



**GREEN
CLIMATE
FUND**

Meeting of the Board
25 – 28 March 2026
Songdo, Incheon, Republic of Korea
Provisional agenda item 10

GCF/B.44/02/Add.12

4 March 2026

Consideration of funding proposals – Addendum XII

Funding proposal package for FP296

Summary

This addendum contains the following seven parts:

- a) A funding proposal summary titled "Navis Decarbonization Fund I" by Navis Capital Partners (Singapore) Pte. Ltd.;
- b) No-objection letter issued by the national designated authority(ies) or focal point(s);
- c) Environmental and social report(s) disclosure;
- d) Secretariat's assessment of the project-specific assessment approach applicant;
- e) Independent Technical Advisory Panel's assessment;
- f) Response from the project-specific assessment approach applicant to the independent Technical Advisory Panel's assessment; and
- g) Gender documentation.

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Funding Proposal

Project/Programme title:	Navis Decarbonization Fund I
Country(ies):	Indonesia, Malaysia, Philippines (the), Thailand
PSAA Applicant:	Navis Capital Partners (Singapore) Pte. Ltd.
Date of first submission:	2025-06-19
Date of current submission	2026-01-13
Version number	V3.0



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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the [GCF Information Disclosure Policy](#), project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

“FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]”

1. PROJECT/PROGRAMME SUMMARY				
A.1. Project or programme	Programme	A.2. Public or private sector	Private	
A.3. Request for Proposals (RFP)	<p>If the funding proposal is being submitted in response to a specific GCF Request for Proposals, indicate which RFP it is targeted for. Please note that there is a separate template for the Simplified Approval Process and REDD+.</p> <p><u>Not applicable</u></p>			
A.4. Result area(s)	<p>Check the applicable GCF result area(s) that the <u>overall</u> proposed project/programme targets below. For each checked result area(s), indicate the estimated percentage of GCF and Co-financers' contribution devoted to it. The total of the percentages when summed should be 100% for GCF and Co-financers' contribution respectively.</p>			
		GCF contribution	Co-financers' contribution¹	
	Mitigation total	95%	95%	
	<input checked="" type="checkbox"/> Energy generation and access	27 %	27 %	
	<input checked="" type="checkbox"/> Low-emission transport	20 %	20 %	
	<input checked="" type="checkbox"/> Buildings, cities, industries and appliances	48 %	48 %	
	<input type="checkbox"/> Forestry and land use	NA	NA	
	Adaptation total	5 %	5 %	
	<input type="checkbox"/> Most vulnerable people and communities	NA	NA	
	<input checked="" type="checkbox"/> Health and well-being, and food and water security	4%	4%	
<input checked="" type="checkbox"/> Infrastructure and built environment	1%	1%		
<input type="checkbox"/> Ecosystems and ecosystem services	NA	NA		
A.5. Expected mitigation outcome <i>(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)</i>	Target countries: 6,327,204 tCO ₂ eq avoided/reduced (10 years)	A.6. Expected adaptation outcome <i>(Core indicator 2: direct and indirect beneficiaries reached)</i>	40,000	
	15,859,274 tCO ₂ eq avoided/reduced (lifetime)		40,000 <i>Indicate number of direct beneficiaries</i>	<i>Indicate number of indirect beneficiaries</i>
			0.1% <i>Indicate % of direct beneficiaries vis-à-vis total population</i>	<i>Indicate % of indirect beneficiaries vis-à-vis total population</i>
A.7. Total financing (GCF + co-finance²)	300 million USD	A.9. Project size	Large (Over USD 250 million)	
A.8. Total GCF funding requested	<u>60 million</u> USD <i>For multi-country proposals, please fill out annex 17.</i>			

¹ Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or programme described in the funding proposal.

² Refer to the Policy of Co-financing of the GCF.

The Navis Decarbonisation Fund (i.e. Navis Decarbonization Fund, L.P.) (“Fund” or “NDF”) aims to accelerate decarbonisation in Cambodia, Indonesia, Malaysia, Philippines, Thailand and Vietnam (“Fund Coverage Countries” or “Coverage Countries”), countries with significant GHG emissions and climate vulnerabilities, by deploying USD 300m capital into climate adaptation and mitigation investments from sources previously not available to those countries. For the purpose of this funding proposal, Indonesia, Malaysia, Philippines and Thailand remain as recipients of the GCF proceeds (“Target Countries”) where GCF proceeds will be ringfenced. GCF will be excused from investment in the non-Target Countries., The total amount of the Fund’s investment in the non-Target Countries shall be capped at 20% of the overall total Fund size.

The Coverage Countries are characterized by high climate vulnerability, a mix of low-to-middle income economies, significant climate finance gaps, high and growing GHG emissions from key sectors, and national commitments to decarbonization and adaptation that require external support. On the demand side, the lack of private sector funding, insufficient technical capacity of decarbonisation sector stakeholders and a weak awareness of decarbonisation and innovative solutions are the key barriers that prevent rapid, market-driven decarbonisation. On the supply side, the high upfront capital requirement, lack of qualified local partners, unsupportive regulatory environment and a reluctance by private sector actors to invest in emerging markets with country risks, have resulted in a low market uptake of decarbonisation solutions. This is further exacerbated by rising uncertainties amid global economic slowdown and shrunk investment capital. These characteristics collectively highlight the need for catalytic funding like the NDF to address the climate challenges and accelerate the transition to low-carbon, climate-resilient development pathways in the region.

Southeast Asia faces disproportionate vulnerability to climate change impacts due to its extensive coastlines, high population density in low-lying areas, and economic dependence on climate-sensitive sectors including agriculture, fisheries, and tourism. The region has experienced significant climate shifts in recent decades, with rising temperatures, changing precipitation patterns, sea level rise, and increasing intensity of extreme weather events. These changes threaten to undermine development gains, exacerbate existing socioeconomic inequalities, and push vulnerable communities deeper into poverty.

The Coverage Countries share common climate challenges while also facing unique vulnerabilities based on their geography, economic structures, and adaptive capacity. Asia is warming faster than the global average, with mean annual temperature increases of 0.1-0.3°C per decade recorded since the 1960s.³ The Southeast Asian region in particular has also experienced altered monsoon patterns, prolonged dry seasons, and intensified rainfall events. Sea level rise poses an existential threat to coastal communities, where a significant share of the population resides,⁴ with projections indicating potential displacement of millions of people and economic losses ranging from USD 50 to 250 billion (under a high emissions scenario) by mid-century if adaptation measures are not implemented.⁵

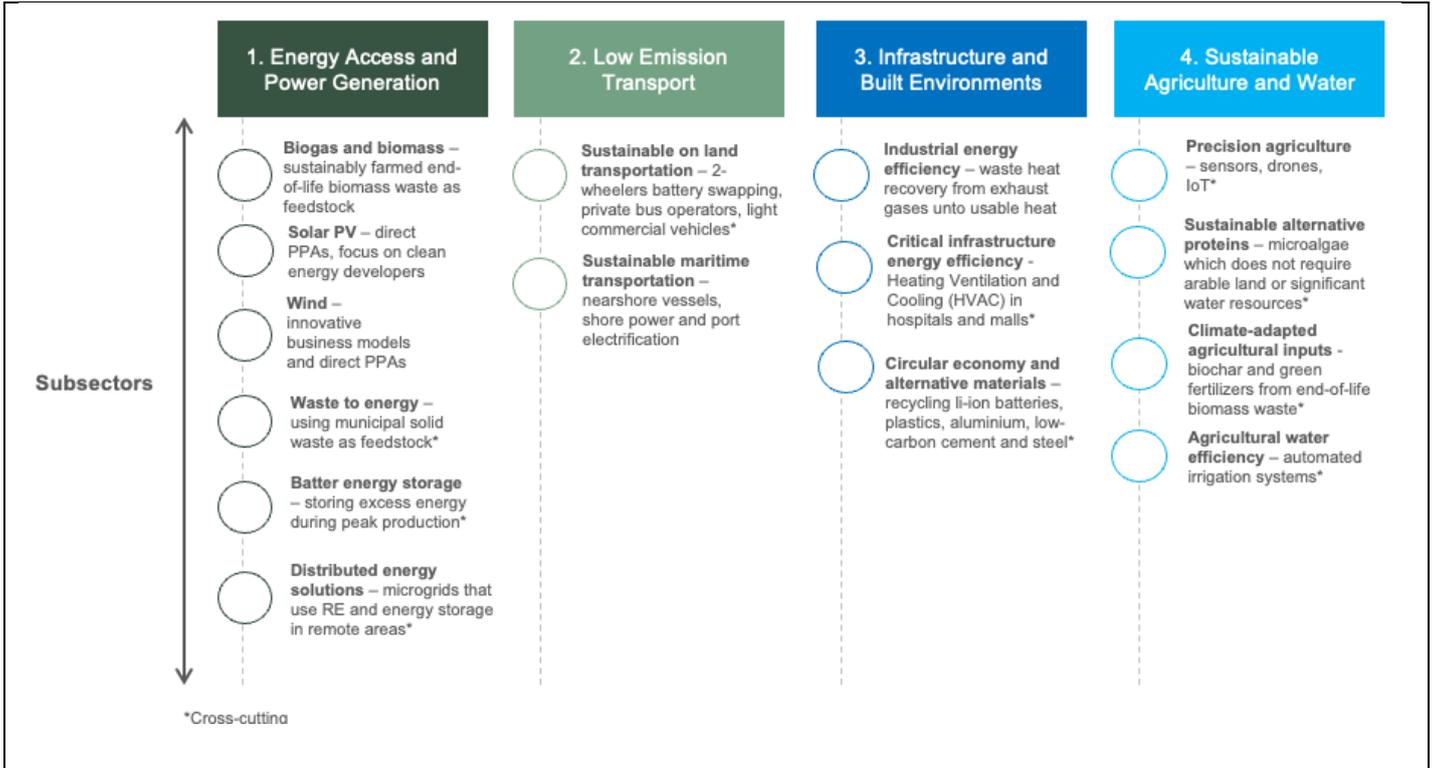
The Fund will invest in sectors including energy access and power generation, infrastructure and built environment, low emission transportation, and sustainable agriculture and water. NDF’s investment strategy aligns with all the Coverage Countries’ NDCs and NAPs, providing local authorities with new tools and partners to combat the impact of climate change and to enhance their decarbonization efforts.

Target Investment Sectors

3 WMO, ‘State of the Climate in Asia 2023’ (Geneva, Switzerland: World Meteorological Organization (WMO), 2024), <https://library.wmo.int/records/item/68890-state-of-the-climate-in-asia-2023>.

4 PEMSEA, ‘Regional State of Ocean and Coasts 2021: The East Asian Seas Region.

5 Lorenza Campagnolo et al., ‘Quantifying the Economic Costs of Climate Change Inaction for Asia and the Pacific’ (SSRN, 2025), <https://doi.org/10.2139/ssrn.5184309>.



IF NDF mobilises USD 300m funding for deployment into decarbonisation technologies within SMEs and strengthens local capacity to finance high-impact climate investments

THEN GHG emissions will be reduced, and climate resilience will be improved across key NDC sectors that are replicated at scale

BECAUSE the commercial viability of private capital is demonstrated; rapid, market-driven decarbonization and resilient solutions are adopted; and the knowledge and skills to support the climate transition is strengthened.

Programmatic Approach to Adaptation

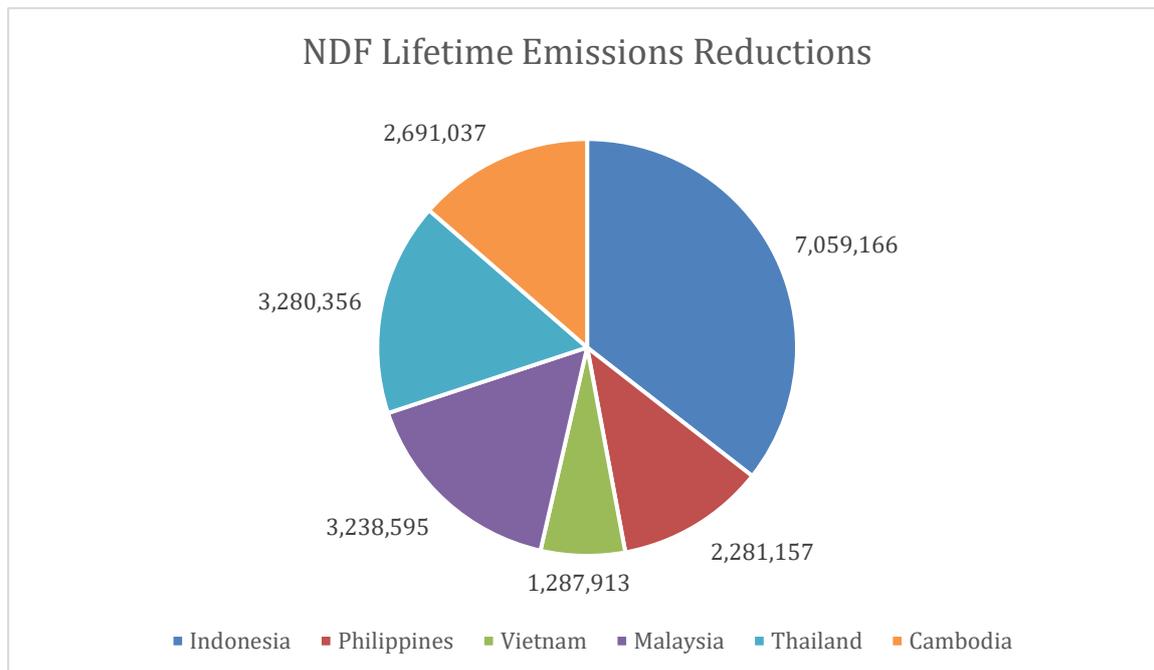
While the Fund's current indicative pipeline highlights investments in Philippines and Cambodia as anchor adaptation investments, the Fund maintains a regional cross-cutting mandate. These two projects serve as use cases demonstrating the Fund's strategy to finance resilient infrastructure in vulnerable communities.

The Fund's investment strategy is dynamic; the Investment Team will actively source similar adaptation-focused SMEs across Indonesia, Vietnam, Thailand, and Malaysia throughout the investment period, utilising the Project Screening Tool's Climate Rationale and Vulnerability Screening (Annex 25) to validate future pipeline additions against the regional hazards described in Section B.2.

Climate Results/Benefits

- Reduced GHG emissions by **7,887,121 t CO₂eq** over the programme lifecycle (10 years) and **19,838,225 tCO₂eq** over projects' lifetime for the Coverage Countries with the adoption of decarbonization solutions and technologies across the six Coverage Countries from adoption of frontier technologies and rapid, market-driven decarbonization solutions
- Reduced GHG emissions total **6,327,204tCO₂eq / 15,859,274 tCO₂eq** for the Target Countries during the programme lifecycle / project lifetime respectively.
- Impact a total of **40,000 (20,240 male, 19,760 female)** in Target Countries and **280,000 beneficiaries (280,000 direct; 137,840 male, 142,160 female)** in Coverage Countries
- Demonstrate Commercial viability of climate-focused private capital demonstrated in SMEs, enabling innovation to reach scale

- Advanced solutions for climate resilience deployed, reducing vulnerabilities and amplifying impact
- Knowledge and capacity strengthened to transition to low-carbon and climate-resilient economies and contribute to country climate plans and targets



NDF lifetime emission reduction per country

An estimation of the financial structure of the NDF portfolio indicates that the investment costs per avoided GHG emissions is **15.12 USD/tCO_{2eq}**, that demonstrates similar efficiency as compared to analogous GCF funded programs .

The Target Countries are significant emitters in need of decarbonisation, are highly vulnerable to climate impacts requiring adaptation, and each faces a financing gap that external investment can help close. They have all demonstrated policy commitment to climate action and possess large opportunities for low-carbon growth. Investments will be firmly rooted in the countries’ climate plans (NDCs/NAPs), ensuring relevance and national buy-in.

By concentrating on the Target Countries, the Fund can achieve maximum climate impact in Southeast Asia – cutting a substantial share of emissions, protecting millions of vulnerable people, and supporting the countries in fulfilling their Paris Agreement commitments in a sustainable, inclusive way.

GCF’s contemplated USD 60m anchor investment is highly catalytic as the increasingly significant impact of climate on Southeast Asia is imminent, the lack of funding is limiting interventions, while the geopolitical situation around financing climate action remains uncertain. NDF’s fundraising has been gathering momentum, mainly driven by GCF’s reputation and potential anchor commitment, GCF’s commitment provides additional comfort for first close investors, especially for prospective investors who are already accredited entities of GCF and understand and appreciate GCF’s rigorous underwriting standards regarding governance, climate integrity, and impact management, which is particularly important for early-stage decarbonisation technologies. Furthermore, GCF participation supports portfolio construction across multiple climate technologies and geographies, reducing concentration risk that would otherwise deter private investors from committing capital. The fact that GCF is planning to provide an ordinary equity instrument without any grant or technical assistance facility further proves to the potential investors that

GCF is committed to mobilizing private sector funding. By anchoring the Fund, GCF funding is additional as it enables mobilisation of private capital that would not independently invest in standalone projects due to perceived technology, execution, and market risks.

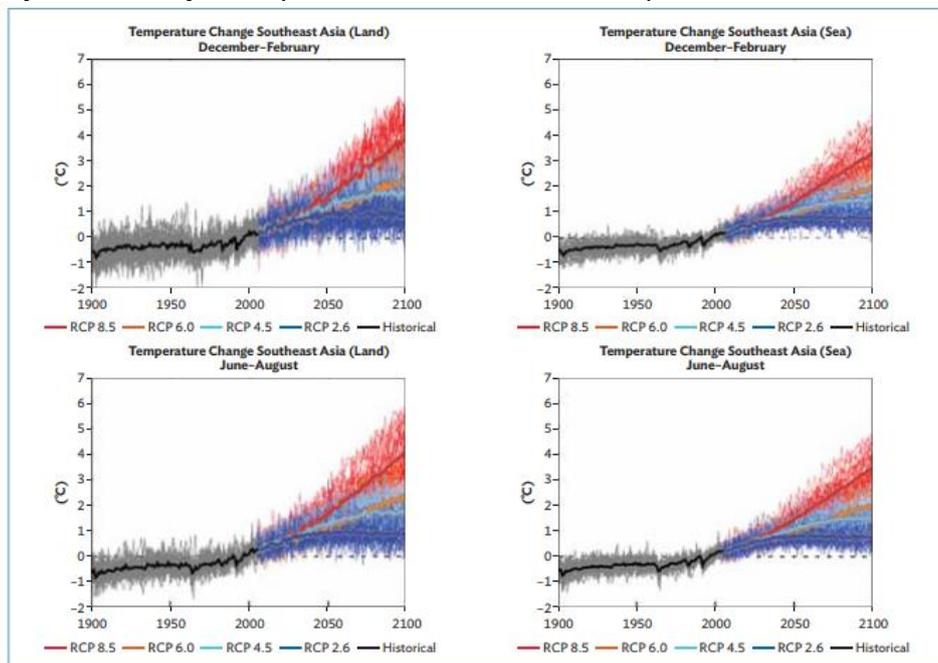
2. PROJECT/PROGRAMME INFORMATION

B.1. Climate context (max. 1000 words, approximately 2 pages)

Climate Change Problem

Southeast Asia faces disproportionate vulnerability to climate change impacts due to its extensive coastlines, high population density in low-lying areas, and economic dependence on climate-sensitive sectors including agriculture, fisheries, and tourism. The region has experienced **significant climate shifts** in recent decades, with **rising temperatures, changing precipitation patterns, sea level rise, and increasing intensity of extreme weather events**. These changes threaten to **undermine development gains, exacerbate existing socioeconomic inequalities, and push vulnerable communities deeper into poverty**.

Cambodia, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam share common climate challenges while also facing unique vulnerabilities based on their geography, economic structures, and adaptive capacity. **Asia is warming faster than the global average**, with mean annual temperature increases of 0.1-0.3°C per decade recorded since the 1960s.⁶ The **Southeast Asian region** in particular has also experienced **altered monsoon patterns, prolonged dry seasons, and intensified rainfall events**. **Sea level rise poses an existential threat to coastal communities**, where a significant share of the population resides,^{7,8} with projections indicating potential **displacement of millions** of people and **economic losses ranging from USD 50 to 250 billion** (under a high emissions scenario) by mid-century if adaptation measures are not implemented.⁹



RCP = representative concentration pathway.
Note: Left panels correspond to temperature changes over land, right panels over sea; top panels in December-February; and bottom panels in June-August.
Source: IPCC (2014).

Figure 1: Historical and Expected Temperature Changes in Southeast Asia under Different Scenarios

- 6 WMO, 'State of the Climate in Asia 2023' (Geneva, Switzerland: World Meteorological Organization (WMO), 2024), <https://library.wmo.int/records/item/68890-state-of-the-climate-in-asia-2023>.
- 7 Estimates of the percentage of coastal population in the target countries are as follows: Cambodia – 7.1% (2015); Indonesia – 65% (2018); Malaysia – 60% (2017); the Philippines – 62% (2017); Thailand – 23.44% (2015); Vietnam – 49.4% (2018).
- 8 PEMSEA, 'Regional State of Ocean and Coasts 2021: The East Asian Seas Region. Blue Economy: Where Are We Now? Where Are We Heading? (Volume 1)' (Quezon City, Philippines: Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), 2021).
- 9 Lorenza Campagnolo et al., 'Quantifying the Economic Costs of Climate Change Inaction for Asia and the Pacific' (SSRN, 2025), <https://doi.org/10.2139/ssrn.5184309>.

Climate change has devastating impacts on agricultural production and productivity, with declines in rice yield potential having already been observed as a result of warming nighttime temperatures in the Philippines under otherwise controlled conditions. Under an economic lens, climate models have shown that close to 40% of Southeast Asia’s GDP could be lost by 2100 under high end emissions climate scenario (SSP5-8.5).

Figure 2.19: Economic Losses in 2100 due to Climate Change Under Various Climate Scenarios

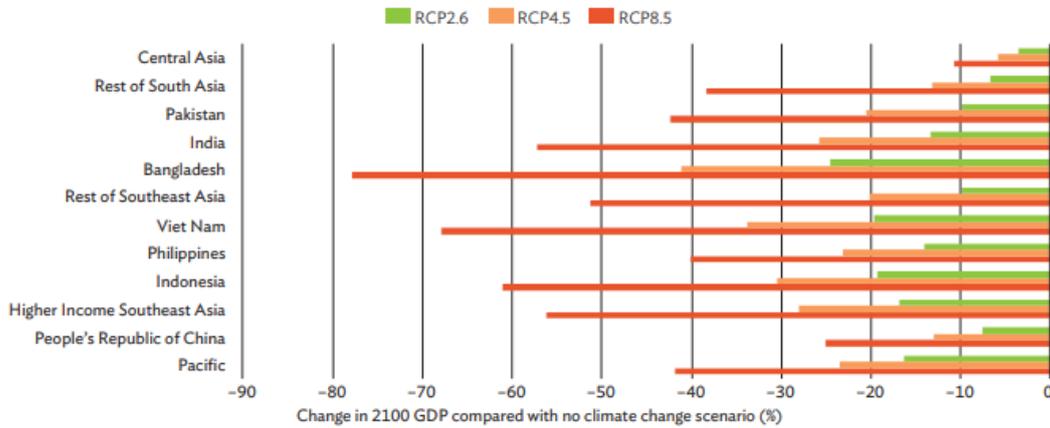


Figure 2: Change in 2100 GDP compared with no climate change scenario (%). Source: IPCC 6th Report

Energy-related CO₂ emissions are steadily increasing in Southeast Asia, reaching a peak in 2030 that is 17% above 2020 levels. Out of the total energy-related CO₂ emissions, the electricity sector is the largest emitting sector, with emissions forecasted to continue increasing. The transport and industry sectors also see a rise in emissions until 2030 before reducing by 28% by 2050.

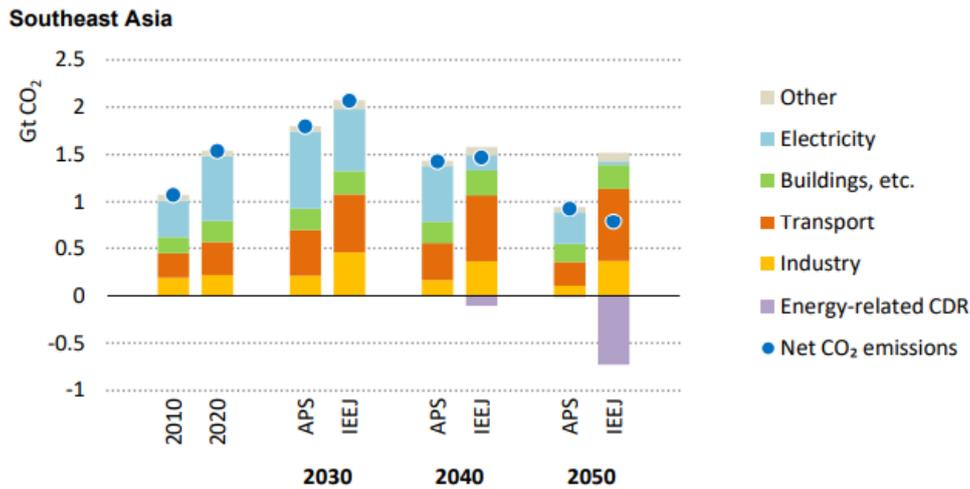


Figure 3: Gross energy-related CO₂ emissions by sector, CO₂ removals and net emissions in Southeast Asia. Source: IPCC 6th Report

Target Countries of the Fund

The following regional climate hazard analysis covers all six Coverage Countries of the Fund. Noting that the Fund will not utilize GCF funding for Vietnam and Cambodia for the purpose this programme. While the immediate pipeline focuses on adaptation interventions in Cambodia and Philippines, the Fund’s Programme Vulnerability Assessment Framework and eligibility criteria (Annex 24 Operations Manual) encourage adaptation projects addressing the below climate hazards during implementation. This broader analysis provides the adaptation needs and context across the six Coverage Countries to be addressed by NDF.

Climate projections across Southeast Asia demonstrate a clear warming trajectory throughout the 21st century, with temperatures expected to increase by 0.5-3.5°C by 2050 depending on emissions scenarios and specific geography.¹⁰ All six target countries will experience significant warming, with northern regions typically warming faster than coastal and southern areas. Continental Southeast Asian countries like Vietnam, Thailand, and Cambodia face potentially higher temperature increases compared to maritime nations, though all countries will see pronounced increases in extreme heat events, with the number of days exceeding 35°C projected to increase by over 40 days annually in most areas.

Precipitation projections show greater variability and uncertainty, with both wetter and drier scenarios plausible across much of the region. While global climate models generally project increasing annual rainfall, particularly during monsoon seasons, the spatial and temporal distribution of this precipitation is expected to change significantly. Most countries will likely experience more intense rainfall events coupled with longer dry periods between them, creating a pattern of more extreme precipitation that increases both flood and drought risks. Extreme rainfall events are projected to intensify by 5-15% across most of the region, with some areas potentially seeing increases of 30-40%, substantially elevating flash flood risks throughout Southeast Asia.¹¹

Sea level rise presents a uniform threat across all coastal areas of the region, with projected median increases of 0.2-0.3m by 2050 and 0.5-0.7m by century's end, depending on emissions scenarios. These increases will significantly amplify coastal flooding, erosion, and saltwater intrusion, particularly during storm surges associated with tropical cyclones. The Philippines stands out with projected sea level rise rates approximately double the global average, while Vietnam's extensive low-lying deltas face potentially catastrophic inundation risks.

The frequency and intensity of extreme weather events is projected to evolve in complex ways. While the overall number of tropical cyclones may remain stable or slightly decrease, the proportion of intense typhoons (Categories 4 and 5) is expected to increase significantly, with stronger storms developing more rapidly and moving more slowly, thereby causing greater damage.

Climate hazards have a tangible impact on the economies of Coverage Countries which are only expected to worsen without additional interventions. As illustrated below, the Coverage Countries are highly vulnerable to a variety of severe climate events and need immediate intervention. For further details on climate hazards and associated impacts, please refer to the Feasibility Study.

Table 1 Non-exhaustive synthesis of climate hazards and associated impacts across key sectors, with select examples from SEA countries

ARA2: Health, well-being, food and water security	
Increased temperatures and extended heatwaves	The growth of urbanisation and economic development across Asia will lead to changes in dietary patterns, with increasing overall food consumption and a shift toward more water-intensive animal-based products. ¹² Higher temperatures favor crop pests and diseases, increasing control costs and causing yield losses of 10–25% per degree of warming for rice, maize, and wheat. Rainfed lowland rice—one-third of SEA's harvested area—faces up to 10% yield decline by 2050 due to heat stress, water scarcity, flooding, and salinization. Heatwaves will disproportionately affect vulnerable groups (elderly, infants, outdoor workers), with urban heat islands amplifying risks (e.g., Phnom Penh +4°C). Each 1°C rise increases heat illness morbidity by 18% and mortality by 35%. Air pollution worsens

¹⁰ Norris et al., 'Climate Risk Report for the Southeast Asia Region'.

¹¹ *Ibid.*

¹² *Ibid.*

	with forest/peat fires and transboundary haze, heightening respiratory and cardiovascular risks ^{13, 14, 15, 16} .
Altered precipitation regimes	Extreme precipitation and flooding trigger outbreaks of waterborne diseases (cholera, hepatitis, typhoid). Changing rainfall and temperature expand malaria and dengue exposure, with WHO projecting 287 additional malaria deaths annually by 2050 ^{17, 18} .
Water stress and droughts	Climate change undermines efforts to reduce child stunting (currently 27.4% region-wide), with Cambodia, Indonesia, and the Philippines most affected. Aquaculture faces severe disruption—30% of SEA aquaculture lands may become unsuitable by 2070. Heat stress also reduces livestock productivity. ^{19, 20, 21}
ARA3: Infrastructure and built environment + MRA3: Buildings, cities, industries and appliances	
Increased temperatures and extended heatwaves	Those living in overcrowded informal settlements with limited or no access to cooling are particularly vulnerable to heat-related risks. Urban areas experience significantly higher temperatures due to the heat island effect. ²²
Floods (pluvial, river, and coastal)	Lower-income households are more likely to be pushed into more exposed flood-prone areas where land is cheaper. Over 20 million urban residents are already at high risk from pluvial floods, mainly in Vietnam (10 million), Cambodia (4 million) and Indonesia (3 million). ²³
Extreme weather events (tropical cyclones, extreme	Cyclones and heavy rains damage transport and ICT infrastructure, causing cascading economic impacts. Annual damages to road and rail networks already exceed USD 2.2 billion and could rise sharply by 2050. ^{24 25 26}

¹³ Curtis A. Deutsch et al., 'Increase in Crop Losses to Insect Pests in a Warming Climate', *Science* 361, no. 6405 (31 August 2018): 916–19, <https://doi.org/10.1126/science.aat3466>.

