



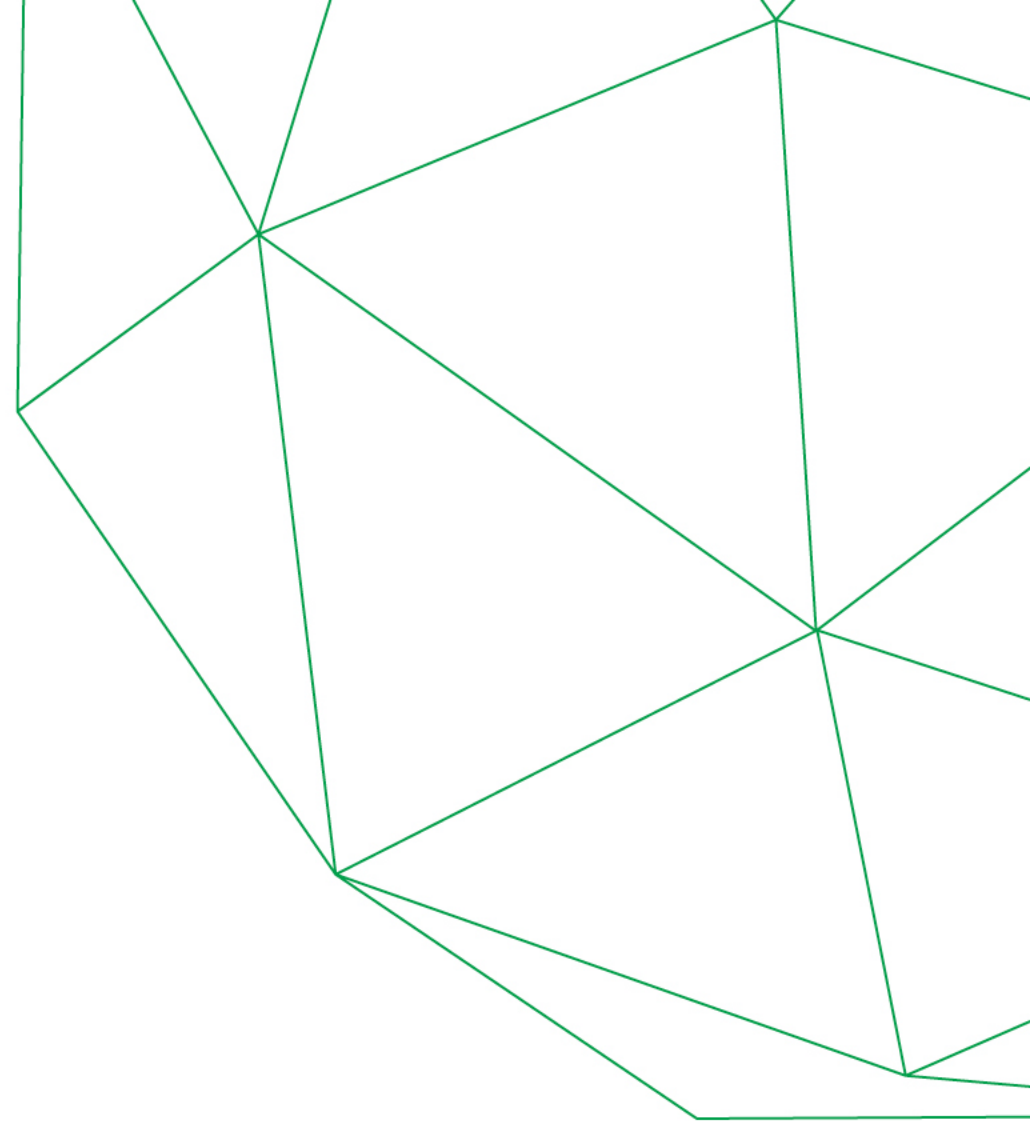
GREEN  
CLIMATE  
FUND

**GCF REGIONAL DIALOGUE**  
with EASTERN EUROPE & CENTRAL ASIA

# Project Preparation Facility

Nazeem Wasti, PPF Specialist

**Skopje, Republic of North Macedonia**  
18–22 March 2024



# GCF Project Preparation Facility

## ENHANCE ACCESS TO CLIMATE FINANCE

Expedite project preparation, help newly accredited DAEs, AEs and countries without approved projects, and PSAA applicants

## MAXIMIZE IMPACT AND INNOVATION

Support countries in designing projects that maximize climate impact while reducing risk, e.g., maladaptation or unclear sustainability

## SUPPORT INVESTMENT AT SCALE AND SPEED

Enable co-investment at scale and build synergies among investments. Support emerging areas in climate finance, e.g., blue economy, green banking.

