



GREEN
CLIMATE
FUND

GCF REGIONAL DIALOGUE

with THE PACIFIC & ASIAN SIDS

Rarotonga, Cook Islands
6–9 May 2025





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Unlocking Finance for Private sector Climate Action

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Private Sector Facility

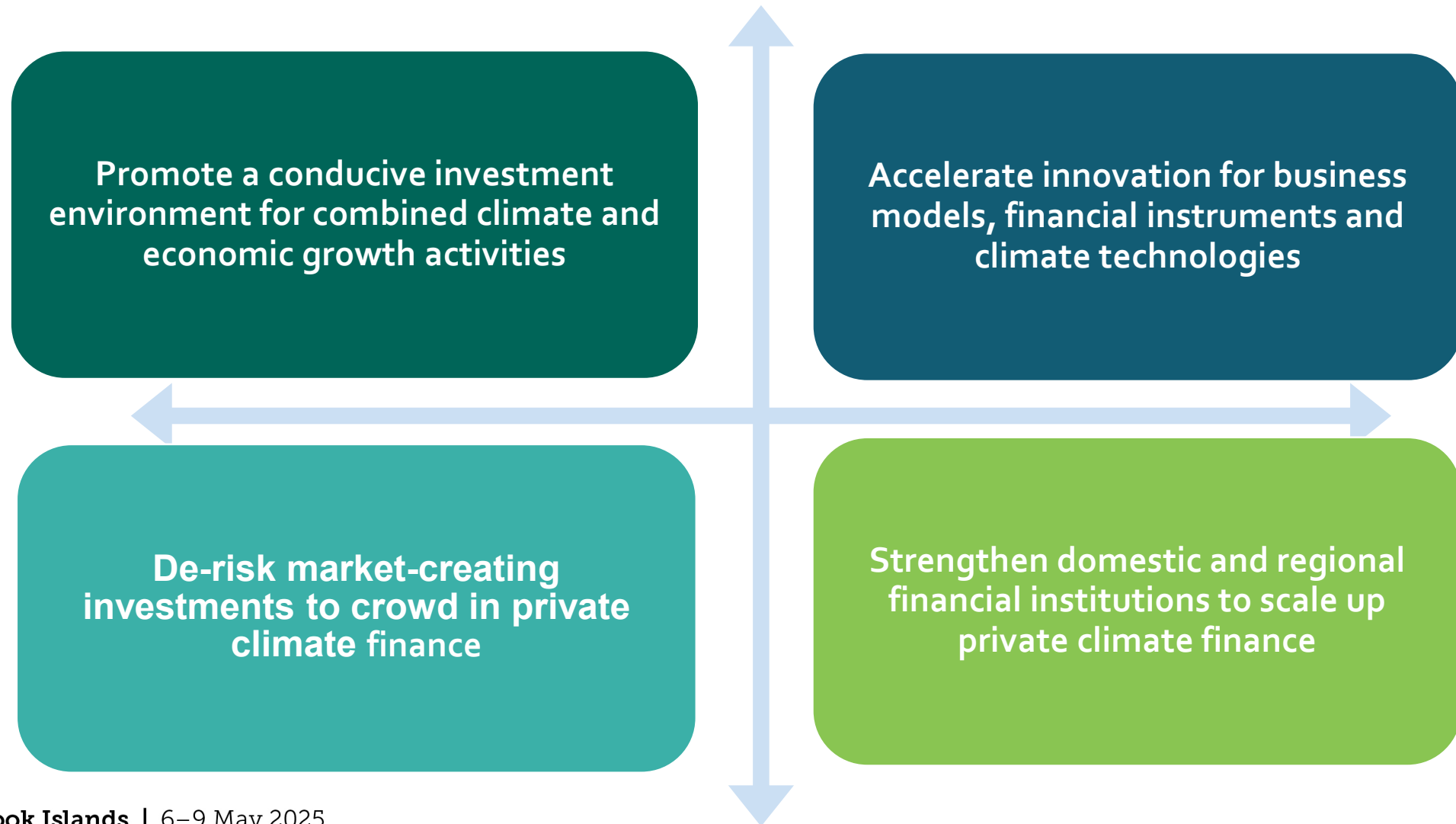
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GCF Private Sector Facility



- What is Private Sector within GCF?
- What's the guiding strategy?

GCF Private Sector Strategy



— GCF Private Sector Facility



- What are the usual barrier to private sector climate investments?
- How GCF can help addressing the barriers

Key Barriers to Private Investment



Policy, market, and capacity barriers



Innovation, technology, and technical barriers



Barriers for mobilizing private finance at scale



Barriers related to domestic financial systems and institutions

How do we invest?

De-risking private capital for climate



Loans



- › Flexible pricing & tenor
- › High-risk tolerance

Equity



- › Equity positions
- › Support investment incubators

Guarantees



- › Tailored guarantee instruments

Grants



- › Reimbursable grants
- › Encourage innovation



1

De-risk climate investments with minimum **concessionality**

2

Offset risks and other impediments to climate investments

3

Encourage high impact climate investments and act as '**market maker**'

4

Development of **climate compatible financial systems**

— GCF Private Sector Facility



- What does PSF look for?
- Private sector partners

What do we look for?



