



GREEN
CLIMATE
FUND

GCF REGIONAL DIALOGUE

with THE CARIBBEAN

Saint Kitts and Nevis
17–20 March 2025





GREEN
CLIMATE
FUND

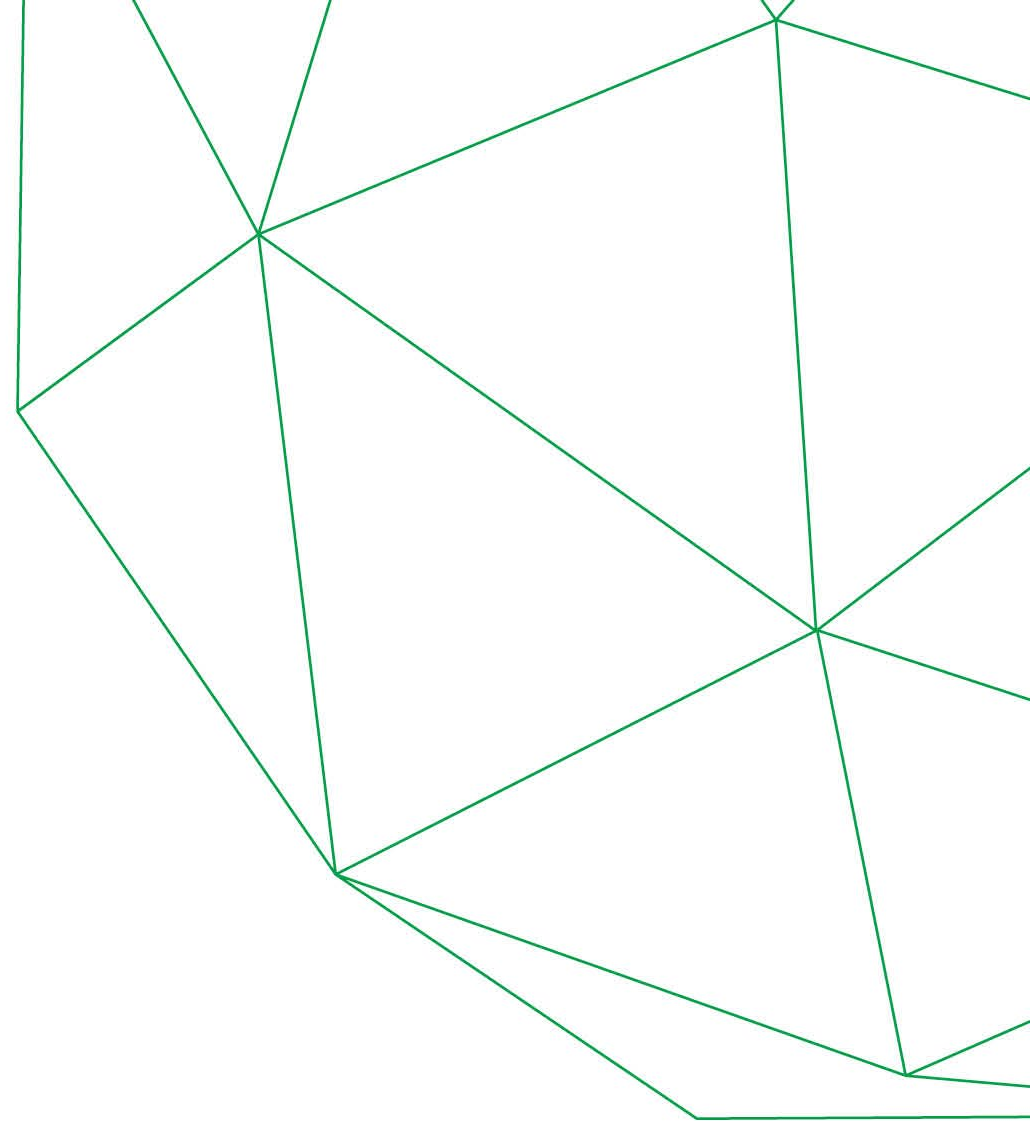
GCF REGIONAL DIALOGUE
with THE CARIBBEAN

Evolving Concept Notes to full Funding Proposal

Development | Appraisal | Approval

Devindranauth Bissoon, DLAC
Patricia Sonata, DLAC

Saint Kitts and Nevis
17–20 March 2025



Efficient GCF: from concept to 'Board ready' in nine months

GCF is committed to significantly improving access to GCF resources. We have launched the 'Efficient GCF' initiative to streamline our processes and improve our efficiency.

