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GCF Structured Dialogue with the Caribbean

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

Presenters:

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Sergio Pombo, Senior Advisor Private Sector Facility

19-22 June 2017 | Placencia, Belize

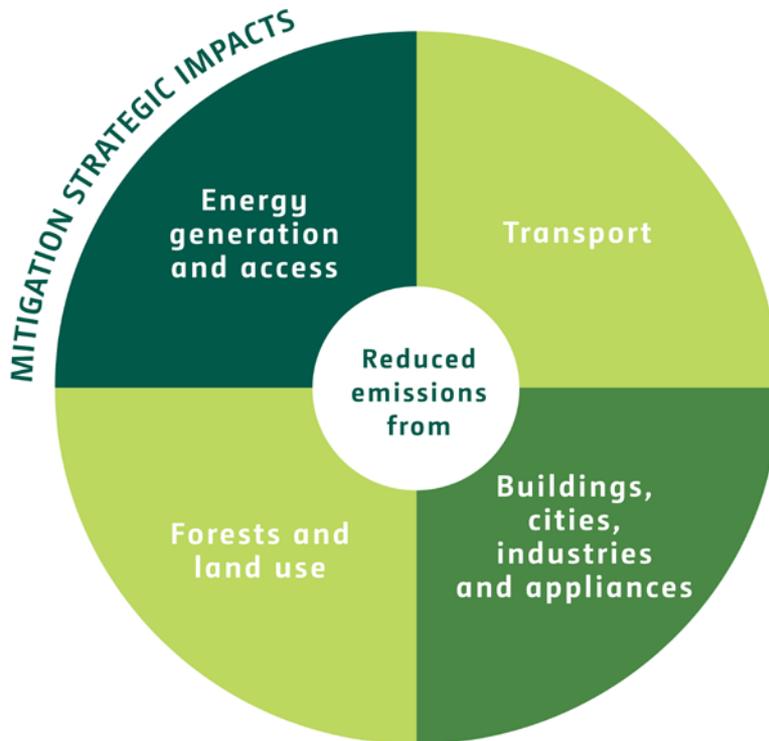


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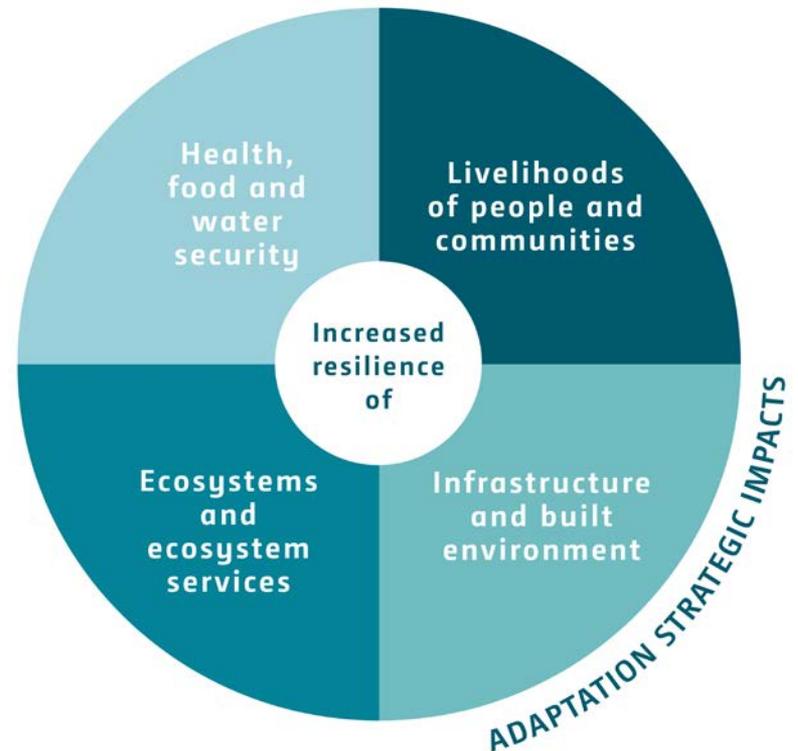
Results areas of the Fund

Innovative, sustainable, high impact potential proposals in:

Mitigation



Adaptation





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GCF Project Cycle – until approval

