



Green Climate Fund

Accelerating Climate Innovation and Investment

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Financing for Development Seventh Session

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01

Set up by the UNFCCC, and serving the Paris Agreement



02

Supporting developing countries to transition to low-emission, climate-resilient societies

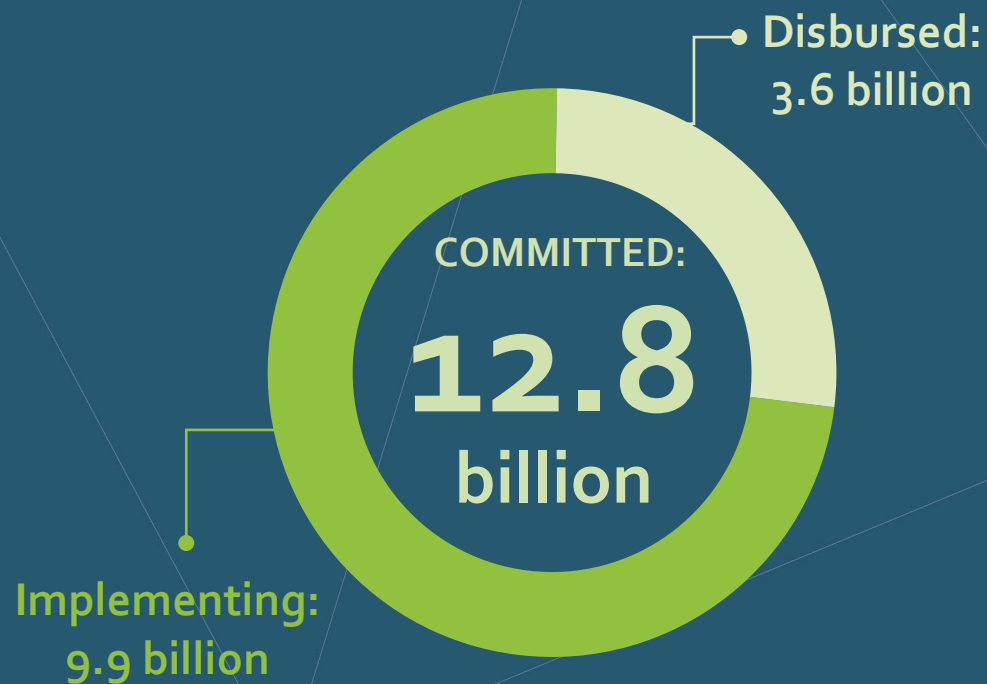


03


Serving as a hub of the climate finance landscape

GCF in Figures (USD)

