GREEN CLIMATE FUND

GLOBAL WATER PARTNERSHIP

Background to the Green Climate Fund

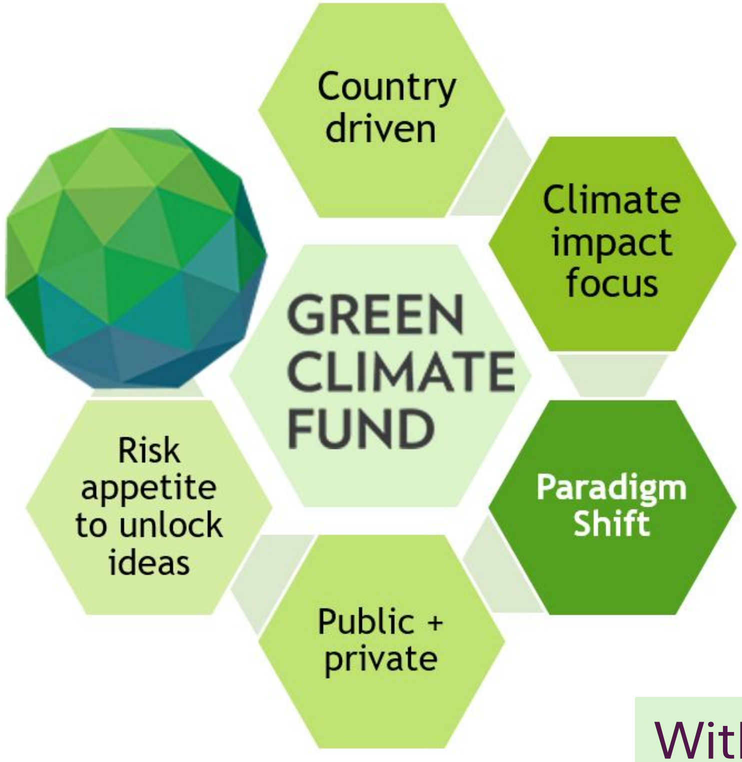
Enhancing public and private sectors capacities to understand climate change impacts in the water sector, and design, finance and implement gender-sensitive and inclusive adaptation responses

7 - 9 October 2025 | Petrovac, Montenegro

Climate Funds: quick overview

Fund	Advantages	Considerations
Green Climate Fund	• Large volumes of funding (US$10m +) • Range of instruments beyond grant • Private Sector Facility available	• Significant investment of time and money for concept note & proposal development • Looking for strong climate rationale and transformation potential • Usually a need for country programming • No regional window
Global Environment Facility	• Programmed support for countries • Serves a range of conventions (UNCCD, Biodiversity, international waters)	• Need country programming (except for SCCF) • Limited volume per application
Adaptation Fund	• Strong focus on vulnerable communities • Easier to show adaptation rationale • Suitable for 'pilot' type interventions • Regional Window • No co-finance requirement	• Limited volume per application (US$20m for country window, US$30m for regional window) • Country cap (US$40m)

GCF Vision



Committed	Implementing	Disbursed	Total value
18.0 billion	13.8 billion	5.8 billion	66.9 billion

With a Mandate:

To promote low-emission and climate resilient development in developing countries.

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Eastern Europe: GCF approved funding 2015-2025

ISO3	Country Name	Region	SIDS	LDCs	# RP	# FA	RP Financing $	FA Financing $
ALB	Albania	Eastern Europe			7	5	$6.44 M	$57.90 M
ARM	Armenia	Eastern Europe			8	7	$5.93 M	$158.32 M
AZE	Azerbaijan	Eastern Europe			5	2	$4.67 M	$46.49 M
BIH	Bosnia and Herzegovina	Eastern Europe			4	2	$4.70 M	$31.75 M
GEO	Georgia	Eastern Europe			8	6	$4.18 M	$147.46 M
MDA	Moldova	Eastern Europe			4	3	$4.27 M	$50.04 M
MNE	Montenegro	Eastern Europe			5	2	$4.26 M	$4.01 M
MKD	North Macedonia	Eastern Europe			6	6	$5.44 M	$64.24 M
SRB	Serbia	Eastern Europe			5	5	$4.18 M	$118.72 M
Totals							**$44.09 M**	**$678.93 M**

