiquidity generally coming at a significant premium vs liquid investments, and primarily at launch and in the initial years as the track record is not yet built. **The GCF contribution offers investors improved downside protection in case of portfolio underperformance and thereby contributes to improving the rating for such investors.** In this way, by reducing risks, catalytic junior shares from the GCF are crucial to generate a suitable target risk-return profile for impact-oriented private investors, making it a key enabler for leveraging private institutional capital into new regions and themes.

The GCF catalytic contribution is also essential to attract private investors into Senior Shares, such that the fund can mobilize the fixed-income institutional capital at scale while adhering to regulatory maximum leverage requirements. Under applicable regulation from the Alternative Investment Fund Management Directive (AIFMD) for loan-originating funds like the TPI (please see Annex 9 for further details), the total fund volume cannot exceed 300% of the share capital. The targeted 1:3 co-financing of the GCF shares with private capital is thus only possible if minimum 10% of the fund is additional senior capital is mobilized. Catalytic terms for the GCF contribution allows a market-aligned investment opportunity for private investors into the Senior Shares, which in turn co-enable the additional private co-financing at scale into the most senior note products.

The TPI structure has been designed to ensure that the concessionality of catalytic junior shares is minimized and justified, based on the FiM's long track record in raising and deploying blended debt funds in EMDEs. **FiM's exceptional credit track record in private debt investing in EMDEs, outperforming comparable peers, provides optimal leverage potential while helping to safeguard the GCF's junior share capital and enhance its returns.**

GCF blending will broaden the portfolio composition and increase climate impact

In the absence of the proposed blended finance debt fund with GCF support, the above factors will continue to significantly deter institutional investors from financing the low-GHG transformation of industrial value chains in EMDEs leading to much less and narrower financing with reduced climate outcomes. The blended approach provides risk-sharing, mitigates information asymmetries for private investors, and enables the Fund to attract and incentivize private sector investment.

Access to global, long-term catalytic capital is paramount to launch and successfully operate a private debt impact fund at scale in tight margin environments in EMDEs. Without junior GCF funding, the TPI Programme's climate outcomes would not be able to be viably pursued, with potential alternate sources of junior capital expected to restrict the Fund in scale, scope and geographies.

Implementation period maximizes impact through revolving fund structure

The proposed blended finance approach is particularly impactful because of the extended implantation period. The Fund has a 20-year lifetime (though leverages GCF junior share contributions with a 15-year tenor for each tranche subscribed), including ramp-up and wind-down, which offers three significant benefits in the context of offering private-debt instruments for climate investments:

1. **Maximizing institutional co-financing:** The Fund operates on a tranching basis, where the GCF's junior shares serve as the foundational first-loss layer allowing the Fund to attract senior private capital. The tenor

of the underlying junior shares allows the Fund to mobilize several cycles of e.g. 3-to-7-year private capital investments – i.e. to achieve a lifetime mobilization ratio several times higher than observed in the nominal capital structure. These lengths of private investment more closely match the needs of a larger universe of institutional investors (given the generally illiquid nature of such investments) while also reducing funding costs of the TPI to the benefit of investees (as standard for shorter tenored senior instruments). The long-tenor first-loss contribution by the GCF is the critical component enabling over time to offer a continuous investment-grade fixed-income investment opportunity for large institutional investors.

2. **Multiplying climate impacts:** The TPI makes revolving debt investments in its target markets – i.e. as those investments repay/amortize the proceeds are reinvested a second or third or subsequent time, drastically increasing the total financing that flows to beneficiaries. This is also significantly more efficient in terms of asset liability management and allows the Fund to maximise the total volume of climate financing that can be delivered against a given catalytic/concessional contribution. The revolving nature of the Fund is well suited to the amortising assets that it supports (as compared to e.g. a private equity fund that provides for point in time exits from investments) meaning that the Fund's capital is constantly being reinvested for climate outcomes.
3. **Enabling long-term asset financing:** An extended fund life provides the flexibility for the Fund to invest in longer tenor assets as often required in the market. This is particularly important towards the middle and end of the Fund's lifecycle (e.g. making 10-year investments in year 8 or 9).

In a tranching investment fund, private investors in senior tranches rely on the secured minimum risk protection from junior capital. The fund manager continuously manages this matching of assets and liabilities considering all contractual and planned liquidity in- and out-flows. Therefore, the Fund will start deleveraging 5-6 years before the end of the term of the junior shares, as private investor tenors would otherwise go beyond the maturity of the junior capital and asset amortizing repayment profiles similarly require wind-down over an extended period. Shorter implementation periods therefore come at the expense of significant inefficiencies in the utilization of junior capital and total private mobilization.

The proposed overall program life of 20 years follows from this reasoning. Moreover, the Fund will be ramped up to its target size during the first four to five years through a series of subscriptions/closings from GCF and matching co-financing from private investors. When each of those GCF subscriptions has a tenor of 15 years, there is a corresponding natural wind-down/staggering of their repayment in the final five years of the program life. This would allow for a more effective asset-liability management and private investor co-financing in the final phase of the Programme, maximizing impact and mobilization for a given GCF contribution.

A significant upside could be achieved through a possible extension of the GCF junior shares by five years, as this would allow the Fund to operate at full scale for a longer period. Such an extension would significantly increase the efficiency of the catalytic contribution of junior shares, with private mobilisation rising from approximately 1:10.2 to 13.3, with corresponding increases in the total delivered climate finance of the TPI (from USD 2.02b to 2.93b). This would translate into significantly higher climate and market-transformation outcomes for the same level of junior shares.

GCF grant deployed as TA to support systemic change and create outsized impact

In addition to the junior shares, the **Programme seeks GCF Funding as a TA grant to anchor and amplify the Fund's climate impacts and strengthen the paradigm shift ambitions of the TPI.** Targeted technical assistance will be implemented to improve the capacities of local financial and industrial sectors for scaling-up and replication of climate investments to create true commercial momentum for the low-GHG transformation of industry and deliver a paradigm shift. Strengthening the enabling environment and helping to create climate-compatible local financial institutions are catalysts to increase climate finance flows from local and international investors. According to recent publications from Convergence³⁰, TA deployed to support systemic changes reliably creates larger impacts on the investment environment than only supporting individual companies or projects.

³⁰ Convergence, State of Blended Finance 2024: Climate Edition

The Finance Track and the Market Track of the Technical Assistance Facility both support systemic change:

- **The Market Track** includes technical assistance activities for: i) investment-readiness support for companies and SMEs to deliver a pipeline of final beneficiaries for partner FIs of the Fund, and ii) market development support and scaling, to help selected partner countries to strengthen their enabling environment in specific sectors. **Both activities are designed to build future pipeline of bankable projects and investments for the TPI and its partner institutions.** Through these company and sector-led efforts, the Programme will ensure the generation of a growing pipeline of compelling investment opportunities for TPI and other investors leading to a systemic shift and transforming industry sustainably.
- **The Finance Track** is designed to a) green local financial markets by building the capacities to mainstream industrial and agrifood focused climate finance, b) provide transaction enabling services that facilitate Fund investments in technically sound, financially viable projects, that fulfil ESG risk standards, and that align with TPI's climate objectives. This **improves the quantity and quality of climate investments, developing the capacities to continue these activities into the future.**

The grant request for the TPI TAF has been determined based on a logic of minimum viable size drawing on the extensive experience of UNIDO and FiM in designing efficient TA initiatives, and taking into the account the significant investment volumes that the TPI will deliver (several times larger than the nominal fund size due to the revolving nature as a private debt vehicle). Compared to industry-wide common practice of TA deployment in blended finance vehicles, which stands at 5-7% of technical assistance spent as percentage of total investments³¹, the GCF funding sought for the TPI TAF is modestly sized. It amounts to 1.7% of total fund size and <0,5% of investments (i.e. funds disbursed to borrowers over the life-time of the fund). The PSAA applicant undertakes to raise additional TA resources beyond those provided by GCF. An additional USD 8 million of funding for the TPI TAF will be raised from other predominantly public sources in order to allow the TPI to have increased depth in TA offering across both tracks. The GCF NDAs and relevant Ministries from programme partner markets have seen the TA as a vital element of the TPI to successfully tackle the identified barriers in their markets and deliver climate outcomes for beneficiaries.

B.6. Exit strategy

The Programme has an extended implementation period of 20 years during which the TPI's own investment and TA activities, as well as broader market dynamics will result in a significantly different set of conditions for future low-GHG and resilient investments.

- The TPI will leave a legacy of local financial sector climate finance lenders through its long-term cooperation with partner financial institutions and the provision of a combination of targeted finance and tailored TA. These banks and other financial institutions will have developed climate compatible strategies and products that continue to benefit target countries beyond the lifetime of the Fund.
- Each subscription of shares invested by the GCF into the TPI will be redeemed on the contractually fixed redemption date 15 years following the subscription date at the then prevailing valuation (NAV). This allows the fund manager to maximize mobilization of private capital and hence overall climate impact, while it gives contractual certainty to the GCF regarding the exit of its investment.³²
- Each subscription of senior shares by private investors into the TPI will be redeemed on the contractually fixed redemption date at the then prevailing valuation (NAV). The tenor of senior shares can vary as negotiated with senior shareholders over time and is assumed to be between 7 and 10 years. Each subscription of notes by private investors is repaid on the contractually fixed maturity date of such note. The tenor of notes can vary as negotiated with noteholders over time and is assumed to be between 3 and 7 years.
- The TPI, over its lifetime, will demonstrate to private institutional investors the viability of EMDE debt investments in support of industrial climate action and help alleviate markets perceptions of EMDE

³¹ Convergence, Data Brief DATA | September 2023 Blending with Technical Assistance

³² A possible extension of the junior equity maturity by five years, subject to an agreed upon advance notice period, would significantly improve investment leverage and private capital mobilisation per junior share and deliver material additional climate outcomes.

idiosyncratic risks. The Fund, as a structured investment vehicle provides an entry point for these investors, including local/national institutional investors to engage with these topics and markets and will grow the universe of EMDE impact investors to the benefit of broader private mobilization in the future.

- The TPI predominantly targets final investments – either via intermediation or directly – related to long-life infrastructure and CAPEX investments with operational lifetimes of up to 25-30 years that will significantly extend beyond the Programme implementation period.
- TPI TA activities in support of improved enabling environments for the low-GHG transformation of industry and resilient agrifood system investments will create a more conducive setting for future private sector financing of these technologies. The establishment of improved regulatory frameworks, standards and incentives; the building of awareness of the benefits of such investments amongst target beneficiaries; and the demonstration of successful investment cases will all contribute to the long-term sustainability of these vital investments.
- The TPI will also engage at the systemic level with local central banks, regulators and governmental agencies to promote the development of local sustainable finance regulation and disclosure standards that bring additional focus and attention to industry and agrifood system investments – for example local sustainable finance taxonomies and climate finance tracking systems.
- Lastly, the TPI's knowledge management and transfer activities will ensure that related initiatives benefit from the learnings and experiences of the Programme to inform their improved design and create South-South learnings and replication potential.

C. FINANCING INFORMATION

C.1. Total financing

(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount			Currency		
	187.0			million USD (\$)		
GCF financial instrument	Amount	Tenor		Grace period	Pricing	
(i) Senior loans	0	15 years of each tranche subscribed ³³ GCF commitment in junior interests.			34	
(ii) Subordinated loans	0					
(iii) Equity	175.000.000					
(iv) Guarantees	0					
(v) Reimbursable grants	0					
(vi) Grants	12.000.000					
(vii) Results-based payments	0					
(b) Co-financing information	Total amount			Currency		
	533			million USD (\$)		
Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
Institutional investors/LPs	Equity	70	million USD (\$)	7-10 years	35	senior
Institutional investors (notes)	Senior Loans	455	million USD (\$)	3-10 years	36	senior
TPI TAF	Grant	8	million USD (\$)	n.a.	n.a.	non-reimbursable
(c) Total financing (c) = (a)+(b)	Amount			Currency		
	720.0			million USD (\$)		
The above figures conservatively reflect fund structure co-financing levels – i.e. co-financing observable in the capital structure of the TPI fund and TAF.						

³³ With the possibility, at an appropriate point in time, for the GCF to request an extension of each subscribed tranche by 5 additional years

³⁴ GCF return is made up of a target return and complementary dividends. Please see Annex 3 Financial Analysis for a detailed description of the income waterfall and the modelling assumptions and results. The junior limited partner interests are remunerated on the basis of an income waterfall as specified in Annex 3a. Their remuneration is composed of a target dividend determined in the respective subscription document and a potential complementary dividend allocated to all partnership interests at the end of the waterfall. A mechanism will be contractually agreed by which dividends earned by the GP commitment would be reduced accordingly in years in which the GCF's Junior Shares would have suffered from realized write-offs

³⁵ The senior limited partner interests are remunerated on the basis of an income waterfall as specified in Annex 3a. Their remuneration is composed of a target dividend determined in the respective subscription document and a potential complementary dividend allocated to all partnership interests at the end of the waterfall. Target dividend levels are negotiated for each subscription with each investor and may differ between investors. Please see Annex 3 for estimated total returns including complementary dividends.

³⁶ The Note investors are remunerated through fixed-income interest. The applicable interest rate is specified in the subscription agreement and is negotiated for each Note subscription with each investor. Interest levels will therefore differ across subscriptions and over time. Please see Annex 3 for detailed assumptions and sensitivities regarding the pricing of Notes.

However, the TPI achieves significantly higher levels of true private mobilization over its programme lifetime, given the revolving nature of the fund, which delivers a total volume of climate investments several times larger than the fund capitalisation. The revolving structure is adopted to efficiently leverage junior capital and maximise institutional investor mobilisation – see Section B.5. Lifetime mobilization reaches a ratio of over 1:10 and considers a) private capital mobilized at the fund level including replacement of maturing capital over the implementation period – approx. 1.35 billion USD, b) parallel financing mobilized from partner FIs – approx. 0.21 billion USD, and c) parallel financing mobilized as equity contributions at the investment level – approx. 0.35 billion USD.

C.2. Financing by component

Please provide an estimate of the total cost per component and output as outlined in section B.3. above and disaggregate by source of financing. More than one co-financing institution can fund a single component or output. Provide the summarised cost estimates in the table below and the detailed budget plan as annex 4.

Component	Output	Indicative cost million USD (\$)	GCF financing		Co-financing		
			Amount Options	Financial Instrument	Amount Options	Financial Instrument	Name of Institutions
<u>Component 1:</u> <u>Transformation</u> <u>Pathways</u> <u>Initiative –</u> <u>Blended Finance</u> <u>Debt Fund</u>	<u>Output 1.1:</u> <u>Mobilizing private</u> <u>capital for low-</u> <u>GHG climate-</u> <u>resilient industry</u> <u>and agrifood</u> <u>systems</u>	700.0 million USD	175.0 million USD	<u>Equity</u>	70.0 million USD 455.0 million USD	<u>Equity</u> <u>Senior Loan</u>	<u>Institutional</u> <u>investors/LPs</u> <u>Institutional</u> <u>investors</u> <u>(notes)</u>
	<u>Output 1.2:</u> <u>Increased investm</u> <u>ent in low-GHG</u> <u>climate-resilient</u> <u>industry and</u> <u>agrifood systems</u>						
<u>Component 2:</u> <u>Transformation</u> <u>Pathways</u> <u>Initiative –</u> <u>Technical</u> <u>Assistance</u> <u>Facility</u>	<u>Output 2.1:</u> <u>Enhanced</u> <u>capacities of</u> <u>borrowers</u>	8.5	4.5	<u>Grants</u>	4	<u>Grants</u>	<u>Other donors</u> <u>(incl. DFIs &</u> <u>foundations)</u>
	<u>Output 2.2:</u> <u>Improved</u> <u>investment</u> <u>readiness and</u> <u>enabling market</u> <u>environment</u>	11.5	7.5	<u>Grants</u>	4	<u>Grants</u>	<u>Other donors</u> <u>(incl. DFIs &</u> <u>foundations)</u>
Indicative total cost (USD)		720.0 million	187.0 million		533.0 million		

C.3 Capacity building and technology development/transfer

C.3.1 Does GCF funding finance capacity building activities?

Yes ☒ No ☐

C.3.2. Does GCF funding finance technology development/transfer?

Yes ☐ No ☒

GCF funding under Component 2 will include capacity building activities with investees and potential investees of the Fund's direct and intermediated lending activities, including SMEs, and of stakeholders in the broader

financial sector such as Central Banks and in industry and agri-food sectors such as sector/industry associations and governmental agencies. Activities will include inter alia capacity development for developing climate/eco loan products, for developing a pipeline of low-GHG investments in industry, training of staff of partner FIs on climate compatible lending, and of staff of central banks and regulators on climate compatible financial system development. The GCF's total funding for Component 2 amounts to 12 million USD of which a portion will target capacity building activities directly and further fraction contribute to such activities more indirectly.

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

D.1. Impact potential

Mitigation impact potential: Consistent with GCF Core Indicator 1 (GHG emissions reduced, avoided or removed), the TPI Programme is estimated to reduce 31.1 MtCO_{2e} of GHG emissions over the total lifespan of the financed technologies and investments in the partner countries. This mitigation impact is distributed across three GCF Results Areas:

1. MRA1: 19.1 MtCO_{2e} from energy generation and access;
2. MRA2: 180 ktCO_{2e} from low-emission transport; and
3. MRA3: 11.9 MtCO_{2e} from buildings, cities, industries, and appliances.

The Programme expects to finance the installation of 483 MW of renewable energy capacity, generating 16.2 TWh of renewable energy, and will result in 18.9 TWh of annual energy savings.

The expected mitigation impact is distributed across the investment themes as follows:

<i>Investment theme</i>	Annual GHG reductions	Lifetime GHG reductions
<i>Industrial Renewables</i>	271.3 ktCO _{2e} /year	19,102 ktCO _{2e}
<i>Efficiency and Circularity</i>	324.0 ktCO _{2e} /year	11,865 ktCO _{2e}
<i>Electrification and Sustainable Fuels</i>	5.3 ktCO _{2e} /year	180.5 ktCO _{2e}
<i>Total</i>	600.1 ktCO _{2e} /year	31,148 ktCO _{2e}

The structural efficiency of the 20-year revolving fund significantly enhances the climate impact per initial unit of capital deployed. Based on the target fund size, the mitigation financing ratio is calculated at 23.6 USD/tCO_{2e} based on total financing and 4.8 USD/tCO_{2e} based on the GCF contribution which benchmarks favourably vs similar programmes with a focus on FI intermediated mitigation finance.

The estimation of the mitigation impact is based on standard methodologies and DFI-aligned approaches to calculating emissions factors as applied for other blended funds advised by FiM with DFI investor bases. CO₂ emissions reductions are calculated and reported in accordance with the requirements of the IFI Framework for a Harmonized Approach for GHG Accounting and its corresponding supporting standards. For more details on the calculation methodology and results, refer to Annex 22. FiM has more than 15 years of experience in assessing and tracking climate mitigation finance outcomes to DFI standards including the adoption of dedicated tools for financial intermediaries.

Adaptation impact potential Consistent with GCF Core Indicator 2, the Programme is expected to reach a total of 1,445,780 beneficiaries, comprising 38,465 direct beneficiaries and 1,407,315 indirect beneficiaries. This represents approximately 0.01% and 0.45% of the total population across the target countries, respectively. Furthermore, adaptation interventions are expected to bring 90,000 hectares of natural resources under improved climate-resilient management practices, and a total of 516,000 hectares of farmland under sustainable management (Table 8).

Table 8: Adaptation Impact Potential

Indicator	Definition	Final Expected Outcome
Direct beneficiaries reached (Core 2)	Individuals who receive targeted support (financing) from the Fund and have a measurable adaptation benefit from a project intervention	38.5k <i>male: ~23.8k, female: ~14.7k</i>
Indirect beneficiaries reached (Core 2)	Employees of the direct beneficiaries and their dependents/households	1,407.3k <i>male: ~756k, female: ~651k</i>
Hectares of natural resources brought under improved climate-resilient management (Core 4)	Total area newly brought under improved climate-resilient management practices	90k ha
Hectares of farmland under sustainable management	Total area under sustainable management (newly and existing)	516k ha
Number of farmers applying climate-resilient agricultural practices	Equivalent to direct beneficiaries	38.5k

Importantly, the estimate of direct beneficiaries is deliberately conservative. **Direct beneficiaries are restricted to the number of sub-borrowers that directly receive TPI financing for interventions that reduce their vulnerability to climate change.** These sub-borrowers are largely businesses that implement resilient business practices or invest in new resilient technologies. Beneficiary counts do not extend to employees, households, value chain actors, or surrounding communities who will also benefit from the enhanced resilience of these businesses. The Programme also combines financing with technical assistance, climate risk management support, and capacity building to ensure that adaptation investments are robustly designed and capable of delivering lasting resilience outcomes.

Climate adaptation measures supported by the Programme largely aim to reduce the risks related to climate variability—such as floods, extreme temperatures, or droughts—that directly threaten business continuity and, by extension, employee livelihoods. By enhancing the climate resilience of these businesses, as a means to address existential risks, clear benefits extend downstream to their employees and their families through improved income security and job security. By supporting companies in building resilience to these risks, the Programme helps safeguard the income, employment, and livelihoods of those working within them. This is especially relevant in regions where the formal job market is limited and agribusinesses serve as major employers.

From a gender and inclusion perspective, many employees, particularly women and youth, may not own or manage the businesses themselves but rely heavily on them for economic participation. The employees of the direct beneficiaries (est. 364,000) and their dependents/households (est. 1,043,250) are categorised as indirect beneficiaries given their reliance on the business continuity of TPI adaptation finance recipients.

The number of direct beneficiaries, employees per sub-borrower, and dependents were calculated using impact methodologies and data sources developed for comparable investments in the same target regions. Additional indirect benefits – such as improved resilience of local communities through enhanced food security, strengthened value chains, or improved water availability – are not estimated. As a result, the reported beneficiary numbers should be viewed as a prudent estimate of the Programme's impact that prioritises robust attribution over broader but less certain resilience benefits. For more details on the calculation methodology and results, refer to Annex 23.

D.2. Paradigm shift potential

The Transformation Pathways Initiative (TPI) drives a paradigm shift through the structural mobilization of institutional capital, the mainstreaming of climate finance within local banking sectors, the demonstration of commercial viability in direct lending, and targeted market building.

Overall paradigm shift: mobilising institutional capital at scale: A critical barrier to industrial climate finance in Emerging Markets and Developing Economies (EMDEs) is the mismatch between the risk-return requirements of global institutional investors and the idiosyncratic risks of EMDE private debt. The TPI addresses this by utilizing the GCF's first-loss junior equity to absorb initial portfolio losses, thereby creating an investment-grade senior risk profile. This translates heterogeneous, real-economy climate projects into a standardized fixed-income product capable of meeting the strict fiduciary and regulatory constraints of pension funds and insurers. Crucially, through its 20-year revolving structure, the TPI does not execute a one-time capital mobilization; it establishes a repeatable capital-markets channel, targeting a lifetime private capital mobilization ratio of over 1:10 and building durable institutional demand for EMDE climate debt.

The Programme's design makes a significant contribution to a paradigm shift towards future-proof industry and agrifood systems. It will substantially increase the availability of private institutional capital flowing to EMDEs for climate action, with a focus on acutely underfunded sectors. At the same time, it combines tangible climate change mitigation and adaptation investments with strategic technical assistance to improve the capacities of local financial and industrial sectors to scale-up and replicate these investments beyond the direct scope of the Fund's investments. TPI engagement to help transform and make financial sectors climate compatible is particularly critical. In EMDEs banks are the foundational provider of credit to businesses and private infrastructure, with large portfolios and client bases that offer the opportunity for steering towards climate outcomes. Given the immense climate finance need in EMDEs, only the domestic financial sector can deliver quickly enough, at scale, and with the necessary reach, meaning banks represent a vital solution commensurate to the size of the crisis at hand. IFC estimates that climate lending by EMDE banks should increase to up to 30% of portfolios by 2030, from often negligible or low shares today³⁷. TPI provides comprehensive support and advice to partner FIs via TA (Sub-component 2.1) to mainstream and implement climate finance into their business models and strategies. This allows banks to reap the benefits of growing their climate finance offering and to build this into a core pillar of their business. Supporting banks in this way amplifies the Fund's paradigm shift well beyond its financing activities alone. A further paradigm shift outcome lies in the Programme's ability to attract institutional investors into sectors and markets that have historically been perceived as too small, fragmented, or high-risk. By demonstrating investability and building a track record of climate-positive returns, TPI aims to catalyse a lasting change in investor behaviour, unlocking larger volumes of commercial capital for industrial and agrifood transitions in EMDEs.

Potential for scaling-up and replication: The Programme has been specifically designed to ensure scaling up in the targeted sectors and participating countries through the following features and activities. The Fund's variable share structure allows additional growth beyond the currently envisaged target size of 700 million USD, should additional derisking instruments be made available. The absorptive capacity for additional mitigation and adaptation investments in the Fund's target sectors is many times larger than the current investment pipeline and total investment volumes planned. Furthermore, the programme operationalises scaling and replication through its two investment channels:

³⁷ IFC (2018) Greening Banks & Capital Markets for Growth

- **Intermediated lending (60%).** Local financial institutions are critical to systemic change given their distribution networks and SME client bases. TPI credit lines, paired with Technical Assistance (TA), require partner FIs to apply strict climate eligibility, impact monitoring, and environmental and social (E&S) risk assessments. Repeated origination embeds these capabilities into mainstream banking operations, allowing FIs to progressively replicate climate lending using their own balance sheets.
- **Direct Lending (40%):** Direct investments in both hard-to-abate sectors and to bridge the 'missing middle' financing gap across sectors serve a strict demonstration function designed to unlock specific replication pathways. By financing technically complex, larger, or riskier investments, the TPI generates operational data and contractual precedents that establish reference asset classes. The Programme systematically drives scaling and replication through:
 - **Co-financing and funded risk participations:** Shifting local lending practices by co-financing or syndicating transactions alongside local commercial banks. This allows domestic institutions to enter unfamiliar climate sectors and extend tenors while relying on the TPI's technical appraisal, thereby building their internal capacity to replicate transactions independently.
 - **Broadening the lender base:** Utilizing the TPI's specialized impact structuring, Environmental and Social (E&S) requirements, and impact-monitoring frameworks to validate complex borrower business models, thereby making these companies investible for subsequent co-lenders and mainstream capital.
 - **Cross-Country value chain integration:** Leveraging the TPI's multi-country structure to finance multiple actors along the same value chain (from primary producers to processors and traders). This approach reinforces common expectations regarding traceability and resource efficiency, allowing technologies and financing structures proven in one market to be adapted across jurisdictions.
 - **Working Capital for climate-technology providers:** Financing the long-term working capital cycles of Engineering, Procurement, and Construction (EPC) contractors and climate-service providers. This enables them to hold inventory and extend supplier terms, driving a multiplier effect in the deployment of climate infrastructure across multiple third-party industrial sites rather than limiting impact to a single facility.
 - **Successive intra-group investments:** Proving the commercial and technical viability of low-GHG upgrades or resilience measures in a single subsidiary to establish the precedent for group-wide transformation across diversified EMDE industrial conglomerates.

Potential for knowledge sharing & learning: The Programme is expected to generate and disseminate knowledge and learnings as part of Programme's vision for paradigm change. The Programme will be, as far as its proponents are aware, the first fund focused on driving sustainable industrial transformation in global value chains. Hence novel lessons learned from this endeavour will be documented and disseminated through peer exchange, webinars, panel discussions, publications, conferences, and via other online means. These lessons learned can include the Programme's experience in: challenges and opportunities to invest in low-GHG climate resilient industry; developing climate-compatible lending products for industry by local financial institutions; lessons on effective methods of TA provision; lessons on how industry stakeholders (corporates, financiers) can support SMEs suppliers on their sustainability journey (e.g. supply chain innovation, financing); and lessons on market gaps and policy recommendations.

The TAF establishes a feedback loop between investment execution and market development. Financing opportunities and requirements (such as operational data, technology performance metrics, transition strategies, or structuring needs) are captured in a shared knowledge repository. Through UNIDO's Market Track, this data is disseminated via practitioner exchanges, sector associations, and peer-learning networks to inform both corporate borrowers and local financiers across the 10 target countries, establishing cross-country sectoral competence.

Contribution to an enabling environment: The Programme contributes to a stronger enabling environment for low-GHG and climate-resilient investments in industry and agrifood systems via the Blended Finance

Debt Fund and its Technical Assistance Facility. The Programme delivers a combination of tangible investments and accompanying technical assistance that develops a pipeline of investments, builds capacities for their implementation and captures experiences and lessons learned to mainstream these into strategies and product offerings of local financial institutions. The Programme will thus create and strengthen markets for low-GHG, climate resilient technologies in its target sectors in partner countries. Experience with undertaking investments and strengthened capacities will reduce transaction costs and (perceived) risks for future investments, while stimulating demand for green technologies and practices. At the same time, as the Fund gains a track-record of successful implementation, institutional investors will become more confident to invest in low-GHG, climate resilient technologies in EMDEs, thus progressively lowering the need for first-loss capital. The Programme thus contributes to overcoming the systemic barriers for low-emission development in industry described under A.2 in its partner countries.

The Technical Assistance Facility (TAF) systematically dismantles the knowledge and capacity barriers preventing the deployment of capital:

- The **Finance Track (FiM)** targets the internal constraints of local banking sectors by supporting partner FIs with the development of climate-aligned lending strategies, green product design, and E&S risk management integration.
- The **Market Track (UNIDO)** provides upstream investment-readiness advisory (e.g., targeted energy audits and pre-feasibility assessments) to SMEs and corporates. This translates fragmented technical potential into a derisked, bankable pipeline, ensuring that capital deployment is not stalled by a lack of investment-ready projects.

Contribution to regulatory framework and policies: The TAF Market Track will offer targeted advisory support and capacity building to selected governmental agencies to strengthen regulatory frameworks, standards, policies and incentives for investments into low-GHG, climate resilient technologies and services in industry and agri-food systems. This type of technical assistance will be limited to those selected countries where fundamental market constraints, in the form of a weak or under-developed regulatory framework hamper the investment activities of the Fund, with subsequent programming of assistance focused strictly on those areas of engagement that directly complement the Fund's investment activities.

While the TPI is primarily a private-sector financing vehicle, its Market Track (executed by UNIDO) actively engages with sector associations, industry regulators, and public agencies to address specific regulatory bottlenecks identified during the Fund's origination activities. By anchoring policy dialogue in actual financing requirements, the TAF provides evidence-based recommendations to strengthen industrial efficiency standards, improve waste management and circularity regulations, and enhance climate-risk disclosure requirements. This targeted engagement ensures that domestic policy frameworks evolve to sustain and incentivize low-GHG and climate-resilient investments beyond the Programme's lifespan.

D.3. Sustainable development

The TPI strategically contributes to sustainable development by mobilizing private capital to enhance investments in low-GHG, climate-resilient industries and agrifood systems, and by strengthening the financial sectors in partner countries. Its primary focus aligns with SDG 13 (Climate Action) and SDG 9 (Industry, Innovation and Infrastructure), while generating measurable co-benefits across additional SDGs. To ensure robust delivery, the Accredited Entity's impact management capabilities are externally verified by BlueMark, ranking them as a Practice Leader.

Environmental Co-Benefits The Programme advances SDG 7 (Affordable and Clean Energy) and SDG 12 (Responsible Consumption and Production) by financing energy efficiency, renewable energy integration, circularity, and sustainable resource management across industries. The TPI targets approximately 2.14 million cubic metres of lifetime water savings through water-efficient processing and irrigation interventions. Within agrifood systems, investments in soil conservation, water retention, and agroforestry are projected to bring 516,000 hectares of farmland under sustainable management and support 38,465 farmers adopting climate-resilient practices.

Social and Health Co-Benefits In alignment with SDG 2 (Zero Hunger) and SDG 8 (Decent Work and Economic Growth), adaptation investments strengthen food systems, reduce post-harvest losses, and improve food security in target countries. The Programme targets the support of approximately 517,000 green jobs over its lifetime (estimated using the Joint Impact Model and disaggregated by gender), while directly benefiting 38,465 sub-borrowers and indirectly benefiting 1,407,315 individuals through improved resilience and income stability. Recognizing that industrial modernization involves job transformation, the Programme's Environmental and Social Management System (ESMS) explicitly enforces safeguards aligned with ILO Fundamental Conventions to protect livelihoods, occupational health and safety, and working conditions, ensuring an inclusive and just transition.

Economic Co-Benefits The TPI stimulates inclusive economic development and industrial competitiveness (SDG 8, SDG 9) by financing investments that reduce operating costs, improve productivity, and enable companies to meet increasingly stringent export market and regulatory requirements. In manufacturing industries such as textiles production or food and beverage manufacturing, energy costs may typically represent 5 to 20% of operational expenses, while in certain energy intensive industries this share can double³⁸. Furthermore, the Programme advances SDG 17 (Partnerships for the Goals) through its blended finance model and Technical Assistance Facility (TAF). By combining capital deployment with UNIDO-led technical assistance, the TPI mobilizes institutional capital, supports market development, and fosters multi-stakeholder collaboration to drive systemic, long-term improvements in industrial standards and regulations.

Gender-Sensitive Development Benefits The Programme systematically advances SDG 5 (Gender Equality) by integrating gender considerations across governance, investment due diligence, and capacity building. Informed by country- and sector-specific assessments, the Gender Action Plan enforces measures to mitigate risks of Sexual Exploitation, Abuse, and Harassment (SEAH) and Gender-Based Violence (GBV), while addressing barriers to access to finance for women-owned and women-led businesses. Investees are required to provide gender-disaggregated reporting, including employment metrics and the gender pay gap, to track outcomes and implement corrective actions, helping to ensure women benefit equitably from the low-carbon transition.

Environmental co-benefits

	SDG 13 Climate Action	The Programme directly supports climate mitigation and adaptation impacts through incentivizing low-GHG investments and climate-resilient practices.
	SDG 7 Affordable and Clean Energy	By financing energy efficiency measures and promoting the adoption of renewable energy in industrial and agri-food sectors, the Programme reduces carbon footprints and advances clean energy access.
	SDG 12 Responsible Consumption & Production	The Programme encourages sustainable resource management, waste reduction, and the adoption of efficient, environmentally responsible practices across industries.

Social Co-Benefits (Including Health Co-Benefits)

	SDG 2 Zero Hunger	By financing climate-resilient agricultural practices, the Programme strengthens food systems and improves food security in partner countries.
	SDG 5 Gender Equality	The Program promotes a gender-responsive financial sector, industry, and agrifood systems by addressing disparities in access to finance, employment, and capacity building.
	SDG 8 Decent Work & Economic Growth	By fostering green and inclusive business practices, it supports green job opportunities for men and women.
	SDG 13 Climate Action	The Programme's climate action will contribute to healthier ecosystems and communities (including through improved air quality).

Economic Co-Benefits

³⁸ IEA (2026) Energy Technology Perspectives - Supply chain risks and industrial competitiveness

	SDG 8 Decent Work & Economic Growth	The Programme stimulates inclusive economic development promoting green jobs.
	SDG 9 Industry, Innovation, and Infrastructure	It enhances energy and resource efficiency as well as uptake of innovative, sustainable technologies supporting competitiveness and growth of industrial enterprises and agri-food value chains.
	SDG 17 Partnerships for the Goals:	Through its blended finance model and Technical Assistance Facility, the Programme mobilizes capital and fosters multi-stakeholder collaboration to drive systemic transformation in finance and industry.

Gender-Sensitive Development Benefits

	SDG 5 Gender Equality	The Programme addresses gender disparities by promoting a gender-responsive financial sector, industry, and agrifood systems.
	SDG 8 Decent Work & Economic Growth	By promoting green jobs for women and men in green sectors, the Programme supports more inclusive labour markets and economic development.