¹⁴ Hen-I Lin et al., 'Status of Food Security in East and Southeast Asia and Challenges of Climate Change', *Climate* 10, no. 3 (14 March 2022): 40, <https://doi.org/10.3390/cli10030040>.

¹⁵ IPCC, 'Health, Wellbeing, and the Changing Structure of Communities', in *Climate Change 2022 – Impacts, Adaptation and Vulnerability: Working Group II Contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, 1st ed. (Cambridge University Press, 2023), <https://doi.org/10.1017/9781009325844>.

¹⁶ Clare Faurie et al., 'Association between High Temperature and Heatwaves with Heat-Related Illnesses: A Systematic Review and Meta-Analysis', *Science of The Total Environment* 852 (December 2022): 158332, <https://doi.org/10.1016/j.scitotenv.2022.158332>.

¹⁷ IPCC, 'Health, Wellbeing, and the Changing Structure of Communities'.

¹⁸ <https://reliefweb.int/report/world/dengue-outbreaks-threaten-children-across-asia-extreme-weather-spurs-mosquitos>. Date accessed: 16/05/2025.

¹⁹ FAO et al., *Asia and the Pacific Regional Overview of Food Security and Nutrition 2022* (FAO, 2023), <https://doi.org/10.4060/cc3990en>.

²⁰ Halley E. Froehlich, Rebecca R. Gentry, and Benjamin S. Halpern, 'Global Change in Marine Aquaculture Production Potential under Climate Change', *Nature Ecology & Evolution* 2, no. 11 (10 September 2018): 1745–50, <https://doi.org/10.1038/s41559-018-0669-1>.

²¹ IPCC, 'Asia'.

²² IPCC, 'Cities, Settlements and Key Infrastructure', in *Climate Change 2022 – Impacts, Adaptation and Vulnerability: Working Group II Contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, 1st ed. (Cambridge University Press, 2023), <https://doi.org/10.1017/9781009325844>.

²³ FAO et al., *Asia and the Pacific Regional Overview of Food Security and Nutrition 2022*.

²⁴ E. E. Koks et al., 'A Global Multi-Hazard Risk Analysis of Road and Railway Infrastructure Assets', *Nature Communications* 10, no. 1 (25 June 2019): 2677, <https://doi.org/10.1038/s41467-019-10442-3>.

²⁵ World Bank, 'Mobility and Resilience: A Global Assessment of Flood Impacts on Road Transportation Networks', Policy Research Working Paper (World Bank Group, 2022), <https://hdl.handle.net/10986/37452>.

²⁶ World Bank, 'Addressing Climate Change in Transport: Volume 2: Pathway to Resilient Transport' (World Bank Group, 2019), <https://hdl.handle.net/10986/32412>.

Hazard	Risk/Impact	Adaptation Activity
Project Oasis (Cambodia)		
<p>Increased flooding frequency and intensity³⁴³⁵³⁶³⁷</p>	<p>Rising floodwaters inundate latrines and septic systems, mobilizing fecal pathogens, agricultural chemicals, and organic waste, contaminating surface water bodies and shallow groundwater wells. Traditional household coping mechanisms (boiling water, ceramic filters) fail during flood events. More than 25% of rural people rely on natural water bodies prone to contamination for drinking water.</p> <p>Major flood events occurred in 2000, 2001, 2002, 2011, and 2013. The 2011 flood affected over 1.7 million people across 18 provinces with economic losses of USD 624 million. The 2013 flood affected 1.8 million people with damages exceeding USD 356 million.</p>	<p>Advanced water treatment systems remove flood-borne contaminants including bacteria, viruses, parasites, and chemical pollutants. Systems are designed to function during and after flood events, providing continuous access to safe water when contamination risk is highest. Research has demonstrated that improved water treatment provides significant protection against diarrheal disease in rural Cambodia.</p>
<p>Increased drought frequency and severity³⁸³⁹⁴⁰</p>	<p>Extended dry periods reduce water availability and concentrate contaminants in remaining sources. Wells run dry, forcing households to use unsafe surface water. Lower water tables require deeper, more expensive</p>	<p>Treatment systems work with reduced water volumes and can treat increasingly concentrated contaminants found in drought-stressed water sources. By treating available water sources rather than</p>

³⁴ Aspects of hydrology and extreme weather phenomena in flood and drought forecasting in the Lower Mekong Basin (LMB), accessed on January 8, 2026, <https://www.mrcmekong.org/wp-content/uploads/2024/08/Annual-Mekong-Flood-Report-2017.pdf>

³⁵ ASSESSING VULNERABILITIES AND RESPONSES TO ENVIRONMENTAL CHANGES IN CAMBODIA, accessed on January 8, 2026, https://environmentalmigration.iom.int/sites/g/files/tmzbd1411/files/documents/MECC_Cambodia%20report.pdf

³⁶ Climate Adaptive Irrigation and Sustainable Agriculture for Resilience (CAISAR) in Cambodia, accessed on January 8, 2026, https://climateprojectexplorer.org/documents/climate-adaptive-irrigation-and-sustainable-agriculture-for-resilience-caisar-in-cambodia_3cd8?cfn=agriculture+sector

³⁷ Regional fact sheet - Asia - IPCC, accessed on January 8, 2026, https://www.ipcc.ch/report/ar6/wg1/downloads/factsheets/IPCC_AR6_WGI_Regional_Fact_Sheet_Asia.pdf

³⁸ Analysis of extreme weather events and climate variability in the Lower Mekong Basin, accessed on January 8, 2026, <https://www.mrcmekong.org/wp-content/uploads/2024/09/DC4-Technical-Report.pdf>

³⁹ El Niño-induced Drought in Cambodia: Rapid assessment report, accessed on January 8, 2026, <https://resourcecentre.savethechildren.net/document/el-nino-induced-drought-cambodia-rapid-assessment-report>

⁴⁰ CAMBODIA - Climate Change Knowledge Portal - World Bank, accessed on January 8, 2026, https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/16814-WB_Cambodia%20Country%20Profile-WEB.pdf

	<p>wells beyond the financial reach of poor households. Wells are having to be dug much deeper to find water; a 30-meter well costs USD 500 while a 100-meter well costs USD 7,000 or more.</p> <p>Severe droughts occurred in 2002, 2003, 2004, 2010, 2015-2016, and 2019-2020. The 2015-2016 drought affected 2.5 million people across 18 provinces, with widespread failure of water sources and saline or depleted wells. The 2019-2020 drought saw the Mekong River and Tonle Sap Lake reach historic lows.</p>	<p>requiring deep wells, the intervention provides affordable water security during extended dry periods.</p>
<p>Rising temperatures increasing waterborne disease risk⁴¹⁴²⁴³</p>	<p>Higher water temperatures accelerate the replication rates of enteric pathogens such as Escherichia coli, Salmonella, and Vibrio cholerae. For every 1°C increase in ambient temperature, there is a measurable increase in the incidence of diarrheal diseases. The risk is highest in the pre-monsoon season where high temperatures coincide with low water levels.</p> <p>Cambodia's average temperatures have risen by 0.18°C per decade since the 1960s, with annual average temperatures increasing from 26.5°C in 1985 to 27.3°C in 2017. Diarrhoea is the second most common inpatient and outpatient diagnosis and second leading cause of death for children under five in Cambodia. Field research found a diarrhoea incidence rate of 281.5 persons per 1,000 population per</p>	<p>Reducing waterborne pathogens prevents diarrhoeal disease, typhoid, leptospirosis, and other climate-sensitive illnesses. This reduces child mortality, prevents malnutrition, and protects vulnerable populations. The intervention will prevent thousands of disease episodes for the 328,000 beneficiaries based on documented baseline disease rates.</p>

⁴¹ Farhana Haque et al., 'Impacts of Climate Change on Diarrhoeal Disease Hospitalisations: How Does the Global Warming Targets of 1.5–2°C Affect Dhaka, Bangladesh?', *PLOS Neglected Tropical Diseases* 18, no. 9 (2024): e0012139, <https://doi.org/10.1371/journal.pntd.0012139>.

⁴² Boonfei Tan et al., 'Flood-Associated Disease Outbreaks and Transmission in Southeast Asia', *Frontiers in Microbiology* 16 (October 2025): 1694246, <https://doi.org/10.3389/fmicb.2025.1694246>.

⁴³ Gerard C. Kelly et al., 'Etiology and Risk Factors for Diarrheal Disease amongst Rural and Peri-Urban Populations in Cambodia, 2012–2018', *PLOS ONE* 18, no. 3 (2023): e0283871, <https://doi.org/10.1371/journal.pone.0283871>.

	<p>year, with 28.8% of participants reporting at least one diarrheal incident.</p>	
<p>Project Reef (Philippines)</p>		
<p>Intensification of typhoons⁴⁴⁴⁵⁴⁶⁴⁷⁴⁸</p>	<p>Typhoons regularly damage power infrastructure, with diesel-dependent systems particularly vulnerable. When central fuel storage and distribution fail, entire communities lose power for extended periods. The 2024 typhoon season saw six consecutive typhoons impact 13 million people, destroying infrastructure, triggering 45 landslides, causing power outages in over 100 cities and municipalities, and killing at least 150 people.</p> <p>The Philippines experiences approximately 20.2 tropical cyclones annually, with 8.4 making landfall, the highest exposure in Southeast Asia. Between 2003-2020, annual super typhoon frequency increased by 106% compared to 1993-2002. Climate change has increased the maximum winds of major Philippine typhoons by 2-14 m/s. The 2024 typhoon potential intensity became about 7 times more likely, with maximum intensity increased by about 4 m/s due to climate change.</p>	<p>Solar panels and battery systems are engineered to withstand typhoon-force winds. Unlike centralized diesel systems with single points of failure, distributed solar and storage infrastructure provides redundancy. Even if some panels are damaged, remaining capacity maintains partial service critical for emergency response.</p> <p>By eliminating dependence on diesel deliveries, microgrids function regardless of transportation disruptions, addressing the fundamental vulnerability of remote islands where fuel supply chains are severed during typhoons.</p>

⁴⁴ Chapter 11: Weather and Climate Extreme Events in a Changing Climate - IPCC, accessed on January 8, 2026, https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter11.pdf

⁴⁵ Philippines Projections (CMIP6, CHAZ) - Climate Change Knowledge Portal, accessed on January 8, 2026, <https://climateknowledgeportal.worldbank.org/country/philippines/tropical-cyclones-projections>

⁴⁶ Rafaela Jane Delfino et al., 'Response of Damaging Philippines'

⁴⁷ Ben Clarke et al., 'The Influence of Anthropogenic Climate Change on Super Typhoon Odette (Typhoon Rai) and Its Impacts in the Philippines', preprint, Atmospheric, Meteorological and Climatological Hazards, 13 June 2025, <https://doi.org/10.5194/egusphere-2025-665>.

⁴⁸ <https://www.worldweatherattribution.org/climate-change-supercharged-late-typhoon-season-in-the-philippines-highlighting-the-need-for-resilience-to-consecutive-events/>

<p>Sea level rise and storm surge amplification⁴⁹⁵⁰⁵¹</p>	<p>Saltwater intrusion and inundation are fatal to electrical equipment and diesel generators. Coastal fuel depots, essential for island power, are increasingly in the flood zone. The loss of these assets during a storm surge means that even if the poles and wires survive, there is no fuel to generate power.</p> <p>The Philippines is experiencing sea level rise at rates of 5.7-7.0 mm/year between 1993-2015, approximately double the highest global average of 3.2 mm/year. Sea level rise raises the baseline upon which storm surges ride, allowing waves to penetrate further inland, inundating diesel storage tanks and power plants that were previously considered safe.</p>	<p>Solar+storage systems continue generating power from available sunlight during and after storms, while diesel generators become useless without fuel resupply. The intervention eliminates dependence on coastal fuel storage vulnerable to storm surge and saltwater intrusion.</p> <p>24/7 power for health posts enables vaccine storage, emergency care, and maternal health services regardless of climate conditions. Powered mobile phones and radios enable reception of typhoon warnings, weather forecasts, and evacuation orders.</p>
<p>Prolonged power outages and economic disruption⁵²⁵³⁵⁴</p>	<p>Remote island communities rely on diesel generators operating only 4-4.5 hours daily (typically 6:00pm-10:00/10:30pm), with electricity costs of USD 1.21 per kWh, among the highest in the region. Diesel supply chains are vulnerable to disruption during extreme weather events. Geographic isolation amplifies vulnerabilities, as remote islands face the longest recovery times following climate disasters.</p>	<p>Unlike typical diesel systems operating 4-4.5 hours daily, microgrids provide round-the-clock electricity. This enables health posts to maintain vaccine storage, provide emergency care, and operate medical equipment regardless of climate conditions.</p> <p>Reliable energy enables cold storage for fish catches, water pumping for agriculture, and operation of</p>

⁴⁹ Philippine Climate Change Assessment - PAGASA Public Files, accessed on January 8, 2026, https://pubfiles.pagasa.dost.gov.ph/pagasaweb/files/cad/CLIMATOLOGICAL%20PUBLICATIONS/Philippine%20Climate%20Change%20Assessment_.pdf

⁵⁰ Ron Kahana et al., *Projections of Mean Sea Level Change for the Philippines*, 2016, <https://doi.org/10.13140/RG.2.2.23227.59682>.

⁵¹ Janneli Lea A. Soria et al., 'Repeat Storm Surge Disasters of Typhoon Haiyan and Its 1897 Predecessor in the Philippines', *Bulletin of the American Meteorological Society* 97, no. 1 (2016): 31-48, <https://doi.org/10.1175/BAMS-D-14-00245.1>.

⁵² Janneli Lea A. Soria et al., 'Repeat Storm Surge Disasters of Typhoon Haiyan and Its 1897 Predecessor in the Philippines', *Bulletin of the American Meteorological Society* 97, no. 1 (2016): 31-48, <https://doi.org/10.1175/BAMS-D-14-00245.1>.

⁵³ Power outage woes: Philippines faces P556 million economic loss in five hours, accessed on January 8, 2026, <https://www.pids.gov.ph/details/news/in-the-news/power-outage-woes-philippines-faces-p556-million-economic-loss-in-five-hours>

⁵⁴ A Detailed Narrative on the Main Problems of the People of Siargao Post-Typhoon Odette, accessed on January 8, 2026, <https://www.bravosiargao.com/blog/a-narrative-on-the-main-problems-of-siargao-post-typhoon.html>

<p>Without power, the local economy halts. Fisherfolk cannot make ice, leading to spoilage of the daily catch. Health facilities lose capacity for vaccine storage, emergency care, and medical equipment operation. Power outages compromise early warning dissemination and emergency coordination.</p>	<p>processing equipment. By reducing electricity costs from USD 1.21/kWh to affordable rates, the intervention makes energy access financially sustainable for poor households, preventing energy poverty from exacerbating climate vulnerability.</p>
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GHG emission of Coverage Countries

As of 2022, the greenhouse gas (GHG) emissions profiles of six Southeast Asian countries—Cambodia, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam—exhibit diverse patterns reflecting their unique economic structures and development trajectories. Cambodia emitted approximately 50 million tonnes of CO₂-equivalent (MtCO₂e) in 2022, with per capita emissions around 2.9 tCO₂e. The primary emission sources are the Agriculture, Forestry, and Other Land Use (AFOLU) sector (~39%), energy (~33%), and waste and industrial processes (~28%). Key drivers include deforestation for rubber and cassava plantations, rice farming, livestock methane emissions, and increasing fossil fuel use in energy and transport sectors.⁵⁵

Detailed emissions profiles of the Coverage Countries can be found in Annex 2. These updated emission profiles have been integrated into the Fund's investment targeting strategy to ensure alignment with country NDCs and to prioritize high-emitting sectors where Navis can deliver transformative mitigation outcomes. Per capita emissions highlight disparities in responsibility and opportunities for intervention — for instance, Cambodia and the Philippines emit less per capita but have rapidly rising energy and waste emissions where decentralized renewable energy and circular economy investments (e.g., waste-to-energy) can play a transformative role. This breakdown informs the NDF's cross-cutting investment areas such as industrial energy efficiency, precision agriculture, and clean transport, where sector-level emissions are most significant.

Table 3 Current GHG emissions profiles and key drivers for each country. Source: own elaboration.

Country	Total Emissions (per year in 2022) ⁵⁶	Per capita emissions (tCO ₂ e/year)	Main sectors (share of emissions)	Key drivers
Cambodia	~50 Mtco ₂ E	~2.9	<ul style="list-style-type: none"> • AFOLU (~39%) • Energy (~33%) • Waste & Industrial Processes (~28%) 	<ul style="list-style-type: none"> • Deforestation (Rubber/Cassava Plantations, Logging) • Rice Farming and Livestock (Methane) • Increasing Fossil Fuel Use (Coal, Diesel) • Growing Transport Emissions
Indonesia	~1,241 Mtco ₂ E	~4.5	<ul style="list-style-type: none"> • AFOLU (~50%) • Energy (~34%) • Waste (6.5%) • Industry (~3%) 	<ul style="list-style-type: none"> • Peatland Degradation and Forest Fires • Palm Oil-Driven Deforestation • Coal Power Expansion and Motorization • Oil/Gas Extraction
Malaysia	~354 Mtco ₂ E	~10.5	<ul style="list-style-type: none"> • Energy (~80%) • Industry (5–7%) • Agriculture (5%) 	<ul style="list-style-type: none"> • Fossil Fuel Dependence (Coal, Gas) • Transport And Industrial Fuel Use

55 Macrotrends. 2025. Cambodia Greenhouse Gas (GHG) Emissions 1990-2025. Available at: <https://macrotrends.net/global-metrics/countries/KHM/cambodia/ghg-greenhouse-gas-emissions>

56 European Commission. 2023. GHG Emissions of All World Countries. Available at: https://edgar.jrc.ec.europa.eu/booklet/GHG_emissions_of_all_world_countries_booklet_2023report.pdf

			<ul style="list-style-type: none"> • Waste (3–5%) 	<ul style="list-style-type: none"> • Historical Deforestation (Oil Palm Expansion) • Methane From Oil/Gas Leakage
Philippines	~265 MtCO ₂ E	~2.4	<ul style="list-style-type: none"> • Energy (54–58%) • Agriculture (25–28%) • Waste (8–10%) • Industry (~5%) 	<ul style="list-style-type: none"> • Coal-Fired Power Generation • Rice Cultivation and Livestock Emissions • Fossil Fuel Transport • Urbanizing Waste Streams
Thailand	~464 MtCO ₂ E	~6.7	<ul style="list-style-type: none"> • Energy (69–72%) • Agriculture (~15%) • Industry (9–11%) • Waste (~5%) 	<ul style="list-style-type: none"> • Natural Gas and Coal Use for Electricity • Vehicle Emissions and Industry • Rice Farming (Methane) • Net Forest Sink from Reforestation
Vietnam	~489 MtCO ₂ E	~4.9	<ul style="list-style-type: none"> • Energy (~63%) • Agriculture (~17%) • Industry (~15%) • Waste (~5%) 	<ul style="list-style-type: none"> • Rapid Industrialization • Coal-Fired Power Growth • Cement, Steel, and Ammonia Production • Rice Cultivation and Transport

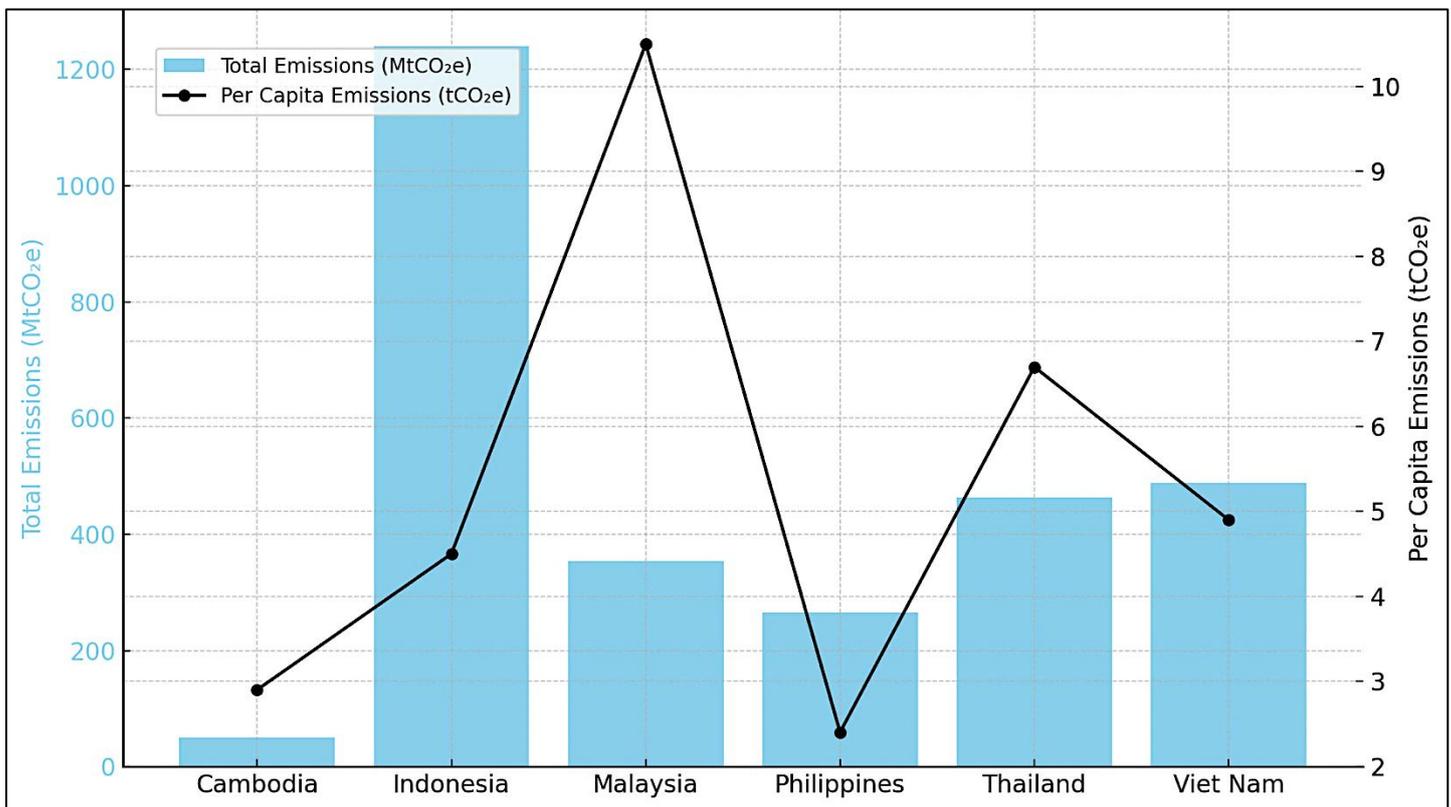


Figure 1 Total GHG emissions and per capita emissions per year of the six countries. Source: own elaboration.



Figure 2 Sectoral breakdown of GHG emissions per year of the six countries. Source: own elaboration.

Cambodia emitted approximately 50 million tonnes of CO₂-equivalent (MtCO₂e) in 2022, with per capita emissions around 2.9 tCO₂e. The primary emission sources are the Agriculture, Forestry, and Other Land Use (AFOLU) sector (~39%), energy (~33%), and waste and industrial processes (~28%). Key drivers include deforestation for rubber and cassava plantations, rice farming, livestock methane emissions, and increasing fossil fuel use in energy and transport sectors.⁵⁷

Indonesia is one of the world's largest GHG emitters, with total emissions reaching approximately 1,241 MtCO₂e in 2022 and per capita emissions of about 4.5 tCO₂e. The AFOLU sector contributes around 50% of emissions, primarily due to peatland degradation and deforestation driven by palm oil expansion. The energy sector accounts for about 34%, with coal power expansion and increased motorization being significant contributors.⁵⁸

Malaysia recorded emissions of approximately 354 MtCO₂e in 2022, with a high per capita emission rate of about 10.5 tCO₂e. The energy sector dominates, contributing around 80% of total emissions, largely due to fossil fuel dependence for electricity generation and transport. Industrial processes and agriculture contribute 5–7% and 5%, respectively, while waste accounts for 3–5%. Historical deforestation for oil palm expansion and methane emissions from oil and gas leakage are also notable factors.⁵⁹

The Philippines emitted approximately 265 MtCO₂e in 2022, with per capita emissions around 2.4 tCO₂e. The energy sector is the largest emitter (54–58%), followed by agriculture (25–28%), waste (8–10%), and industry (~5%). Key emission drivers include coal-fired power generation, rice cultivation, livestock emissions, fossil fuel-based transport, and increasing urban waste streams.⁶⁰

57 Macrotrends. 2025. Cambodia Greenhouse Gas (GHG) Emissions 1990-2025. Available at: <https://macrotrends.net/global-metrics/countries/KHM/cambodia/ghg-greenhouse-gas-emissions>

58 Climate Action Tracker. 2024. Indonesia. Available at: <https://climateactiontracker.org/countries/indonesia/>

59 International Energy Agency. 2022. Malaysia. Available at: <https://www.iea.org/countries/malaysia/emissions>

60 ASEAN Centre for Energy. 2025. ASEAN Energy Database System. Available at: <https://aseanenergy.org/news-clipping/greenhouse-gas-emissions-in-ph-rising-report/>

Thailand reported emissions of about 464 MtCO₂e in 2022, with per capita emissions approximately 6.7 tCO₂e. The energy sector is the predominant source (69–72%), followed by agriculture (~15%), industry (9–11%), and waste (~5%). Emissions are driven by natural gas and coal use for electricity, vehicle emissions, industrial activities, and rice farming. Notably, Thailand's forestry sector acts as a net carbon sink due to reforestation efforts.⁶¹

Vietnam emitted around 489 MtCO₂e in 2022, with per capita emissions of approximately 4.9 tCO₂e. The energy sector contributes about 63% of emissions, followed by agriculture (~17%), industry (~15%), and waste (~5%). Rapid industrialization, coal-fired power growth, cement and steel production, and rice cultivation are significant emission sources. Vietnam has experienced net forest gains in recent decades, making land-use change a relatively minor emission factor.⁶²

NDF Coverage Countries are exposed to significant climate change hazards. The Coverage Countries face a funding gap in achieving their NDCs and NAPs which are in place to mitigate and/or adapt to climate change impacts. NDF's investment strategy is aligned with all Coverage Countries' NDCs and NAPs and focus on SMEs, a key stakeholder in addressing climate. Further information on the Climate Context and NDF's alignment to NDCs and NAPs can be found in Annex 2.

Alignment with national policies

While all Coverage Countries have national climate targets and corresponding policies, there is a significant funding gap to reach their targets and finance specific interventions.

Table 4 Climate finance gap and NDCs

Country	Climate finance gap	National climate targets	Readiness & policy environment
Cambodia	Needs USD 7.8 billion by 2030, extremely reliant on external finance ⁶³	42% conditional reduction by 2030, carbon neutral by 2050 ⁶⁴	Climate strategies, sectoral NAPs, improving governance
Indonesia	USD 278 billion needed, only USD 41.7 billion mobilized (15% coverage) ⁶⁵	31% unconditional, 43% conditional GHG reduction by 2030, net-zero by 2060, Energy sector targeted to reduce GHG emissions by 358 million tons of CO ₂ by 2030. ⁶⁶	Carbon tax, NDC implementation frameworks, energy roadmap, Green Finance Taxonomy

61 UNDP. 2024. Global Boiling and Climate Change: Which sector in Thailand is the largest contributor of greenhouse gas emissions? Available at: <https://www.undp.org/stories/greenhouse-emissions-thailand>

62 World Bank Group. 2022. Country Climate and Development Report: Philippines. Available at: <https://thedocs.worldbank.org/en/doc/4ec3282919652f7545bc25c49c1811e4-0070012022/original/PHCCDR-FINAL-formatted.pdf>

63 *Cambodia Leads ASEAN with Ambitious Carbon Neutrality Strategy - Seneca ESG.* (n.d.). Seneca ESG. <https://senecaesg.com/insights/cambodia-leads-asean-with-ambitious-carbon-neutrality-strategy/>

64 *Cambodia Leads ASEAN with Ambitious Carbon Neutrality Strategy - Seneca ESG.* (n.d.). Seneca ESG. <https://senecaesg.com/insights/cambodia-leads-asean-with-ambitious-carbon-neutrality-strategy/>

65 Larasati, L., Rospriandana, N., Mafira, T., Akbar, K., & Climate Policy Initiative. (2025). *Climate-Aligned Investments and Policy Nexus in Indonesia.* <https://www.climatepolicyinitiative.org/wp-content/uploads/2025/02/Climate-Aligned-Investments-and-Policy-Nexus-in-Indonesia.pdf>

66 S, B. S. R. (2023, July 13). Indonesia aims to cut emissions by 358 mln tons of CO₂e. *Antara News.*

<https://en.antaraneews.com/news/288270/indonesia-aims-to-cut-emissions-by-358-mln-tons-of-co2e#:~:text=Indonesia%20aims%20to%20cut%20emissions,tons%20of%20CO2e%20%2D%20ANTARA%20News>

Malaysia	Substantial flood infrastructure funding gap ⁶⁷	45% intensity reduction by 2030, net-zero by 2050 ⁶⁸	Green Tech Plan, renewable expansion, emissions trading pilot
Philippines	USD 72 billion needed to meet its NDC commitments, 97% of NDC conditional on external support (currently underfunded) ⁶⁹	75% GHG reduction by 2030 (72.29% conditional reduction), dependent on international financial and technological support ⁷⁰	CCC oversees NDCs and national climate policy, National Climate Change Action Plan set national priorities, Local Climate Change Action Plans implements locally ⁷¹
Thailand	Large gap for clean energy & resilience infrastructure	30% GHG reduction by 2030, net-zero by 2065 ⁷²	EV production, building efficiency, draft Climate Change Act
Vietnam	Multi-billion funding gap, JETP covers partial needs ⁷³	15.8% unconditional, 43.5% conditional by 2030, net-zero by 2050 ⁷⁴	Power Development Plan, renewables scale-up, JETP financing

Related projects

The Coverage Countries have already put in place a number of programmes to finance specific interventions however the programmes tend to have a limited financial capacity. These programmes are complimentary to NDF where NDF is mostly able to help scale up SMEs by providing growth capital, leveraging the enabling environments and national programmes.

