



GREEN
CLIMATE
FUND

GCF REGIONAL DIALOGUE

with WEST AND CENTRAL AFRICA

Accra, Ghana

29 September–2 October 2026





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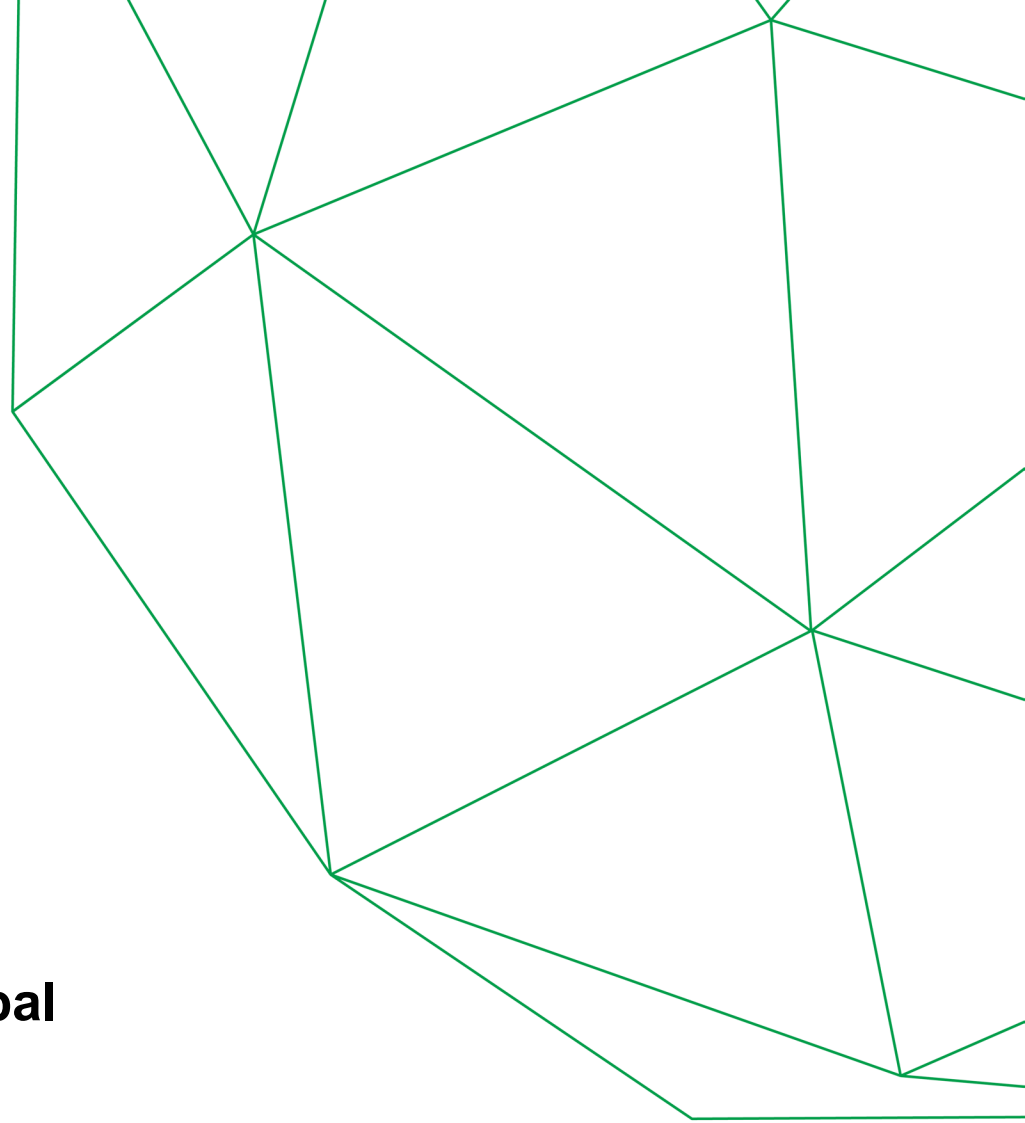
GCF REGIONAL DIALOGUE
with WEST AND CENTRAL AFRICA