## PARTNERSHIPS AND KNOWLEDGE ON CLIMATE

Cultivate and expand partnerships with PPFs, funds, bilateral donors, AEs and amplify impact via knowledge sharing

# PPF Portfolio (March 2024)

92

proposals supported by PPF

(66 via Funding, 14 Service & 12 Technical Assistance modalities)

\$56.5m

PPF resources  
committed

\$36.9m

PPF resources  
disbursed

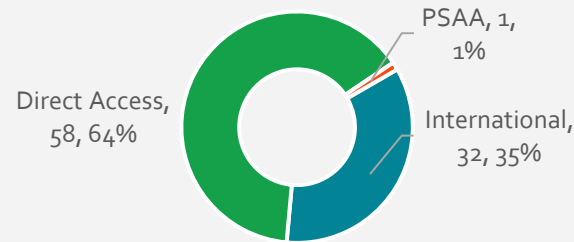
52

accredited entities  
supported

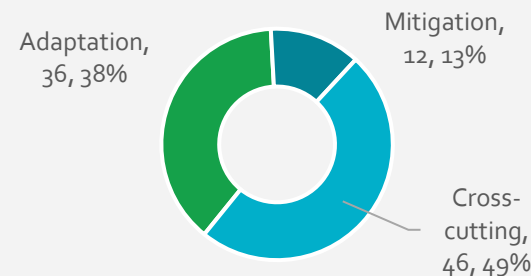
30

PPF supported FPs  
approved by Board

Entity Type



Theme



In **2023**, GCF approved **24 PPF** for USD **16.6 m** in funding. **9** were for DAEs.

**75 pipeline** applications. **Only 5 in ECA** (ADA Moldova, EPIU Armenia, UNDP Montenegro, UNDP Multi-country Health, others)

