

**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
21 – 24 October 2024  
Songdo, Incheon, Republic of Korea  
Provisional agenda item 9

**GCF/B.40/Inf.06**

30 September 2024

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# Status of the GCF pipeline, including the status of Project Preparation Facility requests

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## **Summary**

This document provides an update on the Green Climate Fund pipeline of projects and programmes, including the status of Project Preparation Facility applications, pursuant to decision B.11/11, paragraph (g) requesting the Secretariat to provide an update of the pipeline portfolio and to submit it for information to the Board as part of the documentation submitted for every Board meeting. This status report responds to the Board's request and provides an update for the reporting period of 1 May to 31 August 2024.

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## I. Overview of the GCF pipeline of projects and programmes

### 1.1 Snapshot of the GCF proposals pipeline

1. As at 31 August 2024, the GCF pipeline comprised 274 concept notes (CNs) and 65 funding proposals (FPs), requesting a total of USD 16.7 billion<sup>1</sup> in GCF funding to support projects and programmes totalling USD 49.4 billion when taking the proposed co-financing amounts into account.

2. Table 1 presents an overview of the pipeline by sector (public and private) and access modality (project approval process (PAP) and simplified approval process (SAP)) for both CNs and FPs. Table 2 shows CNs and FPs submitted under active requests for proposals for enhancing direct access (EDA).

**Table 1: GCF pipeline for concept notes and funding proposals (number, USD million)**

		Public sector		Private sector		Total
		SAP	PAP	SAP	PAP	
<b>Concept note</b>	Number	84	157	2	31	274
	Requested GCF funding	1,169.4	9,332.2	22.6	2,661.8	13,185.9
	Co-financing	390.9	14,733.9	98.0	11,924.9	27,147.7
<b>Funding proposal</b>	Number	9	40	5	11	65
	Requested GCF funding	156.8	2,115.0	118.0	1,172.8	3,562.6
	Co-financing	33.3	1,453.4	295.7	3,689.2	5,471.6
<b>Total</b>	Number	93	197	7	42	339
	Requested GCF funding	1,326.2	11,447.2	140.6	3,834.6	16,748.6
	Co-financing	424.2	16,187.4	393.6	15,614.1	32,619.2
	Total financing	1,750.3	27,634.5	534.2	19,448.7	49,367.8

Abbreviations: PAP = proposal approval process, SAP = simplified approval process.

**Table 2: GCF pipeline under requests for proposals for EDA (number, USD million)**

	Available allocation amount <sup>a</sup>		Number	Requested GCF funding
<b>EDA</b>	126.2	CN	6	174.7
		FP	6	221.0

<sup>a</sup> Outstanding amount after taking into account the approved funding proposals under the EDA request for proposals. The amount originally allocated is as follows: USD 200 million for EDA (decision B.10/04).

Abbreviation: EDA = enhancing direct access.

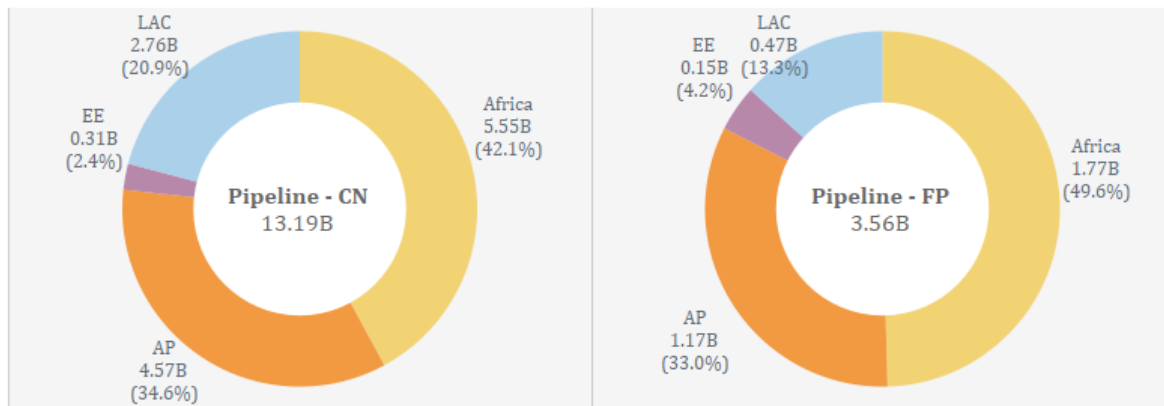
3. The shares of the respective pipelines of CNs and FPs in terms of both the number of proposals and the requested GCF funding amounts by region, thematic area, entity type, financial instrument and vulnerable countries are presented in figures 1-5.

<sup>1</sup> The requested GCF amount in euros is converted into United States dollars at the United Nations Operational Rates of Exchange effective on 31 August 2024 (1 USD = 0.913 EUR).