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GCF approved funding 2015-2025: Montenegro

- **42 countries**
- **750M total**
- **150M GCF equity**
- **600M co-finance equity**
- **Pegasus Capital Advisors**

- **42 countries**
- **28M total**
- **18.5M GCF grant**
- **9.5M cofinance grant, in-kind**
- **IUCN**

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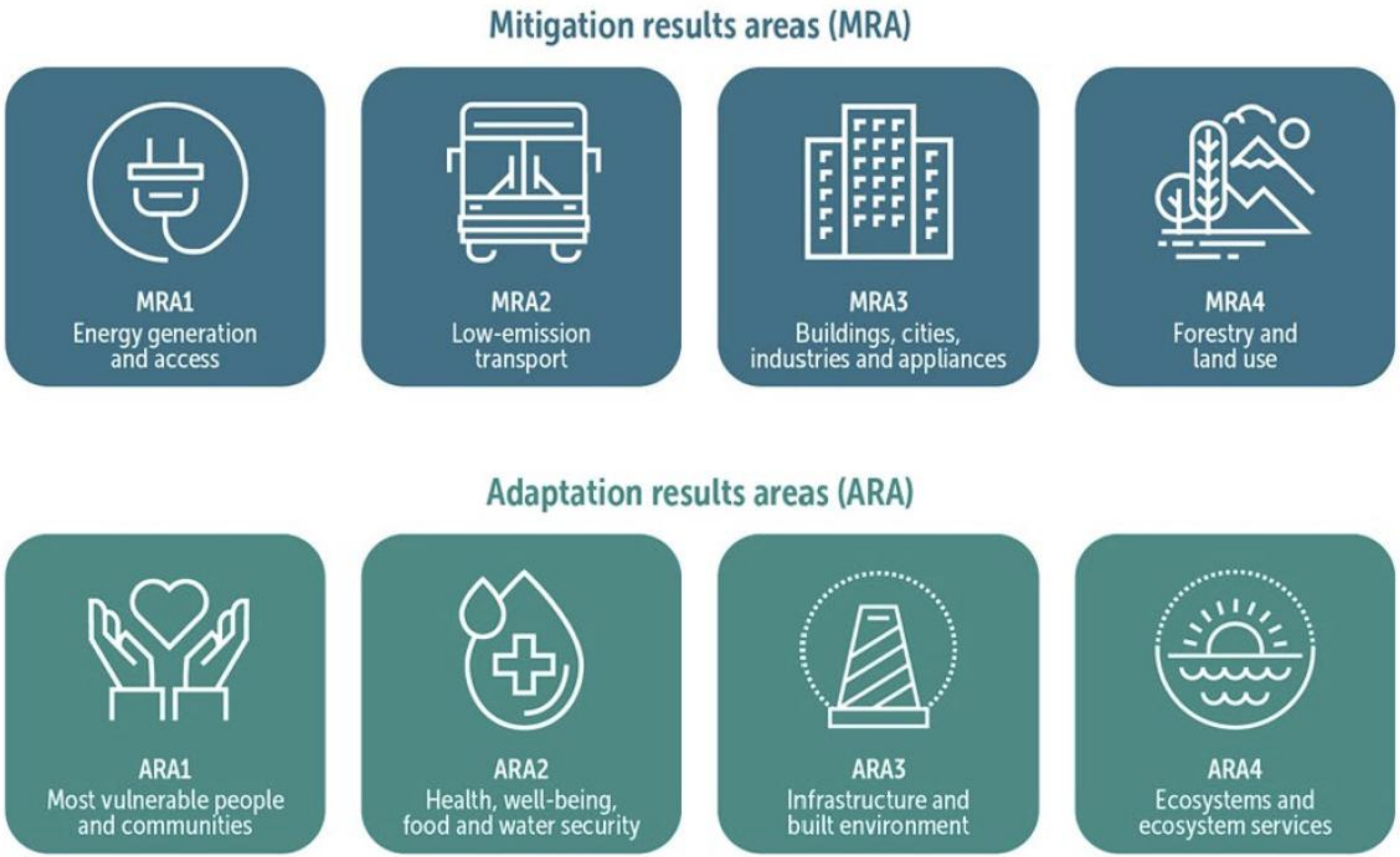
GCF results areas



GCF Financial Instruments

Grant

Non-repayable funds for specific projects or activities.