Session 4.1.1. DAE Workshop on FP Appraisal

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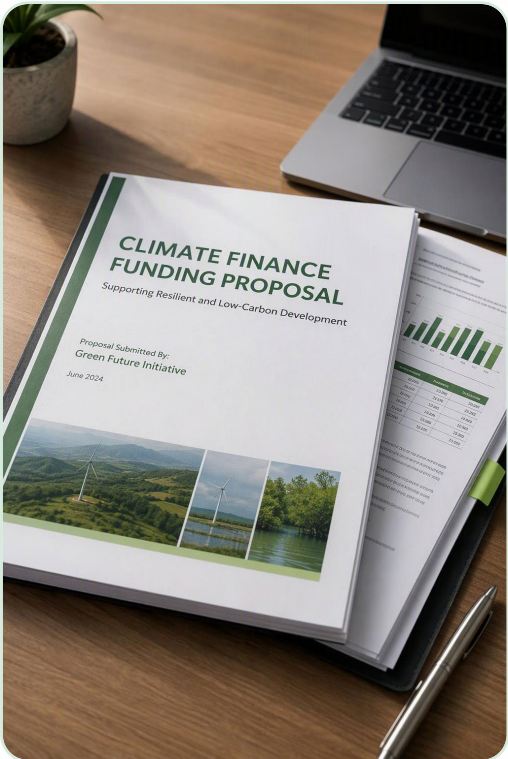
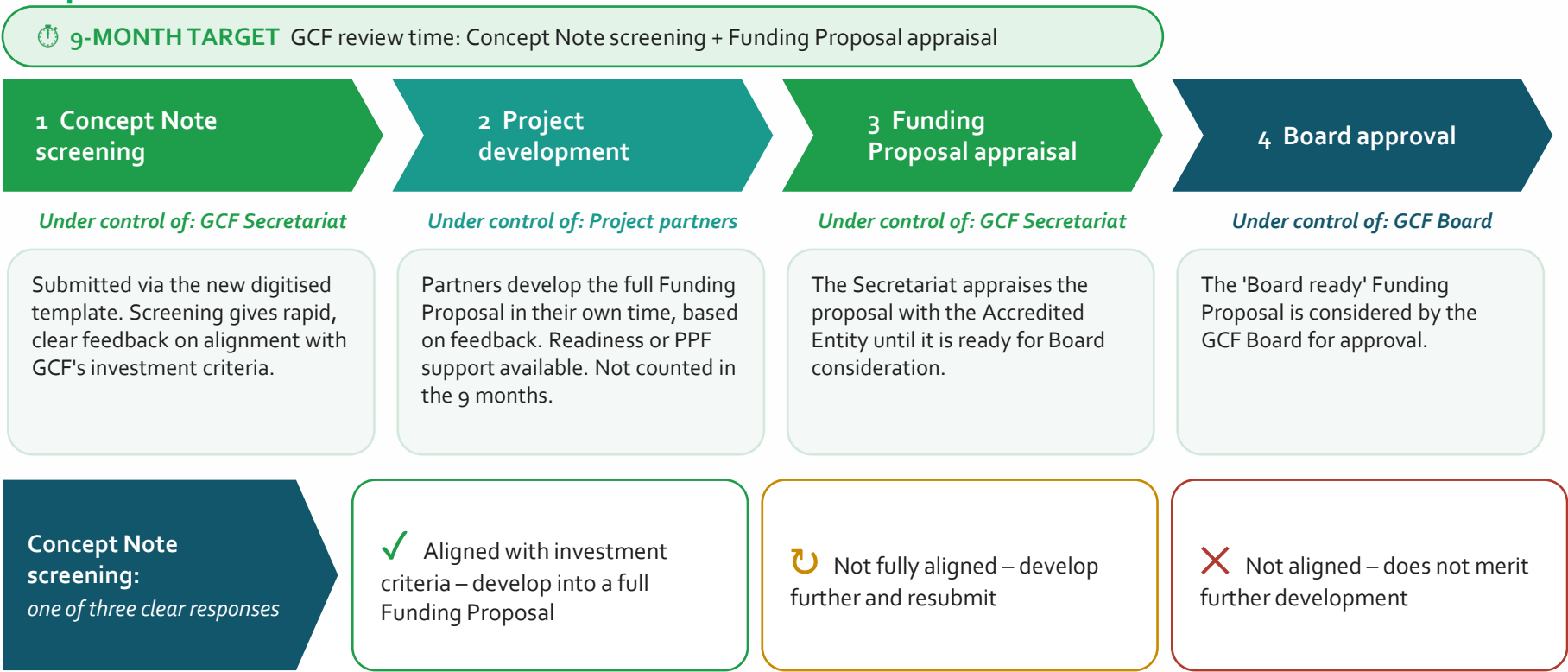
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Efficient GCF: from concept to 'Board ready' in nine months

GCF is committed to significantly improving access to GCF resources. We have launched the 'Efficient GCF' initiative to streamline our processes and improve our efficiency.

We are now committing to complete our reviews of Concept Notes and Funding Proposals in nine months or less.



The Funding Proposal
Full proposal appraised by GCF (illustrative image)

Our '50 by 30' vision: focus & funding access

USD 50 billion by 2030: GCF aims to speed up, scale up and optimise every dollar it invests to efficiently and impactfully manage this capitalisation.



Vulnerability

Enhancing support for the most vulnerable people and communities



Private Sector

Mobilising private sector participation and investments



Country Programmes

Reinventing the partnership model, incl. accreditation, and simplifying access



Efficiency

Expediting project review and approvals



Impact

Prioritising broad-scale, system-transforming programmes over stand-alone projects

Our focus: Results Areas

Mitigation

Reduced emissions from

- 1 Energy generation and access
- 2 Low-emission transport
- 3 Buildings, cities, industries & appliances
- 4 Forestry and land use

Adaptation

Increased resilience of

- 1 Livelihoods of people and communities
- 2 Health, food and water security
- 3 Infrastructure and built environment
- 4 Ecosystems and ecosystem services

Funding access: from readiness to projects

1



Readiness

USD 4M

Grants for country readiness (2024–2027)

2



NAP

USD 3M

National Adaptation Plans

3



PPF

Up to USD 3M

Project preparation support

4



Funding Proposals

Regular funding

Projects and programmes

Programming priorities & targets 2024-2027



Empower developing countries

Enhanced Readiness Programme helps countries turn NDCs, NAPs and LTS into climate investments and programming.



