



# Promoting Green PPP approach in Asia-Pacific

## The Green Climate Fund Experience

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# Climate change Impact forecast on Asia and the Pacific

- Changes in Asia Pacific Region will be **greater** than global trends indicate
- Sea-level rise will increasingly put **coastal assets and populations at risk**
- **Flood losses** will rise dramatically under climate change
- Climate-dependent sectors, including **agriculture, forestry, and fisheries**, will face diminished output
- Hotter temperatures will **reduce labour productivity** and human and social capital
- Under a high-emissions scenario, climate change will **reduce GDP** in the region by 17 percent by 2070
- Impact of climate change will **hit vulnerable communities and the poor** most severely

Source: Asia-Pacific Climate Report: Catalyzing Finance and Policy Solutions. ADB (2024)

# Green Climate Fund (GCF): The World's Climate Fund

- GCF is the largest global fund for climate action to serve all developing countries and has been operational for 10 years. It has approved **\$18 billion of climate investment** (totaling **\$66.6 billion**, including co-investment)
- Has approved **314 climate projects** in **133 countries** that are anticipated to strengthen the climate resilience of **1.4 billion people** and avoid 3.2 billion tonnes in carbon emissions
- Is the primary financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), and is mandated by the Paris Agreement to help developing countries meet their climate commitments
- Is the only multilateral climate fund that **partners directly with the private sector**, taking on **higher risks for lower returns** to mobilise business capital for climate action
- GCF is mandated to invest 50 per cent of its adaptation funding in SIDS, LDCs, and countries in Africa

# How does GCF drive transformative change

**01**

Transformational  
planning



**02**

Catalysing  
innovation



**03**

De-risking early  
investment



**04**

Greening  
Finance



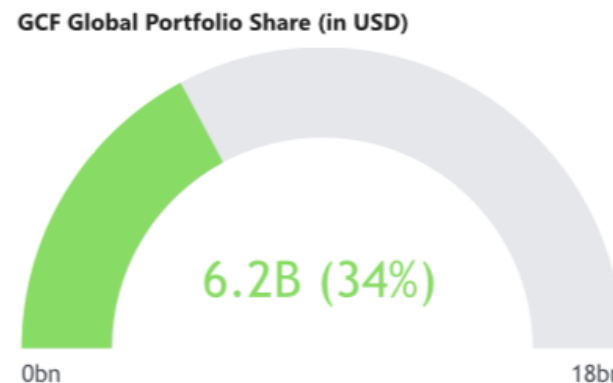
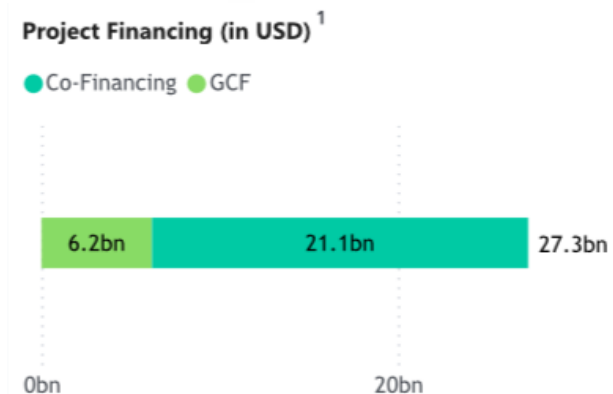
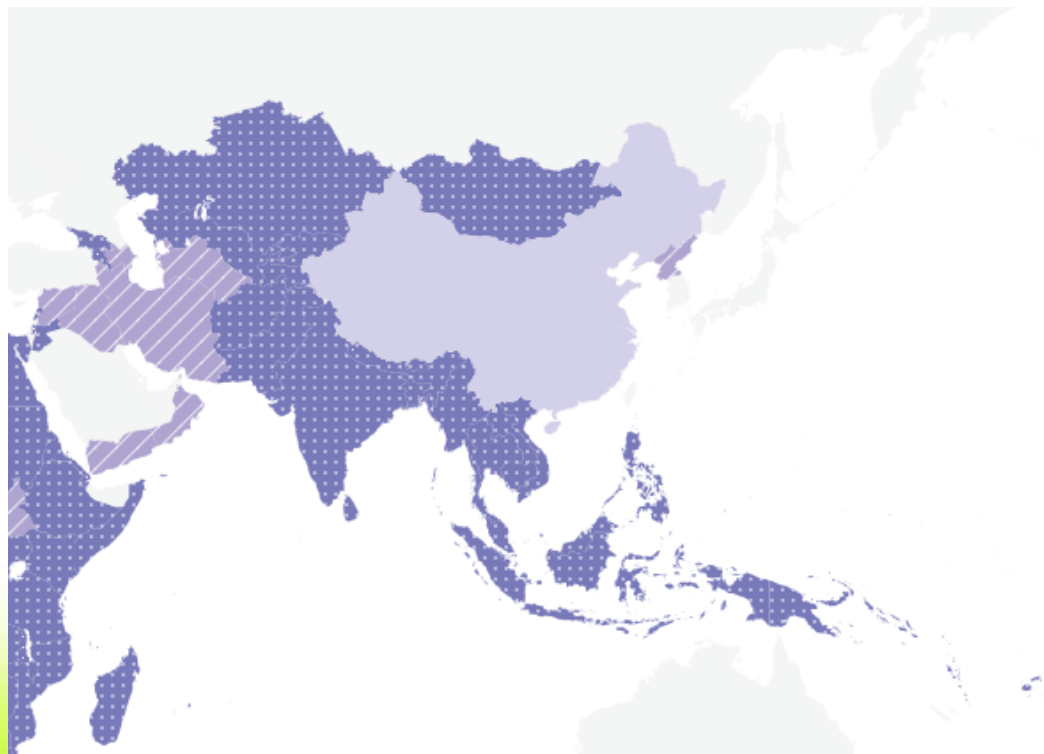
# GCF in Asia and the Pacific