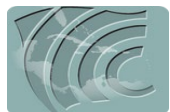
We are now committing to complete our reviews of Concept Notes and Funding Proposals in nine months or less.



Direct (Regional)



Caribbean Development Bank (CDB)



Caribbean Community Climate Change Centre (CCCCC)



Caricom Development Fund (CDF)

DAEs: Partnership network



Corporación Andina de Fomento (CAF)



Central American Bank for Economic Integration (CABEI)



Inter-American Institute for Cooperation on Agriculture (IICA)

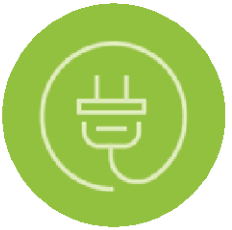
Direct (National)



Saint Kitts and Nevis | 17–20 March 2025

Our focus: *Results Areas*

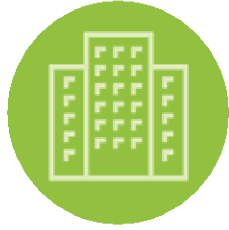
Mitigation | Reduced Emissions from:



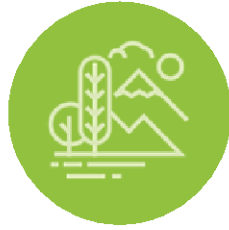
Energy generation
and access



Low Emission
Transport



Buildings, Cities,
Industries and
Appliances



Forestry and
Land Use

Adaptation | Increased Resilience of:



Livelihoods of People
and Communities



Health, Food and
Water Security



Infrastructure and
the Built Environment



Ecosystems and
Ecosystem Services

Funding Access



Readiness: Support Country
Readiness through access to
Grants **4M USD (2024 – 2027)**



NAP: Funding to National
Adaptation Plans **3 M USD**



PPF:
Funding to support Project
Preparation up to **3 M USD**



Funding Proposals:
Regular Funding to Projects and
Programmes

Our '50 by 30' vision

GCF aims to **speed up, scale up, and optimise** every dollar we invest, so that we can efficiently and impactfully manage a capitalisation of USD 50 billion by 2030.



Vulnerability

Enhancing support for the most vulnerable people and communities



Private Sector

Mobilizing private sector participation and investments



Country Programmes

Reinventing GCF's partnership model, including its accreditation process and simplifying access



Efficiency

Expediting project review and approvals



Impact

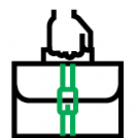
Pivoting the Fund's operations to prioritize broad-scale, system-transforming programmes over stand-alone projects

Programming Priorities 2024-2027



Empower developing countries

As a climate capacity-builder, GCF will enhance its Readiness Programme to help countries translate their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and Long-term Climate Strategies (LTS) into climate investments and programming.



Mobilise the private sector

GCF will optimise its risk appetite and flexible financing to engage the private sector and unlock the financial flows needed by developing countries for climate action.



Improve access

GCF is committed to significantly improve access for developing countries to GCF finance, ensuring funding is delivered efficiently and effectively to communities who need it the most.



Protect the most vulnerable

GCF will enhance support for the most vulnerable people and communities to address their immediate adaptation and resilience needs, such as urgent climate threats by expanding coverage of climate information and early warning systems.

