



GREEN
CLIMATE
FUND

GCF REGIONAL DIALOGUE

with WEST AND CENTRAL AFRICA

Accra, Ghana

29 September–2 October 2026





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Session 1.6. Crowding in Capital: How GCF Invests with the Private Sector

Dr. Ayaka Fujiwara, Climate Investment Associate Principal, GCF

Accra, Ghana

29 September–2 October 2026

Why Private Sector ?

Climate finance crossed USD 2tn — but needs are still more than 3× higher

Current flows are growing, yet not fast enough to reach even the lower bound of a Paris-aligned investment pathway.

USD

2.0tn

global climate
finance
in 2024

+6% year-on-year

Growth slowed sharply versus
earlier years.

ANNUAL GLOBAL REQUIREMENT BY 2030

USD 6.3–6.7tn



1.9tn

mitigation flows
(2024)

1.2tn

flows to EMDEs
(2024)

≈80%

of flows remain in
advanced economies + China

The issue is no longer proof of concept — it is pace, scale and distribution.

Sources: CPI, Global Landscape of Climate Finance 2026 (2024 flows; revised historical series); IHLEG, Raising Ambition and Accelerating Delivery of Climate Finance (2024) (2030 requirements).

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Public finance must catalyse — private capital must deliver the scale

Global private climate finance is growing, but cross-border capital still bypasses many markets where investment needs are greatest.

GLOBAL CLIMATE FINANCE, 2023–24

62%

PRIVATE

38%

PUBLIC



Private flows exceeded USD 1.2tn in 2024

Yet only ~5% of total private finance crossed borders in 2024.

EMDEs (EXCL. CHINA): EXTERNAL PRIVATE FINANCE

~30bn

current annual level



15–18× scale-up

450–500bn

required annually by 2030



Use scarce public capital for what markets cannot do alone:

project preparation • policy reform • guarantees • catalytic equity • local-currency risk mitigation

The strategic shift: from funding projects to building markets.

Sources: CPI, Global Landscape of Climate Finance 2026; IHLEG, Raising Ambition and Accelerating Delivery of Climate Finance (2024). OECD mobilisation data are narrower and not directly comparable to total private investment.

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Adaptation is the missing market — and the financing gap is widening

Public finance remains foundational, but private investment is indispensable wherever viable revenue, savings or risk-reduction models can be built.

DEVELOPING-COUNTRY ADAPTATION FINANCE

USD 26bn

international public flows, 2023



USD 310–365bn

annual needs in 2035

12–14x

needs versus current international public flows

Tracked global adaptation investment plateaued at USD 64bn in 2024.

Different scopes: CPI tracks global primary investment; UNEP compares developing-country needs with international public adaptation flows.

PRIVATE ADAPTATION FINANCE

USD 3.8bn

tracked in 2024

≈6%

of tracked adaptation flows

Scale the investable edge

Resilient infrastructure • water • climate services • agriculture • insurance and risk analytics

Implication: protect grant finance for public goods — and use blended finance to turn resilience benefits into investable cash flows.

Sources: UNEP, Adaptation Gap Report 2025; CPI, Global Landscape of Climate Finance 2026. Private adaptation data remain materially under-tracked.

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GCF Private Sector Strategy

Four mutually reinforcing prongs guide the Fund's private-sector approach (Board decision B.32/06) — from enabling policy and innovation to de-risking investment and strengthening institutions — to mobilize private capital for climate action.

01



Promote a conducive investment environment for combined climate and economic growth activities

02



Accelerate innovation for business models, financial instruments and climate technologies

03



De-risk market-creating investments to crowd in private climate finance

04



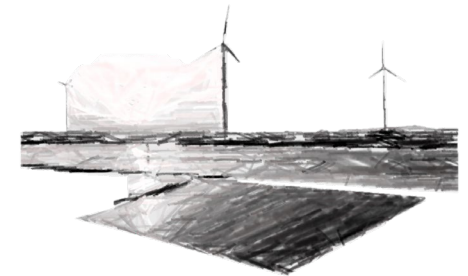
Strengthen domestic and regional financial institutions to scale up private climate finance

Private-sector portfolio allocation



- 6% Technical assistance & grants (plus readiness grants)
- 5% Innovation — business models, instruments & technologies
- 89% De-risking investment & strengthening institutions (prongs 3 & 4)

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What We Do

Three mutually reinforcing functions that together drive lasting climate impact in developing countries — from structuring finance to building the institutions that can sustain it.



01



Delivering Capital at Scale

We structure and deliver concessional and commercial finance for climate impact in developing countries, mobilizing private capital to close the adaptation and mitigation gap.



02



Strengthening Institutions

We strengthen national and regional institutions, empowering our accredited entity network to access and deploy climate finance at scale — building durable in-country capacity.



