



# GCF Structured Dialogue with the Caribbean

## Day 2: Public and private project cycle, programming and pipeline development

Presenters:

Joseph Intsiful, Climate Information and Early Warning Systems Senior Specialist.

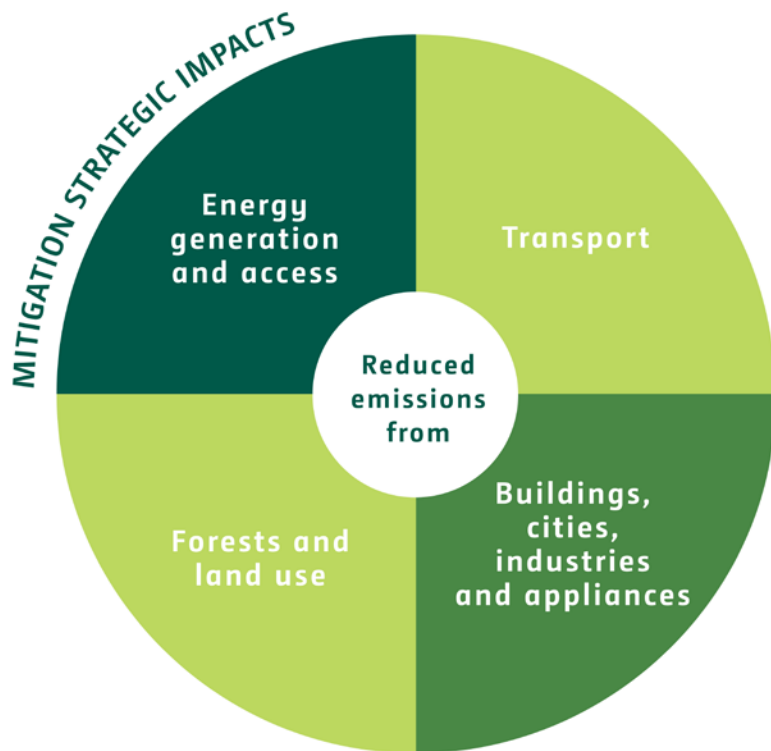
Sergio Pombo, Senior Advisor Private Sector Facility

19-22 June 2017 | Placencia, Belize

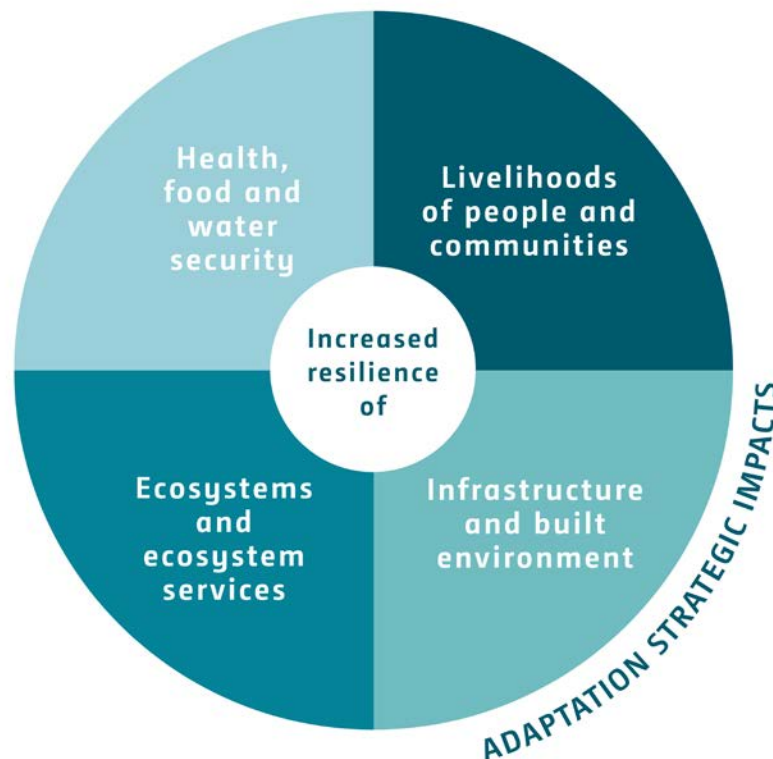
# Results areas of the Fund

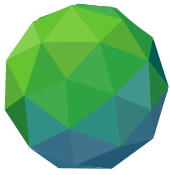
Innovative, sustainable, high impact potential proposals in:

## Mitigation



## Adaptation



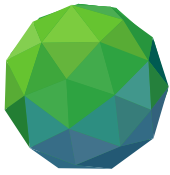


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# GCF Project Cycle – until approval



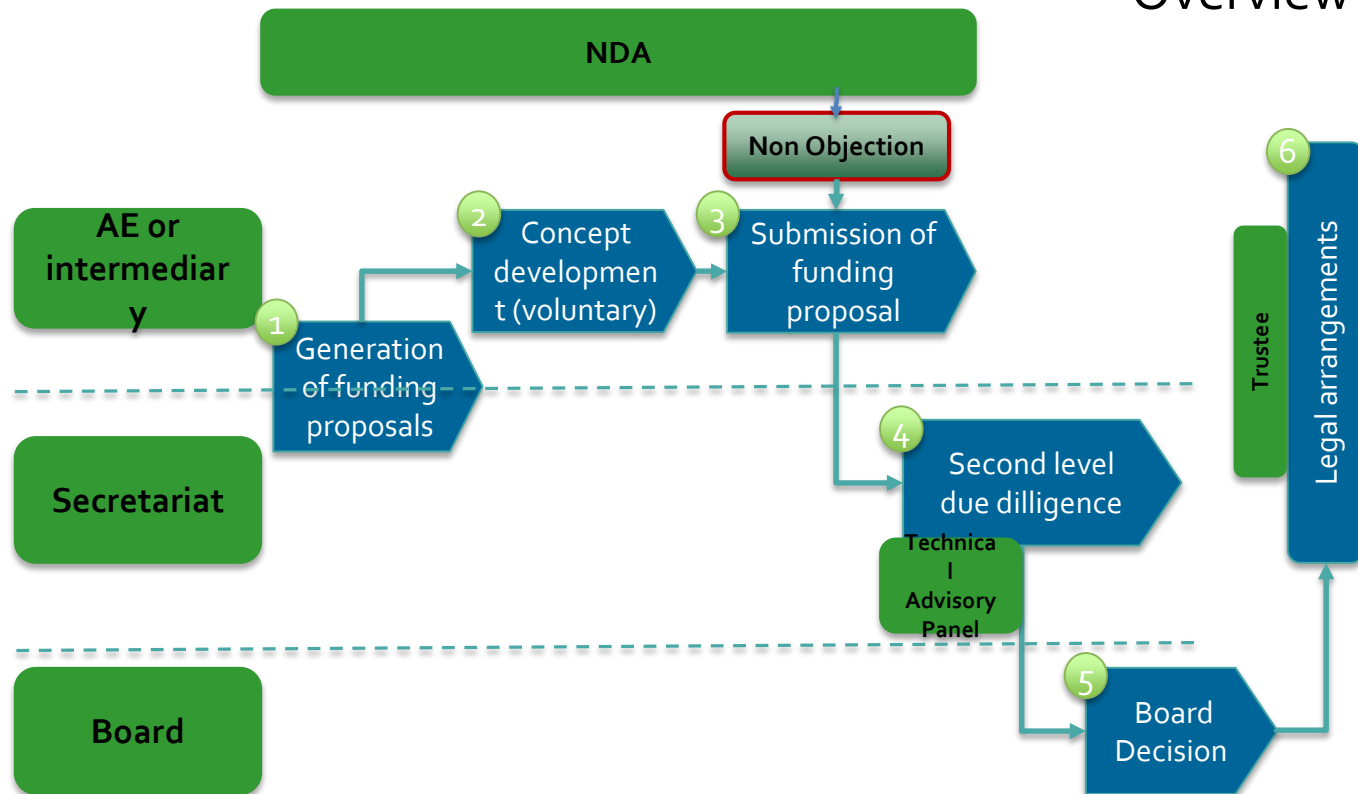
## Funding Proposal Review

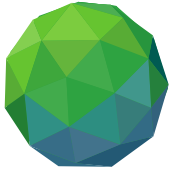


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# Initial Proposal Approval Process