Table 5 Select National Programmes and NDF solutions to barriers

Country	Project Name	Description	Identified barriers and gaps	NDF solutions to barriers and gaps
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⁶⁷ Bernama. (2022, September 5). Nearly RM400bil needed to overcome flood issues until 2100, says ministry. *Free Malaysia Today* | FMT. <https://www.freemalaysiatoday.com/category/nation/2022/09/05/nearly-rm400bil-needed-to-overcome-flood-issues-until-2100-says-ministry>

⁶⁸ *Malaysia* › *Asia* | SWITCH-Asia. (n.d.). SWITCH-Asia. <https://www.switch-asia.eu/countries/southeast-asia/malaysia/#:~:text=SCP%20Context-,SCP%20Context,long%2Dterm%20sustainable%20development%20pathway.>

⁶⁹ (Eco-Business, 2025). Available at: [https://www.eco-business.com/press-releases/private-investments-vital-to-plug-the-philippines-us72-billion-climate-finance-gap/#:~:text=Releases%20Policy%20&%20Finance-,Private%20investments%20vital%20to%20plug%20the%20Philippines%20US\\$72%20billion,billion\)%20across%20these%20key%20sectors.](https://www.eco-business.com/press-releases/private-investments-vital-to-plug-the-philippines-us72-billion-climate-finance-gap/#:~:text=Releases%20Policy%20&%20Finance-,Private%20investments%20vital%20to%20plug%20the%20Philippines%20US$72%20billion,billion)%20across%20these%20key%20sectors.)

⁷⁰ ("Philippines Raises Carbon Emission Reduction Target to 75% by 2030," 2021), Available at: <https://www.straitstimes.com/asia/se-asia/philippines-raises-carbon-emission-reduction-target-to-75-per-cent-by-2030>

⁷¹ Philippines. (n.d.). Global Good Practice Analysis on LEDS, NAMAs and MRV. In *Coordinating National Climate Change Action*. https://transparency-partnership.net/sites/default/files/philippines_gpa_long.pdf#:~:text=Decentralisation%20of%20implementation:%20The%20Climate%20Change%20Act,the%20Department%20of%20Interior%20and%20Local%20Governance.

⁷² Thailand. (n.d.). Thailand's 2nd updated nationally determined contribution. In *Thailand's 2nd Updated Nationally Determined Contribution*. <https://unfccc.int/sites/default/files/NDC/2022-11/Thailand%202nd%20Updated%20NDC.pdf>

⁷³ *Sipet*. (n.d.). [https://www.sipet.org/countryvietnam.aspx#:~:text=In%20December%202022%2C%20Vietnam%20and,for%20Net%20Zero%20\(GFANZ\).](https://www.sipet.org/countryvietnam.aspx#:~:text=In%20December%202022%2C%20Vietnam%20and,for%20Net%20Zero%20(GFANZ).)

⁷⁴ *iea.org*. (n.d.). *Nationally Determined Contribution (NDC) to the Paris Agreement (2022 Update): Vietnam*. <https://www.iea.org/policies/17048-nationally-determined-contribution-ndc-to-the-paris-agreement-2022-update-viet-nam>

Cambodia	Cambodian Climate Financing Facility	Blended loans and technical assistance, supporting climate project development.	Limited amount, loan structures only	NDF can provide equity for project expansion and broader sectoral outreach in addition to loans
Indonesia	Indonesia's Net-Zero & Nature-Positive Acceleration	Enables policy/investment environment, not direct-holdings; strong on systemic change.	No direct private sector investment	NDF can build on this environment with private equity investments.
	Industrial Energy Efficiency Financing Mechanisms	Uses guarantees/grants to catalyze industrial retrofits and efficiency.	Limited financing amount	NDF can build on this environment with private equity investments.
Malaysia	Climate-Smart Transport Scale-Up	Supports e-mobility and battery ecosystems, mostly policy/TA.	No direct private sector investment	NDF can invest in SMEs/start-ups leveraging new enabling environment.
Philippines	Adapting Philippine Agriculture to Climate Change	Supports sustainable agriculture, climate-resilient infrastructure, and water efficiency; integrate location-specific risk assessments (heat/drought, sea-level rise, extreme precipitation, and typhoons)	Primarily public sector focused, limited financing amount, dependence on external support	NDF can provide growth capital to SMEs in climate-resilient agriculture and low-carbon development projects.
Thailand	Thai Rice: Strengthening Climate-Smart Farming	Targets smallholder transformation in low-emission rice; not technology-focused.	Focuses on small hold farmers	NDF can scale solutions for agri-SMEs.
	Accelerating E-mobility	Addresses EV sector barriers through policy, technology demonstrations.	Limited financing amount	NDF can fund EV SMEs entering new supportive ecosystem.
Vietnam	Scaling Up EE for Industrial Enterprises	De-risks commercial financing for EE, provides TA and guarantees.	Limited financing amount, focuses on enabling environment	NDF can offer equity to SMEs scaling successful EE models.
	Resilience of Smallholder Agriculture (Water)	Centers on water/irrigation improvements for climate adaptation;	Financing window finishes in 2025	NDF can support deployment of innovative irrigation technologies.

Source: Annex 2 - Feasibility Study

Summary of adaptation and mitigation needs aligned with NDF portfolio

NDF is able to help bridge financing gap across specific investment areas for both adaptation and mitigation and address these climate hazards by mobilizing private capital effectively. The Fund's pipeline includes investments with both cross-cutting and mitigation with adaptation co-benefits, depending on their linkages to the climate hazards and impacts identified above:

- Cross-cutting investments (*): Projects that deliver against both GCF impact areas (mitigation and adaptation). For example, Project Reef and Oasis are interventions that address distinct vulnerabilities such as typhoons and droughts and generate measurable adaptation beneficiaries alongside their GHG reductions (as substantiated in Annex 23 a Beneficiary Calculations).

- Mitigation investments with adaptation co-benefits (**): Projects primarily targeted at GHG emission reductions that simultaneously enhance adaptive capacity of the broader energy or agricultural system (for example grid stability during heatwaves)

Table 6 List of NDF pipeline projects with cross-cutting(*) or mitigation with adaptation co-benefits (**) that address adaptation needs which respond to key climate impacts in the Coverage Countries, organised by four investment categories: (i) energy access and power generation; (ii) infrastructure and built environment; (iii) low emission transportation; (iv) sustainable agriculture and water.

Climate hazards	Adaptation needs	Example NDF pipeline projects (as of May 2025)	Adaptation benefits
Energy access and power generation			
Increased temperatures and extended heatwaves Extreme weather events (including tropical cyclones) Water stress and drought	Diversified energy systems	Project Volt (Vietnam)**: Battery energy storage systems Project Reef (Philippines)*: Green microgrid development Project Midas (Malaysia)**: bioCNG production from end-of-life biomass	Provides energy security during peak demand periods (heatwaves). Reduces blackout risk during extreme heat events when grid is overloaded. Creates localised, resilient power sources. Reduces vulnerability to centralised power disruptions
	Resilient coastal communities and economies	Project Reef (Philippines)*: Green microgrid development	Provides reliable renewable energy to vulnerable coastal communities Reduces dependency on diesel generators vulnerable to supply disruptions
	Energy systems resilient to water constraints	Project Sonic (SEA)**: Advanced biocharcoal production	Utilises drought-resistant biomass sources Decreases dependency on water-intensive energy production
Infrastructure and built environment			
Increased temperatures and extended heatwaves Water stress and drought	Enhanced cooling solutions with reduced energy demand	Project Quantum (Malaysia)**: Advanced cooling materials and HVAC solutions for buildings	Reduces cooling demand in buildings Increases resilience of local populations to heat-related illnesses Provides energy-efficient cooling solutions for hospitals, malls, and public spaces
	Waste heat recovery in industrial processes	Project Machine (Indonesia/Philippines)**: Energy efficiency solutions	Increases resource efficiency in industrial processes Enhances resilience to water scarcity
	Resource-efficient production systems	Project Circle (Malaysia)**: Green aluminium recycling	Promotes circular economy reducing environmental pressures

		Project Pulse* : battery recycling	
Low emission transportation			
Increased temperatures and extended heatwaves Extreme weather events (including tropical cyclones)	Resilient transport and energy systems	Project Duke (Indonesia) and Project Silverstone (Malaysia)** : battery swapping for electric mobility	Creates distributed infrastructure resilient to localised damage Enhances emergency mobility during extreme event Provides back-up power options during grid disruptions
Sustainable agriculture and water			
Altered precipitation patterns and extreme rainfall events Water stress and drought	Resilient infrastructure and agricultural systems	Project Flux (Indonesia/Philippines)** : biochar production Project Emerald (Indonesia)** : sustainable microalgae	Improves soil water retention. Provides sustainable crop nutrition Enhances resilience to droughts and floods Increases food security through diversified protein sources
	Enhanced water and alternative production systems	Project Emerald (Indonesia)** : sustainable microalgae	Reduces dependency on water-intensive agriculture

Table 7 List of selected cross-cutting NDF pipeline projects that address mitigation needs in the Coverage Countries, organised by four investment categories: (i) energy access and power generation; (ii) infrastructure and built environment; (iii) low emission transportation; (iv) sustainable agriculture and water.

Mitigation needs	Example NDF pipeline project (as of December 2025) or potential investment	Mitigation impact potential
Energy access and power generation		
Transition from fossil fuels to clean energy sources	Biogas and biomass plants using sustainable feedstock (Project Midas, Malaysia)	1,908,831 tCO ₂ e reduction
Expansion of wind and solar capacity to meet NDC targets	Large-scale wind and solar farms and rooftop solar portfolios	Support for countries' wind and solar targets
Energy storage to enable higher renewable penetration	Battery energy storage systems (Project Volt, Vietnam)	326,171 tCO ₂ e reduction;
Infrastructure and built environment		
Reducing energy consumption in buildings and industry	Energy efficiency solutions (Project Machine, Indonesia/Philippines)	2,980,152 tCO ₂ e reduction
Addressing cooling needs more efficiently	Advanced HVAC systems with nanomaterials (Project Quantum, Malaysia)	392,231 tCO ₂ e reduction
Promoting circular economy	Recycling solutions for aluminium (Project Circle, Malaysia)	2,571,034 tCO ₂ e reduction
	Li-ion batteries (Project Pulse, Malaysia)	70,490 tCO ₂ e reduction
Low emission transportation		

Electrification of two and three-wheelers	Battery swapping infrastructure: Project Duke (Indonesia) Project Silverstone (Malaysia)	245,808 tCO ₂ e reduction 204,840 tCO ₂ e reduction
Supporting transition to cleaner transport fuels	Infrastructure for biofuels and renewable energy in transportation	Reduction in petroleum dependency
Sustainable maritime transportation	Electric ferry and port electrification infrastructure	Reduced emissions from port operations
Sustainable agriculture and water		
Carbon sequestration in soils	Biochar production (Project Flux, Indonesia/Philippines)	3,029,632 tCO ₂ e reduction
Alternative protein sources	Sustainable microalgae production (Project Emerald, Indonesia)	32,000 tCO ₂ e reduction

NDF's Coverage Countries accounted for 2,863 MtCO₂E in 2022 and had a population of 630mn. Emissions are expected to rise driven by growing energy use and deforestation. At the same time, the countries rank among the world's most climate-vulnerable nations and funding to address the climate needs are limited. Based on the climate vulnerabilities, lack of preparedness and funding need, combined with Navis' Southeast Asian presence and 25 years of investment experience, the Coverage Countries are a natural choice for NDF to provide financing to decarbonization-focused SMEs. Further analysis of the climate vulnerabilities and impact can be found in Annex 2.

B.2 (a). Theory of change narrative and diagram (max. 1500 words, approximately 3 pages plus diagram)

1. Problem Statement

Local populations within Southeast Asia are being severely impacted by climate change, with high vulnerability and exposure to extreme weather events such as droughts and floods. In addition, transportation and energy generation sectors within this region contribute highly to GHG emissions, further exacerbating the climate change problem. As such, cross-cutting adaptation and mitigation measures are required to tackle the above problems urgently before devastating impacts affect these countries. While ambitious targets have been set within the respective NDCs of the six Coverage Countries, the large funding gap and lack of technical knowledge and infrastructure has hindered the decarbonization efforts of the region.

2. Goal Statement

NDF aims to create a paradigm shift by leveraging additional private sector funding to promote investments in decarbonization projects under the four investment themes. As a result, local populations of these climate vulnerable developing countries will have improved access to climate resilient solutions and information, and these countries will be better equipped to transition towards low-emission resilient development pathways, meeting their NDC targets. With increased investment, the GHG emissions from electricity generation, transportation and building of infrastructures will be reduced, enhancing the climate resilience of energy sources and the local populations.

IF NDF mobilises USD 300m funding for deployment into frontier technologies within SMEs and strengthens local capacity to finance high-impact climate investments

THEN GHG emissions will be reduced, and climate resilience will be improved across key NDC sectors that are replicated at scale

BECAUSE the commercial viability of private capital is demonstrated; rapid, market-driven decarbonization and resilient solutions are adopted; and the knowledge and skills to support the climate transition is strengthened

This causal chain leverages Navis' operational expertise and the GCF's catalytic funding to address Southeast Asia's USD 1.5 trillion climate finance gap while reinforcing NDC/NAP implementation.

3. Paradigm Shift Potential

Scalability

- Given the large scale of the NDF, being a cross-cutting programme targeting six countries within the Southeast Asian region with a large decarbonization addressable market, as well as Navis' long-standing investment and operational track records within this region, the Fund is well positioned to facilitate the scaling up of climate investments, particularly focusing on decarbonization. The energy efficiency, transportation, infrastructure and agricultural decarbonization solutions can be easily expanded to other Southeast Asian countries in need in the future as well, expanding on the impact of NDF's interventions.

Replicability

- The investment efforts into the four investment themes can be easily replicated to be applied to other target markets within and outside of Southeast Asia, under other programmes and projects, given the clear and replicable structure of the Fund and its pipeline projects.

Sustainability

- The different decarbonization pipeline projects under the NDF seek to achieve other positive co-benefits in the environmental, social, economic and gender-related aspects through reducing the amount of GHG emissions in the atmosphere, providing jobs and livelihoods to people employed through the projects, and offering equal opportunities to people regardless of their gender.

Transforming Climate Finance Access for SMEs

- **Addressing a Critical Market Gap:** NDF targets growth equity investments in small and medium-sized enterprises in the decarbonization sector—an underserved segment in Southeast Asia where most climate finance currently flows to large-scale infrastructure or established corporates. By focusing on SMEs, NDF unlocks innovation and accelerates the mainstreaming of climate solutions at scale.
- **Catalytic Use of Capital:** The Fund leverages GCF's anchor investment to crowd in private capital, aiming for a 1:4 co-financing ratio on Fund level. This demonstrates the commercial viability of climate-focused growth equity, setting a new benchmark for private sector participation and replication by other fund managers

Accelerating Technology and Business Model Innovation

- **Deployment of Frontier Technologies:** NDF invests in advanced solutions such as battery energy storage, circular economy materials, smart cooling, and precision agriculture. These technologies are not

yet widely adopted in the region due to high perceived risks and lack of early-stage capital. NDF's support enables these innovations to reach commercial scale, reducing emissions and enhancing resilience

- **Business Model Replication:** By supporting new business models—such as cooling-as-a-service, direct corporate PPAs for renewables, and EV battery swapping infrastructure—NDF demonstrates pathways for rapid, market-driven decarbonization. Successful models can be replicated across the region, amplifying impact beyond the Fund's direct investments

Raising ESG and Impact Standards

- **Best-in-Class ESG Integration:** NDF embeds ESG at the core of its investment process, with 25% of carried interest tied to ESG and Climate KPIs, full alignment with SFDR Article 9 (including alignment with definition of sustainable investments, do no significant harm concept, and reporting on principle adverse indicators), and adoption of global reporting frameworks (ISSB, IFC Performance Standards). This sets a new standard for transparency and accountability in Southeast Asian private markets.
- **Gender and Inclusion:** The Fund applies a gender lens (2X Challenge), targets diversity in governance, and ensures all employees in portfolio companies earn a living wage, driving social as well as environmental transformation

Systemic Market and Policy Influence

- **Alignment with National and Regional Climate Goals:** NDF's investments are directly aligned with the NDCs and NAPs of Coverage Countries, supporting national decarbonization priorities and adaptation needs
- **Demonstration and Replicability:** By proving that non-concessional, commercially-oriented climate funds can succeed in Southeast Asia, NDF aims to catalyze further dedicated climate funds and attract new classes of institutional capital to the region, including DFIs, endowments, and family offices
- **Strengthening Domestic Financial Ecosystems:** NDF's success is expected to encourage local financial institutions to scale up climate finance offerings, further embedding climate considerations in mainstream investment decisions

Fulfilling these criteria for impact positions NDF as a fund that has high paradigm shifting potential and the ability to develop sustainably to catalyse market switch to higher energy efficiency equipment and reduce carbon emissions through enhancing capacity for renewable energy.

Further information on how NDF achieves paradigm shift can be found in Annex 2.

4. Key Barriers and Risks for Climate Outcomes

Through the Theory of Change, NDF addresses key barriers to achieving the target climate outcomes via Coverage Country-specific investment approach. A detailed barrier analysis and NDF strategic response can be found in Annex 2.

Barrier Type	Key Regional Issues	Country-Specific Examples/Highlights	NDF Approach to solving Barriers
Legal and Regulatory	<ul style="list-style-type: none"> • Inconsistent policies and regulations • Cumbersome approval processes • Restrictions on foreign investment • Regulatory uncertainty 	<ul style="list-style-type: none"> • Cambodia: Nascent regulation, unclear guidelines • Indonesia: Mandatory PLN ownership, complex procurement rules • Malaysia: Bureaucratic delays, fossil fuel dominance • Philippines: Lengthy, multi-agency permitting in renewable energy/infra/agriculture delays timelines and raises costs, recent foreign ownership liberalization • Thailand: Overcapacity, centralized approvals • Vietnam: Sudden end of FiT schemes, delayed PDP VIII 	<ul style="list-style-type: none"> • Project-specific investment due diligence covers regulatory framework • Additional instruments such as MIGA guarantees can be utilized to mitigate changes to regulatory frameworks • Engagement with governments under the Stakeholder Engagement Plan will enable NDF to have a better visibility on regulations and permitting requirements, ensuring investments align closely with national and sectoral policy priorities • Working with experienced local partners in respective regions
Financial	<ul style="list-style-type: none"> • Limited availability of long-term capital • High cost of capital • Underdeveloped green finance markets • Perceived high risk of climate projects 	<ul style="list-style-type: none"> • Cambodia: Heavy reliance on concessional finance, limited local capital • Indonesia: Requires USD 285 billion to meet 2030 climate commitments, and private investment will be vital to fill USD 146 billion investment gap • Malaysia: Fossil fuel subsidies distort economics (12% of GDP) • Philippines: Merchant offtake risks where projects rely on short-term contracts or volatile prices, leads to higher financing costs • Thailand: Overcapacity discourages investment • Vietnam: Off taker risk (EVN), high currency risk 	<ul style="list-style-type: none"> • NDF provides commercial capital in the form of hybrid instruments, which mitigate reliance on concessional capital or expensive debt • NDF funding is private, not dependent on government programmes or support; NDF will bridge the private financing gap for climate-aligned infrastructure projects that might otherwise struggle to secure funding • Hybrid capital is equity, allowing SMEs to mobilize additional commercial debt on top of NDF funding, expanding the funding pool • NDF targets growth equity for SMEs in the decarbonisation sector – an underserved segment in Southeast Asia where climate finance skews to large infrastructure and corporates • NDF funding aids businesses and enables longer-term offtake contracts, strengthens pipelines, de-risk projects, and lowers lender risk premiums
Technical	<ul style="list-style-type: none"> • Grid infrastructure constraints 	<ul style="list-style-type: none"> • Cambodia: Unstable grid, off-grid electrification 	<ul style="list-style-type: none"> • Any investment is subject to technical due diligence to

	<ul style="list-style-type: none"> • Intermittency management (renewables) • Limited local technical expertise • Reliance on imported technology 	<ul style="list-style-type: none"> • Indonesia: Fragmented grid, local content issues • Malaysia: Grid interconnection gaps, limited land • Philippines: Archipelagic power challenges, disaster resilience needed • Thailand: Grid flexibility for renewables, emerging tech (storage, EV) • Vietnam: Overloaded transmission, and storage needed 	<p>understand and mitigate Technical risks / barriers</p> <ul style="list-style-type: none"> • NDF understands the important of having fit for purpose technical solutions which support climate • NDF will fund innovative technical solutions (microgrids, energy efficiency) • NDF aligns itself with national strategies on sustainable agriculture and water security to enhance countries resilience amidst climate change. • NDF aids in improving agricultural security and resilience by promoting precision agriculture, biochar production, and water-efficient technologies. • Includes technical training and capacity-building in projects
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The Theory of Change diagram presents the integrated approach that this programme adopts to combine investments in the four target sectors with technical capacity building. The following describes the goal statement of this programme, the outcomes and outputs, the program activities as well as the various barriers and risks that might exist. NDF will seek to reduce these barriers and ensure that the relevant risks are mitigated before the investment activities are carried out.

Supplementary 1.3: Installed renewable energy capacity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplementary 1.4: Renewable energy generated	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplementary 1.5 Improved low-emission vehicle fuel economy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplementary 1.1: Annual energy savings	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supplementary 2.3: Beneficiaries (female/male) with more climate- resilient water security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If any co-benefits have been identified in section B.2(a), fill in the Co-benefit table below to map each co-benefit to the corresponding category as defined in the FP guidance note.

Co-benefit number	Co-benefit					
	Environmental	Social	Economic	Gender	Adaptation	Mitigation
Co-benefit 1: Economic - Increased number of quality jobs contributing to sustainable and inclusive economic growth	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Co-benefit 2: Environmental and social - Improved ESG practices aligning with IFC performance standards and ESG guidelines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Co-benefit 3: Gender - Greater access to women to jobs and equal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

employment opportunities						
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B.3. Project/programme description (max. 2500 words, approximately 5 pages)

Definition of the Programme

The Navis Decarbonization Fund is a private-sector-led climate finance initiative targeting SMEs in Southeast Asia to accelerate the transition to a low-carbon economy across six Coverage Countries: Indonesia, Vietnam, Thailand, Malaysia, Cambodia, and the Philippines. The programme aims to address systemic barriers to decarbonization by providing growth capital, operational support, and scalable solutions in high-impact sectors, while aligning with national climate strategies, national adaptation plans and mobilizing private finance through innovative financial instruments utilizing hybrid capital.

NDF intends to raise USD 300m to invest across 1) Energy access and power generation; 2) Infrastructure and Built Environment 3) Low Emission Transport; and 4) Sustainable Agriculture and Water; (collectively, the "Program Sectors"). The Program Sectors and associated technologies have been selected as the best available to meet the mitigation and adaptation needs and all investments must demonstrate additionality as a precondition for receiving GCF funding.

Target Geographies

Southeast Asia faces disproportionate vulnerability to climate change impacts due to its extensive coastlines, high population density in low-lying areas, and economic dependence on climate-sensitive sectors including agriculture, fisheries, and tourism. The region has experienced significant climate shifts in recent decades, with rising temperatures, changing precipitation patterns, sea level rise, and increasing intensity of extreme weather events. These changes threaten to undermine development gains, exacerbate existing socioeconomic inequalities, and push vulnerable communities deeper into poverty.

NDF therefore will focus on emerging countries in Southeast Asia:

- Indonesia
- Vietnam
- Thailand
- Malaysia
- Cambodia
- Philippines

NDF Investment Instrument – Hybrid Capital

The Navis Decarbonization Fund’s strategic shift to provide hybrid capital instruments, rather than pursuing traditional buyouts, is driven by the unique requirements of decarbonization investments in Southeast Asia.

Hybrid capital instruments are financial securities that combine characteristics of both debt and equity, offering issuers and investors a flexible tool for financing and investment. They are widely used in private markets, infrastructure, and climate finance, particularly in emerging markets where companies may require tailored capital solutions for growth and expansion.

Traditional buyout opportunities are not yet available in Southeast Asia's decarbonization and climate sectors as the market is nascent. Through shifting to hybrid instruments, not only is NDF able to provide flexible capital to SMEs, it also retains the ability to drive growth through governance rights and create significant value for portfolio companies by leveraging the Navis Portfolio Operations Team.

Key Types of Hybrid Capital Instruments Utilized by NDF

Financial Instrument	Description	Associated Impact
Mezzanine Debt	This is subordinated debt that ranks between senior debt and equity in the capital structure. It often includes equity-like features such as warrants or options.	It offers a higher yield than senior debt due to its increased risk. It may include payment-in-kind (PIK) interest, warrants, or conversion rights. Mezzanine debt is typically unsecured or junior to other debt. It is a self-liquidating instrument ensuring exit. Used to finance expansion, acquisitions, or recapitalizations when senior debt capacity is limited and equity dilution is undesirable.
Convertible Debt	These are debt instruments, such as loans or bonds, that can be converted into equity (usually shares) of the issuing company at a later date under predefined conditions.	They pay regular interest like a conventional loan until conversion, and the terms of conversion (price, timing, triggers) are set at the time of issuance. They offer downside protection (as a debt claim) and upside potential (through equity conversion). Convertible debt is also a self-liquidating instrument ensuring exit. This instrument is suitable for companies needing growth capital but not yet ready for immediate equity dilution, or for investors seeking a blend of security and potential equity upside.
Redeemable Convertible Preference Shares	These are preference shares that pay a fixed dividend and can either be redeemed (bought back by the company) or converted into ordinary shares.	They have priority over common equity for dividends and in liquidation. Redemption and conversion rights provide flexibility for both the issuer and the investor. They can include features like put or call options and may have cumulative dividend features. This is another self-liquidating instrument ensuring exit by giving NDF the option to redeem or put the shares. Used to provide growth capital, offering enhanced downside protection for investors, while allowing companies to manage dilution and capital structure over time.
Common Equity	Represents ownership in a company or business and is used to finance climate-related activities. They grant the investor a share of the company's assets and profits.	Catalyses impact investment to stimulate investing in support for early-stage businesses. Equity provides long-term funding for projects that require significant capital investments and can help share the financial risks. NDF drives value creation in SMEs, making them more attractive to future debt financing. Supports innovative projects that are not fully developed but have a high potential for long-term growth. Provide crucial capital for SMEs who have not yet established strong banking relationships or creditworthiness.
Minority Equity	This involves taking a minority equity stake on par with common equity, but with a structured exit option	It typically offers a higher yield than debt-like instruments. It is unsecured and junior to debt. The exit is structured through mechanisms like drag rights for a majority sale or a put option to the majority shareholder. Used to finance expansion and acquisitions and can enable further debt funding.

Typical Structures and Terms

Instrument Type	Return Profile	Security/Ranking	Exit path	Equity Upside
Mezzanine Debt	High fixed interest, may include warrants	Subordinated to senior debt	Conversion at liquidity event at a discount or self-liquidating (repayment)	Yes (via warrants/options)
Convertible Debt	Fixed interest + equity conversion	Senior or subordinated	Conversion at liquidity event at a discount or self-liquidating (repayment)	Yes
Redeemable Convertible Pref Shares	Fixed dividend + conversion/redemption	Junior to debt, senior to common equity	Conversion at liquidity event at a discount or self-liquidating (redemption)	Yes

Common Equity	Equity return	Junior to debt	Exit through sale or liquidity event such as IPO	Yes
Minority Equity	Equity return	On par with common equity	Drag rights to majority sale, put option to founders, IPO	Yes

Governance and Rights

Hybrid instruments by NDF will include enhanced governance rights such as:

- Board representation or observer rights
- Protective covenants (e.g., restrictions on additional debt, asset sales)
- Exit rights (e.g., drag-along, put options)
- Strong alignment on exit strategy, including pre-agreed triggers for conversion or redemption
- Application in Southeast Asia and Climate Finance

NDF will use hybrid instruments to:

- Fund non-PE sponsored, founder- or family-run businesses seeking expansion
- Provide capital with strong governance and exit alignment
- Balance risk and return for both issuers and investors, especially where traditional bank financing or pure equity is not optimal

Eligibility Criteria

NDF investments will adhere to the following investment criteria:

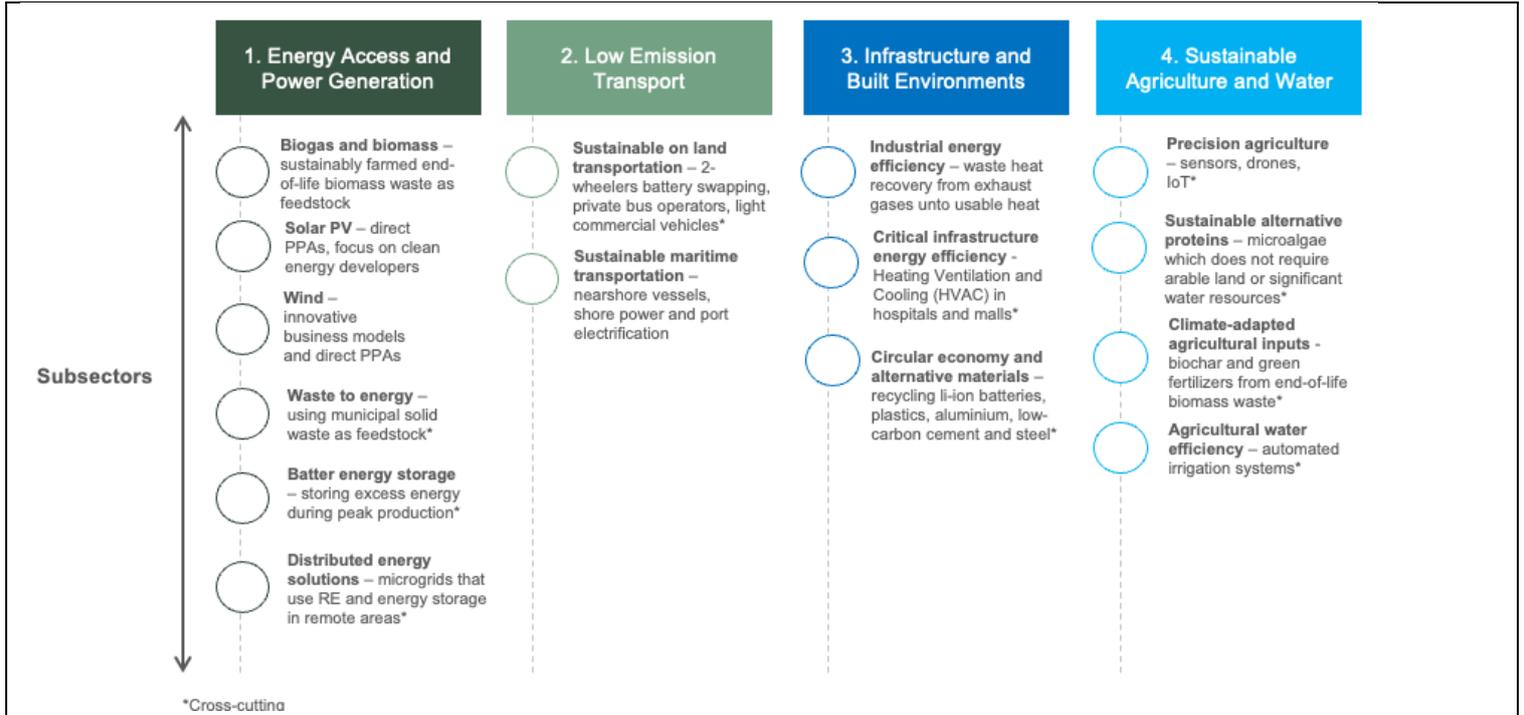
- **Country:** Coverage Countries as set out above (GCF funding is subject to receiving relevant NOLs)
- **Exclusion List:** All types of investment listed in the NDF Exclusion list are excluded (including but not limited to fossil fuels)
- **E&S category:** Category A projects are excluded
- **Other conditions:**
 - Investment must demonstrate additionality
 - Investment must demonstrate that the proposed intervention/technology is appropriate and effective in the specific context, having considered alternatives and best available technologies and practices.
 - Investment must have measurable mitigation impact in tCO₂e and adaptation / resilience indicators
 - Sector and opportunity must be aligned to target country's NDCs and NAPs
 - Investment must comply with local laws and regulations

Navis Exclusion List

As per NDF' Responsible Investment Policy which is aligned to GCF and IFC policies, NDF will not invest into certain sectors with high environmental and social impact. The detailed list can be found in Annex 6.