D.4. Needs of recipient

Vulnerability and financing gaps in priority sectors: Industrial companies and agri-businesses in the Programme's partner countries face growing pressure to stay competitive in local or international markets while adapting to climate risks and global sustainability demands. Yet access to climate finance remains a major barrier. Although global climate finance more than doubled between 2018 and 2024, significant disparities persist.³⁹ On average, partner countries require over 200 billion USD annually to meet their 2030 mitigation targets based on bottom-up estimates, but climate finance growth has slowed or declined in regions like Sub-Saharan Africa and Latin America (Annex 2). Despite being major emission sources, industry and agriculture receive only 5% of tracked mitigation and dual-benefit funding and less than 2% of mitigation funding. In Programme regions, industry's share of mitigation finance remains critically low, where these figures are available, e.g. 3.3% in Latin America and 4.5% in Eastern Europe and Central Asia.⁴⁰ This underinvestment hampers the ability of SMEs and companies to transition toward low-GHG resilient practices while maintaining or improving competitiveness.

Structural barriers further constrain access to finance. In emerging markets challenges such as debt burdens, limited capital inflows, conservative lending practices, and inefficient financial systems hinder investment in sustainable practices:

- Across **Africa**, industrial emissions are rising, though the sector remains relatively underdeveloped. The key challenges include unreliable and (often) carbon-intensive energy supply, low levels of energy efficiency, and limited access to finance and clean technologies.
- In **Asia**, fast-growing industrial economies face mounting emissions from textiles & apparel, electronics & machinery, pharmaceuticals, cement, and steel, as well as growing sustainability demands driven by buyer/off-taker environmental commitments. Key constraints include coal-dependency, inefficient technologies (sector dependent), limited waste management standards and lower levels of circularity.
- Industrial emissions in **Latin America** primarily stem from cement, steel & metals, pulp & paper, mining & extraction, food & beverages, and export-oriented light manufacturing. Core challenges include fossil-fuel reliance for heat, low uptake of circular practices, limited adoption of distributed/industrial renewables, and weak enforcement of efficiency standards.
- **Eastern Europe and Central Asia** faces challenges with often outdated industrial infrastructure, high energy intensity, and continued fossil fuel dependence, including in grid supply. Key constraints include limited access to appropriate finance, inefficient technologies and processes, and regulatory frameworks for low-GHG emission development that are only recently beginning to take force.

³⁹ Climate Policy Initiative, 2026, *Global Landscape of Climate Finance*

⁴⁰ Climate Policy Initiative, 2025, *Global Landscape of Climate Finance*

Without access to affordable long-term financing and adequate borrowing costs, these regions risk falling behind in sustainable industrialization and economic growth.⁴¹

In each partner country, the programme focuses its investments on priority sectors, investment themes, technologies and financing modalities which reflect the priorities and needs expressed by NDAs and other stakeholders during the NOL process and which offer significant opportunities for climate impacts and socio-economic development (see Table 6 for an overview of priority sectors and interventions)

Complementarity with existing baseline programmes: Target countries have established various baseline programmes to address industrial emissions, including sovereign grant schemes and multilateral development bank (MDB) interventions, such as the Climate Investment Funds (CIF) Industrial Decarbonization Programs in Mexico and South Africa. While existing initiatives - such as the CIF Industrial Decarbonization Programs and various national credit lines - play a vital role in reducing upfront costs, building early-stage capacity, and piloting transformative technologies using public or concessional funding, a structural gap remains in scaling these solutions across broader value chains. The TPI complements these foundational efforts by acting as a provider of follow-on private debt capital designed to translate policy signals and successful pilots into broader commercial replication. Consequently, the unmet recipient need is the mobilization of private institutional capital at scale. The TPI addresses this specific gap by providing medium- to long-term debt and mid-sized tickets (USD 5–50 million) that translate sovereign policy signals into actual capital expenditure, complementing rather than duplicating existing concessional initiatives.

Furthermore, the Programme is structured to ensure strict coherence with the broader GCF portfolio by creating natural scale-up pathways and addressing distinct market segments:

- **Differentiation by Target Segment:** While existing initiatives like the Kuali Fund (FP230) focus on microfinance and smallholder inclusion, or the &Green Fund (FP212) focus on land-use and deforestation, the TPI is focused on low-GHG industrial development, mid-stream agro-processing, and value-chain transformation.
- **Scaling Financial Sector Readiness:** The TPI complements foundational capacity-building programmes - such as AFD's Transforming Financial Systems for Climate (FP095) and EBRD's Greening Financial Systems (FP253) - by providing the specialized debt and transaction-level technical assistance required to convert that institutional readiness into large-scale climate investments.
- **Graduation Pathways for Borrowers:** In limited markets (Serbia) overlapping with EBRD's SEFF Co-financing Programme (FP025), the TPI enables scale-up by financing larger, transformational climate-resilient CAPEX that exceeds the parameters of small-scale energy efficiency improvements.

Blended finance is recognized as a key tool to mobilize private investment in EMDEs. According to Convergence⁴², low-GHG industry remains significantly underfunded relative to sectors like renewable energy, against a backdrop of a growing blended finance market. Expanding blended finance to support energy efficiency, low-GHG technologies, and circularity in industry is essential to ensure competitiveness and sustainable livelihoods in a low-GHG global economy. Extreme weather events and shifting climate patterns threaten agrifood systems, which support on average 29% of the population and 13% of GDP across target countries (for more details on each country's vulnerability refer to Annex 2), however adaptation finance to these value chains remains insufficient in EMDEs.

Partner countries clearly recognize the role of international finance and private sector investment in meeting NDC goals related to industry and agrifood systems, but without targeted financial and technical support, businesses risk losing market access and falling behind in global value chains increasingly shaped by sustainability requirements and a changing climate.

Financial sector and institutional capacity needs: Local financial institutions can play a crucial role in bridging the finance gap but often lack experience in assessing the viability of climate technologies and structuring suitable products. Strengthening their capacity - through technical assistance, tailored debt

⁴¹ UNIDO, 2024, *Industrial Development Report*

⁴² Convergence, *State of Blended Finance 2024: Climate Edition*

instruments, and support for climate risk and impact reporting - is key to scaling finance for industrial and agri-businesses. To reach businesses at scale, broader institutional capacity building is needed, including through sector and industry associations that can disseminate best practices and support sector-wide transitions to low-GHG, climate-resilient business models.

D.5. Country ownership

The Programme addresses three dimensions of country ownership, which are shaped through engagement with the NDA and a range of domestic stakeholders, ensuring that the Programme is tailored to each country's unique situation and conditions while aligning with national priorities and development needs:

Alignment with national climate and industrial policies: The industrial sector and agri-business in each of the Programme's partner countries is a key driver of economic growth, contributing significantly to GDP, employment, and strategic integration into global value chains. Strengthening its competitiveness and resilience is crucial for long-term sustainable development – in this regard the TPI is closely aligned with the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of the 10 target countries, which emphasise industrial energy efficiency, renewable energy deployment, and the reduction of agrifood vulnerability. The Programme translates these national targets into specific investments, ensuring that capital is directed toward sectors recognized by host governments as critical for transitioning to low-GHG, climate-resilient development pathways. The Funding Proposal is supported by No-Objection Letters (NOLs) from the NDAs of all 10 target countries. Full details are presented in Annex 2.

Crucially, because the Programme operates over a 20-year lifespan, the TPI ensures dynamic, long-term alignment with these evolving national policies through regular, structured communication with the NDAs. This ongoing governance mechanism systematically captures policy updates, allowing the Fund to adjust its priorities to remain aligned with national strategies as NDCs are ratcheted upward over the next two decades.

Financial sector alignment While national climate policies and NDCs focus primarily on real-economy targets, the successful implementation of these goals depends on domestic capital mobilization. All 10 target countries have established or are currently developing national sustainable finance strategies. These frameworks formally recognize and mandate the financial sector's role in achieving climate targets. By utilizing local financial institutions for its intermediated lending and providing them with targeted technical assistance, the TPI directly operationalizes these national sustainable finance strategies, building domestic institutional capacity to sustain climate lending.

Stakeholder engagement: The Programme's design and investment strategy were informed by consultations with core stakeholders, including government ministries, industrial associations, civil society organizations, and local financial institutions. Potential investees confirmed substantial demand for targeted climate debt, while civil society stakeholders highlighted the need to address the high upfront costs and technical barriers faced by MSMEs.

The Programme is aware of the challenges of administering multi-country GCF initiatives in a way that meets the informational and strategic alignment needs of local stakeholders. To ensure ongoing country ownership during the Programme's implementation, regular exchange with the NDAs and other relevant Ministries, and where relevant with national EEs, will take place throughout the lifetime of the Programme. Country-specific arrangements with NDAs for ongoing engagement help ensure that activities are well-communicated and continue to be aligned with national priorities. Between UNIDO and FiM there is a local market presence/office in 9 of the 10 target markets, which has been engaged to support these discussions. The Programme's stakeholder engagement plan enhances country ownership further by involving key local stakeholders. This involves potential investees and recipients of technical assistance – such as local financial institutions, industrial companies and agribusinesses, financial sector actors, regulators – as well as relevant ministries, industry associations, local agrifood networks, and women associations.

Stakeholder consultations across varied stakeholder groups (including representatives of vulnerable groups, indigenous peoples and gender-focused organisations) provide several findings, which confirm the TPI Programme objectives and will guide its implementation. For details refer to the Programme's stakeholder engagement strategy and individual feedback, Annex 7.

- Potential investees consistently expressed strong interest in targeted financing and additional syndication capacity related to climate solutions for industry and agrifood systems, noting the significant demand for financing in the targeted sectors.
- There was broad political support from non-investee stakeholders, welcoming its global scope and inclusion of a range of target countries
- Feedback from civil organizations highlighted the challenges faced by MSMEs, including low awareness of climate solutions, complex financing options, and high upfront costs for clean technologies. Stakeholders advocated for simpler processes, more outreach in regional languages, and inclusive access.
- Indigenous Peoples' organisations emphasised meaningful participation where activities may intersect with land, water, agrifood or renewable energy value chains, including respect for customary governance and traditional knowledge, transparent benefit-sharing and more accessible pathways for grassroots organisations to engage in TA and climate finance.

Indigenous Peoples: Within the agri-food sector, specific consideration was given to consultations with Indigenous People, as rural, agricultural and land-use supply chains may directly or indirectly intersect with Indigenous People's territories, ancestral lands, and communities. By fostering inclusive and structured collaboration, the Programme aims to ensure locally driven implementation that is transparent, responsive to national needs, and supportive of long-term sustainability. Crucially, the Programme recognizes that mitigation and adaptation investments in sustainable fuels and climate-resilient agrifood systems depend on rural and agricultural supply chains that may intersect with Indigenous Peoples' territories, ancestral lands, and communities. To ensure robust safeguards and inclusive design, the Stakeholder Engagement Plan mandates proactive mapping and targeted consultations with Indigenous Peoples prior to investment and during the pipeline development phase. This structured engagement ensures that customary governance, traditional knowledge, and localized climate vulnerabilities are actively integrated into the Fund's overarching investment targeting and adaptation finance deployment.

D.6. Efficiency and effectiveness (max`. 500 words, approximately 1 page)

The blended fund structure and efficient capital mobilisation: The TPI is designed to address a fundamental market failure in climate finance: despite strong underlying credit performance and substantial investment opportunities in EMDEs, institutional investors allocate only a limited share of their capital to EMDE private debt. The principal constraint is not a lack of investable climate opportunities, but a mismatch between institutional investors' risk, return, liquidity, rating, and regulatory requirements and the characteristics of EMDE private debt. The Programme achieves high levels of lifetime private capital mobilization (over 1:10) through the way the TPI is structured (targeting an investment-grade rated senior product as required by most institutional investors) and deployed. A positive indicative rating via a Rating Assessment Service has already been achieved from one of the major global rating agencies to confirm the viability of this approach. Private capital will be, in the large majority, institutional investors who have traditionally not provided meaningful levels of climate finance in most EMDEs, nor in relation to industry and agrifood systems. While historical evidence, including GEMs data and Finance in Motion's own track record, suggests that EMDE private debt can deliver attractive risk-adjusted performance, institutional investors remain constrained by investment-grade requirements, capital regulations, country-risk limits, and expectations for predictable fixed-income returns. The Fund also targets domestic institutional investors that are underrepresented in global climate finance flows, who face similar fiduciary and risk-return challenges as foreign investors though have, in principle, strong alignment to the positive domestic outcomes the TPI will deliver. See also B.5 Justification of GCF Funding Request. The TPI structure translates these real-economy climate projects into an investment-grade rated senior product, effectively mobilizing institutional investors - such as pension funds and insurers - at scale.

Co-financing and disbursement linkage: To mitigate upfront disbursement risks and safeguard GCF resources, the Term Sheet mandates that individual tranches of GCF junior shares will only be drawn down and subscribed by the Fund if the corresponding private co-financing is secured and invested in parallel. This

guarantees that GCF capital is always matched at the pre-agreed levels. Should the Fund not be able to mobilize sufficient private capital, undrawn GCF funding will be released back to the GCF at agreed break-points, eliminating the risk of GCF capital being stranded in an under-scaled fund.

The proposal's cost effectiveness compares favourably with GCF projects in the same sector: The financing efficiency for the mitigation portion of the Programme is approx. 23.6 USD/tCO₂ based on total financing and 4.8 USD/tCO₂ based on GCF amount only. This compares favourably with GCF projects in the same sector, contributed to by the revolving nature of the TPI, as well as to the shadow price of carbon as adopted by the World Bank for all investment project financing by the International Bank for Reconstruction and Development (IBRD) and the International Development Assistance (IDA) that is subject to greenhouse gas (GHG) emissions accounting⁴³. Across the GCF portfolio, a recent Secretariat analysis of Annual Performance Reports (APRs) found that the average abatement cost for mitigation projects overall is USD 23.22 per tCO₂eq, calculated based on the impact achieved relative to the amount disbursed⁴⁴. CPI research estimates that GHG avoidance in industry is estimated to be slightly more efficient per USD than energy sector interventions, and 2-3 times more efficient than investments in transport or buildings⁴⁵.

Cost-effectiveness of adaptation beneficiaries: The adaptation calculations explained in Section D1 Impact Potential use an intentionally strict, conservative attribution methodology limited solely to the sub-borrowing entities. When factoring in the continuous reinvestment of amortising assets over the 20-year fund lifespan, and the 743,670 indirect beneficiaries whose employment and household incomes are systematically protected against physical climate shocks, the overall efficiency of GCF capital is very high.

GCF capital is used to enable significant private mobilization – at fund and domestic levels – during ramp-up and over time: Following ramp-up, the TPI will have 525 million USD of private capital, when considering the capital structure of the Fund. This is further leveraged in the investment portfolio with a) additional private parallel financing mobilized by domestic FIs who are investees of the Fund, i.e. domestic FIs are required to provide additional matching against the financing provided by the Fund when taking on subordinated debt, and b) equity contributions by beneficiaries/investees in accordance with conservative estimates. Accounting for domestic parallel financing, the TPI has a point-in-time co-financing ratio of 1:4.2.

Given the revolving nature of the Fund (and as evidenced in current funds managed by FiM) – whereby amortizing financing that the Fund provides is reinvested several times over and in parallel private investors are mobilized several times over, it is most appropriate to consider lifetime mobilization ratios. Over the Programme implementation period, the mobilization ratio reaches 1:10.3, with total mobilization of 1.9 bn USD of private capital⁴⁶. The lifetime co-financing ratio considers additional private capital mobilized to replace maturing capital over the entire lifetime of the Programme.

GCF junior shares are used efficiently with minimum concessionality: The TPI structure and the terms and conditions of the GCF junior shares have been designed to ensure that the concessionality of catalytic junior shares is minimized and justified, based on the FiM's long track record in raising and deploying blended debt funds in EMDEs. See also B.5 Justification of GCF Funding Request.

The TPI design seeks to keep the ratio of junior shares at a minimum level while providing adequate derisking for investors. During development and market sounding potential institutional investors for the TPI have stressed the need for de-risking to the extent proposed in the Programme to meet risk-return expectations and benchmarks of alternative similarly profiled non-EMDE investment products (from a risk-return perspective). The first-loss protection through the GCF junior shares is determined via industry standard models as a viable minimum to provide the required protection to market to investors a (near-) investment grade product, in line with fiduciary and internal requirements. The use of concessional capital is therefore carefully calibrated to address specific market barriers and mobilize institutional capital that would otherwise not be deployed to climate investments in EMDEs.

⁴³ WorldBank (2024) 2024 Guidance Note on Shadow Price of Carbon in Economic Analysis

⁴⁴ Green Climate Fund (2026). Status of the GCF resources, portfolio and pipeline. Available at: <https://www.greenclimate.fund/sites/default/files/document/09-status-gcf-resources-portfolio-and-pipeline-gcf-b44-inf08.pdf>

⁴⁵ CPI (2024) Global Landscape of Climate Finance 2024

⁴⁶ The lifetime mobilization ratio considers a) private capital mobilized at the fund level including replacement of maturing capital over the implementation period – approx. 1.35 billion USD, b) parallel financing mobilized from partner FIs – approx. 0.21 billion USD, and c) parallel financing mobilized as equity contributions at the investment level – approx. 0.35 billion USD.

The level of derisking provided by the GCF junior shares in the capital structure is found to be low vs comparable loan-originating blended debt vehicles operating at scale, and peer funds managed and advised by Finance in Motion. Those funds have combined public investor risk buffers at higher levels than the TPI Debt Fund, where private investors typically benefit from risk protection of mezzanine capital provided by public DFIs/IFIs, as well as junior public capital. Annex 3 (Financial Analysis) provides additional details and a sensitivity analysis showing that concessional junior shares from GCF are necessary to ensure that TPI investments can generate adequate returns for private investors in the Fund. The proposed structure demonstrates how limited concessional capital can unlock substantially larger volumes of institutional investment while allowing GCF resources to be recycled through the revolving nature of the Fund.

Track record and junior equity preservation: Efficiency is further safeguarded by the Accredited Entity's outstanding credit risk management track record, which demonstrates very low historical realized losses (write-offs) in managing comparable EMDE private debt portfolios. While junior tranches in similar funds may show temporary Net Asset Value (NAV) fluctuations due to IFRS expected-loss provisions, these unrealized impairments are released as portfolios successfully repay. The exceptionally low rate of realized defaults is important in signalling long-term preservation and recycling of the GCF principal.

Innovation and use of best-available technologies: The Programme champions technologies, that are not adequately represented in the Fund's partner countries. The TPI does this not only through the financing it extends, but also by supporting these technologies under the investment readiness activities of the TAF Market Track (to build pipelines of bankable projects) and providing financing to projects as they reach commercial viability. The TPI approach to eligibility allows for novel or emerging technologies to be supported by financing during the lifetime of the Programme, where these are in line with the Fund's results areas, thematic focus, and can demonstrate the appropriate mitigation outcomes.

Additionality to prevent concessional lock-in: Recognizing the extended 20-year lifespan of the Programme, the TPI applies a rigorous assessment framework to ensure that GCF resources are directed towards investments that deliver climate and financing additionality. The Fund focuses on commercially viable and technically proven technologies whose deployment remains constrained by tenor, liquidity, structuring, or capacity barriers, rather than supporting investments that would proceed under business-as-usual conditions.

All investments are screened against the MDB Common Principles for Climate Mitigation Finance Tracking, MDB Common Principles for Climate Change Adaptation Finance Tracking, the MDB Joint Framework for Paris Alignment, and relevant EU Taxonomy criteria, ensuring that supported activities are scientifically credible, Paris-aligned, and capable of delivering measurable climate outcomes. In addition, every investment is assessed through a dedicated Impact Scoring Tool (IST), which evaluates both financial or non-financial additionality in the local context, ensuring that TPI financing is directed towards transactions where barriers to implementation, access to finance, market development, or technology adoption would otherwise constrain progress.

Particular scrutiny is applied to C&I solar, where increasing market maturity and financing viability requires a dedicated additionality assessment. In these cases, investments are evaluated against market-specific penetration thresholds and only supported where clear evidence exists of underpenetration or tangible barriers. The combined approach seeks to ensure that GCF capital is channelled towards investments that would otherwise be delayed, reduced in scale, or not implemented, thereby maximising both climate impact and the catalytic use of concessional resources.

Through the TPI's design, the Programme maximizes private capital leverage from institutional investors into climate change mitigation and adaptation. In doing so, the TPI represents a significant evolution of the blended finance approaches that FiM has been successfully applying for over 15 years in support of climate action. In addition, the TPI will seek to mobilize local sources of institutional capital who have a more direct alignment with the national objectives of the TPI in a given country, while also having more familiarity with the specifics of EMDE investments.

E. LOGICAL FRAMEWORK

E.1. Project/Programme Focus

Please indicate whether this proposal is for a mitigation or adaptation project/programme. For cross-cutting proposals, select both.

☒ Reduced emissions (mitigation)

☒ Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential (max 600 words, approximately 1-2 pages)

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	Despite contributing an average of 45% of greenhouse gas emissions across the target markets, industry and agrifood systems remain critically underfunded, receiving less than 2% of tracked global climate finance. The fundamental barrier to scaling climate action is a structural risk-return mismatch. While global institutional investors control approximately USD 130 trillion in capital, idiosyncratic emerging market risks, illiquidity, and strict fiduciary constraints prevent these funds from reaching developing economies. Domestically, the scale of climate investment is stalled by a pervasive "missing middle" financing gap. Local financial institutions lack the long-term liquidity, E&S risk appetite, and technical capacity to underwrite complex climate technologies,	<u>Low</u>	In the target scenario, the idiosyncratic risks of emerging market climate debt are structurally mitigated, establishing a standardized, investment-grade asset class that safely channels a portion of the global institutional capital pool into EMDE industrial transitions. At the market level, partner financial institutions will have transformed into active portfolio aggregators, having permanently mainstreamed climate-aligned lending and climate risk assessments into their core operations to seamlessly reach fragmented, "complex-to-abate" SME supply chains. Concurrently, larger "hard-to-abate" industrial corporates will have reliable access to the scalable, long-tenor debt required for capital-intensive upgrades. Ultimately, through the continuous reinvestment of capital over a 20-year horizon and the strengthening of the regulatory ecosystem, domestic financial markets will possess the institutionalized expertise to independently originate, underwrite, and scale low-GHG and climate-	The Transformation Pathways Initiative (TPI) achieves systemic scale by fundamentally altering the risk-return profile of emerging market climate debt. While global institutional investors control approximately USD 130 trillion in capital, this vast pool largely bypasses developing economies due to strict fiduciary constraints and idiosyncratic risks. Component 1 (Blended Finance Debt Fund) bridges this gap by utilizing a 25% first-loss GCF tranche to target an investment-grade senior risk profile. Through this structural derisking (Output 1.1), the Programme safely unlocks USD 1,351 million in private institutional capital that would otherwise remain sidelined, mobilizing private finance at a ratio of over 1:10 including local contributions. Once mobilized, this capital is driven deep into the real economy through a powerful multiplier effect (Output 1.2). By employing a 20-year revolving structure, the Fund continuously reinvests amortizing assets to deploy an estimated USD 2,022 million in climate financing over its lifetime. To ensure this massive capital deployment reaches maximum market scale, the TPI operates through dual delivery channels. It utilizes local Financial Intermediaries (FIs) as portfolio aggregators to penetrate

while direct international DFI lending cannot efficiently reach many parts of fragmented supply chains. Consequently, a vast base of industrial corporates and agribusinesses—despite possessing commercially viable low-GHG and adaptation opportunities—remains locked out of the patient, appropriately tenored capital required to transition.

resilient technologies without relying on concessional intervention.

fragmented, "complex-to-abate" SME supply chains, while concurrently deploying direct lending to both bridge the "missing middle" financing gap across sectors and finance larger, "hard-to-abate" industrial upgrades.

To guarantee that this capital deployment is not stalled by market friction, **Component 2 (Technical Assistance Facility)** systematically removes the capacity bottlenecks that typically limit scale in emerging markets. Under the Finance Track (**Output 2.1**), the Programme institutionalizes scale by equipping partner FIs with the internal climate-risk frameworks and green product designs necessary to independently grow their climate-aligned lending volumes. Simultaneously, the Market Track (**Output 2.2**) actively transforms latent market demand into a scaled, bankable pipeline by providing upstream investment-readiness advisory—such as energy audits and pre-feasibility studies—directly to SMEs. Together, these tracks foster an enabling ecosystem that ensures the mobilized capital is continuously met with a robust supply of investable climate solutions.

Replicability

Despite growing awareness of climate finance, the replication of large-scale climate investment initiatives in industry and agri-food systems remains limited across the partner countries due to fragmented efforts, regulatory inconsistencies, and insufficient financial sector engagement. While some countries have introduced green taxonomies and climate-related financial

Medium

In the target scenario, climate finance will have become a more mainstream and self-sustaining practice across partner countries. Financial institutions will have integrated climate finance into their core business models, offering a wider range of climate finance products tailored to their local markets. Equipped with sector-specific knowledge, they will independently assess and finance low-GHG and climate-resilient investments, replicating climate-aligned lending without relying on external support.

The Transformation Pathways Initiative (TPI) systematically drives replicability by converting isolated climate interventions into standardized, highly replicable reference asset classes. Under **Component 1 (Blended Finance Debt Fund)**, the Programme executes targeted direct investments (**Output 1.2**) in hard-to-abate sectors and to bridge the 'missing-middle' across sectors that serve a demonstration function. By financing technically complex, larger, or riskier investments, the TPI generates the operational data and contractual precedents necessary to validate commercial viability. To deliver replication, the Fund utilizes specific structural

regulations, their implementation is uneven, and many financial institutions still lack incentives, capacity, and standardized frameworks to scale climate finance independently. For systemic change, financial institutions must gain the confidence, expertise, and regulatory support needed to embed climate finance into their core operations, ensuring that climate investment models can be replicated beyond a few early adopters.

Similarly, large-scale deployment of low-GHG, climate resilient technologies and solutions in industry and agri-food systems is often limited due to lacking technical capacities for developing, evaluating and implementing low-GHG, climate resilient projects and investments. Moreover, many businesses lack access to finance at suitable tenors and conditions.

The success of these investments will foster further replication beyond initial TPI partners, accelerating the transition to climate-compatible industries and agrifood systems.

Moreover, private institutional investors will have become more familiar with private debt investments in Emerging Markets in the TPI's target sectors. This familiarity will encourage new capital inflows into similar funds and investment structures.

The experience and capacities gained by investees will also lead to a replication of investments, as low-GHG, climate resilient technologies and practices will become more mainstream in partner countries.

mechanisms: it co-finances alongside local commercial banks, allowing domestic institutions to enter unfamiliar climate sectors while relying on the TPI's technical appraisal. It finances the long-term working capital of climate-technology providers and EPC contractors, creating a multiplier effect that deploys climate infrastructure across multiple third-party industrial sites. Furthermore, it leverages its multi-country structure to finance actors along cross-border value chains, ensuring that successful traceability and resource-efficiency models proven in one market are adapted across jurisdictions.

At the institutional level, providing verified performance track records for EMDE private debt (**Output 1.1**) gives global institutional investors the confidence required to replicate their capital allocations in future climate funds. To ensure that this replication is not constrained by market friction, **Component 2 (Technical Assistance Facility)** institutionalizes climate finance within the broader market. The Finance Track (**Output 2.1**) equips partner Financial Intermediaries with the E&S frameworks and green loan methodologies required to independently replicate climate lending across their broader SME portfolios. Simultaneously, UNIDO's Market Track (**Output 2.2**) actively disseminates the technical learnings and investment-readiness tools derived from the Fund's investments to industry associations and regulators, ensuring that successfully piloted low-GHG business models are widely replicated by peer companies and broader value-chain actors.

Sustainability

The climate crisis is making climate-aligned investments increasingly essential across the partner countries, especially as

Medium

In the potential target scenario, the sustainability of the Programme's result will be driven by increased capacities at both the institutional and market level. Through the

The Transformation Pathways Initiative (TPI) achieves long-term sustainability by transitioning climate finance from a specialized, concessional intervention into a permanent, self-sustaining market function. Under **Component 1 (Blended Finance Debt Fund)**, the

countries work to meet their Paris Agreement commitments. Growth trends in climate finance and low-GHG, climate resilient investments for industry and agri-food systems need to be sustained and increased in the light of increasing climate impacts, growing regulatory pressures on global value chains and resource constraints.

TAF, businesses and financial institutions will have gained the skills, tools, and expertise to independently plan, assess, structure, and scale climate investments and climate finance. At the same time, businesses will have built practical experience in implementing low-GHG and climate-resilient investments, further embedding these practices across industries. Similarly, institutional investors will have built confidence in private debt investments in low-GHG, climate resilient industry and agri-food systems in emerging markets and continue to allocate funds there.

By engaging in climate finance, partner institutions will have developed long-term strategies, financial products, and risk assessment frameworks that integrate Environmental and Social (E&S) standards and responsive approaches. This will ensure that sustainable finance becomes a core part of their operations, continuing beyond the Programme's lifespan.

Programme's extended 20-year revolving structure ensures that mobilized capital is continuously recycled across multiple generations of climate technology, aligning financial deployment with the 25-to-30-year operational lifespans of many underlying industrial and agrifood assets.

However, true sustainability is secured by permanently altering domestic market behaviour through **Component 2 (Technical Assistance Facility)**. Under the Finance Track (**Output 2.1**), the Programme treats local Financial Intermediaries not merely as conduits for a credit line, but as partners in institutional transformation. By working directly with local banks to integrate robust Environmental and Social (E&S) standards, gender-responsive lending policies, and climate-risk assessment tools into their core underwriting operations, the TPI embeds climate finance into their practices. Over the Programme's lifespan, the practical experience gained by local relationship managers, credit officers, and risk teams solidifies into permanent institutional knowledge. This capacity-building ensures that these institutions will continue to originate and finance low-GHG and climate-resilient projects using their own balance sheets after the TPI's exit.

At the real-economy level, the Market Track (**Output 2.2**) ensures sustainability by resolving the broader ecosystem barriers that typically threaten the longevity of climate interventions. By creating a direct feedback loop between the Fund's investment experiences and the Technical Assistance Facility, UNIDO actively engages with regulators, public sector actors, and industry associations to improve market standards based on verified, real-world transaction data. This targeted engagement ensures that domestic policy frameworks and market ecosystems permanently evolve to incentivize and sustain climate-aligned investments, leaving behind a resilient, independent green finance ecosystem that no longer requires concessional support.

E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final ⁴⁷	
<u>MRA3 Buildings, cities, industries and appliances</u>	<u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u>	Ex-ante and ex-post assessment, impact calculation methodology; third-party verification for larger sub-loans	0	972 ktCO _{2e}	End of implementation period: 8.2 MtCO _{2e} End of total lifetime: 11.9 MtCO _{2e}	'Final' taken at end of 25-year implementation period, as well as at the end of total lifespan of the Programme, 'mid-term' at five-years following ramp-up. TPI will use globally recognised standards and accounting methodologies for emissions reductions baselines and calculations. Detailed sector and country-specific calculations can be found in Annex 22, along with a methodological description.
<u>MRA3 Buildings, cities, industries and appliances</u>	<u>Supplementary 1.1: Annual energy savings</u>	Ex-ante and ex-post assessment, data collection on sub-loan basis; third-party verification for larger sub-loans	0	2.2 TWh	18.9 TWh	Detailed sector and country-specific calculations can be found in Annex 22, along with a methodological description.
<u>MRA1 Energy generation and access</u>	<u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u>	Ex-ante and ex-post assessment, impact calculation methodology; third-party verification for larger sub-loans	0	814 ktCO _{2e}	End of implementation period: 11.2 MtCO _{2e} End of total lifetime: 19.1 MtCO _{2e}	Detailed country-specific calculations can be found in Annex 22, along with a methodological description.

⁴⁷ The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

<u>MRA1 Energy generation and access</u>	<u>Supplementary 1.3: Installed renewable energy capacity</u>	Ex-ante and ex-post assessment, data collection on sub-loan basis	0	172 MW	483 MW	Detailed country-specific calculations can be found in Annex 22, along with a methodological description.
<u>MRA1 Energy generation and access</u>	<u>Supplementary 1.4: Renewable energy generated</u>	Ex-ante and ex-post assessment, data collection on sub-loan basis; third-party verification for project finance	0	880 GWh	End of implementation period: 12.1 TWh End of total lifetime: 16.2 TWh	Detailed country-specific calculations can be found in Annex 22, along with a methodological description.
<u>MRA2 Low-emission transport</u>	<u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u>	Ex-ante and ex-post assessment, data collection on sub-loan basis; third-party verification for larger sub-loans	0	16 ktCO _{2e}	End of implementation period: 141 ktCO _{2e} End of total lifetime: 180 ktCO _{2e}	Detailed country-specific calculations can be found in Annex 22, along with a methodological description.
<u>ARA1 Most vulnerable people and communities</u>	<u>Core 2: Direct and indirect beneficiaries reached</u>	Direct beneficiary: from investee reporting Indirect beneficiaries: estimation based on regional or, if available, country-specific household size	0	Direct: ~ 13.6k Male: ~8.4k Female: ~5.2k Indirect: ~500k Male: ~269k Female: ~231k	Direct: ~ 38.5k Male: ~23.8k Female: ~14.7k Indirect: ~1,407k Male: ~756k Female: ~651k	For each transaction, beneficiaries are identified as those with benefits that are ongoing or permanent and that positively impact the climate resilience of livelihoods. This may include services that enhance agricultural outputs, water and food supply, financial stability, education and job security.
<u>ARA2 Health, well-being, food and water security</u>	<u>Core 4: Hectares of natural resources brought under improved low-emission and/or climate-resilient management practice</u>	Ex-ante data collection on hectares, and sub-loan reporting (ex-post)	0	32k ha	90k ha	The figures reflect CAPEX investments solely for production, either as initial investments or for expanding operations, to adopt low-emission and/or climate-resilient management practices.