Targeted results 2024-2027

- **T1** Advance the implementation of their NDCs, NAPs and LTS.
- **T2** Double the number of Direct Access Entities with approved GCF funding.
- **T3** Establish new or improved early warning systems.
- **T4** Enable smallholder farmers to adopt low-emission climate-resilient agricultural and fisheries practices and secure livelihoods while reconfiguring food systems.
- **T5** Conserve, restore or bring under sustainable management terrestrial and marine areas.
- **T6** Develop or secure low-emission climate resilient infrastructure.
- **T7** Expand access to sustainable, affordable, resilient, reliable renewable energy, particularly for hardest to reach, and to increase renewable energy sources in the energy mix.
- **T8** Shift toward clean and efficient energy end-use for transport, building and industry sectors.
- **T9** Access adaptation funding, including for locally-led action.
- **T10** Provide seed and early-stage capital for innovative climate solutions, business models and technologies to local private sector early-stage ventures and MSMEs.
- **T11** Enable national and regional financial institutions to access GCF resources, and other green finance, particularly for MSMEs.

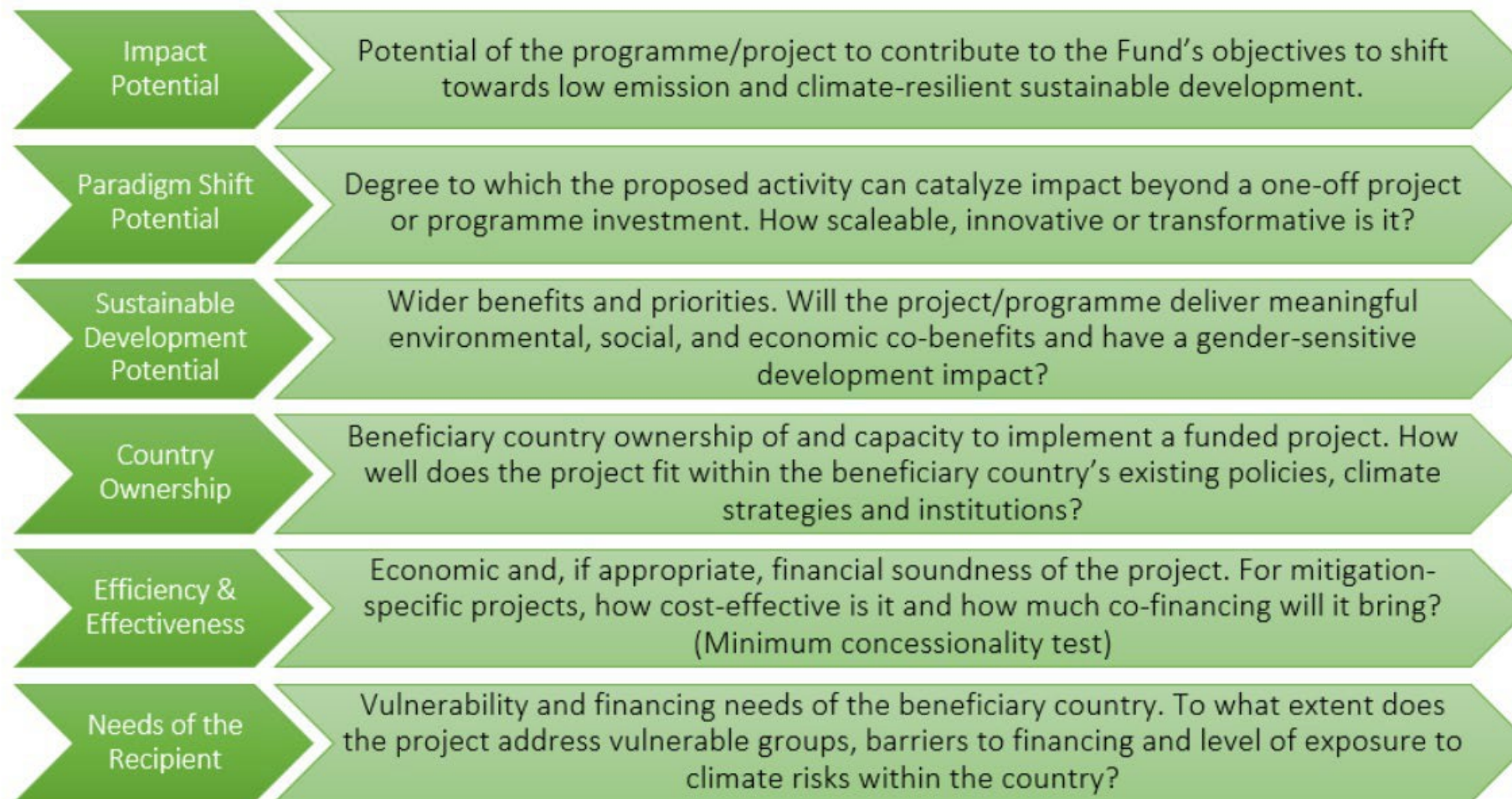
Aligning the project GCF with Investment Criteria:

Paradigm Shift | Innovation | Additionality

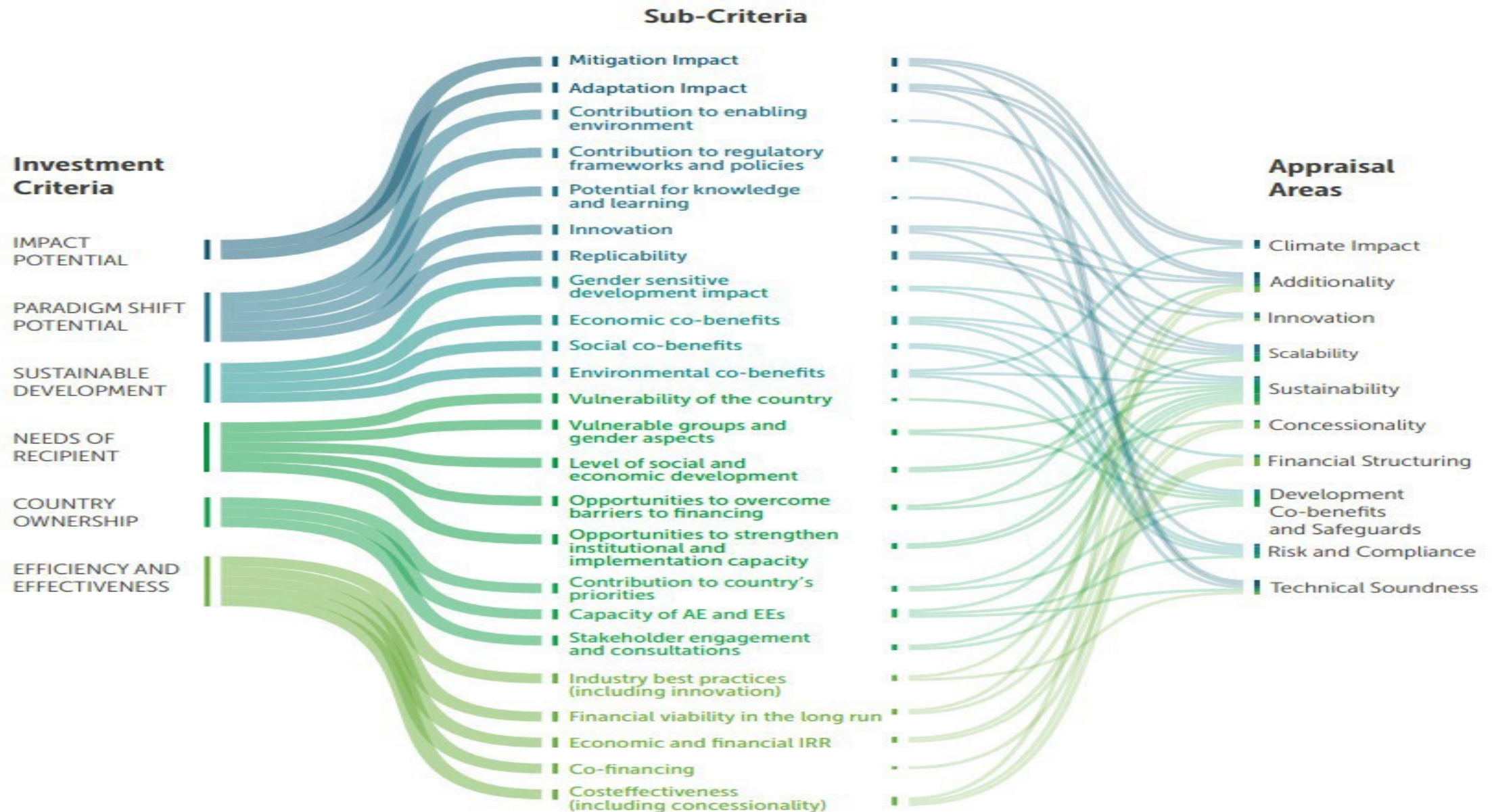
GCF Investment Criteria



Any investment that leads to a paradigm shift and is truly transformative would need to be additional



Investment Criteria and Appraisal Area Interlinkages



GCF Appraisal Areas

APPRAISAL AREAS



1. Climate impact



2. Additionality



3. Innovation



4. Scalability



5. Sustainability



6. Financial
Structuring



7. Concessionality



8. Development
co-benefits



9. Risk and
Compliance



10. Technical
Soundness

— Additionality



A project or programme is considered additional if it would not have occurred in the absence of GCF funding.

Additionality is closely linked to the appraisal areas of innovation, scalability, sustainability and concessionally.

How to establish Additionality



1. Baseline Investment context and alternatives to project activity
2. Non-financial barriers in the country
3. Financial barriers in the country
4. Innovation and second order effects of the intervention