Target Investment Sectors

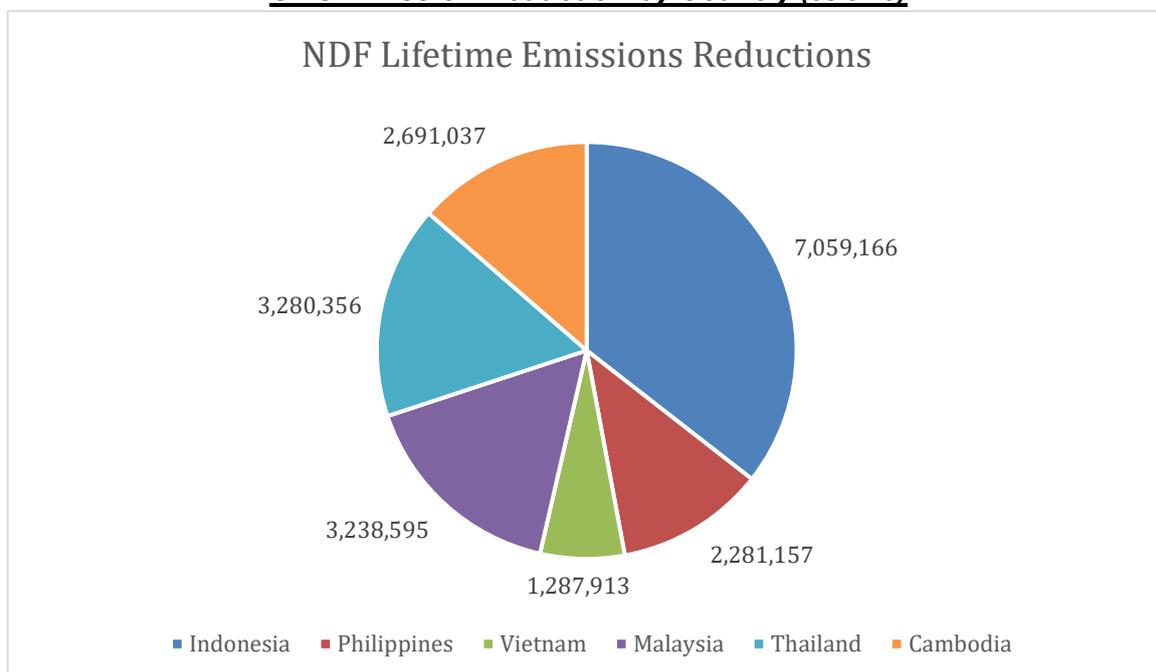
The programme focuses on four sectors responsible for over 80% of Southeast Asia's GHG emissions.



The potential sectors and result areas on a Target Country basis can be found in Annex 2.

Based on the Coverage Countries and sectors, NDF has an advanced investment pipeline of projects as of end 2025. While the above pipeline consists of active ongoing transactions, it should be noted that it is subject to change until the start of the investment period of NDF. Nevertheless, NDF believe that the pipeline is reflective of the envisioned investment strategy.

GHG Emission Reduction by Country (tCO2e)



The pipeline is reflective of the Fund's strategy to achieve significant GHG emission reduction impact in a paradigm shifting manner through utilizing GCF funding for Southeast Asia. Investments that cannot demonstrate additionality will not be eligible for investment under the NDF. The Fund will document a justification of additionality using the additionality screening tool in accordance with Annex 24 – Fund Operations Manual, including a description of how GCF's capital helps overcome the identified barriers and enables a paradigm-shifting pathway consistent with the GCF investment criteria and host country NDCs and NAPs.

All emission reduction calculations will rely on proven internationally recognized methodologies, which include IPCC Guidelines for estimation national emissions reductions and Clean Development Mechanism (CDM) methodologies, as well as peer reviewed research papers where no CDM methodology was identified. Estimation of GHG emission reduction is based on estimating the baseline scenario and project scenario of all the NDF portfolio projects. Ex-ante calculations of emission reductions will be refined during investment due diligence when detailed project-specific data becomes available.

The additionality screening is adapted from the CDM Combined tool to identify the baseline scenario and demonstrate additionality,⁷⁵ and comprises of the following analytical steps:

- **First-of-kind assessment:** assess whether the proposed activity is first-of-its-kind or significantly more ambitious than prevailing practice in the targeted country and sector;
- **Alternatives assessment:** review the existence of credible alternatives that comply with applicable laws and regulations and would be more attractive/feasible under normal commercial conditions without the Fund's decisive de-risking achieved through GCF participation. Without this de-risking, investments would face delay, downscaling, or cancellation.
- **Common practice analysis:** assess whether comparable activities are already common practice in the applicable geography and sector, including those financed through other blended finance mechanisms. Where similar activities exist, whether the proposed investment demonstrates material additional ambition in terms of performance, business model or coverage of underserved areas.
- **Barrier analysis:** assess whether the activity faces material non-financial barriers (e.g. technology, policy/regulatory, capacity, market access or currency risk) that existing financiers are unwilling or unable to accommodate.

CDM Combined Tool, and in particular the default benchmark IRR in Tool 27, are not well suited to the demonstration of financial additionality in case of NDF investments, because its assumptions, benchmark construction and data requirements were designed around large companies and projects, and do not reflect SME risk, capital structure, or market-specific return expectations. The generic CDM benchmarks were derived to be broadly applicable and often linked to relatively low-risk market or lending rate proxies; they were not calibrated to the higher risk-adjusted returns expected by private investors such as NDF. CDM tools do not systematically incorporate SME-specific risks (i.e. limited control, illiquidity of the investment, concentration risk, limited downside protection); information asymmetry between SMEs and validators is highlighted as a structural weakness, with the financial analysis often relying on stylized assumptions rather than the actual risk profile and capital structure of the SMEs.

Based on the preliminary evaluation, the potential investments conform to GCF's requirements about climate impact and fulfil additionality. Please refer to Annex 22 for more information and project-by-project analysis. .

⁷⁵ [CDM TOOL02 - Combined tool to identify the baseline scenario and demonstrate additionality.](#)

Component 1: Private capital leverage and decarbonization solutions deployed

Output 1.1: Navis Decarbonisation Fund set-up and pre-investment processes carried out

NDF aims to accelerate decarbonisation in countries with significant GHG emissions and climate vulnerabilities, deploying capital into climate adaptation and mitigation investments from sources previously not available to those countries to SMEs. The investment strategy aligns with all the Coverage Countries' NDCs and NAPs, providing local authorities with new tools and partners to combat the impact of climate change and to enhance their decarbonization efforts.

The expected output is that NDF will successfully raise USD 300m for the purpose of financing climate and decarbonization-focused SMEs in Southeast Asia. Prerequisite milestones include but are not limited to development of a Due diligence questionnaire, conducting 5 road shows, having a virtual dataroom available to potential LPs, having the Fund-related transaction documents such as LPA and PPM drafted.

Activity 1.1.1: Navis engages stakeholders (partners, donors, govts) for fundraising and establishing NDF (USD 300m)

Navis sets up NDF. The strategy, naming, branding and legal arrangement of NDF are successfully developed, ready for the implementation stage. Navis raises USD 300m for NDF across development finance institutions, family offices and corporates, anchored by a USD 60m commitment from GCF. NDF engages relevant stakeholders (partners, investors, governments) throughout.

NDF will be formed as a limited partnership. Under this expected structure, the Manager will be Navis Capital Partners (Singapore) Pte Ltd. Investors will invest as limited partners in NDF. Additional details are provided in Section B.4 below.

- Sub-Activity 1.1.1.1: NDF develops investment and impact thesis
- Sub-Activity 1.1.1.2: Navis names and brands NDF
- Sub-Activity 1.1.1.3: Navis internal and external legal counsel review the appropriate legal structure of NDF and sets up GCF entity
- Sub-Activity 1.1.1.4: Navis creates a virtual data room, including an indicative financial model and prospectus for review by potential investors
- Sub-Activity 1.1.1.5: Navis identifies and engages commercial investors, including road shows in select core geographies

Activity 1.1.2 Assess climate risks and opportunities and conduct ESG due diligence

Navis mandates an external advisor to conduct an assessment of climate risks and opportunities of the target investment. Risks identification focus on physical and transition risks, in accordance with ISSB guidelines. The assessment will also establish a baseline against which the impact indicators will be measured. The investment team will work with the target company to understand value creation opportunities based on climate.

Navis mandates an external advisor to conduct ESG due diligence to identify the issues that may affect the value, positively or negatively, of the investment (entry and exit). The process is designed to establish an understanding

of the E&S risks and opportunities for value creation, and where risks have been identified, determine the level of risk, priority for addressing and recommended actions to mitigate the impacts.

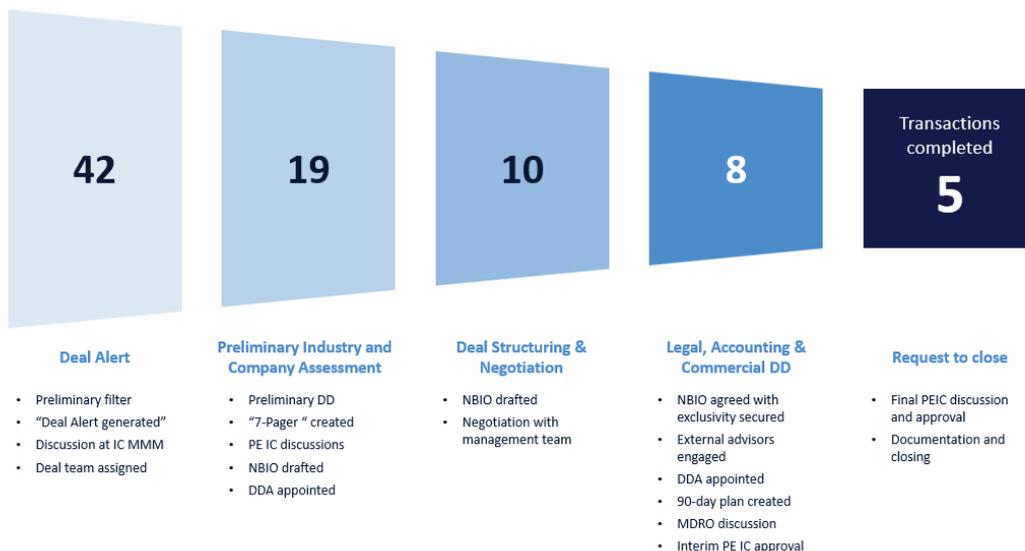
Furthermore, Navis will mandate an external advisor to conduct Climate due diligence, to assess the company's climate risks and opportunities in accordance with ISSB S1 and S2, as well as to establish a baseline for impact calculation in accordance with the MRV Protocol and an assessment whether the transaction qualifies as climate finance based on the NDF Guidelines for Climate Finance.

Further information on Activity 1.1.2 can be found in Section G.1. and Annex 6 and the Fund Operations Manual in Annex 24.

Activity 1.1.3 Complete financial and legal due diligence

NDF's investment process has been refined and enhanced in order to implement its investment strategy with consistency and at scale, drawing upon valuable lessons from both its successes and setbacks through multiple economic and investment cycles in Asia over the past 25 years of Navis' history. These refinements and enhancement have been reflected and incorporated throughout the investment from sourcing and due diligence to exit. The investment process follows the Fund's Operations Manual as per Annex 24.

NDF employs a set of clear criteria and processes in making investment decisions that are supported by standardised documentation. This process is overseen and managed by NDF IC comprising five key stages: (i) "Deal Alert"; (ii) "Preliminary Industry and Company Assessment"; (iii) Deal Structuring and Negotiation; (iv) Legal, Accounting & Commercial Due Diligence; and (v) Request to Close.



Sub-Activity 1.1.3.1: drafting a Deal Alert

As a potential investment opportunity emerges from Navis' inbound or outbound channels, the Investment Team will seek to leverage the Firm's expansive network of long-term relationships and its strong reputation and credentials as a strategic partner to gain access to the target company's founder or management team for an

initial introductory meeting. If a Partner or Director identifies a compelling investment thesis, an Investment Manager or Investment Analyst will be assigned to conduct preliminary desktop research to further validate the thesis. Key investment considerations for this research are outlined below. If the opportunity progresses through this initial screening stage, the Investment Manager or Investment Analyst, under the supervision of a Partner or Director, will conduct an initial analysis of the investment opportunity which is documented as a “Deal Alert”. A “Deal Alert” typically comprises two to three pages of analysis, setting out: i) the background of the transaction; ii) investment highlights, including the key factors that makes this opportunity relevant for Navis or indicate that Navis is uniquely positioned to invest; iii) the potential for generating excess returns and the strategies for achieving this; iv) potential risk / drawbacks; v) key due diligence points; vi) overview of historical and projected financials; vi) potential exit routes for the investment; vii) alignment with GCF’s and the Fund’s investment criteria and viii) next steps.

The Project Selection Tool will be completed by the Deal Team to identify if potential investments satisfy the Eligibility Criteria of the Fund, as well as to understand the degree of alignment of the potential investment with the Fund’s investment strategy. The ESG and Climate Committee is responsible for reviewing the completed Project Selection Tool and confirming whether the investment satisfies the Fund’s Eligibility Criteria.

The “Deal Alert” is reviewed during an Investment Committee weekly, which is attended by all NDF Partners and Investment Directors who convene on a weekly basis.

The following factors would typically automatically end a potential investment:

- absence of clear investment thesis and executable value creation plan to unlock value;
- uncertainty or a lack of conviction regarding the ability to successfully exit the investment;
- an auction process where Navis does not have a specific differentiating angle or is required to compete solely on pricing;
- misalignment of interests between Navis and other shareholders, if any: Navis seeks to build a trusting relationship with portfolio company management teams / owners (when the owner will retain a minority stake in the business), and other minority shareholders. NDF will not move forward with an investment opportunity if there is a material risk of misalignment of interests during the Fund’s expected holding period; and
- non-compliance with Navis’ ESG Policy

Further, the Fund will specifically not invest in products or activities that fall under Navis’ Environmental and Social Exclusion List or are not aligned with the GCF requirements.

Sub-Activity 1.1.3.2: Preliminary Industry and Company Assessment

If the “Deal Alert” on the potential investment is considered attractive with consensus from the NDF IC, comprising the Managing Partners NDF IC will allocate resources to the project. A deal team, typically comprising at least four team members of the Investment Team, including two Partners, a Senior Investment Director / Investment Director, and an Investment Manager / Analyst, will be assigned to conduct preliminary due diligence on the opportunity. This due diligence process includes: i) a preliminary assessment of industry dynamics, competitive positioning of the target business, in-depth company due diligence including a review of its historical and project financials, and projected returns and comparables, which are documented in a “7-pager” as a more comprehensive and formal evaluation of the opportunity.

Sub-Activity 1.1.3.3: Deal Structuring and Negotiation

With guidance from the NDF IC, the deal team will determine a set of terms based on which Navis can proceed with the opportunity, and structure a non-binding indicative offer (“NBIO”) to be submitted for negotiation with the target business management team during the “Investment Structuring and Negotiation” stage. The NBIO needs approval from the Managing Partners prior to issuance. Navis will seek to negotiate and agree the key terms including the transaction valuation set out in the NBIO with the target business.

Sub-Activity 1.1.3.4: Legal, Accounting and Commercial Due Diligence

Once the NBIO has been accepted and an exclusivity period secured, the deal advances to the “Legal, Accounting, and Commercial Due Diligence” stage where the deal team will typically engage with third party due diligence providers to assist in their comprehensive assessment of the company and industry. Once the NBIO is agreed and signed between Navis and the target business, Navis may commit resources to engage external advisors to substantiate its due diligence findings in relation to the opportunity.

This includes, but is not limited to:

- legal advisors, to review critical terms and conduct legal due diligence;
- financial and tax advisors, to conduct confirmatory financial and tax due diligence in specific situations;
- industry specialist consultants, to substantiate market analysis and competitive positioning;
- forensic due diligence consultants, to identify potential red flags of fraudulent activity; and
- background screening consultants, to conduct background checks on key management personnel and identify any potential risks, conflicts, legal or reputational concerns that could impact the target business.
- ESG diligence consultants, to assess a company's ESG practices and identify any potential risks and opportunities. This is in addition to the work conducted by Navis' own ESG Compliance and Value Creation Team as part of the internal diligence process.

All third-party due diligence reports are reviewed independently by a combination of NDF IC members and will form part of final investment proposal for closing submission. The deal team maintains a detailed checklist for each transaction, which ensures that all key analyses and milestones are complete throughout the due diligence process. This checklist is presented to the NDF IC as part of the final approval stage.

At this stage, an additional senior member of the team at the Senior Investment Director or Investment Director-level will be assigned to the deal team as the DDA (deal devil's advocate), whose role it is to form an independent judgment on the key aspects of a potential transaction, and to challenge and provide objectivity to the core Deal team. A comprehensive “Mid-Deal Read Out” presentation is prepared by the Deal team. In addition to a more comprehensive discussion of the analysis completed previously, the “Mid-Deal Read Out” incorporates: i) all external due diligence findings; ii) key diligence points addressing questions previously raised by the NDF IC; iii) potential risks / considerations raised by the DDA; and iv) a draft 90-day value creation plan. Throughout this stage of the process, the opportunity is thoroughly reviewed and evaluated by the NDF IC, in conjunction with the DDA, the Operational and ESG Value Creation Teams and the General Counsel.

During the “Mid-Deal Read Out” discussion with the NDF IC, votes are required from each NDF IC member. The voting scale ranges from 1 to 4, where 1 represents the strongest support for a transaction and 4 indicates rejection. The NDF IC typically makes decisions by consensus. However, the affirmative votes of the two Managing Partners (who are also part of the NDF IC) are formally required for an investment to be approved for progression to the next stage. Key due diligence questions raised by the NDF IC during these discussions are documented which the deal team will seek to address subsequently as part of the ongoing due diligence process.

Sub-Activity 1.1.3.5: Request to Close

To proceed to transaction closing, the deal team will make a final NDF IC submission which is also internally known as a “Request to Close” document. By this time, the deal team will have completed comprehensive due diligence that is substantiated by external consultants, having considered the relevant key risks and opportunities that would impact Navis’ investment. It will also include a comprehensive 90-day value creation plan outlined with key responsibilities and timelines, and having addressed all issues that were previously raised by the NDF IC and DDA. The NDF IC will grant a final IC approval if it considers the outcome of final due diligence to be satisfactory, at which point Navis can progress to the signing of definitive documents and funding of an investment. Final approval will be granted through a voting process identical to that described for the “Mid-Deal Read Out” discussion above.

This entire investment process typically requires several months of due diligence, and extensive discussions spanning across at least four but more typically six to eight meetings at IC.

Output 1.2: Capital deployed into decarbonization projects and additional funding mobilised

Under Output 1.2, NDF targets to invest USD 300m across 10-15 investments in Southeast Asia during its primary investment period. In addition, NDF’s success is also measured by the ability to mobilize third party capital for portfolio companies.

Activity 1.2.1: Deploy capital into projects

Navis will seek to deploy hybrid capital to accelerate the growth of climate and decarbonization-focused SMEs in the following areas:

- Energy Generation and Access: scaling renewable energy (solar, wind, biogas) and battery storage to replace fossil fuel reliance.
- Low Emission Transport: electrifying 2-wheelers and commercial fleets via battery-swapping infrastructure and sustainable logistics.
- Infrastructure and Built Environment: deploying energy-efficient technologies (e.g., waste heat recovery, advanced cooling materials) and circular economy solutions.
- Sustainable Agriculture and Water: Promoting precision agriculture, biochar production, and water-efficient technologies.

Activity 1.2.2: Leverage external funding

As part of NDF’s target to mobilize third party capital, NDF will work together with the portfolio companies to optimize their capital structure, mobilize commercial bank financing on the back of NDF’s equity investment, as well as alternative debt financing methods, such as green bond issuances.

Activity 1.2.3: Portfolio monitoring

Monthly results and key performance indicators (“KPI”) are independently tracked by the Portfolio Monitoring Team and reported to the NDF IC and Deal teams. These reports include financials and operational KPIs as well as KPIs agreed with GCF. Key areas of concern are raised by the ND IC and resolved by the deal team and portfolio company management.

Progress and updates are reported back to the NDF IC during each Quarterly Portfolio Review call, which covers financials, operational KPIs, and progress against strategic initiatives. These in-depth Quarterly Review calls involve the NDF IC, Operational and ESG Value Creation Teams and respective Deal teams for each portfolio company. These calls serve as the main forum, aside from Annual Budget and Focus Reviews, where the NDF IC assesses company performance.

In addition to financial and operational monitoring, NDF will seek to work with an MRV specialist to monitor, report and verify the KPIs agreed with GCF and other LPs in the LPA against the baseline identified during due diligence and the targets set thereafter. NDF will provide a regular report on such KPIs at least on an annual basis and prepare a sustainability report on a fund level. The sustainability report will be made public and information included will be verified by an independent third party.

Annual budgets

Annual Budgets are reviewed in detail for each portfolio company and presented to the NDF IC. Standard budget discussions include: i) the financial and operating targets for the portfolio company against the original investment case; ii) progress on strategic value creation initiatives; and iii) discussion around exit strategies based on a sell / hold analysis.

For companies facing significant upside or challenges, interactions will be more frequent and hands-on, potentially involving regular on-site engagement, and the secondment of Navis personnel.

Focus Review

Focus Reviews are conducted with the NDF IC for companies that are: i) at the first anniversary of Navis' ownership; ii) performing below expectations; or iii) are approaching exit. Depending on the situation, Navis may maintain daily or weekly dialogue, and may consider secondment of Navis members to these portfolio companies. The Focus Reviews are attended by the NDF IC, the relevant Deal team, Operational and ESG Value Creation Teams, and relevant Senior Advisors.

Output 1.3 Exit-readiness activities conducted for successful exit from portfolio companies by end of NDF life

NDF aims to exit all investments within 7 years from investment no later than before the end of the Fund's life. Successful Exit is defined as providing LPs a minimum return threshold without any investments being written off. The Fund also intends to provide meaningful DPI to LPs by year 5, either through exits or through a combination of alternative liquidity events, such as recapitalization, dividends or partial sell-down.

Activity 1.3.1: Conduct Vendor Due Diligence

Navis will mandate an external advisor to conduct vendor due diligence on the portfolio company to be exited. VDD focuses on ESG and climate, to understand potential gaps to be addressed prior to exit, as well as value creation opportunities for incoming buyers.

Activity 1.3.2: Address gaps through ESG improvement plans

Based on the ESG VDD, NDF will work together with the portfolio companies to address the gaps identified through improvement plans which are tracked via an Exit Environmental and Social Action Plan.

Activity 1.3.3 Identify value-creation opportunities for incoming buyer(s)

Navis has a leading track record of achieving liquidity for its investors, particularly via trade sales. Having experienced a number of economic cycles over the past 25 years, the Firm is highly aware of the benefits of proactively taking advantage of market windows of liquidity as and when they present themselves. To achieve this, Navis has developed a systematic exit process that is deeply embedded in the Firm's culture, beginning prior to an investment being made and will be adopted for NDF as well. Before proceeding with each investment recommendation, NDF evaluates and identifies potential exit routes for the investment opportunity. These are rigorously assessed throughout the investment process and continually reviewed throughout the investment's life cycle.

In considering exit strategies, NDF typically:

- review historical transactions in the sector, focusing on the buyer types, geographical interest and valuations;
- identify potential future buyers or buyer categories, and gather insights on their acquisition criteria as well as reasons they may not be buyers at present;
- identify factors that may render the asset less desirable, and incorporate these insights into the value creation plan; and
- engages with potential future buyers or active sector advisors during the investment holding period to refine the exit thesis.

Every investment recommendation document includes a section outlining planned exit timelines and potential exit routes based on the due diligence outlined above. Following the closing of the investment, Deal teams typically begin engaging with potential buyers to cultivate relationships and position the company for NDF's eventual exit.

NDF typically determines the exit timing by conducting a systematic "sell/hold" analysis at the time of its annual budget discussion, regular scheduled "Focus Reviews" or as identified by the NDF IC. If a portfolio company is considered ready for exit, an 'exit readiness audit' will be completed by the investment team and a detailed pre-exit due diligence exercise will be carried out 6-12 months prior to sale.

Typically, a planned exit will be sought once the key strategic and operational changes identified prior to investment have been implemented. Specifically, NDF places emphasis on the factors that would make a portfolio company more attractive as an acquisition target to potential strategic buyers. This may include, but is not limited to: i) ensuring appropriate reporting standards in respect of the quality and consistency of financial information; ii) developing corporate governance to the standard required by typical listing requirements (in spite of the fact that NDF does not seek to exit via IPO's; and iii) ensuring that strategic initiatives set out pre-investment, aimed at enhancing the attractiveness of portfolio companies to potential strategic buyers, have been largely executed.

Sub-Activity 1.3.3.1: Post-Exit reporting

After the Exit is completed for a portfolio company, NDF will prepare an impact report on the investment which shall be reviewed by a third party. The impact report will be shared with all LPs, as well as with the NDAs of the countries where the investment was made. NDF will also organize a capacity building event and share the findings.

The output for the activity is having a post-exit impact measurement report completed by an external consultant. The result of the report shall be communicated to all stakeholders and where possible, disseminated through studies. The Fund shall also communicate the impact to all GCF NDAs and offer workshops or similar channels to transfer the know-how.

Component 2: Knowledge sharing and capacity building to support the climate transition

Output 2.1 Value-creation opportunities identified for portfolio companies to improve financial and operational performance

Navis is a proactive and hands-on investor, leveraging extensive local expertise within its NDF Investment Team. Navis plays a pivotal role in shaping and executing the business plan for each portfolio company, which is designed during the NDF IC process and typically spans a three-year timeframe. The implementation of this plan encompasses several key initiatives, including:

- strengthening organizational capabilities through senior recruitment;
- driving growth via enhanced sales, marketing, and digital strategies;
- scaling the business through targeted follow-on acquisitions and facilitating geographic expansion;
- optimizing operations and supply chain processes to improve quality and reduce costs; and
- ensuring compliance with international ESG standards.

The Investment Team actively drives value creation, supported by one of the largest in-house Operational and ESG Value Creation Teams in the region, with further support from five Senior Advisors. There are currently 14 members in the Operational and ESG Value Creation Team, each an experienced implementor with specific functional expertise. Navis has expanded its capabilities in technology, human capital, and E&S, which are critical for generate long-term value for mid-market investments across Southeast Asia and adjacent geographies.

The Operational and ESG Value Creation Team comprise:

- Functional experts: these are specialists in strategy development, growth facilitation, operational efficiency, technology, human capital and ESG. They support investments across all geographies, conduct due diligence, and establish best practice for portfolio companies; and
- Transformation experts: these professionals are either generalists dedicated to a specific region or Portfolio Embeds assigned to specific portfolio companies. These seasoned executives collaborate with Deal teams and portfolio companies to implement comprehensive value creation initiatives. As with the Investment Team, the Operational and ESG Value Creation Teams adopt a “local for local” approach, which is an advantage relative to other firms enhancing successful on-the-ground execution supported by regional best practices.

Each deal team is responsible for managing an investment throughout the entire investment life cycle, with comprehensive support from the Operational and ESG Value Creation Teams and Senior Advisors. As part of Navis’ Rapid Results philosophy, the value creation process starts with a thorough assessment and planning phase during pre-investment due diligence, followed by rigorous engagement post-investment through to exit.

The output for the activity is having all invested portfolio companies adopt NDF’s policies and requirements across all elements of reporting. In addition, it also includes active value creation by the Navis Operations Team. The sub-outputs include but are not limited to adopting Navis’ ESG policies, implementing ESAP and 100-day plan as well as having medium term value creation plans in place. Additional requirements include providing Navis the reporting-related information in a timely and accurate manner.

Activity 2.1.1. Manage Climate Risks and Opportunities

The Navis Operations Team will work together with the NDF investment team and the portfolio companies to identify climate risks and opportunities based on ISSB guidelines, in accordance with the Fund's Climate Risks and Opportunities Policy. The primary focus is to mitigate physical risks identified during due diligence (i.e. flooding risks) and put in place an action plan to leverage the opportunities. Climate Risks and Opportunities approach is described in more detail in Section G and Annex 6.

Activity 2.1.2. Strengthen Organizational capabilities to drive growth and scale the business

NDF will assist the portfolio companies to strengthen organizational capacities, such as assisting with hiring C and C-1 positions, putting in place HR, DEI, ESG and other policies in line with GCF and IFC standards, implementing anonymous whistleblowing channels and providing training to key management personnel through onboarding and periodical training.

Activity 2.1.3. Optimize operations and supply chain processes to improve quality and reduce costs

NDF will assist the portfolio companies to optimize operations and supply chain, leveraging NDF's Responsible Supply Chain Policy which can be found in Annex 6.

Activity 2.1.4. Ensure compliance with international ESG standards

NDF will require the portfolio companies to implement NDF's ESG policies which are compliant with IFC and GCF policies. The implementation is part of the transaction documents and is monitored through the Environment and Social Action Plan.

Output 2.2: National, regional & local capacity strengthened to develop, manage, mobilize and finance high-impact climate investments

Under Output 2.2, NDF will establish a good relationship for target country NDAs and other stakeholders (such as Ministries) as well as with stakeholders of potential investments. It is expected that NDF will actively participate in forming decarbonization and climate related investment strategies in such countries and share knowledge with local NDAs about the Fund's progress on identifying investment opportunities. It is essential that the local NDAs are informed about the Fund's progress. Activities under Output 2.2 will ensure all NDAs are informed about the Fund's strategy and investment progress.

Activity 2.2.1: Partnerships built with stakeholders to improve coordination, understand and address market barriers and share knowledge

NDF is committed to building strategic partnerships and engaging with a broad spectrum of stakeholders- including governments, investors, operating companies, and capacity-building programs- to strengthen coordination, address market barriers, and facilitate knowledge sharing across Southeast Asia's decarbonization markets. NDF's investment strategy centers on providing growth capital to established and emerging SMEs in key decarbonization sectors such as renewable energy, energy storage, circular economy, low-emission transport, and sustainable agriculture. Through its platform approach, NDF seeks to expand the reach of climate solutions by supporting value chains that are locally rooted and capable of serving Southeast Asia's most underserved and climate-vulnerable populations over the long term.