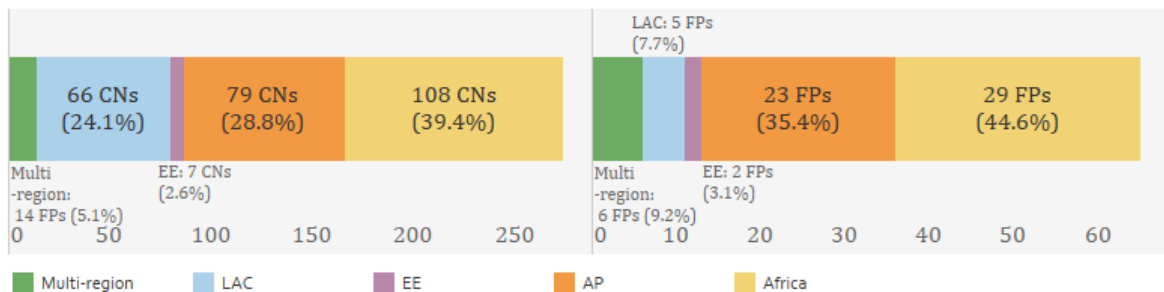


**Figure 1: Share of concept notes and funding proposals by region**

**A. Volume of requested GCF financing (USD)**



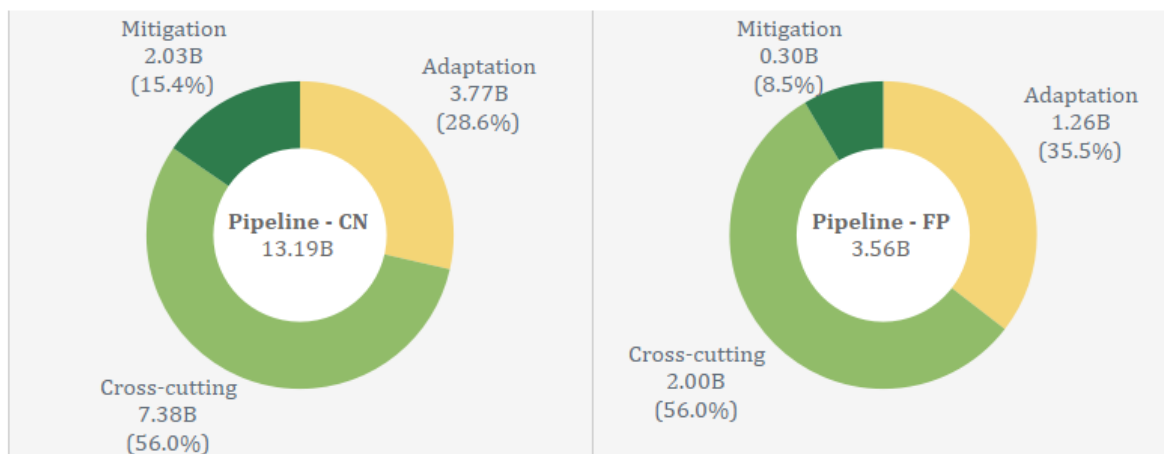
**B. Number of proposals**



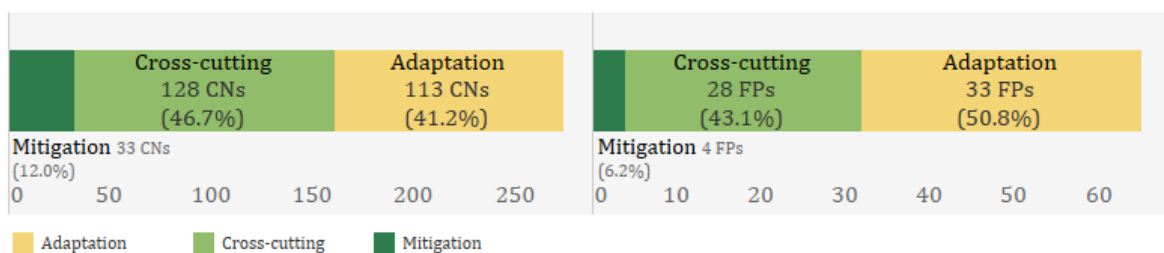
*Abbreviations:* AP = Asia and the Pacific, B = billion, CN = concept note, EE = Eastern Europe, FP = funding proposal, LAC = Latin America and the Caribbean.

**Figure 2: Share of concept notes and funding proposals by thematic area**

**A. Volume of requested GCF funding (USD)**



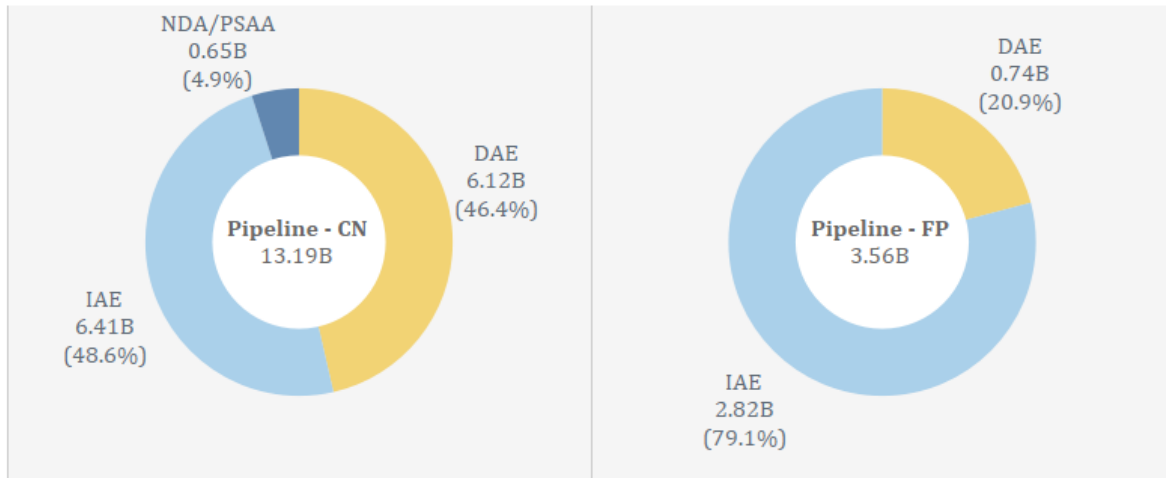
**B. Number of proposals**



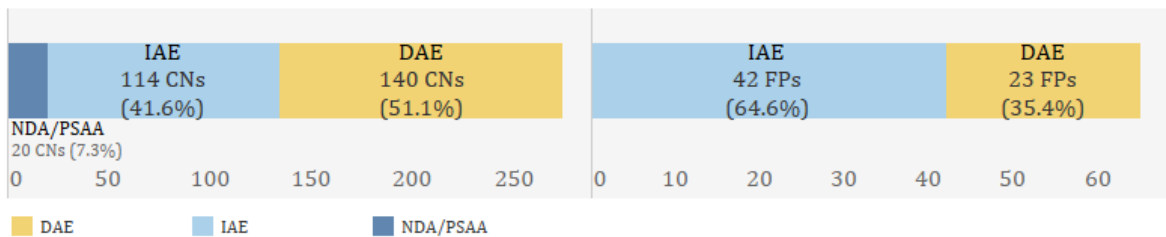
*Abbreviations:* B = billion, CN = concept note, FP = funding proposal.

