

**GREEN
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Designing a Private Sector GCF Funding Proposal

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Why Partner with GCF/PSF?

- We engage private sector institutional investors, local financial intermediaries and corporates to co-invest with GCF in projects.
- We seek to operate as a catalyst and long-term strategic investor and partner.
- We offer a range of financing products to achieve results in terms of:
 - De-risking investments
 - Supporting capacity building
 - Developing public-private partnerships
 - Promoting scaling up and innovation





Key Areas of Strategic Investment

Climate Mitigation

(reducing CO₂ emissions)

**Low emissions
energy and electricity**

**Low emissions modes
of transport**

**Buildings, cities,
industries and
appliances energy
intensity**

**Land use including
agriculture & forestry**

Climate Adaptation

(protecting countries and companies from impacts of climate related disasters)

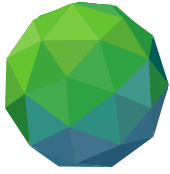
**Protecting livelihoods
of people in vulnerable
zones**

**Food and water
security**

**Making
infrastructure
resilient to climate
change**

**Preserving
ecosystems**





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Wide Range of Financial Products



GCF can invest through a range of financing structures (project-based, funds, structured finance vehicles etc.)

Key Funding Proposal Components

Funding “pitch”

- Alignment with GCF’s results framework/strategy
- Scalable/innovative/paradigm shifting
- Solid financial premise / return potential
- Appropriate structure / role for GCF

Country ownership

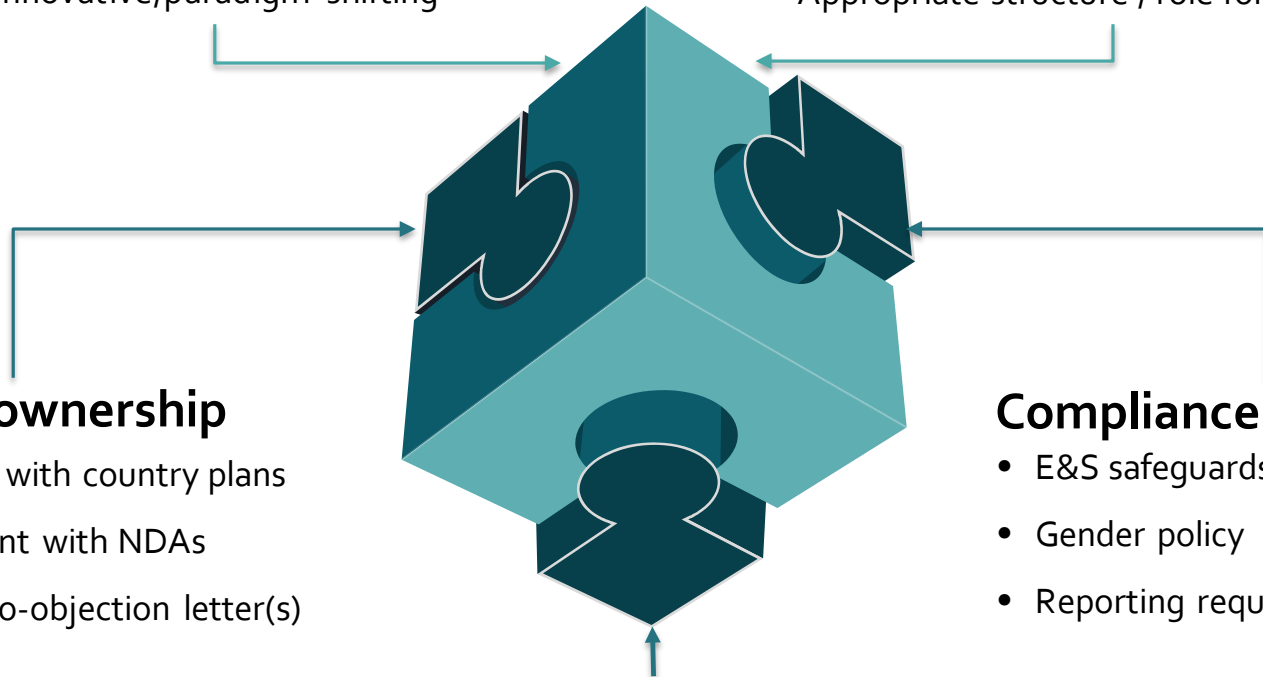
- Alignment with country plans
- Engagement with NDAs
- Securing no-objection letter(s)