By fostering partnerships between experienced climate solution providers and local distribution networks, NDF aims to catalyze the development of robust, coordinated, and resilient decarbonization markets throughout the region. Across its partnership network, NDF actively promotes coordinated knowledge sharing to help overcome investment barriers, reduce inefficiencies, and leverage the diverse experiences and competencies of

stakeholders. This collaborative approach is designed to minimize market distortions and unlock new opportunities for climate finance and technology deployment.

NDF's targeted investments and market coordination efforts are intended to de-risk and demonstrate the viability of climate investments in Southeast Asia's emerging markets, thereby crowding in additional private capital and supporting the region's transition to a low-carbon economy. The Fund's operational model includes lean but impactful staffing, with a strong emphasis on knowledge transfer and capacity building, both within its portfolio and through broader sectoral partnerships.

Through these efforts, NDF aspires to inspire action among sector leaders, industry experts, and other relevant stakeholders-both within its partnership network and across the wider climate finance ecosystem. By sharing actionable insights and lessons learned from its investment activities, NDF aims to help create an enabling environment for increased participation and impactful investment in Southeast Asia's decarbonization sectors.

- Sub-Activity 2.2.1.1: Support the development of ESG and climate leaders, practitioners, and stakeholders committed to sharing knowledge and insights.
- Sub-Activity 2.2.1.2: Engage in the country-level coordination committees to facilitate knowledge sharing and efficiently use resources.
- Sub-Activity 2.2.1.3: Share results and lessons learned, both from deployment of capital and from larger coalition-building efforts.

Programme Co-benefits

Co-benefit 1: Increased number of quality jobs contributing to sustainable and inclusive economic growth

- They key indicator under Co-benefit 1 is the number of jobs created (disaggregated by sex).

Co-benefit 2: Improved ESG practices – all portfolio companies will adopt Navis' ESG practices, including but not limited to IFC Performance Standards and GCF regulations. They key indicator is the % of portfolio companies adopting Navis' ESG practices

Co-benefit 3: Gender – Greater access for women to jobs and equal employment opportunities, particularly in urban areas in developing countries; increased diversity within the workplace.

B.4. Implementation arrangements (max. 1500 words, approximately 3 pages plus diagrams)

Navis Decarbonization Fund, L.P. (the "**Fund**" or "**NDF**") will be established as a Singapore limited partnership. The Fund's activities will be carried out through the General Partner (as defined below), as advised and supported by the Manager. The Fund will be an Executing Entity.

The Fund's general partner will be Navis Decarbonization Fund G.P. Pte. Ltd. ("**General Partner**"), a private limited company incorporated in Singapore. The General Partner (on its own behalf), the General Partner on behalf of GCF as a limited partner and each additional limited partner (via power of attorney granted to the General Partner) will enter into the limited partnership agreement (the "**LPA**") of NDF, which will set forth the terms and conditions on which NDF is established, the operations of NDF and the rights and obligations of the limited partners of NDF. The General Partner on behalf of NDF will appoint the Fund Manager to act as the investment manager for NDF and enter into an agreement with the Fund Manager for the purpose thereof, which will set out the duties and obligations of the Fund Manager.

Manager (Executing Entity)

The Fund's investment manager will be Navis Capital Partners (Singapore) Pte. Ltd. ("**Manager**" or "**NCPS**"), a private limited company incorporated in Singapore. The Manager will provide non-discretionary management and administrative services to the Fund and the General Partner, including investigating, analysing, structuring and negotiating potential investments, monitoring the performance of portfolio companies and advising the Fund and the General Partner on disposition opportunities. The Manager is regulated as a licensed fund management company by the Monetary Authority of Singapore ("**MAS**") (since 2012). The Manager will have full power and ability to enter into relevant contracts and receive funds, including management fees from the General Partner in relation to such abovementioned non-discretionary management and administrative services.

NCPS will set up a standalone interest-bearing segregated bank account specific to GCF (the "**GCF Account**") to receive the entire capital commitment of GCF to the Fund upfront on closing of the Fund, and that drawdowns for GCF's capital contributions to the Fund alongside other limited partners of the Fund in accordance with the Fund's limited partnership agreement will be made from the GCF Account.

Holding Company for Portfolio Investments (Executing Entity)

The master holding vehicle for the Fund's portfolio investments will be Navis Decarbonization Holdings Pte. Ltd., a Singapore private limited company wholly owned by the Fund ("**NDF Holdings**"). It is expected that NDF Holdings will be the only direct subsidiary of the Fund and any other SPVs to be incorporated for specific portfolio investments will be subsidiaries of NDF Holdings.

The implementation of the project/programme requires the establishment of the following new entities:

The Fund

The Fund will be a newly formed Singapore limited partnership under the Limited Partnerships Act 2008 of Singapore and registered with the Accounting and Corporate Regulatory Authority of Singapore. The Fund's investment activities will be managed by the Manager, which is regulated by the MAS as a licensed fund management company pursuant to the Singapore Securities and Futures Act 2001 ("**SFA 2001**").

Flow of Funds and Oversight Mechanisms

Proceeds and investment returns from portfolio companies will flow back to NDF Holdings and the Fund, and will be distributed to limited partners, in accordance with the distribution waterfall mechanics set out in the LPA. Robust financial controls, monitoring, and reporting mechanisms will be implemented at each stage of the capital deployment and return cycle to ensure transparency and accountability.

NDF will establish a Limited Partner Advisory Committee (LPAC) which will meet at least annually and as required to consult with the General Partner as to potential conflicts of interest and other matters in accordance with the LPA. GCF will be offered a seat on NDF's LPAC.

NDF Governance

The management and operations of Navis are driven by a committee-based structure and overseen by Navis' Board of Directors (the Board), serving as the highest approving authority. Navis has established an organisation structure embedding the assessment and management of identified risks. The organization structure includes the following committees relevant to NDF: Investment Committee (IC), Liquidity Committee, Valuation Committee, Risk Management Committee, Diversity, Equity and Inclusion Committee, Whistleblowing Committee, ESG and Climate Committee.

Navis' organizational structure is documented, outlining responsibilities and reporting lines. Day-to-day business and oversight are managed by the Managing Partners and the respective Heads of Departments (Portfolio Operations, Human Capital, Portfolio Monitoring, Legal and Compliance, Finance, IT, and Investor Relations).

Investment Committee

The NDF IC comprises 4 Partners and the ESG Senior Director, and is responsible for: i) the development of the overall investment objectives of NDF; ii) allocation of team resources for due diligence and execution of potential investment opportunities; iii) the review and approval of all investment decisions relating to NDF. **Liquidity**

Committee

The Liquidity Committee is chaired by a Managing Partner) and comprises four other seasoned Navis professionals who collectively possess extensive expertise in managing exits, debt financing, debt structuring, working capital and cashflow planning.

The committee is responsible for generating liquidity not only through exit events of Navis' portfolio companies, but also through exploring options such as balance sheet optimization, leveraged recapitalisations, dividend streaming, IPOs, and minority sales.

The Liquidity Committee operates independently of the NDF IC and holds the authority to make decisions that maximize distributions to the limited partners. The committee collaborates closely with the respective investment teams and CFOs of all portfolio companies to continuously assess liquidity options and opportunities, that are reviewed and deliberated during the weekly Liquidity Committee meetings.

Valuation Committee

The private equity Valuation Committee comprises the two Managing Partners, the Chairman of Navis, and other senior portfolio monitoring professionals. The Valuation Committee assumes responsibilities in relation to private equity investment valuation including: i) maintaining general oversight of the Valuation Policy; ii) overseeing the processes and procedures for determining valuations; iii) agreeing and approving the valuation methodology for each portfolio company in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEV Guidelines") and relevant financial reporting standards; iv) reviewing the underlying assumptions and inputs used in the valuation of each portfolio company and providing advice; v) and agreeing and approving the valuations of each portfolio company and fund.

Valuations are prepared by the Portfolio Monitoring Team on a quarterly basis, which are subsequently recommended to the Valuation Committee for review and approval. The Portfolio Monitoring Team also highlights any deviations from the standard valuation approach with rationale in their recommendation to the Valuation Committee. Any deviation from the standard valuation approach requires approval from the Valuation Committee.

Meetings are held at least once every quarter, with at least two Partners present. Key points of discussion and decisions made during the meeting will be circulated via email to all members of the Valuation Committee for their views and approval.

Risk Management Committee

The Risk Management Committee comprises 10 Risk Owners, who are further supported by a team of 10 Risk Coordinators. The committee is responsible for monitoring and ensuring implementation of risk management practices, promoting risk awareness and management culture, and maintaining their relevant sections in the Firm's Risk Register.

Risk Management Committee meetings are held quarterly and coordinated by Navis Legal to ensure that risk controls and status of actions plans are discussed, and key risks are effectively and efficiently managed and resolved.

Diversity, Equity and Inclusion ("DEI") Committee

The DEI Committee comprises of 5 senior professionals to drive DEI initiatives across Navis in consultation with the Managing Partners, such as the introduction of a 50:50 candidate pool by gender within the firms recruitment. The composition of the DEI Committee was chosen to reflect a diverse representation across gender, seniority, office locations, and functional areas.

The four key objectives of the DEI Committee are to: i) educate Navis staff on the benefits of DEI and create awareness of the firm's DEI practices; ii) develop policy and plans to better attract, progress, retain a balanced ratio of male vs female employees, and increase diversity of talent across Navis offices and teams, at each level of seniority; iii) improve the communication and reporting of potential DEI opportunities, progress and challenges within Navis and its portfolio companies; and iv) implement action plans and programs with clear monitoring that will help cultivate DEI within Navis. DEI Committee meetings are held quarterly.

Whistleblowing Committee

The Whistleblowing Committee comprises the General Counsel, a Senior Partner (Head of ESG), and the HR Manager who are responsible for: i) establishing and maintaining robust mechanisms for independent reporting and investigation of whistleblowing incidents; ii) ensuring confidentiality and protection for whistleblowers; iii) promoting a culture of transparency and accountability within the firm; iv) reporting key findings and recommendations to the Managing Partners/Board; and v) providing regular firmwide training on whistleblowing policies and best practices.

ESG and Climate Committee

The ESG and Climate Committee comprises of the Managing Partners, a Senior Partner (Head of ESG), and a Senior Director (ESG) who are responsible for: i) establishing and maintaining robust mechanisms for reviewing the climate qualification and impact assessments of each NDF transaction; and ii) overseeing the processes and procedures for determining ESG risk categorization. GCF will be offered a seat on NDF's ESG and Climate Committee.

Capacity Assessment Conclusions by KPMG

The capacity assessment and operational due diligence was completed by KPMG on behalf of GCF in February 2025. According to the KPMG report, Navis has a well-developed financial management system, a well-functioning control framework, including risk management, and robust systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices, such as fraud and corruption, and with sufficient scope to manage E&S and gender risks and impacts with a low likelihood of negative impact on the entity's ability to undertake the proposed project as designed. Additionally, Navis possesses the relevant legal status to implement the Decarbonization Fund I, as stipulated in the PSAA pilot framework requirements.

Navis meets the standards for GCF's Basic Fiduciary Standards, Specialized Fiduciary Standards, Environmental & Social Standards, and gender policies. The assessment identified some differences as outlined in the GCF guidance notes; however, KPMG did not consider these deviations to be material gaps.

Navis meets the requirements of the GCF Basic Fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF AML/CFT Policy, and the Specialized Fiduciary standard for project management; to the extent applicable to PSAA and the Funding Proposal.

Navis meets the GCF Revised Environmental and Social Policy, GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S risk information in relation to the E&S risk category B/I-2 (activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures) and to the extent applicable to PSAA accreditation.

Navis has demonstrated that it has policies, procedures and competencies in order to implement its gender approach, which is found to be consistent with the Updated GCF Gender Policy to the extent applicable to PSAA and the Funding Proposal. Navis has demonstrated that it has experience in gender considerations in the context of climate change.

Track Record

Navis believes is a pioneer of private equity investing in Southeast Asia with a 25-year track record investing and creating value in the region across multiple economic cycles. Navis has continually optimized and enhanced its investment strategy, investment processes and capabilities to capture opportunities emerging from the dynamic nature of the Southeast Asian private equity landscape.

B.5. Justification for GCF funding request (max. 1000 words, approximately 2 pages)

NDF is requesting a USD 60 million equity investment from the GCF to act as a catalytic anchor for its USD 300 million target fund size. This equity funding is critical because growth-stage SMEs in the Southeast Asian decarbonization sector face significant barriers to accessing traditional debt, which is often constrained by rigid collateral requirements and high interest rates in emerging markets (ADB, 2024). Equity capital is uniquely suited to provide the patient, risk-tolerant financing these companies need to scale innovative technologies and expand geographically.

While the increasingly significant impact of climate on Southeast Asia is imminent and the lack of funding is limiting interventions, the geopolitical situation around financing climate action remains uncertain..

As shown in C.1., NDF's fundraising has been gathering momentum, mainly driven by GCF's reputation and potential anchor commitment, illustrating that GCF is catalytic in launching NDF. GCF's contemplated USD 60m anchor commitment provides additional comfort for first close investors, especially for LPs who are already accredited entities of GCF and understand and appreciate GCF's rigorous underwriting standards. The fact that GCF is coming in with an ordinary equity instrument without any grant or technical assistance facility further proves to the potential LPs that GCF is committed to mobilizing private sector funding.

While existing Navis LPs are progressing with due diligence relying on GCF's anchor commitment as well as Navis' track record as a fund manager, by leveraging GCF's reputation and anchor commitment, as well as NDF's unique decarbonization focus, Navis has been able to onboard several new prospective investors, both DFIs and foundations. These DFIs have strong climate mandates and have invested into funds alongside GCF or are accredited entities. The Foundations in the meantime take comfort in GCF's rigorous operational and reporting policies and are therefore looking to provide concessional funding for potential institutional (non-DFI) investors.

Navis has not raised a blended finance fund previously, illustrating again GCF's catalytic nature. Being able to mobilize capital private capital that has previously been unavailable is very catalytic to Navis as a significant portion of existing LPs tend to invest across multiple Navis funds or vintages. We expect that a significant portion of new relationships will be converted to first close LPs

Furthermore, GCF's concessionally is non-financial in nature; it is provided through GCF's distinct risk appetite that allows the Fund to absorb high "frontier" risks—technological, regulatory, and country-specific—that commercial investors are typically unwilling to bear alone. This involvement de-risks the Fund's portfolio, strengthens SME balance sheets to attract follow-on senior debt, and provides a "stamp of approval" that is essential for mobilizing private capital.

Benefitting from GCF's funding, NDF aims to establish a scalable and replicable financing programme for global institutional investors. Focusing its portfolio activities on both mitigation and adaptation investments, with an emphasis on decarbonization solutions, NDF places itself squarely astride the challenge of how to accelerate and massively scale up financing to address the decarbonization funding gap within Southeast Asia, with a requirement of at least USD 1.5 trillion for the region to reach its 2.4 GtCO₂e emission reduction target by 2030.

While the efforts of many specialized climate funds and multilateral development banks have helped increase the quantum of climate-relevant investments in globally, the majority of financing activities have been focused on more developed countries, with less focus on emerging markets within Southeast Asia. Overall, mainstream institutional investors do not invest directly in low- and low-middle income jurisdictions to any material degree. This heightened perception of risk is further aggravated with regards to climate-resilient investments. Private sector investment in climate adaptation projects represents a modest 3.1% compared to 55.6% invested in climate mitigation worldwide (CPI, 2020).

GCF's support for NDF makes it possible for the Fund to address market failure head-on. GCF's financial contribution, risk-mitigating the financing of emerging market projects, supports NDF's investment across critical climate sectors of intervention.

In addition to the above, GCF's catalytical funding will help NDF to:

1. Addressing the Climate Finance Gap and Market Failure:

Southeast Asia is one of the world's most climate-vulnerable regions, facing severe impacts like floods, heat waves, and reduced agricultural yields, while simultaneously experiencing rapid economic growth and increasing energy demand. To meet the region's 2.4 GtCO₂e emission reduction target by 2030, a cumulative investment of USD 1.5 trillion is required.⁷⁶ However, the region is currently underserved by climate finance, and a major part of Coverage Countries' net-zero roadmaps are conditional on securing external funding. **GCF's funding is essential to address this market failure** and provide financing for climate change mitigation and adaptation measures.

2. Catalysing Private Finance and De-risking Investments:

The NDF aims to establish a scalable and replicable financing program for global institutional investors. GCF's financial contribution plays a crucial **catalytic role** by **de-risking the financing of emerging market projects** in critical climate sectors. Early-mover programmes like NDF, which offer multi-country and cross-cutting adaptation and mitigation investments, can establish a successful track record that helps financiers **re-price risk** and makes climate investments more commercially viable. Without GCF funding, the Fund would face a higher cost of capital due to perceived risk, limited scalability of high-impact projects, and reduced leverage for follow-on investments.

3. Mobilizing Finance at Scale:

⁷⁶ Bain & Company, Temasek, and GenZero, 'Southeast Asia's (SEA) Green Economy 2023 Report: Cracking the Code', 2023.

With GCF's capital commitment anchoring the Fund, NDF is positioned to mobilize finance at scale from other public and private investors. The target is to raise a USD 300 million fund, anchored by GCF's USD 60 million commitment with co-financing from other LPs. This demonstrates an efficient and effective use of GCF funding, with approximately USD 4 mobilized for every USD 1 of GCF capital. This mobilization ratio does not account for portfolio company level private sector mobilization which is driven by additional leverage utilizing the Fund's equity.

4. Accelerating Decarbonization and Climate Innovation:

GCF's support, combined with NDF's value creation and operational expertise, enables the Fund to invest in **new technologies and business models for decarbonization solutions**. GCF's participation enhances the pool of capital available for technological development and innovation, contributing significantly to scaling up climate adaptation efforts and providing **paradigm-shifting potential**.

5. Aligning with National Priorities and Climate Strategies:

The Fund's strategy and investments are designed to align with the Coverage Countries' National Determined Contributions (NDCs) and National Adaptation Plans (NAPs) as outlined in this Feasibility Study. GCF's support strengthens this alignment and increases engagement with beneficiary countries, helping to implement national climate goals by financing projects in key sectors, contributing to emissions reduction targets, and addressing adaptation needs in vulnerable areas.

6. Strengthening Institutions and Capacity Building:

GCF's catalytic commitment helps address vulnerabilities in developing Southeast Asian countries and mobilizes capital for vulnerable populations to manage climate risks. GCF involvement facilitates institutional knowledge development by supporting NDF's engagement with GCF National Designated Authorities (NDA) and government stakeholders. GCF involvement also supports knowledge exchange and helps accelerate the development of a well-functioning financial market in the region. NDF will be working to strengthen local financial ecosystems by partnering with domestic investors and local development banks on both fund and portfolio-level financing. Through its investments, which are often first-of-its-kind, NDF can support institutional knowledge development in the Coverage Countries by engaging with government stakeholders, directly or through its investees – to discuss the regulatory frameworks and standard project documentation, sharing a financier's perspective on what is required to ensure 'bankability' of these documents from an international standard. This could subsequently help attract private sector investors to fund the renewable energy priorities which are key to target country climate change responses.

7. Demonstrating Commercial Viability and Replicability:

By demonstrating that NDF can successfully raise USD 300 million and achieve target returns by investing in eligible climate targets in Southeast Asia, **NDF aims to show that investing in climate can be done on a large scale on a commercial basis, without reliance on one-off support measures**. The Fund's potential success is intended to attract new investors and set a robust benchmark for climate and ESG policies (in line with GCF standards), measurement, and tracking, further amplifying climate impact and helping achieve NDC targets. The fund concept is designed to be replicable for future funds.

B.6. Exit strategy (max. 500 words, approximately 1 page)

The Fund will have a 10-year term (extendable twice by one year each) and an investment period of 5 years. NDF investment instruments have a clear exit strategy aligned with its climate mitigation and adaptation objectives, ensuring continuity of benefits and a sustained paradigm shift.

The term of the Fund allows a sufficient holding period post-investment to help create sustainable value at the portfolio companies and prepare them for future fundraising rounds, given that the Fund's expected exits would mainly be to strategic investors or larger private equities. Thus, the Fund's strategy is well-aligned with long term sustainability of the funding in the decarbonization sector, and it is not a one-off programme. In addition, given funding gap decarbonization in Southeast Asia beyond 2030, Navis expects to replicate the Fund's structure before 2030 with a subsequent fund.

Given the Fund's tenor, capital invested will be repaid to the limited partners upon a liquidity event, such as an exit from a portfolio company. Portfolio companies' and the Fund's financial performance is monitored monthly. The Fund will be audited by tier 1 auditors.

In addition to the Fund's own financial sustainability, given that the Fund is not requiring concessional funding, it is expected that a growth equity fund focusing on climate in Southeast Asia will illustrate that non-concessionary funds are commercially viable and thus mobilize further funding by other fund managers to launch climate-focused strategies, not only across growth equity but potentially buyout and private credit as well. Once the paradigm shift has been achieved, the Fund's potential success will attract new investors into Southeast Asia both on the fund-level investments as well as potential acquirers of portfolio companies. The Fund will also set a new benchmark in terms of climate and ESG policies, performance indicators, measurements and tracking, providing previously unmatched transparency around measuring impact and help portfolio companies adopt similar climate corporate KPIs into their business decision making process. The Fund will also significantly bring forward and amplify the climate impact across all Coverage Countries, helping to achieve the NDC targets.

Financial Exit Mechanisms for Underlying Investments

The Fund employs multiple exit pathways to ensure liquidity and long-term impact:

- **Trade Sales/Strategic Sales:** Portfolio companies are positioned for acquisition by corporates, strategic buyers, or larger private equity firms with aligned ESG commitments. For example, renewable energy or sustainable agriculture projects may attract buyers seeking to expand low-carbon portfolios.
- **IPOs:** Select high-performing assets may pursue public listings, leveraging growing investor demand for climate-aligned equities in Southeast Asia.
- **Buybacks/Recapitalizations:** Management or local stakeholders may acquire equity, ensuring operational continuity while retaining decarbonization goals.
- **Redemption:** Given the nature of hybrid capital instruments, NDF can redeem its funding and be repaid by the majority owners / shareholders of the underlying portfolio companies without a need for a liquidity event or equity sale. This alternative exit pathway mitigates delays to exit

The Fund's focus on **ESG and climate-linked carry incentives** ensures alignment with long-term sustainability goals, even post-exit, where KPIs pertain to achieving a minimum amount of absolute GHG emission reduction and the number of beneficiaries impacted over the life of the Fund, while ESG KPIs refer to ESAPs completed for all investments

In preparation for an exit, Navis will:

- *Enhance its evaluation of exit attractiveness prior to investment:* Navis conducts a thorough assessment of potential exit routes for each investment opportunity during the initial discussions at the NDF IC, and this focus is continually refined throughout the investment process. In assessing the exit attractiveness, the deal team reviews historical transactions and comparables, identifies likely future buyers, and considers both positive and negative factors that may influence these buyers' decisions. The Operations Team is actively involved in the portfolio companies, focusing on creating value.
- *Leverage the Navis Liquidity Committee:* As part of the continual institutionalization of the Firm, the Liquidity Committee was established and is responsible for systematically evaluating options for liquidity events across the portfolio and ensuring portfolio companies meet the cash distributions and liquidity exit timelines set out in the NDF IC papers.

Sustainability of the paradigm shift

The NDF investment strategy combined with the long-term hold period and active value creation element create a sustainable paradigm shift for key decarbonization-focused solutions in Southeast Asia and beyond.

1. Replication and Scaling

- Successful models (e.g., battery storage systems in Vietnam, advanced cooling materials in Malaysia) are replicated across regions using proceeds from exits. The Fund's "green alpha" approach prioritizes scalable technologies with proven decarbonization impact.

2. Policy and Institutional Reinforcement

- **Government Partnerships:** Collaboration with NDAs (e.g., Indonesia's Ministry of Finance, Thailand's Ministry of Natural Resources) ensures regulatory frameworks support sustained climate action.
- **Capacity Building:** Training programs for SMEs and local institutions enhance technical and managerial expertise, reducing dependency on external funding post-exit.

3. Community and Market Resilience

- **Climate-Resilient Infrastructure:** Projects like flood-resistant agriculture in Cambodia or solar-powered irrigation in the Philippines are designed for long-term operability, with maintenance plans funded through revenue streams (e.g., carbon credits, energy sales).
- **Circular Economy Models:** Initiatives such as green aluminum recycling in Malaysia create self-sustaining markets for low-carbon materials.

The NDF's exit strategy balances financial returns with climate impact, leveraging market-driven mechanisms and institutional partnerships to ensure long-term sustainability. By embedding ESG standards into exit agreements and fostering local ownership, the Fund secures a lasting contribution to Southeast Asia's low-carbon transition.

3. FINANCING INFORMATION						
C.1. Total financing						
(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount			Currency		
	60			million USD (\$)		
GCF financial instrument	Amount	Tenor	Grace period	Pricing		
(i) Senior loans	<u>Enter amount</u>	<u>Enter years</u>	<u>Enter years</u>	<u>Enter %</u>		
(ii) Subordinated loans	<u>Enter amount</u>	<u>Enter years</u>		<u>Enter %</u>		
(iii) Equity	60			% Equity Return		
(iv) Guarantees	<u>Enter amount</u>					
(v) Reimbursable grants	<u>Enter amount</u>					
(vi) Grants	<u>Enter amount</u>					
(vii) Results-based payments	<u>Enter amount</u>					
(b) Co-financing information	Total amount			Currency		
	240			million USD (\$)		
Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
DFIs	<u>Equity</u>	<u>165</u>	<u>million USD (\$)</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>NA</u>
Foundations, Family Offices	<u>Equity</u>	<u>55</u>	<u>million USD (\$)</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>NA</u>
Institutional Investors	<u>Equity</u>	<u>20</u>	<u>million USD (\$)</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>NA</u>
(c) Total financing (c) = (a)+(b)	Amount			Currency		
	<u>300</u>			<u>million USD (\$)</u>		
(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)	<p>Navis has engaged with several potential limited partners, both existing Navis investors and new potential investors who have dedicated climate strategies and understand Southeast Asia developing markets. It is expected that these LPs would form the core group of first closing LPs alongside GCF. Other potential LPs include DFIs which have not had any Southeast Asia climate experience but are looking for GPs to implement dedicated climate strategies. Navis is also in discussions with global endowments for blended finance, and family offices for corporate LP strategies.</p>					
C.2. Financing by component						
<p>Please provide an estimate of the total cost per component and output as outlined in section B.3. above and disaggregate by source of financing. More than one co-financing institution can fund a single component or output. Provide the summarised cost estimates in the table below and the detailed budget plan as annex 4.</p>						

<i>Component</i>	<i>Output</i>	<i>Activity</i>	<i>Financing Source</i>	<i>Total Fund Expenses and Management Fees Sum Across 10 Years</i>	
Component 1: Private capital leverage and decarbonization solutions deployed	Output 1.1: Navis Decarbonisation Fund set-up and pre-investment processes carried out	Activity 1.1.1: Navis engages stakeholders (partners, donors, govts) for fundraising and establishing NDF (USD 300m)	GCF	7,944,500	
		Activity 1.1.2 Assess climate risks and opportunities and conduct ESG due diligence	Other Investors	31,395,150	
		Activity 1.1.3 Complete financial and legal due diligence	Navis	802,850	
	Output 1.2: Capital deployed into decarbonization projects and additional funding mobilised	Activity 1.2.1: Deploy capital into projects		GCF	51,533,660 (Inclusive of Investments)
			Activity 1.2.2: Leverage external funding		
		Activity 1.2.3: Portfolio monitoring		Other Investors	200,920,474 (Inclusive of Investments)
				Navis	5,153,366 (Inclusive of Investments)

	Output 1.3 Exit-readiness activities conducted for successful exit from portfolio companies by end of NDF life	Activity 1.3.1: Conduct Vendor Due Diligence	GCF	320,000
		Activity 1.3.2: Address gaps through ESG improvement plans	Other Investors	1,248,000
		Activity 1.3.3 Identify value-creation opportunities for incoming buyer(s)	Navis	32,000
	Output 2.1 Value-creation opportunities identified for portfolio companies to improve financial and operational performance	Activity 2.1.1. Manage Climate Risks and Opportunities	GCF	90,000
		Activity 2.1.2. Strengthen Organizational capabilities to drive growth and scale the business	Other Investors	351,000
		Activity 2.1.3. Ensure compliance with international ESG standards	Navis	9,000
	Output 2.2: National, regional & local capacity strengthened to develop, manage, mobilize and finance high-impact climate investments	Activity 2.1.4. Optimize operations and supply chain processes to improve quality and reduce costs		
		Activity 2.2.1: Partnerships built with stakeholders to improve coordination, understand and address market	GCF	40,000

		barriers and share knowledge	Other Investors	156,000
			Navis	4,000

In case of a multi-country/region programme, specify indicative requested GCF funding amount for each country in annex 17, if available.

C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)

C.3.1 Does GCF funding finance capacity building activities?

Yes No

C.3.2. Does GCF funding finance technology development/transfer?

Yes No

If the project/programme is expected to support capacity building and technology development/transfer, please provide a brief description of these activities and quantify the total requested GCF funding amount for these activities, to the extent possible.

4. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

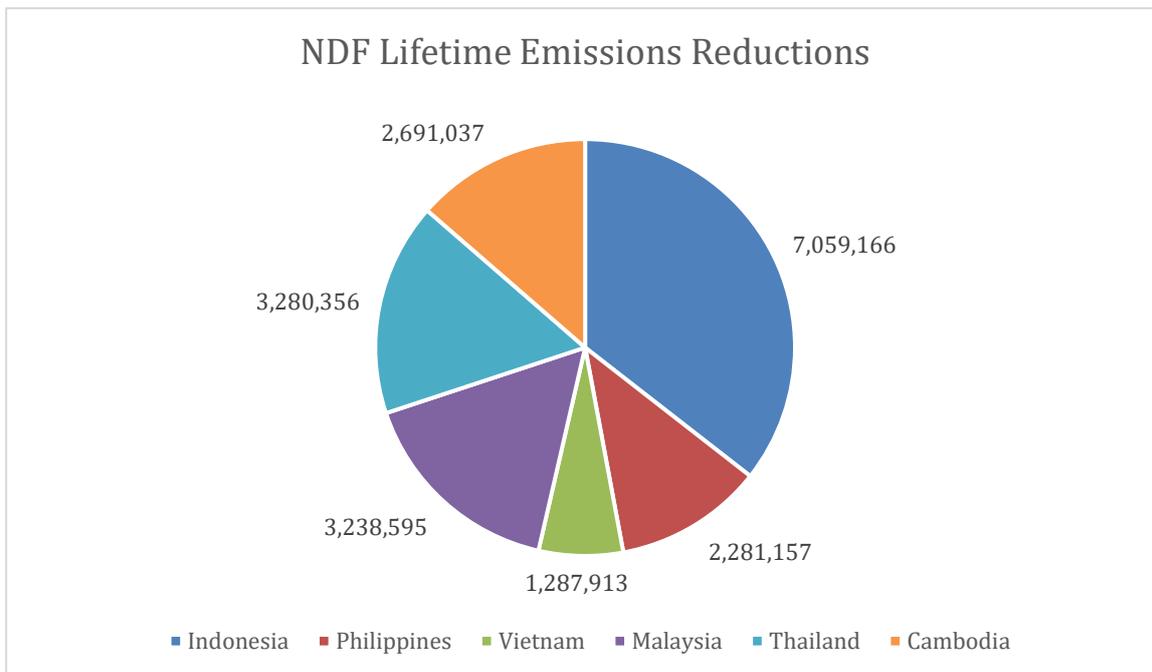
This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's [Initial Investment Framework](#).