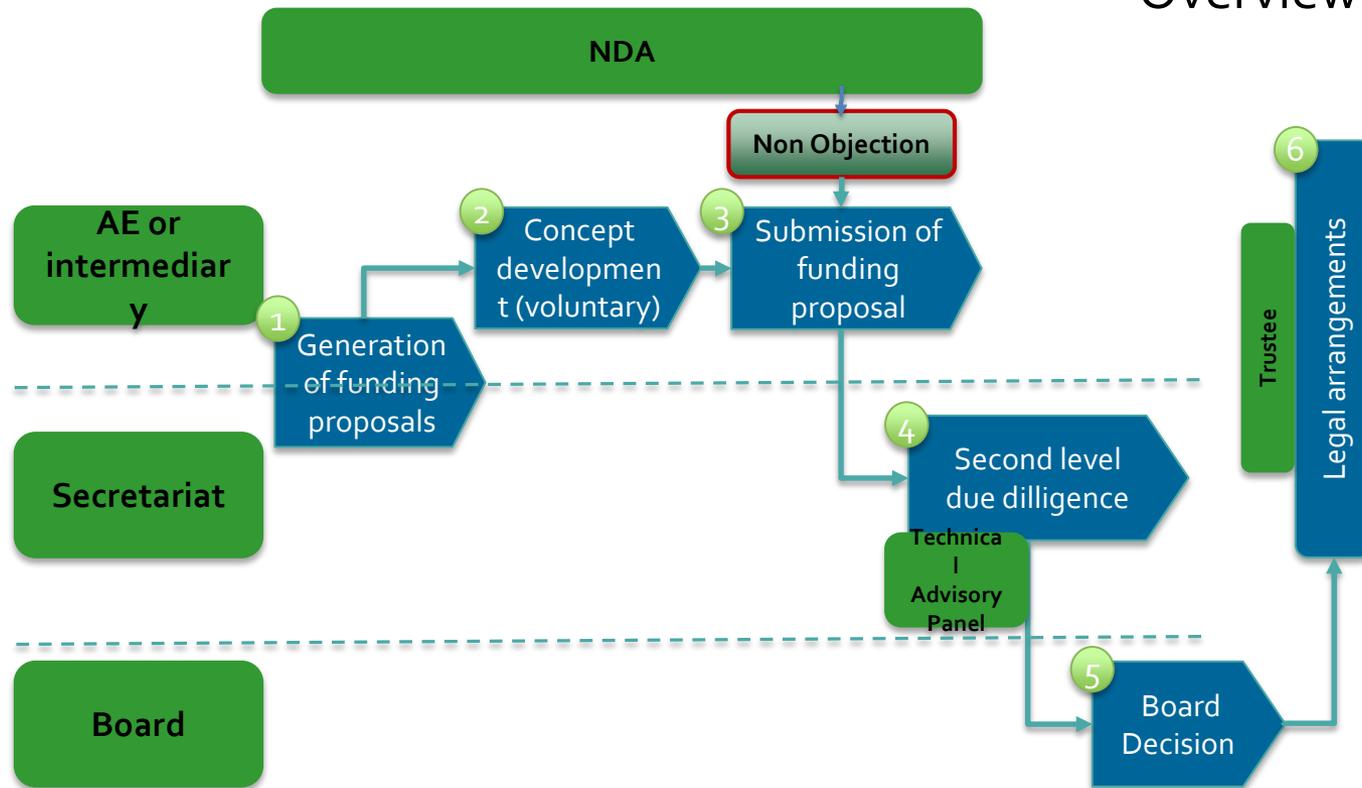


Funding Proposal Review



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



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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

