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# Introduction to the GCF's Private Sector Facility

Enhancing private sector participation in  
climate finance

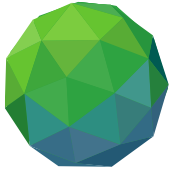
Tony Clamp, Deputy Director PSF

21 September 2018

A photograph of a city skyline at dusk. The sky is a deep blue, transitioning to a lighter orange near the horizon. Several modern skyscrapers are illuminated with colorful lights (red, green, blue, yellow). In the foreground, a large, dark, curved structure, possibly a stadium or arena, is also illuminated with colorful lights. The lights from the buildings and the structure are reflected in a body of water in the foreground. The overall scene is a vibrant urban landscape at twilight.

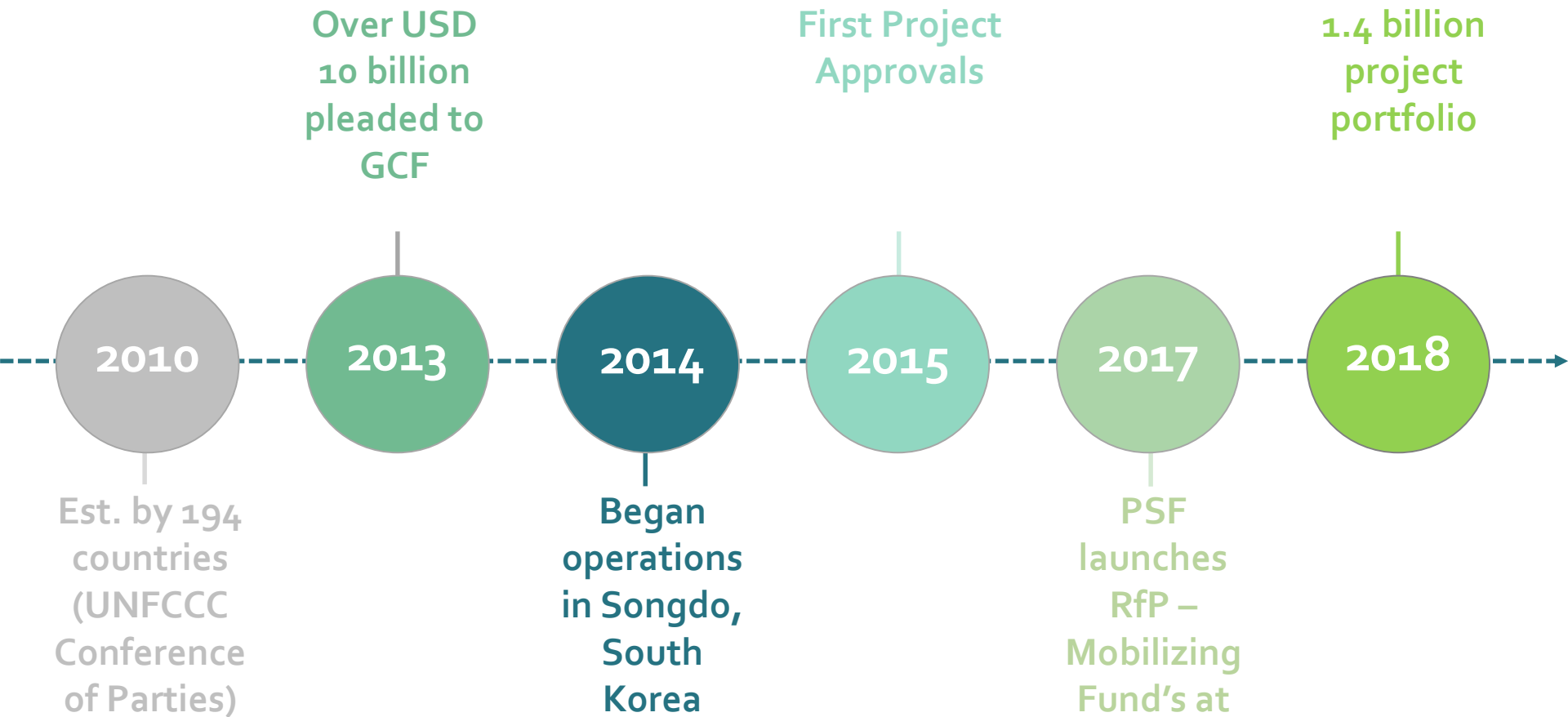
# THE GREEN CLIMATE FUND

**“A global fund created to support the efforts of developing countries to respond to the challenge of climate change.”**