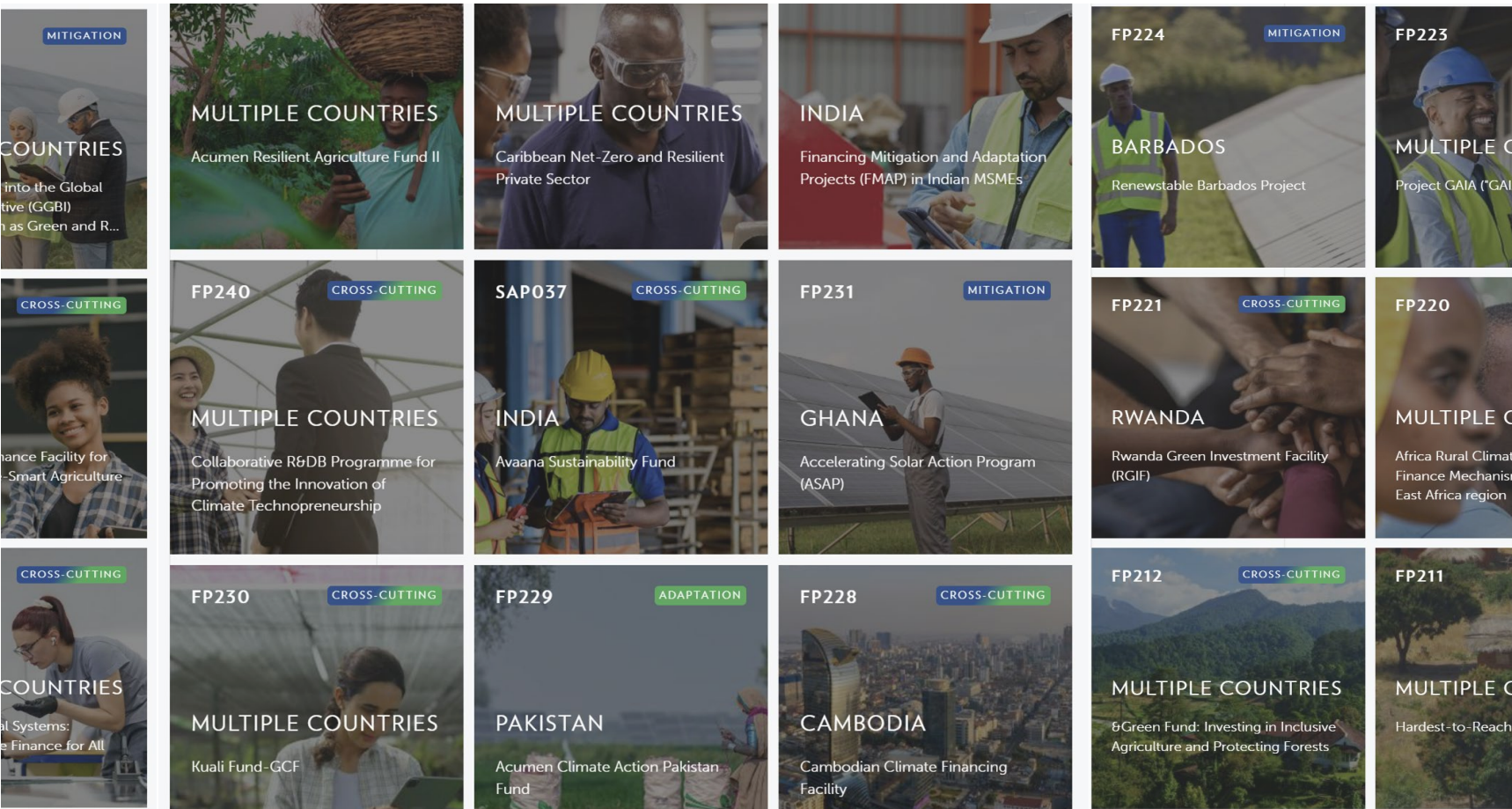
03



Partnering for Impact

We convene networks of partners and sectoral expertise to deploy capital efficiently and deliver long-lasting, high-impact programmes for communities on the front lines of climate change.