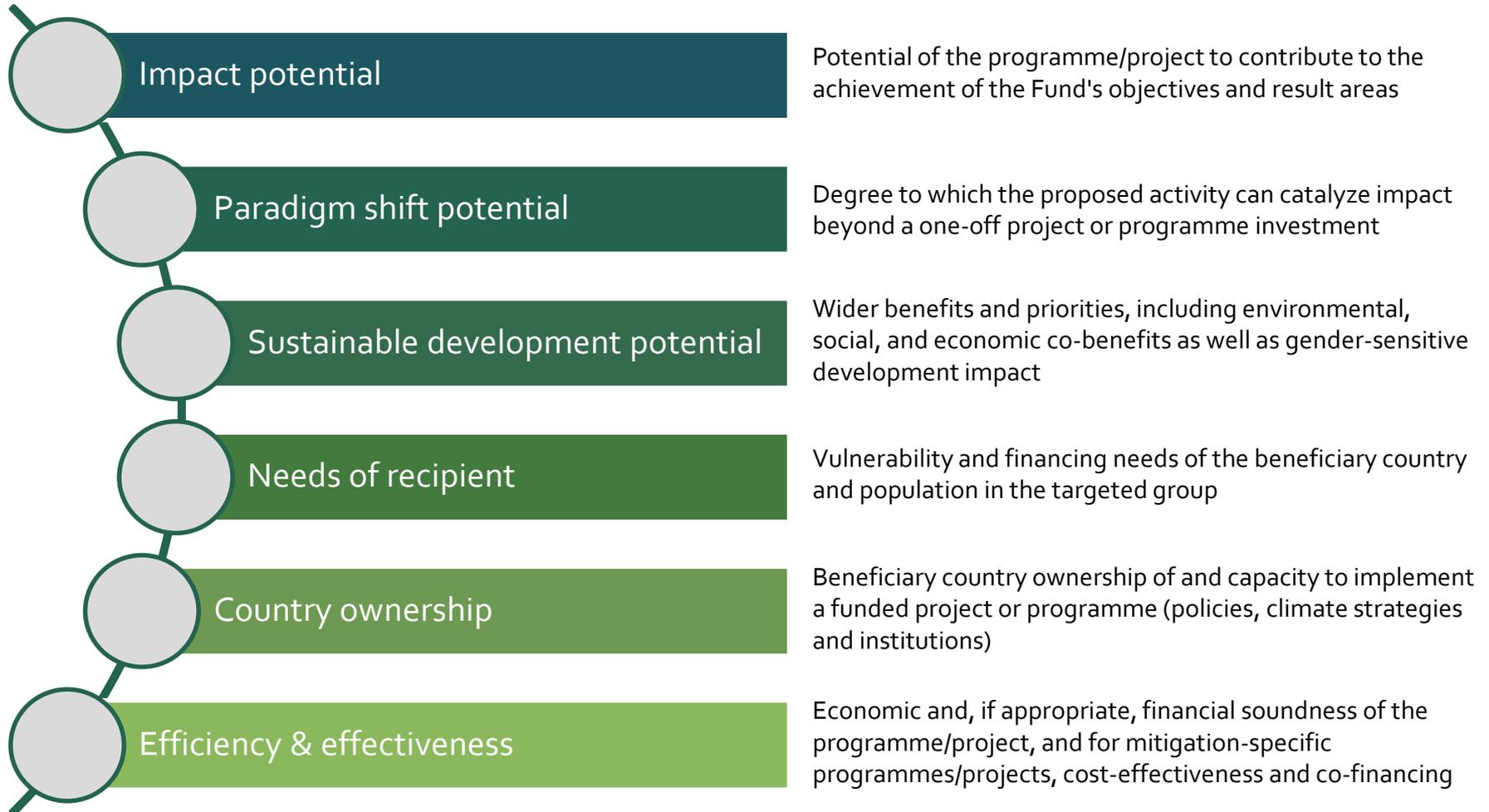
Results management and reporting

Legal



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Investment Criteria





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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. \$/tCO₂)
- 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 2nd level due diligence



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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



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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).



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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?

