Green Climate Fund: Private Sector Renewable Energy

Jiwoo Choi

Green Climate Fund
November 2017
Who are we?
The Green Climate Fund

- A new global fund created to combat climate change by investing in **low-emission and climate-resilient development**

- Set up by United Nations Framework Convention on Climate Change (UNFCCC) to **keep global average temperature increase well below 2°C**
Private Sector Facility

Why?

• To fund and mobilize institutional investors and leverage GCF’s funds to encourage corporates to co-invest with us.

How?

• De-risk investments;
• Bundle small projects into portfolios;
• Support capacity building;
• Develop public-private infrastructure resilience partnerships;
• Encourage innovation.

The PSF is not an “add on”; it is mainstream component of the GCF.

GCF Funding Amount By Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>USD 1.33 billion</td>
</tr>
<tr>
<td>Public</td>
<td>USD 1.32 million</td>
</tr>
</tbody>
</table>
**PSF Specialization**

**OBJECTIVE**
GCF’s PSF aims to engage the private sector to support climate change mitigation and adaptation projects in developing countries.

<table>
<thead>
<tr>
<th>Flexible Financing Instruments</th>
<th>Areas of Strategic Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Debt and guarantees</td>
<td>• Clean energy</td>
</tr>
<tr>
<td>• Equity</td>
<td>• Energy efficiency</td>
</tr>
<tr>
<td>• Structure products</td>
<td>• Climate-related innovation</td>
</tr>
<tr>
<td>• Concessional loans</td>
<td>• Resilient infrastructure</td>
</tr>
<tr>
<td>• Grants</td>
<td>• Products and services for</td>
</tr>
<tr>
<td></td>
<td>vulnerable communities</td>
</tr>
<tr>
<td></td>
<td>• Agriculture, forestry, food,</td>
</tr>
<tr>
<td></td>
<td>water security, and</td>
</tr>
<tr>
<td></td>
<td>ecosystem preservation</td>
</tr>
</tbody>
</table>
Where are we?
A growing portfolio

$2.65B for 54 projects (73 countries)

LATIN AMERICA & CARIBBEAN
10 approved
(470M, 14 countries)

AFRICA
21 approved
(786M, 17 countries)

ASIA-PACIFIC
19 approved
(714M, 22 countries)

CROSS-REGION
2 approved
(643M, 37 countries)

EASTERN EUROPE
2 approved
(37M, 2 countries)

Status as of B.18 (Oct 2017)
Estimated climate impact

Mitigation impacts

1 BtCO2eq

Adaptation impacts

159 M beneficiaries
Investments by results areas
Approved projects

Requested GCF funding by results areas (percentage)

- **Ecosystem, ecosystem services**: 2% Private, 16% Public
- **Infrastructure, built environment**: 14% Private, 26% Public
- **Health, well-being, food, water security**: 18% Private, 24% Public
- **Vulnerable people, communities**: 4% Private, 33% Public
- **Forestry and land use**: 4% Private, 5% Public
- **Buildings, cities, industries, appliances**: 26% Private, 2% Public
- **Low emission transport**: 1% Private
- **Energy access, power generation**: 49% Private, 9% Public

Legend: Private, Public
Request for proposals
Mobilizing funds at scale
Results Snapshot

GCF INVESTMENT:
- Up to USD 500M in projects/programmes

COUNTRIES RECEIVED:
- 70+ Developing countries

NUMBER OF CONCEPT NOTES RECEIVED:
- 350 CNs

EST. PROJECT COST:
- USD 43 billion

EST GCF REQUESTED FINANCING:
- USD 18 Billion

Published on

Closed on

Pitch for the Planet.
Private Sector
Renewable Energy Projects
Off-Grid Solar  
*KawiSafi Fund*  

<table>
<thead>
<tr>
<th>Country</th>
<th>GCF financing</th>
<th>Accredited entity</th>
<th>Financial instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya and Rwanda</td>
<td>USD 25 million</td>
<td>Acumen</td>
<td>Equity and Grant</td>
</tr>
</tbody>
</table>

- USD 20M in equity and USD 5M in grants for technical assistance
- Universal access to energy for people at the bottom of the pyramid
- Mobilization of private sector investors at scale for investment in SMEs in East Africa
- Conversion of a social impact fund into a Green Impact Fund
- Emissions reduction of 1.5 million tCO₂
**Off-Grid Solar**

*Universal Green Energy Access Programme*

<table>
<thead>
<tr>
<th>Country</th>
<th>GCF financing</th>
<th>Accredited entity</th>
<th>Financial instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin, Kenya, Namibia,</td>
<td>USD 80 million</td>
<td>DB</td>
<td>Equity and Grant</td>
</tr>
<tr>
<td>Nigeria, Tanzania</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- USD 78.4M in equity and USD 1.6M in grant
- Enhancing local financial institutions’ knowledge of and appetite for the off-grid solar sector
- Crowd-in foreign and local private investors into the field of sustainable energy access in sub-Saharan Africa
- Emissions reduction of 50.6 million tCO2e
Renewables Program 1
Sustainable Energy Financing Facility (SEFF)

<table>
<thead>
<tr>
<th>Country</th>
<th>GCF financing</th>
<th>Accredited entity</th>
<th>Financial instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia, Egypt, Georgia,</td>
<td>USD 378 million</td>
<td>EBRD</td>
<td>Loan and Grant</td>
</tr>
<tr>
<td>Jordan, Moldova, Mongolia, Morocco, Serbia, Tajikistan, Tanzania</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- USD 344M in loan and USD 34M in grant
- Climate finance at scale through partner Financial Institutions
- On-lending programme
- Mainstreaming energy efficiency and renewable energy in the financial sector
- Promoting local capacity and aligning with the notion of country ownership
- Emissions reduction of 29.1 million tCO2e
## Renewables Program 2

**GEEREF NeXt**

<table>
<thead>
<tr>
<th>Countries</th>
<th>GCF financing</th>
<th>Accredited entity</th>
<th>Financial instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Countries - Global</td>
<td>USD 265 million</td>
<td>EIB</td>
<td>Equity and Grant</td>
</tr>
</tbody>
</table>

- USD 250M in equity and USD 15M in grant: fund of funds with the aim of being the first investor in RE/EE investment funds
- Significant climate impact due to the elevated multiplier effect
- Channeling institutional investors into renewable energy and energy efficiency investments in developing countries
- Emissions reduction of 769 million tCO\(_2\)e
Renewables Program 3
Catalyzing Private Investment in Sustainable Energy in Argentina – Part 1

<table>
<thead>
<tr>
<th>Country</th>
<th>GCF financing</th>
<th>Accredited entity</th>
<th>Financial instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>USD 133 million</td>
<td>DB</td>
<td>Loan and Grant</td>
</tr>
</tbody>
</table>

- USD 130M in Loan and USD 3 M in Grant
- Catalyze private sector investment in an environment where there is negligible renewable energy capacity installed and growing import dependence for energy
- Help Argentina meet its intended target of scaling up renewable energy capacity which is aligned with national policy
- Emissions reduction of 15.3 million tCO2e
Jiwoo Choi
Head of Financial Institutions and Structured Finance,
Private Sector Facility
jwchoi@gcfund.org