



GCF Structured Dialogue with the Pacific

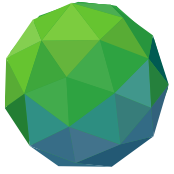
GCF PROJECT DEVELOPMENT PROCESS: Project cycle, programming and pipeline development

Presenters:

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Director, Private Sector Facility

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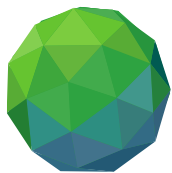


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Overview

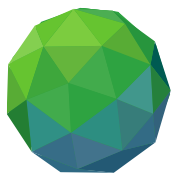


- **Background**
- **Proposal Review & Approval Process**
- **Case Studies**
- **Summary & Conclusion**



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Background



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Public Sector Impact

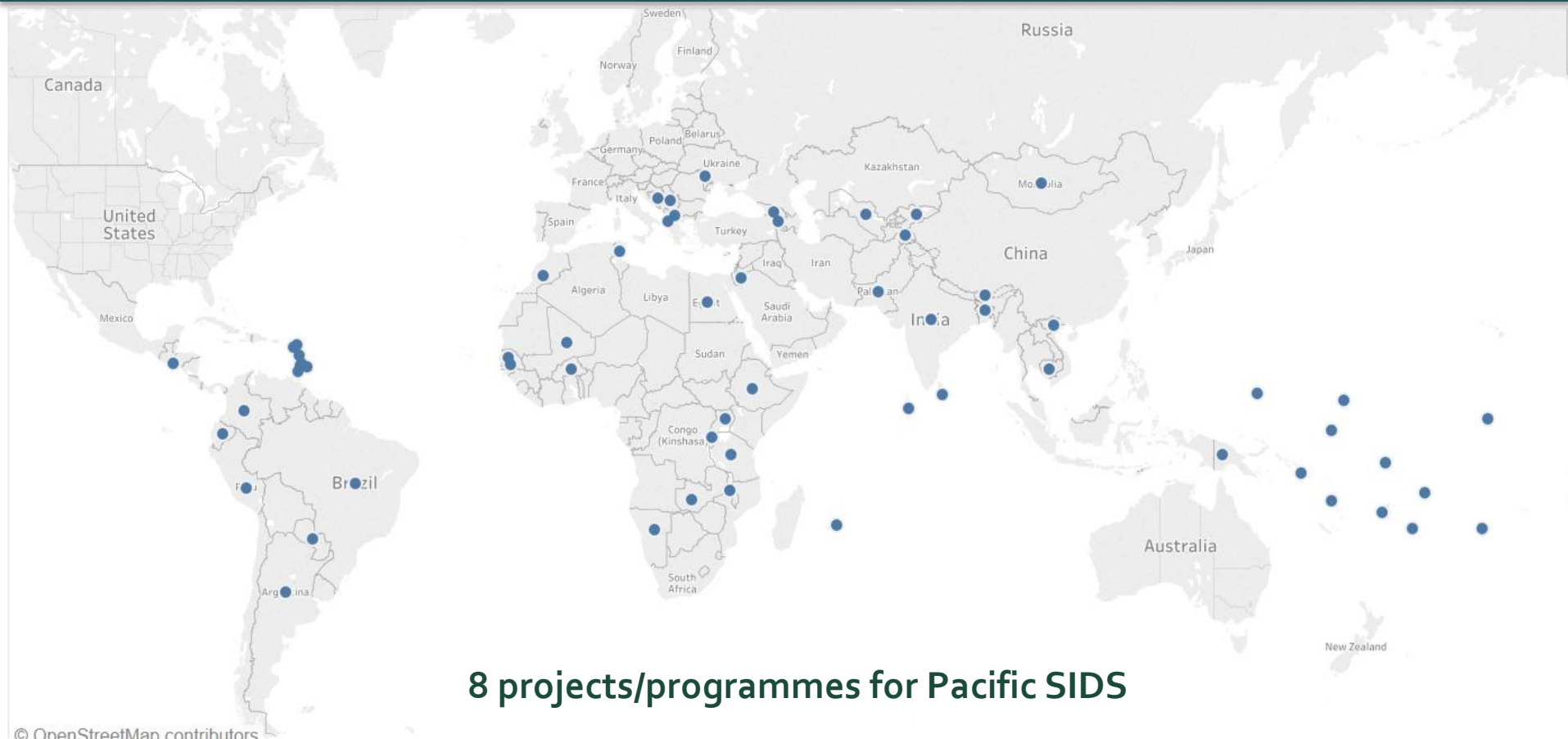
60
projects

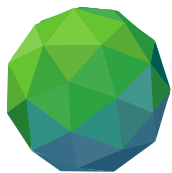
\$2.2B
GCF Funding

\$4.7B
Co-financing

~387Mt
tCO₂eq

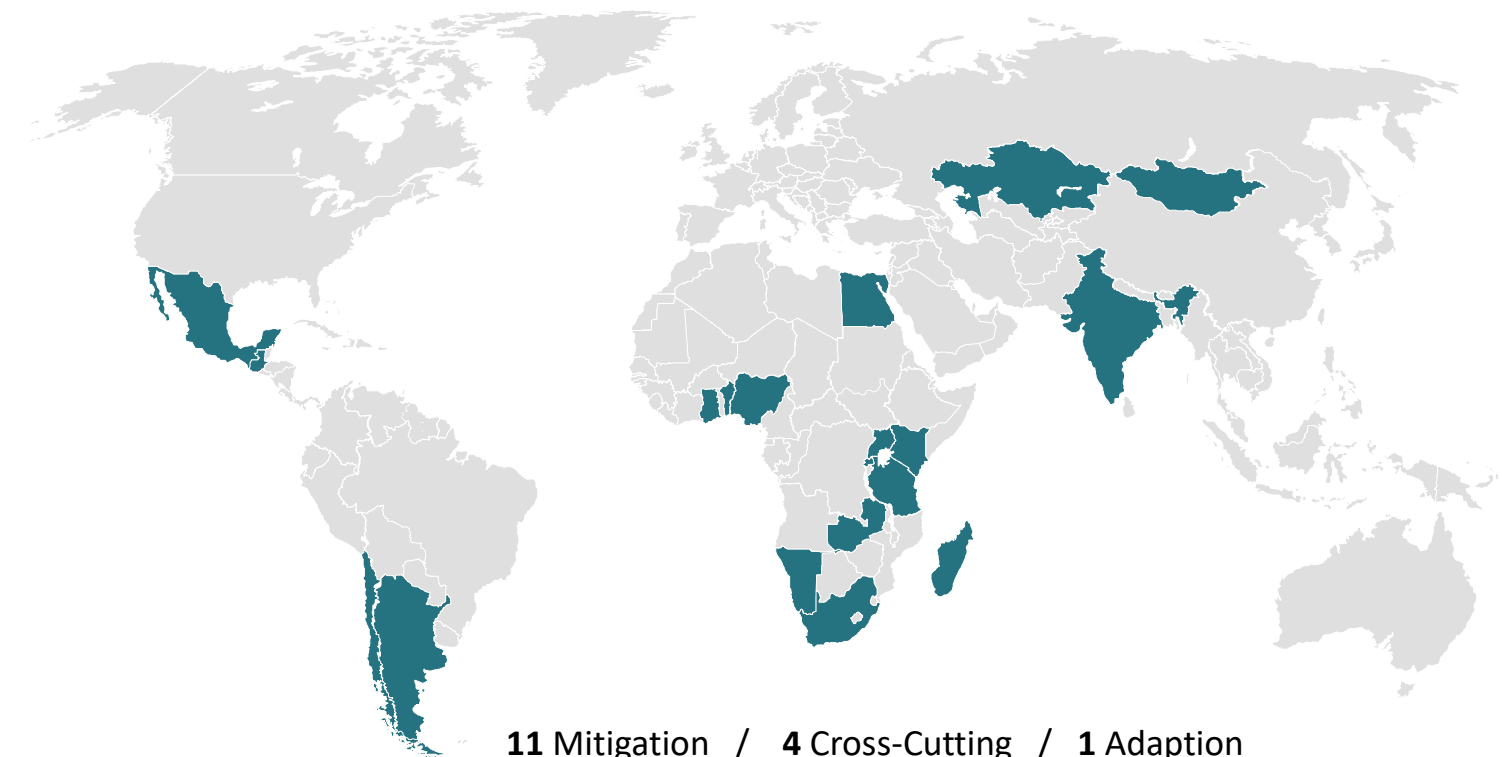
~190M
beneficiaries





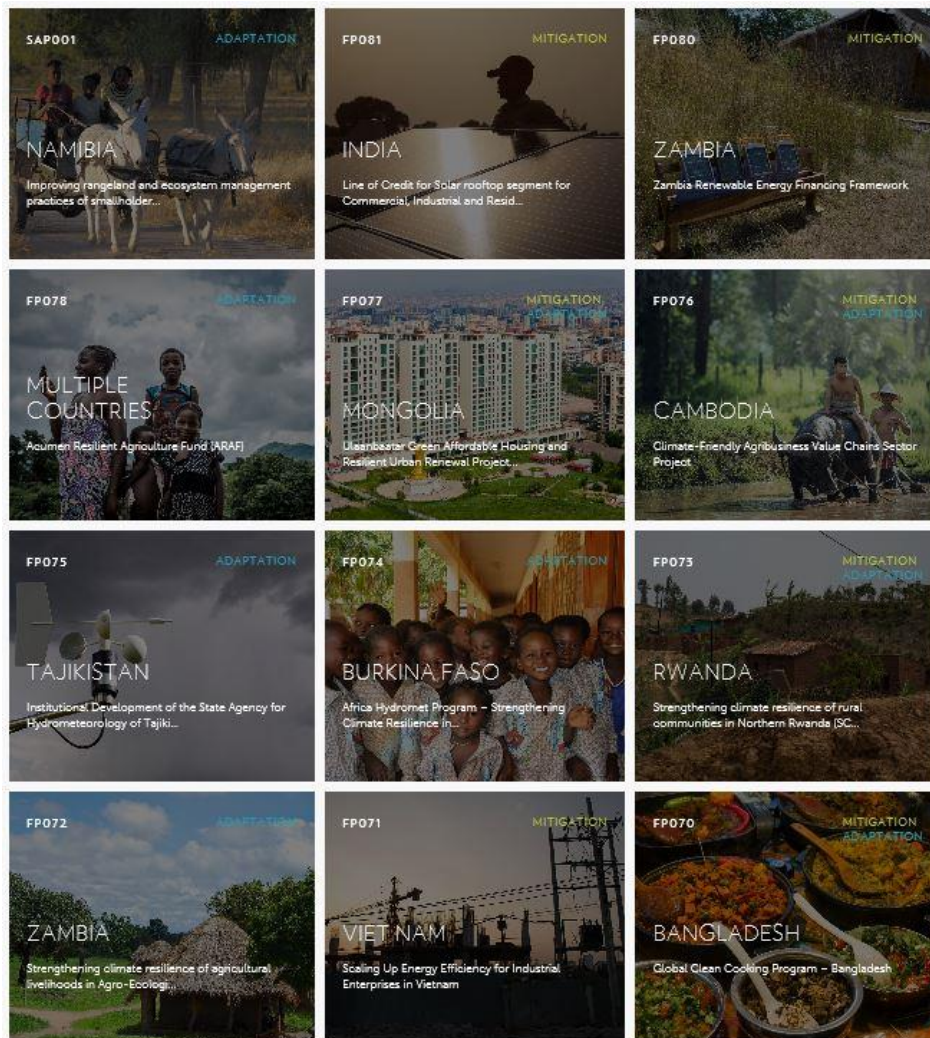
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Private Sector Impact