Compliance framework

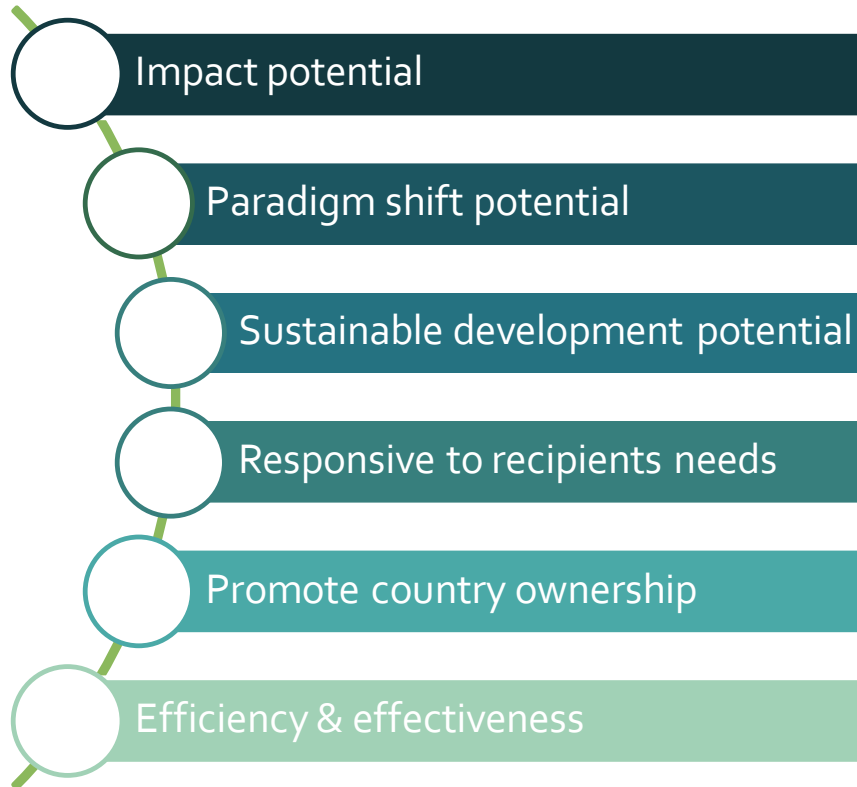
- E&S safeguards
- Gender policy
- Reporting requirements

Risk drivers

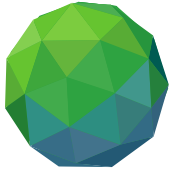
- Holistic assessment of risk factors
- Risk mitigation tools and strategies



Project Investment Criteria



- Can the project contribute to GCF's objectives and result areas?
- Can the project catalyze impact beyond a one-off project?
- Does the project have long lasting benefits such as E&S, gender, development impact?
- Does the project benefit the country and the targeted population?
- Does the project benefit country's policies, climate strategies, and institutions?
- Does the project foster cost-effectiveness and private sector funding mobilization?



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Key PSF Structuring Drivers

Appropriate financial structure and GCF product(s)

Ensure right level of concessionality for GCF participation

Underlying project/program financial sustainability

Minimization of market distortions and disincentives

Assess risk and explore risk-sharing where relevant

Experience and capacity of accredited entity

Requests for Proposal (RFPs)

- Accredited intermediaries can present funding proposals to the GCF spontaneously or in response to RFPs.
- RFPs issued by GCF to fill current gaps in climate financing.
- USD 200 million of GCF funding allocated in 2016 to an RFP program for MSMEs.
- GCF Board has also allocated up to USD 500 million to support innovative, high-impact projects/programs that mobilize private sector investment in climate change activity at scale.
- GCF RFPs have separate submission and review frameworks and guidelines.



THANK YOU!



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