**132** Approved Projects

**112** Under Implementation

**\$27.3 Billion** Project Financing with co-investments and co-financing

**45** Direct Access Entities



# GCF's Overall Private Sector Portfolio

6.43bn  
GCF Funding

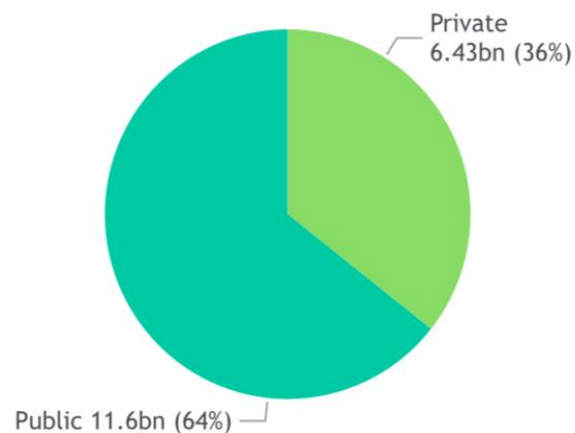
24.53bn  
Co-Financing

73  
No. of projects

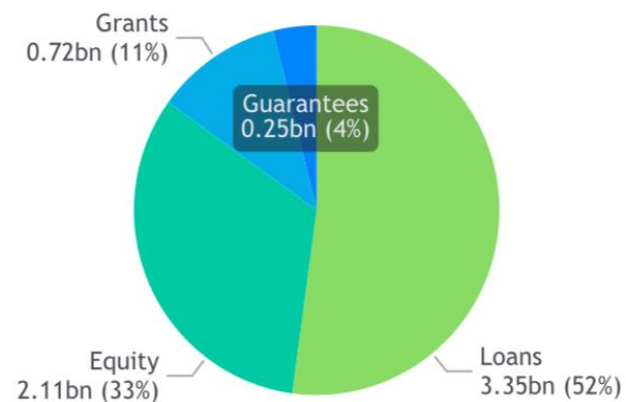
1.63bn  
CO2eq. avoided

590.50M  
No. of beneficiaries

GCF funding by sector (in USD)



GCF funding by financial instrument (in USD)



	Africa	Asia-Pacific	Eastern Europe	Latin America and the Caribbean
No. of projects	42	33	6	27
GCF Funding	3,023M	2,050M	310M	1,045M
Co-Financing	9,746M	9,199M	860M	4,729M



Data as of 16 September 2025

# Asia & the Pacific: At the center of global energy and climate challenges

## Just and clean energy transition is essential

- Over **150 million people** lack electricity access
- Millions lack modern cooking sources
- Rapid population **growth, urbanization, rising energy demand**
- Region emits **over 50 per cent of global GHGs**
- The region is also home to some of world's most **vulnerable people** who are at the frontlines of climate change
- Need access **to technology** and solutions that work toward building resilience and adaptive capacity.