Mobilise the private sector

Optimised risk appetite and flexible financing to unlock the private finance developing countries need.



Improve access

Significantly better access to GCF finance, delivered efficiently and effectively to communities most in need.



Protect the most vulnerable

Stronger support for urgent adaptation and resilience needs, incl. wider climate information and early warning systems.

▼ Delivered through 11 targeted results (T1–T11) that developing countries will achieve with GCF support

T1

Advance the implementation of their NDCs, NAPs and LTS.

T2

Double the number of Direct Access Entities with approved GCF funding.

T3

Establish new or improved early warning systems.

T4

Help smallholder farmers adopt low-emission, resilient farming and fisheries practices, securing livelihoods and reshaping food systems.

T5

Conserve, restore or sustainably manage terrestrial and marine areas.

T6

Develop or secure low-emission, climate-resilient infrastructure.

T7

Expand affordable, reliable renewable energy, especially for the hardest to reach, and grow renewables in the energy mix.

T8

Shift toward clean, efficient energy end-use in transport, buildings and industry.

T9

Access adaptation funding, including for locally-led action.

T10

Provide seed and early-stage capital for innovative climate solutions to local early-stage ventures and MSMEs.

T11

Enable national and regional financial institutions to access GCF and other green finance, particularly for MSMEs.

Result themes

- Country capacity & access
- Resilience & nature
- Low-emission & private finance

GCF Investment Criteria



Any investment that leads to a paradigm shift and is truly transformative would need to be additional

1 Impact Potential

Potential to contribute to the Fund's objectives of shifting towards low-emission and climate-resilient sustainable development.

2 Paradigm Shift Potential

Degree to which the activity can catalyse impact beyond a one-off project or programme investment. How scalable, innovative or transformative is it?

3 Sustainable Development Potential

Wider benefits and priorities. Will it deliver meaningful environmental, social and economic co-benefits and a gender-sensitive development impact?

4 Country Ownership

Beneficiary country ownership of, and capacity to implement, the project. How well does it fit existing policies, climate strategies and institutions?

5 Efficiency & Effectiveness

Economic and, if appropriate, financial soundness. For mitigation, how cost-effective is it and how much co-financing will it bring? (Minimum concessionality test)

6 Needs of the Recipient

Vulnerability and financing needs of the beneficiary country: vulnerable groups, barriers to financing and exposure to climate risks.

Investment Criteria and Appraisal Area Interlinkages

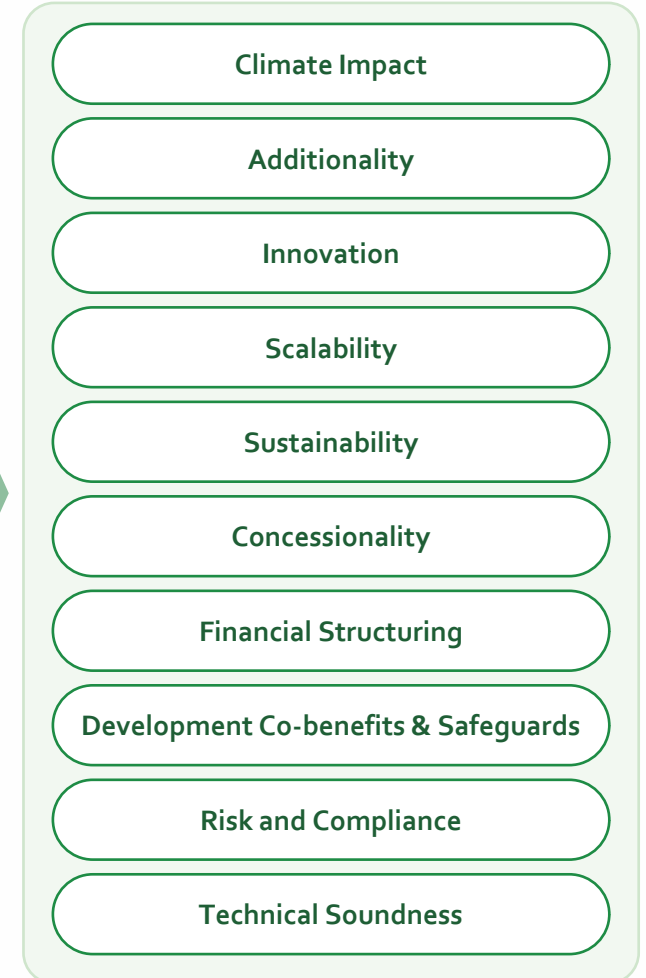
Investment Criteria

Sub-Criteria

Impact Potential	Mitigation impact • Adaptation impact
Paradigm Shift Potential	Contribution to enabling environment • Regulatory frameworks and policies • Potential for knowledge and learning • Innovation • Replicability
Sustainable Development Potential	Gender-sensitive development impact • Economic co-benefits • Social co-benefits • Environmental co-benefits
Needs of the Recipient	Vulnerability of the country • Vulnerable groups and gender aspects • Level of social and economic development • Opportunities to overcome barriers to financing
Country Ownership	Institutional and implementation capacity • Contribution to country's priorities • Capacity of AEs and EEs • Stakeholder engagement and consultations
Efficiency & Effectiveness	Industry best practices (incl. innovation) • Financial viability in the long run • Economic and financial IRR • Co-financing • Cost-effectiveness (incl. concessionality)



