



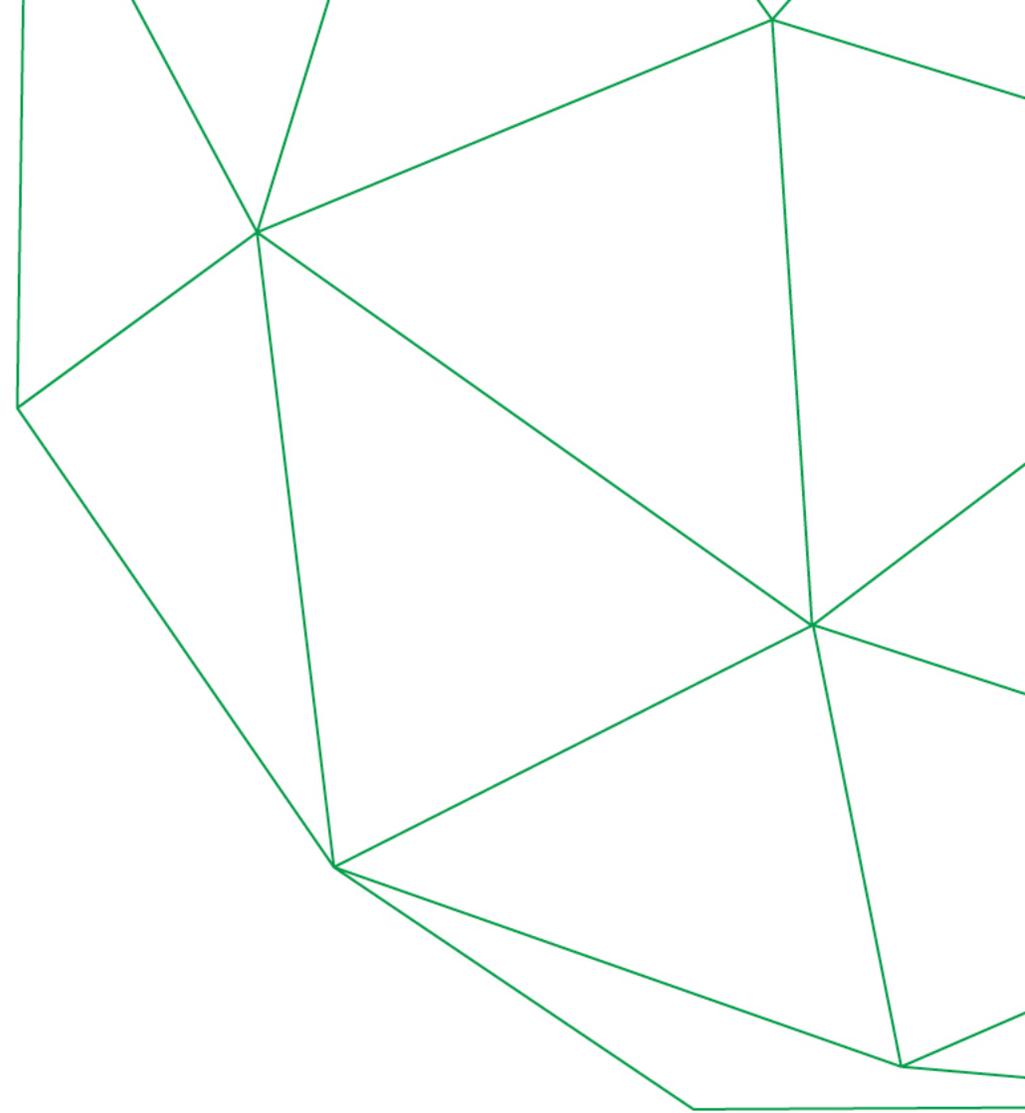
GREEN
CLIMATE
FUND

GCF REGIONAL DIALOGUE
with EASTERN EUROPE & CENTRAL ASIA

Project Preparation Facility

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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

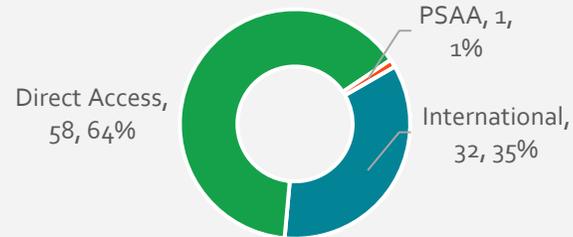
52

accredited entities supported

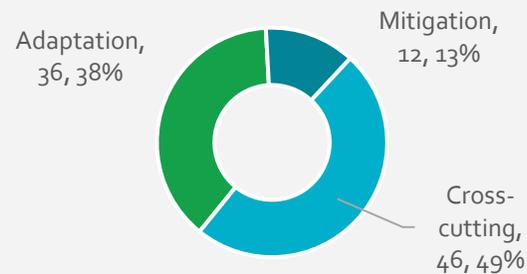
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PPF supported FPs approved by Board