E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)

Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
<u>Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level</u>	There are few programmes active in the TPI partner countries on financing the low-GHG transformation of industrial value chains. Interventions that incentivize market actors such as (mandatory) energy efficiency audits and technology standards are applied in some countries and industrial (sub)sectors, but not comprehensively. At the same time, the demand from companies in industry and agri-food systems for low-GHG, climate resilient technologies and solutions lags far behind the scale of technology deployment required to meet climate targets due to significant barriers. These barriers include a shortage of mid- to long-term debt financing at the local level on appropriate terms, a low awareness of characteristics and benefits of low-GHG climate-resilient technologies and limited technical capacities for the development and implementation of investments in these technologies and solutions.	<u>medium</u>	In the target scenario, there is a significant growth in demand for low-GHG, climate resilient technologies and solutions in industry and agri-food systems in partner countries and an increased availability of appropriately structured climate finance for the TPI's target sectors. The target scenario also includes a strong pipeline of investment-ready financing opportunities for the TPI and partner financial institutions.	The Programme will contribute to market development and transformation through its Blended Finance Debt Fund, which will make significant investments in low carbon, climate resilient industry and agri-food value chains. Moreover, through its Technical Assistance Facility, the Programme will create a strong pipeline of investment-ready financing opportunities, build awareness on the viability of these investments both with local financial institutions and private sector actors, as well as relevant technical and institutional capacities for large-scale deployment of low-GHG, climate resilient technologies, which will lead to sustained market development.	<u>Multi-countries</u>
<u>Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices,</u>	Within the financial sector in the Programme's partner countries, there is a lack of familiarity on the commercial viability of low-GHG, climate-resilient technologies and solutions in industry and agri-food systems. Within the corporate sector, especially for SMEs, there is oftentimes a low awareness of characteristics and benefits of such	<u>low</u>	In the target scenario, information on technology characteristics and commercial viability of low-GHG, climate-resilient technologies and solutions in industry and agri-food systems is widely available in the TPI's partner countries within the private sector, financial institutions and relevant government agencies. There	The Programme will contribute to effective knowledge generation and learning processes through its TAF, including through offering trainings and a knowledge-sharing platform and by developing and widely disseminating targeted knowledge products with success stories on best practices and lessons learned.	<u>Multi-countries</u>

<u>methodologies and standards</u>	technologies and limited technical capacities for the development and implementation of investments in these technologies. There are also limited mechanisms for knowledge sharing on deploying low-GHG climate-resilient technologies in the Programme's target countries	will also be improved structures for knowledge sharing which will lead to the replication of successful approaches for the deployment of low-GHG climate-resilient technologies in the TPI's focus sectors.	
<u>Core Indicator 6: Degree to which GCF investments contribute to technology deployment, dissemination, development or transfer and innovation</u>	The deployment of low-GHG, climate-resilient technologies and solutions in industry and agri-food systems in the TPI's partner countries lags far behind the scale needed to meet countries' climate targets.	<u>low</u>	In the target scenario, deployment of these technologies will have increased significantly across the Programme's target countries and across different industrial and agri-food (sub-) sectors and value chains and will continue beyond the intervention of the Programme. The Programme will lead to increased levels of technology deployment through the significant investments undertaken by its Blended Finance Debt Fund, and through its TAF, which will contribute to structural improvements in the enabling environment and technical capacities for investments in low-GHG, climate resilient industry and agri-food systems. <u>Multi-countries</u>

E.5. Project/programme specific indicators (project outcomes and outputs)

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
Outcome 1: Reduced and avoided GHG emissions from industry and enabling infrastructure such as energy supply	GHG emissions reduced	- Investee reporting - Programme monitoring - Independent verification	0	1.8 MtCO _{2e}	31.1 MtCO _{2e}	'Final' taken at the end of the lifespan of the Programme, 'mid-term' at five-years following ramp-up. TPI will use globally recognized standards and accounting methodologies for emissions reductions baselines and calculations. Detailed sector and country-specific calculations can be found in Annex 22, along with a methodological description.
Outcome 2: Increased resilience of vulnerable	Hectares of farmland under sustainable management	- Investee reporting - Programme monitoring	0	Hectares of farmland under	Hectares of farmland under sustainable	For each transaction, farmers supported are identified as those in the agriculture, aquaculture and

people and communities involved in agrifood systems	Number of farmers applying climate-resilient agricultural practices			- sustainable management: 183k ha - Number of farmers adopting climate-resilient agricultural practices: 13.7k	- management: 516k ha - Number of farmers adopting climate-resilient agricultural practices: 38.5k	fishery sectors that are the (sub-)borrowers of the TPI and that report climate-resilient practices/investments.
Outcome 3: Improved enabling environment and public and private sector capacities for investments in industrial low-GHG development	Number of organizations (incl. financial institutions, companies, regulators etc.) with improved technical and/or institutional capacities for low-GHG, climate resilient investments in industry and agri-food systems.	- Programme monitoring including TA completion reports - Strategy documents, annual reports etc by financial institutions, government policy documents, or similar	0	55	210	Organizations with improved technical and/or institutional capacities include i.a. financial institutions that have integrated climate considerations more strongly in their operations, companies that apply improved technical capacities for the origination and implementation of low-GHG climate resilient investments, SMEs with feasible investment plans related to TPI investment topics, regulatory bodies with improved incentives or standards.
Output 1.1: Mobilizing private capital for low-GHG climate-resilient industry and agrifood systems	Volume of private capital mobilized for low-GHG climate-resilient industry and agrifood systems	Programme monitoring	0	525 million USD	1,351 million USD	Conservatively only considers private capital that is invested into the Fund structure (i.e. notes and senior shares) and does not consider local financial institutions contribution, e.g., providing additional matching funds against the financing provided for subordinated debt, or equity secured for Fund debt provision.
Output 1.2: Increased investment in low-GHG climate-resilient industry, agrifood systems and enabling infrastructure in partner countries	Volume disbursed for investment in low-GHG climate-resilient industry, agrifood systems and enabling infrastructure in partner countries	Programme monitoring	0	700 million USD	2,001 million USD	Assuming a conservative recycling rate of funding based on experience from similar funds and average tenors observed across regions and asset types.

Output 2.1: Enhanced capacities of borrowers for preparing, implementing and reporting on low-GHG climate resilient investments and for gender inclusive, climate-compatible financial systems	- Number of TA projects provided to investees on preparing/enabling, implementing, and reporting low-GHG, climate-resilient investments - Number of TA projects supporting borrowers integrating gender-inclusive and/or climate-compatible investment criteria, green product offering, or strategies	Programme monitoring	0	35 7	65 15	- Includes specific activities such as impact assessment programmes, capacity building and training programmes, and due diligence support, E&S management system development, amongst others. - Includes institutional/strategic capacity building, such as climate-compatible financial product development, climate/sustainability strategies, and climate-aligned green bond frameworks strategies, amongst others.
Output 2.2: Improved investment readiness and enabling market environment for low-GHG climate resilient investments	- Number of businesses or projects supported on improved investment readiness for low-GHG, climate-resilient investments. - Number of new or improved regulations or standards introduced to support low-GHG, climate-resilient investments in industry and agri-food systems. - Number of TA projects enabling the financial sector for low-GHG, climate-resilient investments	Programme monitoring	0	160 4 1	630 10 4	Based on an estimated number of businesses and regulators reached
Project/programme co-benefit indicators						
Co-benefit 1: Green jobs in low-GHG, climate-resilient	Number of jobs supported in low-GHG, climate-resilient industry	- Investee reporting to Programme - Programme monitoring	0	116k	325k	Estimated based on Joint Impact Model (JIM) and assumed

Industry supported for men and women	supported, disaggregated by gender				investment pipeline/portfolio composition
Co-benefit 2: Water savings in low-GHG, climate-resilient industry and agrifood systems	m3 of water saved in climate resilient industry and agrifood systems	- Investee reporting to Programme - Programme monitoring	0	~760k m³ ~2,142k m³	Estimated based on experience from existing investment funds

E.6. Project/programme activities and deliverables

Activities	Description	Sub-activities	Deliverables
Activity 1.1.1 Launch: Establishment of the Blended Finance Debt Fund	FiM will document, register and launch the TPI (under FiM's licence as an Alternative Investment Fund Manager; AIFM) with an initial investor base including the GCF. In this activity the operational and legal documentation, and Fund governance will be finalized.	Sub-activity 1.1.1.1 Finalization of the operational and legal documentation and Fund registration and launch Sub-activity 1.1.1.2 Outreach to initial private investors and negotiation of term sheets Sub-activity 1.1.1.3 Establishment of Fund governance structures	✓ Registration of TPI with Luxembourg authorities ✓ Fund governance structures established and operationalized ✓ Launch of Fund
Activity 1.1.2 <i>Ramp-up</i> : Continuous additional private investor fund-raising	The TPI aims to raise up to US\$ 525 million in private capital based on a proven track record of existing investor relations and sales capacities as well as third party distribution support.	Sub-activity 1.1.2.1 Outreach to private investors including through promotional campaigns, participation at investor events, and distribution partners etc. Sub-activity 1.1.2.2 Negotiation of financing agreements with private investors	✓ Signed financing agreements with private investors
Activity 1.1.3 Ongoing fund management	This activity includes ongoing management of the TPI's portfolio and reporting on financial and non-financial (including impact and other KPIs) results to investors and stakeholders including NDAs. Fund management comprises inter alia asset and liability management, portfolio risk management, and re-investment of amortizing assets. Monitoring and reporting include financial reporting, and impact monitoring and reporting.	Sub-activity 1.1.3.1 Ongoing fund management including asset and liability management, portfolio risk management, and re-investment of amortizing assets. Sub-activity 1.1.3.2 Financial reporting Sub-activity 1.1.3.2 Impact monitoring and reporting	✓ Regular financial reporting and other reporting (e.g. protocols of TPI Board Meetings) ✓ Regular reporting on TPI's impact to the GCF, other investors and the public
Activity 1.2.2 Provision of debt instruments to FIs, companies and projects for investments in low-GHG climate-resilient industry and agrifood systems	The TPI provides debt through both intermediated and direct lending approaches. For intermediated lending, the Fund extends debt to financial institutions, including local banks and non-bank financial institutions, in the form of senior or subordinated loans, bonds, or other debt instruments. During ramp-up, 20 investments to	Sub-activity 1.2.2.1 Due diligence of potential investees for direct and intermediated lending Sub-activity 1.2.2.2 Disbursement of debt instruments to FIs, companies and	✓ Approved Investment Proposals ✓ Signed loan / debt instrument documents

according to TPI eligibility criteria	financial institutions in the amount of USD 370 million is planned. These financial institutions then on-lend to their clients for low-GHG, climate-resilient investments for industry and agrifood systems based on agreed eligibility criteria. The TPI also lends directly to companies and enabling infrastructure projects (such as industrial renewables). During ramp-up, 17 investments to companies and 8 investments to infrastructure projects are planned, in the amount of USD 295m and 127.4m respectively. All investments undergo thorough due diligence, including analysis of the targeted use of proceeds, financial and market position of the investee, alignment with national legal and regulatory frameworks, E&S risk management practices, financial risk considerations, and potential technical assistance needs.	projects for investments in low-GHG climate-resilient industry and agrifood systems
Activity 2.0.1 Establishment of the Technical Assistance Facility (TAF) with two interlinked Tracks (Finance Track and Market Track)	The setup of the TAF involves a structured process to establish the governance and operational structure including programme-level and operational-level coordination bodies. Each TAF Track management team contracts and manages consultants through legal agreements that define deliverables, timelines, and performance metrics. For the TAF Finance Track, technical assistance needs are identified on an ongoing basis in direct discussion/cooperation with investees and financial sector stakeholders. For the TAF Market Track, annual workplans will be prepared based on a needs assessment and gap analysis on a country and sector level. Noting the 25-year implementation period, periodic fundraising for TA grants will be pursued on a needs basis.	Sub-activity 2.0.1.1 Establishment of governance structures and operational procedures for the implementation of the TA Facility Sub-activity 2.0.1.2 Management of Finance Track of TA Facility, including needs assessments for TA services, contracting and managing of consultants Sub-activity 2.0.1.3 Management of Market Track of TA Facility, including needs assessments for TA services, contracting and managing of consultants Sub-activity 2.0.1.4 Periodic fundraising over TPI lifetime for additional TA Facility resources Sub-activity 2.0.1.5 Monitoring and reporting on technical assistance Sub-activity 2.1.1.1 Implementation of TA services for enabling TPI transactions
Activity 2.1.1 Transaction enabling services	Implementation of TA services that directly support the origination, implementation and reporting on the loans extended by the TPI, including project preparation	

	advisory, incl. feasibility studies or studies to establish minimum criteria, providing technical/E&S due diligence advisory, impact assessments, and setting up reporting approaches for the Fund and investees.		✓ Annual reports (financial & performance) on TA activities ✓
Activity 2.1.2 Mainstreaming climate finance support for (potential) investees and the financial sector:	Implementation of TA services for investees and potential investees of the Fund to a) improve client-uptake of TPI financing (e.g. for developing green/eco loan products, outreach/marketing/awareness-raising strategies, and end-client oriented advisory services), and b) build up climate-compatible financial systems (e.g. capacity building and training of staff, development of sustainability strategies and practices, and championing of sustainable finance with central banks and regulators.	Sub-activity 2.1.2.1 Implementation of TA services for mainstreaming climate finance	✓ Final reports and deliverables of TA projects, including MRV against project KPIs ✓ Annual reports (financial & performance) on TA activities
Activity 2.2.1 Investment readiness support	Implementation of TA services for SMEs and mid-sized companies that are prospective investees of the TPI's indirect lending on the identification of low-GHG climate-resilient investments projects, pre-feasibility studies (including i.e. energy audits, and targeted advisory support for next-gen technologies such as digitization and smart manufacturing, renewable fuels or industrial carbon management)	Sub-activity 2.2.1.1 Implementation of TA services for investment readiness	✓ Final reports and deliverables of TA projects ✓ Investment-ready projects/companies ✓ Pre-feasibility assessment reports ✓ Annual reports (financial & performance) on TA activities
Activity 2.2.2 Technical assistance for investment market development and scaling	Implementation of TA services for selected sector/industry associations, government (incl. governmental agencies) on targeted capacity building and advisory support to strengthen enabling environments and ensure that experiences and learnings from the TPI's investment activities are integrated into the improved design of policies and regulations in industry and agri-food systems.	Sub-activity 2.2.2.1 Implementation of TA services for investment market development and scaling	✓ Final reports and deliverables of TA projects ✓ Skills and capacity building programs ✓ Survey results for policymakers and sector stakeholders with recommendations ✓ Knowledge products ✓ Established data collection frameworks ✓ Annual reports (financial & performance) on TA activities

E.7. Monitoring, reporting and evaluation arrangements

Monitoring, reporting and evaluation (MRE) will be conducted in accordance with industry best practice and will draw on established and proven processes and systems within FiM and UNIDO.

Responsibilities for monitoring

FiM as AE is responsible for monitoring and reporting on the Programme. The monitoring of the Programme will draw on FiM's established expertise and proprietary systems. Monitoring for the Programme will be in line with FiM's policies, the terms of the AMA/FAA, and Annex 11 Monitoring and Evaluation Plan. The implementation of each activity of the Programme will be managed and monitored at project and Programme level by FiM's in-house staff (or as needed, procured thematic experts). FiM has dedicated staff in its Fund Management, Investment Management, Risk and Compliance, and Sustainability Divisions that will conduct monitor project risks, prepare mitigation measures, and actively manage Programme outcomes/performance throughout the implementation period.

Specifically, i) the **E&S Risk Management** team is responsible for monitoring, managing and mitigating the ESG risks of the Programme, ii) the **Impact** team is responsible for measuring, monitoring, managing and reporting on positive impact (in alignment with best industry practices for impact management and measurement), as well as alignment with and disclosures on relevant sustainable finance regulations, iii) the **Technical Assistance** team is responsible for implementing and monitoring the activities of Sub-component 2.1, as well as integrating the reporting for UNIDO as EE for Sub-component 2.2, under the guidance of the TAF Coordination Group (TAFCG).

Monitoring arrangements between FiM as AE and UNIDO as EE will be established through a respective funding agreement between the organizations, in line with the established monitoring policies and procedures maintained by UNIDO (and known to the GCF through their independent accreditation as AE), specifically its Monitoring and Reporting Policy (DGB/2021/14) which is the Organization's monitoring and reporting framework for systematic and evidence-based monitoring.

Monitoring and Reporting

FiM maintains and adopts proprietary tools, developed for the monitoring of private debt investments in EMDEs, that are used to successfully monitor over 4 billion USD in AUM across approximately 40 markets. These tools are developed to facilitate monitoring of different asset classes, with a specific focus on FIs, given the additional challenges of monitoring intermediated portfolios. Monitoring tools for FIs focus on assessing and monitoring the use of proceeds (i.e. its allocation to eligible investments) and associated outcomes. FiM has over 15 years of experience in assessing and monitoring the climate benefits of investments, including via financial intermediaries, through the deployment of specialised tools. FiM's monitoring systems are interconnected through a Business Intelligence (BI) tool administrated by a dedicated Reporting Team. This integration ensures that all relevant information is easily accessible and can be used to generate comprehensive reports on the Programme's impact and progress.

FiM also has established procedures and tools to monitor the expected and achieved outcomes of investments at disbursement and at exit. Prior to investment a structured evaluation of the investment's impact potential in alignment with the Programme's mission and objectives is conducted. This evaluation includes an assessment of the investee's capacities and practices, along with an analysis of the impact the investment is expected to achieve. At exit an evaluation of investment outcomes is conducted using data collected during the investment period. The exit process aims to understand the transformation of the investee towards more sustainable practices, as well as to identify lessons learned

In addition to the APR, periodic reporting will be provided by FiM to the GCF on agreed reporting timelines captured in the Term Sheet and FAA, covering both financial reporting (including annual audited financial statements) and non-financial reporting (including Programme indicators described in the logical framework and performance against ESMS requirements).

Evaluation

FiM as AE is responsible for coordinating the independent interim and final evaluations and has experience with similar evaluations for existing public investors. The evaluations may include assessments against the criteria of relevance, effectiveness, and sustainability, among others, with evaluation criteria as required by the GCF Evaluation Policy. The Programme includes two independent evaluations: an interim independent evaluation to assess the Programme's progress, identifying strengths, areas for improvement, and any necessary adjustments to enhance effectiveness, and a final independent evaluation at the completion date to assess its overall impact, and contribution to the Programme's long-term objectives, including its role in scaling climate finance and strengthening institutional capacities. Two mid-term evaluations will be undertaken, the first when the Fund has disbursed an initial volume of 1 billion USD to investees (targeted by year 6 of the implementation period) and/or mid-point of scheduled Programme duration, the second targeted by year 11 of the implementation period.

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures

Selected Risk Factor 1

Category	Probability	Impact
<u>Credit</u>	<u>Medium</u>	<u>Medium</u>
Description		
Credit risk refers to the risk that an investee/borrower of TPI would fail to meet its contractual obligations toward the Fund. The borrowing financial institutions, corporates or SPVs, might default due to general country risks (see below); industry risk developments; deterioration of financial position of the investee, or a combination of all. Such events, would affect the overall profitability of the TPI and may lead to an absorption of credit/impairment losses by the GCF's first loss junior shares contribution.		
Mitigation Measure(s)		

Credit risk is mitigated by FiM's robust internal risk management procedures that follow best-in-class approaches. After the pre-analysis phase of each investment, Finance in Motion conducts a risk-based Due Diligence (DD) on proposed investments, which includes a comprehensive credit risk assessment of all financial and non-financial risks that affect borrower's creditworthiness. The DD may take place on-site or off-site and its scope is determined based on the potential borrower's risk profile, business model and other investment-specific considerations. Finance in Motion's risk management procedures also include considerations for country risks, including political risks (see below), and various stress testing assessment on risk drivers the borrower could be vulnerable to. Borrower-level risk evaluation will also be framed by clear credit risk guidelines and Fund-level risk appetite statement with defined risk limits.

Finance in Motion has extensive experience of managing private debt portfolios through various economic, political and security crises, as well as in recovering non-performing investments. Robust risk management processes and tools, combined with the local expertise and market agility are key factors that allow Finance in Motion to reliably control credit risks. This is evidenced by FiM's historical outperformance over a 15+ year period in terms of realised credit losses vs peer EMDE lending institutions according to data of the Global Emerging Markets Risk Database (GEMs), one of the world's largest credit risk databases for the emerging markets operations of MDBs and DFIs. The database pools data on credit defaults on the loans extended by consortium members, the migrations of their clients' credit rating and the recoveries on defaulted projects. Across the funds advised or managed by Finance in Motion, with over 10 billion USD in cumulative investments, historical realized losses were limited to levels well below peer averages in the GEMs database.

Selected Risk Factor 2

Category	Probability	Impact
<u>Credit</u>	<u>Medium</u>	<u>Medium</u>
Description		
Country risks refer to the operating environment risks TPI's borrowers are exposed to, which could include economic risks stemming from the target country's structure of the economy, global economic downturns that could affect local economies, deterioration of country's public finances/sovereign risk which could affect financial sector stability, or other regulatory or political risks that could affect overall aggregate demand or hamper the ability of borrowers to raise funding in capital markets or otherwise affect their operations. Additionally, and in rare circumstance of sovereign distress, the Fund as an external investor in the country, could be exposed to debt payment risks due the sovereign imposing capital transfer restrictions outside the country to preserve foreign currency reserves. Country risks could therefore affect overall borrower credit risks and increase expected credit losses/impairment losses for the Junior Shares.		
Market risks refer to the risk of negative impacts on the Fund's financial performance due to adverse movements in market prices like interest rate, foreign exchange rates, traded equity prices etc. The Fund		

could be exposed to interest rate risks due to mismatches in interest reference rates it charges to borrowers and has to service for its liabilities (notes) or mismatches due to the types of interest rates it receives/pays on assets/liabilities (fixed interest rate vs volatile). Such mismatches, if not mitigated, could affect, positively or negatively, the Fund's profitability – net interest income. FX risks refer to the risk of currency fluctuations which could affect the Fund's financial position when its assets are translated in a different currency. FX risks for TPI can arise when assets/liabilities are denominated in a different currency than the base currency of the Fund and there are mismatches between assets and liabilities, denominated in the same currency. Such mismatches, if not mitigated, can affect the TPI's financial position via positive or negative FX result that in the latter case would diminish assets value and incur (un-)realised losses on Junior share NAVs.

Mitigation Measure(s)

Market risk and political risk are mitigated by FiM's robust internal risk management procedures that follow best-in-class approaches. Finance in Motion's risk management procedures include considerations for country risks, including political risks, and various stress testing assessment on risk drivers the borrower could be vulnerable to. Additionally, portfolio-level credit risks are steered by robust defined limit framework which restricts portfolio concentrations by single country; single name or industry and frame the targeted average asset risk of the Fund's investment portfolio along with defined share leverage targets.

Finance in Motion has extensive experience of managing private debt portfolios through various economic, political and security crises, as well as in recovering non-performing investments. Related to market risks, Finance in Motion applies a strict asset and liability management policy with thorough monitoring and decision-making on market risks in a dedicated asset-liability management committee. Through matching of assets and liabilities and the hedging through derivative contracts, the fund will ensure that it does not have any open currency positions (please see also risk factor 6 below). Interest rate risks are also mitigated by matching the interest variability of assets and liabilities accordingly – and can be further managed through interest rate hedging if required.

Selected Risk Factor 3

Category	Probability	Impact
<u>Technical and operational</u>	<u>Low</u>	<u>Medium</u>

Description

Origination risk refers to the risk of building up the fund's investment portfolio in a timely manner and in line with the conversations with NDAs and other national stakeholders during the TPI's preparation phase, including in markets that are new to Finance in Motion. The probability of the risk is considered low: The TPI's partner countries have been chosen for conducive investment environment and investment opportunities relevant for the industrial and agri-food system funding gap.

Mitigation Measure(s)

Origination risk is mitigated by Finance in Motion's 15+ year track record of successfully building debt portfolios in a diverse set of markets, including successfully entering 11 new countries within the past 5 years. Pipeline identification is conducted through FiM's established origination capabilities as well as through externally contracted investment advisers. The universe of eligible investments is broader than in other asset classes, such as private equity, as there is no requirement to identify viable exit mechanisms given the amortizing nature of debt transactions.

Selected Risk Factor 4

Category	Probability	Impact
<u>Prohibited practices</u>	<u>Low</u>	<u>Medium</u>

Description

Prohibited practice risk refers to compliance issues and policy breaches (e.g. regarding prohibited practices, anti-money laundering, environmental and social safeguards, Indigenous Peoples, gender, and monitoring and accountability) by the AE, EE and other related partners in the operation of the Programme.

In addition to the legal implications of such policy breaches, they also carry a **legal and reputational risk** for Finance in Motion, UNIDO and the GCF.

Mitigation Measure(s)

Prohibited practice risk is mitigated by FiM's proven compliance track record and established policy framework, including on AML, environmental and social safeguards, Indigenous Peoples, and other risk factors. FiM has advised and managed investment vehicles with funding from a variety of DFIs and donors for over 15 years, consistently passed their external reviews, and has never recorded any material compliance breaches. It manages risks related to prohibited practices through a robust governance and compliance framework aligned with GCF and international standards. A zero-tolerance approach to fraud, corruption, financial misconduct, and policy breaches is embedded in its Code of Conduct, supported by mandatory training, independent Compliance and Risk functions, and internal audit under a three-lines-of-defence model. Comprehensive AML/CFT controls, including risk-based due diligence, sanctions screening, and ongoing monitoring, apply across all operations. Environmental and social risks—covering Indigenous Peoples, gender, and SEA/SH—are systematically identified and managed through fund-specific ESMS aligned with IFC Performance Standards (and GCF requirements for the TPI), exclusion lists, action plans, and regular monitoring. The same requirements are contractually extended to executing entities, complemented by grievance and whistleblowing mechanisms, audits, and enforcement measures, including suspension or clawback of funds in cases of non-compliance.

Selected Risk Factor 5

Category	Probability	Impact
<u>Technical and operational</u>	<u>Low</u>	<u>Low</u>

Description

Risk of misalignment with national climate priorities, including priorities in NDCs, NAPs and other national climate policy documents and specific priorities expressed by NDAs and other stakeholders is considered low. It could result in a loss of trust in the Programme, reputational damage, reduced country ownership, and potential non-alignment with GCF programming standards. Such misalignment may also hinder implementation or limit stakeholder cooperation.

Mitigation Measure(s)

The risk is mitigated through a detailed mapping of national priorities and needs (see Annex 2b), FiM's and UNIDO's local presence and ongoing demand-driven engagement with NDAs, partner ministries, and key stakeholders to ensure alignment with country climate strategies. Extensive stakeholder consultations were undertaken during Programme preparation, and their inputs directly informed the design and focus of the Fund's activities. This is further reinforced through systematic alignment of the Fund's eligibility criteria and investment focus with countries' NDCs and other relevant national climate policy documents. Going forward, the Programme will maintain regular strategic dialogue with and reporting to NDAs to share progress, confirm continued alignment, and understand evolving national priorities and the outlook for the Fund.

Selected Risk Factor 6

Category	Probability	Impact
<u>Forex</u>	<u>Low</u>	<u>Low</u>

Description

Currency risk is related to a depreciation of loan value in case of local currency lending which may impact the overall profitability of the Fund. Many emerging market currencies remain vulnerable to global economic shifts, particularly the strength of the U.S. dollar, which has seen volatility due to changing Federal Reserve policies and geopolitical tensions. For example, recent pressure on African currencies, highlights the risk of local currency devaluation, which can erode the value of debt repayments in hard currency terms. In addition, currency risk may arise from FX mismatches in hard currency, e.g. between assets and liabilities denominated in USD vs. EUR. Currency risk could also indirectly affect the fund by inducing credit risk for its investees, should they not be well-positioned to withstand currency shocks. Currency risk is not considered a material risk for the Fund. (see below).

Mitigation Measure(s)		
Currency risk is mitigated by focusing on lending in hard currency and by allowing partner financial institutions to manage local currency conversion, as needed, for on-lending to SMEs or to extend hard currency lending to export oriented end-clients in many instances (conforming with responsible lending practice requirements). Mitigating currency risk is facilitated by the fact that a significant part of export-oriented manufacturing activity in partner countries is linked to the U.S. dollar. It is anticipated, based on the experiences of Finance in Motion in investing in these markets, that corporate borrowers are able to responsibly borrow in hard currency when they produce for exports denominated in hard currency. Whether local FIs are able to take on local currency risk is part of the careful due diligence process prior to concluding any loan agreements. The TPI may offer local currency lending where requested and where viable options for currency hedging are available (e.g. TCX or others). All trades in derivatives are executed based on standardized ISDA agreements and applying FIM's Asset and Liability Management Policy and Best Execution and Selection Policy. The Fund will at all times ensure it does not operate an open currency position, neither in local currencies nor in other hard currencies (e.g. USD-EUR). Potential FX-induced credit risk and the investee's strength, sophistication, and ability to monitor, manage and withstand currency movements and shocks are key components of the due diligence and underwriting analysis before any investment is made.		
Selected Risk Factor 7		
Category	Probability	Impact
<u>Other</u>	<u>Low</u>	<u>Medium</u>
Description		
Fundraising (ramp-up) risk relates to a risk of a failure to mobilize sufficient institutional capital to support full Fund ramp-up. This could have negative impact on the drawing down the full amount of the GCF's funding commitment (see note on disbursement schedule below) and on the lifetime co-financing ratio of the Fund.		
Mitigation Measure(s)		
Fundraising risk is mitigated, first by proven investor relations capacities, market sounding, and distribution/placement partnerships, as well as the engagement of external rating agencies. Based on Finance in Motion's track record of successfully mobilizing private investments (>USD 3b in institutional capital mobilised) and engagement there is confidence in the design and features of the Fund. This has been confirmed by the performance of a Risk Assessment Service of the fund structure by a leading global rating agency confirming viability of the fund to deliver investment-grade senior products. Second, ramp up risk is mitigated by a competitive product offering underpinned by the blended fund structure. The attractiveness of the Fund has been confirmed by ongoing conversations with institutional investors (both existing investors in FiM funds and new prospective) during the Programme development phase (see Annex 2a Feasibility Study for more detail on institutional co-financing and status). Third, as part of the Term Sheet (see Annex 14), the disbursement of subsequent tranches of GCF junior shares will be contingent on agreed-upon minimum commitments of private capital. This ensures that minimum agreed co-financing ratios in the fund structure are met at all times.		
Selected Risk Factor 8		
Category	Probability	Impact
<u>Other</u>	<u>Low</u>	<u>Medium</u>
Description		
There is a small refinancing risk, namely the risk the private capital invested in the TPI cannot adequately be renewed/rolled over when it is redeemed, as the private capital will have a shorter tenor compared to the junior shares. This could happen due to e.g. a material deterioration in the portfolio quality or substantial change in market conditions.		
Mitigation Measure(s)		

Refinancing risk is mitigated in several ways. First, both the private notes of the Fund and the underlying assets are extended on a floating rate basis (or hedged in the case of fixed assets), this reduces the risk of changing macroeconomic conditions materially shifting the pricing of notes. Second, portfolio quality is carefully managed based on a well-established approach to risk management that has produced an outstanding 15+ year track record (see 'credit risk' above). Third, there is a process of active ALM that takes place throughout the full lifecycle of the Fund make sure that impending roll-overs and resulting liquidity risks are addressed and managed early. Fourth, the intention to rate the senior fund product and increase product standardization gives significant planning advantages in allowing investors to roll-over or be onboarded swiftly. The Programme's term sheet (Annex 14) includes co-financing ratios, that the Fund will adhere to at all times. Lastly, it is Finance in Motion's experience from other impact debt funds that the build-up of a successful fund track record over time improves the product offering to private investors and increases the likelihood of re-investments from private investors on efficient terms and conditions.

Selected Risk Factor 9

Category	Probability	Impact
<u>Technical and operational</u>	<u>Low</u>	<u>Low</u>

Description

Implementation risk may occur at investee or sub-borrower level related to the installation, operation and maintenance of technologies financed by the Fund. However, this is not considered a material risk to Fund operations or outcomes (see below)

Mitigation Measure(s)

Implementation risk is mitigated by the robust due diligence processes of partner FIs (for intermediate lending) and Finance in Motion (for direct financing), and by technical assistance that improves investment readiness and supports project preparation. This selects for viable project/investment plans, or in instances where this is observed to be lacking, the improvement of such plans via TA activities. Based on the track record of Finance in Motion in delivering both climate mitigation and adaptation finance, this has not been a material challenge/issue for similar investment strategies.

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment

Environmental and Social Risk Assessment

The Programme is classified as Intermediation-2 (I-2), this categorization reflects the Programme's scope to finance activities with medium E&S risks, which are limited, site-specific, and manageable through appropriate mitigation measures. In line with this categorization, the Programme will explicitly exclude any investments that fall under Category A or FI-1, thereby avoiding high-risk activities with significant or irreversible impacts.

The Programme will operate as a Fund supporting both Direct Investments (corporate and project-based) and investments through Financial Intermediaries (FIs), with a wide geographical scope. To manage E&S risks across this diverse portfolio, a robust Environmental and Social Management System (ESMS) has been established (see Annex 6 to the Funding Proposal). The ESMS was developed in alignment with the GCF Environmental and Social Policy, the IFC Performance Standards (2012), and other applicable international frameworks.

Environmental and Social Management Instruments

The Programme has adopted a comprehensive suite of E&S assessment and management instruments, including:

- An E&S Policy, articulating the Programme's core principles and commitments, such as alignment with international standards, investment exclusions (defining ineligible activities), and minimum and risk-based E&S requirements.
- Detailed E&S Procedures tailored to each of its investment modalities (Direct Investments and FIs), which guide screening, categorization, due diligence, monitoring, and reporting.
- A Grievance Redress Mechanism (GRM) accessible to all stakeholders.
- Supporting tools (including screening checklists, due diligence questionnaire, etc.).
- SEAH approach statement.
- Indigenous People's Planning Framework.

Institutional Capacity and Oversight

The Fund's E&S Policy and Procedures will be implemented by FiM. FiM's E&S assessment draws on the expertise of a dedicated E&S Team and is further supported by FiM's broader sustainability-related capacities, including dedicated impact management and green finance functions. In addition, the Fund will appoint a dedicated E&S Officer responsible for overseeing the consistent application of the E&S Policy and Procedures across the Fund's operations.

The Programme's E&S policy and procedures ensure that the Fund's E&S performance is regularly reported to the Board of Directors. The dedicated E&S Officer will ensure adherence to policy requirements is monitored and continually improved.

Environmental and Social Risks

Typical E&S risks and impacts in the sectors to be funded by the Programme are listed below:

- Soil, water, and air pollution.
- Waste generation and hazardous materials management.
- Land use impacts and biodiversity disruption.
- Inadequate labour and working conditions.
- Occupational Health and Safety (OHS) hazards.
- Community Health and Safety concerns.
- Gender, diversity and inclusion impacts, including Sexual Exploitation, Abuse, and Harassment (SEAH).
- Involuntary resettlement and land acquisition (minor / limited).
- Impacts on Indigenous Peoples (minor / limited).

Each Investment will be assessed on a case-by-case basis. Commensurate with the risks identified during due diligence, appropriate mitigation measures will be developed accordingly in conformance with the Fund's precautionary approach to E&S risks. The Programme and its Investees will maintain continuous oversight to support compliance throughout the investment lifecycle, from preparation to implementation and operation.

Risk Categorization and Assessment

All proposed investments undergo E&S screening and categorization as defined in the ESMS (Annex 6).

All Investees must meet or have capacity to meet through mitigation measures, including Environmental and Social Action Plans, the standards and requirements detailed in the Fund's E&S policy. Investees must further demonstrate adequate E&S capacity that is commensurate with the E&S risk profile of the proposed investment.

Where gaps are identified, Technical Assistance (TA) may be deployed as an instrument to strengthen E&S management systems and capabilities, helping to support investees to meet the Programme's standards and requirements.

For Direct Investments, the E&S due diligence focuses on the risks associated with the financed activities, associated facilities, and the capacity of the Investee to manage them. Category B projects are subject to enhanced due diligence and are required to comply with the relevant IFC Performance Standards (PS1–PS8).

For FI Investments, the focus shifts to assessing the FI's internal ESMS, including its ability to identify, assess, and manage E&S risks within sub-loans. Only FIs with adequate E&S risk management capacity are eligible for Programme financing. Oversight mechanisms, including monitoring and reporting requirements, are in place to ensure alignment with the Programme's E&S standards.

Stakeholder Engagement and Disclosure

Consultations have been conducted with relevant stakeholders at the Programme level, and each direct sub-project will be required to conduct stakeholder engagement proportionate to the scale of risks and impacts. For FI-2, Category B and B+ projects E&S documentation will be disclosed publicly as described in Annex 6.

The Fund will maintain a Grievance Redress Mechanism (GRM) to enable affected communities and stakeholders to raise concerns and seek resolution.

G.2. Gender assessment and action plan

Aligned with its mission, the TPI Programme promotes a gender-responsive financial sector, industry, and agrifood systems by addressing disparities in access to finance, employment, and capacity building. It focuses on mitigating risks related to SEAH and GBV, while supporting green jobs and improved working conditions for women – who are disproportionately affected by these risks and often lack adequate rights, protections, and representation in the Programme's target sectors. The Programme also aims to increase financing for low-GHG, climate-resilient industries and agrifood systems, benefiting financial institutions (FIs) and companies — including women-owned/led businesses and female clients of FIs.

The Programme has conducted a comprehensive gender assessment and developed a Gender Action Plan (GAP) (Annex 8), aligned with the GCF Gender Policy, to integrate gender considerations across all Fund processes and investment stages. It was developed based on internal expertise, country assessments, and sectoral analyses, with a particular focus on SEAH and GBV.

The country assessments identify women—especially in agrifood systems and low-GHG industries—as vulnerable due to limited access to finance, underrepresentation in formal employment and leadership, poor working conditions, and exposure to SEAH and GBV. These vulnerabilities are amplified by legal, social, and economic barriers in target countries. The key recommendations of the gender assessment include:

1. **Establish a gender-responsive Fund framework** by ensuring diverse representation in decision-making, adopting a Fund-wide gender strategy, integrating gender criteria into investment processes and impact systems, and allocating dedicated resources for implementation.