Overview





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# Funding Proposal Review Process

NDA

## Stage 1 Completeness check

*Complete information and documentation*  
*Adequate level of advancement*

## Stage 2 Second level due diligence

*Performance against investment criteria*  
*Consistency with GCF safeguards & policies*

## Stage 3 Independent TAP assessment

*Performance against investment criteria*

Stage 4 Submission of package to Board

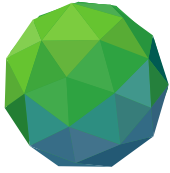
Accredited Entity



# Completeness of Funding Proposal

## Project documentation:

- No-objection from the country NDA(s)
- Feasibility study -> providing rationale for proposed design, structure & costs
- Procurement plan, budget breakdown
- Environmental and social impact assessment
- Gender assessment and analysis
- Risk assessment
- Logic framework
- Stakeholder consultations



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## Contents

# The GCF Funding Proposal Template

Section A [PROJECT / PROGRAMME SUMMARY](#)

Section B [FINANCING / COST INFORMATION](#)

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Section D [RATIONALE FOR GCF INVOLVEMENT](#)

Section E [EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA](#)

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# Second-level Due Diligence

## Performance against investment criteria



Impact potential

Paradigm shift potential

Sustainable development potential

Needs of the recipient

Country ownership

Efficiency and effectiveness

## Consistency with GCF policies



Environmental and social safeguards

Gender policy

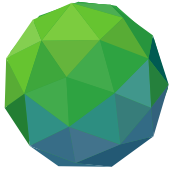
Risk

Fiduciary standards

Results management and reporting

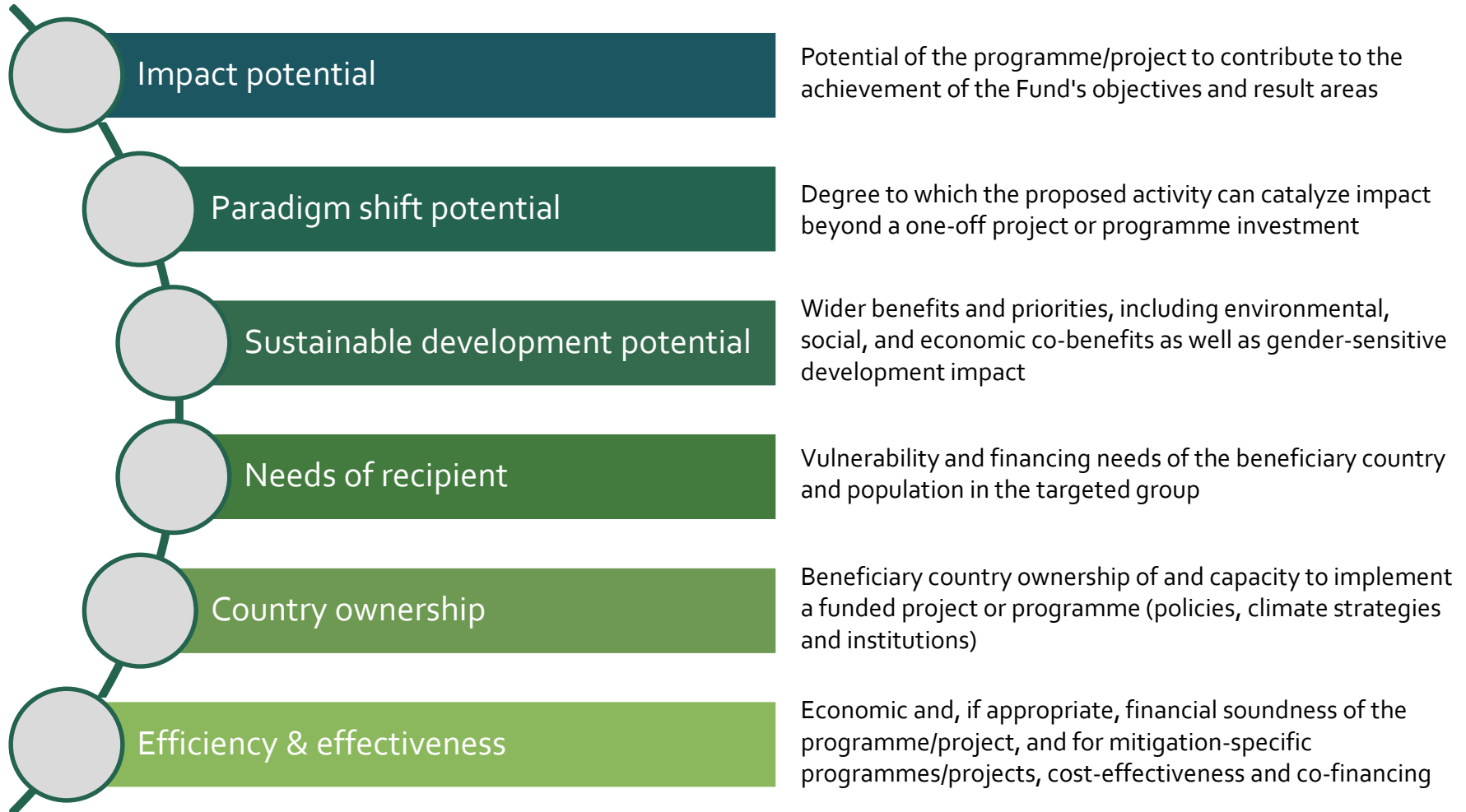
Legal





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# Investment Criteria