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# OUR STORY





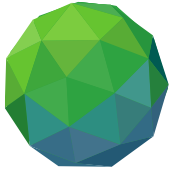
# PSF: WHAT WE DO

- We aim to promote private sector climate action in developing countries
- We tailor lifecycle, concessional financing to de-risk high impact projects
- We provide expertise to help assess the potential benefits of project ideas
- We engage with pension funds, corporates, local and regional banks and FIs
- We leverage GCF's own resources with those of the private sector



The Green  
Climate Fund's  
**Private  
Sector  
Facility**





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# OUR IMPACT AND FOOTPRINT

15  
Projects

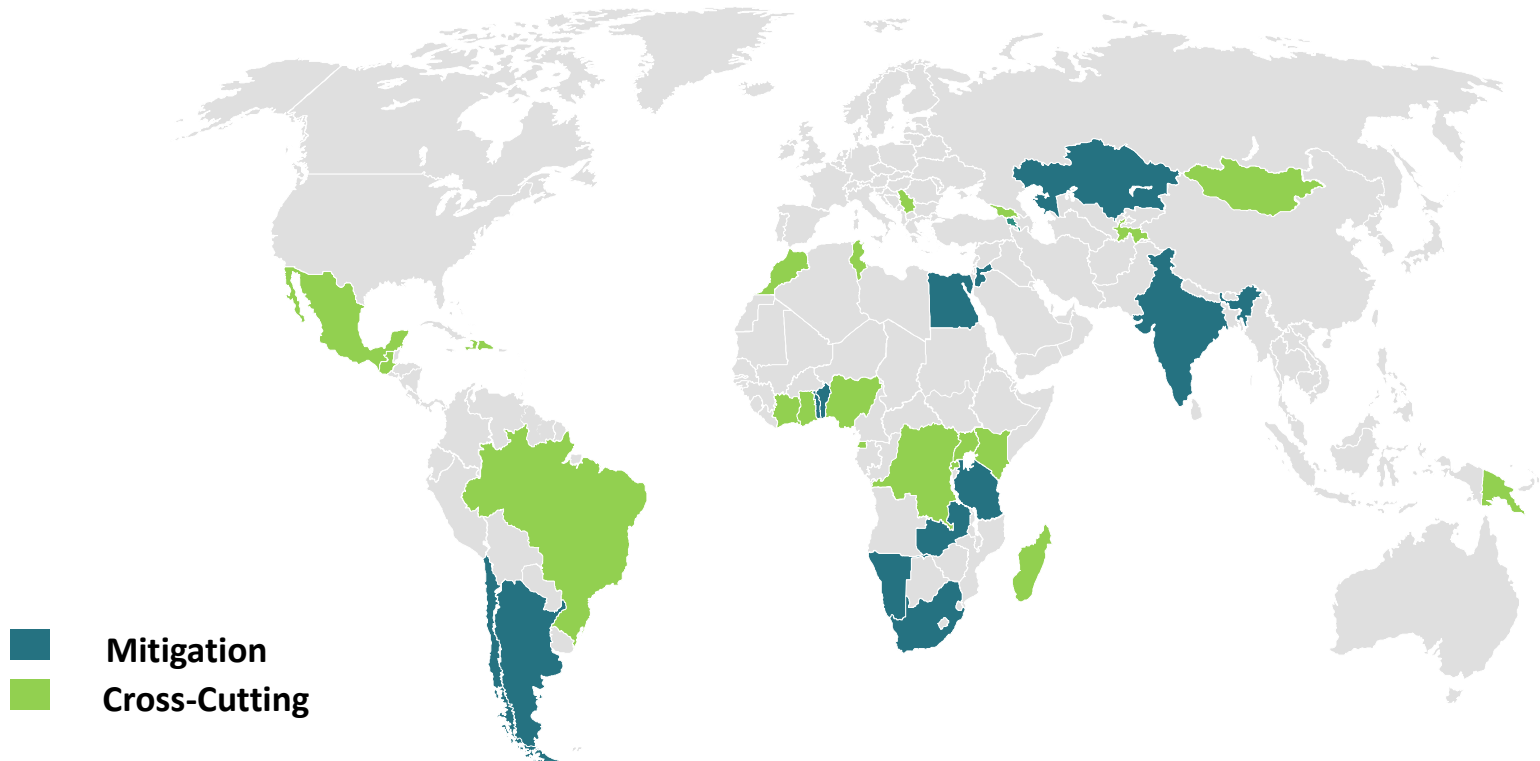


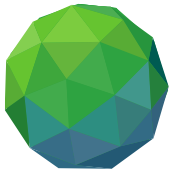
\$1.4B  
GCF-financing

\$4.0B  
Co-financing

898Mt  
CO<sub>2</sub> Reductions

~27M  
Beneficiaries

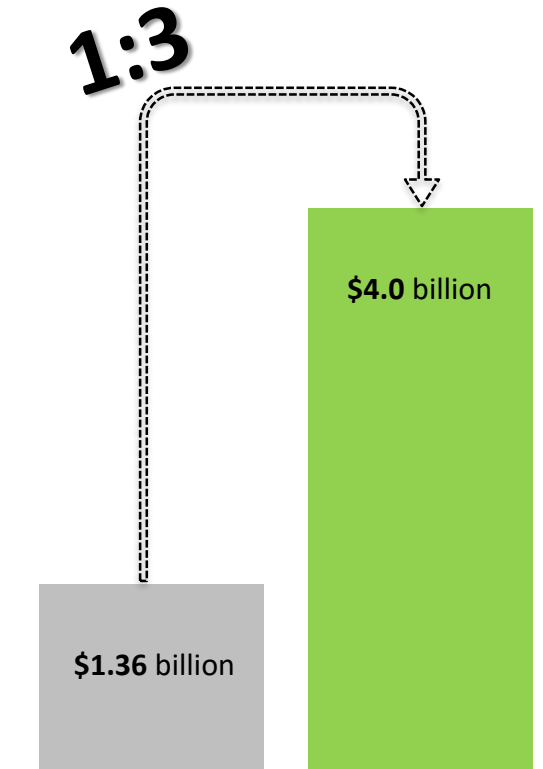
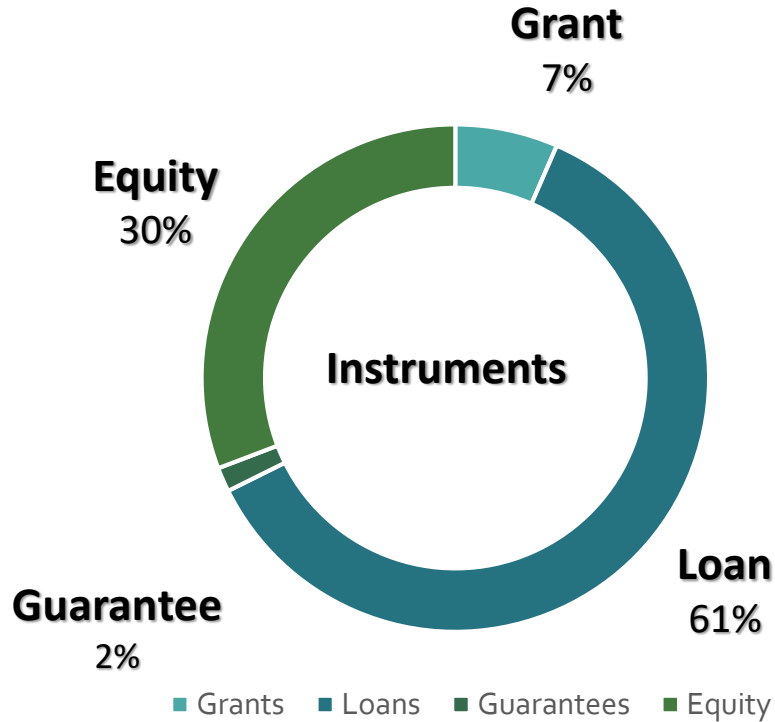


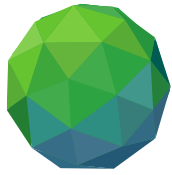


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# CO-FINANCING

Every Dollar invested mobilizes \$3 by Co-Investors





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# PROJECTS + PROGRAMMES

FP081 MITIGATION