Private Sector – Overall Portfolio



79
Projects

101
Countries coverage

\$6.9
GCF financing

68%
Under implementation

\$31.3B
Co- financing

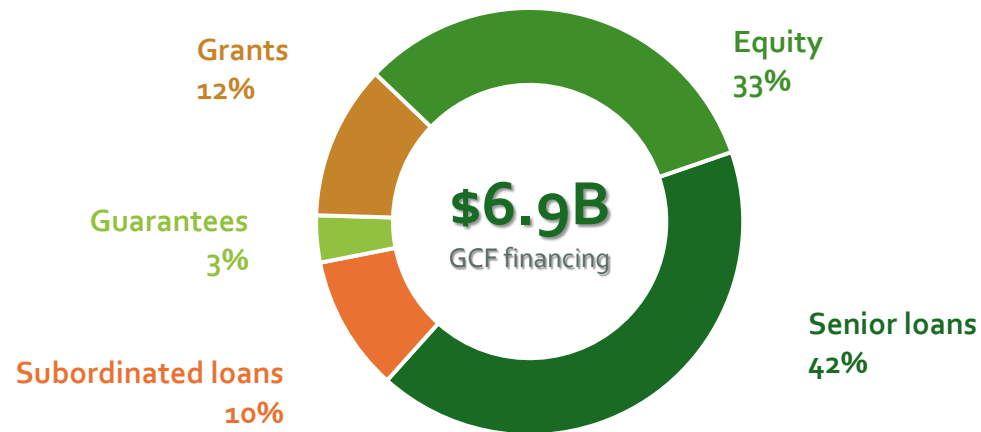
\$2.2B
Disbursed as of Oct 2025

1.7Gt
Lifetime CO2

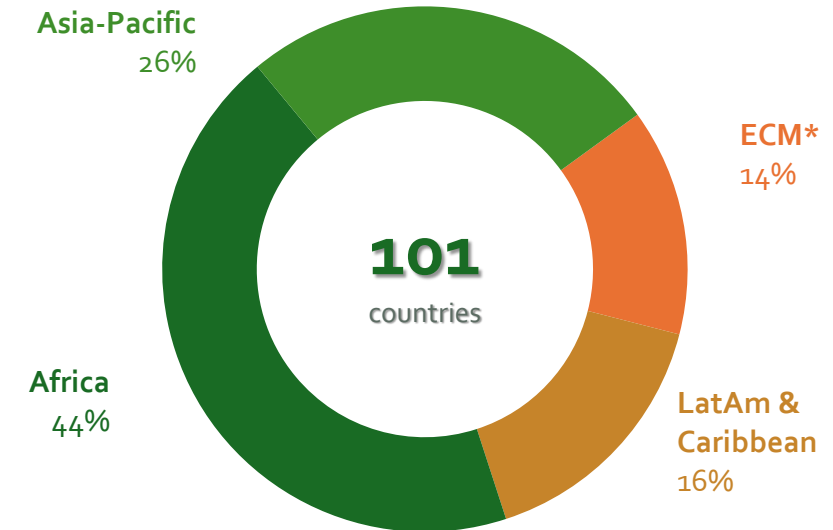
677M
Beneficiaries

Private sector portfolio at glance

Financial instrument



Geographical distribution



Debt-anchored and globally diversified. Senior and subordinated loans make up 52% of funding and equity a further 33%, so about 85% is repayable capital, with grants and guarantees (15%) used selectively to de-risk. Geographically, Africa (44%) and Asia-Pacific (26%) together drive 70% of deployment.

Our Portfolio in Focus: By Financial Instrument

One of GCF's defining strengths is its flexibility across the financial stack. By deploying the right instrument for each context — from highly concessional grants for the most vulnerable, to equity and guarantees that crowd in private capital — GCF maximizes both impact and resource efficiency.



GRANTS

Highest adaptation capacity

Non-repayable funding for the most vulnerable — building readiness where returns cannot yet attract private capital.



CONCESSIONAL LOANS

Largest volume

Below-market debt that makes climate projects bankable and stretches every public dollar further.



EQUITY

Shares early risk

Direct ownership stakes that absorb first-loss risk and crowd in private co-investors.



GUARANTEES

Unlocks private lending

Risk cover that backstops losses, giving commercial lenders the confidence to finance.

More concessional • higher public risk

Mobilizes private capital

WHY IT MATTERS

Instruments serve different country contexts & investment types.

The mix is calibrated per country — grants where markets can't reach, loans, equity and guarantees where they can be catalysed.



Our Portfolio in Focus: By Sector



GCF's portfolio is balanced across mitigation and adaptation — spanning energy, ecosystems, water, transport, health, food security and cross-cutting areas — reflecting the breadth of climate action needed in developing countries.



Energy & Power

Renewable generation & clean grids



Ecosystems

Nature-based resilience & biodiversity



Water & Sanitation

Secure, climate-resilient water



Health, Food & Social

Protecting vulnerable communities



Transport

Low-carbon mobility systems



Industry & Buildings

Efficiency & clean production



Forestry & Land Use

Forests & land as carbon sinks



Information Technology

Data, early warning & monitoring

BALANCING MITIGATION & ADAPTATION

Every sector cuts the causes and the consequences of climate change.

Diversity across sectors matches the breadth of action developing countries need.