Loans:

Low-interest loans with favourable terms.

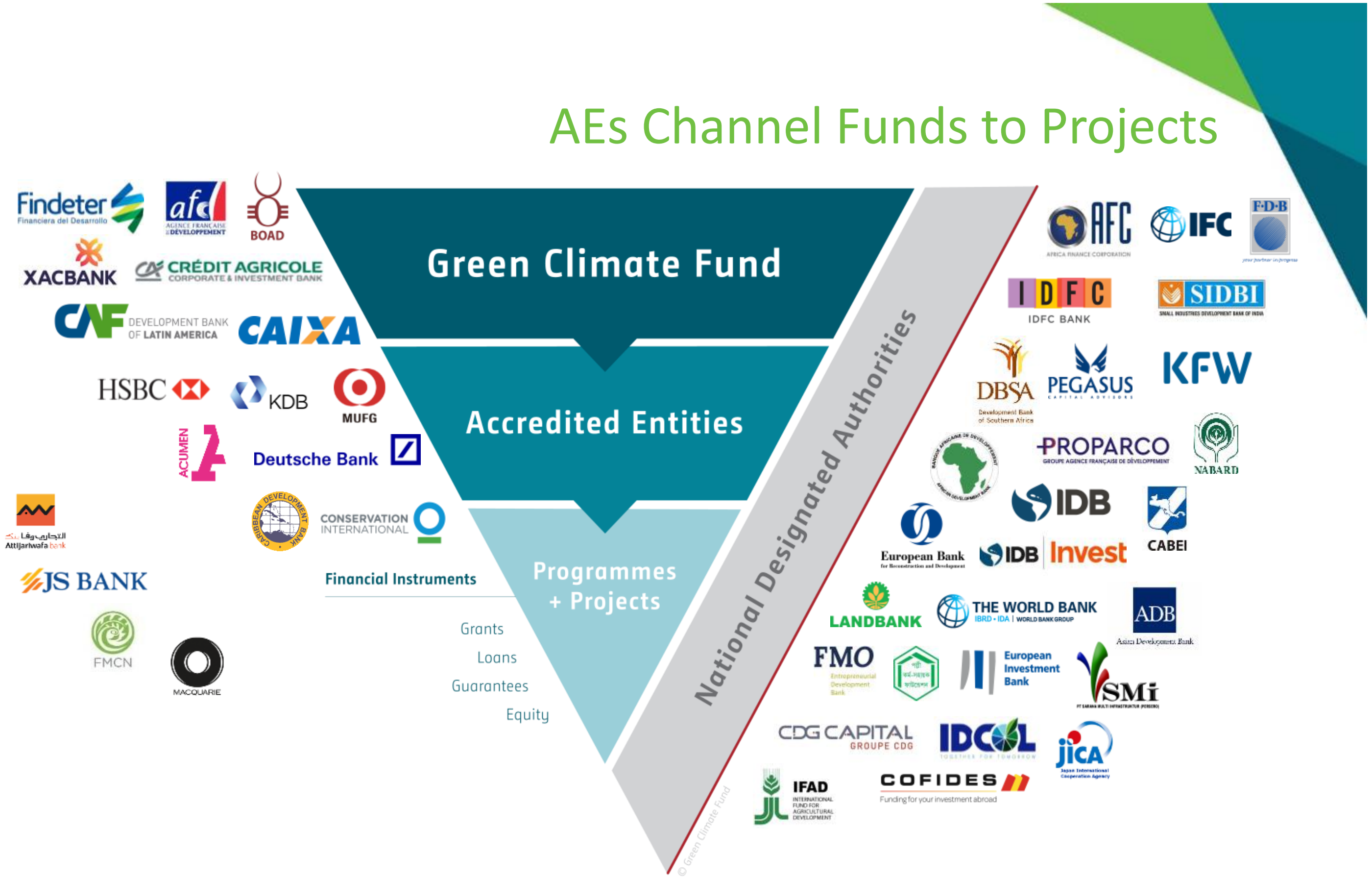
Equity

Direct investments in projects or companies to generate returns.

Guarantees:

Risk mitigation instruments to encourage private sector investment.

How GCF Works



Who are GCF's Main Actors?

1 GCF Board

- Principal decision-making body.
- Composed of 24 members (equally from developed and developing countries).
- Approves funding proposals, sets polices, oversees strategic direction, and ensures Fund governance.

2 GCF Secretariat

- Based in Songdo, South Korea.
- Manages day-to-day operations.
- Supports the Board.
- Appraises funding proposals.
- Oversees project implementation and provides technical support.

3 National Designated Authorities

- Country-appointed entities that act as the interface between GCF and government.
- They ensure country ownership, issue No-Objection Letters, and coordinate overall GCF programming in country.