**Figure 3: Share of concept notes and funding proposals by entity type**

**A. Volume of requested GCF funding (USD)**

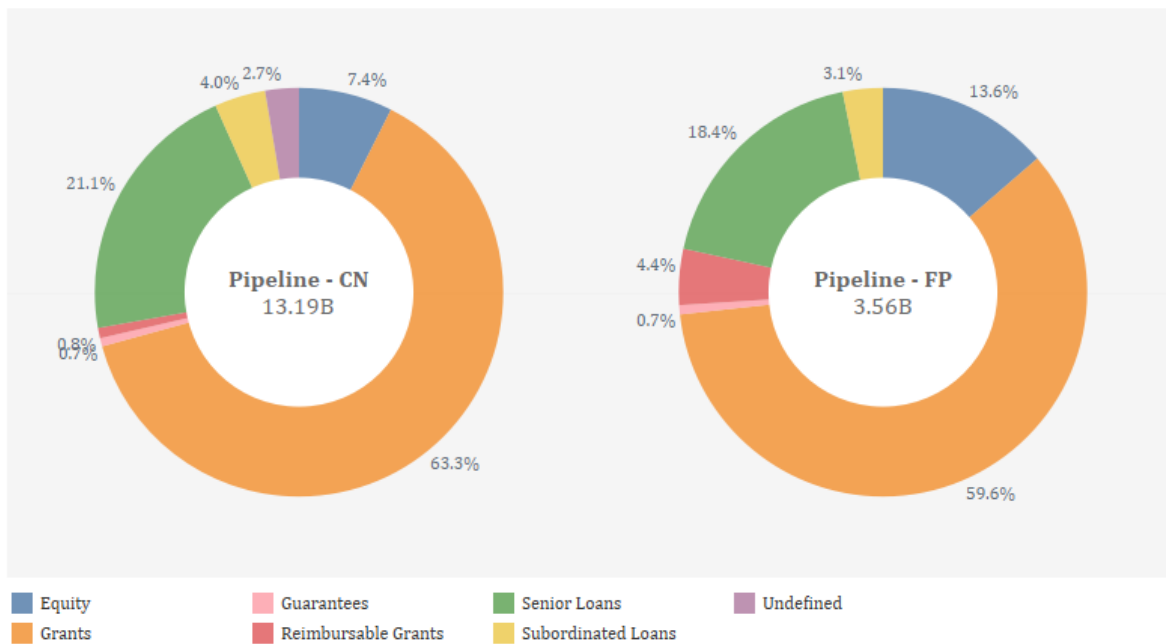


**B. Number of proposals**



*Abbreviations:* B = billion, CN = concept note, DAE = direct access entity, FP = funding proposal, IAE = international access entity, NDA = national designated authority, PSAA = project-specific assessment approach.

**Figure 4: Volume of requested GCF funding by financial instrument (USD)**



*Abbreviations:* B = billion, CN = concept note, FP = funding proposal.

4. Paragraph 52 of the Governing Instrument (GI) for the GCF mandates that, in allocating resources for adaptation, the Board will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change. This includes Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States. Figure 5 (a) and (b) illustrate how much of the requested adaptation funding in the pipeline is designated to these vulnerable countries and the distribution among the vulnerable countries, aligning with the classifications defined in the GI.

Figure 5-A: Share of requested adaptation funding for vulnerable countries (USD)