TOTAL GCF PORTFOLIO COMMITMENT



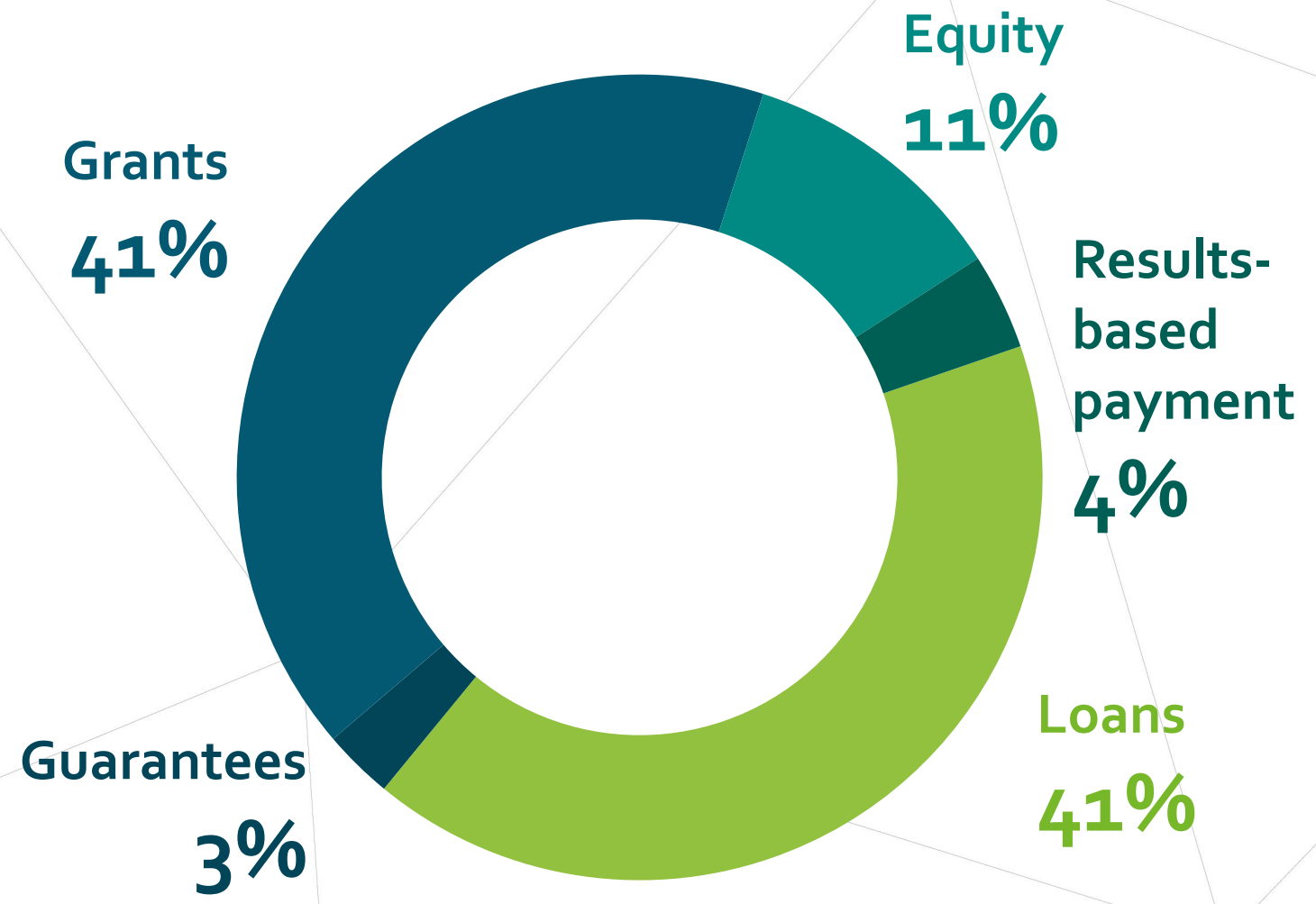
PORTFOLIO VALUE, INCLUDING CO-FINANCING:

48.3 

billion

Our portfolio in focus

Funding amount
by financial
instruments
(billion USD)



Current Financing



Global Climate Finance?

- 30 largest banks committed \$870B in 2022, up from \$600B 2021 towards Net Zero (IEA)
- In 2022, \$61B for low-income and middle-income economies. \$38B mitigation and \$23B adaptation (WB)
- A 20% annual increase to account for inflation is needed to 1.5C (CPI)

Sources: CPI, Blackrock, IEA, WB

\$200 Trillion to Achieve Net Zero by 2050

- 2022 global climate finance surpassed \$1T for the first time (CPI)
- \$6T per year by 2030
- \$7T per year by 2050

Sources: Climate Policy Initiative, IEA

...but only 50% of NDC Fulfilled by 2030

- \$6T for developing countries
- Paris + UN SDG equal priority adaptation + mitigation finance but adaptation is <8% of total climate finance
- \$9T spent on COVID up to 2021

Sources: UNFCC, Blackrock

Private sector needs to be activated....



Total Global Financial Assets

\$490 Trillion

Private Sector

\$426 Trillion

Developing (ex-China)

\$22 Trillion

...this can happen through concessional funding, policy, and demand creation



PROBLEM

Limited supply of concessional funding.

MDBs and DFIs consistently investing in senior positions in BF structures.

Stimulate demand for private capital.

Amount

IEA: \$80-100B of concessional finance per year will be needed by the early 2030s to reach net zero emissions.

Convergence: \$500 billion in concessional capital is needed through 2035 in the energy sector alone.