4 Accredited Entities (AEs)

- Institutions authorized to access GCF funding and implement activities.
- Responsible for project development, proposal submission, and overseeing implementation.

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Windows to access GCF funding

	Proposals	Submitted by	Reviewed by	Approved by
Readiness Support Cap: For Readiness: $4 million / country to 2027 For Adaptation Planning: $3 million / country DAE support: US$1 million/country to 2027	Move towards programmes	NDA	GCF Secretariat	GCF Secretariat
Project Preparation Facility Cap: $3 million / project	Concept Notes & PPF Applications	AEs	GCF Secretariat	GCF Secretariat
Projects No cap	Concept Notes ➔ Funding Proposals	AEs	GCF Secretariat & iTAP	GCF Board

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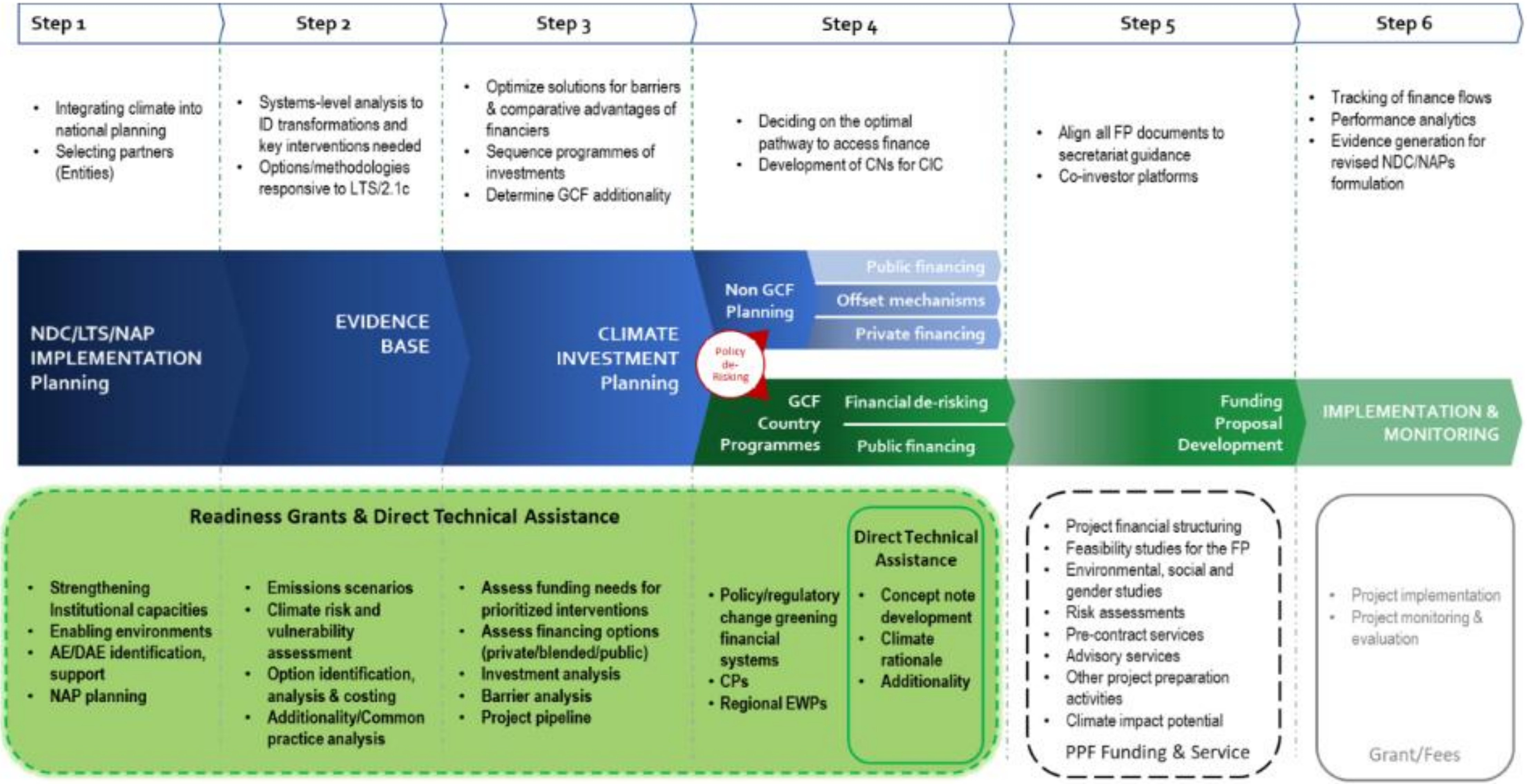
GCF Programming Cycle