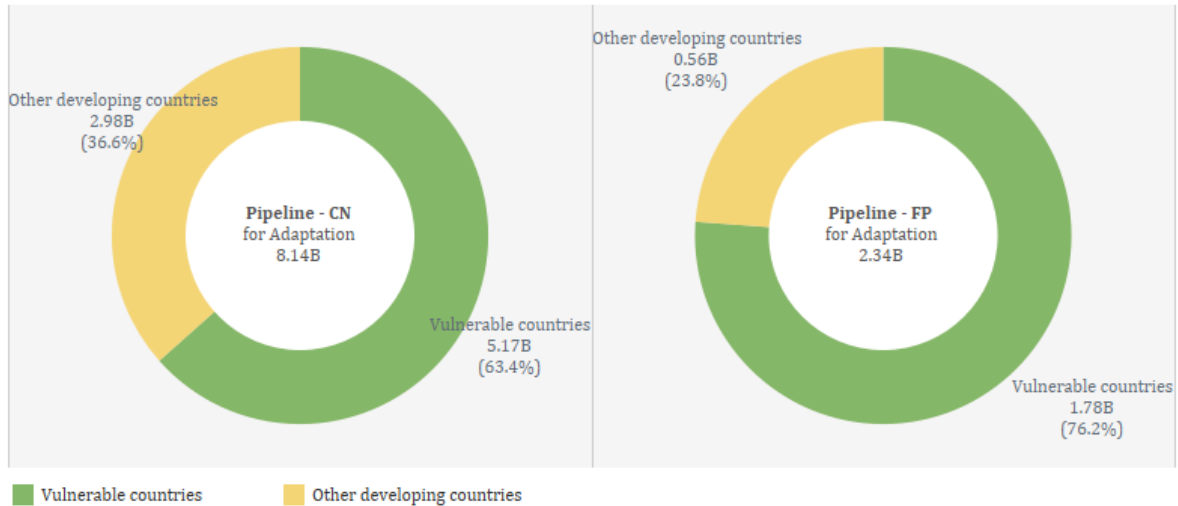
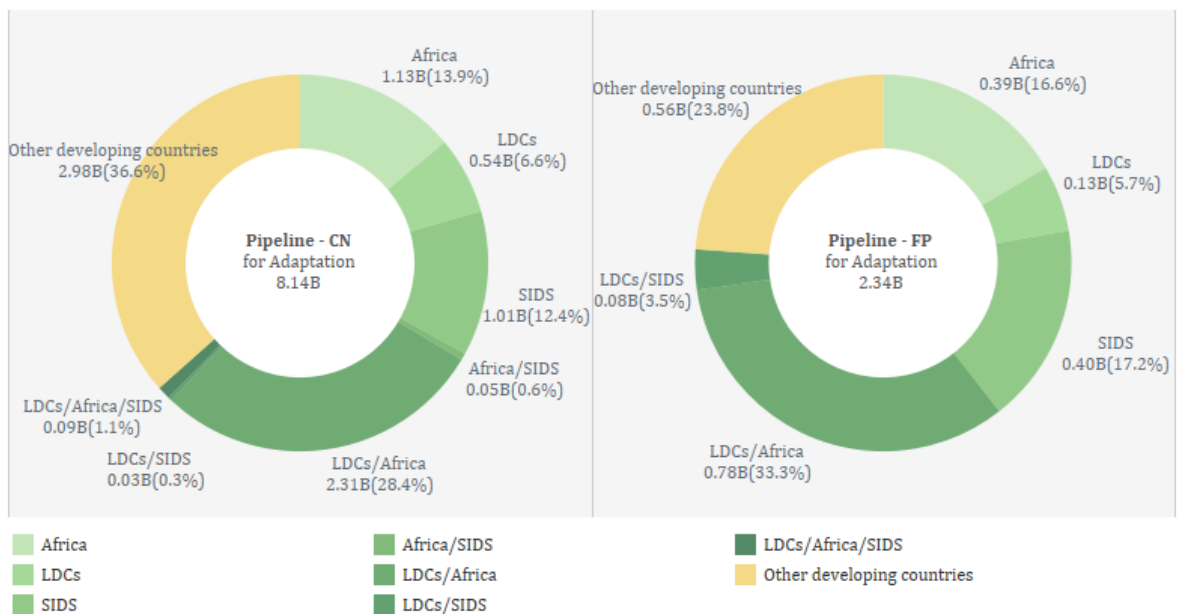


Figure 5-B: Distribution of requested adaptation funding among vulnerable countries (USD)

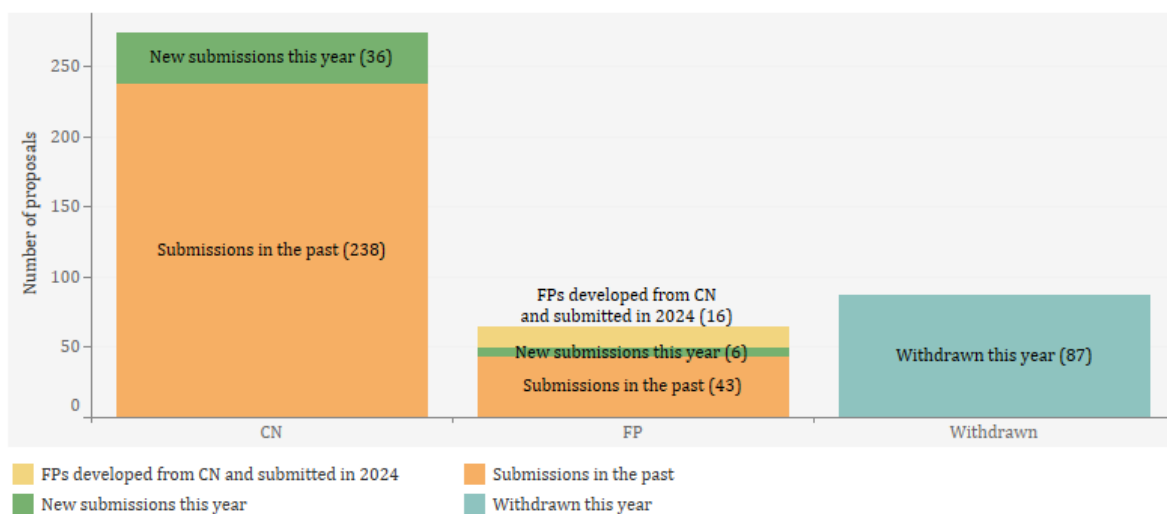


Abbreviations: B = billion, CN = concept note, FP = funding proposal, LDC = least developed country, SIDS = small island developing State.

## 1.2 Status of the GCF pipeline of projects and programmes

5. Section 1.2 provides the context behind the snapshot of the pipeline presented in section 1.1 and updates information on how the funded activity pipeline is being managed by GCF. Figure 6 presents the inflow and outflow of the GCF funded activity pipeline with the cumulative number of proposals in the current pipeline submitted in 2024 or previous years, and the cumulative number of proposals that previously had one or more rounds of Secretariat review but have been withdrawn from the pipeline this year. Proposals have been withdrawn for various reasons, including pipeline prioritization by accredited entities (AEs), misalignment with countries' priorities, and/or inactiveness. Proposals submitted and subsequently withdrawn in 2024 are categorized exclusively under "withdrawn".

Figure 6: Inflow and outflow of GCF pipeline for projects and programmes



Abbreviations: CN = concept note, FP = funding proposal.