Solution

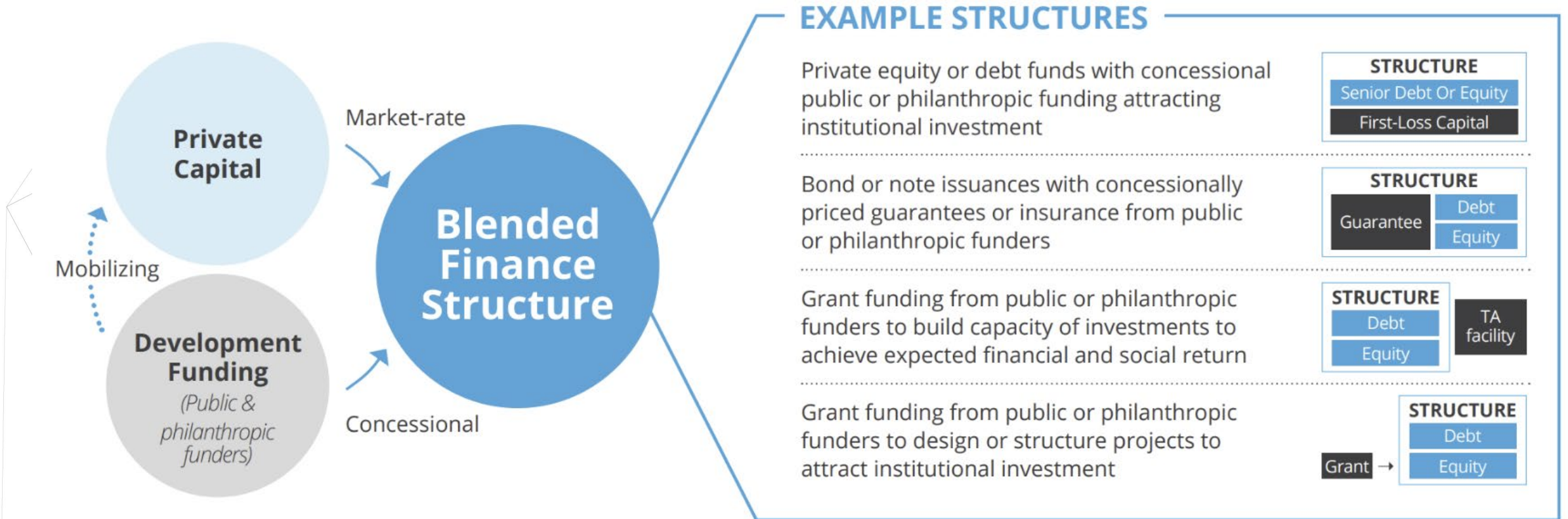
MDBs and DFIs target mezzanine positions, aligning with their mandate (16x vs 5x).

Proliferate credit enhancements and loan guarantees rather than individual projects.

Philanthropic capital.

Local currency financing.

Typical Blended Finance Mechanisms

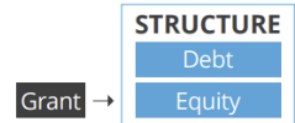


FP190: Climate Investor Two



Countries:	Countries: Bangladesh, Botswana, Brazil, Colombia, India, Indonesia, Kenya, Nigeria, Morocco, Djibouti, Namibia, etc.
AE:	FMO
EEs:	Climate Fund Managers (CFM, 100% owned by FMO)
Estimated impact:	~44.65M tCO ₂ eq, 11.2M beneficiaries
Total Financing:	\$880M
GCF Financing:	\$145M
GCF Instruments:	Reimbursable Grant (equity like)
Co-Financing:	\$735M
Investment period:	15 years
Fund lifespan:	20 years

Grant funding from public or philanthropic funders to design or structure projects to attract institutional investment



- A blended finance facility supporting water, sanitation, and ocean projects in developing countries.
- Addresses the private financing gap by offering comprehensive project financing tailored to various investor risk-return profiles, from donors to commercial entities
- Triangle: Biodiversity (Co-benefits) + Mitigation + Adaptation

FP190:
Climate
Investor Two



GCF (Reimbursable Grant)

FMO

Dutch Vehicle (Stichting)

\$45M

\$100M

Development Fund
\$80M

Commercial Equity Fund

- Tier 3: Equity Investors**
\$400M
- Tier 2: Equity Investors**
\$300M
- Tier 1: Jr Equity**
\$100M

