



# Paradigm shifting for Climate Impact and Financing of **Low Emission Transport**

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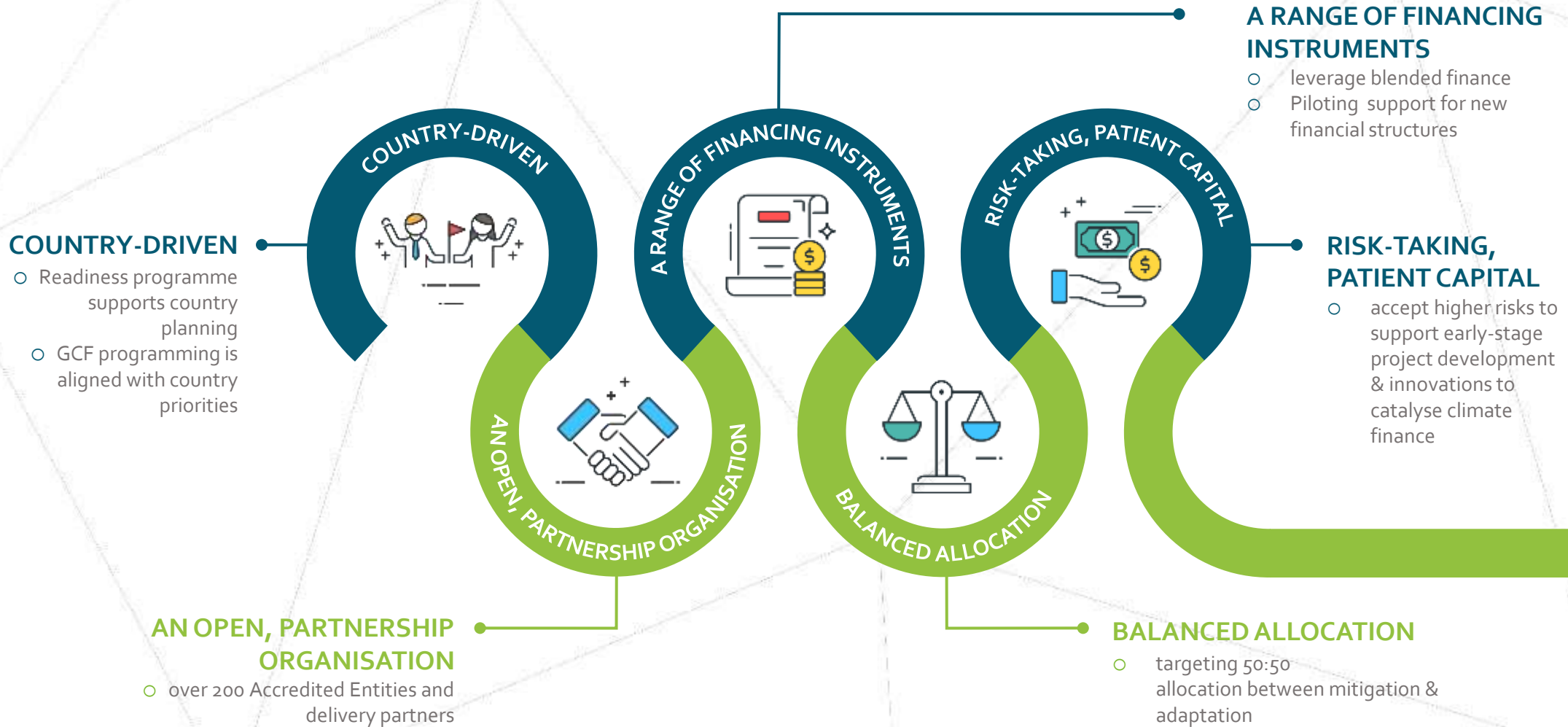
# Green Climate Fund-GCF

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- **GCF is the largest global fund dedicated to help fight climate change. Its headquarter is in Songdo, South Korea.**
- **Structure-** The GCF secretariat is composed of several divisions and offices that report to the Office of Executive Director.