INDIA

Line of Credit for Solar rooftop segment for Commercial, Industrial and Residential Housing sectors

FP078 ADAPTATION

MULTIPLE COUNTRIES

Acumen Resilient Agriculture Fund (ARAF)

FP080 MITIGATION

ZAMBIA

Zambia Renewable Energy Financing Framework

FP048 MITIGATION ADAPTATION

GUATEMALA / MEXICO

Low-Emission Climate Resilient Agriculture Risk Sharing Facility for MSMEs

FP047 MITIGATION

KAZAKHSTAN

GCF-EBRD Kazakhstan Renewables Framework

FP046 MITIGATION

MONGOLIA

Renewable Energy Program #1 - Solar

FP039 MITIGATION

EGYPT

Egypt Renewable Energy Financing Framework

FP038 MITIGATION

MULTIPLE COUNTRIES

Geeref Next

FP030 MITIGATION

ARGENTINA

Catalyzing private investment in sustainable energy in Argentina - Part 1

FP028 MITIGATION

MONGOLIA

Business loan programme for GHG emissions reduction

FP027 MITIGATION

MULTIPLE COUNTRIES

Universal Green Energy Access Programme

FP026 MITIGATION ADAPTATION

MADAGASCAR

Sustainable Landscapes in Eastern Madagascar

FP025 MITIGATION ADAPTATION

MULTIPLE COUNTRIES

GCF-EBRD Sustainable Energy Financing Facilities

FP017 MITIGATION

CHILE

Climate Action and Solar Energy Development Programme in the Tarapaca Region in Chile