Early-stage Development Loans

Equity Investments

FP223: Project GAIA



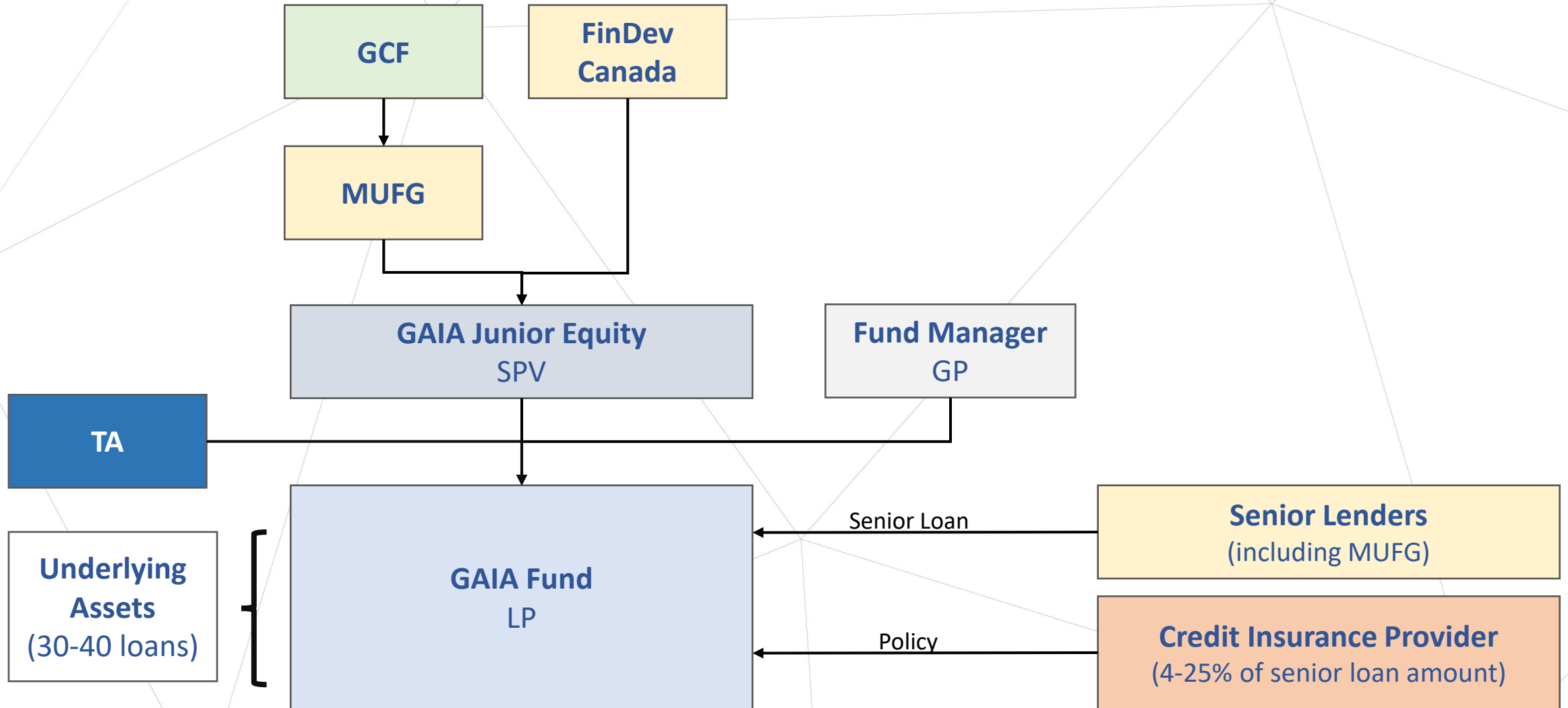
Countries:	19 LDCs and SIDS in Asia, Africa, LAC
AE:	MUFG Bank, Ltd.
EEs:	GAIA LP (the Fund)
Estimated impact:	~30M tCO ₂ eq, ~6.5M beneficiaries
Total Financing:	\$1.5 Billion
GCF Financing:	\$152.5 Million
GCF Instruments:	Equity
Co-Financing:	\$1.3 Billion <ul style="list-style-type: none"> • \$160 Million Equity • \$1.17 Billion Loan (\$295 Million from MUFG)
Technical Assistance	FinDev Canada
Investment period:	15 years
Fund lifespan:	30 years

Grant funding from public or philanthropic funders to build capacity of investments to achieve expected financial and social return



- Blending finance using first loss equity with an insurance component to mobilize private sector capital.
- Designed to offer long-term loans to sub-sovereign (municipalities) and quasi-sovereign entities (SOEs, public corps) for climate adaptation and mitigation.
- 70% of its portfolio investments towards adaptation projects for SIDS and LDCs