How the eight sectors balance



Example: GCF partnership could scale climate-positive businesses across Africa



Opportunity Combine origination, sector expertise and commercial capital with GCF’s catalytic risk appetite through a dedicated Africa climate sidecar or transaction-level co-investments.

Pan-African footprint		Investment theme	Markets (examples)	Sectors	Potential GCF participation
 12 priority markets		Energy transition and industrial decarbonization	South Africa, Namibia, Morocco, Egypt, Kenya	Renewable energy, storage, energy services, green manufacturing, low-carbon logistics and industrial efficiency	Junior or preferred equity through a sidecar; development-stage reimbursable grants; transaction-level co-investment alongside the Main Fund
		Climate-resilient water and infrastructure	Morocco, Egypt, Kenya, Senegal, Côte d’Ivoire, South Africa	Water treatment, reuse, desalination, resilient housing, cooling, waste management and circular-economy platforms	Catalytic equity in operating platforms; first-loss capital for expansion into higher-risk markets; technical assistance for project preparation
		Climate-smart food systems	Nigeria, Kenya, Ghana, Côte d’Ivoire, Zambia, Tanzania	Agricultural processing, cold chains, storage, irrigation, climate-smart inputs and resilient supply chains	Sidecar equity linked to measurable adaptation outcomes; local-currency or risk-sharing solutions; grants for smallholder integration and climate data
		Climate technology and inclusive SMEs	Nigeria, Kenya, South Africa, Egypt, Morocco, Rwanda	Distributed energy, e-mobility, digital climate services, recycling, productive-use equipment and women-led businesses	Growth equity or fund-level junior equity; blended capital for early commercial scale-up; technical assistance for impact measurement and market expansion

Every investment must demonstrate

- Climate additionality
- Country ownership
- Private-capital mobilization
- Measurable outcomes

Proposed partnership model



- Commercial equity — CAD Main Fund & co-investors (majority)
- GCF catalytic sidecar — junior / preferred / pari passu equity

Illustrative structure · channelled through an Accredited Entity, investing only in eligible climate transactions

KEY MESSAGE

Use GCF capital to turn commercially promising African companies into regional climate platforms — not simply reclassify existing investment pipeline.

From Private Investment to Country Impact



OPTION 1 – DISCUSSION: Discuss one of the following questions

- | | |
|---------------------|--|
| Tables 1-4 | • Q1. What are the main barriers preventing private capital from flowing into climate investments in your country? / Why are bankable climate investment opportunities not emerging at scale? |
| Tables 5-8 | • Q2. What types of GCF support and instruments would most effectively unlock private investment? / What prevents private investors from investing, and how can GCF better address those risks? |
| Tables 9-12 | • Q3. How can GCF better work with local financial institutions, DAEs and domestic private sector actors? / What roles should DAEs, local financial institutions and national private sector actors play? |
| Tables 13-15 | • Q4. What should GCF do differently over the next 4 years to scale private sector finance in West and Central Africa? / If GCF could make three changes by 2030 to mobilise substantially more private finance in West and Central Africa, what should they be? |

Each table forms a group. Each group will nominate a representative.

30-Minute
Discussion
3-Minute
Presentation

OPTION 2 – ROLEPLAY: Choose one of the investment model and discuss the scenarios

- | | |
|----------------|--|
| Model 1 | • A GCF supported local financial institution credit facility providing local-currency loans to SMEs |
| Model 2 | • A GCF-supported private equity fund investing equity in early-growth climate businesses |
| Model 3 | • GCF provides concessional financing or a guarantee to an infrastructure project facing high upfront costs and perceived country risks. |
| Model 4 | • GCF provides capital to a regional / multi-country investment platform that combines GCF resources with DFI and private capital to invest in industrial decarbonization, e-mobility, or resilient infrastructure |
| Roles | National Designated Authority (NDA), Direct Access Entity (DAE) / Accreditation Entity (AE), Private investor / Fund manager, Local beneficiary / Market representative, and GCF Secretariat facilitator. |

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One Rapporteur / Group Representative to report back to the Plenary for **3 minutes**, at the end

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Option 2, Model 1:

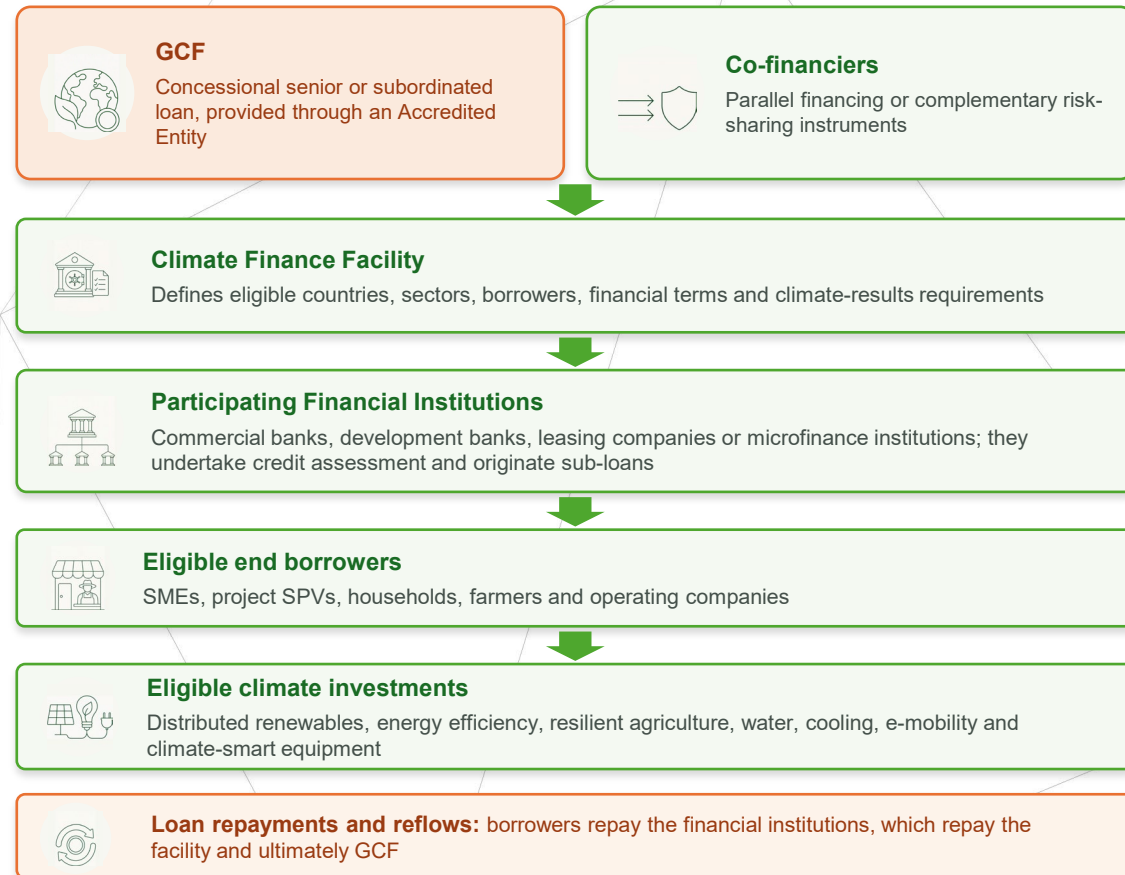
A GCF supported local financial institution credit facility providing local-currency loans to SMEs

On-lending can channel GCF financing through local institutions at scale



Illustrative Structure: climate finance facility for businesses and projects — on-lending through local financial institutions

FLOW OF FUNDS



WHAT HAPPENS AT EACH LEVEL

GCF / Facility level	Financial-institution level	End-borrower level
Long-tenor concessional or subordinated financing	PFI contributes its own capital and retains meaningful credit risk	Receives a loan, lease or working-capital facility
Funding may be provided in local currency or paired with an FX solution	PFI originates, appraises, prices and monitors borrowers	Financing terms reflect the targeted market barrier
GCF eligibility and reporting requirements are established upfront	PFI applies agreed eligibility, safeguards and reporting criteria	Investment generates measurable mitigation or adaptation results

Scale and reach: Local institutions use their branch networks, client relationships and credit capabilities to reach numerous smaller transactions.

Market development: GCF financing can extend tenor, improve affordability, introduce local-currency products and support lending to underserved sectors.

Best suited when: A large pipeline of smaller investments exists, but local lenders face liquidity, tenor, currency, risk-appetite or technical-capacity constraints.