6. Table 3 shows the number and requested GCF funding of new CNs and FPs in the pipeline submitted this year.

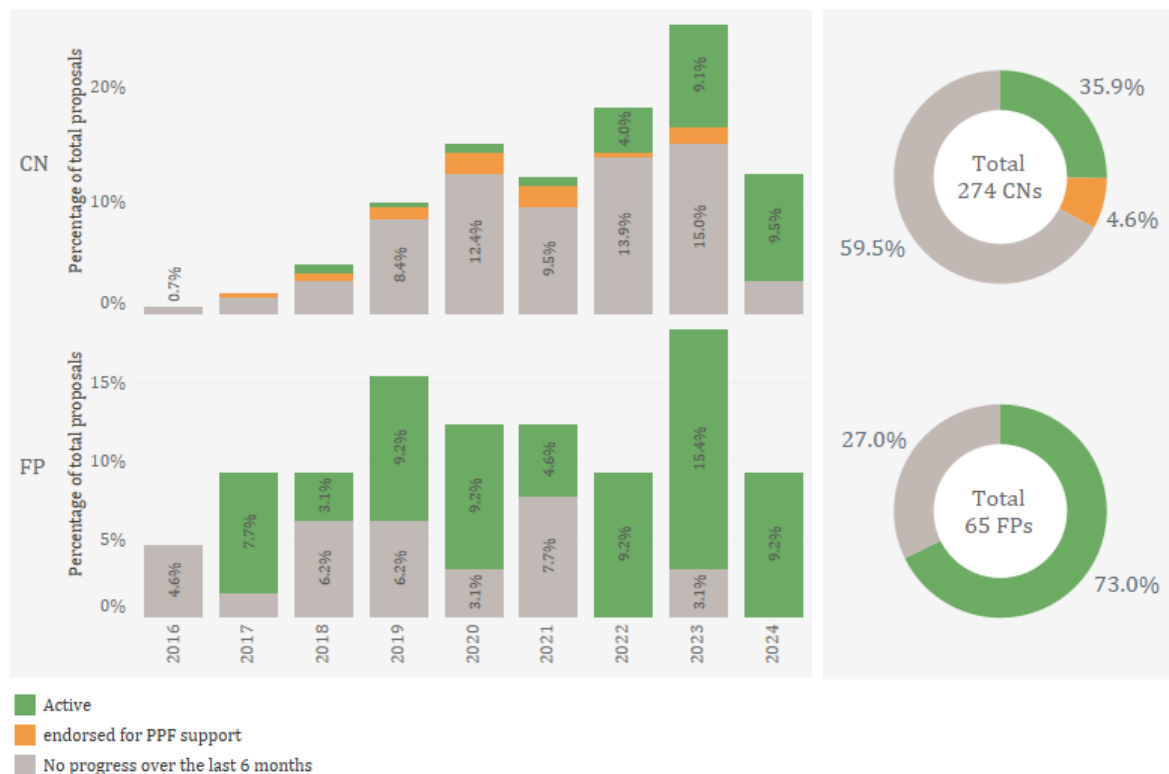
Table 3: New proposals submitted in 2024 (number, USD million)

			Public sector		Private sector		Total
			SAP	PAP	SAP	PAP	
<b>Concept note</b>	New submissions this year	Number	7	19	1	9	36
		GCF funding	152.7	1,721.5	15.0	1,068.0	2,957.2
		Co-financing	97.5	5,797.5	87.0	3,709.5	9,691.4
<b>Funding proposal</b>	FPs developed from CNs and submitted in 2024	Number	4	7	–	5	16
		GCF funding	62.2	558.5	–	651.7	1,272.4
		Co-financing	11.5	360.6	–	2,534.0	2,906.1
	New submissions this year	Number	1	3	1	1	6
		GCF funding	25.0	157.2	25.0	50.0	257.2
		Co-financing	0	58.0	30.0	170.0	258.0
<b>Total</b>	Number	12	29	2	15	58	
	GCF funding	239.9	2,437.2	40.0	1,769.7	4,486.8	
	Co-financing	108.9	6,216.1	117.0	6,413.5	12,855.5	

*Abbreviations:* CN = concept note, FP = funding proposal, PAP = proposal approval process, SAP = simplified approval process.

7. Figure 7 illustrates the composition of the current pipeline by year of first submission of the proposal and the share of active projects in the pipeline. For proposals developed from CNs to FP, the year of first submission used is the year of first CN submission. Active projects contain both new proposals submitted for the Secretariat’s review and proposals that have made tangible progress with a revised proposal submission following the Secretariat’s review. Proposals marked as “no progress over the last six months” in figure 7 are those that have not returned with revised proposals more than six months after the Secretariat’s review.

**Figure 7: Number of proposals by year of first submission and share of inactive projects in the pipeline**



*Abbreviations:* CN = concept note, FP = funding proposal, PPF = Project Preparation Facility.

8. For the concept note pipeline, 43.8 per cent of total CNs were originally submitted more than two and half years ago (2016–2021), and still remain at the CN stage without progressing to a FP submission. Figure 7 shows that the older the CNs in the pipeline, the higher the ratio of inactivity. Except for the CNs submitted in 2023, the share of inactive CNs for each respective year of submission in the past exceeds 65 per cent of the total CNs submitted for that year. Excluding CNs currently with Project Preparation Facility (PPF) support (4.6 per cent), 58.7 per cent of total CNs have not returned with a revised CN or FP over the last six months.

9. For the funding proposal pipeline, 62.1 per cent of FPs are based on a project concept originally designed more than two and half years ago (2016-2021), 28.8 per cent of which have shown no progress for more than six months. In total, 73.0 per cent of all FPs have made some progression in the appraisal with active engagement between the Secretariat and the submitting AE, whereas 27.0 per cent have not returned with a revised FP more than six months after the Secretariat’s review. This slow or non-existent turnaround impedes the momentum of project development, hinders efficient use of Secretariat resources, and ultimately slows the pace of GCF investment.