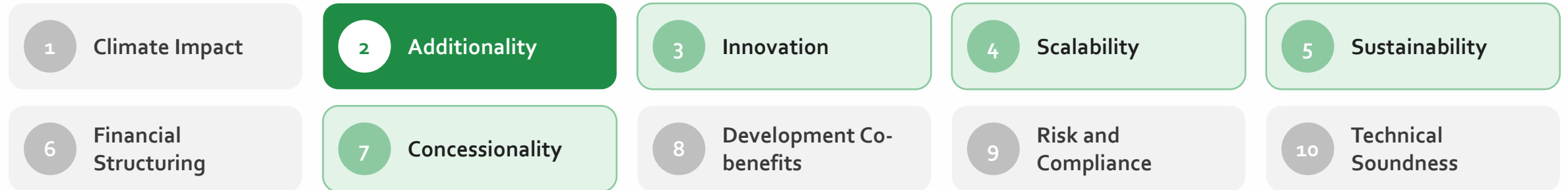
Appraisal Areas



GCF Appraisal Areas and Additionality

GCF Appraisal Areas

■ Additionality ■ Closely linked areas



WHAT IS ADDITIONALITY?

A project or programme is considered additional if it would not have occurred in the absence of GCF funding.

Closely linked to the appraisal areas of innovation, scalability, sustainability and concessionality.

How to establish additionality

- 1 Baseline investment context and alternatives to project activity
- 2 Non-financial barriers in the country
- 3 Financial barriers in the country
- 4 Innovation and second-order effects of the intervention

Key elements of the budget and financing plan

1

Project size and cost basis

- Is the total cost consistent with the activities, timeline and AE's accreditation scope?
- Are unit costs, contingencies, taxes and operating costs supported by evidence?
- Are GCF-funded activities and costs clearly distinguished from the wider investment?

2

Instrument and terms

- Why is a grant, loan, guarantee or equity the right instrument for each component?
- For private-sector finance, what pricing and risk-sharing terms are necessary to unlock investment? How will the benefit reach end users?
- Are the proposed terms no more concessional than needed?

3

Co-financing

- Who is providing each contribution, on what terms, and how firmly is it committed?
- Is it financing the same activities and results, or is it parallel investment?
- Do funding sources, uses and timing match across the proposal and financial model?

4

Delivery and sustainability

- Who receives, manages and disburses the funds?
- Are implementation costs and future operation and maintenance funded?
- What happens to the project if co-financing arrives late or costs rise?

What makes a good budget?

✓ Alignment with the activities & objectives

✓ Separate PMC & M&E

✓ Clear budget notes

✓ Easy to follow

Appraisal takeaway: *A credible budget explains not only how much is needed, but why each cost and financing source is necessary, available and timed to deliver the proposed climate results.*

Financial vs. Economic Analysis

FINANCIAL ANALYSIS

Is the project viable for its investors and implementing entity?
Market prices • Project cash flows • Investor perspective

Project costs & revenues

CAPEX, OPEX and revenue streams (carbon credits, tariffs, service fees)

Financial viability

NPV, IRR, payback period

Funding & investment models

Grants, concessional loans, private capital, blended finance

Risk assessment

Currency fluctuations, cost overruns, policy changes – and mitigation strategies

Bankability & creditworthiness

Attractiveness to investors and lenders

VS

ECONOMIC ANALYSIS

Is the project worthwhile for the country and society?
Shadow prices • Externalities included • Society-wide perspective

Cost-benefit analysis

Project costs (capital, operations) vs. benefits (avoided climate damage, increased resilience)

Economic IRR (EIRR)

Overall economic return, including environmental and social externalities

Externalities valuation

Positive: improved air quality, biodiversity • Negative: displacement, land-use change

Macroeconomic impact

GDP, employment, trade and sectoral shifts

Social equity considerations

Ensure the project achieves its objectives

Key distinction: *financial analysis asks whether the project can pay for itself; economic analysis asks whether it is worth doing for the country. A strong GCF proposal demonstrates both.*

Loan Pricing – Public & Private Sector

Not “What is GCF’s standard private-sector rate?” but **“What terms change the investment decision, and what evidence supports them?”**

