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Session 5: Understanding the support available from the GCF

Clinic 3:

Introduction to the Private Sector Facility business Model and Examples of Asian Private Sector Projects

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Private Sector Facility

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The Green Climate Fund's Private Sector Facility

PSF Mission

- Engaging both the local and global Private Sector to support climate change
- Engaging new private actors involved in climate action
- Supporting projects and private sector led programmes that will not take place without our intervention
- Changing the paradigm by de-risking the delivery of private capital
- Scaling-up private sector investment flows

The Private Sector Facility aims to promote private sector climate action in developing countries.

PSF Values

PSF works to fund and mobilize institutional investors and leverage GCF's funds to encourage corporates to co-invest with us

How?

- De-risk investments;
- Bundle small projects into portfolios;
- Support capacity building;
- Develop public-private infrastructure resilience partnerships;
- Encourage innovation.

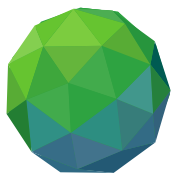
Where?

- Clean energy & Energy Efficiency
- Climate-related innovation
- Transport, Cities and Buildings
- Products and services for vulnerable communities
- Agriculture, forestry, food, water security, and ecosystem preservation



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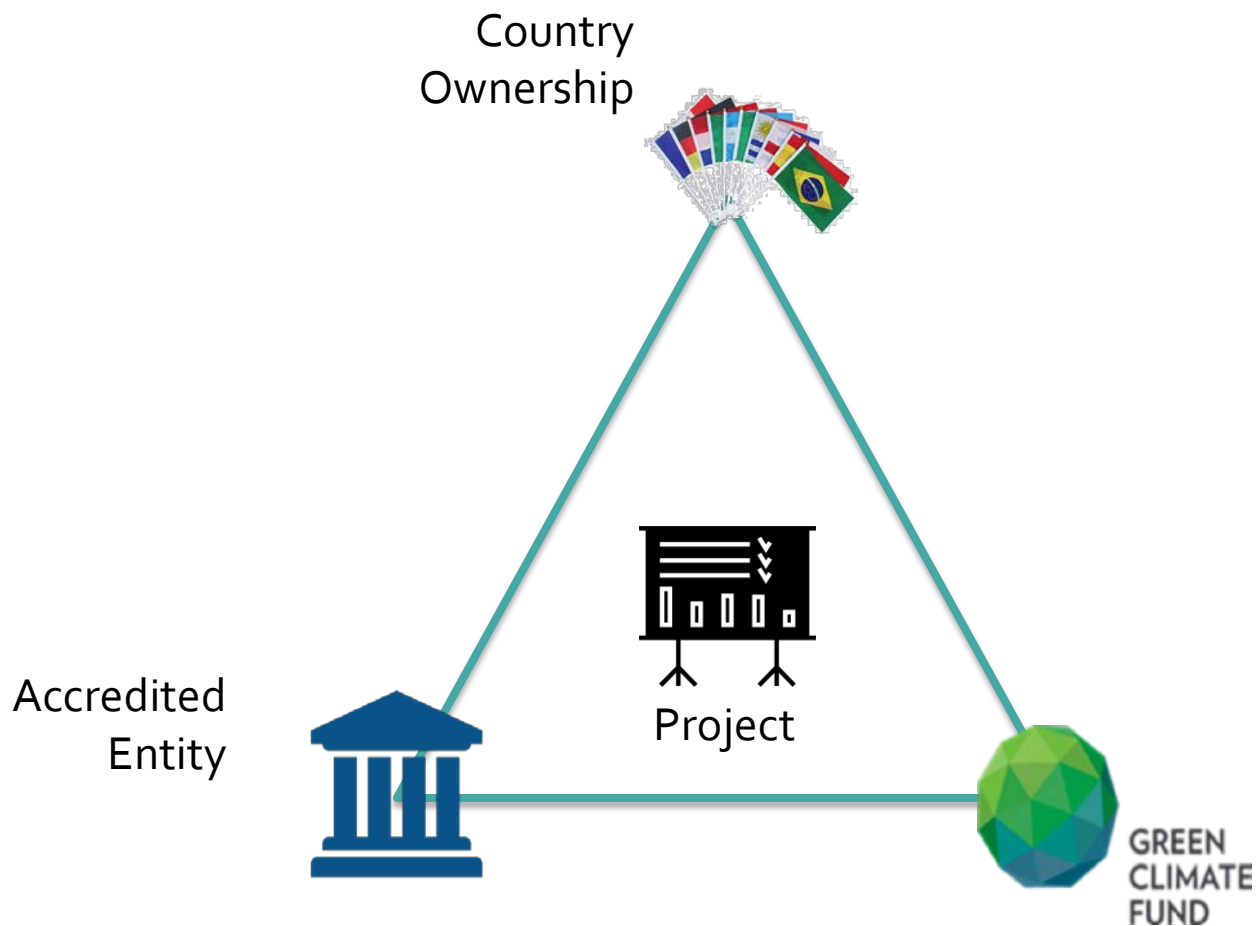
Working with PSF