D.1. Impact potential (max. 500 words, approximately 1 page)

Mitigation Impact

The NDF project portfolio covers the Southeast Asia region, with investment in six countries: Indonesia, Thailand, Malaysia, Vietnam, Cambodia and Philippines. The total annual GHG emission reduction is estimated at **1,006,893 t CO_{2eq}**. The total Fund lifetime (10 years) estimated GHG emission reductions are assessed at **7,882,121 tCO_{2eq}**. The total funded projects lifetime estimated GHG emission reductions are assessed at **19,838,225 tCO_{2eq}** in all six countries. NDF fund is expected to mobilize additional financing that will contribute to increased GHG emission reduction.

Country division of GHG emission reductions over funded projects lifetime is presented in the following chart.



With the currently set NDF portfolio, the highest emission reductions are expected in Indonesia, around **7,059,166 t CO_{2eq}**, followed by Thailand with **3,280,356 t CO_{2eq}** and Malaysia with **3,238,595 t CO_{2eq}**. Bearing in mind that the NDF portfolio is both adaptation and mitigation, all the countries will benefit from NDF investments in terms of GHG emission reduction. Noting that NDF will not utilize GCF funding for Cambodia or Vietnam unless the respective NOLs are obtained. Without Cambodia and Vietnam, total Fund lifetime (10 years) estimated GHG emission reductions are assessed at **6,327,204 tCO_{2eq}** while the total funded projects lifetime estimated GHG emission reductions are assessed at **15,859,274 tCO_{2eq}** respectively.

An estimation of the financial structure of the NDF portfolio indicates that the investment costs per avoided GHG emissions is **15.12 USD/tCO_{2eq}**.

Table 8. NDF cost estimate per avoided GHG emissions

Total NDF investments	300,000,000	USD
GCF contribution	60,000,000	USD
Lifetime emission reduction – NDF	19,838,225	tCO _{2eq}
Lifetime emission reduction - GCF funding	3,967,645	tCO _{2eq}

Cost per tonne reduced - NDF	15.12	USD/tCO _{2eq}
Cost per tonne reduced - GCF funding	15.12	USD/tCO _{2eq}

More information on the assumptions, activity data and emission factors used, can be found in Annex 2 and 22.

Generated, avoided, reduced and sequestered emissions of every investment will be measured ex ante during due diligence and will be re-assessed annually ex post during the duration of the investment period. This approach is based on the following globally recognized standards: GHG Protocol, Verified Carbon Standard, Gold Standard, 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Clean Development Mechanism.

Further information on the GHG reduction methodology can be found in Annex 22.

Adaptation Impact

The expected benefits of the cross-cutting Navis Decarbonisation Fund include reaching an estimated **40,000 (20,240 male, 19,760 female) in Target Countries and 280,000 beneficiaries (280,000 direct; 137,840 male, 142,160 female) in Coverage Countries**. The programme is also expected to contribute to several co-benefits, boosting economies, creating jobs, strengthening ESG practices and gender mainstreaming in Coverage Countries, driven by existing socio-economic conditions.

Beneficiary calculations are based on sub-section of the proposed portfolio of projects, where adaptation benefits were identified. It is expected that several portfolio projects will contribute to the following GCF Adaptation Results Areas (ARAs) and IRMF indicators:

- **ARA 2 Health, well-being, food, and water security**
 - *Core indicator 2: Direct and indirect beneficiaries reached*
 - *Supplementary indicator 2.3: Beneficiaries (female/male) with more climate-resilient water security (number of individuals)*
- **ARA 3: Infrastructure and built environment**
 - *Core indicator 2: Direct and indirect beneficiaries reached*

Annex 23a and 23b provides a project-wise breakdown of estimated beneficiaries, assumptions, and applicable results areas of pipeline investments expected to produce significant adaptation benefits.

The estimated number of potential direct beneficiaries per USD invested and indirect beneficiaries should be seen as a reference point at the programme level rather than a minimum requirement for investing in a project. Contextualization is essential when it comes to assessing both mitigation and adaptation projects, and estimates will greatly differ by sector as well as by country, recognizing important disparities at the project level as it related to different factors like beneficiary definition, population density and cost of production, including cost of materials, their transportation, and cost of labour, among other factors. Navis will also take into account the level of vulnerability of the beneficiaries and the scale of impact at project level, for instance where a significant impact on more vulnerable beneficiaries could justify an investment in a project with a higher USD per beneficiary ratio. GCF's Sectoral Guides will be used to refine our assumptions at project level, providing guidance on country needs and sector specific characteristics. Project-level assessment will be supplemented by a macro analysis of physical risks, including from external sources.

D.2. Paradigm shift potential (max. 500 words, approximately 1 page)

A paradigm shift for climate change occurs when there is a fundamental change in the way one, or many, perceive and respond to a climate change issue. There are several ways in which NDF has the potential to cause such a paradigm shift: (i) the global development finance sector level, (ii) the investee country level, and (iii) at the sectoral level.

GCF's catalytical capital commitment to NDF would support a substantial paradigm shift in climate adaptation investment and technologies. Through its support for financially sustainable climate mitigation and adaptation solutions, NDF is expected to provide several opportunities to efficiently scale, replicate and further catalyse private sector solutions.

NDF holds significant paradigm-shift potential under GCF's Integrated Results Management Framework (IRMF) by aligning its operational and impact strategies with the GCF's emphasis on transparency, accountability, and systemic transformation.

1. Transformative Financial Structuring

NDF's innovative financial mechanisms align with GCF's goal to de-risk and scale climate investments:

- **Catalytic Capital Mobilization:** NDF's 1:4 capital mobilization ratio exemplifies crowding in private sector participation.
- **Equity-Linked Instruments:** By prioritizing equity investments in SMEs (e.g., energy efficiency platforms in Indonesia), NDF addresses focus on fostering inclusive, locally driven solutions.

2. Potential for Scaling Up and Replication at the Programme and market level

- **Replicable and scalable investment process:** a key objective of the Fund is to create a more efficient investment process, enabling many new, smaller-sized projects to enter the investment scope of larger investors who usually target sizeable investments of USD 200m and above.
- **Scalability:** By committing USD 300m to the program, NDF's investors demonstrate that sustainable and economic development and financial performance can go hand in hand without government support, on commercial basis.
- **Replicable fund concept:** NDF will facilitate replicability of similar financing structures that will also result in low-carbon growth and increased climate resilience. The philosophy and vision underpinning NDF is to become a lasting and replicable platform that will catalyse private capital towards sustainable investments in Southeast Asia. NDF aims to contribute to the reinforcement and creation of an enabling environment for this type of investment through a close collaboration with local stakeholders and by acting as a knowledge hub for best practices and tools to be shared with investment partners.

2. Potential for Knowledge Sharing and Learning

One-off support measures such as grants can only provide a temporary improvement across interventions. The NDF's strategy results in sustainable paradigm shift across target markets and catalyzes future funds as well through:

- **Portfolio companies:** With Navis' 18 person Operations Team at its disposal and a long track record of creating value through active ownership, NDF will create long-lasting businesses through

5-8 year ownership period. Given that exits will be likely to trade buyers, the portfolio companies will continue to grow sustainably beyond the Fund's holding period. In order to facilitate exit and sustainable operations, governance is key. Having strong fundamentals across ESG and operations allow companies to operate sustainably even beyond the Fund's holding period.

- **Fund models:** By demonstrating that NDF is able to raise USD 300m from investors and invest it across GCF eligible targets in Southeast Asia and achieve target returns, NDF will demonstrate that investing into climate can be done on large scale, without one-off support measures successfully.
- **Beneficiaries:** in addition to portfolio companies, active knowledge sharing will be a core element of NDF to help raise awareness of beneficiaries and communicate the impact of the Fund.

3. Enhanced Accountability Mechanisms

NDF's compliance with GCF's safeguards ensures systemic shifts in governance:

- **Independent Evaluations:** NDF's commitment to third-party audits and interim/final evaluations mirrors GCF's emphasis on impartial impact validation.
- **ESG-Native Design:** Adherence to SFDR Article 9 and GCF's Environmental and Social Policy ensures NDF's projects meet IRMF's "do no harm" principles, reducing reputational risks for investors.

4. Portfolio Company Solutions' Scalability and Replicability

NDF's pipeline projects are structured to enable replication across sectors and geographies:

- **Modular Solutions:** Projects like EV battery-swapping networks (Indonesia/Malaysia) and microalgae biofertilizers (Vietnam) are designed for adaptability, addressing IRMF's scalability criteria.
- **Knowledge Transfer:** Partnerships with GCF's technical teams (e.g., graphene nanomaterial cooling systems) ensure IRMF's goal of capacity-building and technology diffusion.

7. Policy Influence and Market Signalling

NDF's success could reshape regulatory and market landscapes:

- **NDC Acceleration:** By channelling ~40% of investments into renewable energy, NDF directly supports Southeast Asian nations' NDCs, aligning with country ownership focus.
- **Sectoral Benchmarking:** NDF's Li-ion battery recycling and green aluminum projects set industry standards for circular economy practices, influencing broader market behaviors.
- **Policy Influence:** NDF will actively work with local governments and regional agencies to act as a conduit between climate hazard-facing SMEs and regulatory landscape, essentially providing feedback to regulatory bodies where policies would need to help bolster climate action.

8. Contribution to the Creation of an Enabling Environment

- NDF will mitigate systematic barriers to financing climate resilient solutions in vulnerable countries. Bringing these developing SEA countries' governmental entities access to institutional capital has the potential to notably enhance local government capacity, incentivize the strengthening of national institutions, reduce perceived risks and bring new liquidity to these local markets.

The ultimate beneficiaries of NDF across the four investment themes include communities and businesses who will gain sustainable, continued access to clean, reliable and affordable sources of electricity, climate

resilient infrastructure, low emission transportation and sustainable agricultural and water sources. The clean energy generation projects and low emission transportation alternatives under the NDF will contribute to national GHG emission reductions helping to build the resilience of national energy infrastructure. Local private sector companies developing these renewable energy projects will also benefit from NDF funding and related capacity building leading to quality jobs. NDF will mobilise additional funding towards climate action for the six Coverage Countries.

D.3. Sustainable development (max. 500 words, approximately 1 page)

SDG	Sub-SDG	NDF Contribution
SDG 5: Gender Equality	5.1: End all forms of discrimination against women and girls everywhere.	<ul style="list-style-type: none"> • <i>Increased number of women employed by the Portfolio Companies</i> • <i>Gender-balanced recruitment and retention policies</i>
SDG 7: Affordable and Clean Energy	<p>7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>7.3: By 2030, double the global rate of improvement in energy efficiency.</p> <p>7.4: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and to promote investment in energy infrastructure and clean energy technology</p>	<ul style="list-style-type: none"> • <i>Reduced interruption and disruption of energy systems</i> • <i>Increased capacity of renewables contributing to overall generation capacity</i> • <i>Reduced dependency on fossil fuels</i>
SDG 8: Decent Work and Economic Growth	8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	<ul style="list-style-type: none"> • <i>Investment in the six developing countries will promote the development of higher-skilled jobs and a resulting higher household income for impacted families and workers.</i>

<p>SDG 9: Industry, Innovation and Infrastructure</p>	<p>9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p>9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, will all countries taking action in accordance with their respective capabilities.</p>	<ul style="list-style-type: none"> • <i>Investments in technology for the local companies would support scientific research and technology capacity in the six Coverage Countries</i>
<p>SDG 11: Sustainable Cities and Communities</p>	<p>11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p>	<ul style="list-style-type: none"> • <i>Building climate resilient infrastructure through the development of waste heat recovery systems, HVAC and ensuring a circular economy.</i>
<p>SDG 13: Climate Action</p>	<p>13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<ul style="list-style-type: none"> • <i>Investments in climate action; increased adaptation planning capacity in public and private sectors; GHG emissions reduction from more local, efficient, and data-based provision of water, food and energy</i>
<p>SDG 17: Partnership for the Global Goals</p>	<p>17.3: Mobilize additional financial resources for developing countries from multiple sources</p> <p>17.17: Encourage and promote effective public, public-private and civil society partnerships, building</p>	<ul style="list-style-type: none"> • <i>Working with the respective NDAs and local project developers to achieve a common goal of building a more climate resilient ecosystem and accelerate decarbonization in Southeast Asia</i>

on the experience and resourcing strategies of partnerships

Environmental co-benefits

- *Improved air quality:* Support the transition from fossil fuel-based to renewable energy production through solar PVs, electric vehicles for low emission transport, end of life biomass utilized and not burned etc that will reduce air pollution.
- *Reduced water usage:* Fossil fuel-based energy production requires large amounts of water for cooling and other processes, whereas solar energy sources do not consume water. Therefore, by supporting the energy transition, the project will further contribute to water conservation efforts.
- *Reduced emissions:* Transitioning away from fossil fuels for energy generation and carbon intensive transportation options like ICE vehicles will greatly reduce the amount of GHG emissions being produced.

Social and Economic co-benefits

- *Living standards:* Having more reliable renewable energy sources, as well as energy efficient cooling solutions while improve the lives of households that have to deal with climate change impacts of disrupted energy supply and/or warming temperatures.
- *Job creation:* The implementation of projects financed by NDF will create employment opportunities for locals within the six target Southeast Asia countries, while also supporting local contractors and developers. Programmes under NDF have significant potential to strengthen employment in the four target sector, especially during the construction phase of the projects, and also subsequent managing of the factories etc. Moreover, investments directed to small businesses in the four industries will contribute to job security and create employment opportunities that can help lift vulnerable populations out of poverty.

Gender Sensitive Development

In addition to the SDGs, NDF will adopt the 2X Challenge criteria on Fund manager and portfolio company level for assessing and structuring investments to provide women with leadership opportunities, quality employment, finance, and enterprise support, as well as aim to promote gender balance at the Fund Manager level, providing training and putting into place gender-related policies to boost diversity and ensure equality and equity. The Fund will target for 30% of investments to meet the 2X Criteria. Given Navis' experience with gender equality and it being a 2X signatory, the Fund is well-positioned to promote gender goals and ensure gender-sensitive development benefits are being achieved.

D.4. Needs of recipient (max. 500 words, approximately 1 page)

Vulnerability of Coverage Countries and beneficiary groups

As illustrated in the Climate Context of Section B. 1. and Annex 2, the Coverage Countries are vulnerable to climate hazards and are generally not prepared to pre-empt or manage the impacts due to significant funding gaps. With population exceeding 620mn in 2023⁷⁷, project to grow to 700mn⁷⁸, IPCC projections

⁷⁷ <https://data.worldbank.org/indicator/SP.POP.TOTL>. Date accessed: 19/05/2025.

⁷⁸ Medium variant. <https://databank.worldbank.org/Population/id/622a9444>. Date accessed: 19/05/2025.

indicate potential displacement of millions of people and economic loss ranging from USD 50 to 250 billion (under a high emissions scenario) by mid-century if adaptation measures are not implemented.

ND-GAIN and WRI Indices underpin the significant climate vulnerabilities.

ND-GAIN Index of Coverage Countries

Country	ND-GAIN Index		
	Vulnerability	Readiness	Ranking
Cambodia	0.483 (high)	0.289 (low)	149
Indonesia	0.426 (low)	0.397 (high)	97
Malaysia	0.364 (low)	0.505 (high)	47
Philippines	0.444 (high)	0.341 (low)	115
Thailand	0.411 (low)	0.490 (high)	61
Vietnam	0.458 (high)	0.432 (high)	92

Summary of Climate Vulnerabilities in the Coverage Countries

Country	Climate vulnerability
Cambodia	Highly flood/ drought-prone, poverty amplifies impact
Indonesia	Multi-hazard risk (floods, droughts, wildfires, sea-level rise), 40% of population at risk
Malaysia	Frequent floods, 29,800 km ² and 5 million people affected
Philippines	Most at-risk globally, 20 typhoons/ year, 60% land & 74% pop exposed
Thailand	Severe flooding and sea-level rise, droughts affecting agriculture
Vietnam	Frequent typhoons, flooding, high exposure in coastal/ delta regions

As identified in the table above and elaborated in Annex 2, the beneficiaries of NDF investment strategy are exposed to the climate vulnerabilities and without significant immediate intervention may face displacement and significant economic losses.

A critical rationale for focusing on the Coverage Countries is the stark gap between climate finance needs and current investments. Developing Asia as a whole faces an annual climate financing gap exceeding USD 800 billion for mitigation and adaptation.⁷⁹ Southeast Asia in particular requires large sums: the Asian Development Bank estimates the region needs about USD 210 billion per year (roughly 5% of ASEAN GDP) through 2030 for climate mitigation and resilient infrastructure. However, actual climate finance flows into these countries are only a fraction of the required levels. According to the International Energy Agency, renewable energy investment in Southeast Asia accounts for only ~2% of global clean energy investment – disproportionate to the region’s size and growth in emissions. In other words, climate-positive investment is

⁷⁹ Convergence. 2025. To combat climate change in Asia, we need local investors. Available at: <https://www.convergence.finance/news/3GNXY3dvZPgIiBZaHEFX2x/view>

not keeping up with the region's burgeoning energy demand (Southeast Asia is projected to contribute 25% of global energy demand growth in the next decade).⁸⁰

By directing capital into the Coverage Countries, the Fund helps bridge the "climate finance gap." Developed countries' recent pledge to increase climate finance to USD 300 billion globally by 2035 still leaves a huge gap for private and other capital – up to USD 1 trillion annually by 2035 – that must be filled to meet developing countries' needs.⁸¹ The Fund's investments will complement public finance and catalyse additional private sector funding, addressing areas like renewable energy, energy efficiency, climate-smart agriculture, and resilience projects that are underfunded. Without such investment, these countries risk falling short of their NDC goals due to financing constraints. By focusing on nations where investment shortfalls are greatest (e.g. Indonesia's and Vietnam's clean energy pipelines, Cambodia's adaptation projects, and the Philippines' infrastructure resilience), the Fund can achieve high additionality and impact.

Further information on funding gaps in the Coverage Countries can be found in Annex 2.

D.5. Country ownership (max. 500 words, approximately 1 page)

Country ownership and a wider stakeholder engagement is critical for NDF to align with GCF policies, ensure project efficacy, and uphold principles like transparency, inclusion, and country alignment.

On a Fund level, designing NDF with host country climate needs in mind is critical, while the resulting investment areas must match the Fund's risk/reward profile as well as align with the interest of potential investors. Therefore, NDF has been engaging with potential investors such as development financial institutions, commercial investors, philanthropies, and GCF itself, to design the Fund's strategy.

On a Country level, country ownership-related engagement is critical. The Fund adheres to GCF's No-Objection Procedure, requiring engagement with National Designated Authorities (NDAs) to secure host-country approval for projects. This ensures alignment with national climate priorities and regulatory frameworks. Beyond NDAs, the Fund will engage with ministries, local associations and NGOs amongst others, to ensure that post-investment key stakeholders are included. The Fund will seek to establish a steering committee with the NDAs in each Target Country to regularly report on investments executed, pipeline and performance.

On an investment-by-investment level, NDF identifies project-specific stakeholders, such the owners and employees of the portfolio company, local government units and community leaders, as well as civil organizations. In addition, a key element is identifying marginalized groups, and in accordance with Fund's and GCF's Indigenous Peoples Policy and Environmental and Social Policy, mandating stakeholder consultations to address concerns like land rights and community impacts. The Fund's grievance mechanism allows stakeholders to report issues, fostering adaptive project design. This aligns with GCF's emphasis on integrating community insights to enhance resilience and relevance. Navis also leverages its regional presence across Southeast Asia to collaborate with local stakeholders, ensuring projects address specific decarbonization challenges (e.g., energy access, sustainable agriculture). All investments must comply with local laws and regulations as well as GCF standards.

Engagement with Relevant Stakeholders

⁸⁰ Eco Business. 2025. Southeast Asia's frustration with the state of climate finance. Available at: <https://www.eco-business.com/opinion/southeast-asias-frustration-with-the-state-of-climate-finance>

⁸¹ Eco Business. 2025. Southeast Asia's frustration with the state of climate finance. Available at: <https://www.eco-business.com/opinion/southeast-asias-frustration-with-the-state-of-climate-finance>

On a Programme level, engagement with Navis internal stakeholders and potential investors has been actively progressing since 2024. These engagements focus on strategy design, investor appetite and country needs and help shape the Fund's structure and strategy. As a result of this engagement, the Fund is on track for H1 2026 first close.

On National level, NDAs have been engaged since Q4 2024, mainly to better understand the PSAA approval process and its requirements, local NDCs/NAPs and how NDF assists with achieving such targets. Engagement with NDAs have progressed significantly in 2025 with several in person and virtual meetings, however final NOL approval timelines may vary.

On an Investment-level, stakeholder engagement to date has focused on potential investment opportunities which form the pipeline. Engagement has been focusing on identifying and progressing potential transactions at first close of NDF. As transactions progress, engagement will be widened to include investment-specific stakeholders such as marginalized groups where relevant.

The NDF team has been in direct engagement with NDAs across all Coverage Countries. As at January 2026, Indonesia (11 November 2025) and Philippines (6 November 2025) have issued NOLs and it is expected that Malaysian and Thailand will issue the relevant NOLs by end January 2026 respectively. It is expected that NDF will receive all NOLs for the Funding Proposal by the time of GCF's Board in March 2026.

NDF utilizes a structured stakeholder identification and prioritization process aligned with GCF policies and international standards like the IFC Performance Standards, emphasizing relevance, influence, and vulnerability as key criteria. Key stakeholders are identified in Annex 7, split into Programme / regional stakeholders (NDF internal, investors, non-investor DFIs, regional initiatives), National -level (NDAs, Ministries, agencies, associations) and Investment-specific (portfolio companies, marginalized groups, local governments, NGOs). This approach enables a direct and measurable engagement with stakeholders.

The Stakeholder Engagement Plan, including the categorization of the Stakeholders and the progress on NDA engagement can be found in Annex 7.

D.6. Efficiency and effectiveness (max` . 500 words, approximately 1 page)

Capital mobilization

A key objective of the Fund is providing growth capital to decarbonization-focused SMEs, which face difficulties securing traditional financing due to perceived risks and lack of collateral.

For every USD 1 of capital deployed by GCF towards climate adaptation and mitigation projects, approximately USD 4 capital will be mobilized, including co-financing through the Fund from other LPs, but excluding third party non- and limited recourse financing.

Having a fund of USD 300m including GCF's USD 60m therefore will mobilize a total of USD 1bn, providing significant funding to 15-20 SMEs in Southeast Asia climate sector.

The USD 1:4 capital mobilization ratio indicates an efficient and effective use of GCF funding with a potential upside due to the equity funding nature of the Fund.

Alignment with Executing Entity

Given the Fund’s financial structure, the GP commitment ensures that there is strong commercial alignment between the executing entity and GCF. The carry structure further enhances the alignment making sure that the funding is deployed effectively and efficiently.

The management fee structure ensures that the executing entity will raise adequate additional external capital, not only utilizes GCF’s funding.

Funding efficiency for GHG reduction

Two key areas of direct GHG reduction are energy transition through the deployment of renewable energy, and transition of ICE vehicles to electric ones.

The global average cost of mitigating 1 tonne of CO₂ equivalent through renewable energy technologies has declined sharply over the past decade, driven by technological advancements, economies of scale, and policy support. Current estimates for leading technologies like onshore wind and solar photovoltaic (PV) systems range from USD 10 to USD 50 per tCO₂e, with a consensus clustering around USD 20–30 per tCO₂e.

Technology	Typical Abatement Cost (USD/tCO ₂ e)	Key Drivers
Utility-scale Solar	3 – 40	Insolation levels, policy incentives
Onshore Wind	10 – 30	Capacity factor, grid access
Offshore Wind	40 – 80	Water depth, turbine size
Bioenergy	30 – 100+	Feedstock cost, carbon accounting

Abatement costs are highly sensitive to geographic factors, subsidies and carbon pricing.

EVs are a cornerstone of decarbonizing transportation, but their cost-effectiveness in reducing greenhouse gas emissions varies significantly by region, technology maturity, and grid decarbonization progress. Based on global studies and regional benchmarks, the average abatement cost for EVs ranges from USD 100 to USD 600/tCO₂e, with substantial disparities driven by electricity generation mix, vehicle type, and policy frameworks. As battery costs fall and renewable energy penetration grows, EVs are poised to dominate cost-effective transport decarbonization, with abatement costs projected to drop below USD 50/tCO₂e in leading markets by 2030.

In terms of Fund’s mitigation efficiency, the Fund is targeted to invest USD 300m and mitigate 19,838,225 tCO₂e emissions. This would be equivalent to USD 15.12/ tCO₂e on a blended cross-industry basis, indicating that the Fund is expecting to invest into economically competitive and highly impactful projects across its lifetime in Southeast Asia.

As illustrated by the table below, GCF-funded Programmes have had a highly varied Cost of Carbon Reduction, driven by investment strategies. When compared to the GCF-funded Programmes, NDF is in the middle of range.

	Navis Decarbonization Fund I.	FP194: Programme for Energy Efficiency in Buildings (PEEB) Cool	FP099: Climate Investor One	FP148: Participatio n in Energy Access Relief Facility ("EARF")	FP210: KawiSafi II	FP222: Renewabl e Energy Performan ce Platform (REPP 2)	FP178: Desert to Power G5 Sahel Facility
Countries	6	11	11	9	7	9	5
Financing (USD)	300,000,000	1,371,000,000	821,700,000	60,000,000	210,000,000	250,000,000	966,716,400
GCF funding (USD)	60,000,000	326,000,000	100,000,000	30,000,000	52,500,000	50,000,000	150,000,000
Mitigation (tCO ₂ eq)	19,838,225	1,562,759	52,730,000	1,320,831	20,933,186	12,720,297	14,400,000
Cost of carbon reduction	15.12	877.29	15.58	45.43	10.03	19.65	67.13
Adaptation total # of beneficiaries	280,000	1,167,000	-	16,340,243	3,523,808	729,847	-
Direct beneficiaries	280,000	1,133,000	-	-	885,835	370,244	-
Cost per direct beneficiary	214	1210.06	-	-	237.06	675.23	-

Funding efficiency per beneficiary

NDF's USD 214 per beneficiary impact across Coverage Countries is also in the lower-middle of the GCF-funded Programmes, which typically range from USD 237–1,210 per beneficiary, depending on project scale and sectoral focus. This disparity reflects structural differences in regional prioritization, intervention intensity, and methodological approaches to counting beneficiaries. This divergence underscores a strategic choice: prioritizing depth of socioeconomic and environmental co-benefits in complex markets over maximizing beneficiary counts. It should also be noted that the number of beneficiaries is not available for several programmes, which may distort the calculations.

Expected Economic Rate of Return comparison

NDF's expected net IRR for Base Case is in line with regional private equity averages (~12–15%) for climate-focused funds. The return is contingent on successful execution of its SME-focused decarbonization strategy and Southeast Asia's evolving climate policy landscape. The Fund's efforts of prioritizing both financial viability and measurable climate impact positions it as a scalable model for bridging the region's USD 1.5 trillion climate finance gap.

Expected Financial Rate of Return comparison

GCF funding plays a critical role in bridging Southeast Asia's climate finance gap and enabling cost-effective decarbonization. Without GCF's funding, the Fund would have a higher cost of capital due to perceived risk, limited scalability of high-impact projects and reduced leverage for follow-on investments.

GCF funding improves the NDF's financial viability and reduces emission reduction costs. This catalytic role is essential for mobilizing private capital in Southeast Asia's underserved mid-market decarbonization

sector, where 70% of SMEs lack access to climate finance. Without GCF support, the region risks missing its 2030 emission targets by 40%.

Further information on Fund, Portfolio and Investment-level returns can be found in Annex 3.

Best Available Technologies and Practices

NDF investments into SMEs who are leaders in their respective decarbonization-related fields. These companies would be utilizing cutting edge solutions and would often hold relevant patents and know-how.

In terms of fund investment efficiency, as described in section B.3., Navis has a highly efficient, tried and tested investment process. The process has been constantly improved over the years, including recent addition of the Liquidity Committee as well as having the Operations team focusing on value creation from a sustainability lens.

5. LOGICAL FRAMEWORK

This section refers to the project/programme's logical framework in accordance with the GCF's Integrated Results Management Framework to which the project/programme contributes as a whole, including in respect of any co-financing.

E.1. Project/Programme Focus

- Reduced emissions (mitigation)
- Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential (max 600 words, approximately 1-2 pages)

This section of the logical framework is meant to help a project/programme monitor and assess how it contributes to the paradigm shift described in section D.2 above by applying three assessment dimensions - scale, replicability, and sustainability.

Accordingly, for each assessment dimension (see the definition per assessment in the accompanying guidance note), describe the current state (baseline) and the potential scenario (target) and rate the current state (baseline) by using the three-point-scale rating (low, medium, and high) provided in the guidance note. Also describe how the project/programme will contribute to that shift/ transformation under respective assessment dimensions (scale, replicability and sustainability). In doing so, please refer to section B.2(a) (theory of change).