2. **Promote gender-responsive, low-GHG, climate-resilient** investments by requiring gender assessments and safeguards for investees, building capacity among financial institutions, facilitating peer learning, and collecting gender-disaggregated data.
3. **Strengthen the enabling environment** by engaging public sector actors, women's business associations, and supporting women-led businesses through targeted outreach and investment readiness support.

Guided by the country assessments' findings, the Programme has developed the gender approach and GAP to outline concrete actions aligned with the Programme's logical framework and define respective indicators and targets to monitor the progress:

- **Institutional framework and gender mainstreaming**
 - Mainstream gender in strategy, governance (target: 40% female representation), and monitoring.
 - Oversight by FiM's Impact Team, who are formally responsible for Fund-level gender considerations across all of the funds managed/advised by FiM.
 - Regular gender training and tool enhancement.
- **Component 1: Transformation Pathways Initiative – Blended Finance Debt Fund**
 - Conduct gender-responsive due diligence using standardized tools.
 - Identify and mitigate SEAH/GBV risks through E&S assessments and engagement with investees.
 - Monitor impact and progress towards gender objectives based on gender-disaggregated impact KPIs.
- **Component 2: Transformation Pathways Initiative – TAF**
 - Provide technical assistance through the TAF Finance Track for policy development, inclusive product design, and staff training among investees.
 - Promote gender-sensitive consultations in TAF Market Track activities.

Implementation of the GAP is led by the dedicated specialist, who oversees overall coordination and works in close and continuous exchange with the internal E&S expert acting as SEAH Point of Contact (POC), while TA providers support the implementation of the GAP. Progress is tracked using gender-responsive indicators and disaggregated data to monitor the Fund's performance against the targets set in the GAP.

G.3. Financial management and procurement

Financial Management

Section B.4 Implementation Arrangements describes the contractual relationship between FiM as AE, the TPI Blended Finance Debt Fund, the TA Facility (TAF) with respective EEs, and Fund investees. The detailed provisions regarding financial management of GCF resources by the AE will be described in the FAA. FiM will be overall responsible for Programme implementation and reporting obligations to the GCF. Periodic reporting will be provided by FiM to the GCF on agreed reporting timelines captured in the Term Sheet and FAA.

FiM will be responsible for establishing KYC/due diligence processes including anti-money laundering and other evaluations of investors according to each respective institution's internal policy requirements. FiM as licensed external AIFM will be responsible for portfolio management, risk management, selected marketing and administrative services to the Fund. Financial statements will be prepared in accordance with international accounting standards.

Procurement

The procurement of Goods and Services for Funded Activities, whether by FiM as AE, the TPI or TA Facility, or by a third party, shall be done in accordance with relevant procurement rules, policies and procedures, which are consistent with international procurement standards. FiM, in its capacity as EE and AIFM will oversee the fund's procurement of services from various professional service providers, including e.g. custodian bank, administration agent, auditor, and legal counsel amongst other services (as standard roles for an alternative investment fund of this nature). In doing so it will follow its established and documented

internal procurement procedures that require a structured approach to seeking offers (for services of this nature) and contracting service providers robustly in line with the standards of the Luxembourg fund industry and requirements of the regulator for the out-sourcing of AIFM related activities. FiM, in its capacity as EE and TA Manager of the Finance Track will procure TA services in line with a dedicated TPI TA Facility Policy and Procedures that ensure alignment to the requirements of grant providers, as is established practice across other TA Facilities that they manage. UNIDO in its capacity as EE and TA Manager for the Market Track will procure TA services in line with the UNIDO Procurement Manual that is aligned with UN standards and their GCF accreditation. The respective procurement procedure/ manual of the AE and UNIDO as EE outline the processes and procedures for each procurement method and procuring party, as well as their applicable thresholds. Please see Annex 10 for the detailed procurement plan for the Programme.

G.4. Disclosure of funding proposal

☐ No confidential information: The PSAA applicant confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☒ With confidential information: The PSAA applicant declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the PSAA applicant is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the PSAA applicant's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

H. ANNEXES

H.1. Mandatory annexes

- ☒ Annex 1 NDA no-objection letter(s) [\(template provided\)](#)
- ☒ Annex 2 Feasibility study and market study
- ☒ Annex 3 Economic and/or financial analyses in spreadsheet format
- ☒ Annex 4 Detailed budget plan [\(template provided\)](#)
- ☒ Annex 5 Implementation timetable including key project/programme milestones [\(template provided\)](#)
- ☒ Annex 6 E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3):
[\(ESS disclosure form provided\)](#)
 - ☐ Environmental and Social Impact Assessment (ESIA) or
 - ☐ Environmental and Social Management Plan (ESMP) or
 - ☒ Environmental and Social Management System (ESMS)
 - ☐ Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
- ☒ Annex 7 Summary of consultations and stakeholder engagement plan
- ☒ Annex 8 Gender assessment and project/programme-level action plan [\(template provided\)](#)
- ☒ Annex 9 Legal due diligence (regulation, taxation and insurance)
- ☒ Annex 10 Procurement plan [\(template provided\)](#)
- ☒ Annex 11 Monitoring and evaluation plan [\(template provided\)](#)
- ☒ Annex 12 AE fee request [\(template provided\)](#)
- ☐ Annex 13 Co-financing commitment letter, if applicable [\(template provided\)](#)
- ☒ Annex 14 Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule

H.2. Other annexes as applicable

- ☐ Annex 15 Evidence of internal approval [\(template provided\)](#)
- ☒ Annex 17 Multi-country project/programme information [\(template provided\)](#)
- ☐ Annex 18 Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
- ☐ Annex 19 Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
- ☒ Annex 20 First level AML/CFT (KYC) assessment
- ☒ Annex 21 Operations manual (Operations and maintenance)
- ☒ Annex 22 Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)⁴⁸
- ☒ Annex 23 Adaptation Approach
- ☒ Annex 24 FiM Track Record
- ☒ Annex 25 FiM Organizational Capacity

- ☒ Annex 26 CPRM EY Independent Review Report (September 2025 – Executive Summary)
- ☒ Annex 27 FiM Ownership Structure
- ☒ Annex 28 FiM/GCF risk workshop (September 2025)
- ☒ Annex 29 Investment Committee Terms of Reference (December 2025)
- ☒ Annex 30 Rating Methodology – MDBs and other supranationals

** Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*

⁴⁸ Annex 22 is mandatory for mitigation and cross-cutting projects.



**MINISTRY OF THE ENVIRONMENT,
OF THE SUSTAINABLE DEVELOPMENT AND
THE ECOLOGICAL TRANSITION**

**DIRECTORATE OF INTERNATIONAL
COOPERATION AND FUNDING
MOBILIZATION**

**NATIONAL DESIGNATED AUTHORITY
FOR THE GREEN CLIMATE FUND**

N° 00129/MINEDDTE/CAB/DCIMF

REPUBLIC OF COTE D'IVOIRE
Union – Discipline – Work



Abidjan, the 16 SEPT 2025

To

**Madam Executive Director of the
Green Climate Fund Secretariat
175 Art Center-daero
Yeonsu-gu, Incheon 406-840**

REPUBLIC OF KOREA

Re: Expression of no-objection for the funding proposal
titled "Transformation Pathways Initiative (TPI)"
submitted by Finance in Motion Asset Management
under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "Transformation Pathways Initiative (TPI)" in Côte d'Ivoire submitted by **Finance in Motion Asset Management, in cooperation with UNIDO as an executing entity**, to us on 24 July 2025 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of the National Council on Climate Change, the national designated authority of Côte d'Ivoire.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

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

- (a) The government of Côte d'Ivoire has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Côte d'Ivoire.

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

Notwithstanding the foregoing, we expect **Finance in Motion Asset Management** to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

We further confirm that our no-objection to the Proposal also applies to any project preparation facility application made by Finance in Motion Asset Management after the submission of the Proposal to the GCF Secretariat.

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

Kind regards,



YAO Marcel

Ministry of Environment, Sustainable Development and Ecological Transition

Director of International Cooperation and Funding Mobilization

Focal Point

Côte d'Ivoire

Santo Domingo, D.R.
22 October 2025.

Ms. Mafalda Duarte

Executive Director

Secretariat of the Green Climate Fund (GFC)

175 Art Center-daero

Yeonsu-gu, Incheon 406-840

REPUBLIC OF KOREA

Re: Expression of no-objection for the funding proposal titled "Transformation Pathways Initiative (TPI)" submitted by Finance in Motion Asset Management under the project specific assessment approach

Dear Ms. Duarte,

We refer to the funding proposal titled "**Transformation Pathways Initiative (TPI)**" in the Dominican Republic submitted by **Finance in Motion Asset Management, in cooperation with UNIDO as an executing entity**, to us on 21st August 2025 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of Ministry of Environment and Natural Resources, the national designated authority of the Dominican Republic.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

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

- (a) The government of Dominican Republic **has no-objection** to the Proposal; and
- (b) The Proposal is in conformity with the **national priorities, relevant laws and regulations, strategies and plans** of the Dominican Republic.

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

Notwithstanding the foregoing, we expect **Finance in Motion Asset Management** to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

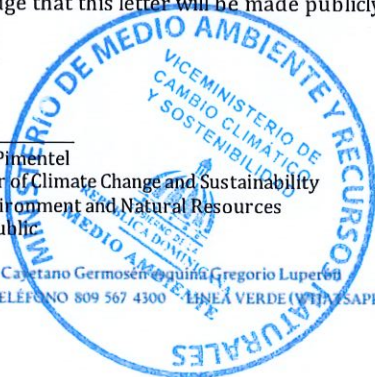
We further confirm that our no-objection to the Proposal also applies to any project preparation facility application made by **Finance in Motion Asset Management** after the submission of the Proposal to the GCF Secretariat.

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

Kind regards,



Ms. Ana Emilia Pimentel
Deputy Minister of Climate Change and Sustainability
Ministry of Environment and Natural Resources
Dominican Republic



To: The Green Climate Fund ("GCF")

Quito, July 28th, 2025

Re: Expression of no-objection for the funding proposal titled "Transformation Pathways Fund (TPF)" submitted by Finance in Motion Asset Management under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "**Transformation Pathways Fund (TPF)**" in Ecuador submitted by **Finance in Motion Asset Management** to us on April 8th, 2025 under the project specific assessment approach the "**Proposal**".

The undersigned is the duly authorized representative of Ms. Jéssica Stefanía Gallegos Yaruquí, the national designated authority of Ecuador.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

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

- (a) The government of Ecuador has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Ecuador.

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

Notwithstanding the foregoing, we expect Finance in Motion Asset Management to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

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

Kind regards,

Jéssica Stefanía Gallego Yaruquí
Undersecretary of Climate Change
National Designated Authority
Ecuador



राजश्री रे
RAJASREE RAY



आर्थिक सलाहकार
पर्यावरण, वन एवं जलवायु परिवर्तन मंत्रालय
भारत सरकार
ECONOMIC ADVISER
MINISTRY OF ENVIRONMENT, FOREST
AND CLIMATE CHANGE
GOVERNMENT OF INDIA
27th April 2026

DO No. CC-13008/28/2025-CC

To:

The Green Climate Fund ("GCF")

Re: Expression of no-objection for the funding proposal titled "Transformation Pathways Initiative (TPI)" submitted by Finance in Motion Asset Management S.a.r.l. under the project specific assessment approach

Dear Madam, Sir,

We refer to the **funding proposal** titled "*Transformation Pathways Initiative (TPI)*" in India submitted by Finance in Motion Asset Management S.a.r.l. to us on 25/04/2025 under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative of the Ministry of Environment, Forest and Climate Change, the **national designated authority** of India.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as **focal point**, we hereby communicate our no-objection to the Proposal.

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

- The Government of India has no-objection to the Proposal; and
- The Proposal is in conformity with the national priorities, strategies and plans of India.

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

Notwithstanding the foregoing, we expect Finance in Motion Asset Management to take the necessary measures to ensure that the **programme [and its sub-projects]** as described in the Proposal are implemented in a manner consistent with applicable national laws.

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



Yours sincerely

Rajasree

(Rajasree Ray)
GCF Focal Point for India



Hacienda

Secretaría de Hacienda y Crédito Público

Subsecretaría de Hacienda y Crédito Público
Unidad de Crédito Público y Asuntos
Internacionales de Hacienda
Dirección General encargada de Foros
Internacionales y Financiamiento Sostenible



GREEN
CLIMATE
FUND

To: The Green Climate Fund ("GCF")

Oficio No. 305.-F.-012/2026

Mexico City, 08/04/2026

Re: Expression of no-objection for the funding proposal titled "Transformation Pathways Initiative (TPI)" submitted by Finance in Motion Asset Management under the project specific assessment approach.

Dear Madam, Sir,

We refer to the funding proposal titled "Transformation Pathways Initiative (TPI)" in Mexico, submitted by **Finance in Motion Asset Management, in cooperation with UNIDO as an executing entity**, to us on August 7th 2025 under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative of the Ministry of Finance and Public Credit of Mexico, Public Credit and International Affairs Unit, the national designated authority of Mexico to the Green Climate Fund.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

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

The government of Mexico has no-objection to the Proposal; and The Proposal is in conformity with Mexico's national priorities, strategies and plans.

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

Notwithstanding the foregoing, we expect Finance in Motion Asset Management to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

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

Kind regards,

Regina Rosales Talamas

General Director in Charge of International Fora and Sustainable Finance

Ministry of Finance and Public Credit

Mexico



2026
año de
Margarita
Maza



THE PRESIDENCY
NATIONAL COUNCIL ON CLIMATE CHANGE
OFFICE OF THE DIRECTOR GENERAL

The Executive Director,
The Green Climate Fund ("GCF")
G-Tower, Songdo International Business District,
175, Art Centre-daero,
Yeonsu-gu, Incheon 22004
Republic of Korea

20th October, 2025

Re: Expression of no-objection for the funding proposal titled "Transformation Pathways Initiative (TPI)" submitted by Finance in Motion Asset Management under the project specific assessment approach

Dear Madam,

We refer to the funding proposal titled "Transformation Pathways Initiative (TPI)" in Nigeria submitted by Finance in Motion Asset Management, in cooperation with UNIDO as an executing entity, to us on 17th of October under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative of the National Council on Climate Change (NCCC), the national designated authority of Nigeria.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

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

- (a) The government of Nigeria has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Nigeria.

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

Notwithstanding the foregoing, we expect Finance in Motion Asset Management to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

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

Kind regards,

Mrs Tenioye Majekodunmi LLM, BL
Director General
National Focal Point
Nigeria

....powering Nigeria's green growth

14. Vistula Close, Off Panama Street Maitama Abuja

✕ © 0 climategovng 0 www.dimatecouncil.gov.ng gg info@dimatecouncil.gov.ng





PERÚ

Ministerio de
Economía y Finanzas

Despacho Viceministerial
de Economía

Dirección General de Asuntos
de Economía Internacional,
Competencia y Productividad

“DECENIO DE LA IGUALDAD DE OPORTUNIDADES PARA HOMBRES Y MUJERES”
“AÑO DE LA RECUPERACIÓN Y CONSOLIDACIÓN DE LA ECONOMÍA PERUANA”

To: The Green Climate Fund (“GCF”)

Lima, 16 December 2025

Re: Expression of no-objection for the funding proposal titled “Transformation Pathways Initiative” submitted by Finance in motion, under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled “Transformation Pathways Initiative” in Peru submitted by Finance in motion to us on 02 Set 2025 under the project specific assessment approach (the “**Proposal**”).

The undersigned is the duly authorized representative of Ministry of Economy and Finance, the national designated authority of Peru.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

The funding proposal titled “Transformation Pathways Initiative” catalyse large-scale private investments to accelerate the decarbonisation of industry, agri-food systems and infrastructure, financing efficiency solutions, circularity, clean energy, electrification and climate-smart technologies aligned with NDCs and national priorities.

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

- (a) The government of Peru has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Peru.

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

Notwithstanding the foregoing, we expect Finance in motion to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

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

To be printed on the letterhead of the national designated authority(ies) or focal point(s)

Kind regards,

Mr. Henry Espinoza Peña

Director

Directorate-General for International Economic Affairs, Competition and Productivity

Ministry of Economy and Finance

Peru



**Republic of Serbia
MINISTRY OF
ENVIRONMENTAL PROTECTION**

No: 005141724 2025 14850 005 006 000

001

Date: 24 December 2025
22-26 Nemanjina St
Belgrade

The Green Climate Fund ("GCF")

Re: Expression of no-objection for the funding proposal titled "Transformation Pathways Initiative (TPI)" submitted by Finance in Motion Asset Management under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "Transformation Pathways Initiative (TPI)" in Serbia submitted by **Finance in Motion Asset Management** to us on 18th of December 2025 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of Ministry of Environmental Protection, the national designated authority of Serbia.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

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

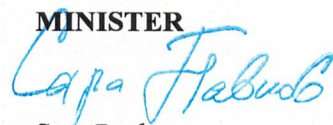
- (a) The government of Serbia has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Serbia.

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

Notwithstanding the foregoing, we expect **Finance in Motion Asset Management** to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

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

Kind regards,

MINISTER

Sara Pavkov



forestry, fisheries & the environment

Department:
Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA

Private Bag X447, Pretoria, 0001, Environment House, 473 Steve Biko Road, Pretoria, 0002 Tel: +27 12 399 9000, Fax: +27 86 625 1042

Ref: EDMS 267178
Enquiries: Shahkira Parker
Tel: 012 399 9240 Email: sparker@dfre.gov.za

The Green Climate Fund
Songdo Business District
175 Art center-daero
Yeonsu-gu
INCHEON
22004
Republic of Korea

Email: fundingproposal@gcfund.org

Dear Madam/Sir

EXPRESSION OF NO-OBJECTION FOR THE FUNDING PROPOSAL TITLED “TRANSFORMATION PATHWAYS INITIATIVE” SUBMITTED BY FINANCE IN MOTION ASSET MANAGEMENT UNDER THE PROJECT-SPECIFIC ASSESSMENT APPROACH

Reference is made to the funding proposal titled “Transformation Pathways Initiative” submitted by Finance in Motion Asset Management, in cooperation with the United Nations Industrial Development Organisation as an executing entity, to the Department of Forestry, Fisheries and the Environment on 1 December 2025 under the project-specific assessment approach (Proposal).

Pursuant to the Green Climate Fund (GCF) Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the National Designated Authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, the following is implied:

- (a) The government of the Republic of South Africa has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of the Republic of South Africa.

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



Batho pele – putting people first

The processing of personal information by the Department of Forestry, Fisheries and the Environment is done lawfully and not excessive to the purpose of processing in compliance with the POPI Act, any codes of conduct issued by the Information Regulator in terms of the POPI Act and/or relevant legislation providing appropriate security safeguards for the processing of personal information of others.

EXPRESSION OF NO-OBJECTION FOR THE FUNDING PROPOSAL TITLED “TRANSFORMATION PATHWAYS INITIATIVE” SUBMITTED BY FINANCE IN MOTION ASSET MANAGEMENT UNDER THE PROJECT-SPECIFIC ASSESSMENT APPROACH

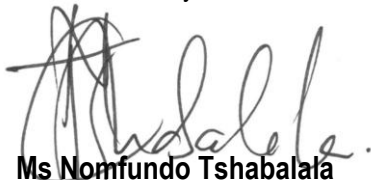
Notwithstanding the foregoing, we expect Finance in Motion Asset Management to take the necessary measures to ensure that the programme (and its subprojects), as described in the Proposal, is implemented in a manner consistent with applicable national laws.

We further confirm that our no-objection to the Proposal also applies to any project preparation facility application made by Finance in Motion Asset Management after the submission of the Proposal to the GCF Secretariat.

The undersigned is the duly authorised representative of the Ministry of Forestry, Fisheries and the Environment, the National Designated Authority of the GCF of the Republic of South Africa.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nomfundo Tshabalala', is written over a faint, circular official stamp.

Ms Nomfundo Tshabalala
DIRECTOR-GENERAL
DATE: 21/01/2026



09" 09 2025

No 01-01/21-538

Tashkent

The Green Climate Fund ("GCF")

Re: Expression of no-objection for the funding proposal titled "Transformation Pathways Initiative (TPI)" submitted by Finance in Motion Asset Management under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "Transformation Pathways Initiative (TPI)" in Uzbekistan submitted by **Finance in Motion Asset Management, in cooperation with UNIDO as an executing entity**, to us on 16th May 2025 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of Ministry of Ecology, Environment Protection and Climate Change, the national designated authority of Uzbekistan.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

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

- (a) The government of Uzbekistan has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Uzbekistan.

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

Notwithstanding the foregoing, we expect **Finance in Motion Asset Management** to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

We further confirm that our no-objection to the Proposal also applies to any project preparation facility application made by Finance in Motion Asset Management after the submission of the Proposal to the GCF Secretariat.

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

Kind regards,

Aziz Abdukhakimov
Minister



Environmental and social safeguards (ESS) report disclosure form

Basic project or programme information	
Project or programme title	Transformation Pathways Initiative (TPI)
Potential sub-project(s) anticipated after GCF Board approval	Yes
Sector (public or private)	Private
Accredited entity/Project-specific Assessment Approach (PSAA) applicant	FiM Asset Management S. à. r. l.
Environmental and social safeguards (ESS) category	Category I-2
Location – specific location(s) of project or target country or location(s) of programme	Côte d'Ivoire, Dominican Republic, Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa, Uzbekistan
Safeguard Documents: Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plans (ESMPs), Environmental and Social Management System (ESMS), Environmental and Social Due-Diligence (ESDD) report, Land Acquisition and/or Resettlement Action Plan (LARAP), Indigenous Peoples Plan (IPP), Indigenous Peoples Planning Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF) etc. (as applicable)	
Date of disclosure on entity's website	Thursday, September 24, 2026
Language(s) of disclosure	English, French, Spanish, Hindi, Serbian, Uzbek
Explanation on language	• English is the relevant language of Nigeria and South Africa • French is the relevant language of Côte d'Ivoire • Spanish is the relevant language of Ecuador, the Dominican Republic, Mexico, and Peru • Hindi (and English) is the relevant language of India • Serbian is the relevant language of Serbia • Uzbek is the relevant language of Uzbekistan
Link(s) to disclosure	Environmental and Social Management System (ESMS) English: FiM TPI Annex 6a E&S Policy and Procedures English Translated languages: Serbian: FiM TPI Annex 6a E&S Policy and Procedures Serbian Hindi: FiM TPI Annex 6a E&S Policy and Procedures Hindi Spanish: FiM TPI Annex 6a E&S Policy and Procedures Spanish French: FiM TPI Annex 6a E&S Policy and Procedures French Uzbek: FiM TPI Annex 6a E&S Policy and Procedures Uzbek
Other link(s)	E&S Disclosures - TPI
Remarks on compliance with GCF policies	ESS reports consistent with the requirements for a Category I-2 programme are contained in the documents above.
Disclosure in locations convenient to affected peoples (stakeholders)	
Date(s)	Thursday, September 24, 2026

Place(s)	FIM and UNIDO local offices in participating countries: Côte d'Ivoire <u>UNIDO Côte d'Ivoire Office</u> 8XMR+763, Rue des Hibiscus, Abidjan, Côte d'Ivoire Phone: +225 22 48 27 48 Contact: Mr. Tidiane Edouard Boye Dominican Republic <u>UNIDO National Representation</u> Ministerio de Industria, Comercio y MIPYMES, 8vo piso Av 27 de Febrero 306, Bella Vista, Santo Domingo 10122 Contact: Ms. Lorena Valenzuela Sousa (UNIDO), Ms. Delia Del Rosario García (MICM) Ecuador <u>UNIDO Ecuador Office</u> Centro Ekopark, Torre 4, Piso 2 Vía a Tanda S/N y Av Simón Bolívar, 170150, Quito, Ecuador Phone: +593 999212826 Contact: Mr. Xavier Arcos India <u>UNIDO India Office</u> 55, Lodhi Estate, 110003 New Delhi, India Phone: +91 1146532321; +91 9810616463 Contact: Mr. Cristiano Pasini Mexico <u>UNIDO Mexico Office</u> Av. Homero 806, Polanco, Polanco IV Secc, Miguel Hidalgo, 11550 Ciudad de México, CDMX, Mexico Phone: +52 5511015504 Contact: Mr. Johannes Dobinger Nigeria <u>UNIDO Sub-Regional Office Nigeria</u> 2nd Floor UN House, Plot 617/618 Diplomatic Drive Central Business District, Abuja, Nigeria Phone: +234 8033216539; +234 7064181067 Contact: Mr. Philbert Johnson Peru <u>UNIDO Regional Office</u> Calle 115 #5-50, Bogota, Colombia Phone: +57 (601)6297842 Contact: Ms. Natascha Weisert Serbia <u>FiM Serbia</u> Business Garden Center, Starine Novaka 23, 4th floor 11000 Belgrade
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Date of Board meeting in which the FP is intended to be considered	
Date of entity's Board meeting	n/a
Date of GCF's Board meeting	Monday, October 26, 2026

* Subsequent to the disclosure of the form on 18 September 2026, the following update has been made: the links to the Environmental and Social Management System (ESMS) have been updated.

Note: This form was prepared by the entity stated above.

Secretariat's assessment of the project-specific assessment approach applicant

1. The Secretariat has assessed the document titled "PSAA accreditation: application and review checklist" submitted by Finance in Motion S.à.r.l. ("Finance in Motion", "FiM" or "the applicant") against the GCF accreditation standards. The results of the project-specific assessment approach (PSAA) applicant capacity assessment and the Secretariat's endorsement and recommendations for GCF PSAA accreditation are as follows:

Overall capacity	High Finance in Motion Asset Management S.à.r.l. (FiM) is an authorized and regulated alternative investment fund manager registered in Luxembourg. FiM is regulated and licensed by the Commission de Surveillance du Secteur Financier, the financial supervisory authority in Luxembourg. FiM is a wholly owned subsidiary of Finance in Motion GmbH, a German private entity. FiM Group has been in operation since 2009. The applicant has a strong track record of managing funds of a similar type and size to the Transformation Pathways Initiative (TPI or "the Fund"). FiM and the capacity from its parent entity acting as an investment adviser, demonstrates institutional capacity, policies, procedures and implementation practices on fiduciary, environmental and social (E&S) and gender issues. FiM has compliance, risk management, financial management and portfolio management functions, and an internal control framework. FiM has E&S safeguarding capacities, impact monitoring and E&S risk management capacities. FiM expects to use these frameworks in the set-up of the Transformation Pathways Initiative and the Technical Assistance Facility.
Fiduciary functions	Basic fiduciary standards
	Specialized fiduciary standard for project management
	Specialized fiduciary standard for grant award or funding allocation mechanisms (grant award)
	Specialized fiduciary standard for on-lending or blending (for equity)
Maximum environmental and social risk category	Limited adverse risks (Intermediation 2)
Conditions	No specific conditions

2. The Secretariat has augmented its capacity by using external experts to undertake the applicant capacity assessment review.¹ A summary of the assessment is presented in this document.

I. Applicant capacity assessment summary report

1.1 Introduction and institutional assessment

3. Finance in Motion Asset Management S.à.r.l. (FiM) is a Luxembourg-based alternative investment fund manager incorporated in 2017 and regulated by the Commission de Surveillance du Secteur Financier. FiM is a wholly owned subsidiary of Finance in Motion GmbH, a German private entity established in 2009. The FiM Group manages approximately EUR 4.2 billion in assets across multiple funds and operates through a global platform. FiM acts as the authorized alternative investment fund manager, with core functions including portfolio management, risk management and compliance performed in line with Luxembourg regulatory requirements. Certain non-core functions are delegated to its parent entity under formal service agreements.

4. The proposed programme is the Transformation Pathways Initiative (TPI), a large-scale fund expected to be established under Luxembourg law. The planned GCF participation comprises an equity investment of up to USD 175 million at the fund level and USD 12 million in grant funding to support a dedicated Technical Assistance Facility (TAF). The objective of the TPI is to mobilize private capital to decarbonize and future proof industrial value chains in partner countries through investments aligned with national climate priorities and nationally determined contributions.

5. FiM is proposed to act as the accredited entity under the project-specific assessment approach and as the asset manager of the TPI. The Fund will invest through corporate debt, project finance and green credit lines via financial institutions, complemented by technical assistance activities aimed at transaction enabling, investment readiness and market development. The TAF will be implemented through two tracks, with FiM serving as executing entity for the finance-focused track and United Nations Industrial Development Organization (UNIDO) serving as executing entity for the market development track.

1.2 Methodology

6. FiM received concept note approval on 14 April 2025 and submitted the first set of accreditation materials for review round one, the completeness check, on 11 June 2025, based on a customized application form and material request. An external review team conducted a comprehensive desk review, based on the submitted materials, such as the applicant's policies, procedures, institutional capacities, track record and human resources against the Green Climate Fund (GCF) accreditation standards and checklist.

7. Reference check interviews were conducted with two investors in other funds under FiM's management. The reference checks did not identify any critical issues related to the applicant's fiduciary role or institutional capacities.

8. In addition to the desk review, a site visit by the external review team was conducted at Finance in Motion GmbH headquarters in Frankfurt, Germany. During the site visit, the desk review findings were validated through walkthroughs of processes, interviews and

¹ In line with the PSAA pilot framework approved by the Board (decision B.31/06), the Secretariat has augmented its capacity by using external experts, third-party organizations and/or service providers to support it in undertaking the applicant capacity assessment review.

presentations across all areas of the assessment. Relevant staff from FiM and its parent entity participated in the discussions, which provided further evidence of the applicant's institutional capacity, governance arrangements, systems and operational procedures.

9. The applicant was assessed in accordance with the GCF policies and standards to the extent applicable to accreditation below:
 - (a) "Strategic Plan for the GCF 2024–2027" (B.36/13);
 - (b) "Matters related to the accreditation framework" regarding the accreditation process (decisions B.24/13 and B.26/01);
 - (c) "Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and Standards and Environmental and Social Safeguards" (decision B.07/02);
 - (d) "Policy on Prohibited Practices" (decision B.22/19);
 - (e) "Anti-Money Laundering and Countering the Financing of Terrorism Policy" (AML/CFT Policy) (decision B.18/10);
 - (f) "Policy on the Protection of Whistleblowers and Witnesses" (decision B.BM-2018/21);
 - (g) "Environmental and Social Management System: Environmental and Social Policy" (decision B.19/10);
 - (h) "Comprehensive Information Disclosure Policy of the Fund" (decision B.12/35) regarding the disclosure of environmental and social (E&S) information;
 - (i) "Updated Gender Policy and Gender Action Plan 2020–2023" (decision B.24/12);
 - (j) "Revised Environmental and Social Policy" (decision B.BM-2021/18);
 - (k) "Evaluation Policy" (decision B.BM 2021/07); and
 - (l) "Updates to the Accreditation Framework" (decision B.31/06).

1.3 Contribution to the mandate of GCF

10. The key output of the TPI is to mobilize private capital to support the decarbonization and future proofing of industrial value chains in partner countries. These activities contribute primarily to GCF mitigation result areas related to low emission buildings, cities and industries, energy access and power generation, and low emission transport, while also supporting adaptation outcomes for vulnerable people and communities.

11. The objectives of the TPI, together with the overall strategy and mission of FiM, are aligned with the updated Strategic Plan of the GCF 2 (2024–2027) and contribute to the mandate of GCF through the mobilization of private sector investment and the scaling up of climate aligned solutions.

1.4 Track record and implementation of similar projects

12. FiM Group has been in operation since 2009 and manages or advises approximately EUR 4.2 billion across several funds. The applicant demonstrates a strong track record of managing funds with investment characteristics similar to the proposed TPI, comparable to other fund structures, financing instruments, portfolio management and monitoring processes.

13. Across its portfolio, FiM has demonstrated the capacity to make investments in line with applicable fiduciary, E&S, and compliance requirements.

14. The applicant's climate-relevant track record includes, among others, the following funds under management or advisory:

- (a) Green for Growth Fund (climate mitigation);
- (b) Eco Business Fund (climate mitigation and adaptation, biodiversity);
- (c) LA Green Fund (climate adaptation and mitigation); and
- (d) Arbaro Fund (climate mitigation).

1.5 Legal status, registration, permits and licences

15. Finance in Motion Asset Management S.à.r.l. was incorporated on 4 May 2017 under the laws of Luxembourg as a limited liability company and is authorized and regulated as an alternative investment fund manager by the Commission de Surveillance du Secteur Financier. The entity is a wholly owned subsidiary of Finance in Motion GmbH, a German private entity.

16. Based on the information, the Board of FiM S.à.r.l. makes all corporate and strategic alternative investment fund management decisions under the regulations and corporate law. Investment Committees for each fund are in place.

17. FiM is an established alternative investment fund manager with all major policies and procedures including internal/external audit function, internal control, risk management, valuation compliance, portfolio management, procurement, finance management, and anti-money laundering and countering the financing of terrorism (AML/CFT).

18. The operating model of the TAF is expected to be similar to those in place in six other funds under management and advisory. The aforementioned arrangements and structures will be applicable to the TPI.

II. Accreditation assessment

2.1 Basic fiduciary standards

2.1.2. Key administrative and financial capacities

19. FiM is governed by a Board of Directors comprising four members, three of whom are independent external directors. The Board is responsible for corporate and strategic decisions of the alternative investment fund manager in accordance with Luxembourg regulatory requirements. Day-to-day management is entrusted to three Conducting Officers who are each responsible respectively for portfolio management, risk management and compliance.

20. Management Committee meetings are held at least on a monthly basis and address matters related to financial and accounting oversight, portfolio and investment management, internal control outcomes, compliance with the Alternative Investment Fund Management Law, and related areas. Senior Management consists of three Conducting Officers who together form the Management Committee. The Management Committee provides regular updates to the Board on the activities of both the company and the Funds. An independent compliance function is established by the Management Committee to oversee the implementation and application of the Compliance Policy and Compliance Charter. FiM has appointed a Compliance Officer, who is supported by a compliance team with expertise in Luxembourg as well as the alternative investment fund management's German branch.

21. The organizational structure of FiM is documented and reflects a clear segregation of duties consistent with the Alternative Investment Fund Managers Law. Core functions, including

portfolio management, risk management and compliance, are performed by the fund manager and are independent from one another. Investment decisions are taken by fund-specific Investment Committees at the level of FiM, each operating under defined terms of reference. Risk management operates as an independent function reporting directly to the Board, while compliance oversight is ensured through a dedicated Compliance Officer supported by a compliance team.

22. Financial management and accounting functions are supported by established internal controls and third-party service providers. Group finance functions are delegated to the parent entity under formal delegation agreements, with oversight exercised by a designated Conducting Officer and senior management of the fund manager. Fund-level accounting and administration are performed by external fund administrators under service-level agreements, while FiM retains oversight over financial reporting, valuation, payments and governance matters.

23. FiM prepares annual financial statements that are subject to independent external audit. Consolidated financial statements of the group have received unqualified audit opinions in recent years. Individual funds are also audited annually by external independent auditors, with audited financial statements reviewed by the Board and filed with the regulator. An internal audit function is in place at group level and is utilized by FiM through a delegated arrangement. The internal audit function reports directly to the Board and operates independently from other control functions.

24. Risk management is governed by a documented Risk Management Policy that defines governance bodies, risk identification processes, risk appetite statements and reporting procedures. Risk inventories and risk heatmaps are prepared, and risk reports are produced on a regular basis and submitted to the Board. Duties are segregated across first, second and third lines of defence, covering portfolio management, compliance and internal audit.

25. Procurement of services, including for technical assistance activities, is conducted in accordance with established procurement policies and procedures applied across existing funds. Procurement decisions are subject to internal controls and oversight, and follow documented processes aligned with the nature and scale of activities.

26. The applicant has adequate administrative, financial and human resource capacities to manage funds of similar scale and complexity. The applicant has appropriate governance arrangements, financial management systems, internal controls and oversight mechanisms in place. No major gaps were identified.