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Private Sector Facility

Business Model





The Fund's Six High-level Investment Criteria*



* The Fund has adopted its [initial activity-specific sub-criteria and assessment methodologies](#).



Concessionality and Private sector



What is concessionality in the Private Sector Projects?

1. Reducing risk in a transaction

2. Create the anchor or incentive for other co-investors to participate

3. Enhance climate and developmental impacts

4. As a 'transition' tool, to foster behavioral changes conducive to stronger climate impacts

5. Create demand by making climate solutions affordable



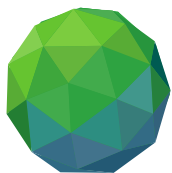
It can be extended in different ways

- ✓ Soft concessionality – typical in blended finance;
- ✓ It can be subordinated equity;
- ✓ Flexible guarantees;
- ✓ Interest rate reduction below commercial;
- ✓ Longer grace period, longer terms; longer grace periods;
- ✓ Subordinated position; and
- ✓ Grant to support reforms in the sector or to build capacity



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PSF's Portfolio & Pipeline Examples

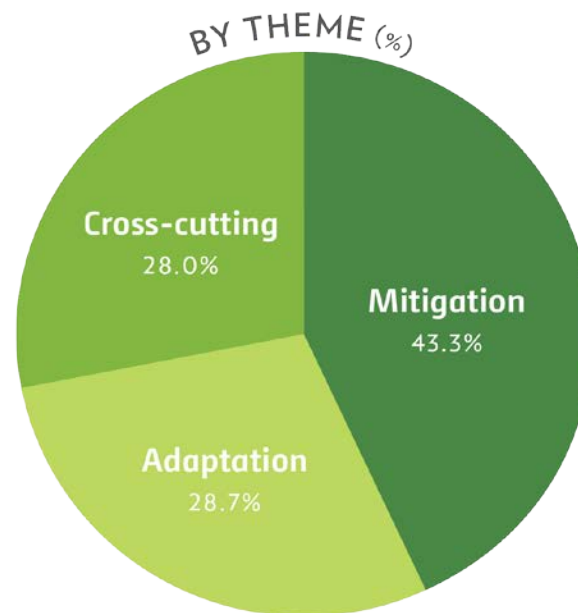
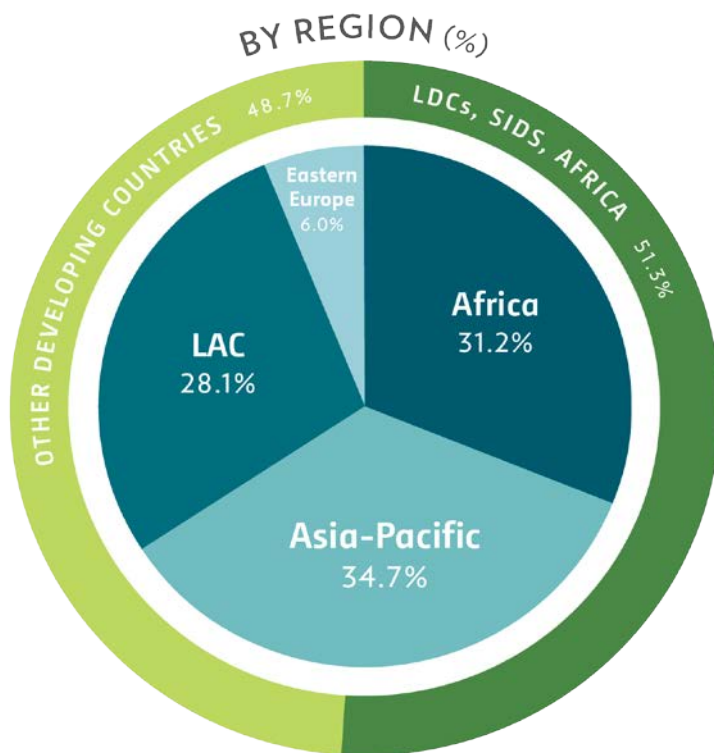