# GCF- Business Process and How we work



# GCF-Footprints



- Projects are across in all regions
- LDC countries are on high priority
- GCF works through international and national accredited entities (AE) (eg: WB, ADB, UN, AfDB, CAF, IDB, AFD etc)

# GCF-Transport Projects



	IDB- e-mobility LAC countries	AFD (Euro)-e-mobility LAC countries	CAF - LAC countries	ADB e-Mobility Asian Countries	Karachi BRT (ADB)-FP085	Shandong Catalyzing Climate (ADB)-FP082	Green Cities Facility (EBRD)-FP086	DBSA Climate Finance Facility-FP098	ASEAN Catalytic Green Finance Facility (ADB)-FP156	Green Growth Equity Fund (FMO)-FP164	LRT Costa Rica (CABEI)-FP166
<b>GCF Financing</b>	200	117	73.8	231	49	100	94	55	300	137	271
<b>Total Financing</b>	450	270	218.5	881	583	1,400	281	170	3,700	944	1,900
<b>ER (tCo2)</b>	7.55 M tCo2	1.13 M tCo2	0.78 M tCo2	11.12 M tCo2	2.6 M tCo2	37.5M tCo2	11.9 M tCo2	29.7 M tCo2	119 M tCo2	166 M tCo2	7.6 M tCo2

# Nepal-Potential Projects



- **E-Mobility Program- ADB is IAE for this project**
  - Armenia, Georgia, Indonesia, Kazakhstan, Kyrgyz Republic, **Nepal**, Uzbekistan
  - Expected to be approved in 2022
- **GREEN BUSES: Sustainable Transportation through Electric Buses Rapid Transit (eBRT) in Kathmandu Valley**
  - In a very initial stage. Draft concept note submitted by TDF in coordination with MoPIT
  - > USD 200 Million
  - It requires several iterations and discussion with MOF, MoPIT, TDF to enhance concept notes. MoPIT being line ministry +TDF shall take lead and present refinement to GCF
  - Readiness facility of GCF can be used to enhance concept notes and funding proposal
  - GCF provided readiness support (Grant) to Nepal of USD 0.7 million- administered by AEPC