2.1.3. Transparency and accountability

27. FiM has established ethical standards that are set out in its Code of Conduct and related governance and compliance policies. These standards apply to all staff as well as external advisers engaged under contractual arrangements. Employees are required to acknowledge the Code of Conduct and comply with its provisions, which cover ethical behaviour, prohibited practices, prevention of retaliation, and expectations regarding integrity and professional conduct.

28. The applicant has adopted a comprehensive framework to identify, prevent and manage conflicts of interest. This includes a Conflicts of Interest Policy, conflicts register and procedures for disclosure and management of actual, potential or perceived conflicts. Conflicts of interest are required to be disclosed and are reviewed in accordance with the policy, with mitigation measures implemented as appropriate. Conflicts of interest are included as a standing agenda item in relevant governing and decision-making bodies, and periodic internal communications and compliance training are conducted to support staff awareness.

29. FiM has in place a Complaints Management Policy and a whistle-blowing process that allow for confidential and anonymous reporting of concerns. Complaints and whistle-blowing reports can be submitted by internal and external parties and are handled in accordance with documented procedures. Investigations are managed by the Compliance and Internal Audit functions, which operate with defined roles and functional independence. The Board retains overall responsibility for oversight of complaints and whistle-blowing matters.

30. The applicant has adopted an Anti-Money Laundering and Countering the Financing of Terrorism Policy that sets out a risk-based approach to customer due diligence, know-your-customer procedures and monitoring of fund recipients and third parties. Due diligence is performed on investees and relevant counterparties, and compliance with applicable AML and financial crime prevention requirements is monitored on an ongoing basis.

31. FiM has established appropriate ethical standards, conflict of interest management arrangements and accountability mechanisms. The applicant demonstrates adherence to a comprehensive AML and financial crime prevention regime and has in place procedures for complaints handling and whistle-blowing. No major gaps were identified.

2.2 Specialized fiduciary standards

2.2.1. Project management

32. For the purposes of the accreditation review, project management refers to the identification, appraisal, approval, implementation and ongoing monitoring of investments at fund level. FiM applies a structured investment process developed through the management of multiple comparable funds by the FiM Group since 2009, integrating technical, financial, legal, environmental, social and climate considerations throughout the investment cycle.

33. Investment opportunities are identified by the Investment Advisor and screened against predefined eligibility criteria, including strategic alignment, climate relevance, financial viability and integrity standards. Investments that pass the initial screening proceed to due diligence, which is conducted with input from the investment, risk management, environmental and social, impact and AML/CFT functions. Due diligence findings and recommendations are documented in a standardized investment proposal submitted to the Investment Committee.

34. Investment decisions are taken by fund-specific Investment Committees operating under approved terms of reference at the level of FiM. Risk Management and Compliance participate in the decision-making process, with the risk management function holding a veto right.

35. Following approval, portfolio management and monitoring are carried out by the fund manager in coordination with the Investment Advisor. Monitoring covers financial performance, climate and impact indicators and environmental and social performance, supported by regular reporting, site visits where required and ongoing engagement with investees. Risk management mechanisms are embedded throughout the process, enabling early identification of issues and timely corrective actions.

36. FiM demonstrates adequate capacity and systems for investment appraisal, decision-making and portfolio management. No major gaps were identified.

2.2.2. Grant award

37. FiM has an established track record in managing technical assistance facilities linked to its investment funds. Grant allocation will follow existing technical assistance and procurement policies and will be overseen by a TAF Committee, with implementation through two tracks

managed respectively by FiM and UNIDO. The applicant has adequate procedures and experience to administer grant resources in line with fiduciary requirements.

2.2.3. On-lending and/or blending (equity)

38. FiM has demonstrated experience in managing resources provided by international climate funds, development finance institutions and private investors across multiple funds under management and advisory. In existing funds and as foreseen for TPI, blending takes place primarily at the fund capital structure level through the combination of concessional and non-concessional resources. Investments are implemented through a mix of corporate debt, project finance and equity instruments. On-lending is primarily conducted through financial institutions, with funds provided under facility or loan agreements that require onward lending to eligible end beneficiaries in line with the fund investment criteria.

39. Financial resource management and control are supported by a comprehensive risk management framework, including defined risk appetite statements, portfolio risk limits, stress testing and monitoring tools. Contractual arrangements with financial intermediaries include requirements related to use of proceeds, reporting obligations and exclusion lists. FiM regularly provides investors with information on financial and impact performance of the funds, while selected non-confidential information is disclosed publicly through impact reports and other publications.

40. Regulatory oversight by the Commission de Surveillance du Secteur Financier, Luxembourg, provides an additional framework for compliance with fiduciary duties. Based on the information provided, FiM demonstrates adequate systems, procedures and experience for managing blending structures and on-lending arrangements in a transparent and controlled manner.

2.3 Environmental and social safeguards

41. FiM applies a fund-specific environmental and social management system (ESMS) that has been updated to align with GCF environmental and social policies and standards. The ESMS applies across the full investment cycle, including screening, risk categorization, due diligence, investment decision-making, monitoring and exit. The system is reviewed periodically and implemented through defined roles and responsibilities involving the investment teams and dedicated environmental and social specialists.

42. FiM conducts environmental and social due diligence for all investments, including screening against exclusion lists and assessment of environmental and social risks, corporate governance and business integrity. The risk assessment framework is informed by international good practice standards and is supported by internal tools, sector-specific guidance and, where necessary, external expertise. Identified risks and mitigation measures are integrated into investment documentation through environmental and social action plans and contractual undertakings with investees.

43. The ESMS includes an Indigenous Peoples Planning Framework. Screening procedures are used to identify the presence of Indigenous Peoples, and investments with material adverse impacts that cannot be mitigated are excluded. Where applicable, portfolio companies are required to prepare specific plans to address risks related to Indigenous Peoples in line with established safeguards.

44. Environmental and social performance is monitored on an ongoing basis through regular reporting by investees, site visits as required, and engagement by investment and environmental and social teams. FiM uses dedicated systems to track performance and has demonstrated experience in implementing and monitoring ESMS requirements across existing

funds. Based on the information provided, FiM has appropriate policies, procedures and institutional capacity to identify, manage and monitor environmental and social risks in line with GCF standards.

2.4 Gender

45. FiM has established fund-specific gender strategies and action plans aligned with the principles of the GCF Gender Policy. Gender considerations are integrated into the investment process through screening, due diligence, investment decision-making and monitoring, supported by dedicated impact and sustainability teams.

46. The applicant has demonstrated experience in managing gender-sensitive and gender-responsive funds and collects gender-disaggregated data from investees, which is reported on a periodic basis to governing bodies of the Fund. Dedicated staff within the Impact and Sustainability teams are responsible for overseeing gender integration and monitoring performance. Overall, FiM has the organizational capacity, procedures and experience to implement its gender commitments in line with the GCF Gender Policy.

III. Conclusions and recommendations

3.1 Conclusions

47. Based on the assessment, FiM has demonstrated a high level of capacity to implement the proposed TPI and to manage GCF-funded activities in alignment with the relevant GCF policies and standards. FiM possesses the appropriate legal status and regulatory authorizations to implement TPI in accordance with the requirements of the PSAA pilot framework.

48. The applicant is considered to meet the requirements of the GCF basic fiduciary standards, the applicable specialized fiduciary standards, the environmental and social safeguards standards and the gender policy. While certain differences were identified in relation to specific GCF guidance notes, these were not assessed to constitute material gaps.

49. Specifically, FiM meets the requirements of the GCF Basic Fiduciary Standards, the GCF Policy on the Protection of Whistle-blowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT policy, and the specialized fiduciary standards for project management, grant award and on-lending and blending, to the extent applicable to PSAA accreditation and the funding proposal.

50. FiM also meets the requirements of the GCF Revised Environmental and Social Policy, the interim environmental and social safeguards standards and the GCF Comprehensive Information Disclosure Policy with respect to the disclosure of environmental and social risk information for activities categorized as B or Intermediate 2, to the extent applicable to PSAA accreditation.

51. In addition, FiM has demonstrated that it has the procedures, institutional capacity and staff competencies required to implement its gender approach in a manner consistent with the GCF Gender Policy. The applicant has also demonstrated experience in addressing gender considerations in the context of climate change through its investment and technical assistance activities.

3.2 Recommendations on project-specific accreditation

52. **Accreditation type: PSAA**

53. **Fiduciary functions:** Basic fiduciary standards; specialized fiduciary standards for project management; specialized fiduciary standard for grant award and/or funding allocation mechanisms (grant award); and specialized fiduciary standard for on-lending and/or blending (for equity).
54. **Maximum E&S risk category:** Intermediation 2
55. **Conditions:** No conditions.

Independent Technical Advisory Panel's assessment of FP328

Proposal name:	Transformation Pathways Initiative (TPI)
Project-specific assessment approach applicant:	Finance in Motion Asset Management S.a.r.l. (FiM)
Country/(ies):	Côte d'Ivoire, Dominican Republic (the), Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa, Uzbekistan
Project/programme size:	Large

I. Assessment of the independent Technical Advisory Panel

1.1 Overview

1. The industrial sector accounts for around one third of global greenhouse gas (GHG) emissions, including indirect emissions related to electricity and heat generation. Industrial fuel combustion accounts for the largest share, followed by industrial process emissions. Agrifood emissions account for around 8 per cent of global GHG emissions.¹ Table 1 shows industrial emissions as a percentage of total GHG emissions (excluding land use, land-use change and forestry) in the 10 countries participating in the programme.

Table 1: Industrial greenhouse gas emissions as a share of total greenhouse gas emissions per participating country

Participating country	Share of industrial emissions (%)
Côte d'Ivoire	40
Dominican Republic	21
Ecuador	10
India	22
Mexico	15
Nigeria	8
Peru	15
Serbia	10
South Africa	13
Uzbekistan	11

Source: Climate Watch data for 2023.

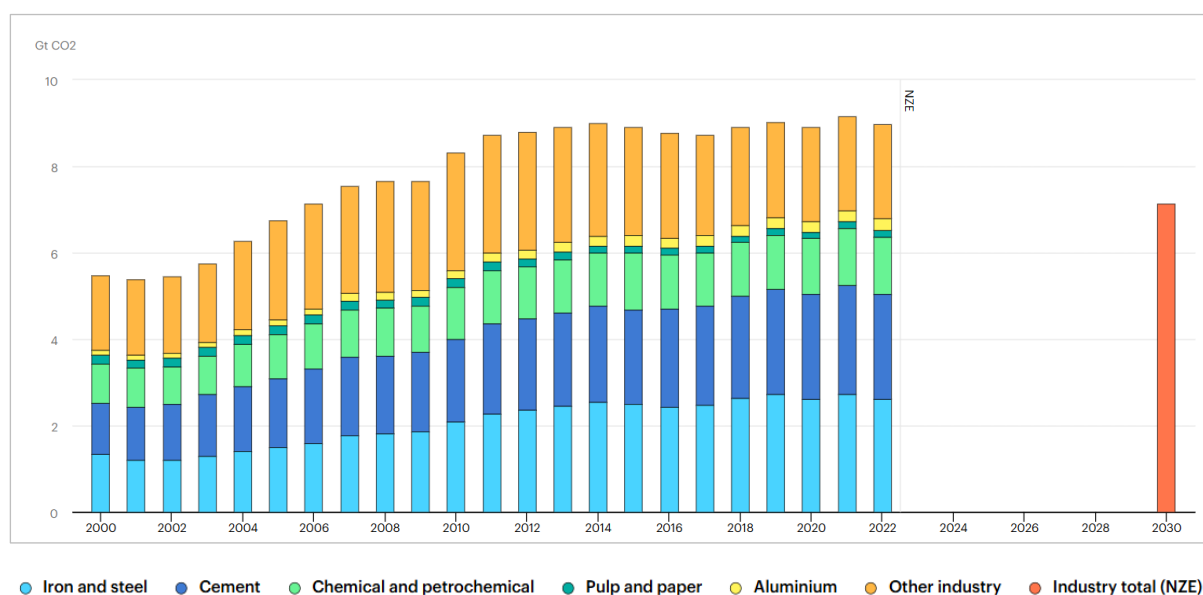
Note: Industrial emissions include industrial processes plus energy use in manufacturing and construction; indirect industrial emissions are not included.

2. The world's industrial emissions are not yet aligned with the International Energy Agency's Net Zero Emissions by 2050 Scenario (see the figure below). Iron and steel, cement, and chemical and petrochemical carbon dioxide (CO₂) emissions accounted for around 70 per cent of global direct industrial CO₂ emissions in 2021.

¹ Intergovernmental Panel on Climate Change. 2022. Industry; and Agriculture, Forestry and Other Land Uses (AFOLU). In: P.R. Shukla, J. Skea, R. Slade, et al. (eds.). *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge and New York: Cambridge University Press. Available at <https://www.ipcc.ch/report/ar6/wg3/>.



Figure 1: Direct carbon dioxide emissions from industry in the Net Zero Scenario, 2000–2030



Source: International Energy Agency. Direct CO₂ emissions from industry in the Net Zero Scenario, 2000–2030
<https://www.iea.org/data-and-statistics/charts/direct-co2-emissions-from-industry-in-the-net-zero-scenario-2000-2030-2>.

Note: Direct emissions include both fuel combustion and industrial process emissions. “Other industry” includes light industries, other non-metallic minerals and other non-ferrous metals.

Abbreviation: NZE = Net Zero Emissions by 2050 Scenario.

3. Access to finance is one of the critical barriers identified by the programme that hinders the shift of the industrial and agrifood sectors to low-carbon pathways. The programme intends to mobilize institutional private capital to foster low-emission pathways in the industrial sector and agrifood systems in the 10 participating countries, namely Côte d’Ivoire, the Dominican Republic, Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa and Uzbekistan. On a best effort base, the programme will make cumulative disbursements of at least USD 75 million, or such lower amount as pro rated in case the TPI Fund does not reach its target size or tenor per participating country over the programme lifetime.

4. The proposed programme will work with small, medium-sized and large companies from all industrial sectors, as well as with the agrifood sector. Its investment themes are centred around four pillars: (i) efficiency and circularity; (ii) industrial renewables; (iii) electrification and sustainable fuels; and (iv) climate-smart agrifood systems (see table 2). The first three pillars are focused on climate change mitigation, while the fourth pillar is focused on enhancing the resilience of agrifood systems to the impacts of climate change.

Table 2: Target technologies by investment theme and expected shares in the overall portfolio

EFFICIENCY & CIRCULARITY	INDUSTRIAL RENEWABLES	ELECTRIFICATION & SUSTAINABLE FUELS	CLIMATE-SMART AGRI FOOD SYSTEMS
52.5%	17.5%	10%	20%
- Energy efficiency (industrial & agri EE equipment/machinery, process optimization, energy management) - Efficient buildings & infrastructure - Resource & material efficiency, incl. bio-based materials/inputs, recycling & low-carbon waste management	- Renewable power generation (captive/self-consumption, corporate off-take) - Renewable heat - Battery storage systems	- Electrification (e.g., industrial heat pumps, induction & microwave heating, etc.) - Low carbon-fuels, e.g., bio-energy switch and green hydrogen - Electric vehicles & infrastructure	- Soil conservation practices (e.g., reduced tillage, crop cover, etc.) - Water & irrigation systems - Climate-resilient crops & aquaculture - Climate-risk management solutions - Value chain resilience
Mitigation Adaptation			

Source: Funding proposal, table 1.

5. The programme will provide debt through both intermediated and direct lending. The fund will invest through corporate debt, project finance and green credit lines via financial institutions, complemented by technical assistance activities aimed at enabling transactions and supporting investment readiness and market development. It is expected that approximately 60 per cent of the investment portfolio will be intermediated lending through financial intermediaries (FIs), while 40 per cent will be direct lending through corporate and project financing for infrastructure projects.
6. For the intermediated lending, the programme will extend debt to FIs, including local banks and non-bank financial institutions, in the form of senior or subordinated loans, bonds or other debt instruments. The indicative ticket sizes to FIs are expected to range from USD 5 million to USD 50 million. The FIs will then indicatively on-lend to their clients with average sub-loan sizes of between USD 0.2 million and USD 2.5 million. The focus of the intermediated lending is on fragmented value chains targeting small and medium-sized enterprises (SMEs) whose climate investments are too small and dispersed for direct international financing but who remain structurally excluded from local commercial credit owing to short loan tenors, rigid collateral requirements and a lack of technical readiness. Corporate and project financing, for example for industrial renewables, is expected to result in longer tenors than loans provided through FIs, with average maturities from 8 up to a maximum of 15 years. The ticket sizes of the direct lending to corporations are expected to range from USD 5 million to USD 50 million. The focus of the project finance is on mid-market infrastructure projects and larger high-impact projects. These capital-intensive investments are often too large, long-dated or structurally complex for local commercial banks, yet fall below the typical minimum transaction thresholds of direct development finance institution financing.
7. The proposed programme, Transformation Pathways Initiative (TPI), will seek to establish a blended finance debt fund of USD 700 million that mobilizes investments in senior shares and notes from private investors, enabled by a GCF first-loss junior-share contribution. The programme's fund implementation period has a maximum of 25 years including a 5-year ramp-up period, a 15-year equity subscription and a 5-year extension. The implementation period will allow the programme to continuously manage the reinvestment of amortizing assets (as a revolving fund), thereby mobilizing approximately USD 1.9 billion in total financing.
8. The programme's total financing is USD 720 million, of which USD 700 million is the blended finance debt fund, which includes a GCF junior-share contribution of USD 175 million and a senior-share/note contribution of USD 525 million from private investors that.¹ USD 20 million constitutes a grant for technical assistance, of which USD 12 million will be provided by GCF. It is expected that other donors and development finance institutions will contribute USD 8 million in grant finance to the programme. The technical assistance facility will be implemented through two tracks, with Finance in Motion (FiM) serving as the executing entity (EE) for the finance track, and the United Nations Industrial Development Organization (UNIDO) serving as the EE for the market development track.
9. The accredited entity (AE) is Finance in Motion Asset Management S.a.r.l., an alternative investment fund manager incorporated in 2017 and based in Luxembourg. FiM Asset Management is a wholly owned subsidiary of FiM GmbH, a German private entity established in 2009. The FiM Group manages approximately EUR 4.2 billion in assets across multiple funds and operates through a global platform. FiM is the programme asset manager and also implements the technical assistance facility for the finance track. UNIDO is the United Nations specialized agency for inclusive and sustainable industrial development and is also a GCF AE.

¹ Consisting of an expected USD 67.5 million equity (senior shares) from institutional investors/limited partners, USD 2.5 million from Finance in Motion and USD 455 million from institutional investors as senior loans.

10. The independent Technical Advisory Panel (iTAP) did not recommend that the Board approve the original funding proposal submitted by FiM presented for consideration at the forty-fifth meeting of the Board. The recommendations of the iTAP were to: (i) clarify and outline the value-chain approach and its market potential for the participating countries; (ii) provide a clear fund strategy with a clear focus concerning the industrial problem it seeks to resolve, the subsectors and activities it focuses on; (iii) focus the interventions and investment instruments of the fund on FIs; (iv) revisit the GCF junior equity investment period; and (v) revise the stakeholder engagement plan to accurately reflect the rural supply chain impacts of targeted agrifood and biomass investments. The AE has taken all these suggestions into account in the updated funding proposal.

1.2 Impact potential

Scale: High

11. In terms of adaptation impact, the programme is expected to reach 38,000 direct beneficiaries and 1,400,000 indirect beneficiaries (0.5 per cent of the total population of the 10 participating countries). The GHG mitigation impact is estimated at 31 million tonnes of carbon dioxide (Mt CO₂) over the lifespan of the technologies and investments.

12. Impact will be achieved through adaptation interventions in agrifood systems, including soil conservation practices, water and irrigation systems, climate-resilient crops and aquaculture, climate-risk management solutions and value-chain resilience. At the end of the implementation period, the programme expects that 90,000 hectares of natural resources will have been brought under improved low-emission and/or climate-resilient management practices.

13. To achieve the desired adaptation and mitigation impact, the programme will provide debt finance through FIs, corporate loans or project finance. These three instruments will be used for the programme's four pillars (efficiency and circularity; industrial renewables; electrification and sustainable fuels; and climate-smart agrifood systems). Intermediated lending through FIs will comprise 60 per cent of the investment portfolio, while direct lending through corporate or project loans will comprise the remaining 40 per cent. The share of intermediated lending has been increased from 40 to 60 per cent in the updated funding proposal, resulting in a more sustained paradigm shift and a higher potential long-term impact on GHG emissions by embedding green lending practices in local FIs.

14. Intermediated lending will focus on "hard-to-abate" value chains with diffuse emissions sources and often high vulnerability to climate risks. Companies targeted will primarily be light-manufacturing SMEs and medium-sized companies in industry and agrifood systems with investments in, for example, high-efficiency motors, resource-efficiency upgrades, and efficient water or drip irrigation systems. FIs will be supported through targeted technical assistance. This indirect channel serves as a highly scalable mechanism to green the local financial sector by embedding climate-aligned lending practices into its core operations.

15. Direct corporate or project lending will focus on "hard-to-abate" industrial sectors involving larger, often single-point, emissions sources requiring highly capital-intensive upgrades. Direct financing can demonstrate the commercial viability of capital-intensive low-emission investments.

16. The programme includes a technical assistance facility composed of a finance track, executed by FiM, and a market track, executed by UNIDO. The finance track includes services and activities such as due diligence of investments, awareness-raising campaigns and training programmes for partner FIs. The market track includes investment-readiness advisory services to catalyse climate investments for SMEs that can borrow from partner FIs, and engagement with sector and industry associations, regulators and public bodies to provide targeted

capacity-building and advisory support to strengthen the enabling environments related to the programme's objectives.

17. The programme's mitigation benefit is calculated on the basis of the interventions listed in table 3. At the end of the 20-year implementation period, the programme expects to have financed the installation of around 480 MW of renewable energy.

Table 3: Programme intervention areas and activities and expected mitigation impact (total programme lifespan)

Area/activity	Impact (Mt CO ₂)
Industrial investments in renewable energy generation, renewable heat and energy storage (MRA 1)	19.1
Efficiency and circularity measures, including energy efficiency measures, efficient buildings and infrastructure, and resource and material efficiency (MRA 3)	11.9
Electrification and fuel-switch investments, including electrification, low-carbon fuels, and transport and related infrastructure investments (MRA 2)	0.2

Source: Funding proposal, annex 22b.

Abbreviation: MRA = mitigation results area.

18. The programme's aggregated impact is calculated on the basis of estimated disbursements over the programme lifespan for the different areas and activities, the country of investment (namely owing to the differing carbon grid factors of electricity generation) and the lifespan of the project/technology using mainly United Nations Framework Convention on Climate Change (UNFCCC) clean development mechanism methodologies. Around 60 per cent of the impact is related to industrial renewables, followed by efficiency and circularity measures. In the area of electrification and fuel-switch investments, the impact has been calculated on the basis of the deployment of electric vehicles used for logistics. Each financed subproject will undergo a transaction-specific impact assessment, with a project-level impact potential that includes additionality in accordance with GCF guidance and FiM standards.

19. The programme's total projected impact on GHG emissions is considered by the iTAP to be high, including in comparison with other programmes. This is partly due to the revolving nature of the fund, with a recycling rate of 2.8 assumed for the 20-year implementation period. As with all proposed programmes, the calculations of GHG emissions are based on an indicative initial pipeline of investments and thus need to be considered with due caution as they are preliminary estimates only; the actual results will depend on the investments to be realized.

20. The adaptation measures directly or indirectly financed by the programme are related to agricultural producers and companies that demonstrate the adoption of climate-smart practices. This will be based either on direct loans or loans provided through FIs. Direct beneficiaries are defined as individuals who receive financing from the fund and receive a measurable adaptation benefit from a project intervention. Indirect beneficiaries include potential employees of the direct beneficiaries – mostly employed farmers – and their dependents/households. The calculations are based on expected disbursements to agriculture entities (around 20 per cent of the total programme funds) and the regional average of sub-borrowers per USD million disbursed by the fund, based on figures from existing FiM funds. In addition, the number of indirect beneficiaries was calculated using the regional average number of workers supported per USD million disbursed, based on data from existing FiM funds, as well as the regional average number of people per household, based on data from the United Nations Department of Economic and Social Affairs.

21. The programme will work in 10 countries using various financial instruments and in multiple industrial sectors. While this approach has the potential weakness of spreading resources too thinly and limiting the potential of achieving a critical mass of investments, it has

the potential strength of reducing risk for capital lenders and increasing flexibility to react to client demand.

22. The programme's targets should be viewed with due caution, noting that the proposal contains preliminary estimates and that the actual results will depend on the investments to be realized. This is, however, common for GCF-funded programmes where individual investments have not yet been defined.

23. Appropriate monitoring of the achieved impact in terms of resilience and mitigation is critical to ensure that the investments achieve their desired impact and realize corrections during programme implementation by avoiding investments with low impact and strengthening those with high impact. FIs must be provided with simple-to-manage monitoring tools to track the climate performance of their investments.

24. Overall, the iTAP considers the importance of tackling industrial sector GHG emissions as high. The programme has the ability to achieve sustained and substantial GHG emission reductions, as well as resilience impacts. The impact potential of the proposed programme is therefore assessed as high.

1.3 Paradigm shift potential

Scale: Medium to high

25. The programme will operate through FIs and realize corporate and project finance. The greening of FIs and their shift towards financing investments with a favourable climate impact is paramount for moving large amounts of capital from the private sector towards investments with a positive climate impact. In general, national FIs currently have limited exposure to and experience with climate-related lending, and unlocking this potential is a crucial paradigm shift. The AE has broad and long-standing experience of managing funds and working through FIs.

26. The investee FIs will continue operating after project termination. FIs that successfully provide climate-related lending have the potential to provide a positive signal concerning the profitability and risks of investing in this area, thus enabling follow-on investments. A paradigm shift will be achieved through greening the loan portfolio of FIs.

27. The area of corporate loans and project finance, which provide climate solutions, is considered by the iTAP to be less transformational. Owing to the programme's limited focus, only a few investments are expected per participating country and per industrial subsector without achieving a critical mass, thus limiting the potential transformational impact. However, investments in individual enterprises can diversify risks and increase the fund's profitability, both of which are critical to attracting private investors.

28. The programme has the ability to provide for a replicable model of a blended finance private debt fund supported by junior public capital for mobilizing institutional capital for underserved sectors.

29. High-quality technical assistance and capacity-building on climate lending will be crucial to achieve the target of greening FIs. Technical assistance will strengthen the FIs while helping to achieve high climate impact and reduce risks to FIs. FiM has an extensive background in and experience of working with FIs with a climate focus. Knowledge-sharing with other FIs and organizations in this space will be essential to incentivize other FIs to engage in climate lending and expand from investments in individual FIs to the larger market.

30. Ecosystem issues and failures are also significant barriers to greening industries. UNIDO has broad experience of working with governments and stakeholders in multiple countries on policies, strategies and instruments to reduce the climate impact of industries. The inclusion of UNIDO as an EE therefore has the potential to integrate the programme's experience into the

improved design of regulations, thereby strengthening the enabling environment to support low-emission industry.

31. Based on the analysis presented above, the iTAP considers the proposed investments in FIs, complemented by technical assistance, to be critical to greening the financial sector, which is crucial for the massive deployment of private capital towards climate-related investments. The iTAP therefore considers the paradigm shift potential of the proposed programme to be medium to high.

1.4 Sustainable development potential

Scale: Medium to high

32. The project is potentially aligned with several Sustainable Development Goals (SDGs): SDG 2 (Zero hunger); SDG 5 (Gender equality); SDG 7 (Affordable and clean energy); SDG 8 (Decent work and economic growth); SDG 9 (Industry, innovation and infrastructure); SDG 12 (Responsible consumption and production); SDG 13 (Climate action); and SDG 17 (Partnerships for the goals).

33. The expected environmental co-benefits are related to climate-resilient agrifood systems, including organic farming and reduced fertilizer use, reduced nitrogen and chemical run-off, efficient water usage, sustainable land use with less post-harvest loss, and reduced pressure on land. Regarding mitigation, the anticipated environmental co-benefits are reduced and low-carbon energy usage, which can also translate into fewer pollutants.

34. Economic benefits are expected to be achieved through investing in businesses with services that will improve the income of farmers and industries in the participating countries. Farmers can improve their income through crop diversification, improved efficiency by using fewer input materials, increased productivity and yields, and improved sale prices of agricultural products through enhanced product quality and market information. Investee companies can reduce costs both through investments in renewable energy generation and improved material efficiency.

35. Social benefits will be realized through the creation of green jobs and by improving the livelihoods and income of farmers by increasing crop productivity through the adoption of climate-smart agriculture, resulting in an enhanced quality of life.

36. The project seeks to invest in and support businesses through a gender lens. It will also provide technical assistance to investee companies and FIs to enhance their gender expertise.

37. The iTAP considers that the programme can make important contributions in the area of gender and have positive social, economic and environmental impacts. Overall, the sustainable development potential of the proposed programme is considered to be medium to high.

1.5 Needs of the recipient

Scale: Medium

38. The countries included in the programme are vulnerable to climate change, and many have a large agriculture sector that is particularly exposed to climate risks. FIs are exposed to climate risks through lending, among other things, to the agriculture sector, which has high climate risks. In addition, SMEs experience above-average exposure to climate risks owing to their lack of adaptive capacity. SMEs also tend to have limited access to long-term capital.

39. Overall, the participating countries have a moderate debt to gross domestic product ratio (median value of 50 per cent, with a lowest value of 31 per cent and highest of 81 per cent

at values for 2024),² which can partially crowd out private sector borrowing. Private capital flows to the targeted sectors have, however, been constrained. This is addressed by the programme through the provision of long-term debt financing.

40. To prevent crowding out commercial capital in maturing sectors, the programme has included a dynamic penetration metric (to be revised annually) that defines which markets are considered additional for renewable energy investments. The iTAP has reviewed this approach and the penetration levels and considers it a practical way forward to distinguish between those projects with a high probability of being funded commercially from those that are additional.

41. Industrial emissions account on average for around 15 per cent of GHG emissions in the countries concerned (excluding land use, land-use change and forestry; including process emissions but excluding indirect emissions from electricity usage (see table 1)), which represents an important share.

42. The iTAP considers the needs of the recipients of the proposed programme as medium.

1.6 Country ownership

Scale: Medium to high

43. The programme is consistent with the nationally determined contributions (NDCs) of the participating countries, which is unsurprising in itself as the programme intends to cover two large sectors of the economy (agriculture and industries), as well as adaptation, mitigation and a broad range of technologies. These technologies, as well as the economic sectors targeted, are included in the participating countries' NDCs. However, the funding proposal does not indicate whether the NDCs or national policies and strategies specifically include FIs for achieving climate targets.

44. The no-objection letters of the 10 participating countries (Côte d'Ivoire, Dominican Republic, Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa and Uzbekistan) have been provided.

45. The programme held initial discussions focusing on core stakeholders from FIs, governments and industrial associations. Local FIs, industrial and sector associations, and governments and regulators have been identified by the programme as high-influence/high-interest stakeholders.

46. The programme has formulated a stakeholder engagement strategy, which will be implemented once the programme is operational (see annex 7). Stakeholder engagement will become more project-specific once the programme is operational, involving dialogue with stakeholders directly involved or affected by the programme's proposed activities.

47. The iTAP assesses the country ownership of the proposed programme as medium to high.

1.7 Efficiency and effectiveness

Scale: Medium to high

48. The TPI fund has a private debt fund structure that combines different layers ("tranches") of capital, each with a different risk-return profile. The structure uses junior capital of 25 per cent of the total fund size to de-risk investments by institutional investors. GCF is the only provider of first-loss junior shares. The existence of first-loss capital is expected to mobilize senior private equity and note investors by enabling an investment-grade risk profile aligned with the requirements of institutional investors.

² World Population Review. Debt to GDP Ratio by Country 2026 <https://worldpopulationreview.com/country-rankings/debt-to-gdp-ratio-by-country>.

49. Table 4 provides an overview of the programme's projected financing.

Table 4: Projected programme financing

Institution	Amount (USD million)	Instrument/conditions
GCF	175	Junior equity, 15-year tenor for each tranche
Institutional investors/limited partners	67.5	Senior equity, 7–10 year tenor
Finance in Motion	2.5	Junior equity, 15-year tenor
Institutional investors (notes)	455	Senior loans, 3–10 year tenor
Total fund	700	

50. During the ramp up period i.e. the earlier of the date, GCF's share of total fund commitment is capped, and subsequent GCF tranches are conditional on minimum private co-financing as out in the term sheet.

51. GCF participation is considered material to provide de-risking in attracting additional capital. The GCF equity investment could be leveraged by a factor of 3. This reflects the ability of GCF concessional investment to mobilize senior capital at the fund level. As senior capital is reinvested multiple times over the 25-year lifetime of the junior equity, the same GCF contribution supports several cycles of private investment, resulting in potential leverage by a factor of 10.

52. The GCF grant for the programme is USD 12 million. The fund expects to raise an additional USD 8 million in grant finance for technical assistance. The GCF grant could thus be leveraged with a rate of 0.7. However, there are currently no commitments from other parties to provide grants. Initial grant proceeds of the GCF may be disbursed prior to any co-financing being raised. Further GCF disbursements are conditional upon receiving co-financing up to such amount to satisfy the TAF Co-financing ratio.

53. Based on the number of direct beneficiaries and 20 per cent of the finance being used for adaptation, the GCF cost per direct beneficiary is nearly USD 1,000, which is very high. Based on 80 per cent of the finance being used for mitigation, the GCF cost per t CO₂ avoided is around USD 5, which is low.

54. The additionality of using GCF funding will be based on UNFCCC clean development mechanism methodologies. The programme has included in the updated funding proposal a dynamic penetration metric (to be revised annually) that defines which markets are considered additional for renewable energy investments.

55. The fund and technical assistance fund manager, FiM, has a good track record in fundraising and deploying capital with comparable fund structures with junior tranches absorbing first-loss risks and enhancing returns for noteholders and senior shares. As of the end of 2025, FiM structures, manages and advises on more than EUR 4 billion across multiple funds, including the Eco Business Fund and the Green for Growth Fund, which have similar activity areas as the proposed fund. In the participating countries, FiM has experience with around EUR 1.5 billion accumulated commitments, of which 95 per cent is disbursed through FIs and only 5 per cent is corporate or project finance (its project finance experience is limited to Serbia). FiM also has a proven track record of entering new regions and markets.

56. The Secretariat notes that none of the junior equity tranches managed by FiM funds have received cash distributions to date and that, in almost all instances, their net asset value remains below cost. Junior equity tranches have not received cash distributions to date as they are provided in perpetual or very long tenors, such that none of the junior capital has yet reached its redemption date. However, with net values below costs, returns are yet to be demonstrated for junior shareholders.

57. GCF has an existing exposure to the Arbaro Fund (FP128), a private equity fund focused on forestry investments, with FiM and UNIQUE being joint fund managers. The fund closed at USD 110 million, or around 50 per cent of the target fund size of USD 200 million. The total GCF commitment to the Arbaro Fund amounts to USD 25 million, of which 90 per cent had been disbursed as of 2025³.

58. Overall, the iTAP assesses the efficiency and effectiveness of the proposed programme as medium to high.

II. Overall remarks from the independent Technical Advisory Panel

59. The iTAP recommends that the Board approve this funding proposal with the following condition:

(a) A Condition to first disbursement of GCF Equity Funds:

- (i) Delivery to the Fund by the Accredited Entity of an updated Operations Manual, duly approved by the Accredited Entity, which incorporates a dedicated adaptation eligibility criteria and outcome-reporting framework, and in form and substance satisfactory to the GCF Secretariat.

³ For an assessment of the current and expected Fund performance see the assessment of the GCF Secretariat.