Public-sector funding windows



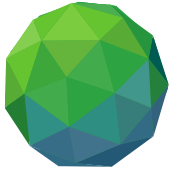
Standard project/programme window

Enhanced Direct Access
(Devolved & decentralized decision-making, \$200M, 10 pilots)

Simplified Approval Process
(up \$10M, low ESS requirements)

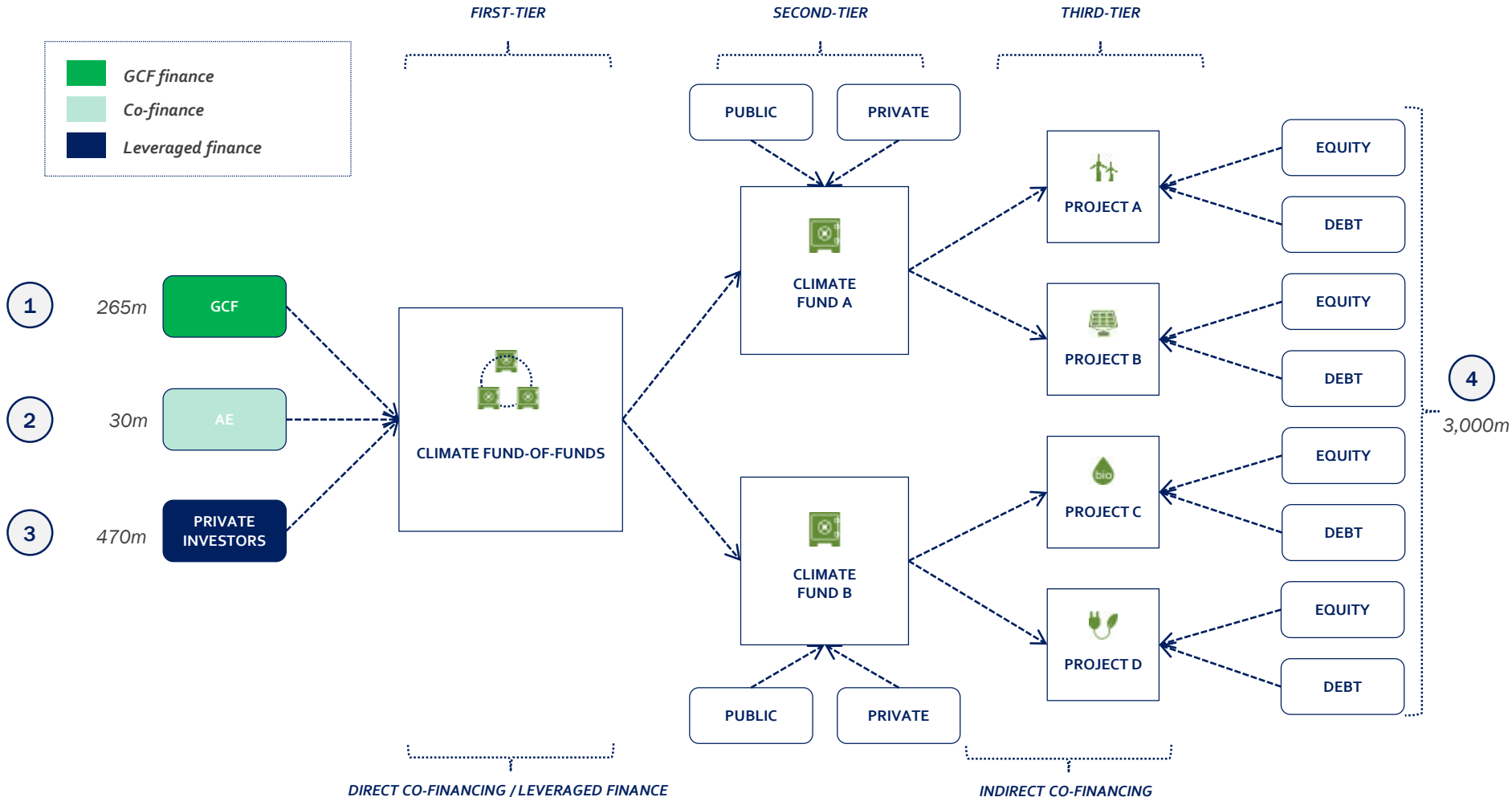
REDD+ Results-Based Payments

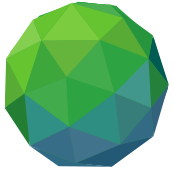
Categories of funds: Micro (≤ 10), Small ($10 < x \leq 50$), Medium ($50 < x \leq 250$), Large (> 250)