# Investment Criteria – Attention Points (1)

## Climate Impact Potential

- Is the linkage to climate change relevant, clear and strong?
- Is the methodology to calculate emission reductions robust?
- Is there a strong justification for increased resilience, based on evidence of climate impacts?



# Investment Criteria – Attention Points (2)

## Viability and Sustainability

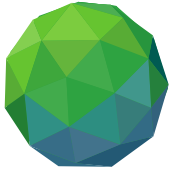
- Is the proposal economically, environmentally and financially sound?
- Can results be sustained after GCF funding ends?
- Is there a plan and budget for operations and maintenance?



# Investment Criteria – Attention Points (3)

## Efficiency and effectiveness

- Impact vs funding (e.g. \$/tCO<sub>2</sub>)
- Justification for proposed financial instrument and funding amount
- Co-financing and crowd-in additional source of financing



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Examples of gaps identified in the completeness check and 2<sup>nd</sup> level due diligence



# Common Gaps Identified in Completeness Check

## 1) Incomplete information

- Budget breakdown missing
- Disbursement schedule not provided

## 2) Missing documentation

- Feasibility study not provided
- Environmental and Social Management Plan (ESMP) needed, but not available

## 3) Not sufficiently advanced

- Resettlement action plan needed, but not developed
- Stakeholder consultation not conducted



# Strengthening Performance against Investment Criteria

## 1) Climate impact potential

- Use a robust methodology to calculate emission reductions or number of beneficiaries.
- Demonstrate evidence of climate-related impact.

## 2) Long term sustainability

- Improve viability of economic activities.
- Duly consider O&M plan and its cost coverage.

## 3) Efficiency and effectiveness

- Crowding in other sources of funding (for mitigation and private sector projects).