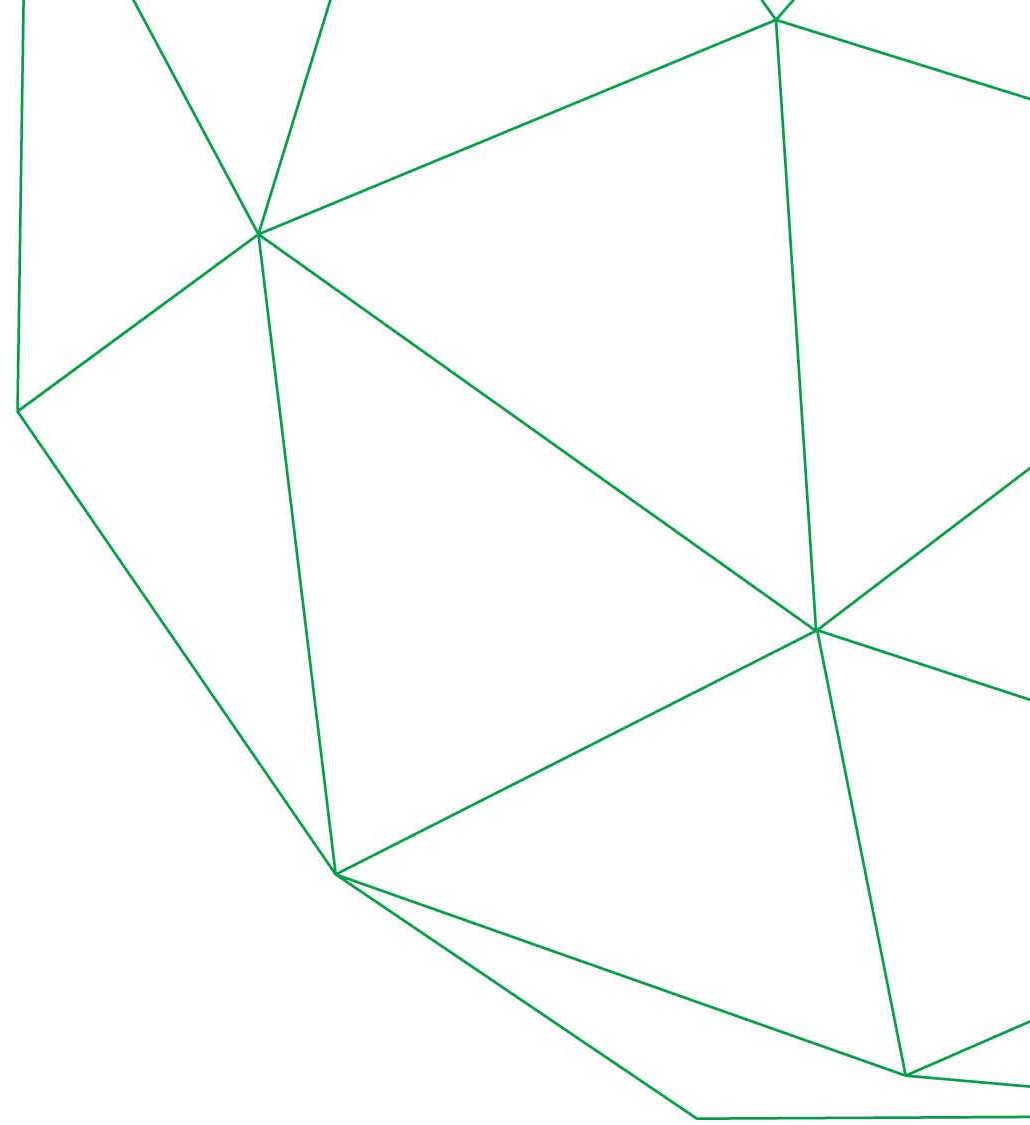
GREEN
CLIMATE
FUND

GCF REGIONAL DIALOGUE
with THE CARIBBEAN

Key elements of Budget

Patricia Sonata

Saint Kitts and Nevis
17–20 March 2025



Key elements of Budget

1. Project size:

- a. Accreditation scope
- b. Depend on the activities

2. Instrument

- a. Choice of instruments
- b. Pricing (public/private sector)

3. Co-financing

- a. vs parallel financing

Economics Analysis

1. Cost-Benefit Analysis (CBA): Compare project **costs** (capital, operations) with expected **benefits** (avoided climate damage, increased resilience).
2. Economic Internal Rate of Return (EIRR): Measures overall **economic return**, including **externalities** -- environmental and social benefits.
3. Externalities Valuation: **positive** improved air quality, biodiversity & **negative** displacement, land-use change
4. Macroeconomic Impact: GDP, employment, trade, and sectoral shifts
5. Social Equity Considerations: Ensure project achieves its objectives.

Financial Analysis

1. **Project Costs & Revenues**: Assess **CAPEX, OPEX, potential revenue streams** (carbon credits, tariffs, service fees).
2. **Financial Viability**: NPV, IRR, Payback Period
3. **Funding & Investment Models**: Evaluate **sources** —grants, concessional loans, private capital, blended finance.
4. **Risk Assessment**: Analyze financial risks (currency fluctuations, cost overruns, policy changes) and mitigation strategies.