Response from the project-specific assessment approach applicant to the independent Technical Advisory Panel's assessment (FP328)

Proposal name:	Transformation Pathways Initiative (TPI)
Project-specific assessment approach applicant:	Finance in Motion Asset Management S.a.r.l. (FiM)
Country/(ies):	Côte d'Ivoire, Dominican Republic (the), Ecuador, India, Mexico, Nigeria, Peru, Serbia, South Africa, Uzbekistan
Project/programme size:	Large

Impact potential

The Applicant welcomes iTAP's assessment of the Programme's impact potential as high, the importance of tackling industrial sector GHG emissions, and the ability of the Programme to achieve sustained and substantial GHG emission reductions and resilience impacts.

The Applicant notes that the Programme's GHG and other impacts are based on ex-ante assumptions of portfolio composition as required for a funding vehicle of this nature. Results reported during implementation will be calculated on the basis of the actual portfolio and the verified performance of financed investments.

Paradigm shift potential

The Applicant appreciates iTAP's rating of medium-to-high. The Programme will draw on FiM's longstanding experience in combining financing and technical assistance, as well as UNIDO's broad track record in working with public and private sector stakeholders on policies, strategies and instruments for low-carbon industrial development. The Programme will support FIs to build climate-lending capabilities, address market barriers and sustain climate lending beyond individual investments. The Programme also supports – through the TA Market Track led by UNIDO as EE – climate technology/practice market development, improved enabling environments, and longer-term improvements in regulation, standards and industry practices.

The Applicant notes that direct finance transactions offer a template for demonstrating the technical and commercial viability of larger or more complex industry/agrifood investments for replication by other market participants; thereby scaling such investments and structures beyond the scope of the TPI Fund's own activities. The applicant has positive experience regarding the replication of, and learning from, the direct financing activities it has undertaken to date.

Sustainable development potential

The Applicant appreciates iTAP's medium-to-high rating and its recognition that the Programme can deliver environmental, social and economic co-benefits alongside its climate impact and make important contributions in the area of gender. TPI supports more sustainable industrial and agrifood systems through resource efficiency, pollution reduction, stronger

environmental practices, improved farm incomes and livelihoods, green jobs and more resilient value chains. Gender considerations are integrated through measures to expand inclusive access to finance and strengthen gender-responsive investment practices. The Applicant's impact-management capabilities are supported by external Bluemark verification as a Practice Leader.

Needs of the recipient

The Applicant notes iTAP's medium rating and appreciates the recognition that the Programme responds to recipient needs given the important share of industrial emissions, the vulnerability and economic importance of agrifood systems, and persistent climate-finance gaps in the participating countries. TPI will mobilize institutional capital and provide longer-term debt to sectors where private capital flows remain constrained.

The Applicant acknowledges iTAP's positive consideration of the Programme's approach to avoid the crowding out of commercial capital in maturing sectors, in particular for solar PV technologies. The overall investment strategy and Programme implementation will continue to reflect country circumstances, demonstrated investment demand and the specific climate-finance gaps addressed by each financing channel and the Programme's Technical Assistance Facility.

Country ownership

The Applicant appreciates iTAP's medium-to-high rating. TPI's focus on industry and agrifood reflects the relevance of these sectors to the economies, climate priorities, and development needs of the participating countries. Although financial institutions are not typically referenced in NDCs and national climate strategies, the target countries have established or emerging sustainable finance strategies that recognize the financial sector's role in achieving climate targets. Once operational, TPI will continue to undertake country-specific stakeholder engagement, supporting continued alignment with national circumstances and priorities.

Efficiency and effectiveness

The Applicant appreciates iTAP's medium-to-high rating. The proposed tranching, revolving fund structure has proven effective in mobilizing private institutional capital into emerging markets for climate action, as well as enabling continuous reinvestment rather than one-time allocations. To mitigate upfront disbursement risks of GCF resources, it is required that individual tranches of GCF junior capital only be subscribed when it can be demonstrated that co-financing ratios will be met.

The Applicant also appreciates the iTAP's recognition of the TPI's efficient application of GCF resources as indicated by a low GCF cost per tCO₂ avoided. It is emphasized that the adaptation costs per direct beneficiary are based on a prudent methodology, which counts only direct borrowers receiving adaptation finance. Associated workers, households, and other stakeholders benefiting from improved resilience are classified as indirect beneficiaries.

The Applicant notes the iTAP comments on the junior capital in its current funds, which is provided on perpetual or long tenors. The accounting value of such junior equity tranches reflects the 'provisions' of the underlying loans according to internationally recognized accounting standards. Provisioning is the standard accounting practice applied from the first day a loan is disbursed. It reflects expected future credit risk, not actual losses. As loans perform and are repaid, provisions are typically reduced or released.

The Applicant acknowledges iTAP's reference to Arbaro Fund, noting it is a different fund structure and investment strategy, operating as a private equity vehicle focused on investing

in sustainable plantation forestry projects. The Applicant emphasizes that the TPI, as a blended private debt fund focused on financial institution and direct lending, builds on FiM's extensive track record in structuring, raising and investing comparable private debt funds while achieving exceptional credit performance. Such funds represent over USD 4.5 billion of AUM by FiM across 6 major fund vehicles, which have collectively raised more than USD 3 billion of private institutional capital since inception.

Overall remarks from the independent Technical Advisory Panel:

The Applicant thanks iTAP for its detailed assessment and welcomes its recommendation that the Board approve the Programme subject to the proposed condition.

The Applicant confirms that it will deliver an updated Operations Manual incorporating dedicated adaptation eligibility criteria and an adaptation outcome-reporting framework, in form and substance satisfactory to the GCF Secretariat.

Annex 8: Gender Assessment and Action Plan

Programme title: Transformation Pathways Initiative (TPI)

PSAA applicant: Finance in Motion Asset Management S.a.r.l.

Date of first submission of 2025/04/25
this Annex:

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GREEN
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Gender Assessment and Gender Action Plan

Transformation Pathways Initiative (TPI)

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Part I: Gender Assessment

Sectoral analysis

The gendered impact of climate change

Women are disproportionately affected by the impacts of climate change, particularly in emerging markets where they often lack access to and control over land and natural resources.

Environmental changes often magnify existing gender inequalities. Furthermore, because women tend to be excluded from the formal economy, their capacity to access financial and adaptive resources is constrained. Notably, women and girls constitute 80% of those displaced by climate-induced disasters.¹

Environmental health risks affect men and women differently. Women, especially in lower-income contexts, suffer more from indoor air pollution due to cooking with combustibles and limited access to clean fuels and sanitation. Additionally, women involved in informal waste management are often exposed to hazardous chemicals and pollutants, further compounding health risks in unregulated environments.²

Climate change can also lead to an increase in gender-based violence by exacerbating the underlying drivers. Climate-induced displacement, resource scarcity, and economic insecurity heighten risks of domestic violence, sexual exploitation, and coping mechanisms such as early marriage and transactional sex. Women and girls in particular face greater exposure to gender-based violence in the aftermath of extreme weather events and in temporary shelters where protection systems are weak or absent. Disruptions to education and healthcare further reduce resilience and access to support.³

Gender equality in green industry

The shift to a green and circular economy presents a vital opportunity to embed gender equality and social justice at the core of sustainable development. Thus, in order for women to equally benefit from the transition to green economies and industries, specific measures to reduce gender inequalities and empower women in these sectors and industries are needed. The importance of advancing gender equality in the green economy is affirmed in the UN's 2012 "The Future We Want" resolution.⁴

The shift to energy sustainability and circular economy is estimated to generate a gross amount of over 100 million jobs and a net amount of 20 million jobs by 2030, but the majority of these new jobs will be created in male-dominated sectors.⁵ Women hold only 18% of green occupations globally and 28% of such jobs in OECD countries, despite comprising 48% of the workforce in other sectors. This limits innovation and economic growth in critical climate industries. Green

¹ OECD (2024): [Harnessing the Green and Digital Transitions for Gender Equality](#); UNESCO (2024): [UNESCO is stepping up the evidence base for gender equality](#).

² OECD (2024): [Harnessing the Green and Digital Transitions for Gender Equality](#).

³ IUCN (2020): [Gender-based Violence and Environment Linkages](#); IPCC(2022): [Sixths Assessment Report](#)

⁴ [A/RES/66/288: The future we want](#)

⁵ ILO (2019). [Skills for a greener future: a global view](#).

jobs pay 20% more on average than traditional roles, meaning that gender discrimination in these sectors risks widening existing pay disparities.⁶

These gaps stem from deep-rooted societal and structural barriers. Gender norms, cultural biases, limited access to science, technology, engineering, and mathematics (STEM) education, and the burden of unpaid care work all constrain women's career choices and mobility. In many regions, women face additional challenges such as safety concerns, limited access to digital tools, and unequal workplace policies. Discrimination in hiring, wage gaps, and the absence of family-friendly policies further hinder their progress.

Key Gender Disparities in the Renewable Energy Workforce

Although the renewable energy sector employed approximately 12 million people in 2020, it remains predominantly male-dominated. IRENA studies found that women represent 32% of the renewable energy workforce – which is significantly higher than the 22% ratio found in fossil fuels, 21% of the workforce in the wind industry and 40% of the workforce in Solar PV. However, they remain underrepresented in technical, STEM, and senior management roles and are concentrated in lower-skilled and administrative positions.⁷ For example, within energy utilities, women make up less than 14% of senior managers and only 5% of executives such as CEOs and board chairs. In wind energy, women account for 21% of the workforce, but just 14% of STEM jobs and 8% of leadership positions.⁸

In solar PV, women are significantly underrepresented in STEM and technical roles, where they hold only 24% and 22% of positions, respectively. Their presence is stronger in administrative roles (27%) but drops sharply in leadership, where they hold just 18% of managerial and 15% of senior management positions.⁹ Gender pay gaps persist, though perceived disparities are reportedly smaller in the wind sector compared to the broader economy.¹⁰

Yet, a large set of studies link gender diversity in leadership to improved innovation, profitability, and environmental performance. For example, firms with increased female board representation were found to be more likely to reduce energy and water consumption, lower greenhouse gas emissions, and source energy from renewables.¹¹

Women in agrifood systems

Women play a vital role in agrifood systems globally, contributing significantly to agricultural production, food security, and economic resilience. However, systemic gender inequalities continue to hinder their full potential. They often face restricted access to land, financial services, training, and technology. This limits their productivity and economic opportunities. In many regions, women's contributions are undervalued as they perform unpaid labour in primary production activities or household food preparation.

⁶ OECD (2024): [Harnessing the Green and Digital Transitions for Gender Equality](#).

⁷ IRENA (2019). [Renewable Energy: A Gender Perspective](#); IRENA (2020). [Wind energy A gender perspective](#); IRENA (2022). [Solar PV: A Gender Perspective](#).

⁸ IEA (2021): [Women in senior management roles at energy firms remains stubbornly low, but efforts to improve gender diversity are moving apace](#).

⁹ IRENA (2022). [Solar PV: A Gender Perspective](#).

¹⁰ IRENA (2020). [Wind energy A gender perspective](#).

¹¹ FP Analytics (2019): [Women as Levers of Change Unleashing the Power of Women to Transform Male-Dominated Industries](#).

Globally, 36% of working women are employed in agrifood systems, with the proportion rising to 66% in Sub-Saharan Africa and 71% in Southern Asia. Women thus comprise 43% of the global agricultural labour force. However, women own less than 15% of agricultural land globally, reflecting significant disparities in resource access.¹² Women farmers have significantly less access to, control over, and ownership of land and other productive assets compared to their male counterparts. For example, less than 15 per cent of agricultural landholders globally are women, although this varies widely across countries.¹³ Women are involved in various stages of the agrifood chain, including farming, processing, distribution, and trading. They are also key contributors to household food security and nutrition.

In the agricultural sector, women are overrepresented in seasonal, informal, part-time, and low-wage work with limited access to social protection¹⁴. Globally, 36% of working women compared to 38% of working men work in agrifood systems as of 2019, but this may exclude self-employed and unpaid family workers. Differences across countries and regions are striking. In Sub-Saharan Africa, 66% of women's employment is in agrifood systems, compared with 60% of men's employment while in southern Asia, 71% of women workers are engaged in agrifood systems, compared with 47% of men workers.¹⁵

Women entrepreneurs in green industry and agrifood systems

The transition to a low-carbon, climate-resilient industry and agrifood systems presents a powerful opportunity to support women entrepreneurs.

Gender disparities in entrepreneurship stem from deeply enshrined legal, socioeconomic and cultural discriminatory gender norms and practices that permeate all aspects of people's lives and negatively affect women's business activities: the higher the extent to which laws and regulations provide equal economic opportunities for women and men, the higher its share of women entrepreneurs.¹⁶

Studies further suggest that women entrepreneurs show higher levels of social and environmental orientation than their male counterparts and were more likely than men to emphasize social goals over short-term economic goals and to engage in ecological venturing. In line with these findings, the gender gap in social entrepreneurship is significantly smaller than in overall entrepreneurship.¹⁷

Data is limited on the percentage of women-owned and women-led SMEs per sector. Across sectors, firms with female participation in ownership make up one third of SMEs globally, with this share constituting 32.5% for lower-middle income countries and 34.7% for upper-middle

¹² FAO (2023): [The Status of Women in Agrifood Systems](#). OECD (2024): [Harnessing the Green and Digital Transitions for Gender Equality](#).

¹³ FAO (2018): [The gender gap in land rights](#).

¹⁴ ILO and FAO (2021): [Extending social protection to rural populations](#).

¹⁵ FAO (2023): [The status of women in agrifood systems](#).

¹⁶ World Bank [We-Fi Data Infographics](#) (accessed 15 April 2025).

¹⁷ Hörisch, Jacob; Kollat, Jana; Brieger, Steven (2017): [What influences environmental entrepreneurship? A multilevel analysis of the determinants of entrepreneurs' environmental orientation](#). Small Business Economics. Vol. 48. Pp. 47-69; Hechavarría, Diana; Terjesen, Siri; Ingram, Amy *et al.* (2017): [Taking care of business: the impact of culture and gender on entrepreneurs' blended value creation goals](#). Small Bus Econ Vol. 48, pp. 225-257; Hechavarría, Diana (2016). [Mother nature's son? The impact of gender socialization and culture on environmental venturing](#). International Journal of Gender and Entrepreneurship, Vol. 8 No. 2, pp. 137-172.

income countries. 15.4% of firms globally have with majority women ownership. 19% of SMEs of firms globally have a female top manager; lower-middle income countries have the same share, and in upper-middle income countries, this amounts to 21%.¹⁸

Energy start-ups with gender diverse¹⁹ founders grew from 3% in 2000 to 11% in 2021, while the number of non-energy start-ups with gender diverse founders increased from 14% to 20%.²⁰

Women entrepreneurs and access to finance

The overwhelming majority of studies identifying key challenges for women entrepreneurs indicate access to finance as main obstacle. Industrial ventures, which require high capital and long lead times, are particularly challenging.

On the demand side, access to credit, land, and productive assets remains unequal. Women entrepreneurs often face barriers such as lacking formal collateral, in particular immovable property and land titles, and limited financial literacy or understanding of complex financial products and regulatory systems.

On the supply side, support systems such as accelerators often fail to meet women's needs. Women-only founding teams make up only 13% of accelerator applicants, compared to 52% of male-only teams.²¹ Time constraints linked to unpaid care work further limit women's participation. Financial institutions also often lack tailored outreach strategies or appropriate financial instruments specifically designed to meet the needs of women-led small and medium enterprises.

In addition, women entrepreneurs face gender-specific barriers to raising debt and equity due to gender bias. An IFC study showed that the median women-led business has received only 65% of the funding received by the median men-led business. This gap is largely explained by the fact that more female led businesses receive more funding in early stages (e.g., accelerator or incubator) where the investment sizes are smaller than later stages (e.g., later stage VC, growth equity, and buyout) where the investment sizes are larger.²²

This is corroborated by another study by IFC in emerging-market economies that found that startups with a woman on their founding or leadership team received only 11% of seed financing and only 5% of later-stage venture capital in emerging markets. The gender financing gap could not be clearly attributed to observable differences in the startups, such as education level or experience of the founder, or intellectual property, sector, or geography of the startup, but rather to a perceived higher risk when investing in women entrepreneurs due to investor bias.²³

However, this perception is not founded on evidence. On the contrary, studies have shown a strong business case for investing in startups with diverse leadership teams: They performed better and had higher returns on equity. For every \$1 of pre-acceleration equity investment, women saw \$0.40 of revenue post-acceleration, with no correlation among men. Moreover, for

¹⁸ World Bank Entrepreneurship Database (accessed 15 April 2025).

¹⁹ Start-ups with gender diverse founders are those that have at least one founder identifying as 'female' or another non-binary category

²⁰ IEA (2023), [Gender and Energy Data Explorer](#).

²¹ Davidson, A. and Hume, V. (2020): [Accelerating Women-led Start-ups: A Knowledge Brief by the Global Accelerator Learning Initiative](#). Aspen Network of Development Entrepreneurs.

²² IFC (2019): [Moving toward gender balance in private equity and venture capital](#).

²³ IFC (2020): [Venture Capital and the Gender Financing Gap: The Role of Accelerators](#).

every dollar of debt received, women-led startups raised \$1.12 of revenue post-acceleration, while men-led startups only raised \$0.54. Also, financial institutions report that the rate of nonperforming loans among female borrowers is 53% lower than among male clients.²⁴

This persisting gender bias among investors may also explain why business acceleration support removes the financing disadvantage female-led startups face when raising debt but exacerbates it in the case of seeking equity.²⁵

Integration of gender considerations into sectoral policy and planning

National industrial, agrifood and energy frameworks are still largely gender-blind. Where gender is addressed, women are often seen as beneficiaries rather than as key actors.²⁶ While 75% of agricultural policy documents recognize women's roles in agriculture, only 19% explicitly prioritize gender equality, and just 13% encourage rural women's participation in policymaking.²⁷ The vast majority of national energy policy frameworks are still gender blind. Only a third of 192 national energy frameworks from 137 countries include some gender considerations and for renewable energy policies, this share further decreases to less than one in six; women are characterized therein as potential stakeholders or beneficiaries, but rarely as agents of change.²⁸

This lack of inclusion leads to policies that may reinforce existing inequalities. Addressing this gap requires line ministries at all levels to develop the skills and awareness needed to mainstream gender in policy design. This includes establishing gender-responsive baselines, conducting audits to assess gender-related risks and barriers, and effective accountability mechanisms. Additionally, targeted training can help energy officials better understand and apply gender mainstreaming principles.²⁹

Country Gender Assessment

CÔTE D'IVOIRE

Women in the economy

Côte d'Ivoire has a female labour force participation rate of 43.1% as percentage of the total labour force. (data from 2023). After a continued increase from the 1990s to a peak of 45.5% in 2012, this ratio plunged thereafter and has only slightly increasing during the last five years. Worth noting that 80.1% of male and 90.0% of female employment takes place in the informal economy (data from 2017, as percentage of total non-agricultural employment).

Data on the proportion of time spent on unpaid domestic and care work by sex is not available. The latest available data on the female share of employment in senior and middle management from 2017 shows that only a bit over one in five, or 22.2%, of such positions are held by women.

²⁴ IFC (2020): [Venture Capital and the Gender Financing Gap: The Role of Accelerators](#).

²⁵ IFC (2020): [Venture Capital and the Gender Financing Gap: The Role of Accelerators](#).

²⁶ IUCN & USAID (2017): Energizing equality: The importance of integrating gender equality principles in national energy policies and frameworks.

²⁷ FAO (2023): [The Status of Women in Agrifood Systems](#).

²⁸ IUCN and USAID (2017): [Energizing Equality: The importance of integrating gender equality principles in national energy policies and frameworks](#).

²⁹ UNIDO, UN Women (2023): [Gender Equality in the Sustainable Energy Transition](#).

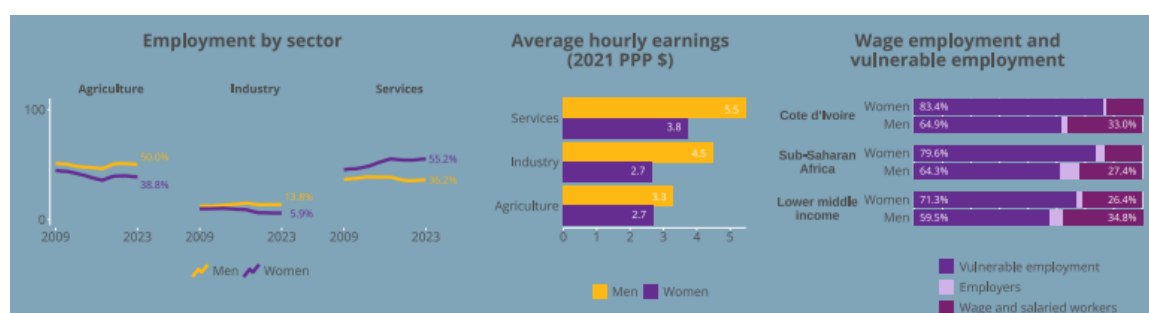
Barriers to female employment include violence at work, legal restrictions, restrictive social norms, and care responsibilities.

Moreover, women are strongly feeling the impacts of climate change on their agricultural activities in terms of production and access to land resources, but also on their health and domestic activities through difficulties in accessing drinking water, which makes fetching water longer and more difficult. Also, many women farmers only have informal land rights, preventing them from using land as collateral and discouraging them from investing in long-term or high-value perennial crops.

Occupational and sectoral analysis

The distribution across broad economic sectors shows that 38.8% of women and 50% of men are employed in agriculture, while only 5.9% of women and 13.8% of men are working in industry (data from 2023). The gender pay gap measured in average hourly earnings is especially pronounced in the service sector with 40% and in industry with 31%.

Figure 1: Gender Data on sectoral segregation and quality of employment, Côte d'Ivoire



Source: World Bank Gender Data Portal - Côte d'Ivoire Gender Landscape Brief (accessed 10 April 2025).

With 55.6% (data from 2022), the representation of women among the industrial labour force is significantly higher than across the entire economy. Data on both the electricity and water supply sectors, as well as on more detailed sectoral and occupational analysis is either not at all or largely not available, or it is marked as unreliable by ILO.

Women's entrepreneurship and access to finance

A woman can undertake entrepreneurial activities in the same way as a man (Loi no. 2019-570 du 26 juin 2019 relative au mariage, Art. 68), and discrimination in access to credit based on gender is prohibited by Code Pénal, Arts. 226(1) and 227(4) as amended by Loi No. 2021-893.

The law does not prescribe a gender quota for corporate boards. The national statistical institute collects data on companies disaggregated by size, sector, and the gender of their managers; however, this data is largely not publicly available.

Data collected through the World Bank Enterprise Surveys show that in 2023, only 11.6% of firms had a female top manager, only 22.5% had at least one woman among their owners, and only 9.5% are owned by a majority of women – all constituting ratios that are below the average of both Sub-Saharan Africa and the group of middle-income countries. It is worth noting that with 33%, the percentage of firms with female participation in ownership is significantly higher than that of small and medium enterprises. A reverse trend is shown in the percentage of firms with a female top manager, which are disproportionately found in small enterprises (17.4%), while with 5.1%

and 0.5% respectively, the share of women top managers in medium and large enterprises is negligible to non-existent.³⁰

Twice as many men as women aged 15 and above had an account at a financial institution. In terms of access to finance, 27.3% of men have access compared to 13.8% of women. The gap widens further in digital bill payments, with 27.5% of men paying bills via mobile devices or the internet, compared to just 10.6% of women. Comprehensive sex/gender-disaggregated data on the use of financial products and access to finance for women entrepreneurs is not available.

The African Development Bank's Affirmative Finance Action for Women in Africa (AFAWA) Initiative has unlocked \$119.5 million in financing in Côte d'Ivoire through partner financial institutions. In March 2025, Ecobank issued West Africa's first gender bond, raising XOF 10 billion (\$16 million) to provide approximately 1,200 loans to women-owned SMEs in Côte d'Ivoire. The bond was supported by the IFC and the Africa Local Currency Bond Fund (ALCB Fund).³¹

Policy framework

The National Agricultural Investment Program (PNIA II, 2017-2025) inter alia aims to strengthen the literacy of women, support the empowerment of women and girls and promote women's entrepreneurship.

Côte d'Ivoire's updated National Adaptation Plan (NAP) of 2023 identifies gender as a cross-cutting issue across its 11 priority sectors, including agriculture, fisheries, forestry, and land use. The establishment of the National Gender and Climate Change Platform and the signing of a Memorandum of Understanding (MoU) between the Ministry of Environment and Sustainable Development and the Ministry of Women, Family and Children have strengthened inter-ministerial coordination on gender and climate issues.

Côte d'Ivoire adopted a National Gender and Climate Change Strategy (SNGCC) in 2019, along with an action plan with the vision that "by 2030, all actions to combat climate change in Côte d'Ivoire systematically integrate issues related to gender and social inclusion."

In addition, one of the objectives of the National Strategy for Financial Inclusion (2019-2024) is to enhance women's access to financial services.

Gender issues are one of the principles of public procurement and specifically indicates gender as one of the criteria that can be included in the call for tender and against which a bid can be evaluated (Ordonnance no. 2019-679 du 24 juillet 2019, Arts. 8, 22 et 72).

Protection of women and gender equality at the workplace

Côte d'Ivoire's ranks 136th out of 177 countries on the 2023 Women, Peace and Security Index, with a score of 0.57³². It has a lifetime intimate partner violence (IPV) prevalence of 25.9%³³. Gender-based violence, including workplace sexual harassment, remains a challenge in the country. According to the country's 2023 statistical yearbook, 8,862 cases of GBV were recorded

³⁰ World Bank Enterprise Surveys (2023);, Cote d'Ivoire Economy Profile.

³¹ [IFC and ALCB Fund Invest in West Africa's First Gender Bond, Issued by Ecobank Côte d'Ivoire, The African Development Bank Joins Côte d'Ivoire's International Women's Day Celebrations | African Development Bank Group, Senegal: Banque Atlantique supports financial inclusion in partnership with EIB and EU](#) (accessed 10 April 2025).

³² Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

³³ UN Women (2024) [Global Database on Violence against Women](#)

and managed—an increase of nearly 12 % compared to 2022³⁴. While national data on workplace sexual harassment are limited, the context of high overall GBV prevalence and weak reporting mechanisms suggests that harassment of women in the workplace remains under-recognised and under-addressed and the widespread culture of impunity and limited access to justice further compound these risks.

The law mandates non-discrimination based on sex in employment and requires equal pay for women and men for work of equal value. The legal framework also provides women with legal protection against sexual harassment in the workplace. In addition, the Labour Code provides for employed mothers up to 14 weeks of maternity leave paid at full pay.

Violence and harassment against women are prohibited by the Penal Code (Articles 383, 394 to 397, 403 to 412, and 409), and Law No. 98-756, amending and supplementing the Penal Code specifically punishes sexual harassment. However, no provisions could be found imposing responsibilities to employers to prevent and address such offenses or to establish other gender-related policies.

DOMINICAN REPUBLIC

Women in the economy

Women face considerable asymmetries in the labour market, including lower participation rates and higher unemployment compared to men. These disparities are more pronounced in rural areas, where traditional gender roles and limited access to resources further hinder women's access to decent jobs in manufacturing and agriculture.

The poverty rate for women in rural areas is significantly higher than for men, with the gender gap being particularly pronounced in agricultural communities. According to the National Statistics Office (ONE), in 2023, for every 100 men living in poverty, there were 137.7 women in the same situation. This shows how gender considerations increase the chances of being poor, especially in rural areas.

The female share of the country's labour force has continuously increased to 41.4% in 2023. However, the latest National Multipurpose Household Survey (ENHOGAR 2021) reports that women spend an average of 17.8 hours on unpaid domestic work, while men spend an average of only about half of this amount, notably 8.8 hours. This unequal distribution of time use has a direct impact on women's opportunities to access and remain in the labour market on equal terms. In 2023, the informal employment rate for women was 51.1%, which is lower than that of men (59.0%). As regards women's participation in leadership, women held 54.0% of senior and middle management positions in the formal economy.

Occupational and sectoral analysis

Across the economy, and in line with the global distribution of men and women across industrial sectors, the highest participation of women is found in service activities, such as accommodation and food services with 47.5% women employees, and information and

³⁴ [UN Women \(2025\) Cote d'Ivoire Progress Notes](#)

communications.³⁵ Women's participation in the agricultural sector is notably low. As of 2023, only 1.3% of employed women worked in agriculture, forestry, and fishing, compared to 11.4% of employed men. This significant disparity highlights the underrepresentation of women in agriculture.

When it comes to the industrial labour force, according to ILO data, women only constitute 30.9% of employees. In the water supply sector, women represent 24.7% of the labour force. Data on the electricity supply sector is not available.

In terms of STEM jobs in manufacturing, in 2023, men held 58.8% of positions, indicating a more balanced gender distribution than the global average. However, in water supply and waste management, men accounted for 91.5% of STEM employment.

In the period 2016-2022, manufacturing (both local and in free trade zones), was the economic subsector with the highest increase in women's share of total employment, followed by agriculture and livestock. Notably, this increase has been higher in the formal than in the informal sector. This led to a reduction of the gender gap in manufacturing in the formal sector, while it has widened in the informal sector.³⁶ Within the top four local manufacturing activities (food, metal products except machinery and equipment, furniture and beverages) accounting for 61% of local manufacturing employment in 2022, the only activity of high relevance for female employment is the low-technology sector of food manufacturing, which generated more than a third of all female employment in local manufacturing (34.7%).³⁷

Within the remaining manufacturing sectors, female employment only predominates in textiles and garments (61% of employment). In the manufacture of pharmaceutical products and manufacture of motor vehicles and trailers – a high tech and a medium-high tech sector – women represent a percentage of 55.5% and 52.9%, respectively, of the employed workforce. The remaining sectors are characterized by stronger male employment. In 2022, the construction sector employed the highest number of men with 82.6%, followed by the water supply sector with 73.8%.

The occupational groups in local manufacturing with the highest ratio of men can be found towards both the top and the bottom of income levels, notably among managers and administrators (almost four times more men than women) but also among operators and drivers, as well as for skilled farmers / stockbreeders, and operators / craftsmen, where in both groups men exceed women more than seven-fold. Meanwhile, occupational groups with gender parity or closer to gender parity are office employees, mid-level technicians, service workers, unskilled workers and professionals.

In the formal manufacturing sector, women earned 7.1% less per hour than men. However, in the water supply sector, women earned 46.4% more per hour than men – a particularly wide gap that can be explained by the larger representation of men in positions that mainly involve physical work and require vocational training or apprenticeships rather than a tertiary degree.³⁸ In the

³⁵ Oficina Nacional de Estadística (ONE), resultados de la Encuesta Nacional de Actividad Económica (ENAE) 2023.

³⁶ Ibid.

³⁷ Ibid.

³⁸ ILO data.

informal manufacturing sector, the picture is more dire, with a gender pay gap in average hourly earnings of 19.1% in 2022, a gap that has more than doubled since 2016.

Women's entrepreneurship and access to finance

In the Dominican Republic, women can undertake entrepreneurial activities in the same way as a man (Código Civil, Arts. 213, 217 and 218), and discrimination in access to credit based on gender is specifically prohibited (Reglamento de protección al usuario de los productos y servicios financieros de 2015, Arts. 4(h), 5(i) y 24(f)).

79.4% of the companies have a male management. Only 13.8% of firms are led by women, and 6.7% by both genders.³⁹ In most economic activities, there is a majority participation of men as the highest authority in the companies, compared to women. A special case is the electricity supply sector, where 100% of the companies are headed by men. Other activities with similar shares include construction (88.5%) and manufacturing (86.3%).

While male-led enterprises constitute the majority of enterprises in all sizes, their share increases with the number of employees. In fact, in the enterprises with 16-29 employees, the percentage of women-led enterprises and enterprises led by both women and men is higher, with a respective share of 17.3% and 11.1%. In the case of enterprises with 30 and more employees, 80-90% are led by a male management.

In economic terms, companies led by men tend to record higher revenues and operating expenses compared to those led by women. In particular, 36.3% of male-owned companies have revenues between RD\$50 million and RD\$150 million, while a notable 33.9% exceed RD\$250 million. The largest proportion of women-led businesses is in the RD\$10 million to RD\$50 million range (42.9%), followed by the RD\$50 million to RD\$150 million range (27.9%), and the range of companies with revenues exceeding RD\$150 million (22.3%). These figures reflect the trend toward greater female participation in smaller businesses.⁴⁰

An interesting gender difference can be noted as regards the percentage of companies that have environmental policies; in male-led companies this percentage is 31.0% and in female companies it is 25.6%. Other indicators such as ISO 14001 certification, the internationally recognized standard for environmental management systems, are less frequent in both groups of companies. 10.1% of male-led companies have obtained this certification but only 6.4% of women-led companies. One hypothesis to explain this divergence could be the average size of companies, which is smaller in the case of women-led companies (see above).⁴¹

This is also in line with findings that suggest that women-led businesses apply a greener and more sustainable approach to management. As regards the use of renewable energy, where women-led companies fare significantly better than their men-led counterparts: 31.8% of women-led companies produce energy from a renewable source, compared to only 20.9% of those men-led, and 23.0% supply energy into the grid, compared to only 12.9% of those with male leadership. In line with global studies, women-led enterprises also reuse water from their processes for other purposes, notably 32.8% of female-led compared to only 22.4% of male-led

³⁹ Encuesta Nacional de Actividad Económica (ENAE) 2023.

⁴⁰ Oficina Nacional de Estadística (2023): Características de las empresas según el sexo de la máxima autoridad.

⁴¹ Oficina Nacional de Estadística (2023): Características de las empresas según el sexo de la máxima autoridad.

enterprises. The same trend is also notable when it comes to recycling, where women-led businesses fare better in the separation, treatment and recycling of waste.⁴²

Women-owned businesses contribute to a share of 12% of total national exports, with the majority of businesses based in the Distrito Nacional.⁴³ A survey by ProDominicana on the financing mechanisms of women-led businesses in 2021 showed that 49% use both their own resources and financing, 23% use credit as financing, 16% have their own resources, and 12% indicated that they use credit from suppliers or customers.⁴⁴

Policy framework

The National Plan for Gender Equality and Equity III (2020-2030) has a strategic objective of promoting equal participation of women and men in the labour market, reducing female unemployment, informal work, wage inequality and other forms of gender discrimination in the labour market. It also incorporates, for the first time, objectives on environmental action, disaster risk reduction management and climate change.

In addition, the National Employment Plan of the Dominican Republic (PLANE2022) was updated in 2022 with the objective to generate 600,000 new decent, quality, sustainable and inclusive jobs with a gender equality approach. Specifically, women are the main beneficiaries of business development support, benefiting from more than 61.5% of financing granted to MSMEs by the Dominican government through the PROMIPYME Programme in the first quarter of 2024.

With regards to agriculture, the Dominican Republic introduced the National Gender Equality Policy in the Agricultural Sector in November 2024 to address existing gender disparities affecting rural women. It aims to enhance women's participation, resources, economic security, improving working conditions, and providing technical support for rural women.

Gender equality constitutes a cross-cutting objective in the National Climate Change Adaptation Plan 2015-2030, recognizing the role of women as agents of change and encouraging their participation in transforming society toward low-carbon and resilient development. The Gender and Climate Change Action Plan specifies this commitment, including by encouraging women's participation in the development of sustainable infrastructure, and planning for technical training for rural women in environmentally friendly initiatives.

The Estrategia Nacional de Inclusión Financiera (2022-2030) puts a specific focus on enhancing women's access to financial services.

The National Export Promotion Plan, foresees the development of a strategy to increase women's participation in the prioritized goods and services export value chain, promoting gender equality and women's empowerment. Moreover, "Sumando Exportadoras", an initiative by ProDominicana, the country's export and investment promotion agency launched in 2024, aims to boost the talent and export capacity of Dominican women entrepreneurs, open doors to new international opportunities, strengthen competencies, and highlight the potential of Dominican products in the global market.

⁴² Oficina Nacional de Estadística (2023): Características de las empresas según el sexo de la máxima autoridad.