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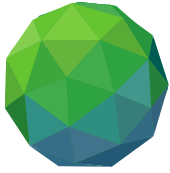
Mobilizing Private Capital





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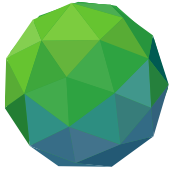
Proposal Review & Approval Process



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GCF Project Cycle





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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

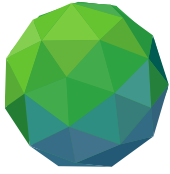
Performance against investment criteria
Consistency with GCF safeguards & policies

Stage 3 Independent TAP assessment

Performance against investment criteria

Stage 4 Submission of package to Board

Accredited Entity



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Stage 1: 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



Stage 2: 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

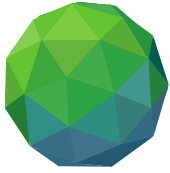
Gender policy

Risk framework

Fiduciary standards

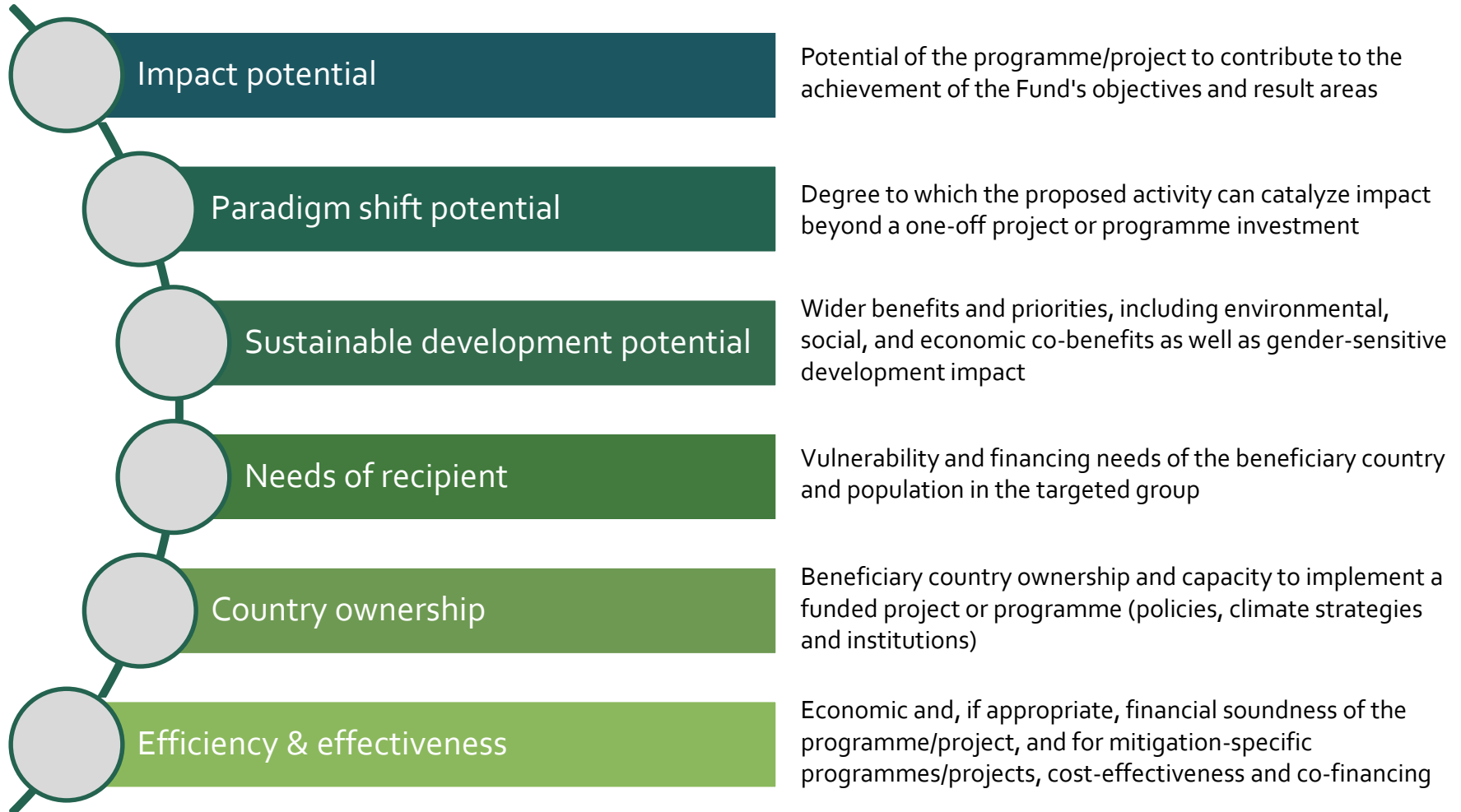
Results management and reporting