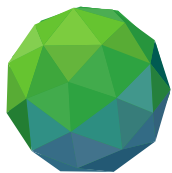
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GCF Portfolio Composition post B19

76 projects / programmes with USD 3.7 billion in GCF funding

Requested and committed amount of GCF funding



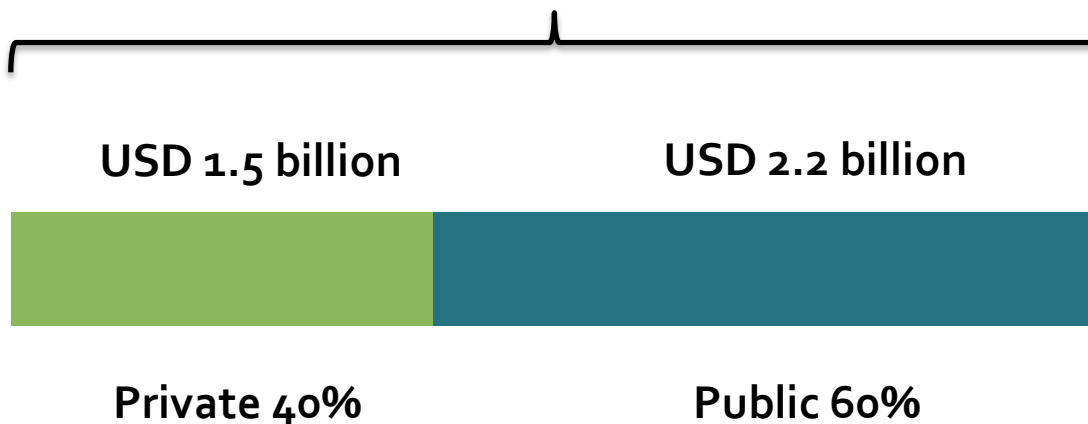


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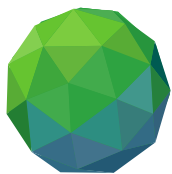
GCF Portfolio Composition