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

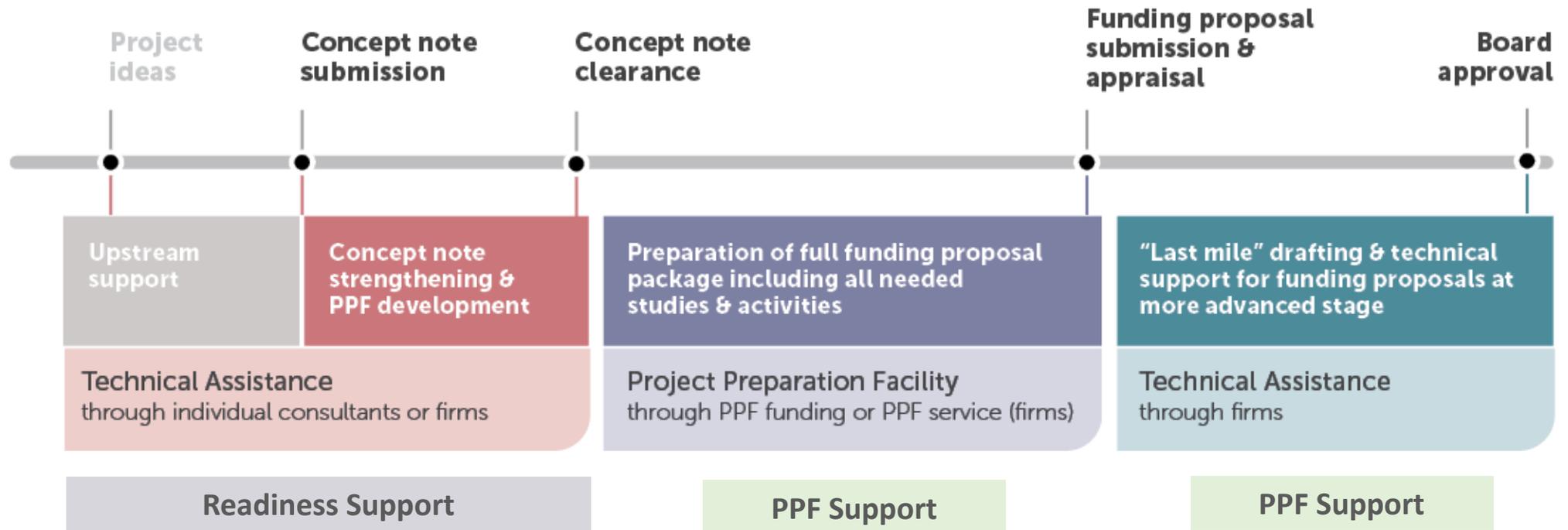
36.9M

19.6M

91.8M

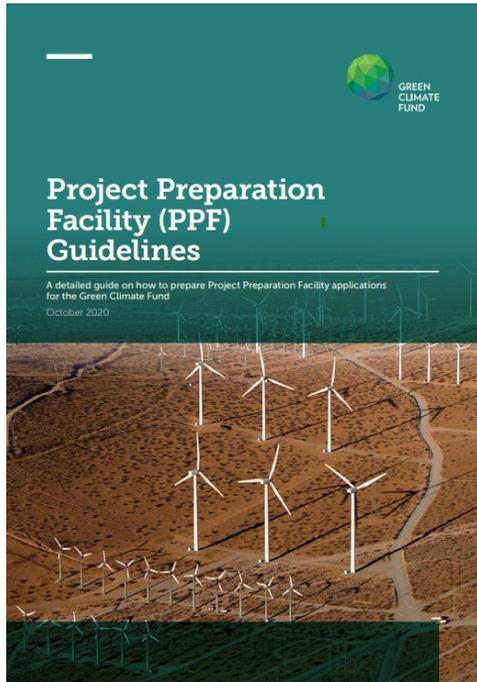
RPSP & PPF Complementarity

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

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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

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SAP029 ADAPTATION

MULTIPLE COUNTRIES

Ecosystem-based Adaptation (EbA) for Reducing Community Vulnerability to Climate Change in...

SAP025 ADAPTATION

GUINEA-BISSAU

Adaptation of agricultural production systems in Coastal Areas of Northwest Guinea-Bissau

FP213 CROSS-CUTTING

BARBADOS

The Blue Green Bank (BGB)

FP211 CROSS-CUTTING

MULTIPLE COUNTRIES

Hardest-to-Reach

FP209 ADAPTATION

SOUTH AFRICA

Climate Change Resilience through South Africa's Water Reuse Programme ("WRP")

FP207 ADAPTATION

PAKISTAN

Recharge Pakistan: Building Pakistan's resilience to climate change through Ecosystem-based Adaptation (EbA) and Green Infrastructure for integrated flood

FP205 ADAPTATION

MULTIPLE COUNTRIES

Infrastructure Climate Resilient Fund (ICRF)

FP199 ADAPTATION

CAMBODIA

Public-Social-Private Partnerships for Ecologically-Sound Agriculture and Resilient Livelihood in Norther...

FP197 CROSS-CUTTING

MULTIPLE COUNTRIES

Green Guarantee Company ("GGC")

FP193 MITIGATION

FP192 CROSS-CUTTING

FP191 ADAPTATION