# Financing Instruments

## A FLEXIBLE RANGE OF INSTRUMENTS



Loans



Guarantees

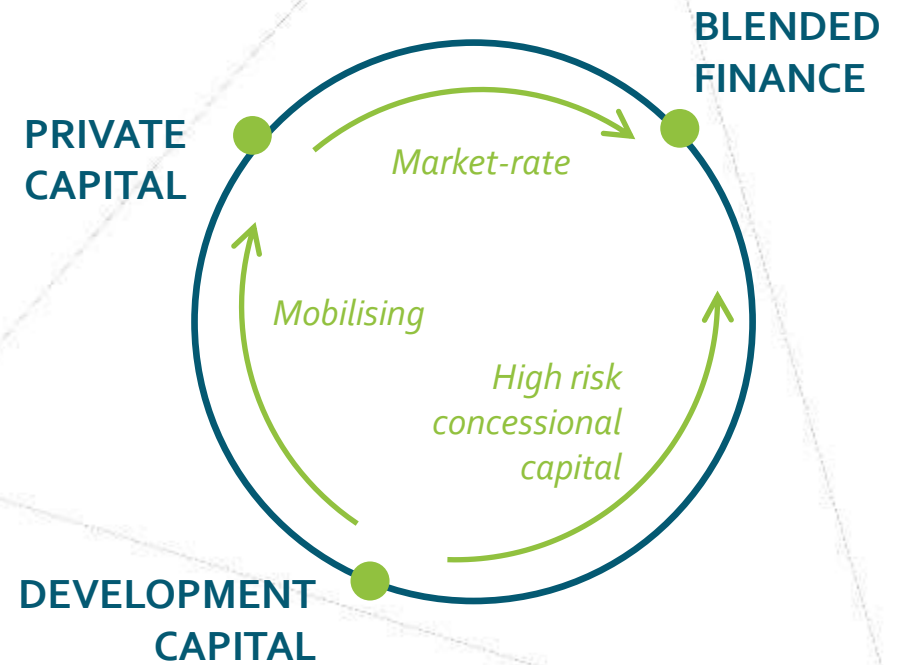


Equity



Grants

## TO MAKE BLENDED FINANCE WORK



# Planning and Project Development Support

## Readiness Programme

- up to USD 1 million per country per year
- Institutional capacity building, coordination, policy and planning, and programming for investment
- Regional readiness programme for LAC with UNEP: USD 1 million for the groundwork for countries to design e-mobility climate finance proposals and explore how to set up charging infrastructure and grid integration (Argentina, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay and Uruguay)

## Project Preparation Facility

- Up to USD 1.5 million per proposal
  - ✓ Pre-feasibility/ feasibility studies, project design
  - ✓ ESS and Gender studies
  - ✓ Risk assessment
  - ✓ Pre-contract services including provision of tender documents
  - ✓ Advisory services and/or other services for financial structuring



# PARADIGM SHIFTING PATHWAYS

## Pathway 1. Accelerating the shift to low emissions public transport

- Innovations in business and financial models for creating highly efficient public transport systems as backbones for mobility
- Integration of modern, climate-safe non-motorized transport and micro-mobility solutions with public transport
- Policies and economic nudges that accelerate the modal shift away from low density vehicles ownership to low emissions, climate resilient rapid, high density public transport.

## Pathway 2. Rapidly electrifying transport system

- Electrification of the transport system throughout the entire value chain
- Policy and business model innovations to catalyze systemic electrification (vehicles, chargers, grid interface infrastructure and depot infrastructure) coupled with linkage to renewable energy power generation

## Pathway 3. Supporting scale up of new generation zero-emission fuels

- Catalytic actions to scale-up of innovative fuel technology that link renewable energy and new non-carbon fuel production (such as hydrogen and second generation zero-emissions biofuels)
- Full value chain development from decentralized electricity-zero emission fuels production, storage and distribution of such new generation fuels
- Policy and business model innovations in well-to-vehicle zero emissions solutions

# GCF Investment criteria



# GUIDANCE FOR IMPACTFUL GCF PROJECTS

## GCF INVESTMENT CRITERIA

### 1. Impact potential

- ✓ High mitigation/ emission reduction impact
  - Shift to low to zero emissions public transport that are seamlessly integrated with non-motorised and micro-mobility transport solution
  - Electric charging infrastructure and supply chain for electrification
  - Zero-emission fuel technologies

### 2. Paradigm shift potential

- ✓ Scalable: robust plan to scale the project/program strategy or technology beyond the funded activity
- ✓ Sustainability: benefits of projects sustained and spur additional resilient climate action for mitigation/adaptation beyond GCF funds
- ✓ Replicability: Support to key structural elements of the project or program that can be replicated nationally and/or internationally

### 3. Sustainable development potential

- ✓ Environmental, social, gender, and economic co-benefits that align with national priorities
- ✓ improved universal accessibility and mobility for all, decreased gender inequality, improved air quality
- ✓ greater economic and social opportunities (job creation, access to jobs, poverty alleviation, increased incomes and GDP), improved quality of life and increased attractiveness of cities for investors

# GUIDANCE FOR IMPACTFUL GCF PROJECTS

## GCF INVESTMENT CRITERIA

### 4. Recipient needs

- ✓ Climate vulnerability and financing needs of the beneficiary country and population
- ✓ Along with the mitigation impact, adaptation measures can be highlighted especially by LDCs and SIDS