76 projects / programmes with USD 3.7 billion in GCF funding

Funding Amount By Sector



Total USD 3.7 billion

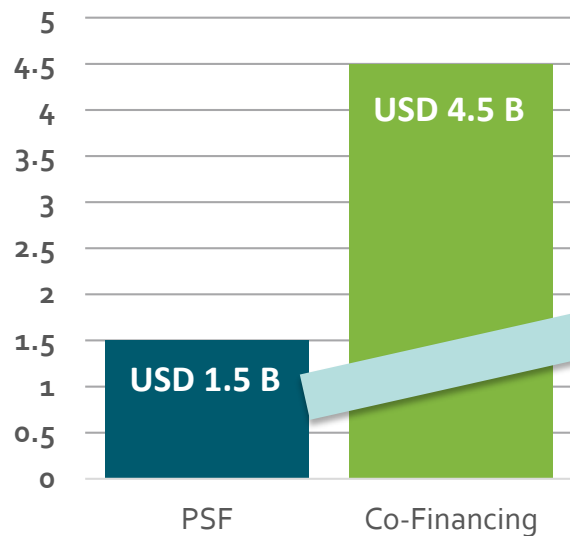


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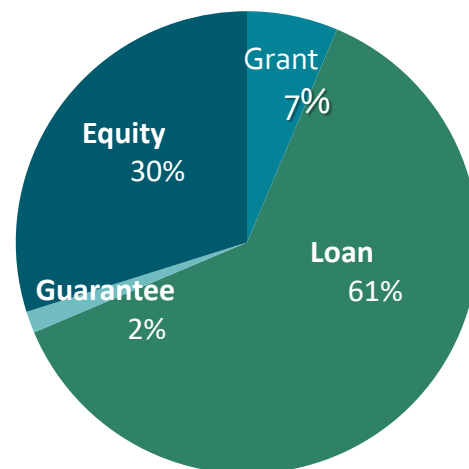
PSF portfolio composition

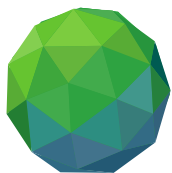
Committed amount of GCF funding
(16 approved private sector projects)