30

total Board-approved funding  
proposals

\$6.5b

of total climate finance unlocked

S

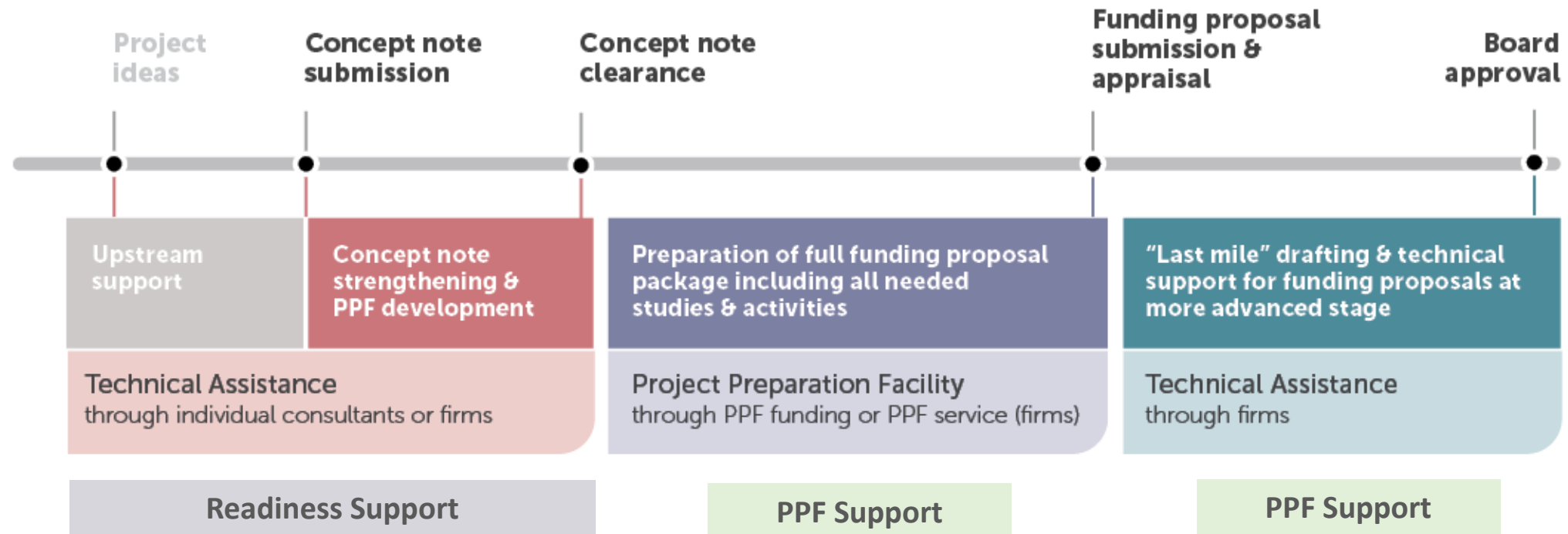
36.9M

19.6M

91.8M

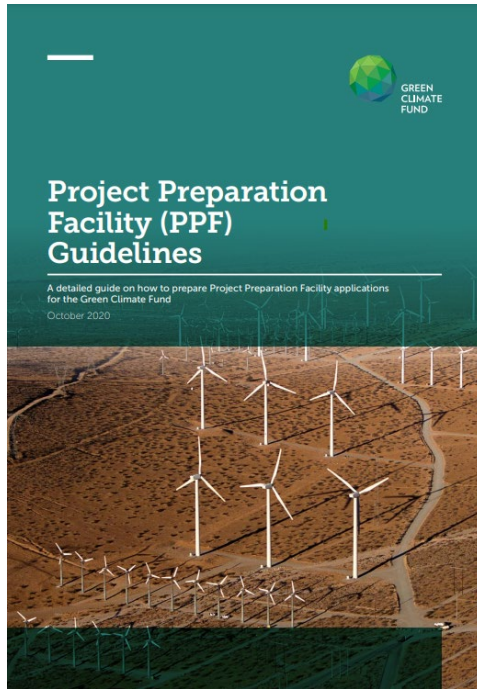
# RPSP & PPF Complementarity

An evolving model in 2024 & GCF-2



# Eligible Activities

GCF Funding Proposal Preparation Costs up to **USD 3 million** per project



1. Pre-feasibility and feasibility studies, and project design
2. Environmental and social studies, including Indigenous Peoples studies (ESIA, ESMP, GRM)
3. Gender studies (GA, GAAP)
4. Stakeholder engagement plans
5. Risk assessments (risk, EFA, etc.)
6. Assessment of climate impact potential for mitigation and adaptation activities
7. Identification of programme- and project-level indicators
8. Pre-contract services, including the revision of tender documents
9. Advisory services and/or other services to financially structure a proposed activity
10. Other preparation activities

**Ineligible activities or costs:** Non-project specific responsibilities of AE; Start-up costs, **demonstration and pilot projects**; capital goods unrelated to project activities; any activities covered under Readiness Programme; and purchase of vehicles

# Core Elements GCF Funding Proposals

## Additionality of GCF Funding

- Why GCF?
- Crowd-in additional financing on top of GCF
- Complementarity & coherence of funds

## Strong Climate Rationale

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

## 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

- Accreditation
- Fiduciary standards
- Risk management
- E&S safeguards
- M&E criteria
- Gender, SEAH, IP
- Legal standards

## Country Driven Approach

- Alignment with NDCs
- Early country (NDA) engagement
- NDA no-objection

## Six Investment Criteria

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

## Completeness of documentation

- Feasibility study
- Financial model
- Project timetable
- Gender analysis
- Environmental studies
- No-objection letter

# 3 PPF Modalities

## 1. PPF Funding

FP preparation through **grants, repayable grants or equity** (convertible at FP stage)

- \$300k 'Simplified PPF'
- Up to \$3m for:
  - i) Resource intensive sectors
  - ii) Multi-country programs

GCF-AE Grant Agg. OR  
UNOPS-AE Grant Agg. OR  
GCF-AE RPS Framework Agg.

## 2. PPF Service

Consulting firm from **GCF roster of firms** works directly with AEs for FP preparation

- 8 Roster firms
- Procured by GCF for AE

GCF-Firm Procurement Contract

## 3. PPF Technical Assistance

Consulting firm from **GCF roster of firms** works directly with AEs for short-term technical assistance

- 3 Roster firms
- Procured by GCF for AE

GCF-Firm Procurement Contract

PPF Service &  
TA Firms



# Unlocking Climate Finance

## IDCOL Energy Savings in Textile Industry

**Accredited Entity:** Infrastructure Development Co. Ltd.

**GCF funding:** USD 256.48 million

**Total project funding:** USD 340.5 million

**PPFo14:** \$301,562 (2018) 5 mo., **PPFo21:** 363,533 (2019) 8 mo.

**Country:** Bangladesh

**FP150:** Promoting private sector investment through large scale adoption of energy saving technologies and equipment for textile and readymade garment sectors of Bangladesh

### PPF Activities:

1. Feasibility study and market analysis
2. ESMS and gender studies
3. Identify programme level indicators, log frame and M&E framework
4. Risk assessments
5. Develop Funding Proposal and annexes

Skopje, Republic of North Macedonia | 18–22 March

## Mongolia Green Finance Corporation

**Accredited Entity:** XacBank

**GCF funding:** USD 26.65 million

**Total project funding:** USD 50 million

**PPFo16 Funding:** USD 350k (2018) 9 mo.

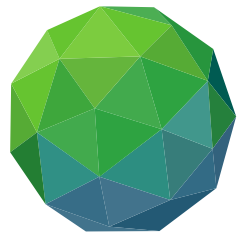
**Country:** Mongolia

**FP153** Operationalize new institution to support FIs to borrow through local financial institutions for thermal insulation of housing, energy efficiency for businesses and mortgages for green affordable housing. MGFC will attract new capital and target other sectors with direct investment.

### PPF Activities:

1. Stakeholder engagement (MoE, MSFA, Steering Committee, DBM, partner FIs)
2. Socialize institutional and governance structure ideas
3. Analyze capitalization and market size
4. Refine business model based on sectoral opportunities
5. Legal due diligence





GREEN  
CLIMATE  
FUND

Raising  
ambition.  
Empowering  
action.

# Application Requirements

1. Endorsed concept note
2. Signed Accreditation Master Agreement
3. PPF application & terms of references
4. No-objection letter(s) from National Designated Authority

## Additional Considerations

- Letter of co-financing commitment
- For income-generating projects, agreement on repayment of the grant or conversion to equity in project (if possible)
- If PPF resources will be channeled to an executing entity, Financial Management Capacity Assessment

30

total Board-approved funding proposals

\$6.5b

of total climate finance unlocked