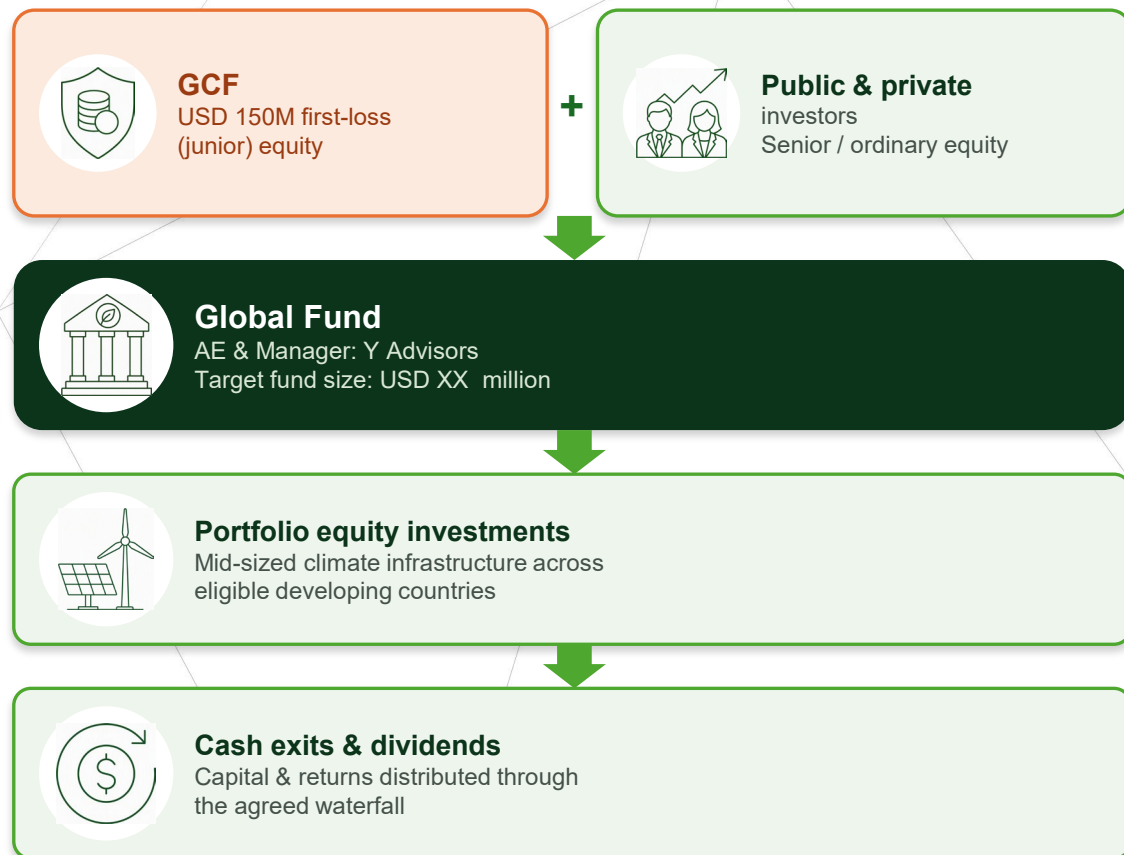
Option 2, Model 2:

A GCF-supported private equity fund investing equity in early-growth climate businesses
Junior equity absorbs first losses and unlocks institutional capital



Illustrative Structure: layered fund equity / first-loss equity

FLOW OF FUNDS



WHY THIS STRUCTURE WORKS

 Risk allocation	GCF holds the most catalytic, risk-bearing equity — giving downside protection to senior public and private investors.
 Governance	The AE keeps fiduciary and GCF compliance, while the manager originates, executes, monitors and exits deals.
 Best suited when	A diversified, viable pipeline exists, but a risk/return gap blocks stand-alone institutional equity.

Proposed application with CAD: GCF invests via an AE in a capped junior equity tranche, while DPI and other investors take senior / ordinary equity — set against an explicit loss waterfall, return cap, governance rights and exit mechanism.

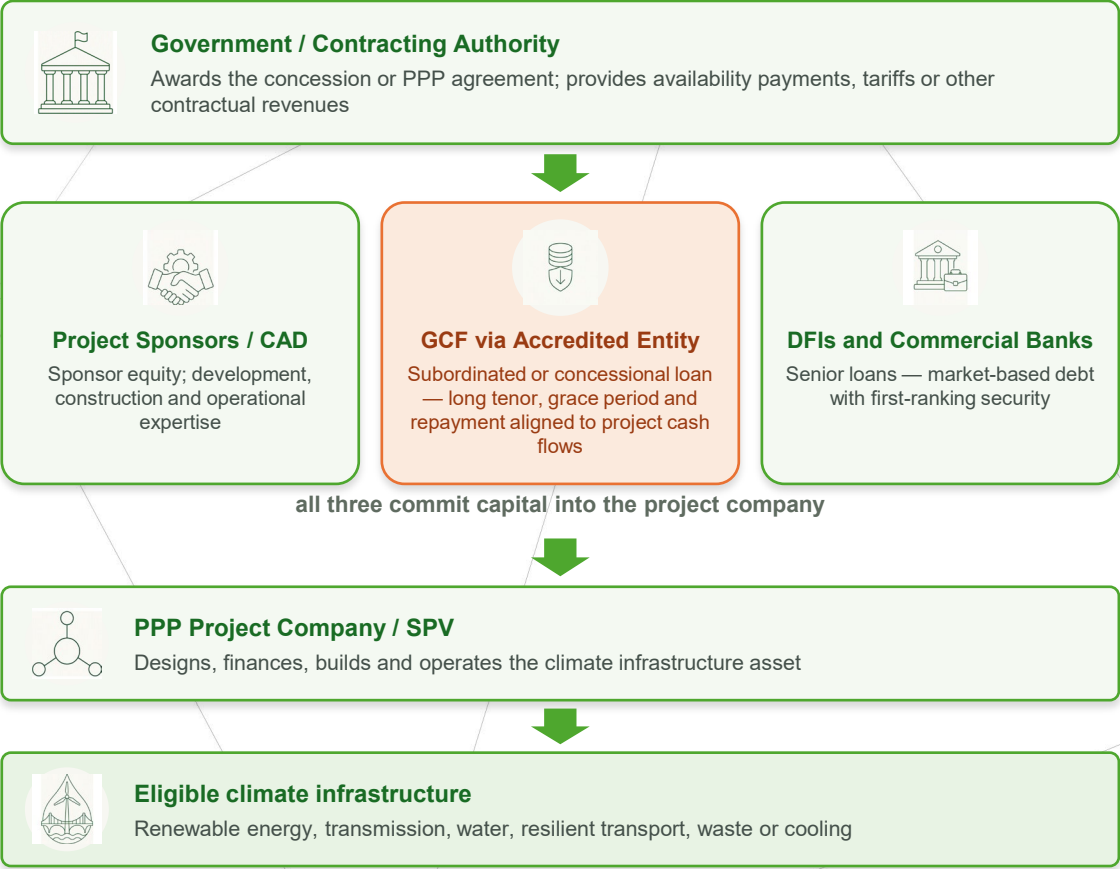
Key message GCF equity must change the risk allocation and mobilize additional capital — not merely substitute equity that partners could provide commercially.