PUBLIC vs PRIVATE: HOW TERMS ARE SET

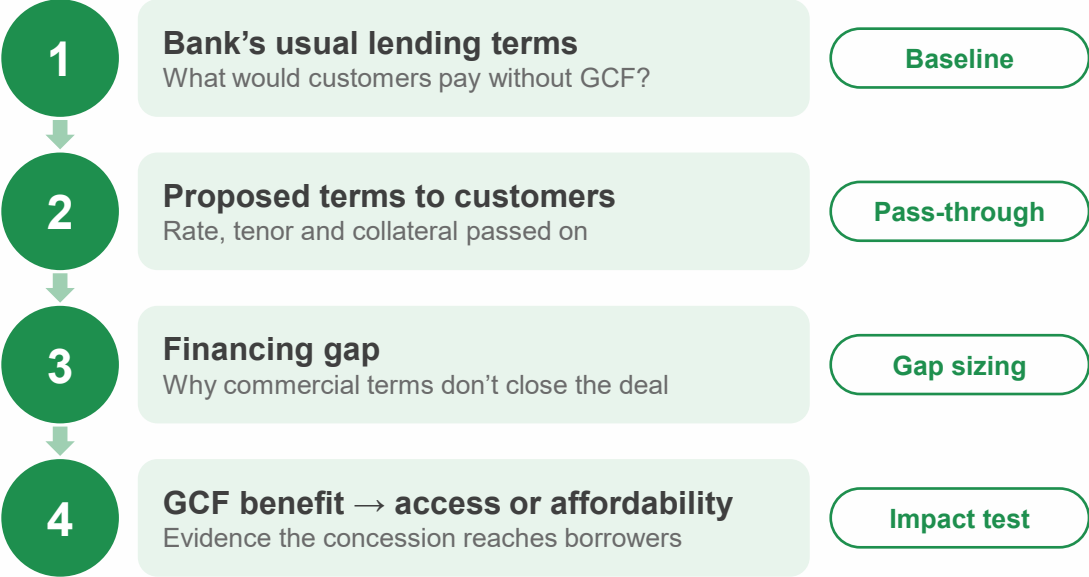
Dimension	Public-sector concessional loans	Private-sector non-grant instruments
Instruments	Concessional loans	Loans, equity and guarantees
Term-setting	High- and low-concessional term frameworks	Determined case by case
Pricing drivers	Recipient country and nature of the public investment	Market barrier, transaction risk, expected cash flows, capital needed to mobilise other investors
Appraisal test	Debt sustainability and justification for concessionality	Minimum concessionality needed to make the investment viable without crowding out commercial finance

PUBLIC-SECTOR CONCESSIONAL LOANS: FIXED TERMS (GCF/B.09/23, ANNEX II)

High concessionality	40 yrs maturity	10 yrs grace	2% → 4% p.a. repaid yrs 11–20 / 21–40	0.00% interest	0.25% service fee	≤ 0.50% commitment fee
Low concessionality	20 yrs maturity	5 yrs grace	6.67% p.a. repaid yrs 6–20	0.75% interest	0.50% service fee	≤ 0.50% commitment fee

Grants (major convertible currency): no reimbursement required; if repayment-contingent, terms reflect the project’s expected success.

ILLUSTRATIVE APPRAISAL: LOCAL BANK SOLAR CREDIT LINE



Red flag: A lower rate to the bank alone does not demonstrate the intended climate investment — the GCF benefit must have a clear purpose all the way to the final borrower or investee.

Speaker line: “Public-sector loans have defined concessional term frameworks. In the private sector, we price the risk and the barrier in front of us, then ask whether each concession is necessary to mobilise the investment.”



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Climate Appraisal

Accra, Ghana

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The appraisal question is an evidence chain

GCF tests whether the whole climate logic is coherent, credible and measurable.



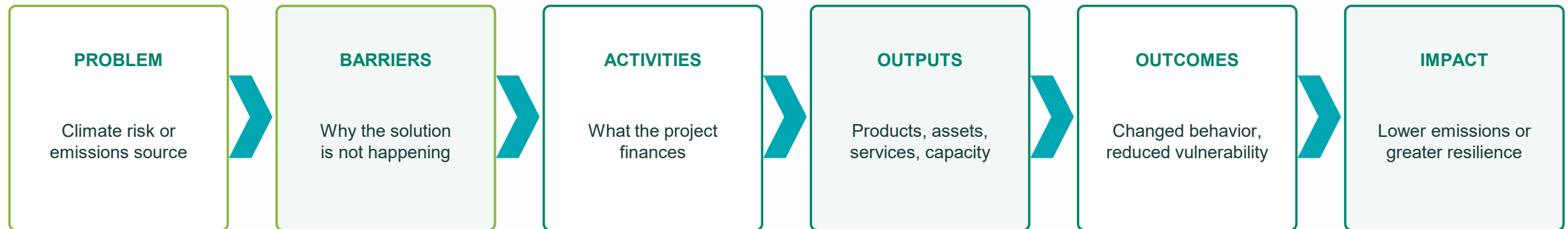
**Evidence must connect end-to-end: climate problem → defensible baseline → causal pathway → quantified benefits
→ GCF value-add → transformation → monitoring.**

CLIMATE SIGNAL	BASELINE	COUNTERFACTUAL	APPRAISAL TEST
Observed trends and projected hazards Exposure and vulnerability Sector or emissions profile National climate priorities	Current emissions or vulnerability Existing capacity and practices Who or what is exposed Starting values for indicators	What continues without the project Expected future impacts or emissions Other planned interventions	Geographically and sectorally relevant evidence Climate and non-climate drivers separated

Good baseline ≠ “zero.” It is the defensible starting condition against which change is measured.

2. Theory of change: test the causal pathway

Translate the climate narrative into barriers, activities, outputs, outcomes and climate impact.



GCF stress-tests the vertical logic and the assumptions between each step: technical performance, uptake, institutional capacity, policy continuity and climate uncertainty.

Mitigation and adaptation benefits require different proof

Both routes need a baseline, methodology, expected results and monitoring, but the analytical tests differ.