Legal framework



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Investment Criteria





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.



Common Gaps Identified in Completeness Check

1) Incomplete information

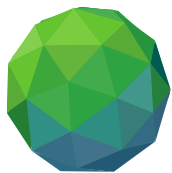
- Budget breakdown missing
- Disbursement schedule not provided

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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Case Studies



Case Study 1: B19 - UNDP

Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia

Country	GCF financing	Accredited entity	Co-Financing	Beneficiary
Georgia	\$27.05M(Grant)	UNDP	\$43.24M	46% (Direct)

Project components

Component 1

Expanded hydro-meteorological observation network and modelling capacities secure reliable information on climate-induced hazards, vulnerability and risks

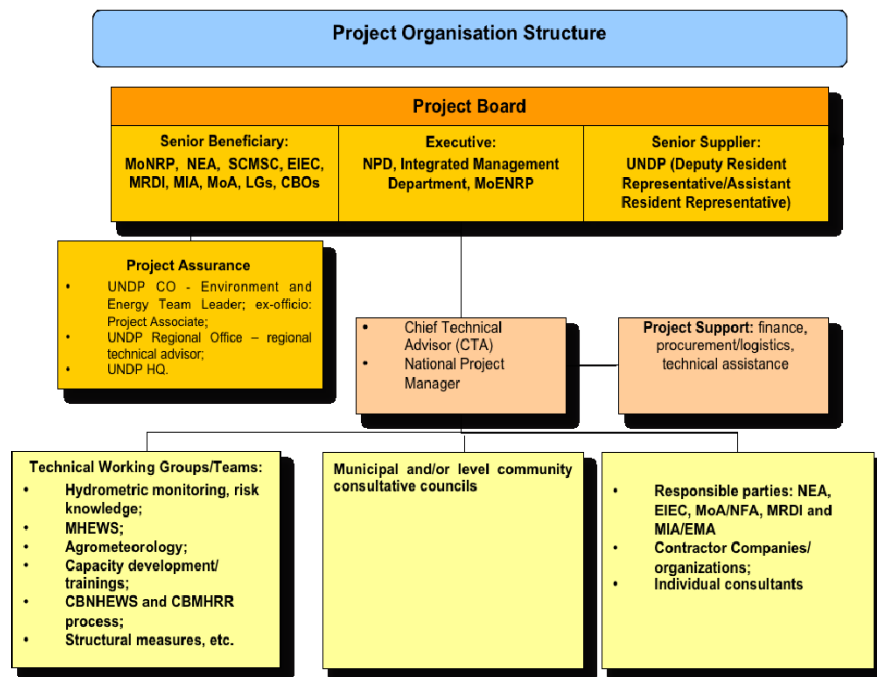
Component 2

Multi-hazard early warning system and new climate information products supported with effective national regulations, coordination mechanism and institutional capacities