10. In consultation with all stakeholders, the Secretariat is focusing efforts on revitalizing the pipeline in line with changing country contexts and priorities over time, as well as the current updated Strategic Plan for the GCF 2024–2027 (USP-2). The Secretariat has identified the aged pipeline and pipeline without progress as two main issues that need to be tackled in order to maximize the expected results of GCF investment and to maintain pipeline manageability with a focus on evolving country priorities and efficiency. To address these issues, the Secretariat has put in place few measures which include a priority alignment check for new submissions before they enter the pipeline; and a rolling review of the existing pipeline, focusing on country ownership and alignment with USP-2. These measures will help to optimize the funded activity pipeline while demonstrating GCF commitment to delivering climate impact.

11. These pipeline optimization measures will revitalize the GCF pipeline by allowing the Secretariat to focus on more impactful proposals with momentum by withdrawing CNs and FPs that are inactive and/or misaligned with country or GCF priorities. In addition, these measures will provide the Secretariat with an improved overview of its pipeline and corresponding resource needs, facilitating more agile decision-making and leading to more impactful investments with a forecast of the expected impact of the pipeline.

### 1.3 Progressing concept notes and funding proposals in the pipeline

12. The GCF pipeline comprises 274 CNs and 65 FPs, of which a total of 95 have advanced to the funding proposal development stage and/or the Secretariat's further deliberations after thorough review of their strategic fit and alignment with country priorities. This section summarizes the progressing pipeline, with the aim of providing predictability regarding the resource needs and expected impacts, thereby assisting GCF in making informed decisions.

13. While the submission of CNs is voluntary, when a submitted CN aligns with both GCF and country priorities and the Secretariat sees potential for the eventual funding proposal to meet GCF investment framework as defined in annex IV to decision B.17/09, it is endorsed by the Secretariat which then shares recommendations for funding proposal development (Stage 3.4), providing PPF support when applicable and necessary (Stage 3.5). The proposals under Stages 3.4 and 3.5 represent CNs endorsed by the Secretariat for funding proposal development (with PPF support, Stage 3.5) but pending funding proposal submission from the AEs as of the reporting date.

14. For funding proposals, before allocating resources for appropriate second-level due diligence, the Secretariat conducts an initial review to assess the completeness and technical as well as financial soundness of the submitted proposal, its strategic fit and its alignment with country priorities. Once these aspects are assessed and thoroughly verified against all investment criteria and applicable policies, the funding proposal is endorsed for the Secretariat's second-level due diligence (Stage 5.1). If a CN has already been endorsed by the Secretariat, the proposal does not require additional endorsement for the FP. Table 4 shows, among others, the projects under Stage 5.1, including both proposals endorsed at funding proposal stage and those developed from endorsed CNs.

15. Regarding projects recommended by the Secretariat for the Board's consideration at the fortieth meeting of the Board (B.40), Stage 5.2 includes 16 funding proposals have been submitted to the independent Technical Advisory Panel (iTAP) or returned to the iTAP after non-recommendation, while Stage 5.3 includes 2 funding proposals that have been endorsed by the iTAP. The rest of the proposals under Stage 5.3 are those endorsed by the iTAP but not yet submitted to the Board for consideration due to the AE's withdrawal of proposals from the specific Board's consideration.

16. For the FPs that have transitioned in the current pipeline from CNs following the Secretariat's review, the average time taken for AEs to develop FPs post-Secretariat review is 17

months, with a median duration of 11 months. Considering the timeline for development, table 4 presents a summary of proposals in the pipeline at stages prior to or in appraisal and targeted for the Board’s consideration over the upcoming two-year term. This provides an insight into GCF resource needs over a one- or two-year term to successfully progress the current pipeline without delays, to deliver efficient investment, meet countries’ needs and move closer to achieving the 50by30 vision and in line with USP2.

**Table 4: Progression of concept notes and funding proposals by stage (number, USD million) as at 30 April 2024**

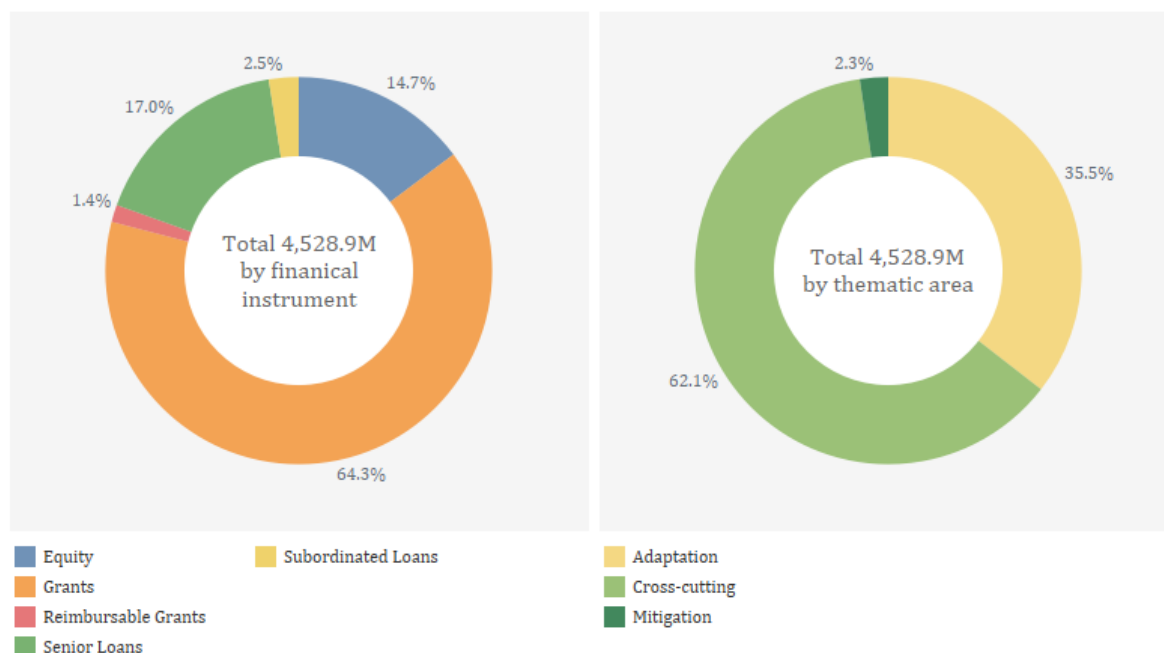
Category	Stage <sup>a</sup>	Number	GCF requested amount	Co-financing amount
CNs endorsed for FP development (pending FP submission)	Stage 3.4	21	771.1	724.2
CNs endorsed for PPF support (pending FP submission)	Stage 3.5	29	1,112.8	1,371.0
FPs endorsed for interdivisional Secretariat review	Stage 5.1	25	1,480.5	2,637.7
FPs endorsed for submission to the iTAP	Stage 5.2	16	945.0	1,647.7
FPs recommended by the iTAP for the Board’s approval and still in pipeline	Stage 5.3	4	219.5	68.1
<b>Total</b>		<b>95</b>	<b>4,528.9</b>	<b>6,648.6</b>