MITIGATION

- Defined GHG accounting boundary
- Baseline emissions and project scenario
- Additionality and common-practice analysis
- Transparent emission factors and lifetime emissions
- MRV, leakage, permanence, uncertainty and double counting

ADAPTATION

- Historical trends and future projections
- Explicit hazard → impact → vulnerability pathway
- Baseline adaptive capacity and exposure
- How activities reduce risk or build capacity
- Transparent beneficiary methods and indicators

For cross-cutting proposals, assess each pathway separately, then explain how they reinforce one another.

Additionality and paradigm shift answer two different questions



ADDITIONALITY: WHY GCF?

- Would the activity happen without GCF support?
- Which financial, technical, institutional or market barrier is binding?
- How does GCF improve scale, depth, affordability, risk-taking or climate ambition?
- Is concessionality passed through and no more than necessary?

PARADIGM SHIFT: WHAT CHANGES AFTER THE PROJECT?

- Replication and scaling pathway
- Institutionalized policies, systems or capabilities
- Changed market behavior or financing practice
- Knowledge, standards and evidence others can use
- Sustainability beyond GCF finance

A large project is not automatically transformational. The test is whether it changes the system that produced the problem.

Approved cases: what the appraisal logic looks like

FP231 • GHANA | MITIGATION

- Distributed solar finance for households and MSMEs
- Baseline: carbon-intensive grid electricity and diesel-based backup generation
- Methodology: energy generation × grid emission factor
- Expected result: 417,452 tCO₂e over solar-system lifetime
- Paradigm shift: mainstream green lending and solar supply-chain capacity

SAP055 • BENIN | ADAPTATION

- Climate-sensitive disease risks and continuity of health services under floods and heat
- Limited localized climate-health information; vulnerable health infrastructure and low community and institutional adaptive capacity.
- Response: climate information and early warning, climate-resilient health infrastructure, institutional and community capacity building
- Expected result: 97,900 direct and 213,800 indirect beneficiaries
- Paradigm shift: integrated climate-health model for replication

Methodology and expected results: the traceability test

Every headline result should be reproducible from source data, assumptions and a defined monitoring plan.

Boundary

What is included and excluded?

Baseline

What would happen without the project?

Formula

How is the result calculated?

Assumptions

Which factors, lifetimes, uptake rates and attribution rules are used?

Aggregation

How are subprojects, years and beneficiary groups combined without double counting?

Verification

Who collects, validates and reports, how often, and using which means of verification?

Appraisal red flag: a headline target cannot be reconciled to the calculation annex, baseline, implementation schedule or monitoring protocol.

THE TAKEAWAY



A Board-ready climate case is a coherent chain of evidence.

- Climate problem is specific and evidence-based
- Baseline and counterfactual are explicit
- ToC links barriers to measurable climate outcomes
- Additionality explains why GCF is needed
- Paradigm shift explains what changes at system level
- Methodology makes results reproducible and monitorable