⁴³ ProDominicana (2022): Mujeres en Exportación, 3rd edition.

⁴⁴ ProDominicana (2021): Mujeres en Exportación, 2nd edition.

The Roadmap for Closing Gender Gaps in the Dominican Republic's Local Manufacturing Industry 2025-2028 provides six objectives, supported by concrete actions, including with the aim to ensure workplaces free from gender discrimination, violence, and harassment, as well as to promote family-friendly working environments that enables shared responsibilities between men and women for family and household duties.

Law No. 488-08 stipulates that in public procurement, within the 20% allocated to MSMEs in general, 5% is reserved for women-owned MSMEs. In 2023, this objective has been exceeded, with their participation in public procurement amounting to 7.95% in 2024, exceeding the minimum 5% established by law.

Database of women entrepreneurs: The Certificación MiPymes Mujer

Created by the Ministry of Industry, Commerce and MSMEs, the certification can be requested [online](#) and provides the opportunity for women entrepreneurs to participate in the women-only window of the public procurement process for MSMEs (cf. above, Law 488-08).

Recent years saw a significant increase in the number of women registered as suppliers. As of November 2024, the General Directorate of Public Procurement (DGCP) indicated that more than 30,000 women were registered as state suppliers, with over 9,000 successfully securing contracts across various sectors. an increase of approximately one third compared to 2019.

Protection of women and gender equality at the workplace

Dominican Republic ranks 98th out of 177 countries on the Women, Peace and Security Index, with a score of 0.66⁴⁵ and has a lifetime intimate partner violence (IPV) prevalence of 28.5%⁴⁶. In the Dominican Republic, 88.9% of legal frameworks that promote, enforce and monitor gender equality under the SDG 5 Gender Equality indicator, with a focus on violence against women, are in place. As of December 2020, only 52.5% of indicators needed to monitor the SDGs from a gender perspective were available, with gaps in key areas, in particular: labour market indicators, such as the gender pay gap. In addition, many areas – such as gender and poverty, physical and sexual harassment, women's access to assets (including land), and gender and the environment – lack comparable methodologies for regular monitoring⁴⁷.

Almost four out of ten (39%) companies indicated to have gender policies or are planning to establish them soon, and close to 11% have a Gender Equality Committee, which constitutes a prerequisite for the Gender Equality Seal according to the Dominican standard NORDOM 775. Also, more than half of companies (54%) use gender-inclusive language in all or some of their vacancy announcements. Moreover, 23% indicate that they provide leadership development programmes for women, with an additional 16% planning to do so soon, and 23% of companies have provided diversity, equity and inclusion training to their staff. However, more than one company in five indicated that they provide different economic benefits for employees according to their gender.⁴⁸

⁴⁵ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

⁴⁶ UN Women (2024) [Global Database on Violence against Women](#)

⁴⁷ UN Women (2025) [Country Profiles Dominican Republic](#)

⁴⁸ Ministry of Industry, Commerce and MSMEs of the Dominican Republic (2024): Estudio Exploratorio sobre Igualdad y Equidad de Género en la Industria de Manufactura Local. Information is based on the findings of a survey among forms conducted in the margins of the study.

61.5% of companies indicated to have, or are in the course of preparing, protocols to prevent, detect, and address harassment and violence in the workplace, and more than half (52%) provided training on preventing violence and harassment in the workplace.⁴⁹

Women are entitled to 12 weeks of fully paid maternity leave. Payment is covered jointly by the employer and, under certain conditions, the Social Security system. It is also prohibited to dismiss a woman during pregnancy or within 3 months after returning from maternity leave, unless just cause is recognized by the Labour Ministry (Labour code, Article 233–235). As regards paternity leave, the 2 days entitled to private sector employees were annulled by the Constitutional Court in 2023 because the duration was deemed unreasonable. A new law is pending. Paternity entitlement for public sector employees was increased to 15 working days in June 2022. In practice, a survey has shown that 41% of companies provide additional parental leave provisions, exceeding those mandated by national law. Also, 26% of companies with more than 50 employees have a lactation room.⁵⁰

The Labour Code explicitly prohibits sexual harassment in the workplace (Art. 47) and prohibiting employers from taking actions against the worker that may be considered sexual harassment, or from supporting or failing to intervene if their representatives do so. Art. 88 stipulates that when the worker engages in "acts or attempts of violence" during working hours, this constitutes a cause for dismissal. Likewise, INDOCAL's NORDOM 775 standard requires the prevention of and response to sexual harassment and gender-based violence in the workplace among the dimensions to be covered by a company's internal policies. At the same time, 21.3% of women surveyed aged 15 or older who were ever employed experienced workplace violence at some point in their lives, and 8.7% in the last 12 months.⁵¹

ECUADOR

Women in the economy

In Ecuador, the labour force participation rate among women is 52.5%, compared to 76.7% among men in 2023. Since 1990, female labour force participation has increased. Compared with labour force participation in the upper middle-income countries' group, the gap between men and women is higher in Ecuador. As a share of the total labour force, women constituted 41.2%, ranging slightly above the global average. In the last 35 years, this ratio has remained relatively stable. In 2024, women held 39.1% of senior and middle management positions. The female share of employment in senior and middle management is one of the highest of all countries for which data is available. The informal employment rate for women was 70.9%, which is higher than that of men (67.1%, data for 2024).

Recent data is not available for Ecuador for the proportion of time spent per day on unpaid domestic and care work by sex.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Encuesta Experimental sobre la Situación de las Mujeres (ENESIM 2018).

Occupational and sectoral analysis

The share of women in agriculture, forestry and fishing constitutes 38.9%, and their share in the industrial labour force amounts to 36.8% (2024). In the electricity supply sector, their representation is significantly lower: women represent only 22.1% of the labour force. In the water supply sector, they only constitute a mere 13.1%.

In 2024, in manufacturing, men made up 76.1% of STEM jobs; in electricity and gas, 95.9% of STEM roles were held by men; in water supply and waste management, men accounted for 94.2% of STEM employment.

Data on the gender distribution by sex, occupation and economic activity is only partially available. However, at managerial level, it is notable that men constitute 54% of managers in manufacture of wearing apparel, and 58% in the electricity, gas, steam and air conditioning sector. At professional level, women dominate the manufacture of wearing apparel with two thirds of professionals being women, closely followed by manufacture of chemicals and food products.

Women's entrepreneurship and access to finance

According to the World Bank Entrepreneurship Survey of 2017 70.4% of firms reported some level of women's participation in ownership, while 17.7% of firms were majority-owned by women. Additionally, 22.9% of firms had a woman as a top manager.

Ecuador collects sex/gender-disaggregated data on business ownership, employment, and management. It is estimated that women-led businesses represent 12.1% of the country's total exporting companies.⁵²

Ecuador has made significant progress in advancing women's financial inclusion. Financial inclusion has increased from just over 70 percent in 2019 to nearly 86 percent in 2023. Overall, women are more likely to utilize savings products and term deposits, with retail microcredit and simple accumulation credit accounts being particularly in demand among them. Ecuador has committed to enhancing women's financial inclusion through international initiatives such as SEPS' support for AFI's Denarau Action Plan and its commitment to the 2019 Maya Declaration, which aim to create regulatory frameworks that ensure equitable financial access for women. Movable collateral registries enable people to register alternative assets as loan collateral. This allows women, who traditionally have fewer assets to be used as traditional collateral, to access credit by using nontraditional assets.⁵³

Policy framework

Ecuador's NDC mentions gender equality as a cross-cutting issue, emphasizing the need to incorporate gender perspectives into climate change adaptation and mitigation strategies. It highlights the importance of women's participation in climate-related decision-making processes and the promotion of gender-responsive climate actions.

⁵² ITC (2023): ITC SheTrades Outlook 2023.

⁵³ AFI (2025) : The role regulators play in closing the financial inclusion gender gap: A case study of Ecuador

Ecuador's National Financial Inclusion Strategy 2020-2024¹ aims to increase access to traditional and digital financial services and improve the quality and adequacy of financing for small businesses. It considers women a priority group.

The Organic Law to Promote the Economy of Women Entrepreneurs published in March 2025, aims to reducing gender gaps in business and the economy and provides inter alia for the creation of exclusive financing funds, tax incentives and fiscal benefits for women-led businesses.

Financial institutions are required to collect and report sex/gender-disaggregated data on the use of financial products.

BanEcuador, the state-owned development bank, has introduced “Crédito Violeta”, a targeted financial product to empower women entrepreneurs, offering loans ranging from \$500 to \$20,000, with terms up to 60 months for fixed assets and 36 months for working capital. The Banco Pichincha’s Women Entrepreneurs Loan Program offers loans specifically designed for women entrepreneurs with favorable terms. In partnership with Banco Internacional, IFC allocated \$12.5 million from a \$50 million loan to expand financing for women-owned SMEs.

The Economic Complementation Agreement between Chile and Ecuador includes a chapter on trade and gender that commits parties to cooperate on women's economic empowerment and establishes a bilateral committee to monitor progress.

The Codification and Updating of Resolutions issued by the National Public Procurement Service (SERCOP), published in Official Registry No. 245 on January 29, 2018, outlines incentives for suppliers with significant female participation (Article 336): Additional points may be awarded to suppliers demonstrating substantial involvement of women, such as having at least 65% female participation.

Resolution RE-SERCOP-2018-0000092, stipulates that in procurement evaluation criteria up to 5 additional points will be awarded to the bidder company’s score if it is comprised of at least 65% women during the last six months prior to the tender process. The National Public Procurement Service (SERCOP) also maintains a database of suppliers broken down by gender. Between January and October 2021, 15.3% of suppliers were companies run by women.⁵⁴

Protection of women and gender equality at the workplace

Ecuador ranks 106th out of 177 countries on the Women, Peace and Security Index, with a score of 0.65⁵⁵ and has a lifetime intimate partner violence (IPV) prevalence of 40.4%⁵⁶. In 2023, Ecuador recorded 584 violent deaths of women due to gender-based reasons. The country faces challenges related to human trafficking, with 475 victims recorded between 2019 and 2022, primarily women aged 19 to 29⁵⁷. In 2019, 20.1% of women aged 15 years or older experienced some type of lifetime violence in the workplace, of which 17.2% suffered psychological violence,

⁵⁴ SERCOP (2023): [Informe Preliminar de Rendición de Cuentas 2022](#).

⁵⁵ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

⁵⁶ UN Women (2024) [Global Database on Violence against Women](#)

⁵⁷ ONU Mujeres Ecuador (April 2024). ["Alerta de género ante la declaración de conflicto armado interno. Ecuador, marzo 2024 \(Gender Alert in Response to the Declaration of Internal Armed Conflict. Ecuador, March 2024\)"](#)

6.8% sexual violence and 1.2% physical violence, majority of them did not report for fear of retaliation⁵⁸.

The law mandates non-discrimination based on gender in employment. The law requires equal pay for women and men performing work of equivalent value. The legal framework provides women with legal protection against sexual harassment in the workplace. Ecuador offers fully paid parental leave to mothers and fathers. Maternity leave lasts 12 weeks and paternity leave lasts 10 days.

INDIA

Women in the economy

India's female labour force participation rate remains low by global and regional standards. Only 31.2% of women but 76.8% of men aged 15 and above – thus more than double – participated in the labour force in 2023. Women in India perform nearly twice as much unpaid care and domestic work than men, severely limiting their ability to engage in paid employment. Women spent about 34% of their day on such activities, compared to 17.9% spent by men.⁵⁹

In 2023, the informal employment rate for women amounted to 92.1%, which is higher than that of men (87.2%). Within the formal sector, women held 12.7% of senior and middle management positions in 2023.

India has doubled account ownership at a financial institution or mobile money service from 2011 to 2021 to 77.5% and fully eliminated the respective gender and income gap. However, there is a gap of 13 percentage points between men and women using digital payments (World Bank Global Findex). Gaps also remain in credit access and asset ownership, particularly among rural and lower-income women.

Occupational and sectoral analysis

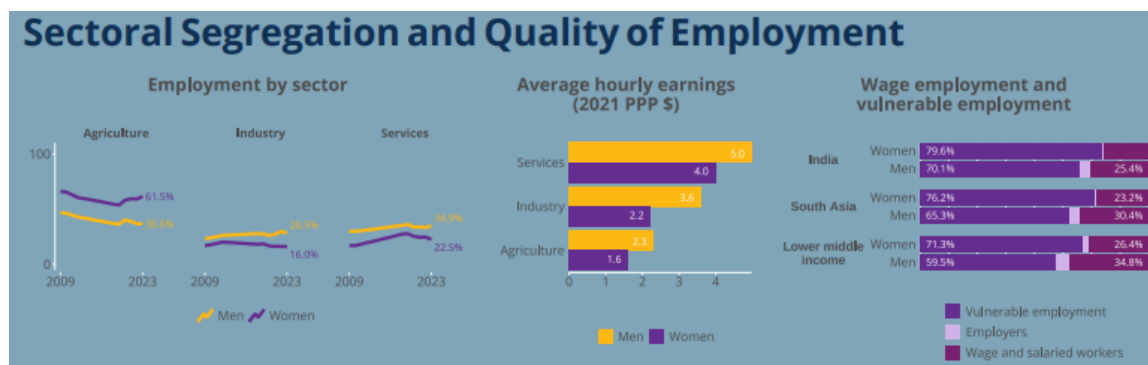
Within the population segment participating in the labour force, more than 6 out of 10 (61.5% in 2023) of women were employed in agriculture, but only 15.6% of agricultural landholders in India were women (2015). At the same time, only 16% of the female labour force was employed in industry and 22.5% in services. The corresponding distribution among men is significantly more equal.

Gender pay gaps are most pronounced in the industrial sector. Also, in India, both the ratio of women in vulnerable employment as well as the respective gender gap exceeds both the subregional average and the average among fellow lower middle-income countries.

⁵⁸ INEC (2019) [Encuesta Nacional sobre Relaciones Familiares y Violencia de Género contra las Mujeres](#)

⁵⁹ Ministry of Statistics & Programme Implementation of India (2025): [Time Use Survey 2024, Fact Sheet](#).

Figure 3: Gender Data on sectoral segregation and quality of employment, India



Source: World Bank Gender Data Portal - India Gender Landscape Brief (accessed 10 April 2025).

In manufacturing, women are primarily concentrated in low-paid, labour-intensive sectors such as textiles, garments, and food processing. Despite their large numbers, women workers in these sectors face significant wage gaps and poor working conditions, particularly in the informal segment. Within relevant industries, it is interesting to note that the manufacturing labour force consists of less than one third, or 31.4% women. In the electricity supply sector, women represent a mere 4.7% of the labour force, while in the water supply sector, they constitute 18.6%. Women comprised 21% of the workforce in the distributed solar PV sector in India.⁶⁰

Men further largely dominate STEM jobs in relevant industrial sectors. In 2023, in manufacturing, men made up 91.4% of STEM jobs, reflecting a strong male representation; in electricity and gas, 96.8% of STEM roles were held by men; in water supply and waste management, men accounted for 92.4% of STEM employment.

The occupational gender segregation is also evident in income levels where gender pay disparities persist across sectors. When it comes to hourly earnings, data shows that in manufacturing, women earned 29.1% less per hour than men; in electricity, women earned 10.5% less per hour than men; in water supply, women earned 51.1% less per hour than men – a particularly wide gap.

The higher representation of men across relevant industries is prevalent across all relevant subsectors and occupations with relatively high average wages. Interestingly, in India, even subsectors such as manufacturing of food and beverages, apparel and pharmaceuticals have a very low percentage of women compared to other countries.

Female representation in senior and middle management positions across relevant subsectors is mostly under 10%. The few outliers that are closest to gender equality, despite by no means reaching it, are managers in some manufacturing subsectors, notably the wearing and apparel sector whose managers consist of 42% women, and managers in the chemicals and chemical products with a share of 37% women. In the formal agricultural sector, managers in crop and animal production with a share of 29% women constitute a notable exception.

Women's entrepreneurship and access to finance

India has a growing base of women entrepreneurs, though challenges remain. Women-led businesses are often micro-scale, home-based, and concentrated in traditional sectors.

⁶⁰ IRENA (2024): [Decentralized Solar PV: A Gender Perspective](#).

According to the World Bank Enterprise Survey 2022 conducted in India across SMEs with at least five employees, only 6.8% of firms have a woman as top manager, and only 3.9% of firms have a woman among its owners. It is notable that medium and large firms have a higher ratio of both female management and co-ownership compared to small enterprises in the sample.

The Small Industries Development Bank of India (SIDBI), which is the Principal Financial Institution for Promotion, Financing and Development of the MSME sector, plays a pivotal role in enhancing access to finance for women-led SMEs in India. SIDBI aims to empower women-owned businesses through a combination of direct lending, refinancing and capacity-building through initiatives such as [Stand-Up India](#) and the Women Entrepreneurship Platform. However, uptake has been uneven due to persistent barriers including lack of collateral, gender bias, and limited networks.

India has doubled account ownership at a financial institution or mobile money service from 2011 to 2021 to 77.5% and fully eliminated the respective gender and income gap. However, there is a gap of 13 percentage points between men and women using digital payments (World Bank Global Findex). Gaps also remain in credit access and asset ownership, particularly among rural and lower-income women.

Research by the IFC indicates that women entrepreneurs face greater challenges in accessing bank credit compared to men. Factors contributing to this include a limited focus on the needs of women-owned businesses, leading to the development of financial products and processes that are not always well-suited to this segment. Additionally, barriers such as limited entitlement to immovable or movable property further restrict women's access to finance.⁶¹

Policy framework

India's Constitution guarantees equality before the law and prohibits gender-based discrimination. Flagship policy documents such as the National Policy for Women (2016 draft) and the National Mission for Empowerment of Women set the agenda for gender-responsive development.

India's updated Nationally Determined Contribution 2022 and the National Action Plan on Climate Change reference gender, though more as a guiding principle than an operational strategy. Gender mainstreaming across ministries and schemes is encouraged but often limited in practice by lack of capacity and enforcement.

The Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2018 mandates that 25% of annual procurement by central government ministries, departments, and public sector undertakings be sourced from MSEs. Within this 25%, 3% is specifically earmarked for women-owned MSEs. Despite the policy's provisions, actual procurement from women-owned MSEs has been below the targeted 3%. Challenges include lack of awareness, registration hurdles and capacity constraints at firm level.

Though a centralized, publicly accessible national database for women entrepreneurs is not yet available, the [Udyam Portal](#) introduced by the Ministry of MSME collects sex/gender-disaggregated data on registered enterprises,.

⁶¹ IFC (2014): [Improving access to finance for women-owned businesses in India](#).

Protection of women and gender equality at the workplace

India ranks 128th out of 177 countries on the Women, Peace and Security Index , with a score of 0.595⁶² and has a lifetime intimate partner violence (IPV) prevalence of 29%⁶³. Despite the enactment of the Sexual Harassment of Women at Workplace Act in 2013, GBV remains prevalent. In the garment industry, reports indicate worsening abuse among female workers⁶⁴.

India's labour law reform has led to the consolidation of previous legislation into four Labour Codes. The Code on Wages (2019) reaffirms equal pay for equal work, while the Code on Social Security (2020) extends maternity benefits and aims to enhance coverage for informal workers. India's labour laws also provide for non-discrimination, equal pay, and maternity benefits. The Maternity Benefit (Amendment) Act, 2017 extended paid maternity leave to 26 weeks. However, implementation is limited, especially in informal sectors where most women work. Male government employees are entitled to 15 days of paternity leave. However, no comparable provision is foreseen for the private sector. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 mandates all workplaces with 10 or more employees to develop and communicate a sexual harassment policy, conduct regular awareness sessions and employee training, and establish an Internal Complaints Committee. Enforcement, however, is inconsistent, especially in small enterprises and informal sectors.

In the banking sector, regulators such as the Reserve Bank of India (RBI) encourage inclusive workplace practices and gender balance in leadership, though no binding requirements exist. Public sector banks have adopted internal policies on anti-harassment, flexible work arrangements, and childcare support, but data on uptake and effectiveness is limited.

MEXICO

Women in the economy

In Mexico, the labour force participation rate among women is only 47.3% while 77.5% of men participated in the labour force in 2023, constituting a significant gender gap compared to other countries in the region and to the upper middle-income countries.

The country's female share of the labour force (as a percentage of the total labour force) has increased to 40.1% in 2023. In 2023, women held 38.9% of senior and middle management positions. The informal employment rate for women was 56.4%, which is higher than that of men (56.3%).

In 2019, women in Mexico spent 27.8% of their day on unpaid domestic and care work, while men spent 11.1%. This indicates that women dedicate approximately 2.5 times more time than men to such tasks, highlighting a significant gender disparity.

⁶² Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

⁶³ UN Women (2024) [Global Database on Violence against Women](#)

⁶⁴ Business & Human Rights Resource Centre (2024) [India: Karnataka garment workers face harsh working conditions, low wages and harassment and violence, with low rates of unionisation](#)

Occupational and sectoral analysis

In Mexico, women's employment is moderate across all major sectors. In agriculture, women constitute 16.3% of the workforce, while in manufacturing the figure rises to 38.1%. In the electricity, gas, steam, and air conditioning supply sector, women make up 27.1%, and in water supply, sewerage, and waste management activities, the share stands at 21.5%.

Gender pay gaps in hourly earnings by sector is most pronounced in manufacturing where women earned 12.7% less per hour than men; in electricity, women earned 8.1% less per hour than men; in water supply, women earned 0.3% less per hour than men, indicating near-equal pay.

In 2023, in manufacturing, men made up 75.0% of STEM jobs; in electricity and gas, 86.6% of STEM roles were held by men; in water supply and waste management, men accounted for 85.7% of STEM employment.

Women's entrepreneurship and access to finance

According to the World Bank Entrepreneurship Survey of 2017, only 14.9% of firms reported some level of women's participation in ownership, which is significantly below the share of other countries in Latin America and the Caribbean. 11.2% of firms were majority-owned by women, and 15.7% of firms had a woman as a top manager.

According to Mexico's National Financial Inclusion Survey (2018) 46% of women do not have access to credit versus 40 percent of men, and in localities with fewer than 15,000 inhabitants, only 20 percent of women have formal credit versus 23 percent of men. 70 percent of women-led businesses that apply for a bank loan are turned down, 30 percent are financially restricted (versus 25 percent of those led by men), and access to financing is a major constraint for women to start a business and the main reason why their businesses fail.⁶⁵

Policy framework

Mexico's NDC incorporates gender considerations by acknowledging the differentiated impacts of climate change on women and men. It outlines strategies to promote gender equality in climate actions, including the development of gender-sensitive indicators and the integration of gender perspectives in climate-related programs and projects.

The 2006 Law on Equality Between Women and Men mandates equal rights and opportunities for women and men in all spheres of public and private life. Since 2019, gender parity is mandated in all branches of government at federal and state levels.

The National Financial Inclusion Policy 2020–2024 policy emphasizes financial inclusion for vulnerable groups, including women and mandates development banks to design and operate programs or products specifically targeted to women, aiming to expand credit portfolios and increase the number of female customers through strategic measures. The Ministry of Finance, in collaboration with the Comité Interinstitucional para la Igualdad de Género en las Entidades Financieras, has published [guidelines](#) with concrete indicators to support financial institutions in integrating gender perspectives into their operations.

⁶⁵ IADB (2020): [Financial innovation to support women-led businesses](#).

Mexico's first gender bond, issued by the national development bank FIRA, aims to finance projects led by women in rural areas, particularly in agriculture, fishing, forestry, agri-food, and rural sectors. The bond promotes women's participation in the labour force and improves their access to financial services. The National Institute of the Entrepreneur (INADEM) and the National Women's Institute (INMUJERES) developed programmes to provide guarantees for loans made by banks to women-led SMEs which aim to incentivize banks to offer credit to women entrepreneurs at more favourable terms.

Protection of women and gender equality at the workplace

Mexico ranks 142th out of 177 countries on the 2023 Women, Peace and Security Index, with a score of 0.55⁶⁶ and has intimate partner violence (IPV) prevalence of 24.6%⁶⁷. A survey by INEGI conducted in 2021 found that 96% of women in Mexico City have experienced some form of sexual harassment in public spaces and 28% at the workplace, with 92% of them did not report or seek help. 21.7 % of women surveyed experienced some form of employment discrimination based on gender in the 12 months prior to the survey⁶⁸.

Mexico's Federal Labour Law (Ley Federal del Trabajo) prohibits discrimination and mandates that employers treat employees with due consideration, avoiding mistreatment by word or conduct. While the law does not explicitly define sexual harassment, it encompasses behaviours that can be interpreted as such. Employers are encouraged but not mandated to implement measures to prevent and address workplace harassment, including establishing internal policies and procedures for handling complaints.

Female employees are entitled to 12 weeks of paid maternity leave. This leave is fully paid at the employee's salary level and is covered by the Mexican Social Security Institute. Male employees are entitled to five working days of paid paternity leave upon the birth or adoption of a child. This leave is also fully paid, but to be funded by the employer.

NIGERIA

Women in the economy

Nigeria has a track record of gender equality within the formal labour force, with a current record high of 48.4% (2023) female share. The labour force participation rate among women is 80.8% and 84.5% among men. In 2023, the informal employment rate for women was 96.4%, which is significantly higher than that of men (89.6%).

In 2019, women held 31.4% of senior and middle management positions, which increased to 65.8% in 2023, thus indicating that Nigeria moved from about one third to around two thirds in just a few years and suggesting that women hold the vast majority of leadership positions.

Data is not available for Nigeria for the proportion of time spent per day on unpaid domestic and care work by sex.

⁶⁶ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

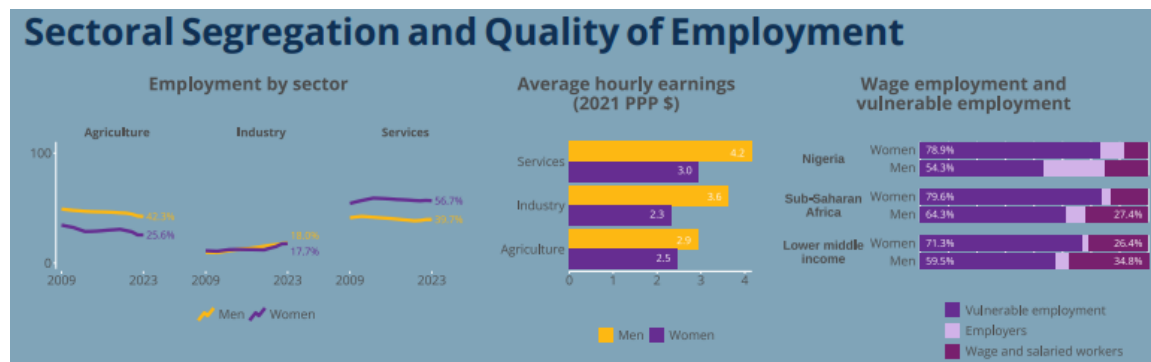
⁶⁷ UN Women (2024) [Global Database on Violence against Women](#)

⁶⁸ INEGI (2021) [Violence against women in Mexico](#)

Occupational and sectoral analysis

In Nigeria, women are nearly absent from the energy sector, while the manufacturing sector stands out with especially high female participation at 60.8% and agriculture sees a moderate 35.6% of women. In sharp contrast, the electricity sector, shows an especially low rate of just 3.7% women. The water supply and waste management sector shows moderate 26.6% female participation rate. Women comprised 35% of the workforce in the distributed solar PV sector in Nigeria.⁶⁹

Figure 4: Gender Data on sectoral segregation and quality of employment, Nigeria



Source: World Bank Gender Data Portal - Nigeria Gender Landscape Brief (accessed 10 April 2025).

In 2019, in manufacturing, men made up 82.5% of STEM jobs; in electricity and gas, 74.9% of STEM roles were held by men. Data per sex, economic activity and occupation is scarce. However, in 2019, only 25% of managers in manufacturing of food products, 29% in beverages, 35% in textile and 37% in wearing apparel were men, showing a strong female representation at leadership levels in these sectors, significantly beyond women's representation in senior and middle management positions across the economy. On the other hand, 91% of managers in the manufacturing of wood products were men, indicating a significant gender segregation in leadership – and based on indicative data, also at lower levels – across sectors.

Gender pay gap data per sector is not available.

Women's entrepreneurship and access to finance

The most recent available national data from the World Bank Enterprise Survey already dates back to 2014. In this year, 16.2% of firms reported some level of women's participation in ownership, while 13.2% of firms were majority-owned by women. Additionally, 13.9% of firms had a woman as a top manager.

Access to finance remains a challenge and ranks among Nigeria's entrepreneurs' top concerns, particularly for women entrepreneurs. More female-led than male-led firms identify access to finance as a major constraint (52% vs 30%), and 56% of female entrepreneurs indicated that their most recent loan application got rejected, as compared to 17% of male entrepreneurs. While women business leaders show significant interest in taking loans, they receive a smaller allocation of bank credit compared to men. A World Bank survey found that while up to 92% of WSMEs were interested in obtaining formal financing, only 11% of the surveyed banks' MSME loan portfolio was going to women-led businesses. Roughly 46% of women-led SMEs (WSMEs)

⁶⁹ IRENA (2024): [Decentralized Solar PV: A Gender Perspective](#).

in Nigeria have no loan history with a financial institution. While 31.4% of women in Nigeria borrow in some capacity to finance their business, only 3.7% borrow from formal financial service providers.⁸ Gender gaps in access to credit play a central role in explaining the gender gap in business performance. A major contributing factor to gender gaps in access to credit are gender inequalities in ownership of assets that can serve as collateral.⁷⁰

Policy framework

The 2023 Women's Economic Empowerment Policy aims to enhance women's participation in the economy by improving access to finance, promoting entrepreneurship, and increasing involvement in emerging sectors like renewable energy and sustainable agriculture. It also emphasizes gender mainstreaming across government programs and includes a detailed action plan for implementation and accountability.

Nigeria's NDC explicitly addresses gender issues, recognizing the vulnerability of women to climate change impacts. It proposes measures to empower women through capacity-building initiatives and access to climate finance. The NDC also emphasizes the inclusion of women in climate governance structures to ensure their active participation in policy formulation and implementation.

As part of the National Social Investment Program, the Government Enterprise and Empowerment Program offers microloans to women, youth, and smallholder farmers, facilitating the growth of small businesses and agricultural ventures. Recognizing that many Nigerian women lack traditional forms of collateral, the Central Bank of Nigeria has developed the MSME Development Fund, with 60% of the fund allocated to women-owned enterprises. Participating Financial Institutions are encouraged to accept alternative forms of collateral, including third-party guarantees backed by financial assets. For startups, acceptable collateral can include educational certificates and a guarantor, making it more accessible for women entrepreneurs to secure financing. To further address collateral challenges, the Central Bank of Nigeria established the National Collateral Registry (NCR) through the Secured Transactions in Movable Assets Act, 2017. This registry allows individuals and businesses to use movable assets—such as equipment, inventory, and receivables—as collateral for loans. This initiative significantly benefits women entrepreneurs who may not have access to traditional immovable assets. The First City Monument Bank's SheVentures programme provides interest-free loans, training, and mentoring to women-owned SMEs. FCMB has also secured funding to support agribusiness and renewable energy sectors, allocating a significant portion to women-led enterprises.

Nigeria is promoting policies that encourage government and private sector procurement from women-owned businesses, thereby expanding market opportunities for female entrepreneurs.

⁷⁰ World Bank: [From Collateral to Cashflow: Expanding access to finance for Nigeria's female business owners](#).

Protection of women and gender equality at the workplace

Nigeria ranks 162nd out of 177 countries on the 2023 Women, Peace and Security Index, with a score of 0.47⁷¹, and has a lifetime intimate partner violence (IPV) prevalence of 22.3%⁷². Research from 2012-2017 indicated an increase in reported incidents of harassment within the Nigerian banking sector. Different studies found that 80.8% of the respondents were sexually harassed and 94.2% respondents agreed that female marketers face numerous risks in carrying out and maintaining their roles.⁷³

While Nigeria's federal legal framework lacks legislation specifically addressing workplace sexual harassment, constitutional protections and proactive judicial interpretations provide avenues for redress. In addition, state-level laws, particularly in the Federal Capital Territory, have started to fill this gap. Also, the National Industrial Court of Nigeria (NICN) has acknowledged sexual harassment as a form of gender-based discrimination. In the case of *Ejike Maduka v. Microsoft Nigeria Ltd*, the court held the employer accountable for failing to address reported harassment, emphasizing the employer's duty of care.

Under Nigeria's Labour Act, female employees are entitled to 12 weeks of maternity leave, with at least six weeks postnatal, at a minimum of 50% of their regular wages, provided they have worked for the employer for a minimum of six months. There is no federal provision for paternity leave. However, some state governments and private sector employers have started to offer paternity leave voluntarily.

PERU

Women in the economy

In Peru, the labour force participation rate among women is 65.1% and among men is 80.5% for 2023. This corresponds to 45.3% of the total labour force being women (2023), reflecting similar ratios during the last two decades. In 2023, women held 38.6% of senior and middle management positions.

The informal employment rate for women was 74.3%, which is higher than that of men (69.5%).

Data is not available for Peru for the proportion of time spent per day on unpaid domestic and care work by sex.

Occupational and sectoral analysis

With 40.7%, the percentage of women in the manufacturing sector is only slightly lower than that in the overall formal economy. In the electricity supply sector, women represent 32.2% of the labour force, while in the water supply sector, they constitute 34.7%.

In Peru, women's participation in employment is relatively even across the observed sectors. In agriculture, women make up 41.8% of the workforce, and in manufacturing, 40.5%. The

⁷¹ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

⁷² UN Women (2024) [Global Database on Violence against Women](#)

⁷³ J.O. Okebiorun, Ojeomogha Tawakality Oluwakemi (2022) [Gender-Based Violence at Workplace: The Nigerian Experience](#)

electricity, gas, and steam sector has a female share of 30.1%, and the water supply and waste management sector records 28.3%.

The gender pay gap in average hourly earnings ranges below ten percent within each sector; the only outlier is the water supply sector, where women earn close to a quarter (22.8%) less per hour than men.

In 2023, in manufacturing, men made up 75.6% of STEM jobs; in electricity and gas, 79.2% of STEM roles were held by men; in water supply and waste management, men accounted for 93.2% of STEM employment.

Women's entrepreneurship and access to finance

According to the World Bank Enterprise Survey conducted in 2023, 55.3% of firms reported some level of women's participation in ownership, while 18.2% of firms were majority-owned by women. Additionally, 22.4% of firms had a woman as a top manager.

While the banking system is increasingly interested in targeting small business clients, women remain underserved by banks in Peru. Only a quarter of women have saved at a financial institution in the last year, and banks currently finance only about 20 percent of the working capital needs of women-owned formal small and medium enterprises.⁷⁴

Policy framework

The National Strategy for Women Entrepreneurs, established by Supreme Decree No. 012-2022-MIMP, aims to promote women's economic autonomy by addressing structural gender gaps and fostering sustainable livelihoods. Additionally, the Framework Law on Climate Change (Law No. 30754) and the National Climate Change Strategy incorporate gender considerations, though the integration varies across policies.

At the same time, Peru has demonstrated a proactive approach by developing a Gender and Climate Change Action Plan, aiming to integrate gender perspectives across various sectors. This initiative underscores the country's commitment to addressing gender disparities within the context of climate action. However, the lack of comprehensive data on women's participation in green industries impedes effective policy implementation. Also, Peru's institutional architecture still lacks mechanisms for sustained cross-sectoral coordination between ministries responsible for production, environment, and gender equality⁷⁵.

In collaboration with IDB Invest and COFIDE, BBVA Peru issued a \$200 million social bond to expand credit access for women-led micro and small enterprises. This initiative includes performance-based incentives and advisory services to strengthen BBVA's strategy in supporting women entrepreneurs.

The Collective Benefit and Interest Companies Law enacted in 2021 establishes a certification program for organizations demonstrating social and environmental responsibility, encouraging enterprises, including those led by women, to align with green economy principles.