# Enhancing Consistency with GCF Policies

## 1) Gender policy

- Conduct gender assessment and identify impacts and livelihoods opportunities for women.
- Disaggregate expected results by gender.

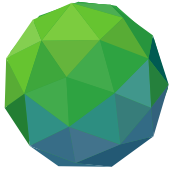
## 2) Logic framework

- Strengthen cause-effect relation to remove barriers.
- Narrow down scope of activities, more focused.

## 3) Risks

- Solidify risk mitigation measures to reduce risks.





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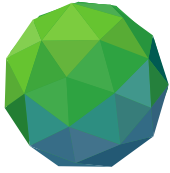
# GREEN CLIMATE FUND (GCF)

## THE PRIVATE SECTOR FACILITY (PSF)

**Sergio Pombo**

Senior Advisor

Private Sector Facility



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## WHAT DOES PSF DO?

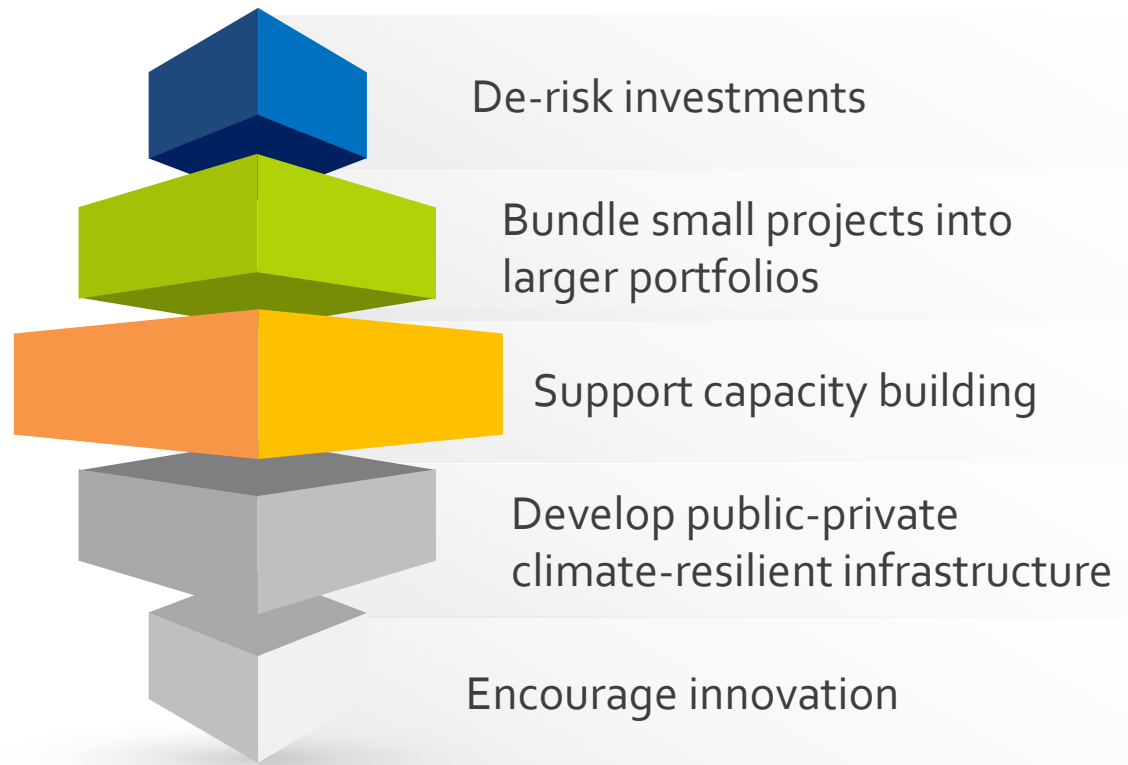


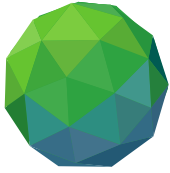
The PSF is a dedicated facility within the Fund with the mission to