Climate Change Basis

- Climate impact of investment is the key
- Actions in response to climate hazards and vulnerability

Additionality of GCF Funding

- Why GCF?
- Crowd-in additional financing

Country Driven Approach

- Aligned with NDCs
- Early country 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

Reduced emissions:



Energy



Transport



Buildings,
Cities,
Industries



Ecosystems

Resilience:



Livelihoods of
people & comm.



Health, food,
water security



Forests and
land use



Infrastructure

Policy compliance

- Fiduciary standards
- Risk Management
- M&E
- ESS
- Gender
- Indigenous Peoples
- Legal Standards

Completeness

- Feasibility study
- Financial Model
- Project Timetable
- Environmental studies

— GCF Private Sector Facility



PSF can work with variety of AEs and partners

- Banks - commercial, development banks, International banks
- Local FIs / specialized development institutions
- MDBs / IFIs
- Private Equity funds
- Project developers

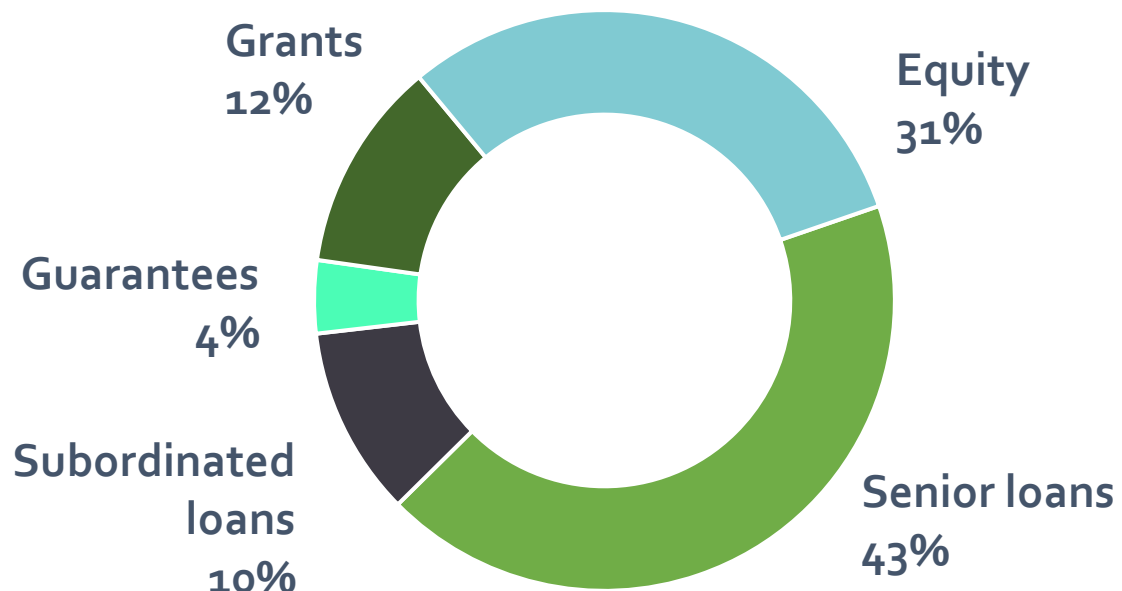
Support from Governments, NDAs is of critical importance for program