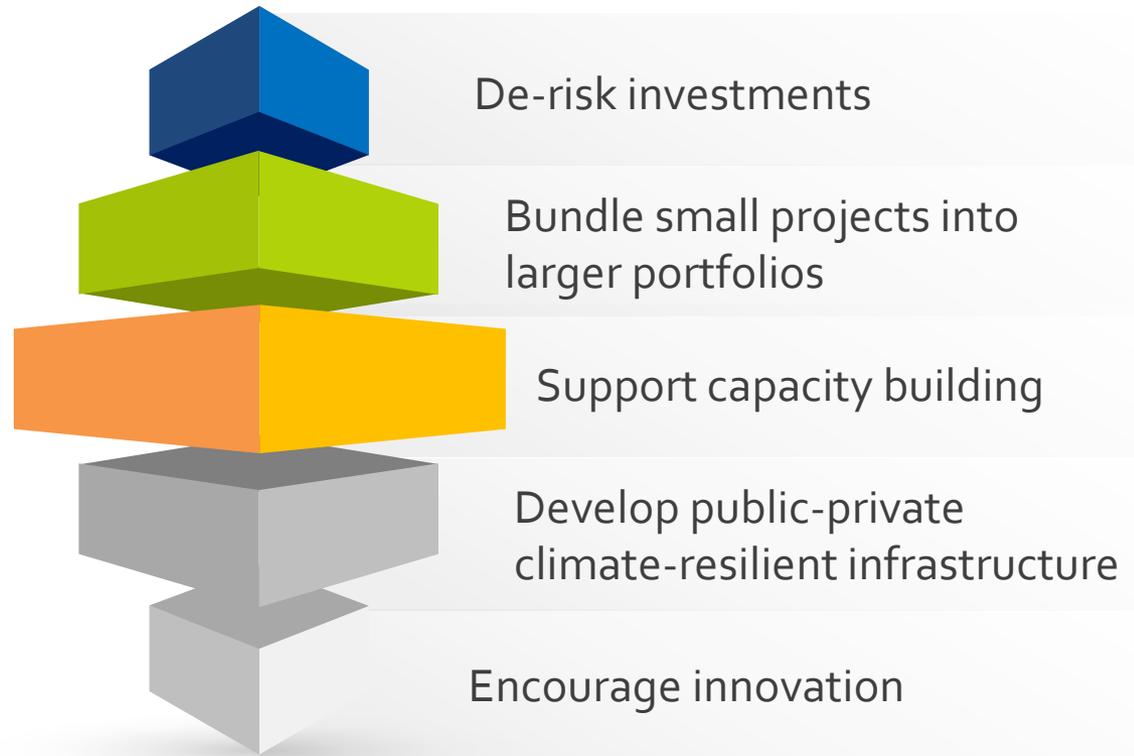


The PSF is a dedicated facility within the Fund with the mission to

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



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

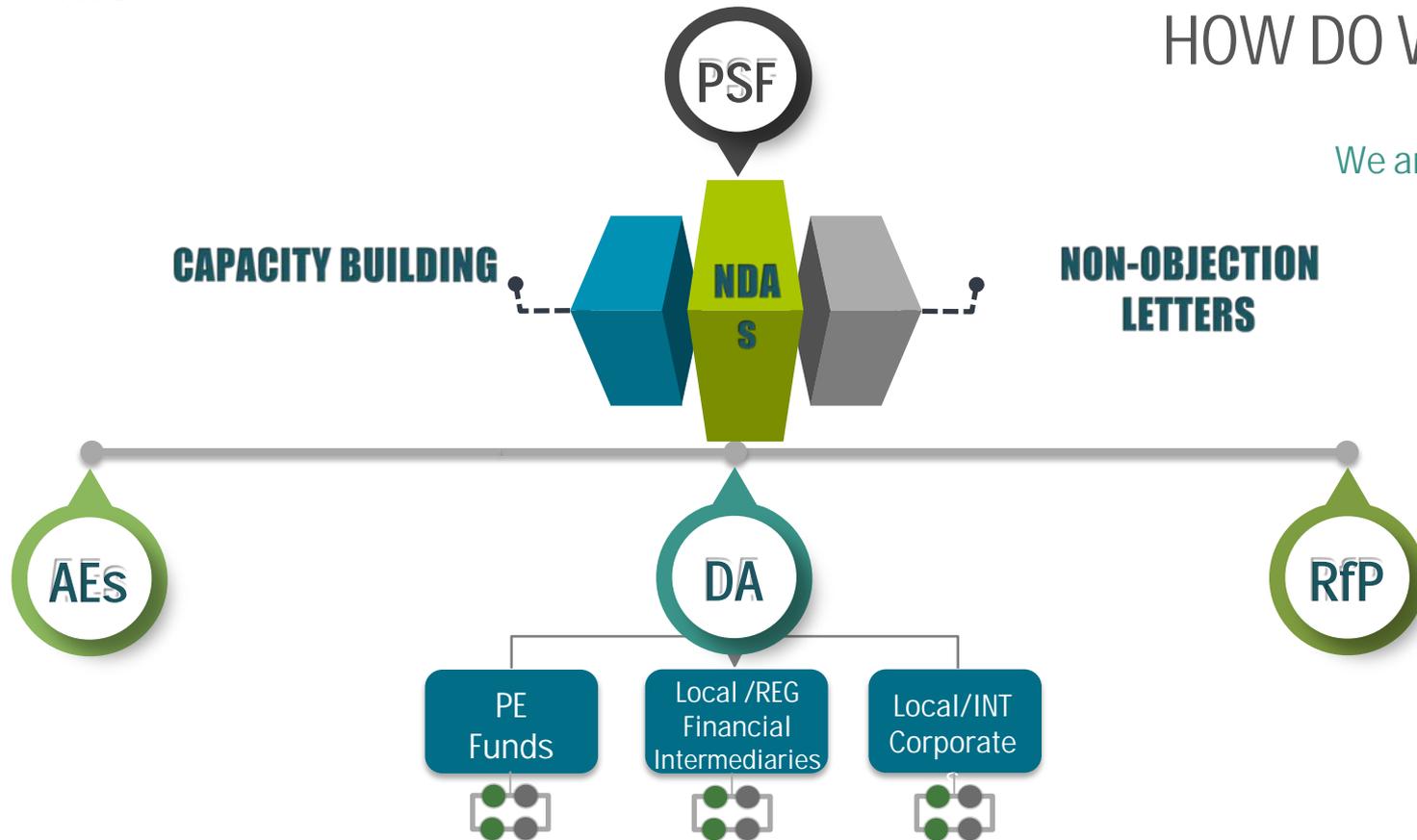




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HOW DO WE DO IT?