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	The sectors targeted in the investment themes across Southeast Asia are nascent. Outside a limited number of venture capital investments, only large clean energy infrastructure projects have been invested in.	<u>Low</u>	By Navis having offices across all key Coverage Countries with over 100 employees and over 25 years of track record, NDF has access to a large number of potential opportunities. While these may be on the lower scale initially, NDF providing growth capital in the form of hybrid instruments creates regional champions of scale, which will be of interest to be acquired by trade buyers or other private equity asset managers.	<ul style="list-style-type: none"> - Under Output 1.1, NDF will raise USD 300m - Under Output 1.2, NDF will invest in Southeast Asian SMEs focusing on climate solutions

	In terms of fund model, around 5 private equity / infra funds are operating in Southeast Asia with a similar strategy and even those focus mainly on renewables		In terms of the fund, by successfully investing USD 300m across the target markets and industries, NDF will demonstrate that the market is viable on a larger scale, not only on small scale focusing on impact fund-like strategies.	
Replicability	Currently, no such mechanism that provides up to 10-year funding for decarbonization focused projects exist within the NDF Coverage Countries in the commercial investor space. Only a handful of small impact funds focus on decarbonization under a very specialized investment theme	<u>Low</u>	NDF will become a lasting and replicable platform for channeling institutional, commercial and philanthropic investments into other decarbonization projects in Southeast Asia.	<ul style="list-style-type: none"> - Under Outputs 1.3 (Exit) and 2.1 (Value Creation), NDF will demonstrate the success of climate mitigation, adaptation and cross-cutting projects in Southeast Asian emerging markets and facilitate replicability of similar funding structure, which will result in low-carbon growth and increased climate resilience.
Sustainability	Given that the climate and decarbonization markets are nascent in Southeast Asia, there has been limited demonstration of the sustainability of non-grant funded decarbonization related funds to date.	<u>Low</u>	Leveraging Navis' Operations team and active ownership strategy, NDF will build self-sustainable portfolio companies which will thrive even after NDF's exits. NDF's strategy is built around value creation and putting in place strong foundations so that the portfolio companies are able to expand in a sustainable manner.	<ul style="list-style-type: none"> - Under Output 1.3, all portfolio companies exited successfully - Under Output 2.1, all portfolio companies adopt NDF's policies across ESG and put in place a value creation plan - Under Output 2.2, NDF to hold at least one information even on the Fund's impact across Coverage Countries with each NDA showing how it has contributed to NDCs and NDAs

			<p>In terms of NDF itself, NDF remains a critical Navis strategy and investment theme and as such, by successfully raising and investing USD 300m, Navis will launch follow-on strategies targeting decarbonization in Southeast Asia.</p> <p>The investments will also include a wider ecosystem building element, thereby enabling stakeholders to leverage NDF's experience.</p>	
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E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

Select appropriate IRMF core and supplementary indicators to monitor project/programme progress. More than one IRMF (core and or supplementary) indicators may be selected as applicable for each GCF results area and project/programme outcome (as defined in the table in section B.2(b)). If IRMF indicators are unable to measure any given project/programme outcomes, project/programme-specific indicators should be developed under section E.5 (project/programme specific indicators).

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final ⁸²	
<u>All mitigation result areas</u>	<u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u>	<p>NDF annual portfolio performance reporting</p> <p>Monitoring, Reporting and Verification (MRV) by independent third-party auditor</p>	0	2,852,656 tCO ₂ eq avoided/reduced (5 years)	<p>7,887,121 tCO₂eq avoided/reduced (10 years)</p> <p>19,838,225 tCO₂eq avoided/reduced (lifetime)</p>	<p>All investments are completed in first four years of implementation. Average annual avoided emissions: 1,006,893 tCO₂eq/year</p> <p>Asset lifetime: 15-30 years</p> <p>Data disaggregation by country is provided in Annex -17</p>

⁸² The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

<p><u>MRA1 Energy generation and access</u></p>	<p><u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u></p>	<p>NDF annual portfolio performance reporting - annual reporting of emissions and other environmental data on a reporting platform based on the EDCI framework and other relevant reporting standards, as well as ensuring that data is audited annually by a 3rd party provider</p> <p>Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor</p>	<p>0</p>	<p>842,414 tCO₂eq avoided/reduced (5 years)</p>	<p>2,245,767 tCO₂eq avoided/reduced (10 years)</p> <p>5,413,994 tCO₂eq avoided/reduced (lifetime)</p>	<p>All investments are completed in first four years of implementation. Average annual avoided emissions: 280,670 tCO₂eq/year</p> <p>Asset lifetime: 15-30 years</p> <p>NDF will utilize globally recognized standards and benchmarks for emissions reductions baselines and calculations.</p> <p>Baselines will be project-based and therefore will only be developed when projects are under consideration.</p> <p>The midterm and final targets are based on the climate mitigation impact of the selected transactions. The impact of these projects in tCO₂eq avoided is calculated in Annex 22a. Data disaggregation by country is provided in Annex -17</p>
<p><u>MRA1 Energy generation and access</u></p>	<p><u>Supplementary 1.2: Installed energy storage capacity</u></p>	<p>NDF annual portfolio performance reporting</p> <p>Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor</p> <p>National reports verified by NDAs</p>	<p>0</p>	<p>174.8 MWh (5 years)</p>	<p>350 MWh (10 years)</p>	<p>The assumptions for capacity and impact of this indicator can be found in Annex 22a. Based on an indicative pipeline of BESS (Project Charged, Bolt and Reef)</p> <p>Data disaggregation by country is provided in Annex -17</p>

		System installation records				
<u>MRA1 Energy generation and access</u>	<u>Supplementary 1.3: Installed renewable energy capacity</u>	<p>NDF annual portfolio performance reporting</p> <p>Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor</p> <p>National reports verified by NDAs</p> <p>System installation records</p>	0	36MW	72MW	<p>The assumptions for capacity and impact of this indicator can be found in Annex 22a.</p> <p>Based on an indicative pipeline of Solar PV (Project Charged and Reef)</p> <p>Data disaggregation by country is provided in Annex -17</p>
<u>MRA1 Energy generation and access</u>	<u>Supplementary 1.4: Renewable energy generated</u>	<p>NDF annual portfolio performance reporting</p> <p>Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor</p> <p>National reports verified by NDAs (e.g. Country Energy Statistics)</p> <p>Electricity generation data for individual projects</p>	0	41,397,157 MWh (5 years)	<p>82,794,313 MWh (10 years)</p> <p>165,588,627 MWh (lifetime)</p>	<p>The assumptions for generation and impact of this indicator can be found in Annex 22a.</p> <p>Based on an indicative pipeline of solar, biogas/ biochar/biofuel, green microgrids (Project Midas, Flux, Charged, Sonic, Reef, Oasis, Aion).</p> <p>Annual energy generated: 8,279,431 MWh/year</p> <p>Data disaggregation by country is provided in Annex -17</p>
<u>MRA2 Low-emission transport</u>	<u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u>	Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor		604,752 tCO ₂ eq	<p>1,643,245 tCO₂eq (10 years)</p> <p>3,452,597 tCO₂eq (lifetime)</p>	NDF will utilize globally recognized standards and benchmarks for emissions reductions baselines and calculations.

		<p>End-of-project assessments, including site visits, to ensure expected impacts have been achieved.</p> <p>On the ground surveys at mid-term and final evaluation of actual results for a sample of projects by a third-party consultant.</p>	0			<p>Baselines will be project-based and therefore will only be developed when projects are under consideration.</p> <p>Based on an indicative pipeline of Project Duke, Silverstone, Pulse, Glide.</p> <p>Annual GHG emissions avoided: 207,698 tCO₂eq</p> <p>The midterm and final targets are based on the climate mitigation impact of the 4 illustrative low-emission transport projects</p>
<u>MRA2 Low-emission transport</u>	<u>Supplementary 1.5 Improved low-emission vehicle fuel economy</u>	Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor	0	11,149,229 GJ	22,298,458 GJ (10 years and lifetime)	<p>Net change in fuel /energy consumption per kilometre travelled</p> <p>Based on an indicative pipeline of Duke, Silverstone, Glide.</p> <p>Annual energy saved with improved fuel economy: 2,229,846 GJ</p> <p>Data disaggregation by country is provided in Annex -17</p>
<u>MRA3 Buildings, cities, industries and appliances</u>	<u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u>	Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor		1,405,490 tCO ₂ eq (5 years)	3,998,110 tCO ₂ eq (10 years)	NDF will utilize globally recognized standards and benchmarks for emissions reductions baselines and calculations.

		<p>End-of-project assessments, including site visits</p> <p>On the ground surveys at mid-term and final evaluation of actual results for a sample of projects by a third-party consultant.</p>	0		10,971,634 tCO ₂ eq (lifetime)	<p>Baselines will be project-based and therefore will only be developed when projects are under consideration.</p> <p>Based on an indicative pipeline of Machine, Flux, Quantum, Circle, Emerald.</p> <p>Annual GHG emissions reduce 518,524 tCO₂eq</p> <p>The midterm and final targets are based on the climate mitigation impact of the illustrative 4 built environment and infrastructure projects.</p>
<p><u>MRA3 Buildings, cities, industries and appliances</u></p>	<p><u>Supplementary 1.1: Annual energy savings</u></p>	<p>Annual Monitoring, Reporting and Verification (MRV) by independent third-party auditor</p> <p>On the ground surveys of actual results for a sample of projects by a third-party consultant.</p>	0	225,000 MWh (5 years)	450,000 MWh (10 years / lifetime)	<p>Based on an indicative pipeline of Project Quantum</p> <p>Annual energy savings 45,000 MWh/year</p>
<p><u>All adaptation results areas</u></p>	<p><u>Core 2: Direct and indirect beneficiaries reached</u></p>	<p>NDF annual portfolio performance reporting</p> <p>Household / enterprise level surveys, mid-term and final evaluation surveys conducted by independent third-party consultants</p>	0	Direct beneficiaries: 140,000 (71,080 female; 68,920 male)	Direct beneficiaries: 280,000 (142,160 female; 137,840 male)	<p>Project Oasis and Project Reef.</p> <p>Baselines will be project-based and therefore will only be developed when projects are under consideration.</p>

						<p>The midterm and final targets are based on the adaptation impact of the model portfolio. The assumptions for this indicator can be found in Annex 23.</p> <p>Data disaggregation by country is provided in Annex -17</p>
<p><u>ARA 2 Health and well-being, and food and water security</u></p>	<p><u>Core 2: Direct and indirect beneficiaries reached</u></p>	<p>NDF annual portfolio performance reporting</p> <p>Household / enterprise level surveys, mid-term and final evaluation surveys conducted by independent third-party consultants</p>	0	<p>Direct beneficiaries: 140,000 (71,080 female; 68,920 male)</p>	<p>Direct beneficiaries: 280,000 (142,160 female; 137,840 male)</p>	<p>Project Oasis: Solar-powered piped water stations for rural Cambodian villages.</p> <p>Baselines will be project-based and therefore will only be developed when projects are under consideration.</p> <p>The midterm and final targets are based on the adaptation impact of the model portfolio. The assumptions for this indicator can be found in Annex 23.</p> <p>Data disaggregation by country is provided in Annex -17</p>
<p><u>ARA 2 Health and well-being, and food and water security</u></p>	<p><u>Supplementary 2.3: Beneficiaries (female/male) with more climate-resilient water security</u></p>	<p>NDF annual portfolio performance reporting</p> <p>Household / enterprise level surveys, mid-term and final evaluation surveys conducted by independent third-party consultants</p>	0	<p>Direct beneficiaries: 120,000 (61,200 female; 58,800 male)</p>	<p>Direct beneficiaries: 240,000 (122,400 female; 117,600 male)</p>	<p>Project Oasis: Solar-powered piped water stations for rural Cambodian villages.</p> <p>Baselines will be project-based and therefore will only be developed when projects are under consideration.</p>

						<p>The midterm and final targets are based on the adaptation impact of the model portfolio. The assumptions for this indicator can be found in Annex 23b.</p> <p>Data disaggregation by country is provided in Annex -17</p>
<p><u>ARA3 Infrastructure and built environment</u></p>	<p><u>Core 2: Direct and indirect beneficiaries reached</u></p>	<p>NDF annual portfolio performance reporting</p> <p>Household / enterprise level surveys, mid-term and final evaluation surveys conducted by independent third-party consultants</p>	0	<p>Direct beneficiaries: 20,000 (9,880 female; 10,120 male)</p>	<p>Direct beneficiaries: 40,000 (19,760 female; 20,240 male)</p>	<p>Project Reef: Solar-Battery Microgrids for isolated island communities in the Philippines.</p> <p>For more information on the beneficiary calculations, please see Annex 23: Beneficiary calculations</p>
<p><u>ARA 3 Infrastructure and built environment</u></p>	<p><u>Core 3: Value of physical assets made more resilient</u></p>	<p>Requirement of annual reporting of value of physical assets that have been made more resilient to climate-related hazards, which will be tracked via:</p> <ul style="list-style-type: none"> • Engineering documentation • Insurance valuations • ESG and technical reports <p>On-site verification of infrastructure upgrades will be conducted by third-party</p>	0	USD 10M	USD 20M	<p>Project Reef: Solar-Battery Microgrids for isolated island communities in the Philippines.</p> <p>CAPEX for Project Reef is USD 20 million. This capital is dedicated to the deployment of 24 hybrid solar microgrids with storage and backup diesel generators to serve 40,000 residents in remote Philippine island communities.</p> <p>Baselines will be project-based and therefore will only be developed when projects are under consideration.</p>

		consultants alongside regular site visits by Navis.				
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E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)

Select at least two relevant IRMF core (enabling environment) indicators to monitor and elaborate the baseline context and project/programme's targeted outcome against the respective indicators. Rate the current state (baseline) vis-à-vis the target scenario and select the geographical scope of the outcome to be assessed. Describe how the project/programme will contribute towards the target scenario. Refer to a case example in the accompanying guidance to complete this section.

Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
<u>Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner</u>	The local, regional and national institutions and NDAs NDF is targeting as partners have low capacity to manage climate risk, develop and finance climate projects, and achieve positive environmental and social impacts.	<u>low</u>	National, regional, and local institutions have increased capacity to support low emission and climate resilient development in NDF Coverage Countries.	NDF will include capacity building for portfolio companies and NDAs, which will be disseminated among other relevant stakeholders, with the objective of sharing lessons learned and influencing shifts in project delivery approaches and deliver more impact.	<u>Multi-countries</u>
<u>Core Indicator 6: Degree to which GCF investments contribute to technology deployment, dissemination, development or transfer and innovation</u>	NDF platform Coverage Countries lack full technical capacity and resources to develop and implement necessary mitigation and resilience projects within the identified GCF Results Areas and sectors of focus.	<u>low</u>	The projects funded and supported by NDF will bring and deploy new or adapted best practices, technologies, and business models to NDF countries.	NDF will support pipeline portfolio companies to adapt and scale the use of emerging technologies and decarbonization best practices/solutions in a sustainable manner	<u>Multi-countries</u>

<p><u>Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level</u></p>	<p>Various barriers to financing decarbonization and green projects in Southeast Asia. These include limited capacity of national, regional, and local institutions to manage, structure, and negotiate these climate finance solutions, lack of sizable transactions, and high origination costs and credit risk in target country markets.</p>	<p><u>low</u></p>	<p>Equity financing of leading companies within the region offering decarbonization solutions. This can provide great support to reducing/avoiding emissions and increasing the resilience of Southeast Asian populations</p>	<p>NDF will include the development of an innovative, scalable, and replicable financing structure that will enable increased climate and decarbonization aligned financing in other developing contexts.</p>	<p><u>Multi-countries</u></p>
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E.5. Project/programme specific indicators (project outcomes and outputs)

*This section should list out project/programme-specific performance indicators (outcomes and outputs) that are not covered in sections above (E.1-E.4). List down tailored indicators to monitor /track progress against relevant project/programme results (outcomes/outputs). AEs have the freedom to decide against which outcomes they would like to set project/programme specific indicators. If any co-benefits are identified in sections B.2(a)(b), and D.3, AEs are encouraged to add and monitor co-benefit indicators under the “**Project/programme co-benefit indicators**” section in table below. Add rows as needed.*

Please number each outcome and output as shown below to indicate association of outputs to the contributing outcome. The numbering for outputs under this section should correspond to the output numbering in annex 4 (detailed budget plan).

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
Output 1.1: Navis Decarbonisation Fund set-up and	NDF established	NDF annual reporting	0	1	1	

pre-investment processes carried out						
Output 1.2 Capital deployed into decarbonisation projects and additional funding mobilised	Funding mobilised from private and public sources	<p>Measured and monitored ex-post based on portfolio investments through the amount specified in the funding agreements by other parties.</p> <p>Reported in annual reports, with an independent verification conducted before interim and final evaluations.</p>	0	1:4 (USD 60m: USD 300m GCF:Co-financiers)	1:4 (USD 60m: USD 300m GCF:Co-financiers)	Indicator refers to GCF to co-financing, where GCF is limited in terms of fund participation.
	Number of investments	NDF annual reporting	0	7	15	Based on indicative pipeline as described in Annex 2 Feasibility Study
	% of community who have access to safely managed water that meets WHO/UNICEF JMP standards ⁸³	<p>Household surveys</p> <p>Annual water quality audit reports</p>	0	50%	100%	<p>All connected households receive piped water that passes quarterly WHO water quality tests)</p> <p>Current water sources are off-premises [ponds] or contaminated [shallow wells with arsenic/E. coli], failing the JMP definition</p>
	Percentage of connected households receiving 24/7 reliable electricity service compliant with Distribution	Outage Incident Reports (for example, SAIDI/SAIFI metrics - System Average Interruption Duration Index).	0	50%	100%	All connected users receive continuous 24-hour service, maintained by BESS autonomy even during grid outages or night-time

⁸³ <https://www.who.int/teams/environment-climate-change-and-health/water-sanitation-and-health/monitoring-and-evidence/wash-monitoring>

	Code voltage/frequency standards. ⁸⁴					<p>The Energy Regulatory Commission (ERC) of the Philippines mandates these metrics for every power provider, including off-grid/microgrid operators.</p> <p>Current service is limited to 4–6 hours/day via diesel, with frequent voltage fluctuations and total shutdown during storms</p>
Output 1.3 Exit-readiness activities conducted for successful exit from portfolio companies by end of NDF life	Number of companies supported through exit due diligence	NDF annual portfolio performance reporting	0	0	15	One per portfolio company
Output 2.1 Value-creation opportunities identified of portfolio companies to improve financial and operational performance	Projects supported with value creation	Periodical reporting to NDF's Climate and ESG Committee	0	7	15	Based on indicative pipeline as described in Annex 2 Feasibility Study
Output 2.2 National, regional and local capacity strengthened to develop, manage, mobilize and finance	Number of presentations / events with stakeholders	Periodical reporting to NDF's Climate and ESG Committee	0	7	15	In accordance with Annex 7 – Stakeholder Engagement Plan

⁸⁴ Energy Regulatory Commission (ERC) Resolution No. 22, Series of 2016 (Adopting the 2016 Edition of the Philippine Grid Code) and ERC Resolution No. 02, Series of 2018 (Philippine Distribution Code)

high-impact climate investments						
Project/programme co-benefit indicators						
Co-benefit 1: Economic - Increased number of quality jobs contributing to sustainable and inclusive economic growth	Number of jobs created	Periodical reporting to NDF's Climate and ESG Committee	0	787 (236 female, 551 male)	1,575 (472 female, 1,103 male)	Assumption: Employment multiplier of 5.25 jobs per USD 1 million invested based on Esteves et al. (2024). Source: https://www.frontiersin.org/journals/climate/articles/10.3389/fclim.2024.1339877/full
Co-benefit 2: Environmental and social - Improved ESG practices aligning with IFC performance standards and ESG guidelines	Number of ESG plans created	Periodical reporting to NDF's Climate and ESG Committee	0	7	15	Based on indicative pipeline as described in Annex 2 Feasibility Study
Co-benefit 3: Mitigation interventions with adaptation co-benefits	Number of beneficiaries	Periodical reporting to NDF's Climate and ESG Committee	0	469,978 beneficiaries (217,819 female; 252,158 male)	939,955 beneficiaries (435,639 female; 504,316 male)	Based on calculations in Annex 23
E.6. Project/programme activities and deliverables						
<i>All project activities should be listed here with a description and sub-activities. Significant deliverables should be reflected in annex 5 implementation timetable. Add rows as needed.</i>						
<i>Please number the activities as shown below to indicate association of activities to the related outputs provided above in section E.5. Similarly, please number sub-activities as shown below to associate to the related activity.</i>						
Activities	Description	Sub-activities	Deliverables			
Output 1.1 NDF set-up and successfully raises USD 300m						

<p>Activity 1.1.1: Navis engages stakeholders (partners, donors, govts) for fundraising and establishing NDF (USD 300m)</p>	<p>Navis sets up NDF. The strategy, naming, branding and legal arrangement of NDF are successfully developed, ready for the implementation stage. Navis raises USD 300m for NDF across development finance institutions, family offices and corporates, anchored by a USD 60m commitment from GCF. NDF engages relevant stakeholders (partners, investors, governments) throughout.</p> <p>NDF will be formed as a limited partnership. Under this expected structure, the Manager will be Navis Capital Partners (Singapore) Pte Ltd. Investors will invest as limited partners in NDF.</p>	<p>Sub-Activity 1.1.1.1: NDF develops investment and impact thesis Sub-Activity 1.1.1.2: Navis names and brands NDF Sub-Activity 1.1.1.3: Navis internal and external legal counsel review the appropriate legal structure of NDF and sets up GCF entity Sub-Activity 1.1.1.4: Navis creates a virtual data room, including an indicative financial model and prospectus for review by potential investors Sub-Activity 1.1.1.5: Navis identifies and engages commercial investors, including road shows in select core geographies</p>	<ul style="list-style-type: none"> • 1x Legal structure of the entity/investment vehicle established • 1x VDR completed • 1x DDQ completed • 1x PPM completed • 1x LPA completed • 5x investors signed LPA and first close achieved
<p>Activity 1.1.2: Assess climate risks and opportunities and conduct ESG due diligence</p>	<p>Navis mandates an external advisor to conduct an assessment of climate risks and opportunities of the target investment. Risks identification focus on physical and transition risks, in accordance with ISSB guidelines. The assessment will also establish a baseline against which the impact indicators will be measured. The investment team will work with the target company to understand value creation opportunities based on climate.</p>	<p>Sub-Activity 1.1.2.1: Conduct climate and ESG due diligence on potential investment targets</p>	<ul style="list-style-type: none"> • 15 x Due diligence reports • 15 x ESAP • 15 x Climate-based value creation plan
<p>Activity 1.1.3 Complete financial and legal due diligence</p>	<p>NDF will conduct a full equity investment process, including screening, evaluating, due diligence and executing investments.</p> <p>NDF employs a set of clear criteria and processes in making investment decisions that are supported by standardised documentation. This process is overseen and managed by NDF IC comprising five</p>	<p>Sub-Activity 1.1.3.1: Drafting a Deal Alert Sub-Activity 1.1.3.2: Preliminary Industry and Company Assessment Sub-Activity 1.1.3.3: Deal Structuring and Negotiation Sub-Activity 1.1.3.4: Legal, Accounting and Commercial Due Diligence Sub-Activity 1.1.3.5: Request to Close</p>	<ul style="list-style-type: none"> • 30 x Deal Alert • 30 x Preliminary Industry and Company Assessment • 15 x Due Diligence reports and SHA/SPAs • 15 x IC memos

	<p>key stages: (i) “Deal Alert”; (ii) “Preliminary Industry and Company Assessment”; (iii) Deal Structuring and Negotiation; (iv) Legal, Accounting & Commercial Due Diligence; and (v) Request to Close.</p>		
<p>Output 1.2 Capital deployed into decarbonization projects and additional funding leveraged</p>			
<p>Activity 1.2.1: Deploy capital into projects</p>	<p>Navis will seek to deploy hybrid capital to accelerate the growth of climate and decarbonization-focused SMEs in the following areas:</p> <ul style="list-style-type: none"> • Energy Generation and Access: scaling renewable energy (solar, wind, biogas) and battery storage to replace fossil fuel reliance. • Low Emission Transport: electrifying 2-wheelers and commercial fleets via battery-swapping infrastructure and sustainable logistics. • Infrastructure and Built Environment: deploying energy-efficient technologies (e.g., waste heat recovery, advanced cooling materials) and circular economy solutions. • Sustainable Agriculture and Water: Promoting precision agriculture, biochar production, and water-efficient technologies. 	<p>Sub-Activity 1.2.1.1: Transaction document execution and Capital drawdown</p> <p>Sub-Activity 1.2.1.2: Execution and disbursement</p>	<ul style="list-style-type: none"> • 15 x Executed transaction documents • 15 x Financial disbursement summary
<p>Activity 1.2.2: Leverage external funding (USD 700m)</p>	<p>As part of NDF’s target to mobilize third party capital, NDF will work together with the portfolio companies to optimize their capital structure, mobilize commercial bank financing on the back of NDF’s equity investment, as well as alternative debt</p>	<p>Sub-Activity 1.2.2.1: Meetings with commercial banks and financial advisors</p>	<ul style="list-style-type: none"> • 15x Loan / funding documentation

	financing methods, such as green bond issuances.		
Activity 1.2.3: Portfolio monitoring	<p>Monthly results and key performance indicators (“KPI”) are independently tracked by the Portfolio Monitoring Team and reported to the NDF IC and Deal teams. These reports include financials and operational KPIs as well as KPIs agreed with GCF. Key areas of concern are raised by the ND IC and resolved by the deal team and portfolio company management.</p> <p>Progress and updates are reported back to the NDF IC during each Quarterly Portfolio Review call, which covers financials, operational KPIs, and progress against strategic initiatives. These in-depth Quarterly Review calls involve the NDF IC, Operational and ESG Value Creation Teams and respective Deal teams for each portfolio company. These calls serve as the main forum, aside from Annual Budget and Focus Reviews, where the NDF IC assesses company performance.</p>	<p>Sub-Activity 1.2.3.1: Annual budgets Sub-Activity 1.2.3.2: Focus Review Sub-Activity 1.2.3.1: Post-investment monitoring framework</p>	<ul style="list-style-type: none"> • 10x annual performance reports • 15 x focus reviews • 15 x post-investment monitoring framework
Output 1.3 Exit-readiness activities conducted for successful exit from portfolio companies by end of NDF life			
Activity 1.3.1: Conduct Vendor Due Diligence	<p>Navis will mandate an external advisor to conduct vendor due diligence on the portfolio company to be exited. VDD focuses on ESG and climate, to understand potential gaps to be addressed prior to exit, as well as value creation opportunities for incoming buyers.</p>	<ul style="list-style-type: none"> • Sub-Activity 1.3.1.1: Conduct Vendor Due Diligence 	<ul style="list-style-type: none"> • 15 x Vendor due diligence report

<p>Activity 1.3.2: Address gaps through ESG improvement plans</p>	<p>Based on the ESG VDD, NDF will work together with the portfolio companies to address the gaps identified through improvement plans which are tracked via an Exit Environmental and Social Action Plan.</p>	<ul style="list-style-type: none"> • Sub-Activity 1.3.2.1: Drafting of ESG improvement plans 	<ul style="list-style-type: none"> • 15 x ESG improvement plans / exit ESAPs
<p>Activity 1.3.3 Identify value-creation opportunities for incoming buyer(s)</p>	<p>NDF will work with the portfolio company to identify value creation opportunities for buyers</p>	<p>Sub-Activity 1.3.3.1: Drafting of information memorandum</p>	<ul style="list-style-type: none"> • 1x Information memorandum
<p>Output 2.1 Value-creation opportunities identified for portfolio companies to improve financial and operational performance</p>			
<p>Activity 2.1.1. Manage Climate Risks and Opportunities</p>	<p>The Navis Operations Team will work together with the NDF investment team and the portfolio companies to identify climate risks and opportunities based on ISSB guidelines, in accordance with the Fund's Climate Risks and Opportunities Policy. The primary focus is to mitigate physical risks identified during due diligence (i.e. flooding risks) and put in place an action plan to leverage the opportunities.</p>	<p>Sub-Activity 2.1.1.1: Climate R&O implementation</p>	<ul style="list-style-type: none"> • 15 x Climate heatmaps • 1 x List of initiatives for value creation
<p>Activity 2.1.2. Strengthen Organizational capabilities to drive growth and scale the business</p>	<p>NDF will assist the portfolio companies to strengthen organizational capacities, such as assisting with hiring C and C-1 positions, putting in place HR, DEI, ESG and other policies in line with GCF and IFC standards, implementing anonymous whistleblowing channels and providing training to key management personnel through onboarding and periodical training.</p>	<p>Sub-Activity 2.1.2.1: Hiring C / C-1 level employees Sub-Activity 2.1.2.2: Putting in place adequate policies</p>	<ul style="list-style-type: none"> • 15 x portfolio companies supported with revised policies, SOPs, and handbooks • 30 x trainings conducted for 15 portfolio companies (min. 10 employees per training session)
<p>Activity 2.1.3. Optimize operations and supply chain processes to improve quality and reduce costs</p>	<p>NDF will assist the portfolio companies to optimize operations and supply chain, leveraging NDF's Responsible Supply Chain Policy</p>	<p>Sub-Activity 2.1.3.1: Responsible supply chain review</p>	<ul style="list-style-type: none"> • 15 x responsible supply chain reviews conducted for portfolio companies

<p>Activity 2.1.4. Ensure compliance with international ESG standards</p>	<p>NDF will require the portfolio companies to implement NDF's ESG policies which are compliant with IFC and GCF policies. The implementation is part of the transaction documents and is monitored through the Environment and Social Action Plan.</p>	<p>Sub-Activity 2.1.4.1: Implement and monitor compliance with ESG standards</p>	<ul style="list-style-type: none"> • 15 x portfolio companies adopting NDF's ESG policies • 15 x Internal audits conducted by NDF
<p>Output 2.2: National, regional & local capacity strengthened to develop, manage, mobilize and finance high-impact climate investments</p>			
<p>Activity 2.2.1 Partnerships built with stakeholders to improve coordination, understand and address market barriers and share knowledge</p>	<p>Active engagement with NDAs about fine tuning the Fund's investment strategy. These meetings will likely provide the team with the opportunity to align with and learn from the NDA in target investment countries.</p>	<p>Sub-Activity 2.2.1.1: NDA engagement Sub-Activity 2.2.1.2: Establish country-level coordination committees to facilitate knowledge sharing and efficiently use resources.</p>	<ul style="list-style-type: none"> • 6x National engagement strategies produced • 6 country-level coordination committees established
<p>Activity 2.2.2 - Market-level engagement to disseminate industry best practice</p>	<p>Stakeholder engagement to facilitate knowledge sharing</p>	<p>Sub-Activity 2.2.2.1: Support the development of ESG and climate leaders, practitioners, and stakeholders committed to sharing knowledge and insights. Sub-Activity 2.2.2.2: Share results and lessons learned, both from deployment of capital and from larger coalition-building efforts.</p>	<ul style="list-style-type: none"> • 10 portfolio company conferences/fairs held (one per year) • 15 x portfolio case studies disseminated
<p>E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)</p>			
<ul style="list-style-type: none"> • Programme Level <p>Acting as both the Accredited Entity and Executing Entity, Navis Capital is responsible for regular reporting to GCF. An annual review of all investee companies is planned to be conducted to assess progress against budgeted financial and impact targets to complete the annual performance report (APR). The APR will be submitted to GCF following reporting requirements under the Funded Activity Agreement (FAA). It will:</p> <ul style="list-style-type: none"> – Reflect the monthly and quarterly reviews conducted throughout the year to produce a comprehensive assessment to evaluate the performance of the NDF portfolio companies on a financial, operational, social, ESG, and impact metrics; – Collect from project owners the disaggregated project performance indicators presented in the logical framework Section E.5; 			

- Inform internal discussions expected to be held regarding the following year’s objectives and targets, culminating in a formal plan agreed upon with the company’s management for achieving them, and;
- Indicate any substantial challenge needing to be addressed.