FP006 MITIGATION

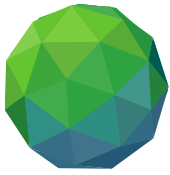
MEXICO

Energy Efficiency Green Bonds in Latin America and the Caribbean

FP005 MITIGATION ADAPTATION

RWANDA / KENYA

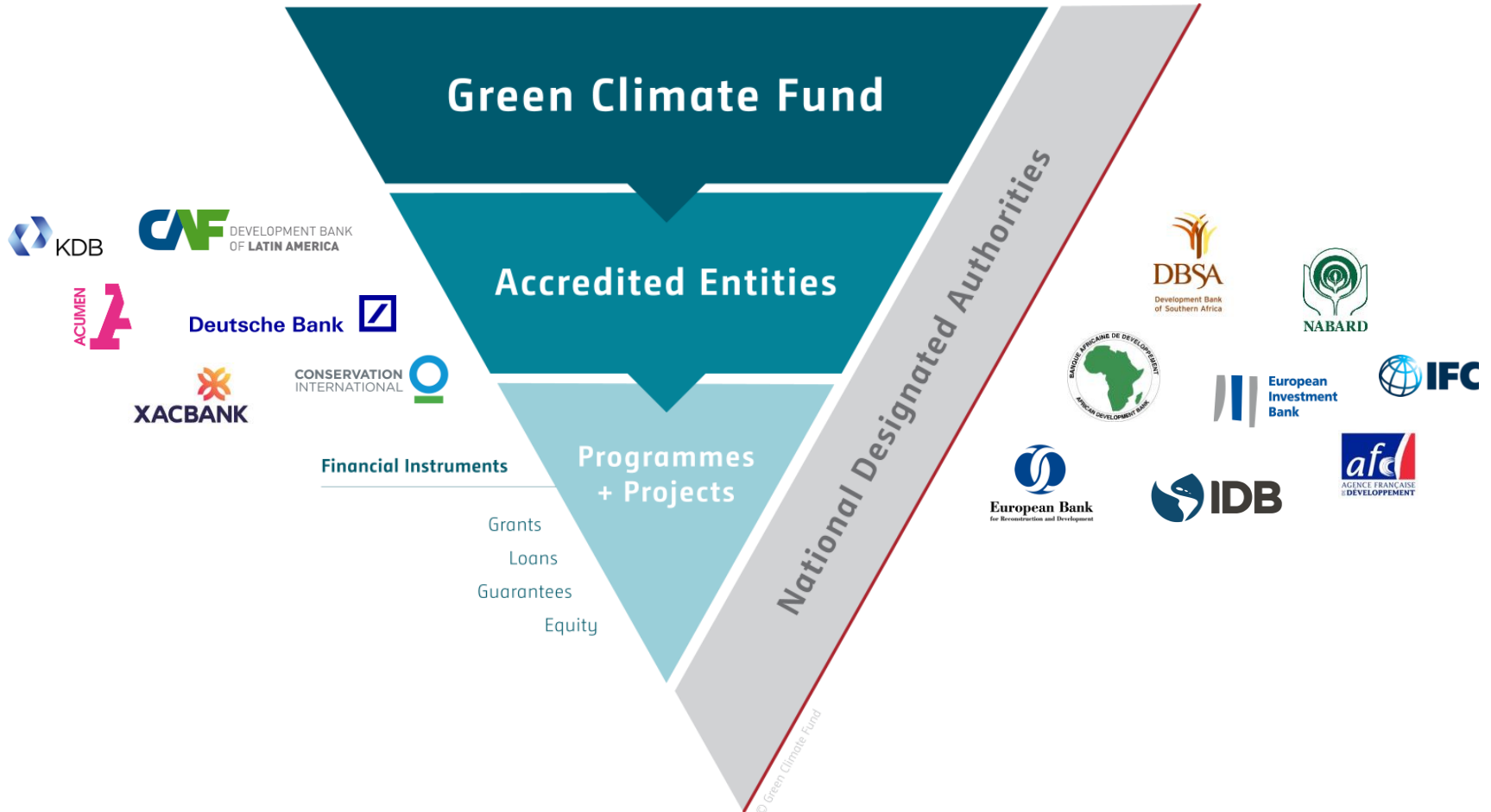
KawiSafi Ventures Fund in East Africa



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# HOW WE WORK

## GCF Architecture





# What do we look for?

## Additionality of GCF Funding

- Why GCF?
- Projects must crowd-in additional financing on top of GCF

## Strong Climate Rationale

- Climate Impact of investment is key
- Scientific evidence to provided

## 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

- Fiduciary standards
- Risk Management
- ESS
- M&E Criteria
- Gender Policy
- Legal Standards