### 5. Country ownership

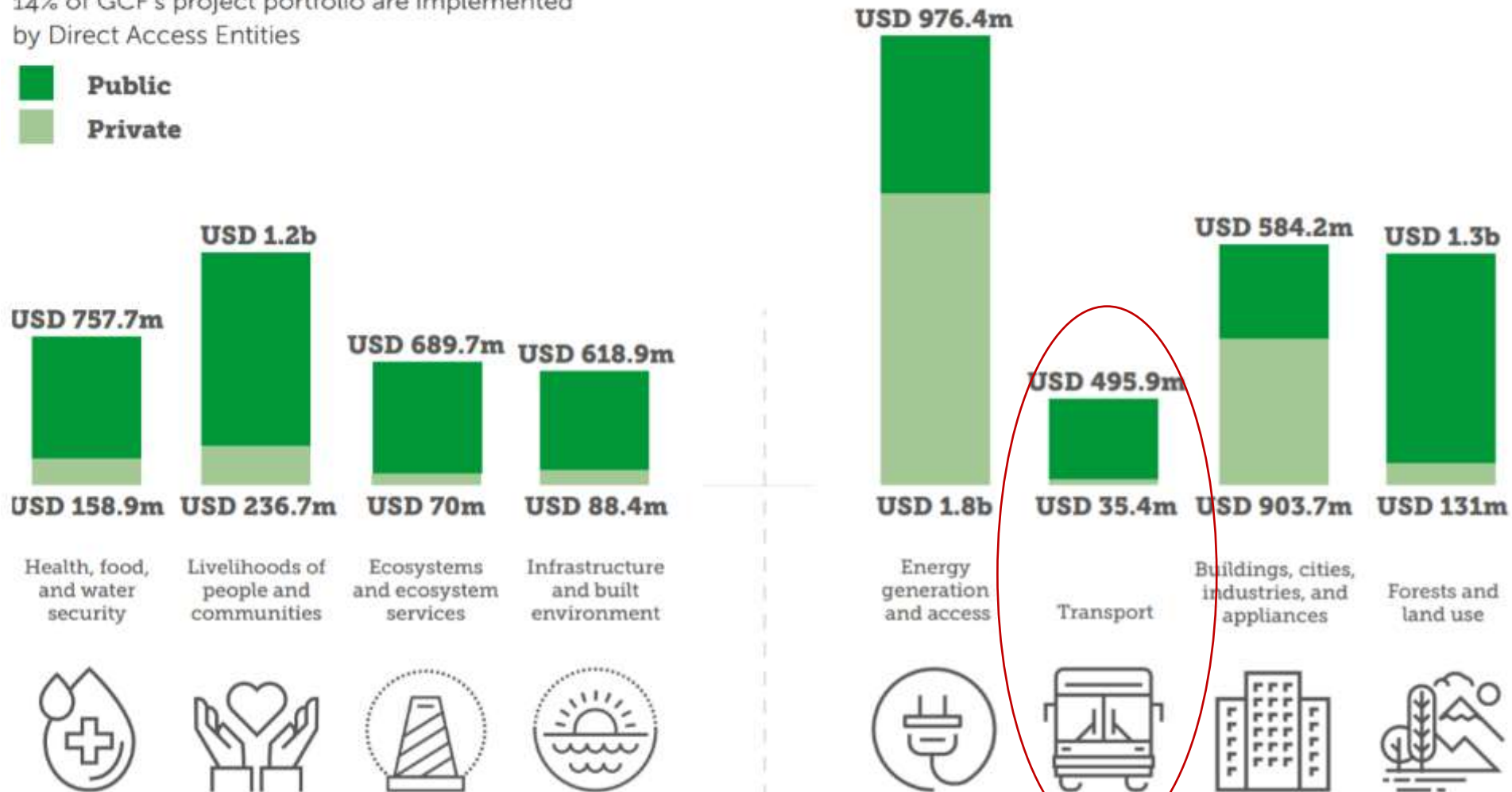
- ✓ To align with the given country's national and local plans, policies, and institutional structures, both for climate and transportation actions
- ✓ To address the beneficiary country ownership of, and capacity to implement, a funded project or program, policies, climate strategies, and institutions
- ✓ A country's ability to mitigate risks and implement projects within the allocated budget and timeline are important