GCF Private Sector Portfolio

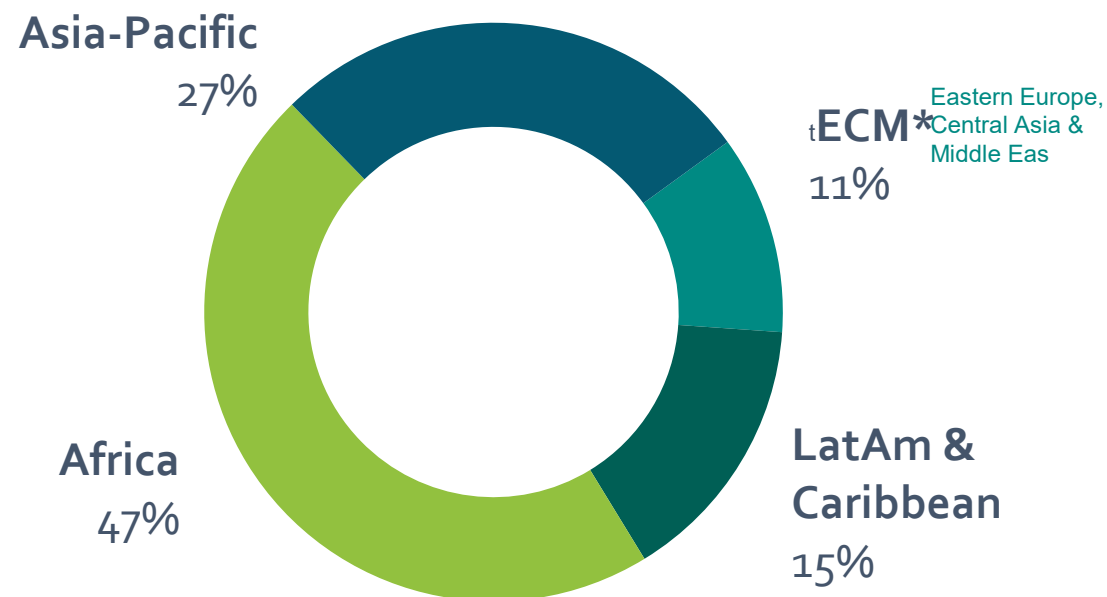
PSF portfolio at glance



Financial instrument



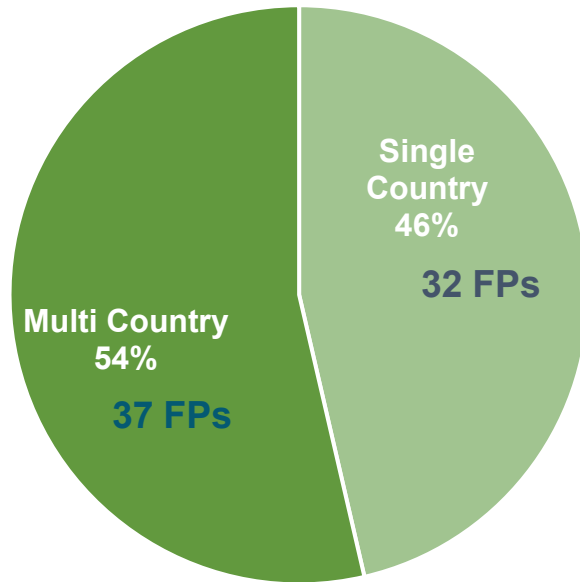
Geographical distribution



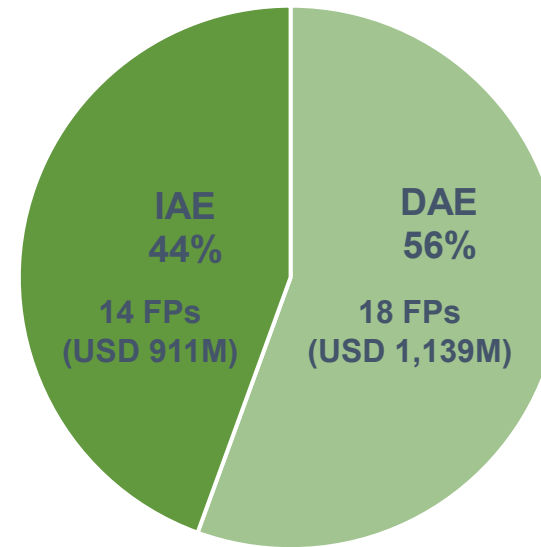
PSF Portfolio Breakdown



Total Approved Proposals



Single Country proposal



Portfolio in partnership with DAEs and IAEs to suit the country context, addressing the climate change

Approved FPs case studies

FP231

Accelerating Solar Action Program (ASAP)

GCF funding: USD 15 m in loans and USD 1.2 m in grants
Total project funding: USD 31.6 million

Accredited Entity: Ecobank Ghana, a DAE

*Mitigation
Ghana*



- It aims to **mainstream the use of distributed Solar PV systems among MSMEs and households** in Ghana, through improved access to credit and capacity building among stakeholders.
- It has strong climate basis, which envisions **improving Ghana's heavily fossil-fuel reliant energy mix** especially amid the reduced hydropower capacity of the country due to climate change impacts.
- **Concessionality is passed on to end beneficiaries**, with the potential to generate cost savings while the AE takes on end-beneficiary credit risk.

FP230

Kuali Fund-GCF



GCF funding: Euro 25 m in **junior equity** and Euro 7 m in grants

Total project funding: Euro 128 million

Accredited Entity: COFIDES

Cross-cutting

Brazil, Colombia, El Salvador, Guatemala, Honduras, Mexico, Panama

- It aims to contribute to the transition to low-carbon and resilient economies by fostering the systemic adoption of climate best practices by small financial institutions and enabling greater access to climate finance and solutions to Programme beneficiaries.
- GCF's equity investment will mobilize private investors, particularly institutional investors, by providing an essential function of de-risking (first loss).
- It has the potential to **transform Financial Services Providers (FSPs) to become greener and more inclusive**, so that they ultimately end up providing green and climate products to Small and Medium Enterprises (SMEs) and to smallholder farmers.

SAP024

Project Title: Pakistan distributed solar project (PDSP)



GCF funding: USD 9 m in Guarantee and USD 1 m in grant

Total Project funding: USD 54 m

Accredited Entity: JS Bank, DAE

*Mitigation
Pakistan*

Increased deployment & sustainability of renewable energy.

Strengthened awareness of climate threats & Importance of sustainable interventions.

Improved attractiveness of renewable energy financing solutions via mass-market campaigns.

Increased capacity for renewable energy solutions.



Thank you