Component 3

Improved community resilience through the implementation of the MHEWS and priority risk reduction measures

Implementation arrangement/ flow of funds



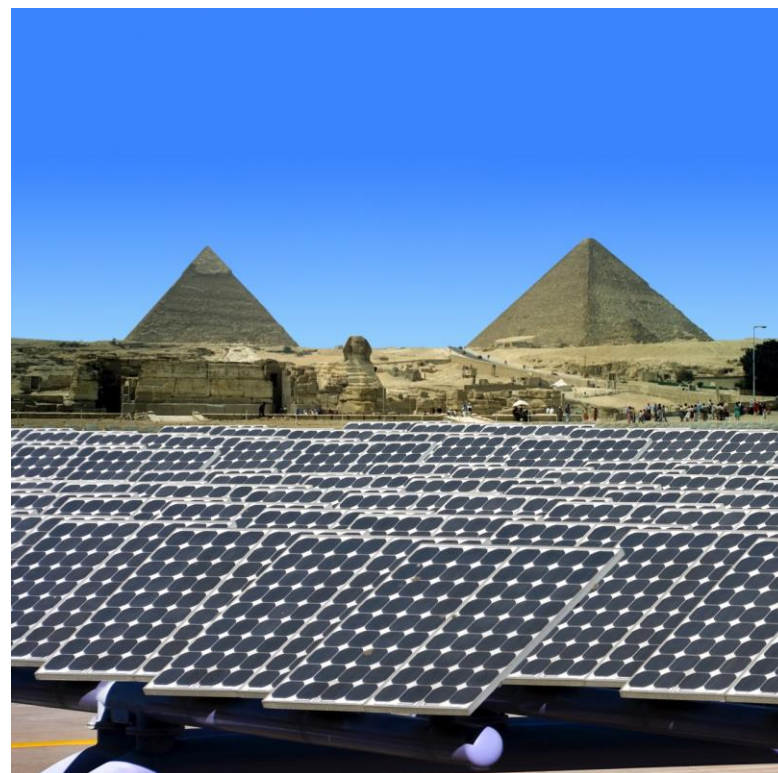


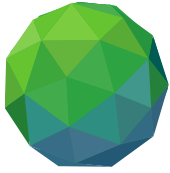
Case Study 2: B16 - EBRD

Egypt Renewable Energy Financing Framework

Country	GCF financing	Accredited entity	Financial instrument
Egypt	USD 154.7 million	EBRD	Loan and Grant

- Encourages private sector investment in an environment with negligible renewable capacity installed
- Addresses the lack of capital for project development
- Facilitates transition to auction-based procurement
- Emissions reduction of 19 million tCO₂e