## Country Driven Approach

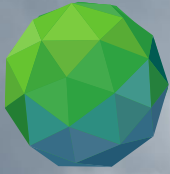
- Alignment with NDCs
- Early country (NDA) engagement
- No-objection letter

## Six Investment Criteria

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

## Completeness of documentation

- Feasibility study
- Financial Model
- Project Timetable
- Gender Analysis
- Environmental studies
- No-objection letter



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PSF | CASE STUDIES





# Private Sector Projects

## Zambia Renewable Energy Financing Framework

Country	GCF financing	Accredited entity	Financial instrument
Zambia	USD 52.5 million	AfDB	Loan and Grant

- Impetus for small-scale renewables against the backdrop of climate-afflicted hydro
- Replicability for small- & mini-grids
- Catalyse domestic investments – banks & pension funds
- TA for regulatory support and capacity building for banks and FIs
- Emissions reduction of 4 million tCO<sub>2</sub>e



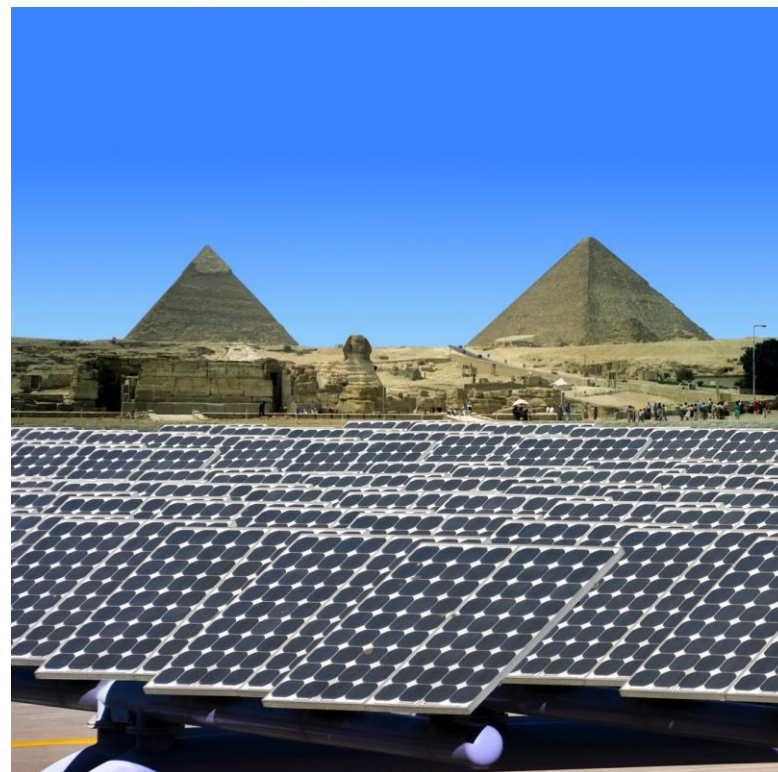


# Private Sector Projects

## Egypt Renewable Energy Financing Framework

Country	GCF financing	Accredited entity	Financial instrument
Egypt	USD 154.7 million	EBRD	Loan and Grant

- Encourages private sector investment in an environment with negligible renewable capacity installed
- Addresses the lack of capital for project development
- Facilitates transition to auction-based procurement
- Est. emissions reduction of 19 million tCO<sub>2</sub>e
- Projects currently under development







# Private Sector Projects

## Acumen Resilient Agriculture Fund

Country	GCF financing	Accredited entity	Financial instrument
Uganda, Ghana and 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
- Enhance climate resilience of 10M people



# Private Sector Projects

## Renewable Energy Program – Solar #1

Countries	GCF financing	Accredited entity	Financial instrument
Mongolia	USD 8.65 million	XacBank	Loan

- USD 8.65M in loan
- To unlock renewable energy investments in Mongolia and mobilize private sector capital
- To help Mongolia to achieve its nationally determined contribution (NDC) targets
- The project is expected to be a precursor to the Asia Super Grid initiative
- Emissions reduction of 0.30 million tCO<sub>2</sub>e





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