- Finance catalytic projects/programms that mobilize private sector funds
- Unlock private climate finance in developing markets



PSF provides **conditional debt, equity, guarantees, and grants**

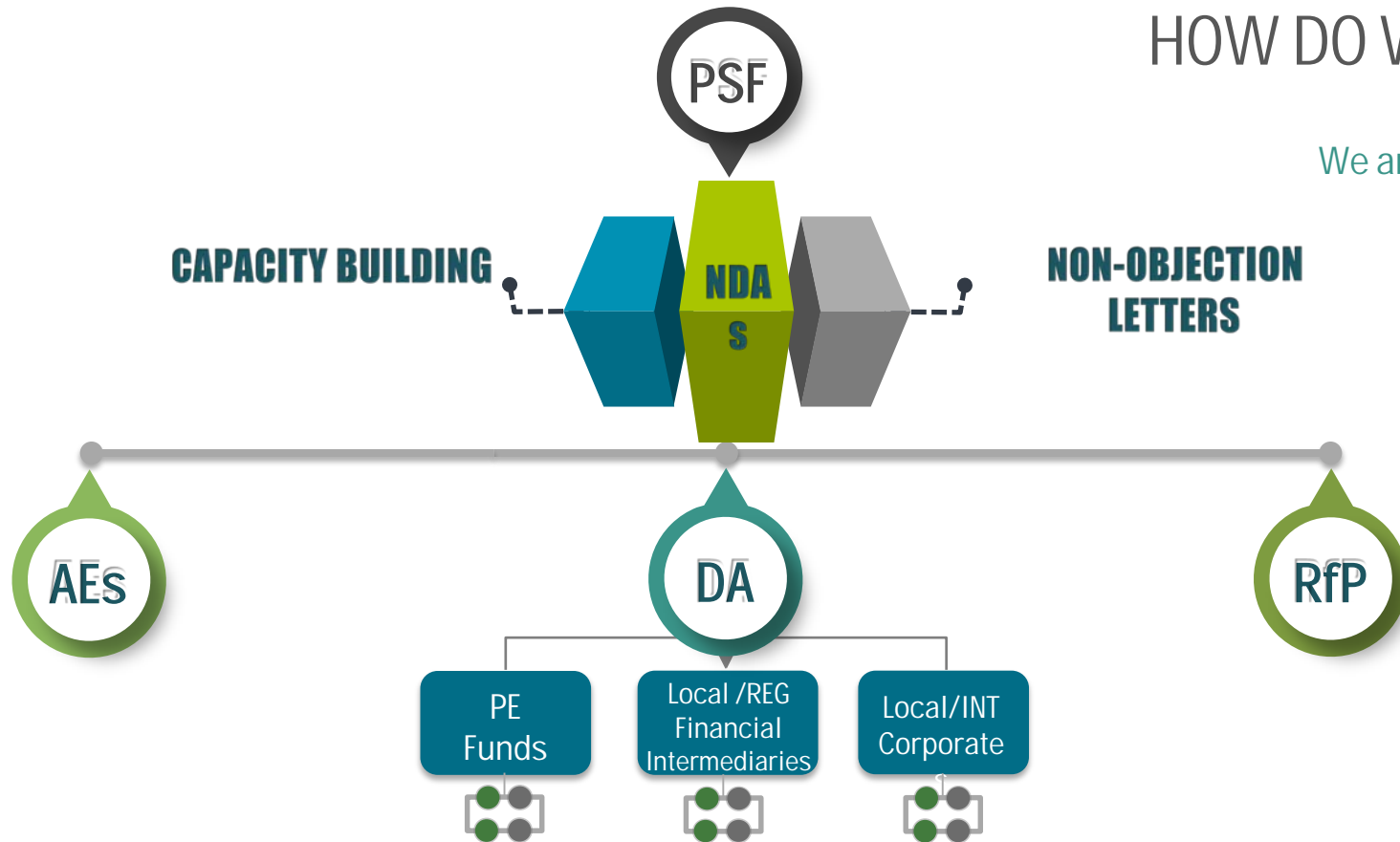


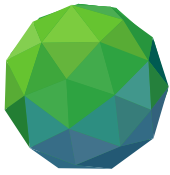


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# HOW DO WE DO IT?