# Asia and the Pacific: A cradle of opportunities

- Space for **investment, innovation, new business models**
- 2023: Asia and the Pacific installed 70 per cent of global renewable capacity
- Offshore wind projected to reach **~190GW by 2032**
- Leading market for **green hydrogen and Electric Vehicle** manufacturing

# Finance Gap

- Transition needs **\$1.5 trillion a year** by 2030 (~5 per cent of regional GDP)
- Least Developed Countries face shortfalls up to 20 per cent of GDP
- **Unlocking private finance** is critical
- Private sector manages **\$210 trillion in assets**, but little flows to climate

# Green Climate Fund's role

- Enabler through **grant funding** along with **project preparation funding (PPF)** to build projects/ programme bankability
  - Enabling environment/ Policy de-risking
  - Capacity building / Project preparation
- **Catalyzer of both public and private sources** for climate finance at scale
- Provider of **flexible financial instruments** including **grant, equity investments, concessional loans, guarantee** along with **fit-for-purpose structuring** to crowd-in investors
  - High/low concessionality
  - First-loss tranche
  - Long tenor and/or subordinated and structured debt arrangement

# GCF's PPP Approach

- Not the standard PPP model
- GCF supports country-owned, country-driven PPP initiatives
- Opportunity to shape PPPs to be climate-aligned, especially in infrastructure
- In emerging markets, PPP units exist but private investors often require sovereign guarantees – GCF helps unlock participation

# Greening Finance

## Project Proposal

### Green Guarantee Company

Enhancing domestic climate  
finance architecture



**Proposed GCF Funding:** USD 82.5M  
**Total Proposed Funding:** USD 400M  
**Accredited Entity:** MUFG Bank  
**# of Beneficiary Countries:** 20

**Cross-Cutting**

## Description

- GGC is a special purpose company that will provide credit enhancements / guarantees to enable developing country climate projects to access low cost, long tenor, debt from international capital markets for adaptation and mitigation projects.
- Undertaken with MUFG Bank, GGC's objective is to leverage its own equity and debt to provide up to eight-fold guarantees to mobilize global credit and capital markets to meet the developing country capital demand gap, thus financing climate mitigation and adaptation projects at lower costs.

# Project Example: Mongolia Green Finance Corporation

- GCF provided **\$27 million USD in seed funding** to establish MGFC.
- MGFC is structured as a **public-private partnership**, involving:
  - Equity investments from Mongolia's Ministry of Finance and commercial banks.
  - Debt financing from the Ministry of Environment and Tourism.
- It uses a **wholesale lending model**, where funds are disbursed to participating financial institutions (PFIs), which then offer concessional loans to end-users (households, SMEs, corporations).
- This model **crowds in private capital** by leveraging existing banking infrastructure and avoiding lengthy GCF accreditation for each bank.
- The revolving nature of the fund ensures that each dollar of GCF financing mobilizes **more than a dollar of private, non-concessional capital**

## Project Example:

# Cambodia Public-Social-Private Partnerships for Ecologically-Sound Agriculture and Resilient Livelihood in Northern Tonle Sap Basin (PEARL)

- GCF provided a **\$36.2 million** in grant funding.
- The Northern Tonle Sap Basin is an important agricultural hub producing cashew, mango, rice, and vegetables, but is increasingly vulnerable to climate change.
- The region has experienced a 0.8°C temperature increase since 1950 and increasingly erratic rainfall, resulting in heightened risks of both flooding and drought for 1.45 million people.
- The PEARL project seeks to strengthen climate resilience through three components: climate foresight, market incentives, and an enabling environment.
- The project will enhance farmers' adaptive capacities through climate-resilient asset acquisition mechanisms and build the capacity of the Agriculture and Rural Development Bank of Cambodia to meet future smallholder lending needs.