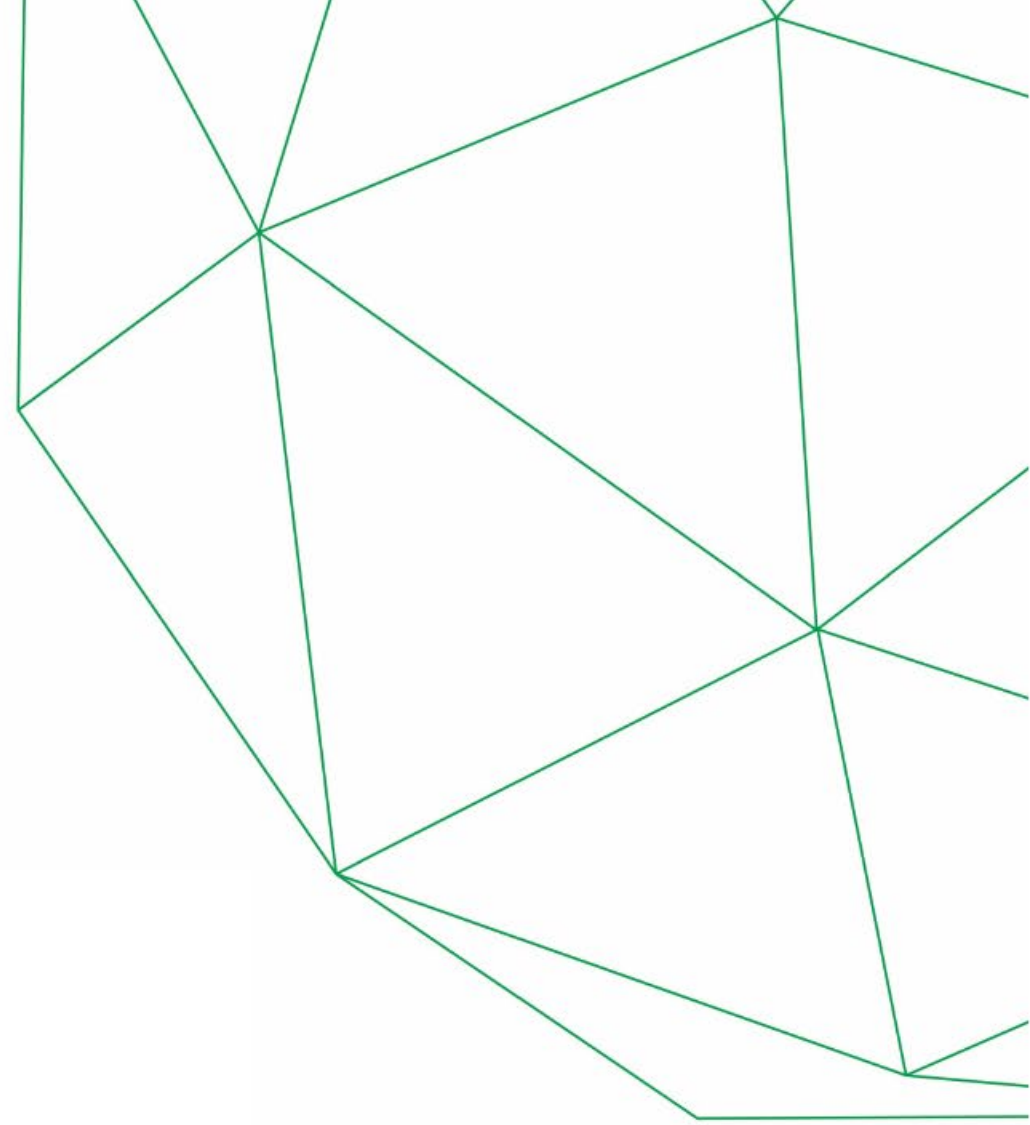


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Legal Aspects of Preparing a Funding Proposal

Accra, Ghana

29 September–2 October 2026



Introduction



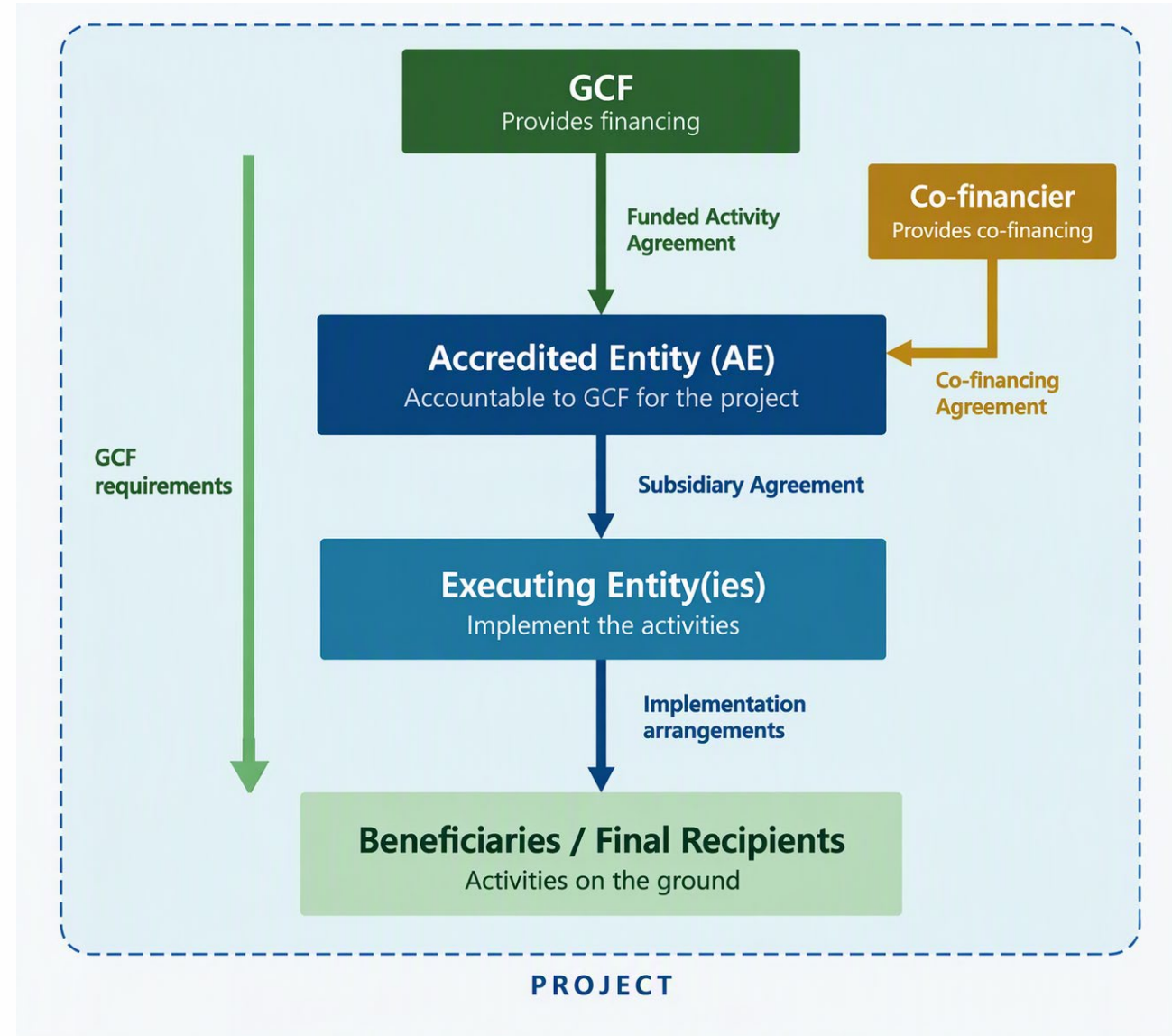
Overview about the key legal considerations when preparing a funding proposal, the key documents and some tips and recommendations to help facilitate a smooth review process.