5. **Bankability & Creditworthiness**: Ensure **attractiveness** to investors and lenders.

What would make a good budget?

- 1. Alignment with the activities & objectives**
- 2. Separate PMC & M&E**
- 3. Clear Budget notes**
- 4. Easy to follow**

Loan Pricing (Public Sector)

<https://www.greenclimate.fund/sites/default/files/document/gcf-b09-23.pdf>



GCF/B.09/23
Page 23

Annex II: Financial terms and conditions of grants and concessional loans

The Fund's financial terms and conditions of grants and concessional loans are outlined in the tables 1 and 2.

Table 1: Terms and conditions of outgoing grants

	Currency	Interest rate	Maturity	Grace period
Grants	Major convertible currency	Grants without repayment contingency: no reimbursement required ¹ Grants with repayment contingency: terms adapted to the required concessionality of the project or programme		

Table 2: Terms and conditions of outgoing concessional loans to the public sector

	Currency	Maturity (years)	Grace period (years)	Annual principal repayment years 11-20/6-20 (% of initial principal)	Annual principal repayment years 21-40 (% of initial principal)	Interest	Service fee (per annum)	Commitment fee (per annum)
High concessionality	Major convertible currency	40	10	2%	4%	0.00%	0.25%	Up to 0.50%
Low concessionality	Major convertible currency	20	5	6.7%	NA	0.75%	0.50%	Up to 0.75%

Link for budget file



FP

SAP



Thank you