2025/10/16

Types of Project Proposals

Full Funding Proposal

Categorised by size:

- Micro (<$10m)
- Small ($10m - $50m)
- Medium ($50m - $250m)
- Large ($250m >)

ESS risk categories

- 3 Categories (A-C)
- Due diligence dependent on category

Project support for AEs depends on accreditation status!

Simplified Approval Process (SAP)

- GCF contribution <= US$25m
- Risk category C
- Strong scaling potential

SAP proposal:

- Less documentation
- Easier to develop
- More likely to be accepted

Climate rationale & project interventions

CLIMATE CHANGE

1) Climate Science Basis
Scientific underpinning for evidence-based climate rationale and theory of change of all GCF-funded projects and activities

CLIMATE IMPACT

VULNERABILITY

Adaptation

2a) Climate impacts the project/programme aims to address
2b) Vulnerabilities, exposure and hazards resulting in risks

Mitigation

2a) Emission trajectory for the relevant country and sector
2b) Potential pathways to shift projected emissions trajectory

INTERVENTION

3) Prioritized interventions for addressing barriers based on a multi-criteria analysis of options

PARADIGM SHIFT

4) Integration to broader domestic and international policy and decision-making processes

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Investment Criteria

Impact potential	Potential to contribute to achievement of Fund's objectives and result areas
Paradigm shift potential	Long-term impact beyond a one-off investment
Sustainable development potential	Wider economic, environmental, social (gender) co-benefits
Country ownership	Country ownership and capacity to implement (policies, climate strategies and institutions)
Efficiency & effectiveness	Economic soundness, cost-effectiveness and co-financing for mitigation
Responsive to needs of recipients	Vulnerability and financing needs of beneficiary in targeted group

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What are GCF's Funding Modalities?

Direct Access:

An avenue through which national or regional entities based in developing countries can access GCF resources directly without going through international intermediaries.

International Access:

Where countries access GCF funding through international Accredited Entities, such as multilateral development banks, UN agencies, and international NGOs. These entities are already accredited and often have experience managing large-scale climate finance.

Typical GCF Project Development Cycle