We are flexible

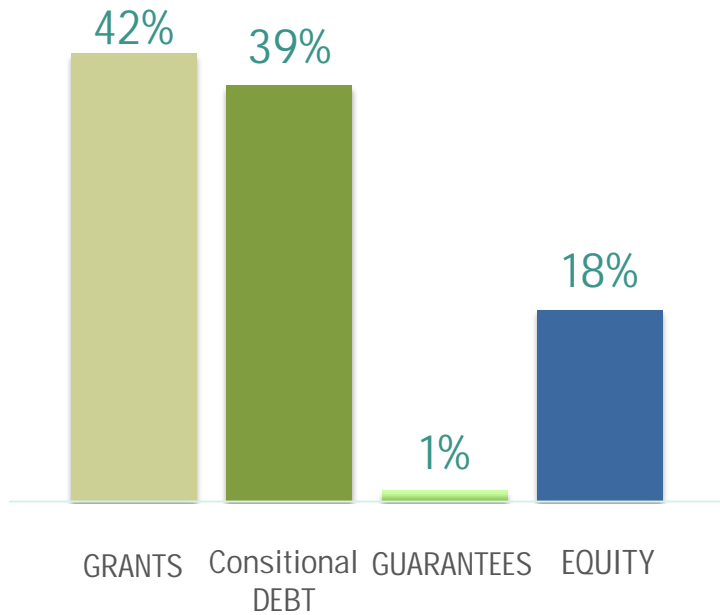




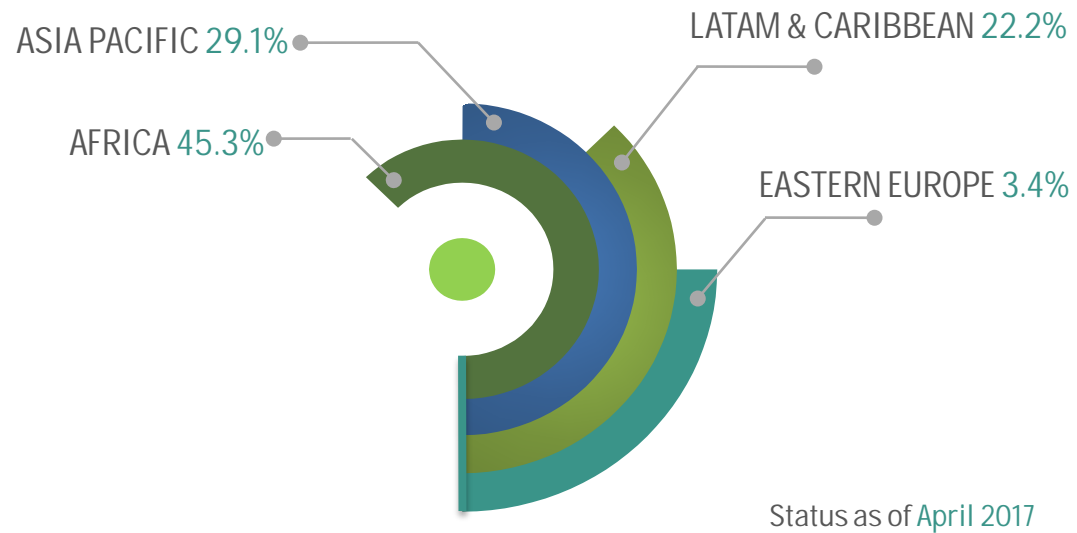
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## WHERE WE INVEST

### FUNDING AMOUNT PORTFOLIO: USD 2.240 B



### GEOGRAPHIC DISTRIBUTION





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