Co-financing



Instrument



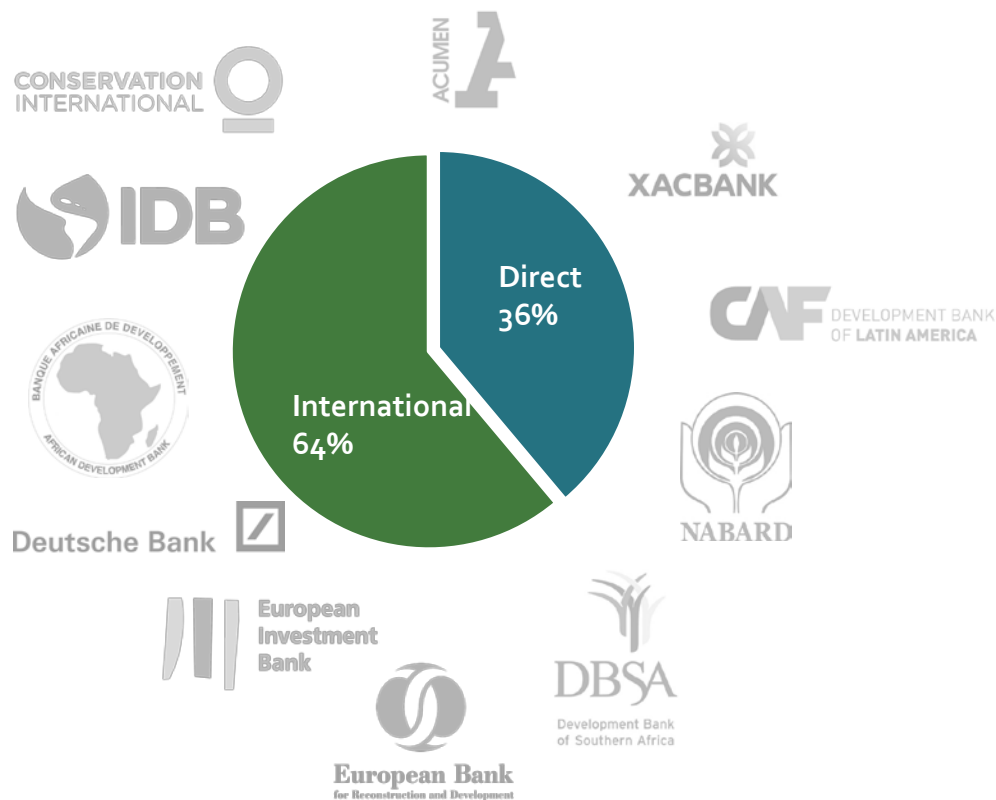


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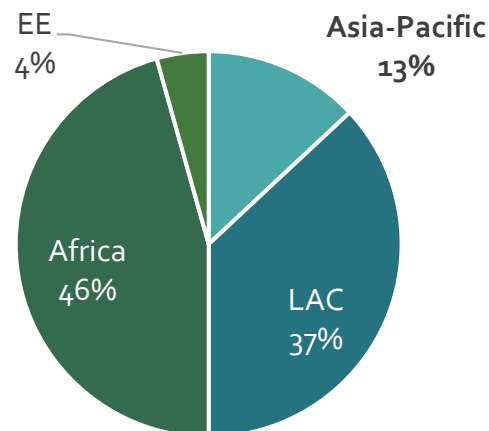
Portfolio composition post B19