# Summary: GCF climate finance strategy

**Delivering capital at scale:** We structure and deliver finance for climate impact, including mobilising private capital

**Empowering country and regional ownership of climate action:** GCF supports the strengthening of national and regional institutions and are empowering our network of partners to be ready to access climate finance at scale

**Partnering for impact:** GCF brings together networks of partners and expertise to deploy capital and deliver long-lasting, high-impact climate programmes

**Support** country infrastructure PPPs to deliver climate-aligned outcomes

# Transformational Planning: Systemic Resilience Assessment

The 484-metre-long bridge over the river Choluteca in Honduras, opened to the public early 1998, after hurricane Mitch in October of the same year.

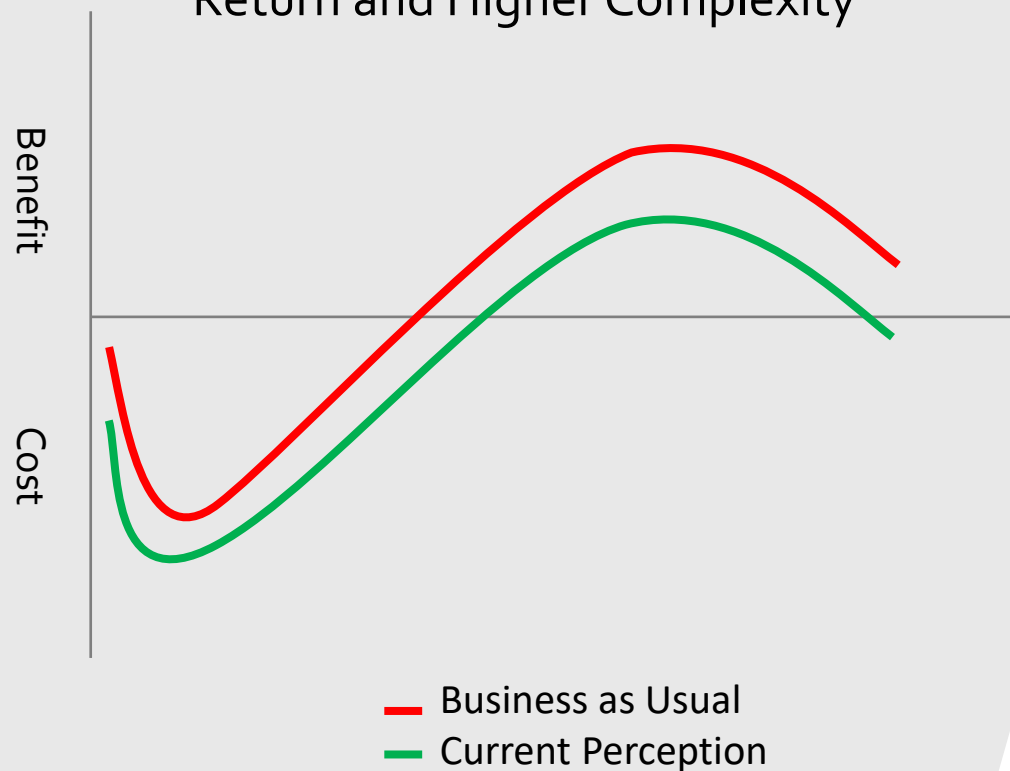


# FINANCING CLIMATE RESILIENT INFRASTRUCTURE REPRICING ASSETS IN LOW FINANCING COST ENVIRONMENT



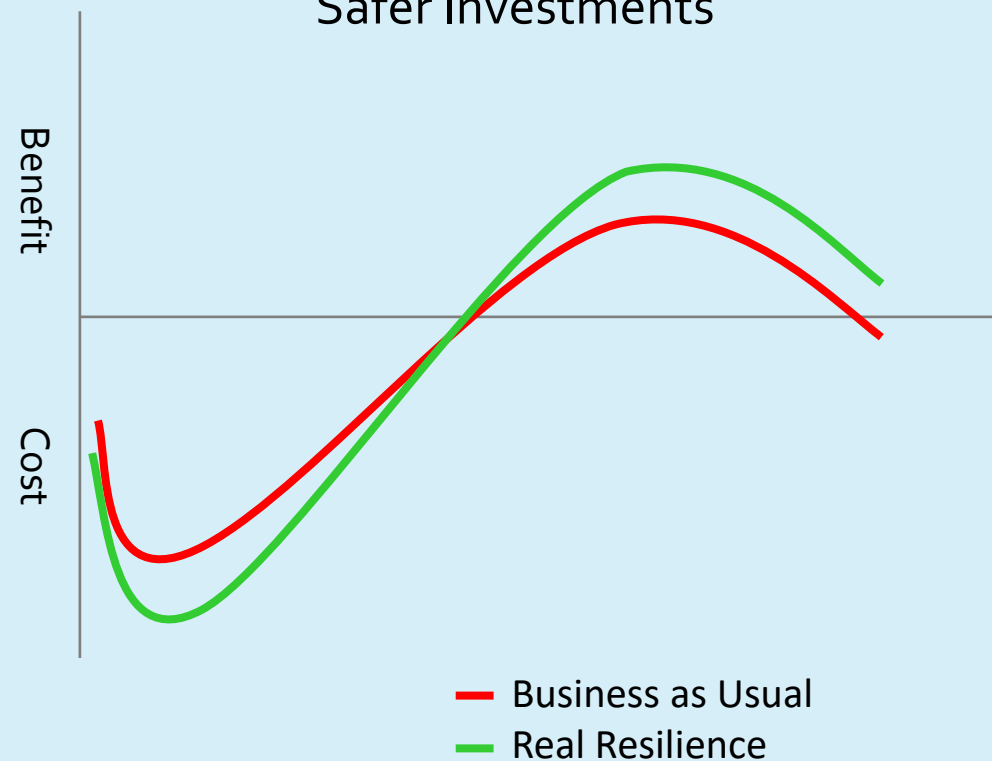
**FROM**

Resilient Investment = Perceived Lower Return and Higher Complexity



**TO**

Resilient Investment = Higher Return and Safer Investments



# FINANCING CLIMATE RESILIENT INFRASTRUCTURE DE-RISKING AND REPRICING IN HIGH FINANCING COST ENVIRONMENT



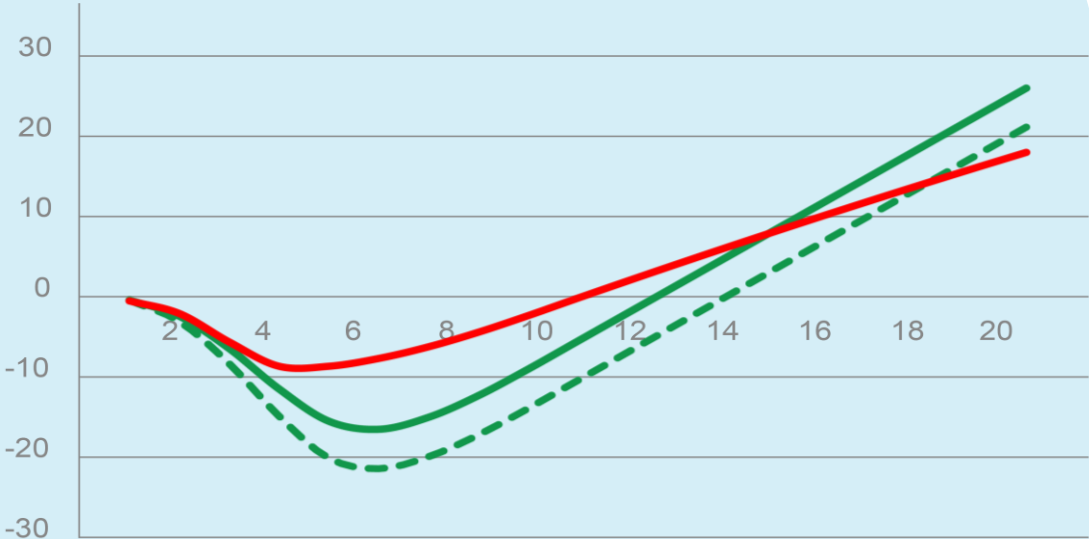
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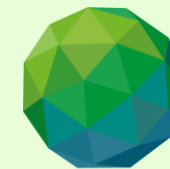
Lower Return and Higher Cost Overrun Risks



**TO**

Higher Return and Lower Operational Risks





GREEN  
CLIMATE  
FUND

Thank You



GREEN CLIMATE FUND  
**GCF.10**  
10 YEARS OF CLIMATE IMPACT