Option 2, Model 3: GCF provides concessional financing or a guarantee to an infrastructure project facing high upfront costs and perceived country risks. Subordinated debt can improve PPP bankability and mobilize senior lenders



Illustrative Structure: climate-resilient infrastructure PPP — project finance with senior and subordinated debt

FLOW OF FUNDS



INDICATIVE CAPITAL STACK

Financing layer	Potential provider	Illustrative share	Risk and repayment position
Senior debt	Commercial banks and DFIs	50–65%	First-ranking repayment and security
Subordinated debt	GCF through the AE	10–20%	Repaid after senior lenders; absorbs greater risk
Sponsor equity	CAD and co-investors	20–30%	Residual risk and return
Project support	Government/contracting authority	As required	Concession, payments, guarantees or viability-gap support

Risk allocation: GCF subordinated debt sits behind senior lenders, improving their downside protection and strengthening the project's overall credit profile.

Bankability: Longer tenor, an extended grace period or flexible amortization can address construction risk, delayed cash generation and weak early-stage debt-service capacity.

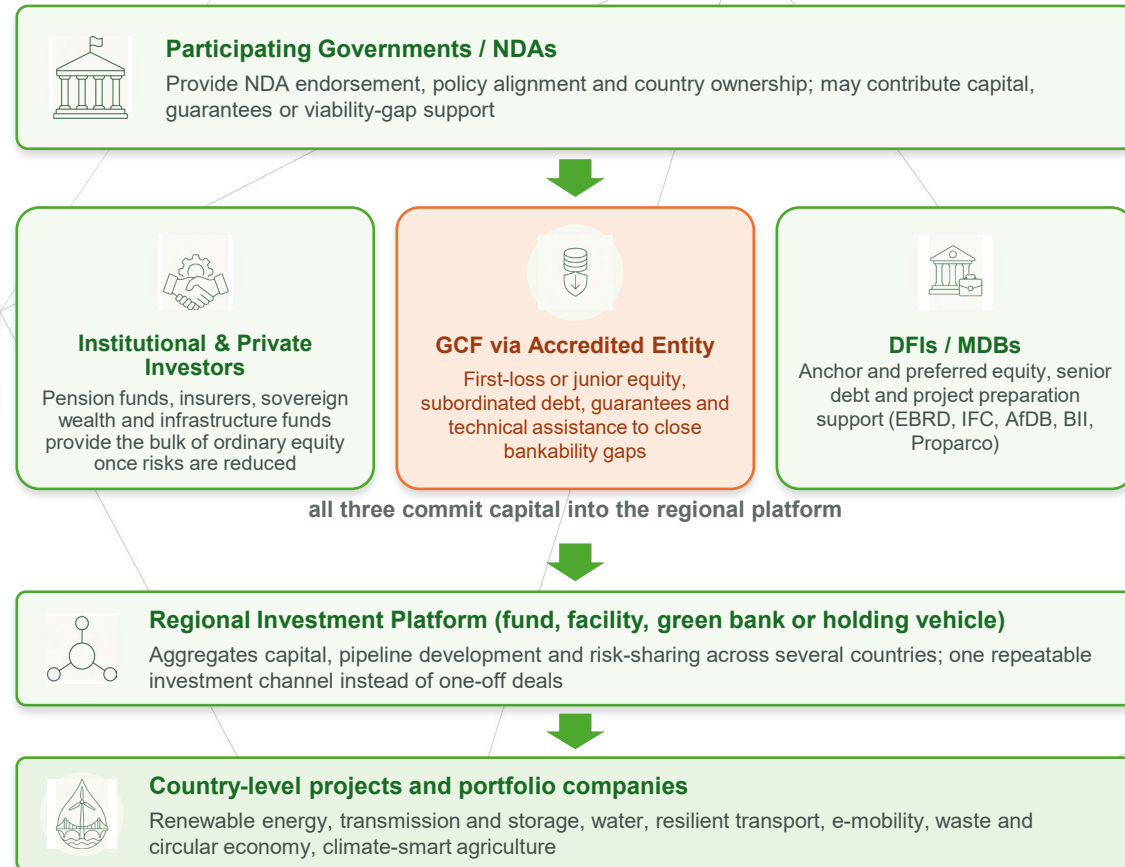
Best suited when: The PPP has a credible revenue model and appropriate risk allocation, but commercial debt is constrained by tenor, pricing, country risk or insufficient debt-service coverage.