We are flexible

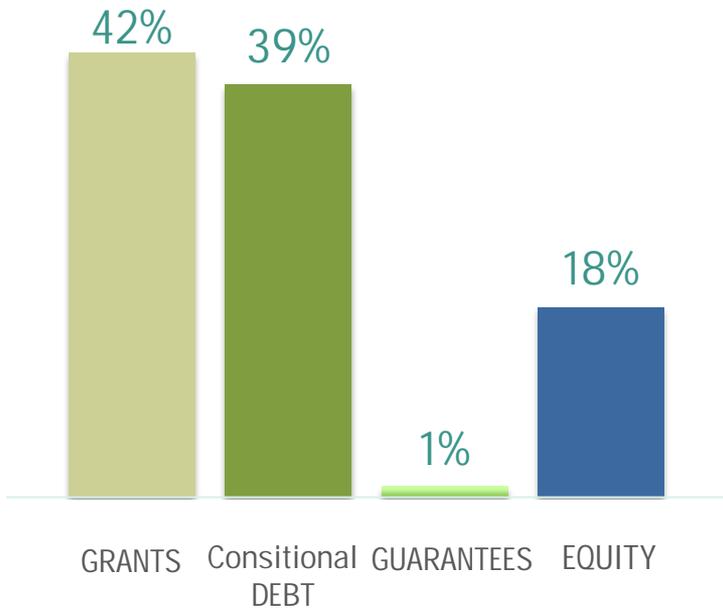




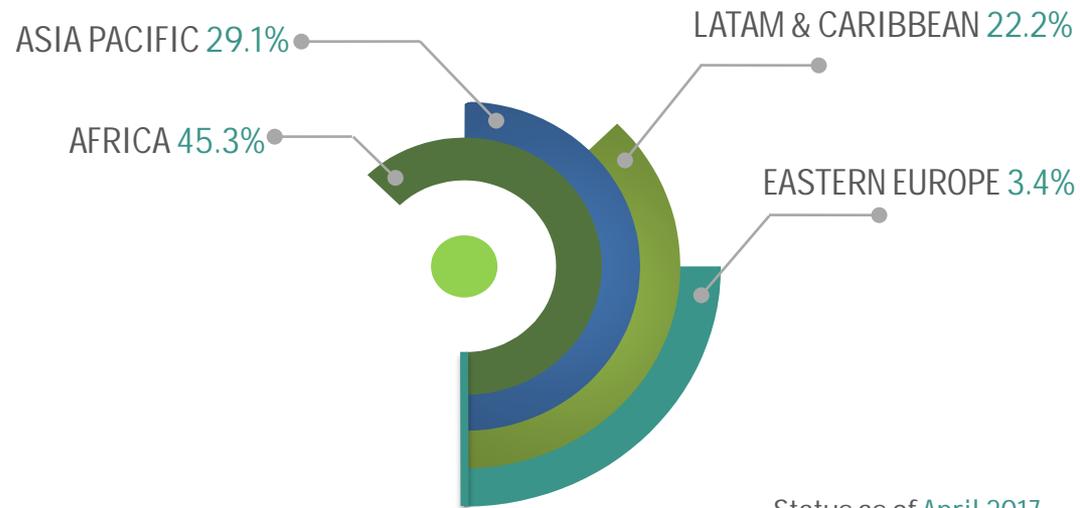
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WHERE WE INVEST

FUNDING AMOUNT
PORTFOLIO: USD 2.240 B



GEOGRAPHIC
DISTRIBUTION



Status as of April 2017



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