FP223:
Project GAIA



FP213: The Blue Green Bank



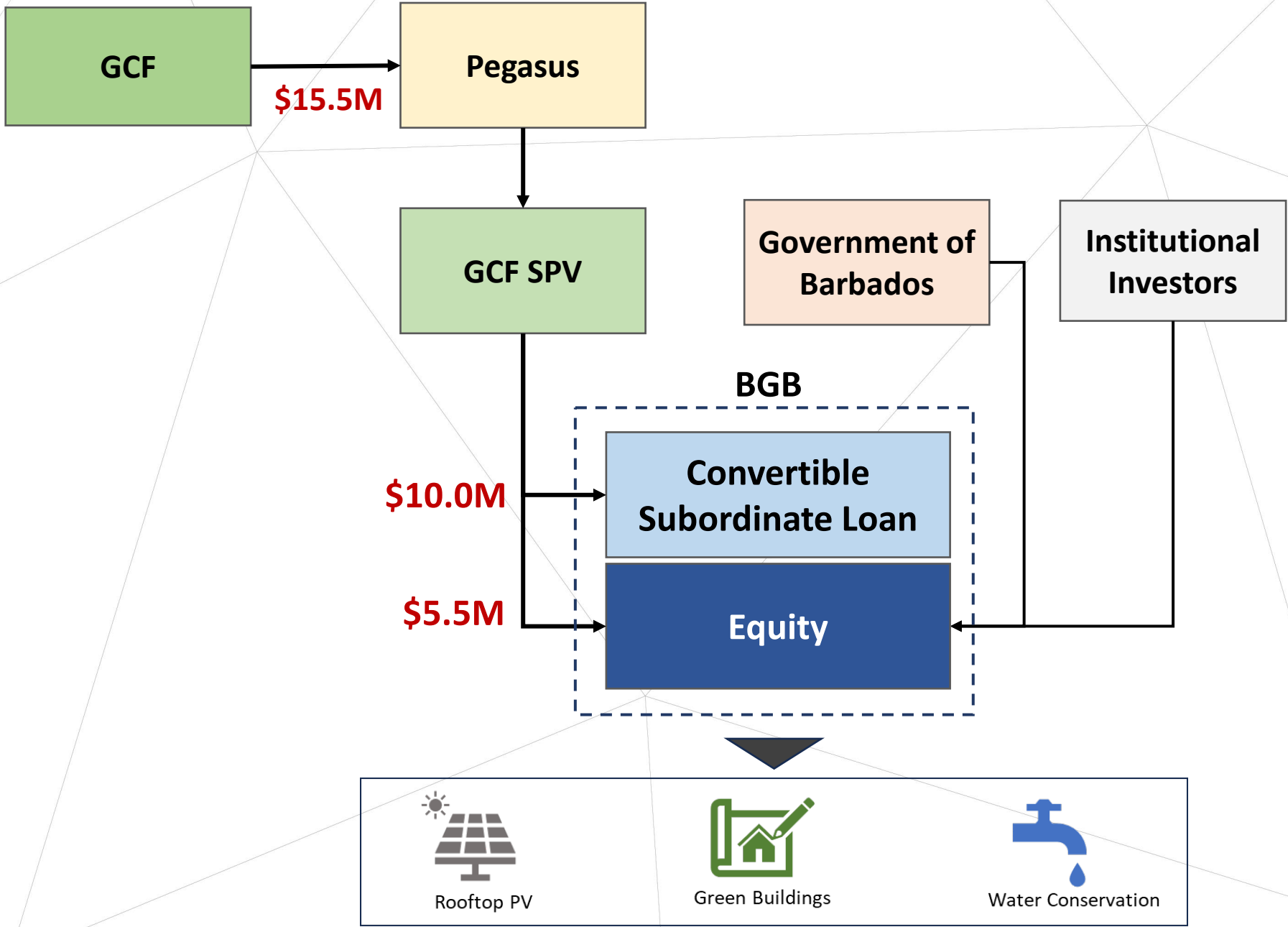
Countries:	Barbados
AE:	Pegasus Capital Advisors
Estimated impact:	~17M tCO ₂ eq, 226,000 beneficiaries
Total Financing:	\$30.5 Million
GCF Financing:	\$15.5 Million
GCF Instruments:	<ul style="list-style-type: none"> • \$5.5 Million equity • \$10 Million convertible subordinate loan (tier 1 capital)
Co-Financing:	\$15 Million Equity <ul style="list-style-type: none"> • Barbados Government \$10 Million • Institutional investors \$5 Million
Investment period:	15 years
Fund lifespan:	N/A

Private equity or debt funds with concessional public or philanthropic funding attracting institutional investment



- A new green bank to de-risk and crowd-in the local financial sector to climate mitigation and adaptation investment in line with Barbados national priorities.
- The GCF's contribution to BGB is projected to generate an additional \$3B funds thanks to leverage.
- BGB's self-replenishing system promotes sustainability and draws in private loans.