Private Sector

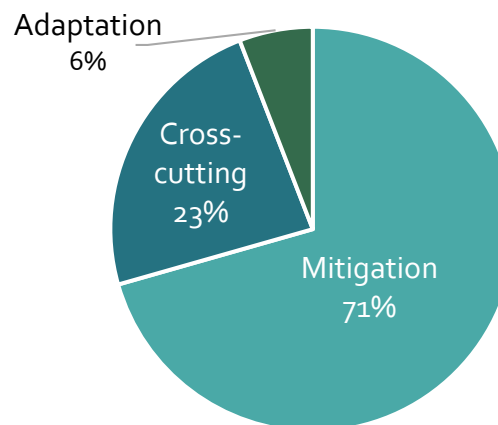
By access modality

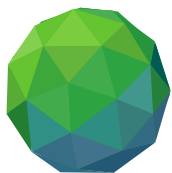


By regions



By funding windows

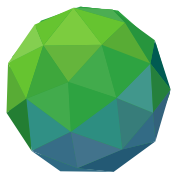




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Private Sector Projects

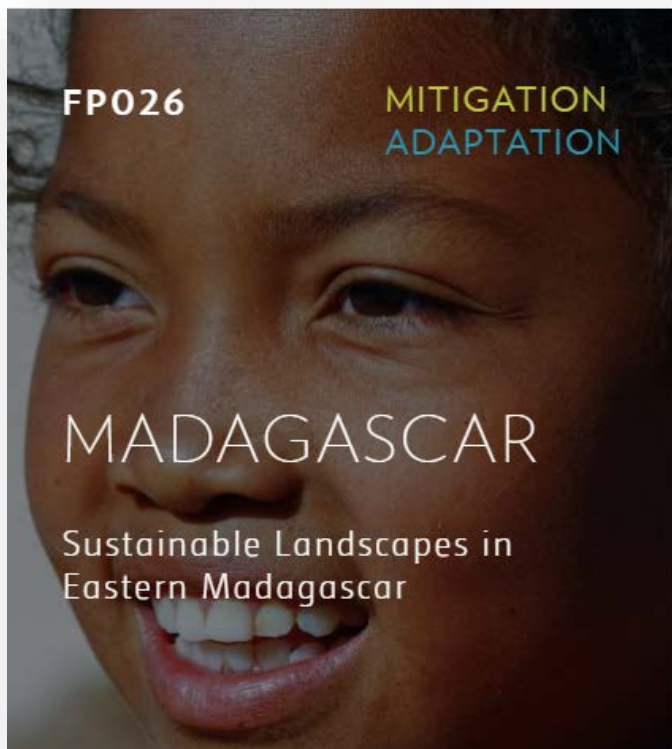
B.M.	Name	Country	AE	GCF Amount	Total Amount
B11	KawiSafi Ventures Fund in Eastern Africa	Kenya, Rwanda	Acumen	\$25 M	\$110 M
B11	Energy Efficiency Green Bond in LAC	Mexico	IDB	\$22 M	\$185 M
B13	Climate Action and Solar Energy Development	Chile	CAF	\$49 M	\$265 M
B14	Sustainable Energy Financing Facilities (SEFF)	Africa/ Asia / EE (10)	EBRD	\$378 M	\$1,385 M
B14	Sustainable Landscapes in Eastern Madagascar	Madagascar	CI/EIB	\$54 M	\$70 M
B14	Universal Green Energy Access Programme (UGEAP)	Africa (5 countries)	DB	\$80 M	\$300 M
B15	Business loan programme for GHG emission reduction	Mongolia	XacBank	\$20 M	\$60 M
B15	Catalyzing Private Investment in Sustainable Energy in Arg.	Argentina	IDB	\$133 M	\$653 M
B16	Geeref NeXt	Global (29 countries)	EIB	\$265 M	\$765 M
B16	Egypt Renewable Energy Financing Framework	Egypt	EBRD	\$154 M	\$1,007 M
B18	Renewable Energy Program – Solar #1	Mongolia	XacBank	\$9 M	\$18 M
B18	GCF-EBRD Kazakhstan Re Framework	Kazakhstan	EBRD	\$110 M	\$557 M
B18	Low Emissions and Climate Resilient Agriculture Risk Sharing	Mexico, Guatemala	IDB	\$20 M	\$158 M
B19	Acumen Resilient Agriculture Fund (ARAF)	Ghana, Nigeria, Uganda	Acumen	\$26 M	\$56 M
B19	Zambia Renewable Energy Financing Framework	Zambia	AfDB	\$52.5 M	\$154 M
B19	Line of Credit for Solar rooftop segment	India	NABARD	\$100 M	\$250 M
				\$1.5 B	\$4.5 B



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Private Sector Projects

FP026 Sustainable Landscapes in Eastern Madagascar

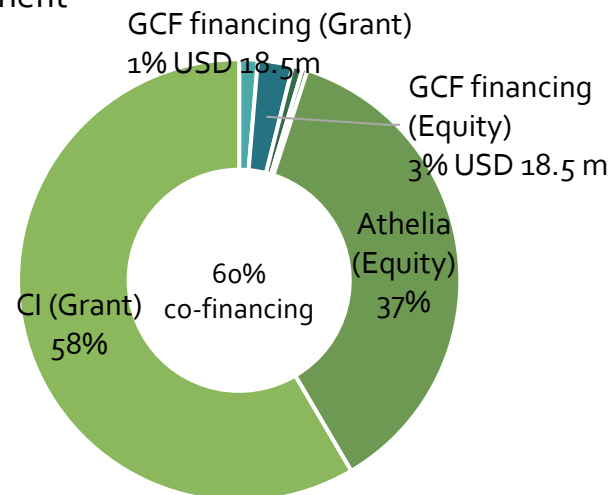


Sustainable landscape measures to enhance resilience of smallholders, reducing GHG emissions and channelling private finance into climate-smart investments in agriculture and renewable energy.

Approved on
October 2016

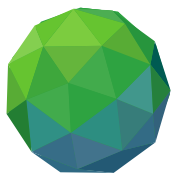
Anticipated tonnes of
CO₂ equivalent avoided
10m tonnes of CO₂

Instrument



Accredited Entity
Conservation International Foundation
European Investment Bank





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FP028 Business loan programme for GHG emissions reduction