Option 2, Model 4: GCF provides capital to a regional / multi-country investment platform that combines GCF resources with DFI and private capital to invest in industrial decarbonization, e-mobility, or resilient infrastructure



Illustrative Structure: regional multi-country investment platform — pooled vehicle with GCF junior capital crowding in private investors

FLOW OF FUNDS



INDICATIVE CAPITAL STACK

Financing layer	Potential provider	Illustrative share	Risk and repayment position
First-loss / junior equity	GCF through the AE	10–20%	Absorbs first losses; protects commercial investors
Preferred / subordinated equity	DFIs / MDBs	20–30%	High risk; ranks ahead of ordinary equity
Ordinary equity	Institutional and private investors	50–70%	Medium risk; the bulk of scalable capital
Senior debt / TA	Banks, DFIs and governments	Varies	Lower risk at asset level; TA funds pipeline preparation

Risk allocation: GCF takes only risks markets cannot reasonably carry — early-stage market, technology and FX — while policy risk sits with governments and construction and operating risk with sponsors.

Bankability: Platforms diversify risk across countries, cut transaction costs through common due diligence and governance, build a continuous pipeline and reach the USD 100–500m+ scale institutional investors need.

Best suited when: Similar climate opportunities recur across several countries, individual projects are too small for direct GCF financing, country risk can be diversified regionally, and private investors require scale and regional expertise.

Thank you



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Session 1.6. Breakout Exercise: From Private Investment to Country Impact

Dr. Ayaka Fujiwara, Climate Investment Associate Principal, GCF

Ms. Ivette Crespo, Climate Investment Associate Principal, GCF

Accra, Ghana

29 September–2 October 2026

From Private Investment to Country Impact



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Discussion
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OPTION 1 - Question 1

What are the main barriers preventing private capital from flowing into climate investments in your country? / Why are bankable climate investment opportunities not emerging at scale?

Notes

OPTION 1 - Question 2

What types of GCF support and instruments would most effectively unlock private investment? / What prevents private investors from investing, and how can GCF better address those risks?

Notes

OPTION 1 - Question 3

How can GCF better work with local financial institutions, DAEs and domestic private sector actors? /
What roles should DAEs, local financial institutions and national private sector actors play?

Notes

OPTION 1 - Question 4

What should GCF do differently over the next 4 years to scale private sector finance in West and Central Africa? / If GCF could make three changes by 2030 to mobilise substantially more private finance in West and Central Africa, what should they be?

Notes

OPTION 2 - Model 1: Local financial institution

A GCF-supported credit facility providing local-currency loans to SMEs

Notes

OPTION 2 - Model 2: Private equity fund

A GCF-supported private equity fund investing equity in early-growth climate businesses

Notes

OPTION 2 - Model 3: Infrastructure project / IPP



GCF provides concessional financing or a guarantee for a renewable-energy or resilient-infrastructure project facing high upfront costs and perceived country risks.

Notes



OPTION 2 - Model 4: Regional investment platform

A multi-country platform combines GCF resources with DFI and private capital to invest in industrial decarbonization, e-mobility, or resilient infrastructure.

Notes

Thank you

Your views can help how GCF works with

you 2026 Stakeholder Perception and Satisfaction Survey

Tell us about your experience engaging with GCF.

أخبرنا عن تجربتك في التعامل مع الصندوق الأخضر للمناخ (GCF).

Parlez-nous de votre expérience avec le GCF.

Cuéntenos sobre su experiencia con el GCF.

Conte-nos sobre sua experiência com o GCF.

Расскажите о своём опыте взаимодействия с Зелёным климатическим фондом (GCF).