<sup>a</sup> Stage numbers as per the updated project and programme cycle (annex IV to decision B.17/09).

*Abbreviations:* CN = concept note, FP = funding proposal, iTAP = independent Technical Advisory Panel, M = million, PPF = Project Preparation Facility.

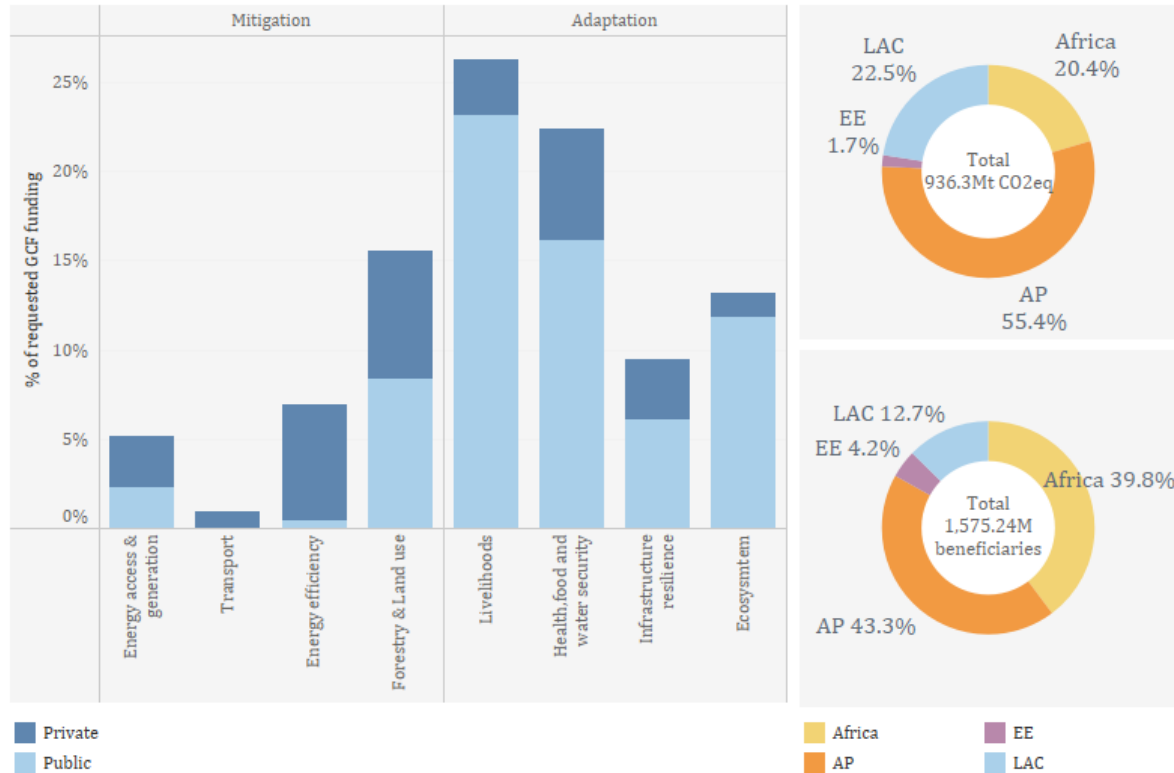
17. Figure 8 presents the proportion of GCF funding requested for the progressing pipeline by financial instruments and by thematic area in nominal terms. The distribution of the requested GCF funding for the pipeline across the eight results areas, along with the estimated mitigation and adaptation impact potential by region for endorsed proposals, is illustrated in figure 9.

**Figure 8: Total GCF funding requested for proposals endorsed by the Secretariat (USD)**



Abbreviation: M = million.

**Figure 9: Requested GCF funding by results area and estimated mitigation/adaptation impact potential by region**



Abbreviations: AP = Asia-Pacific, EE = Eastern Europe, LAC = Latin America and the Caribbean, M = million, Mt CO<sub>2</sub> eq = million tonnes of carbon dioxide equivalent.

<sup>a</sup> At the pipeline stage, the estimated data on the impact potential are preliminary and are expected to change during the review.