⁷⁴ IADB (2014): [Peru is among best countries for women entrepreneurs but can do more](#)

⁷⁵ UNIDO & UN Women (2023): [Policy Assessment of the Economic Empowerment of Women in Green Industry](#)

Protection of women and gender equality at the workplace

Peru ranks 73rd out of 177 countries on the 2023 Women, Peace and Security Index, with a score of 0.72⁷⁶, and has a lifetime intimate partner violence (IPV) prevalence of 31.2%⁷⁷. A recent survey conducted among workers in the service sector, including finance and trade, indicated that half of surveyed participants reported incidents of verbal abuse, physical violence and degrading treatment⁷⁸.

SERBIA

Women in the economy

In Serbia, the labour force participation rate among women is 49.9% and among men 65.4% for 2023. Compared with labour force participation in the upper-middle income group, this gap between men and women is lower.

Zooming in on the percentage of the labour force composed of women, this amounts to 46.3% (2023), reflecting both a high percentage of women as well as a slight increase in the last decade.

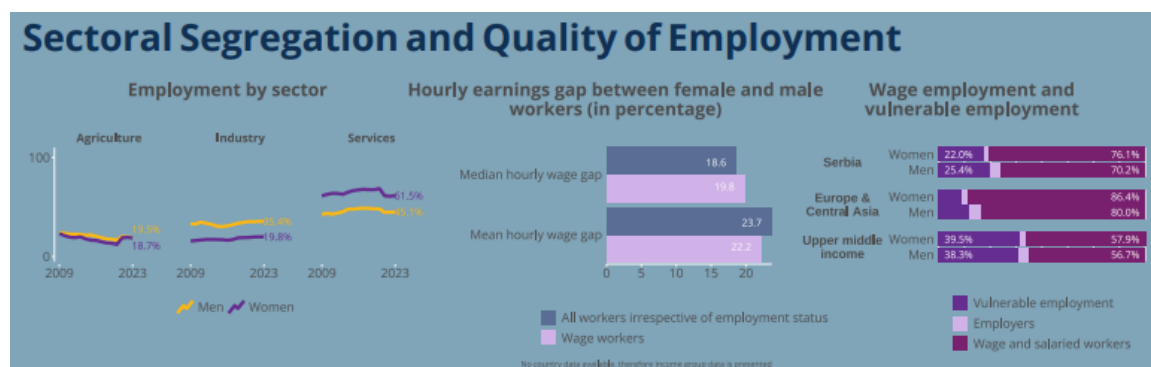
In 2023, the informal employment rate for women was 19.3%, which is higher than that of men (16.6%). When it comes to unpaid care work, women spend more than twice as much time on unpaid domestic and care work than men on such tasks (19.2% vs. 8.7%, data from 2015).

In 2023, women held 37.1% of senior and middle management positions.

Occupational and sectoral analysis

In Serbia, women are moderately represented across the four analyzed sectors. In agriculture, forestry and fishing, women constitute 44.2% of the labour force, and the manufacturing sector, they constitute 41.5%, thus a slightly lower representation than in the overall economy but significantly higher than in the electricity and water supply sectors. However, in the electricity supply sector, women represent only 24.1% of the labour force, while in the water supply sector, they constitute 27.2%.

Figure 5: Gender Data on sectoral segregation and quality of employment, Serbia



Source: World Bank Gender Data Portal - Serbia Gender Landscape Brief (accessed 10 April 2025).

⁷⁶ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

⁷⁷ UN Women (2024) [Global Database on Violence against Women](#)

⁷⁸ UNI Americas (2024) [“Diagnosis on the impact of third-party violence in the service sector in Peru”](#)

In 2019, in manufacturing, men made up 69.4% of STEM jobs; in electricity and gas, 85.5% of STEM roles were held by men; in water supply and waste management, men accounted for 73.2% of STEM employment.

Women's entrepreneurship and access to finance

The World Bank Enterprise Survey of 2024 revealed that 27.4% of firms reported some level of women's participation in ownership, while 16.9% of firms were majority-owned by women. Additionally, about one in five, or 20.9%, of firms had a woman as a top manager.

Women face multiple challenges in access to finance, due to less property ownership, fewer opportunities for networking, poor access to services and information, lack of digital literacy, and double burden of household chores⁷⁹. Micro-businesses, which are a sector with a bigger share of women than in other sectors, are the ones that struggle most to secure external funding. Micro-businesses can be virtually invisible for the commercial banking sector, especially if organized in the form of sole proprietors. Also, loans are often conditioned by providing real-estate collateral, which is something that women still have less control than men do. Even when the use of machinery and similar business assets as collateral is allowed, women tend to operate in the capital non-intensive sectors, meaning that they have less chance to use their fixed assets as the collateral⁸⁰.

Policy framework

Serbia's Law on Gender Equality (2021) mandates equal opportunities for women and men, including in economic activities. The Strategy for Gender Equality (2021–2030) outlines objectives to enhance women's economic empowerment, including support for female entrepreneurship, especially in rural areas and green sectors.

Serbia's NDC acknowledges the importance of gender equality in climate action by highlighting the inclusion of gender perspectives in environmental protection, the circular and green economy, and information technologies as well as digital economy.

Protection of women and gender equality at the workplace

Serbia ranks 32nd out of 177 countries on the 2023 Women, Peace and Security Index, with a score of 0.84⁸¹ and has a lifetime intimate partner violence (IPV) prevalence of 17%⁸². The country has recorded an average of 34 femicides per year between 2011 and 2023⁸³, however GBV continues to manifest in various forms, including domestic violence, economic violence, and online harassment. Since 2002, combating GBV has been a priority for the Serbian government, with domestic violence criminalized and several key international conventions ratified. Serbia has developed a comprehensive legislative and strategic framework to address GBV, including

⁷⁹ UN Women (2022) "[In Serbia, rural women boost their entrepreneurship skills and start their own businesses](#)"

⁸⁰ National Alliance for Local Economic Development (NALED) for UN Women (2019) [Gender Analysis of Economic Programmes and Financial Measures in Serbia](#)

⁸¹ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

⁸² UN Women (2024) [Global Database on Violence against Women](#)

⁸³ Serbian Monitor (2025) [BircaninovaLab: Comparing experiences on gender-based violence in Serbia and Italy](#)

the Law on the Prevention of Domestic Violence (2016) and the Law on Gender Equality (2021), which emphasize prevention, victim protection, and mandatory reporting. The government has also established the Coordination Body for Gender Equality and the National Council for Combating Domestic Violence to oversee and monitor the implementation of these laws. Despite these efforts, the need for improved enforcement of the Istanbul Convention still persists and further coordination between sectors to enhance protection and support for victims⁸⁴.

The Labour Law prohibits sexual harassment in the workplace. Employers are obligated to take measures to prevent harassment and ensure a safe working environment. Failure to address complaints can result in legal consequences. Additionally, the Law on Gender Equality mandates equal treatment and prohibits discrimination based on gender in employment practices.

Female employees are entitled to maternity leave starting 28 days before the expected delivery date and continuing until the child reaches three months of age. This period is followed by additional childcare leave, bringing the total duration to 12 months for the first and second child. For the third and subsequent children, the combined leave extends to 24 months. During maternity leave, employees are fully compensated. The first 30 days are paid by the employer, with the remainder covered by the state. Fathers are entitled to five days of paid paternity leave, funded by the employer.

SOUTH AFRICA

Women in the economy

Despite legal protections and affirmative action policies, women remain underrepresented in formal employment and are disproportionately concentrated in low-wage, informal, and precarious work.

In South Africa, 46.9% per cent of the total labour force are women (2023), reflecting similar ratios during to the last two decades. The labour force participation rate among women is 52.9% and among men is 64.6% for 2023. Compared with labour force participation in the upper middle-income group, the gap between men and women is lower in South Africa. In 2024, the informal employment rate for women was 34.6%, which is lower than that of men (35.1%). Women held 39.3% of senior and middle management positions in 2024. However, among entities listed at the national stock exchange, there are only 26.9% women in senior positions.⁸⁵

Data on the distribution unpaid domestic and care work from the last ten years is not available.

Sectoral and occupational analysis

In the industrial labour force, the ratio of women amounts to 37.1%. In the electricity, gas and water supply sector, they account to 25.5%. Women are heavily represented in community and social services, trade, and domestic work, while men dominate mining, construction, and manufacturing. According to 2023 Q2 data from Statistics South Africa, only 31.9% of the

⁸⁴ UNDP (2023) [Integrated Response to Violence against Women and Girls in Serbia III](#)

⁸⁵ KPMG (2023): Women in Leadership: South African Perspective.

workforce in manufacturing and 10.8% in construction are women. Meanwhile, women constitute 80.5% of workers in domestic services and 68.2% in community and social services. Women continue to face vertical segregation, with limited representation in managerial and decision-making positions. In the top listed 100 companies, women hold 29% of board positions, outperforming major G20 exchanges where the average is 20%.⁸⁶

Women's entrepreneurship and access to finance

Women in South Africa comprise a substantial portion of entrepreneurs, particularly in the informal economy. According to the most recent data from World Bank Enterprise Survey conducted in 2020, only 10.6% of firms reported some level of women's participation in ownership, while 8.7% of firms were majority-owned by women. However, with 38.5% of firms, the percentage of firms that had a woman as a top manager is higher.

Women-owned businesses face significant challenges in accessing finance. While the World Bank survey provides comprehensive data on various aspects of the business environment, it does not offer sex/gender-disaggregated statistics on access to finance. However, broader findings indicate that access to finance remains a considerable obstacle for firms in South Africa, with 16.1% of firms identifying it as a major constraint. This suggests that women entrepreneurs, who often face additional barriers such as limited collateral and discriminatory lending practices, may be disproportionately affected⁸⁷.

Policy framework

South Africa has a well-established gender equality framework grounded in the Constitution and the Employment Equity Act (1998), which mandates equal treatment and affirmative action in the workplace, the South Africa's National Policy Framework for Women's Empowerment and Gender Equality, and the Women's Empowerment and Gender Equality (WEGE) Strategy.

The National Development Plan 2030 (NDP 2030) highlights the need to remove inequalities. South Africa's National Environmental Management Act (Act No. 107 of 1998) recognizes the important role of women and youth in environmental management and development, and significant strides have been made by the country in gender mainstreaming.

Sectoral mechanisms such as the National Green Fund and the National Strategy for Sustainable Development provide a normative basis for the integration of gender and environmental objectives. However, policy coherence remains limited, with gender and environmental ministries operating in parallel rather than through integrated strategies. Furthermore, while many government departments have gender units or focal points, these mechanisms are often under-resourced and lack influence in decision-making structures, particularly within the departments responsible for trade, industry, energy, and the environment⁸⁸.

The Industrial Development Corporation (IDC) and the Small Enterprise Finance Agency (SEFA) have dedicated facilities for women entrepreneurs, and government programs such as the

⁸⁶ Commission for Employment Equity Report 2022.

⁸⁷ World Bank (2020) [World Bank Enterprise Surveys South Africa 2020 Country Profile](#)

⁸⁸ UNIDO & UN Women (2023): [Policy Assessment for the Economic Empowerment of Women in Green Industry](#)

Women Empowerment Fund provide targeted support for female-owned SMEs. Nevertheless, barriers such as limited collateral, gender norms, and network exclusion persist.

The country offers the Broad-Based Black Economic Empowerment (B-BBEE) certification, which includes provisions for women-owned businesses.

Protection of Women and Gender Equality at the Workplace

South Africa ranks 91st out of 177 countries on the 2023 Women, Peace and Security Index, with a score of 0.69⁸⁹ and has intimate partner violence (IPV) prevalence of 21.3%⁹⁰. South Africa has one of the highest femicide rates globally, with approximately 9 femicides per 100,000 females⁹¹. Reports also show that 60% of women murdered in 2020/21 were killed by an intimate partner, and conviction rates for such crimes remain distressingly low⁹². The South African government has intensified its efforts to combat GBV and femicide through various initiatives. The National Council on GBV provides strategic leadership, ensuring a more inclusive and well-resourced approach. Legal reforms, including amendments to the Criminal Law (Sexual Offences and Related Matters Act), have expanded definitions and introduced new offenses such as sexual intimidation⁹³. Despite these efforts, challenges remain in enforcement and resource allocation, highlighting the need for continued advocacy and systemic reform.

The Employment Equity Act and the Labour Relations Act prohibit discrimination on the basis of gender, ensure equal pay for work of equal value, and provide protection against unfair dismissal. Sexual harassment is addressed through the Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace, issued in terms of the Employment Equity Act. While progressive on paper, enforcement remains a challenge, particularly in informal sectors and smaller enterprises.

The Basic Conditions of Employment Act mandates at least four months of paid maternity leave, although paternity leave remains limited to 10 days of unpaid parental leave under the 2018 amendments.

UZBEKISTAN

Women in the economy

In Uzbekistan, the labour force participation rate among women is 39.6%, compared to men at 72.5% in 2023. While the gap is significant, compared with labour force participation across all lower-middle income countries, the country's gender gap is smaller. As a percentage of the overall labour force in Uzbekistan, 35.5% were women in 2023, reflecting a slight but continuous annual decline since the record high of 39.7% in 1996.

In Uzbekistan, the level of financial inclusion among women is low. Only 38.8% of Uzbek women owned an account, compared with the Central Asia regional average of 56%. For men, 50.2%

⁸⁹ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

⁹⁰ UN Women (2024) [Global Database on Violence against Women](#)

⁹¹ World Bank (2019) [International homicides, female \(per 100,000 female\)](#)

⁹² SMARC (2024) [South Africa's Femicide Crisis Persists](#)

⁹³ State of the Nation, [Gender-based violence](#)

have a bank account in Uzbekistan, whereas 67% do in the region. The number of people who borrowed from a financial institution is also low, with just 4.8% of women and 10.6% of men doing so in 2021, compared to the global averages of 20.6% and 23.8%, respectively.

The internet use is among women and men is rather widespread, with 87.1% to 90.9% respectively (2023). The gender gap in the use of mobile phones or the internet to pay bills is more pronounced, with 22% of men but only 11% of women having done so in 2021.

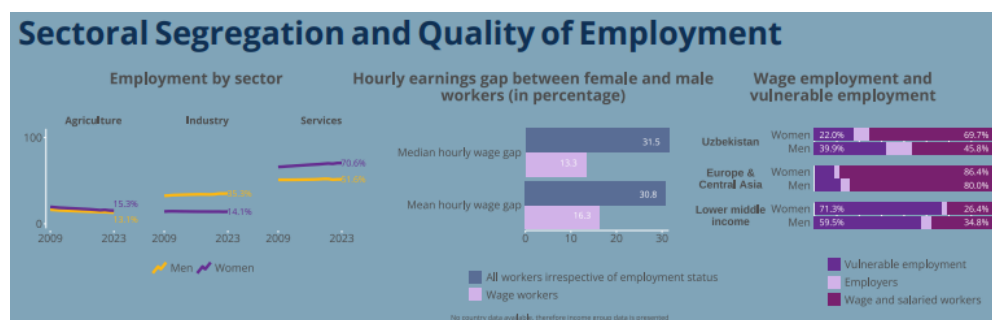
Data for the proportion of time spent on unpaid domestic and care work, informal employment, and women's representation in senior and middle management positions is not available.

Occupational and sectoral analysis

Across sectors, Uzbekistan shows both high and especially low levels of female employment depending on the sector. In manufacturing, women constitute 48.1% of the workforce, and in agriculture, 39.0%. However, women are underrepresented in electricity, gas, and steam (1.8%) and water supply and waste management (6.3%).

Data on average earnings per hour per sector and sex is not available.

Figure 7: Gender Data on sectoral segregation and quality of employment, Uzbekistan



Source: World Bank Gender Data Portal - Uzbekistan Gender Landscape Brief (accessed 10 April 2025).

Women's entrepreneurship and access to finance

In 2019, the World Bank Enterprise Surveys of SMEs showed that 25.9% of firms reported some level of women's participation in ownership, and 11.9% of firms were majority-owned by women. Moreover, 12.4% of firms had a woman as a top manager.

Women-led MSMEs constitute around 16 percent of the SME landscape in Uzbekistan. An IFC study estimates that there are over 29,000 early-stage, 23,000 stability-oriented, and almost 82,000 growth-oriented women-owned/led MSMEs in the country. Most women entrepreneurs in the sample operate within the retail and wholesale commerce space, with textiles and leather as the second-most popular industry. In terms of access to finance, the study found that 70% of women-led MSMEs not served or are underserved, with unmet financial needs around \$1 billion.⁹⁴

Due to the lack of sex-disaggregated data and the absence of a national definition of women-led/-owned businesses, more precise data on the number of women entrepreneurs, their sector concentration, and loan performance disaggregated by sex is not available. Women-owned firms

⁹⁴ IFC (2022): Market Research to Assess the Business Opportunity of Women's Markets for Financial Services in Uzbekistan.

in Uzbekistan are more likely to be micro or small and informal, and demonstrating low value-added production.⁹⁵

Policy framework

A major initiative is the National Strategy for Achieving Gender Equality by 2030 includes various reforms, such as abolishing restrictions on women's labour in unfavourable working conditions and creating a reserve list of over 25,000 women for leadership positions in state bodies. As indicated in the Strategy, Uzbekistan further aims to increase the percentage of small and medium-sized businesses owned and run by women from 25% to 40% by 2030.

The Financial Inclusion Policy Framework focuses on developing an enabling environment to enhance women's access to finance. It includes collecting sex-disaggregated data, building skills for women-led MSMEs, allowing alternative sources of collateral, developing digital financial services focused on women-led MSMEs, and encouraging diversity and women leadership in the financial and business sectors.

Protection of women and gender equality at the workplace

Uzbekistan ranks 94th out of 177 countries on the 2023 Women, Peace and Security Index, with a score of 0.67⁹⁶. It has taken significant steps to address GBV and sexual harassment through recent legislative reforms. In April 2023, the country enacted a law criminalizing domestic violence, including economic and psychological abuse, and introduced penalties for sexual harassment and stalking. These measures indicate progress, challenges remain in ensuring effective enforcement and support for victims. While specific legislation targeting workplace sexual harassment is limited, several companies have started implementing policies to address discrimination and harassment.

Female employees are normally entitled to 126 calendar days of paid maternity leave, during which they receive social security benefits equivalent to their regular salary. Currently, there are no legal provisions for paternity leave in Uzbekistan.

Recommendations for the TPI based on country assessment

The following entry points for the Transformation Pathway Fund (TPI) emanate from the country and sectoral assessment:

1. Establish a gender-responsive Fund framework

- Ensure diverse representation, approximate gender equality and gender expertise in Fund decision-making bodies;
- Adopt a Fund-wide gender equality strategy that aligns with international standards and sets clear expectations for gender integration at all levels;
- Integrate gender criteria into the Fund's investment processes, including due diligence;
- Integrate gender-relevant KPIs into the impact measurement, management and reporting approach;

⁹⁵ IFC (2022): Market Research to Assess the Business Opportunity of Women's Markets for Financial Services in Uzbekistan.

⁹⁶ Georgetown Institute for Women, Peace and Security (2023) [Women Peace and Security Index 2023/24](#)

- Set aside technical assistance (TA) funding to accompany investments with gender-integration projects and support women entrepreneurs;
 - Ensure dedicated resources for implementation of the gender approach, i.e. a focal person on gender matters for the Programme, train staff and implementing partners on gender mainstreaming tools and inclusive project design.
- 2. Facilitate increased investment in a gender-responsive, low-carbon climate-resilient industry and agrifood systems**
- Ensure all investments made by the Programme to its investees undergo gender assessments and incorporate gender-responsive safeguards;
 - Where feasible, integrate gender-responsive finance strategies into TA to financial institutions, SMEs and larger companies receiving financing through gender-specific capacity building, including trainings on workplace gender equality policies, covering leadership pathways for women, inclusive hiring practices, and an enabling environment for all with zero tolerance for harassment, including sexual harassment;
 - Facilitate peer-learning exchanges between companies with strong gender performance and those seeking to improve;
 - Where feasible (considering the widespread lack of sex/gender-disaggregated data, particularly in the financial sector), collect gender disaggregated data, including on job creation and capacity building participation.
- 3. Contribute to an enabling market environment for gender-responsive low-carbon climate resilient investments**
- Explore feasibility of engaging with and supporting public sector stakeholders through advocacy, capacity building, and awareness-raising efforts, including conducting gender assessments for target sectors, delivering trainings on gender mainstreaming, developing policy briefs, showcasing good practices in gender-responsive climate finance, and facilitating multi-stakeholder dialogue platforms;
 - Support enhancement of investment readiness of women-owned/led businesses through targeted outreach, including awareness raising campaigns, tailored training programmes, mentorship and networking opportunities;
 - Leverage and engage with women's business associations, unions, cooperatives, and gender-focused civil society organizations in the design, development, and implementation of activities.

Part II: Gender and Social Inclusion Action Plan

Project description

The TPI Programme aims to mobilize private sector investments in low-carbon, climate-resilient industries and agrifood systems, enhance borrower capacities for planning, executing, and reporting on such investments within climate-compatible financial systems and improve the overall investment readiness and market conditions to support the decarbonization and future proofing (including enhanced climate resilience) of industry and agrifood systems in its partner countries.

Aligned with its mission, the Programme seeks to promote gender-responsiveness in financial sector, industry, and agrifood systems by addressing disparities in access to finance, employment, and capacity building. Building on the key challenges identified in the country assessments, the Programme focuses particularly on mitigating risks related to sexual exploitation, abuse, and harassment (SEAH) and gender-based violence (GBV), while supporting green jobs and improving working conditions for women — who are disproportionately affected by these risks and often lack adequate rights, protections, and representation in the Programme’s target sectors. Additionally, the Programme aims to increase access to financing for low-carbon, climate-resilient industries and agrifood systems, benefiting financial institutions (FIs), companies, and projects—including female clients of FIs and women-owned/led businesses.

TPI gender approach

Considering the Programme’s objectives, design, and the gender assessment for the target countries, key goals and objectives of TPI gender approach along with relevant activities are listed in the table below. The activities are further elaborated in the gender action plan.

Goals	Objectives	Activities
Ensure that the Fund systematically considers gender equality	Establish gender-responsive fund structure	1. Mainstream gender considerations in the Programme’s strategy, impact framework and ESMS 2. Strive for gender balance in the Fund’s governing bodies and decision-making functions 3. Regular portfolio-level monitoring and reporting of gender-related outcomes
Support green jobs (incl. for women)	Contribute to increased investment in gender-	1. Conduct gender-responsive due diligence processes

	responsive low-carbon climate-resilient industry and agrifood systems	2. Collect and monitor sex/gender-disaggregated investee reporting
Support improved working conditions for women and access to finance for women owned/led businesses	Contribute to enhanced capacity of investees in mitigating gender-related (SEAH/GBV) risks and gender mainstreaming in their policies, processes, and product offering	1. Engage with investees to address material gender-related risks 2. Support investees on leveraging opportunities to institutionalize gender mainstreaming in their policies and processes
Promote gender-responsive financial sector, industry and agrifood systems	Contribute to an enabling market environment for gender-responsive low-carbon climate resilient investments	1. Support SMEs in developing and updating gender policies and practices in the company's workplace, supply chain and community, in line with the 2X Criteria and the Women's Empowerment Principles 2. Provide targeted and tailored entrepreneurial ecosystem support to women-led/-owned businesses, including specific outreach, mentorship and investment networking opportunities 3. Support sector/industry associations and governmental agencies on mainstreaming gender considerations (e.g. sectoral policies related to entrepreneurship, climate action, renewable energy and green industry) and disseminate and exchange knowledge on approaches, examples and good practices on strengthening gender equality and the empowerment of women in green industry and agrifood systems

Gender considerations are mainstreamed throughout the Programme’s institutional framework – including strategy, governance, institutional capacity, and dedicated human resources – and embedded across the Programme’s two core components. In the Component 1 (Transformation Pathways Initiative – Blended Finance Fund) the gender approach focuses on integration of gender in the investment process and impact monitoring and reporting, while in the Component 2 (Transformation Pathways Initiative – Technical Assistance Facility (TAF)) – on gender-responsive measures in the technical assistance activities.

Institutional framework for gender mainstreaming

- **Strategy:** The gender approach establishes a comprehensive framework that outlines the guiding principles for integrating gender considerations into the TPI Programme’s policies and operations. It provides a strategic approach to ensure that gender considerations are systematically mainstreamed. The gender approach aligns with the leading industry standards in gender-smart finance and women’s economic empowerment, including the 2X Criteria, the GCF Gender Policy, the UNIDO 2024-2027 Operational Strategy for Gender Equality and the Empowerment of Women, and OECD-Development Assistance Committee Gender Equality policy marker. The Programme’s E&S Policy includes a commitment to preventing and responding to SEAH and GBV in alignment with the GCF’s SEAH Policy.

- **Governance:** The Programme strives to maintain 40% female representation in line with 2X Leadership criteria for funds registered in Luxembourg, this includes the key governing bodies.

In line with its Sustainability Policy, Finance in Motion, as AE and EE for the Programme, is already committed to gender diversity, inclusion and equity, striving to maintain equal representation at all levels. At the senior management level, 67% of the managing directors are represented by women, 53% of all staff are women. The company systematically monitors relevant factors, including gender balance in the promotion process, as part of the annual performance review process.

- **Institutional capacity:** The implementation of the gender approach will be supported by a set of processes and tools designed to operationalize these principles, which have already been well tested and established by Finance in Motion for other funds. These include gender-responsive due diligence and impact assessment, sex/gender-disaggregated investee reporting, and comprehensive impact monitoring and reporting frameworks. Corresponding tools such as due diligence questionnaires, the Impact Scoring Tool, investee reporting templates and software, and data analysis systems will be adapted for the Programme to ensure a structured, consistent, and effective application of the gender approach.

Dedicated human resources: The Impact team serves as Finance in Motion’s competence center to steer and oversee gender strategy implementation and will also oversee the implementation of the GAP. The team will leverage its substantial expertise and experience from developing and managing gender frameworks across multiple funds and investment strategies. This includes gender-lens product development, impact monitoring, engagement with financial institutions/other

partners as well as comprehensive sex/gender-disaggregated reporting and facilitating alignment with global standards. A dedicated person within the Impact team with relevant gender expertise will be assigned for the Programme as a focal point on gender matters.

Within the Programme's two key components, AE's E&S experts, Investment Management and Technical Assistance teams additionally support the implementation of the Programme's gender approach. The Impact team runs regular training sessions on sustainability-related topics, including on gender, and such periodic gender training sessions will be conducted for the staff working on the Programme to ensure ongoing capacity building and effective implementation of the approach.

Finance in Motion draws on its extensive experience in gender-focused engagements, having to date conceptualized and managed projects with more than 50 investees and ecosystem players, including in the Programme's target countries. Initiatives include developing gender policies and practices for financial institutions, integrating gender KPIs in financial institutions, raising awareness among sector players and promoting women's entrepreneurship in agritech and fintech across Africa, Middle East, and Eastern Europe. Furthermore, a dedicated gender expert recruited by UNIDO under the specific project will be part of the Market Track TA (see below under Component 2) project implementation team.

Component 1: Transformation Pathways Initiative – Blended Finance Fund

- **Gender considerations in the investment process:** The Programme will assess the investees' gender integration during the due diligence process, monitor 2X Criteria aligned gender-related indicators and investees' progress during the investment period, and continuously assess areas for improvement and potential engagement.

The Programme will analyse the level of the (potential) investee's gender integration at the due diligence stage, leveraging Finance in Motion's 2X Criteria aligned gender assessment matrix integrated in the Impact Scoring Tool, considering: (i) integration at institution level, in its strategy, data collection, lending practices of FIs, and non-financial services; (ii) number of women employees and women in senior management and on the board, and (iii) gender-related risks and investee's approach to diversity and inclusion, incl. unadjusted gender pay gap, and integration of gender-related safeguards in investee's policies prohibiting SEAH and GBV. . The assessment results will help the Programme categorize the investee based on its level of gender integration: gender neutral, gender aware, or gender-smart. Periodic gender assessments of existing investees will support progress monitoring and identify improvements in their level of gender integration.

To proactively address SEAH and GBV matters, the Programme will integrate SEAH and GBV risk assessments into its E&S due diligence to identify potential risks and implement appropriate mitigation measures. The country-level gender assessments, which include an analysis of sector-specific SEAH and GBV risks in the Programme's target countries, will inform the initial E&S screening at the due diligence stage. The

materiality of the identified risks will depend on the investee type (corporate or FI), financed sectors, and contextual factors highlighted in country assessments, e.g. agrifood system in a target country with high level of risk. Where material gaps are identified during the due diligence, such as in the identification and mitigation of potential SEAH and GBV-related risks or working conditions for women, appropriate mitigation measures will be developed to align investments with SEAH and GBV requirements. These may be incorporated into the Environmental and Social Action Plan (ESAP), as needed. When necessary, the Programme may also use its TAF to provide specialized training and awareness programs for staff and Pls, equipping them to identify, prevent, and effectively respond to SEAH and GBV incidents.

- **Impact monitoring and reporting:** Progress towards the Programme's gender objectives will be monitored based on relevant sex/gender-disaggregated impact KPIs, building on investee reporting and Programme data. The Programme will strive to collect sex/gender-disaggregated data based on indicators aligned with 2X Criteria through investee reporting where feasible. This will enable monitoring of gender-specific outcomes, facilitate tracking of investees' progress in gender integration and Programme's contribution towards addressing gender disparities in specific sectors. The monitored data will facilitate the Programme's reporting on the progress made in implementing the Gender Action Plan (GAP) to the GCF as well as reporting to the shareholders.

Component 2: Transformation Pathways Initiative – TAF

- **TAF Finance Track:** Depending on the investee's level of gender integration assessed at the due diligence stage, the Programme may determine potential areas of TA engagement. TAF Finance Track's measures are aimed at institutional support to strengthen the FIs' internal focus on gender topics may include the following: gender maturity assessment, development of gender-related policies and strategies, development of gender-responsive products and services, sex/gender-disaggregated data collection, staff capacity building on gender-related topics, promotion of female leadership on the financial sector.
- **TAF Market Track:** In implementing technical assistance for investment market development support and scaling, the Programme strives to ensure gender-responsive stakeholder engagement and consultation reflected in gender balance of participants and addressing challenges related to gender disparities relevant in the specific sector and country.

The Programme's gender approach draws on Finance in Motion's experience in designing and implementing gender-focused initiatives across its managed funds, including in countries targeted by the Programme. It is informed by ongoing engagement with local financial institutions, sectoral stakeholders, and MSMEs, as well as by the country-specific gender assessments referenced in this section. Additionally, the development of the approach has been significantly supported by UNIDO's gender experts, who bring extensive international experience in promoting

gender equality and women's empowerment, particularly at the intersection of gender and sustainable industrial development.

Finance in Motion commits to regularly reviewing, updating, and monitoring the Programme-level GAP in alignment with GCF requirements. This includes refining gender-related baselines, indicators, and targets as needed throughout implementation. Finance in Motion will ensure periodic updates to gender assessments and will promptly notify the GCF of any significant changes in the Programme's design, execution, or other circumstances that may impact the implementation of the GAP. In addition, Finance in Motion will monitor and report on progress made in executing the GAP, ensuring transparency and accountability in line with GCF standards.

Activities	Indicators and targets	Timeline	Responsibilities	Indicative Costs
Impact Statement: Decarbonization and future proofing (including enhanced climate resilience) of industry and agrifood systems in its partner countries through reduction of industrial GHG emissions, enhanced resilience of vulnerable communities/people, <u>including women</u>, in agrifood systems, and an improved enabling environment that drives additional investments and emissions reduction.				
Outcome Statement: The Programme enhances gender responsiveness across the financial sector, industry, and agrifood systems by reducing gender disparities in access to finance, employment, and capacity building. It strengthens institutional awareness on gender equity among investee companies and relevant stakeholders, contributing to long-term systemic change. Building on country-specific gender assessments, the Programme mitigates risks related to SEAH and GBV, supports green job creation, and improves working conditions for women. Finally it expands access to finance for low-carbon, climate-resilient industries and agrifood systems, benefiting financial institutions, companies, and women-owned/led enterprises.				
Component 1: <i>Mobilizing private investments in low-carbon, climate-resilient technologies and practices in industry, agrifood systems and enabling infrastructure</i>				
Output 1.1: <i>Mobilizing private capital for low-carbon climate-resilient industry and agrifood systems <u>through the TPI with mainstreamed gender considerations</u></i>				
1. Mainstream gender considerations in the Programme's strategy, impact framework and ESMS 2. Strive for gender balance in the Fund's governing bodies and decision-making functions 3. Regular portfolio-level monitoring and reporting of gender-related outcomes	1. Mainstreaming includes: SEAH and GBV management is integrated in the Fund's ESMS, gender considerations and indicators are integrated in the Fund's impact framework, focal point on gender is appointed, FiM staff responsible for TPI receives regular gender training 2. Strive for at least 40% of women representation in the Fund's governing	First year upon FP's approval	FiM, UNIDO, Fund's governing bodies	25 person-days ~ USD 16k per year

bodies and across key decision-making functions⁹⁷

3. Selected impact indicators are reported to shareholders on sex/gender-disaggregated basis

Output 1.2: Increased investment in low-carbon climate-resilient industry, agrifood systems and enabling infrastructure in partner countries while addressing risks related to SEAH and GBV

1. Conduct gender-responsive due diligence processes	1. Gender assessment based on 2X Criteria aligned indicators undertaken for 100% of investments as part of due diligence	Throughout the lifetime of the Programme	FiM and investee companies	40 person-days ~ USD 26 k per year
2. Collect and monitor sex/gender-disaggregated investee reporting	2. 100% of investees are required to report sex/gender-disaggregated data in line with 2X Criteria (data to be integrated in TPI reporting)			

Component 2: Establishment and management of the Technical Assistance Facility with two interlinked Tracks (Finance Track and Market Track)

Output 2.1 – Finance Track: Enhanced capacities of borrowers, including women and women-owned/led businesses, for preparing, implementing and reporting on low-carbon climate resilient investments and for gender inclusive, climate-compatible financial systems

1. Support investees to address material gender-related risks	1. Engagement with 100% of investees with material gaps in addressing SEAH- and GBV-related risks or in working conditions for women identified in the due diligence through the provision of targeted TA where needed	Throughout the lifetime of the Programme	FiM, external consultants, investee companies	20 person-days ~ USD 13 k per year
2. Support investees on leveraging opportunities to institutionalize gender mainstreaming in their policies and processes	# investees with material gaps in SEAH/GBV			5-10% of TA budget ~ USD 600-1,200k

⁹⁷ In line with 2X Challenge criteria for funds registered in Luxembourg.

- # investees with corrective actions
- 2. 10% of institutional TA projects for FIs include gender considerations, FIs selection for such project to consider their level of gender integration
- 3. Investees' progress in enhancing gender integration is monitored through periodic gender assessments based on 2X Criteria aligned indicators
- # of investees with enhanced level of gender integration

Output 2.2 – Market Track: Improved investment readiness and enabling market environment for low-carbon climate resilient investments

1. Support SMEs in developing and updating gender policies and practices in the company's workplace, supply chain and community, in line with the 2X Criteria and the Women's Empowerment Principles	The Programme systematically tracks efforts to reduce disparities in specific sectors through monitoring:			
2. Provide targeted and tailored entrepreneurial ecosystem support to women-led/-owned businesses, including specific outreach, mentorship and investment networking opportunities	1. Share of SMEs (incl. their sector) benefiting from the project supported in engagement 2. Number of support activities provided to women-led/owned enterprises (incl. their sector) 3. Number of gender-specific capacity-building activities provided to ecosystem stakeholders (incl. gender-specific events organized and knowledge products developed)	Throughout the lifetime of the TA Market Track	UNIDO	2-5% of TA budget ~USD 240-600k
3. Support sector/industry associations and governmental agencies on mainstreaming gender considerations (e.g. sectoral policies related to entrepreneurship, climate action, renewable energy and green industry)				



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and disseminate and exchange
knowledge on approaches, examples and
good practices on strengthening gender
equality and the empowerment of women
in green industry and agrifood systems