



Financial Structuring Considerations

(esp. private sector)

- **Appropriate level of concessionality** - minimize market distortions and potential disincentives for private sector investment
- Investment terms on a case-by-case basis to **address specific barriers**
- **Avoid crowding out** other sources of financing (including private sector)
- **Grant element tailored** to incremental cost/risk premium required to make an investment viable / cover specific activities (e.g. technical assistance)
- Where possible, **GCF should be a co-investor**, not sole investor – co-investment from AE encouraged
- Maximize leverage of other co-financing (especially private sector)
- Promote **long-term financial sustainability** – ensure debt absorption capacity of recipient

PSF Case Study: Acumen

Acumen Resilient Agriculture Fund (ARAF)

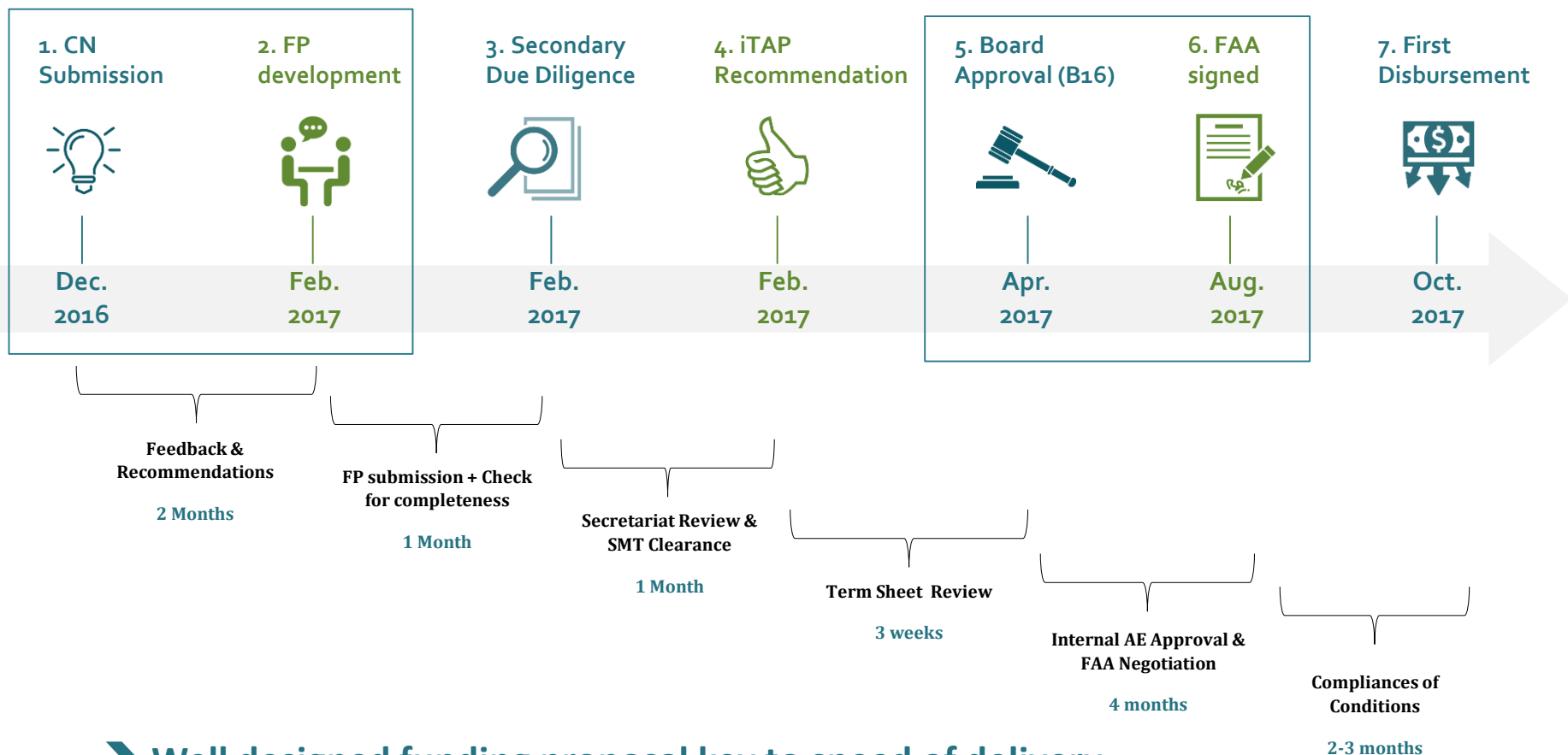
Country	GCF financing	Accredited entity	Financial instrument
Uganda, Ghana, Nigeria	USD 26 million	Acumen Fund, Inc.	Equity and Grant

- First of its kind adaptation focused agriculture fund involving private sector
- An adaptation impact fund to support and scale up inclusive early stage agribusinesses that provide essential climate adaptation solutions to smallholder farmers
- Shift pattern of investment in climate change adaptation activities in Africa from grants to a long-term capital approach
- Enhance climate resilience of 10M people



PSF Case Study: EBRD

Egypt Renewable Energy Financing Framework



➤ Well designed funding proposal key to speed of delivery