18. It is to be noted that the current composition of the pipeline in development serves as a snapshot at the reporting date. The Secretariat closely monitors both the composition and the expected results of the pipeline together with the portfolio of approved projects, integrating these elements into its programming and investment decisions. Ongoing efforts are dedicated to ensuring a balanced distribution across thematic areas, thereby enhancing a balanced distribution across results areas, and ultimately enhancing the overall impact of GCF investment. This endeavour involves proactive engagement by the Secretariat with partners and countries for origination and pipeline development. Such proactive measures foster strategic collaboration aimed at addressing a full spectrum of climate change challenges comprehensively.

19. The Secretariat implements a pipeline optimization measure for previously endorsed CNs that do not progress to a full FP within two years. These proposals are retired from the pipeline unless sufficient justification is provided. This timeframe is consistent with the mandate given to the PPF, which stipulates that proposals benefiting from PPF support should submit the full funding proposal within two years after PPF application approval.

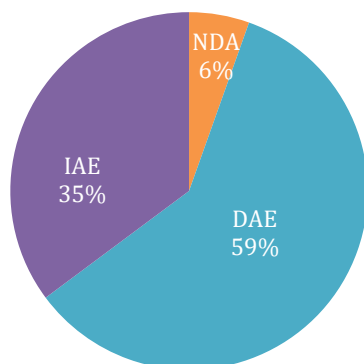
## II. Status of the project preparation facility

20. As at the date of reporting, the Secretariat was working on 123 active PPF applications. Of these:
- (a) A total of 82 PPF funding and service requests and 12 technical assistance requests have been approved, including 61 (65 per cent) from DAEs, 33 (35 per cent) from IAEs, and 1 (1 per cent) from a project-specific assessment approach (PSAA) applicant. As at the reporting date, a total of USD 57.1 million (38.5 per cent) of PPF resources has been committed, of which USD 41.3 million had been disbursed. Out of the requests, 30 FPs developed through PPF support have already been approved by the Board and another 16 have been submitted to the Secretariat and are in different stages of review;
  - (b) The PPF has supported 30 FPs that have been approved by the Board. The USD 16.3 million of PPF resources injected to support the preparation of these FPs unlocked a total of USD 6.5 billion in climate finance, of which USD 2.0 billion is from GCF;
  - (c) A total of seven PPF applications have entered the stages of review by the Secretariat and revision by the AE, following the endorsement of the associated CN by the Climate Investment Committee; and
  - (d) A total of 22 additional PPF applications are pending review and clearance of the associated underlying project CN as per the GCF investment criteria, to enable PPF support to be provided.

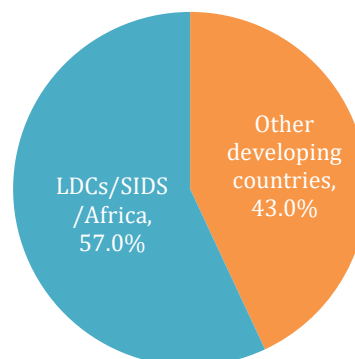
## III. Status of the simplified approval process scheme

21. As at the reporting date, the SAP pipeline consisted of 100 public and private sector CNs and FPs. The pipeline requests GCF funding of USD 1.47 billion, with a total value of approximately USD 2.28 billion when taking co-financing into account. Of the 100 CNs and FPs in the SAP pipeline, 93 are public sector proposals, consisting of 84 CNs and 9 FPs, and 7 are private sector proposals, consisting of 2 CNs and 5 FPs.
22. In terms of funding requested by theme, approximately 92 per cent of the GCF funding in the SAP pipeline targets adaptation and cross-cutting results areas, with 8 per cent focused on mitigation.
23. When disaggregated by AE type, 66 per cent of the requested GCF funding is from DAEs and NDAs (see figure 10) and 54 per cent of the requested GCF funding is from LDCs, SIDS or African States (see figure 11).

**Figure 10: Requested GCF funding by access modality**



**Figure 11: Requested GCF funding by region**



*Abbreviations:* DAE = direct access entity, IAE = international accredited entity, LDCs = least developed countries, NDA = national designated authority, SIDS = small island developing States.

#### **IV. Status of the project-specific assessment approach**

24. As part of the updates to the accreditation framework (decision B.31/06) the PSAA to GCF accreditation was launched, on a pilot basis, on 1 April 2023. In accordance with Board guidance, during the first year of PSAA implementation the Secretariat prioritized origination of proposals from (i) subnational, national and regional entities based in developing countries, particularly those from developing countries that have yet to have an approved GCF funded activity; and (ii) entities responding to a request for proposals issued by GCF.<sup>2</sup> Also as guided by the Board, after the first year, the approach for the review of proposals shall default to a first-come-first-complete basis. The first PSAA proposal to the Board is expected at B.40.

25. Since the rollout of the PSAA pilot in April 2023, 18 entities (of which 9 are based in developing countries and 2 are in response to a GCF request for proposals, mobilizing funds at scale and support to micro, small and medium-sized enterprises) have been given access to the GCF digital proposal system for submission of a CN/FP and accreditation-related documentation. Of the 18 entities, 7 are public sector and 11 are private sector. A total of 11 PSAA documentation packages have been submitted to the Secretariat, including 7 CNs and 4 FPs. The submissions comprise one under the SAP, eight indicative PPF requests and four entity/proposal partnerships advanced to the PSAA capacity assessment review stage (two completed). The 11 submitted proposals in the PSAA pipeline are cross-cutting and adaptation projects/programmes targeting Africa, Asia and the Pacific and Latin America and the Caribbean. They request GCF funding of USD 936 million, with a total value of USD 2,957 million. The Secretariat has approved PPF resources for two PSAA projects for a total of USD 3.8 million.

<sup>2</sup> The requests for proposal may include those for the pilot phase for enhancing direct access (decision B.10/04), the pilot programme to support micro, small, and medium-sized enterprises (decision B.10/11), and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation (decision B.16/03).