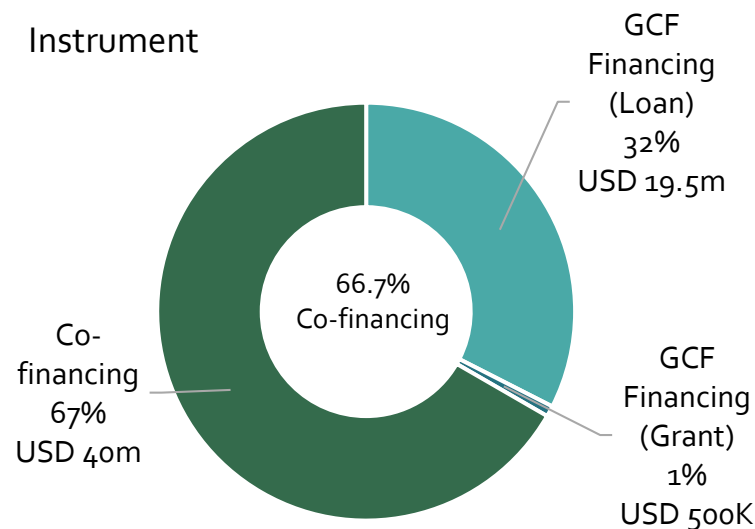
Supporting Mongolian enterprises embrace energy efficiency and renewable energy.



Approved on
December 2016

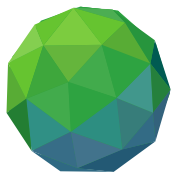
Anticipated tonnes of
CO₂ equivalent avoided
1.2m tonnes of CO₂

Instrument



Accredited Entity
XacBank





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Private Sector Projects

FP046 Renewable Energy Program #1 - Solar

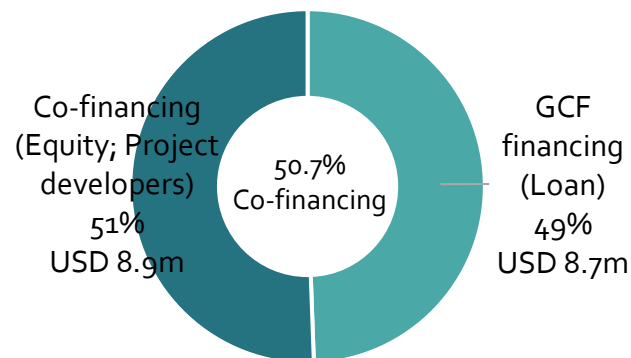


Financing a 10MW solar photovoltaic (PV) power plant to support Mongolia's renewable energy transition.

Approved on
October 2017

Anticipated tonnes of
CO₂ equivalent avoided
306.7k tonnes of CO₂

Instrument



Accredited Entity
XacBank





Private Sector Projects

FP081 Line of credit for solar rooftop segment for commercial, industrial and residential housing sectors

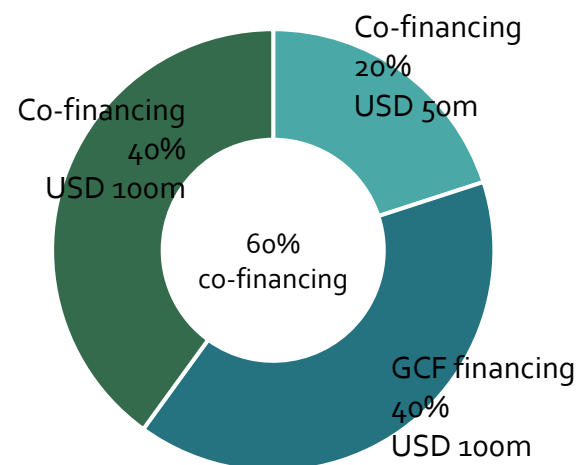
Enabling access to long-term, affordable finance for solar rooftop installation projects in commercial, industrial and residential housing sectors in India, including vulnerable communities.