FP213:
The Blue
Green Bank

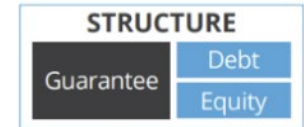


FP197: Green Guarantee Company



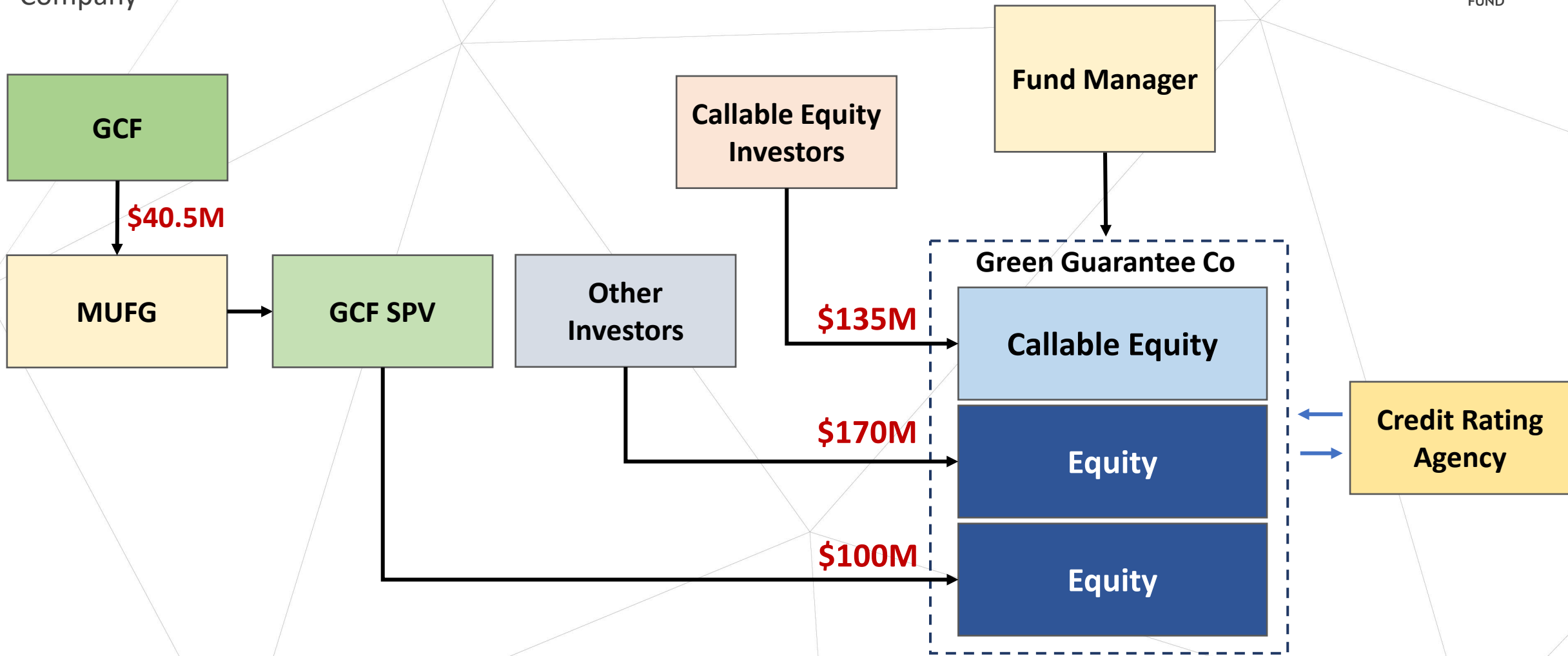
Countries:	Gabon, India, Indonesia, Laos, Philippines, Brazil, and Trinidad & Tobago
AE:	MUFG Bank, Ltd.
Estimated impact:	~74M tCO ₂ eq, 34.6M beneficiaries
Total Financing:	\$363M
GCF Financing:	\$40.5M
GCF Instruments:	Equity
Co-Financing:	\$322.5M
Investment period:	15 years
Fund lifespan:	N/A

Bond or note issuances with concessionally priced guarantees or insurance from public or philanthropic funders



- Provides guarantees for climate bonds with significant climate adaptation and mitigation impacts.
- Addresses the problem of inadequate climate financing from developed countries to developing countries by de-risking international private sector investments.

FP197:
Green Guarantee
Company





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green-climate-fund



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GCF-1 PROGRESS REPORT

GCF first replenishment period 2020-2023

*Scan this QR code
to access/download
the report*