Key elements of the Project from a legal perspective

- What is the Project?
- Who will be implementing the Project?
- For whom?
- How?

What is the project?

- **Project** extends from GCF to activities on the ground
- **GCF requirements** to be passed all the way down the structure
- **AE's core legal obligation:** implementation of the described activities



Who will be implementing the project?

- Executing Entity (EE) is any entity which:
 - implements all or part of the project; and/or
 - channels or uses GCF funds for the project.
- AE may also serve as an EE.
- Every project must have an EE.
- **No** concept of '*implementing partner*'.
- FP should identify each EE and its specific role.

For whom?

- Sometimes, certain **activities, sub-projects, borrowers, recipients, locations, interventions, technologies** etc. will be selected by the EE during the implementation period
- Must have clear and comprehensive eligibility criteria according to which X must be selected in order to be financed under the project
- Not all projects need to have eligibility criteria – decided on case-by-case basis

How?

Key legal instruments:

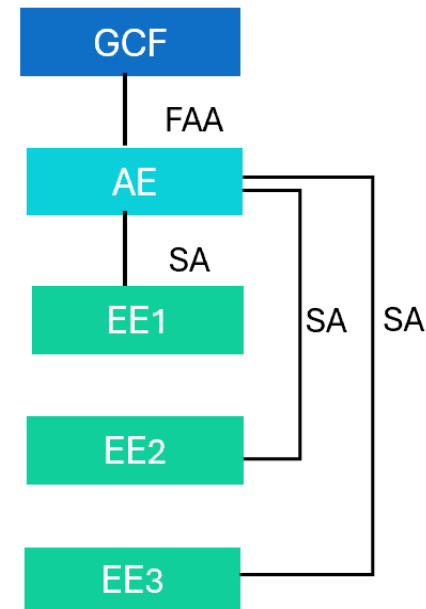
- 1) **Funded Activity Agreement (GCF +AE)**
- 2) **Subsidiary Agreements (AE + EE)**

Standard Conditions (mandatory from 1 January 2028)

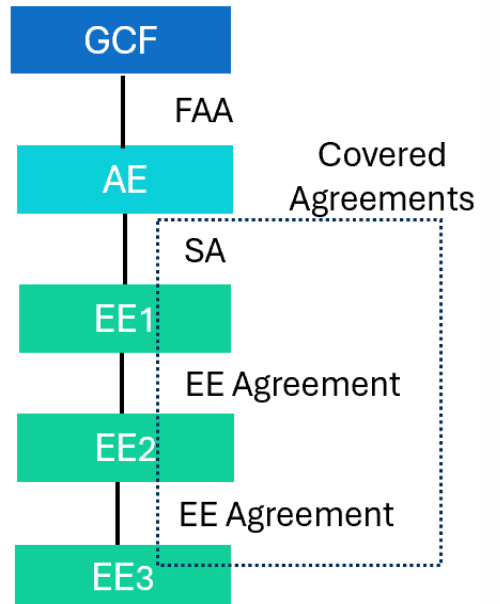
introduced two new concepts:

- 3) **EE Agreements (EE + EE)**
- 4) **Covered Agreements:**
 - Subsidiary Agreements
 - EE Agreements

AMA/FAA



SC/FAA



Key parts of the Funding Proposal Package from the legal perspective?

Legal Due Diligence

- Accredited Entity is responsible for completing all necessary legal DD **before** submitting the FP.
- Legal DD  Annex 4 to FP
- Key elements of legal DD:
 - ✓ Legal Status
 - ✓ Legal Structure
 - ✓ Approvals, licenses and permits
 - ✓ Foreign exchange and funds movement

Term Sheet

- **Term Sheet** = annex 16 to the FP setting out the key terms and conditions of the proposed GCF financing for the project.

There are **three (!) templates***, choose the right one:

- (1) incorporating Standard Conditions,
- (2) incorporating Accreditation Master Agreement,
- (3) under project-specific assessment approach (PSAA)

*available on GCF's web-site:

<https://www.greenclimate.fund/document/term-sheet-annex-16>

Tips and recommendations for a strong Funding Proposal

- ✓ Activities are described **clearly** and **precisely**
- ✓ **All** EEs are correctly identified
- ✓ Roles and responsibilities are allocated **unambiguously**
- ✓ **Complete** contractual structure is explained
- ✓ Financial instruments and use of proceeds are **clearly** described
- ✓ Funds can be **traced** from: GCF → AE → EE(s) → Intermediaries (if any) → Final Beneficiaries
- ✓ Governance and decision-making arrangements are **clearly explained**
- ✓ Legal due diligence (Annex 4) **supports** the proposed structure
- ✓ The FP, term sheet and annexes are fully **consistent**
- ✓ **Correct** GCF's templates are used and applicable guidelines are followed

DAE Workshop on FP Appraisal

MODERATOR



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Legal Counsel



Thank you

Your views can help how GCF works with you

GCF 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).