Approved on
February 2018

Anticipated tonnes of
CO₂ equivalent avoided
5.2m tonnes of CO₂

Instrument



Accredited Entity
NABARD





Request for Proposal

Mobilizing Fund at Scale (MFS)

Published on 25 May 2017 **Closed on** 30 August 2017

 **GCF Investment:**
 ✓ Up to USD 500 million in projects/programmes

 **Countries received:**
 ✓ 70+ Developing countries

 **Number of concept notes received:**
 ✓ 350 CNs

 **Est. project cost:**
 ✓ USD 43 billion

 **Est. GCF requesting amount**
 ✓ USD 2.8 billion



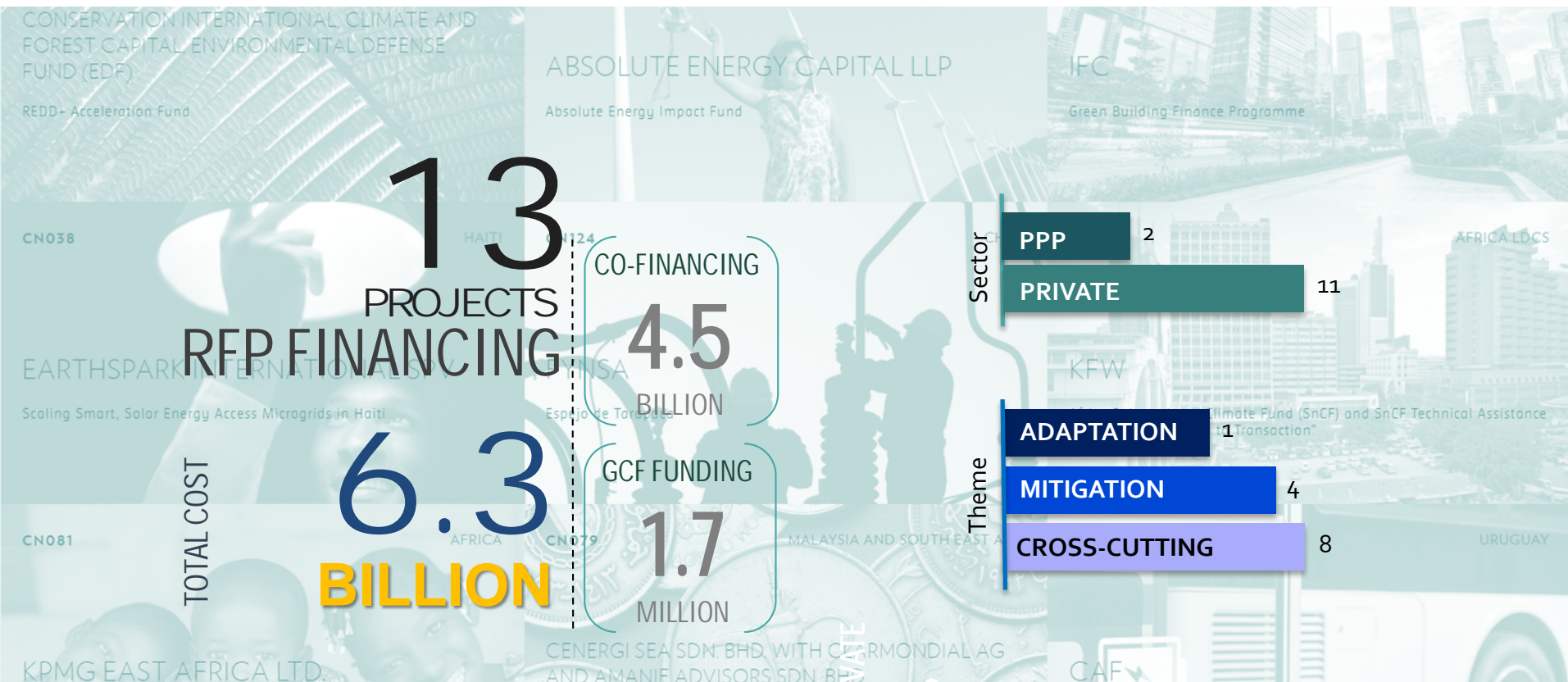
Pitch for the Planet.

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Request for Proposal

Asia Result: TOP 30





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