### 6. Efficiency and effectiveness

- ✓ High cost-efficiency of the expected impacts (i.e. cost per tCO<sub>2</sub>eq) and financing leverage
- ✓ To assess financing risks for the given country, which may include political instability, market and currency fluctuations, potential revenue to fund ongoing operations and maintenance

# GCF Portfolio and Transport

14% of GCF's project portfolio are implemented by Direct Access Entities



# Number of portfolios and Financing

GCF's total portfolio of \$10.03b covers 190 projects across ten sectors from B.11 to B.30.

## Number of approved projects

	Resource Mobilization Periods		Approved Projects
	IRM	GCF-1	Total
<b>10 Sectors</b>			
<b>Total Approved Projects</b>	<b>121</b>	<b>69</b>	<b>190</b>
Agriculture & Food Security (AFS)	45	20	65
Cities, Buildings and Urban Systems (CBUS)	19	12	31
Climate Information & Early Warning Systems (CIEWS)	35	17	52
Ecosystems and Ecosystems Services (EES)	38	22	60
Energy Efficiency (EE)	17	14	31
Energy Generation & Access (EGA)	35	15	50
Forest & Land Use (FLU)	24	27	51
Health & Well Being (HWB)	3	3	6
Low Emission Transport (LET)	6	3	9
Water Security (WS)	21	4	25

## Financing and disbursements

	GCF Contribution (USD)	Total Disbursed (USD) (%)	To be Disbursed (USD) (%)
<b>GCF Financing</b>	<b>10.03 b</b>	<b>2.10 b (21%)</b>	<b>7.93 b (79%)</b>
AFS	971.4 m	153.7 m (16%)	817.7 m (84%)
CBUS	921.2 m	103.7 m (11%)	817.5 m (89%)
CIEWS	625.5 m	123.2 m (20%)	502.3 m (80%)
EES	1.05 b	97.9 m (9%)	949.4 m (91%)
EE	1.30 b	189.5 m (15%)	1.11 b (85%)
EGA	2.45 b	666.3 m (27%)	1.78 b (73%)
FLU	1.59 b	512.7 m (32%)	1.08 b (68%)
HWB	115.9 m	20.9 m (18%)	95.0 m (82%)
LET	504.6 m	33.7 m (7%)	470.8 m (93%)
WS	511.1 m	194.9 m (38%)	316.3 m (62%)

# Roadmap/Way Forward



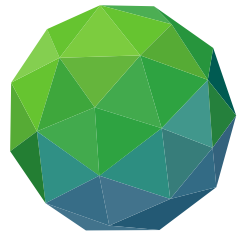
- Build on Long-Term Vision & partnership with Key AEs/partners
- Build capacity and involve DAEs/ regional dialogue to enhance FPs quality
- **Improve readiness and develop strong pipelines**
- Scaling-up & leveraging co-financing
- Unlock private finance by:
  - increasing share of private sector projects
  - Identifying opportunities to increase share of loans, equity, guarantees
  - Expanding on successful models
- Build strong partnership with project developers and think tanks for better project origination

# Planning Forward



- Diversify the sector (from E-mobility to Maritime/Sea transport, climate resilience transport infrastructure etc)
- Large scale multi-countries Programme
- Programmatic approaches with clear thematic/geographical links (increase LDCs, SIDs)
- Innovations to incorporate pathway 3 in future pipeline projects
- Early engagement in initial stage of mobility planning/ project development with countries to minimize gaps & enhance quality
- Enhance project origination in collaboration with DCP & long-term planning with AEs
- Enhance combination of various financial instruments (Equity, Guarantee etc)
- Policy support to enable and enhance project formulation and implementation
- Increase appetite from private entities & explore quantification of private leverage





GREEN  
CLIMATE  
FUND

**Raising  
ambition.**  
**Empowering  
action.**