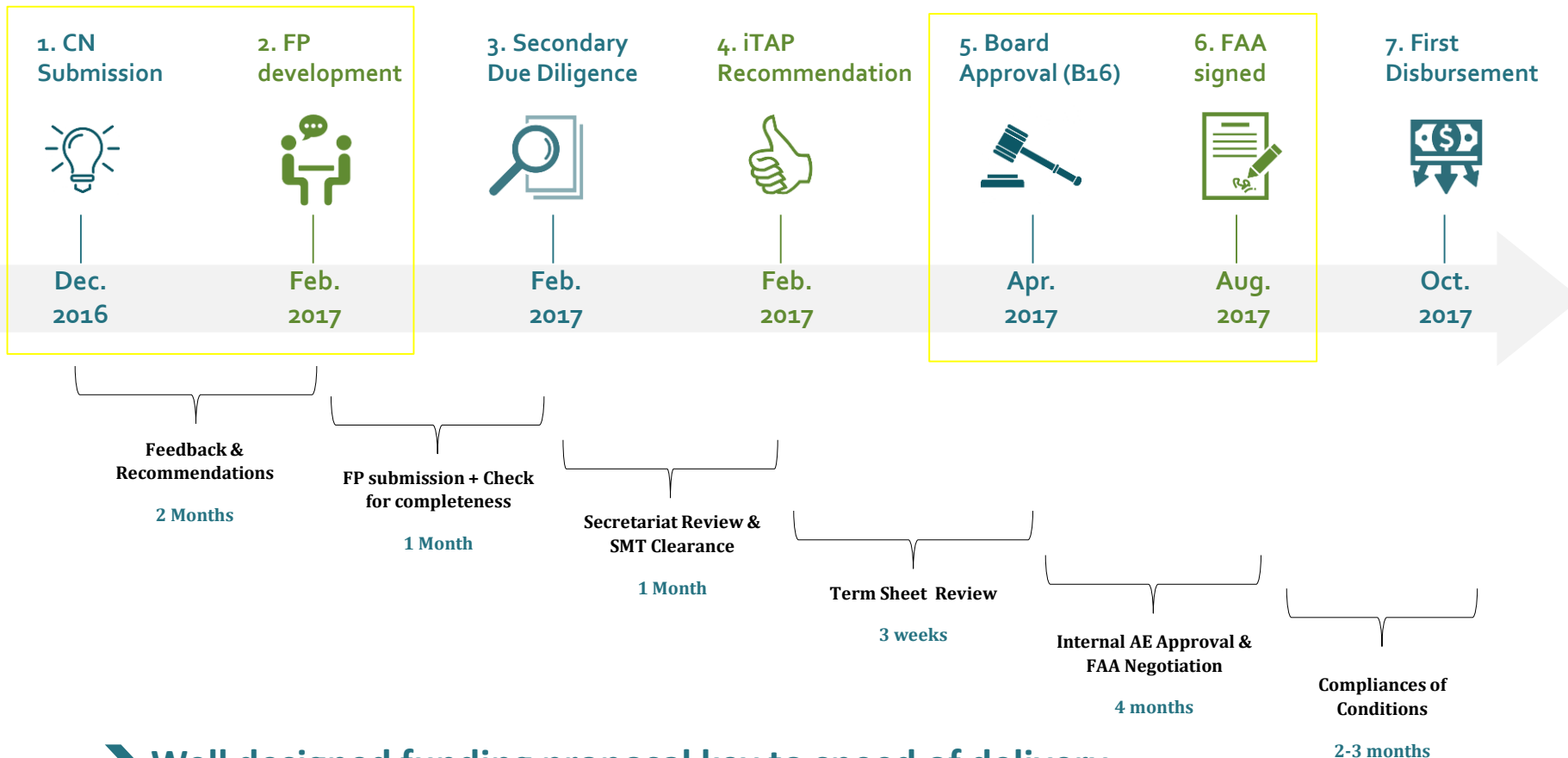




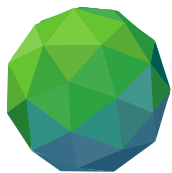
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Case Study 1: B16 - EBRD

Egypt Renewable Energy Financing Framework



➤ Well designed funding proposal key to speed of delivery



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Summary & Conclusion

What we look for?

Additionality of GCF Funding

- Why GCF?
- Projects must crowd-in additional financing on top of GCF

Strong Climate Rationale

- Climate Impact of investment is key
- Robust scientific evidence is crucial
- Low-emission climate resilient development

Country Driven Approach

- Alignment with NDCs
- Early country (NDA) engagement
- No-objection letter

Six Investment Criteria

1. Impact Potential
2. Paradigm Shift Potential
3. Sustainable development potential
4. Recipient needs
5. Country ownership
6. Efficiency & effectiveness

8 Results Areas



Energy



Transport



Buildings, Cities,
Industries



Ecosystems



Livelihoods of
people & comm.



Health, food
and water
security



Forests and
land use



Infrastructure

Compliance with GCF Policies

- Fiduciary standards
- Risk Management
- ESS
- M&E Criteria
- Gender Policy
- Legal Standards

Completeness of documentation

- Feasibility study
- Financial Model
- Project Timetable
- Gender Analysis
- Environmental studies
- No-objection letter



Contacts



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