The APR will be submitted to the Secretariat for the period ending on 31 of December within 60 days after the end of the relevant annual period. The first APR will be submitted following the end of the calendar year in which the Parties enter the relevant FAA and last APR will be submitted within six months to the end of the relevant reporting period. The implementation reporting period of the Programme will start from the date of effectiveness of the FAA until the Programme implementation end date. With this approach to monitoring, NDF annually plans to report financial, impact, climate and ESG results to the Fund’s various stakeholders. Reporting to GCF is planned to occur, following reporting requirements established in legal agreements between donors, investors, and the project team.

2. Project-Specific Monitoring, Reporting, and Evaluation (MRE) System

During the disbursement period, NDF will track progress and identify potential issues, as well as improvement opportunities, through the below systems. NDF will ensure regular monitoring by overseeing the implementation of investments, meeting with the invested companies and other stakeholders on a regular basis, and engaging regularly with local and national government, including the NDA, as laid out under Output 2.2.

Climate Results Monitoring Framework

- Climate-Specific Indicators: NDF will integrate quantifiable metrics for climate mitigation/adaptation (e.g., GHG reductions, resilience metrics, renewable energy capacity) into the logical framework, aligned with GCF’s Integrated Results Management Framework.
- Real-Time Data Tools: NDF will deploy a Climate Results Dashboard for tracking progress against targets (e.g., satellite imagery for reforestation, IoT sensors for energy efficiency). This system will flag deviations for corrective action.
- Adaptive Management: NDF will include triggers for revising strategies if climate outcomes underperform (e.g., recalibrating activities if emission reductions lag by >15%).

Reporting Relationships

- EE to NDA/Focal Point: submit quarterly progress reports to the NDA, including:
 - Climate indicator performance (e.g., tCO₂e reduced).
 - Financial disbursement status (linked to milestones).

- Risks (e.g., regulatory delays, supply chain disruptions).
- EE to NDF IC: require monthly implementation updates covering:
 - Technical/financial milestones.
 - Compliance with environmental and social safeguards.
- Stakeholder Engagement: Host bi-annual stakeholder forums with NDA, EE, and communities to validate data and address grievances

Evaluation Design

Interim Evaluations

- Mid-Term Review (MTR): Conducted at 50% project completion, assessing:
 - Progress on climate targets (e.g., % of renewable energy infrastructure built).
 - Contribution to paradigm shift (rated on a 3-point scale: 1=low, 2=moderate, 3=high impact).
 - Financial efficiency (cost per tCO₂e reduced).
- Independent Evaluators: NDF will engage third-party experts to mitigate bias.
- The mid-term evaluation will be conducted in line with the GCF evaluation policy.

Final Evaluation

- Post-Completion Audit: Measure sustained climate outcomes (e.g., post-project emission trends).
 - Use counterfactual analysis to isolate GCF's impact vs. baseline.
 - Rate enabling environment contributions (e.g., policy changes catalyzed).
- Lessons Learned: Document barriers (e.g., permitting delays) and best practices for replication.
- The mid-term evaluation will be conducted in line with the GCF evaluation policy.

Additional Assessments

- Gender-Sensitive Evaluation: Embed gender-disaggregated data in all reports (per NDF Gender Policy).
- Post-Exit Review: Assess sustainability of outcomes 2–3 years post-project.

Additionally, there will be periodical review and updates of initial in-depth ESG risk assessment and follow up on the ESG Action Plan (ESAP) implementation. Previously identified ESG risks will be reviewed upon and the ESG team will work closely with relevant stakeholders within the pipeline projects to identify ESG risks, opportunities and initiatives to enhance value creation. NDF will also ensure that the climate impact of its investments can be sustained or enhanced even after exit.

3. Financial Performance

Monthly financials and key performance indicators of all pipeline projects under the NDF will be independently tracked by the Portfolio Monitoring Team and reported to the NDF Investment Committee. Each quarter, the Valuation Committee, a subset of the NDF IC, reviews and approves the valuation methodology for each active portfolio. Thereafter, Quarterly Review calls are held to bring together the NDF IC, Portfolio Operations and ESG Team, and the respective investment team for each portfolio company. Any issues or concerns raised by the Investment Committee are addressed collaboratively by the investment team and management of the portfolio companies.

The Operational and ESG Value Creation Teams monitor operating risks and mitigating measures of portfolio companies, which related to loss resulting from inadequate internal processes, people systems or external events, covering business processing risk, information security risk, human resources risk and event risk of portfolio companies.

Navis places great emphasis on implementing a hands-on approach to value creation, and ensures that it works closely with its portfolio companies to drive strategic, organizational, operational and ESG enhancements within portfolio companies. This is supported by what the firm believes is one of the largest value creation teams in Asia, comprising 16 dedicated professionals with functional and ESG expertise. This is further supported by five senior advisors, with extensive industry and consulting experience. As a result of Navis' operational approach, the majority of the value created in all of Navis' realized investments have been derived from EBITDA and revenue growth, rather than financial leverage. Similar for the NDF, these principles will be applied, with particular emphasis on ESG value creation and ensuring that relevant KPIs are being tied to investment teams' carries.

As the business owner, Navis will look to ensure management teams have the skills required to manage the portfolio companies. This will involve close scrutiny of incumbent management teams during the Firm's due diligence process. Navis will then determine whether to support the existing management team or replace team post investment effected through the board of directors.

Besides the arrangements (e.g. annual performance reports) laid out in Accreditation Master Agreement (AMA), please give a summary of the project/programme specific arrangements for monitoring, reporting and evaluation including a description of the monitoring and reporting system that will be used to assess the climate results of the proposed activity. Please also summarize the types of interim and final evaluations. Describe Accredited Entity (AE) project reporting relationships, including to the National Designated Authority (NDA)/Focal Point and between AE and Executing Entity (EE) as relevant, identifying reporting obligations from the EE to the AE. This should relate to the frequency of reporting on project

indicators, implementation challenges and financial status. Please note that interim and final evaluations are expected to embed an assessment of project/programme's contributions to a paradigm shift and enabling environment using a three-point scale rating. Refer to the guidance note for the summary requirements and factor in additional evaluation /assessment activities under this section accordingly.

6. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures (max. 3 pages)

Please describe financial, technical, operational, macroeconomic/political, money laundering/terrorist financing (ML/TF), sanctions, prohibited practices, and other risks that might prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures. Insert additional rows if necessary.

For probability: High has significant probability, Medium has moderate probability, Low has negligible probability

For impact: High has significant impact, Medium has moderate impact, Low has negligible impact

Prohibited practices include abuse, conflict of interest, corruption, retaliation against whistleblowers or witnesses, as well as fraudulent, coercive, collusive, and obstructive practices

Risk 1 – The fund does not fully deploy target fund size		
Category	Probability	Impact
<u>Financial</u>	<u>Low</u>	<u>High</u>
Description		
NDF intends to complete 10-15 investments across its primary investment period of 4 years from final close. Given that the decarbonization market is relatively nascent in Southeast Asia and target investees are SMEs, there is a risk that the fund cannot fully deploy USD 300m.		
Mitigation Measure(s)		
Given Navis' presence across all key Coverage Countries with an investment team of over 50, coupled with its long-standing track record for investments in SMEs, NDF will be able to originate and execute such transactions with a high confidence		
Risk 2 – Potential delayed exitst		
Category	Probability	Impact
<u>Financial</u>	<u>Medium</u>	<u>Medium</u>
Description		
The envisioned NDF portfolio will consist of 15 investments across Southeast Asia. To provide adequate returns to investors, the Fund will endeavour to exit such portfolio companies within 5-7 years of investment. The exit environment however can be significantly influence by external factors such as Covid-19 or geopolitical uncertainty		
Mitigation Measure(s)		
The underlying investment structures will focus on ensuring that an exit structure is included in the investment structuring. Hybrid instruments are highly suitable to ensure alternative exit routes as compared to a sale, including but not limited to redemption / repayment, IPO or put option to founders, mitigating exit risks. Furthermore, Navis' Liquidity Committee will assist in identifying exit routes and appropriate exit timing.		
Risk 3 - Portfolio Underperformance		
Category	Probability	Impact
<u>Other</u>	<u>Low</u>	<u>Medium</u>
Description		
As the target portfolio companies are likely to be earlier stage investments in a nascent market, their financial performance until exit may vary depending on operating environment and capabilities		
Mitigation Measure(s)		

<p>NDF will actively manage the portfolio companies and leverage the Navis Operations Team to create value. All portfolio companies will be required to have a value creation plan which will be implemented in accordance with Navis' Rapid Results strategy. Financial performance will be monitored by the Portfolio Monitoring team and the NDF IC will be presented with the results on a quarterly basis. All companies will have periodical strategic review to align strategies to market conditions</p>		
Risk 4 – Delayed Deployment of New Decarbonization Solutions		
Category	Probability	Impact
<u>Technical</u>	<u>Low</u>	<u>Low</u>
Description		
<p>Select portfolio companies (i.e. Project Quantum) are providing cutting edge decarbonization solutions to potential end users. Given that some of these technologies are in earlier stage albeit proven, adoption may take time, thus impacting the portfolio company growth</p>		
Mitigation Measure(s)		
<p>NDF will assist in aligning business models with technologies, as well as introducing portfolio companies to potential end clients. Given Navis' reputation in Southeast Asia, an investment by NDF will help portfolio companies sell their product</p>		
Risk 5 - SME Capacity Constraints Limiting Growth		
Category	Probability	Impact
<u>Operational</u>	<u>Low</u>	<u>Low</u>
Description		
<p>Some portfolio companies may be in an earlier stage of growth at the time of investment by NDF. These companies may lack a strong operations team and thus lack the capacity scale up and grow. Reporting elements may also be impact by such capacity constraints</p>		
Mitigation Measure(s)		
<p>NDF will identify the potential constraints during due diligence and will ensure that such constraints are addressed post-investments, under for example the 100 day plan. Navis' human capital division has significant track record in identifying human capital constraints and being able to help recruit the right individuals for the portfolio companies</p> <p>To address the reporting constraints, NDF will mandate an external advisor and provide resources from its ESG team to the portfolio companies</p>		
Risks 6 - Regulatory Uncertainty Limiting Deployment		
Category	Probability	Impact
<u>Regulatory</u>	<u>Low</u>	<u>Medium</u>
Description		
<p>Where portfolio companies are providing solutions enabled by certain government support (i.e. subsidies, preferential tax), in case of changes to regulatory environment, such solutions may be less economical for end clients.</p>		
Mitigation Measure(s)		
<p>NDF strategy is not to invest in areas which are highly dependent on regulatory and government support such as feed in tariffs. NDF seeks to invest into companies who are operating on a B2B model without government support, and as such, changes to regulatory environment will have limited impact</p>		
Risk 7 - Program Approvals Delaying Fundraising		
Category	Probability	Impact

<u>Political</u>	<u>Low</u>	<u>Medium</u>
Description		
Given that the GCF investment into NDF is dependent on NOLs being obtained from local NDAs, a change in government may result in extended time frame to provide the necessary NOLs for NDF		
Mitigation Measure(s)		
NDF is in regular contact with all NDAs. Most NOL processes are well structured and frequent communication about timelines and expectations will help manage the risk		
Risk 8 - Potential Governance Risks across Investments		
Category	Probability	Impact
<u>Governance</u>	<u>Low</u>	<u>High</u>
Description		
As NDF will invest into Southeast Asian SMEs which will likely be non-sponsored (i.e. no existing private equity investor), as well as relatively early stage, the investments carry significant risks related to governance, including but not limited to understand who a company's beneficial owners are, potential breach of law by the portfolio companies, AML/CFT violations or sexual harassment cases.		
Mitigation Measure(s)		
Governance has been a particular focus area pre- and post-investment and with its 7 person ESG team, including a senior professional overseeing integrity, Navis is very well equipped to manage such Governance related risks. All NDF portfolio companies will also be required to adopt Navis' Whistleblowing and Grievance policies which include an anonymous whistleblowing line.		
Risk 9 - Supply Chain Risks Impacting Financial Performance		
Category	Probability	Impact
<u>Governance</u>	<u>Low</u>	<u>High</u>
Description		
Some portfolio companies may be involved in sourcing raw materials from biomass / agriculture in Southeast Asia, which has inherent risks around supply chains, such as child labour and deforestation		
Mitigation Measure(s)		
Navis has extensive experience in pre-investment due diligence as well as a dedicate Sustainable Supply Chain Policy. Pre-investment, an external advisor will diligence the supply chain where relevant and ensure that the supply adheres to NDF's policies, which include IFC PS and GCF's ESG policies. Only materials sustainably produced adhering the Navis policies will be utilized across the supply chain. This also pertains to post-investment, where the portfolio companies are required to adopt NDF's Sustainable Supply Chain policies and the ESG team will conduct regular audit of the portfolio companies.		
Risk 10 – Geopolitical Supply Chain Risks		
Category	Probability	Impact
<u>Governance</u>	<u>Low</u>	<u>High</u>
Description		
Some portfolio companies may be involved in sourcing equipment globally which may become subject to tariffs or supply limitations.		
Mitigation Measure(s)		

Navis has extensive experience in pre-investment due diligence to identify potential exposure to such risks. Post-investment, Navis will work together with the portfolio companies to minimize and manage supply chain challenges caused by geopolitical risks.

Risk 11 – Money Laundering, Terrorism Financing and Sanctions Risks

Category	Probability	Impact
Compliance	Low	High

Description

Failure to implement a sound and effective anti-money laundering (AML) compliance program on the prevention of Navis' fund management products and services being used by bad actors to engage in money laundering, tax evasion, terrorist financing and other financial crimes and which results in non-adherence with relevant laws & regulatory requirements.

Failure to implement a sound and effective international sanctions screening and monitoring program and which results in non-adherence with relevant laws & regulatory requirements.

Mitigation Measure(s)

Navis has a robust and well-defined processes for identifying and mitigating money laundering / terrorism financing (“**ML/TF**”) risks at NDF and its portfolio investments, respectively.

AML/CFT Screening of New Investors

All prospective investors are required to complete a Know-Your-Customer (“**KYC**”) Supplement and provide specific supporting KYC documents. The prospective investor will not be accepted where required identification documentation and source of wealth information are not provided or if the investor’s identity cannot be verified.

A prospective investor who is deemed a ‘Prohibited Investor’ (i.e. any person/entity subject to application international sanction programs, or located in a sanctioned jurisdiction (e.g. Iran, Cuba, North Korea) or utilizes foreign shell banks without a physical presence) cannot be accepted as investors.

A prospective investor who is deemed ‘High Risk’ (e.g. politically exposed persons (PEP), located in or chartered under the laws of a FATF Non-Cooperative Jurisdiction or a country with inadequate AML/CFT systems, or potentially subject to international sanctions, embargos or similar measures implemented by the US Office of Foreign Assets Control (OFAC), UN Security Council, UK or EU, or a country with significant corruption or criminal activities, or identified as supporting terrorist activities or harboring designated terrorist organisations) are subject to enhanced due diligence (“**EDD**”) checks. High Risk investors where findings from the EDD are either inconclusive or unsatisfactory will not be accepted as investors.

Specific controls to be implemented for NDF include:

- Designated independent AML Compliance Officer appointed to oversee the development, maintenance and application of the AML/CFT policies of NDF.
- Designated independent Money Laundering Reporting Officers for internal and external reporting of suspicious activity.
- Outsourced AML/KYC service provider to assist with the implementation of the AML/CFT policies and procedures in accordance with applicable AML laws and regulations.
- Daily/live screening and monitoring of all our investors and portfolio companies for ML/TF, sanctions and threat finance related risks. Navis uses a subscription-based customer screening platform / database which provides highly structured information on heightened risk individuals and entities

including PEPs, senior officials of state-owned enterprises, and individuals or entities subject to global sanctions and local law enforcement and regulatory watch lists.

- Annual AML/CFT compliance training are attended by the NDF board and the Navis Legal Department.

Screening of Portfolio Companies and Senior Management

All prospective portfolio investments are subject to rigorous portfolio risk identification and mitigation procedures from the pre-deal stage and throughout our investment holding period.

Any investment decision will take into account all major/significant issues identified following our robust due diligence processes. Where identified investment risks are capable of remedy or can be reasonably mitigated, we will require resolution of those issues as a condition precedent and standard buyer protections (e.g. financial indemnity or guarantee) under the definitive investment agreements before completing the investment. We will not proceed with any investment where the nature of investment risks either are not reasonably capable of remedy (e.g. sanctions, criminal offences, bribery or corruption practices, illegal/unlawful business activities) or would expose NDF and its investors to potential legal/reputational/financial damage.

Specific identification procedures on compliance risks:

(1) Pre-deal due diligence:

- **Expert Due Diligence (“DD”)**: Leading DD advisors to conduct legal, financial, tax and ESG DD to verify, among others, clear legal ownership and identify legal, regulatory and governance-related issues.
- **Background Research**: Reputable third-party service providers to conduct rigorous background and integrity checks on the target company and its shareholders, ultimate beneficial owners, directors and senior management team (the “**Key Persons**”) to determine whether the company or its Key Persons is or had been involved in any investigation or allegation relating to ML/TF, bribery, corruption, forced labour, major commercial disputes, adverse media coverage or material litigation.
- **Public Database Screening**: Screening the company and Key Persons against local and global regulatory and sanctions databases to determine if there are any undisclosed issues or information, financial problems, bankruptcy, bribery, corruption, ML/TF violations or non-compliance with sanctions.
- **Navis’ Professional Network**: Leverage our expert network of business owners, entrepreneurs, advisors to support our detailed DD analysis and to help validate the reputation of the Key Persons.

(2) Post-investment monitoring:

- **“100 Day Plan”**: Within the initial 100 days, the Navis Operations Team implements appropriate controls and performance improvement initiatives (e.g. capital and operating expense approval limits, capital request procedures, cash management policies).
- **Periodic Review and Monitoring** by the Investment Team at monthly Exco meetings and monthly results and key performance indicators are reported to the Navis Portfolio Monitoring Team for independent assessment of potential issues.
- **Portfolio Operational/ESG Support**: Navis Operations/ESG Team works alongside the Investment Team to help identify opportunities and risks on strategy development and implementation, operational efficiency, technology, human capital, E&S and governance and report back to the Investment Committee during quarterly portfolio reviews.
- **Corporate Governance Monitoring** by the Navis Operations Team where portfolio senior management are required to annually declare compliance with our ESG business principles.

(3) Prior to exit: Rigorous evaluation of optimal exit timing and systematic “sell/hold” analyses. This includes an “exit readiness audit” (conducted 6-12 months prior to a planned exit) and engaging third-party DD advisors to conduct vendor legal, financial, tax DD and any potential irregularities or issues are resolved immediately.

Our disciplined approach and rigorous evaluation/monitoring procedures ensure that any potential non-compliance or deficiencies identified throughout our investment holding period are promptly resolved and before commencing an exit process (further limiting our contractual exposure as part of exit negotiations with the future buyer).

Risk 12 – Fraud, Bribery, Corruption and Other Prohibited Practices

Category	Probability	Impact
Compliance	Low	High

Description

Failure to implement a sound and effective compliance monitoring program on the prevention of:

- (i) fraudulent or illegal activities (e.g. bribery, corruption, misappropriation) resulting in non-compliance with applicable laws and regulatory requirements (including foreign and domestic anti-bribery laws) and exposure to reputational damage, administrative fines, civil and criminal liabilities and imprisonment; or
- (ii) unlawful, improper or unethical conduct (e.g. business integrity, environmental, health & safety, social) resulting in reputational damage, breach of contractual or fiduciary obligations, financial or business opportunity loss.

Mitigation Measure(s)

Navis has a dedicated compliance function spearheaded by Navis Legal and which is primarily responsible for monitoring overall legal & regulatory compliance with applicable legal & regulatory requirements, specific obligations under Navis fund/constitutional documents, and our internal compliance policies and procedures.

Specific measures within our compliance monitoring program include:

- (1) **Navis Compliance Guide:** The Navis Group Compliance Guide ("**Compliance Guide**") sets forth Navis policies and procedures to ensure suitable controls are designed to protect the interests of our investors and comply with applicable laws and regulations. The Compliance Guide is revised and updated annually and communicated to all employees who must annually certify compliance.
- (2) **Navis International ABC / Sanctions Guide:** In addition to the Compliance Guide, the Navis International Anti-Bribery and Corruption Guide and the Navis International Sanctions Guide set forth additional compliance policies and at-a-glance guidance to help identify issues relating to bribery, corruption and sanctions. Training is provided as and when required.
- (3) **Gifts & Entertainment Policy:** All employees are subject to Navis’ gifts & entertainment clearance policies in the Compliance Guide. Detailed guidance is provided on (a) what is

permitted / prohibited, (b) what constitutes ‘gifts’ vs ‘entertainment’, (c) including a user-friendly guide to assist in determining what is ‘appropriate’ vs ‘excessive’. This policy includes clear monetary thresholds where mandatory disclosure and pre-clearance are necessary. Certain G&E involving cash or cash-equivalent gifts, public officials or facilitation payments are prohibited without exception.

- (4) **Personal Trading Policy:** All employees are subject to strict personal trading policies (i.e. written approval is required before investing in listed securities or certain qualified unlisted securities) and must submit annual holdings reports for potential conflict of interest assessment.
- (5) **Fit & Proper Checks:** All employees undergo thorough background and fit & proper checks conducted by the Navis HR prior to employment. Certain employees such as licensed representatives and Navis Finance staff are subject to annual credit checks to mitigate against perceived heightened risks associated with their day-to-day responsibilities.
- (6) **Violation Reporting / Whistleblowing:** Any employee who is aware of a violation of Navis Group policies or applicable laws must report immediately to the Compliance Officer. Navis has also formulated the Navis Group Whistleblowing Policy and Procedure for employees to raise whistleblowing concerns directly to their mentor or refer the matter to the Compliance Officer or the Human Capital Manager. Employees may also report whistleblowing concerns anonymously via the Navis Group’s “Speak Up” program, a comprehensive and confidential reporting tool created by NAVEX Global (an independent risk and compliance management service provider).

Any compliance-related issues, complaints or reports submitted to the Compliance Officer (including the identity of the complainant) are kept strictly confidential. Any material non-compliance issues identified following the Compliance Officer’s investigations and fact-finding exercise will be immediately reported to the Managing Partners for assessment and resolution.

Depending on the facts and circumstances of the violation, the Compliance Officer, in consultation with external advisors, may report the matter to local enforcement authorities, file a suspicious transaction report, and internal disciplinary measures may be taken.

Risk 13 - Conflicts of Interest

Category	Probability	Impact
Financial / Compliance	Low	Medium

Description

Relationships are subject to bias or conflicts of interest (in fact or in appearance) as a result of gift giving or other matters, leaving the organization vulnerable to accusations of unfairness, partiality, deceit, bribery and corruption, possible fines, prosecution and reputational damage.

Mitigation Measure(s)

Navis has robust conflicts of interest policies and procedures which restrict related party or affiliated transactions between (i) the Navis managed investment fund (including NDF) and its portfolio companies, and (ii) the Navis Group or any third party which involve the personal or private interests of any Navis employee.

The following policies will be enshrined in the NDF fund documentation and the Navis Group Compliance Guide:

- (1) **No Personal Investments:** Navis and its employees are not permitted to acquire or hold securities of any portfolio company of NDF without the prior written approval of Limited Partnership Committee of NDF (“**LP Committee**”) other than through the GP's direct capital commitment in NDF.
- (2) **Transactions with Affiliates:** Any contract or transaction between Navis, its affiliates and NDF that is not authorised or contemplated in the constitutional documents of the LPA will require the prior written approval of the LP Committee and conducted on an arms' length basis.
- (3) **Duty to Act in Best Interests:** If any potential conflict of interest arises in respect of NDF (not otherwise covered above), the GP will consult with the LP Committee and provide relevant details, nature and extent of the potential conflict and the proposed course of action in a fair and appropriate manner.
- (4) **Other Potential Conflicts:** All employees are subject to strict conflicts disclosure obligations to immediately report and annually declare any potential conflicts of interest involving his/her own interests (e.g. personal directorships, shareholding, business or financial interests) in a possible transaction involving Navis whether as client, customer, vendor, service provider, investor, lender or borrower, or otherwise.

7. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

ESG Framework

NDF's ESG Framework is aligned with GCF's policies and standards. The Navis Responsible Investment Policy and the ESMS Manual are the key policies that Navis uses to address environmental and social (E&S) safeguarding. These policies are mandated by the Board and applied by the IC, which are the two highest decision-making bodies of Navis. The Responsible Investment Policy guides internal processes and tools to make informed decisions about E&S Risks.

Navis categorizes their risks as A, B, or C, in accordance with the IFC PS guidelines (A,B,C), matching the GCF policy. The NDF is categorized as B or I-2 based on the underlying risk profile and sectors of investments. The Fund will not invest into Category A projects.

ESMS Manual describes the operational arrangements for implementing the Responsible Investment Policy. It emphasizes the integration of E&S considerations within the investment process according to best international standards. The manual specifies compliance with local regulations, GCF Guidelines, IFC Performance Standards, World Bank Group EHS Guidelines, and ILO Declaration on Fundamental Principles and Rights at Work. The establishment of an ESG Committee, comprising members of the IC, and senior members of the Legal and ESG in-house teams, is expected to ensure that ESG developments are addressed throughout the investment process and in its business model.

Navis has ESG due diligence processes that include E&S screening and categorization. For high and medium-risk investments, due diligence involves internal and external E&S experts and assessments following the IFC Performance Standards and GCF framework. Potential impacts on Indigenous Peoples are identified and mitigated. Environmental and Social Impact (ESIA) is assessed for B categories where relevant, and ESAPs are developed for every project and agreed upon with target companies. The plans are expected to ensure compliance with relevant standards is maintained, and also impact on Indigenous Peoples is taken into consideration.

The E&S Screening includes initial screenings for E&S exclusions and detailed assessments. The elements include human rights, labor conditions, resource efficiency, pollution prevention, community health and safety, and biodiversity conservation. Specific questions address potential negative impacts, such as soil contamination, air emissions, hazardous waste generation, biological and radiological hazards, and community safety risks.

Navis's long track record, as evidenced by these documents, showcases its ability to identify, manage, and mitigate E&S risks in its investment portfolio.

Post-investment, Navis deploys their so-called 90-day plan, which includes monitoring of ESG through physical site visit, confirmation of the ESAP, collection of additional data and aligning the company with all Navis policies. Further, annual ESG audits are performed to ensure ongoing compliance.

Navis has a whistleblowing policy and a grievance mechanism that includes mechanisms for reporting and managing concerns in a consistent and transparent manner. Grievances can be submitted through various channels, including email, telephone, and the anonymous online reporting system that is managed by an independent third party. Navis supports its portfolio companies to establish their own grievance mechanisms using the same third-party company and in managing them to maintain anonymity. Navis has an independent investigation mechanism, led by the General Counsel, that addresses the grievances and complaints fairly and securely. The elements and evidence of the grievance system show that the rights and interests of stakeholders, are respected and protected throughout the investment lifecycle.

Navis has also an approach to serious ESG incidents through a structured approach and guidelines. It ensures that incidents are documented, investigated, and addressed promptly. Corrective and preventive actions are implemented to prevent recurrence.

E&S disclosures are made in accordance with the national laws of each country by the investee companies and are announced as required by the local laws. Previous Development Finance Institution (DFI) investors have categorized and disclosed their intended investments in Navis Funds in risk category B/I-2.

Navis collects and reports on its portfolio ESG activities on a monthly and quarterly basis. The ESG monitoring is done through common project management tools and an ESG platform which also allows for an efficient collection of key ESG indicators.

Navis engages in knowledge sharing through various external communications, including forums, venture capital events, and private investors' discussions. The Navis ESG team participates in engagements and discussions, such as ESG conferences with DFIs, to stay up to date on best practices. Besides quarterly and annual reporting to LPs, Navis also publishes a sustainability report, which includes information on their funds. The reporting includes detailed ESG reports following transparency and accountability in their sustainability efforts. NDF's annual sustainability report will follow the GCF guidelines.

Navis has extensive and effective ESG policies and institution-wide management program for E&S risks and impacts. NDF has screening, due diligence, monitoring, risk identifying, management and reporting procedures. Navis has demonstrated capabilities on protecting the rights of the indigenous people. Navis communicates and reports effectively with internal and external stakeholders, while managing the investments throughout their lifetime. All activities are based on a comprehensive investment approach, where ESG are integrated into their strategy, principles and operations.

NDF Investment cycle

All ESG areas are embedded throughout the investment cycle, starting with a first Environmental, Social and Governance Due Diligence (ESG DD) during Screening phase and ESG Vendor Due Diligence identifying and reviewing key ESG and climate related indicators in accordance with the GCF requirements.

Pre-investment Phase

The purpose of the E&S due diligence is to identify the issues that may affect the value, positively or negatively, of the investment (entry and exit). The process has been designed to establish an understanding of the E&S risks and opportunities for value creation, and where risks have been identified, determine the level of risk, priority for addressing and recommended actions to mitigate the impacts.

Methodology

The detailed scope for E&S due diligence is typically guided by the findings from the screening, and the risk category assigned to each potential Target investment will define the depth and extent, and how the due diligence will be undertaken. As per the principles included in the *Environmental and Social Screening and Categorization Policy and Procedure*. The E&S due diligence also determines the baseline that is used to calculate the impact of the investment over the life of the investment.

- Target companies with medium or high governance risk ratings will require a due diligence process that is led by both external consultants and the Navis ESG Team. Low-risk targets will be assessed by the Navis ESG Team internally;

- Where significant climate-related risks and opportunities of the underlying asset are identified, an additional quantitative assessment through scenario modelling will be carried out by an external advisor. This analysis will use a variety of future outcomes, aligned with the Paris Agreement and TCFD recommendations, including at least a 2°C or lower scenario and a scenario related to Nationally Determined Contributions (NDCs) and National Adaptation Plans. The outcome aims to understand the overall value at risk and the potential costs to mitigate these risks; and
- Based on the diligence findings from the assessment of ESG and climate risk and opportunities, the ESG Team will develop an action plan that will be integrated in the 90-day plan and a set of KPIs which are discussed with the Investment team and subsequently included in the investment memorandum for the investment committee discussion. Upon approval by the NDF IC, a legal agreement comprising appropriate ESG warranties, covenants and/or undertakings will be agreed with the target company's management, including but not limited to adherence to the ESG action plan (ESAP), Navis Exclusion List and ESG Business Principles, as well as warranties and undertakings for compliance with applicable ESG laws.

Post-investment

Onboarding

Upon investment, the ESG Team will complete an induction with the portfolio company's senior management within 90-days to set out Navis' ESG requirements and share their due diligence findings, suggested action plans, monitoring process and KPIs, to be implemented post investment. Specifically, Navis' ESG requirements include the establishment and implementation of an E&S Management System ("ESMS"), an ESG Committee, a Serious ESG Incident Reporting process, Grievance and Whistleblowing Policy, Code of Conduct, Anti Bribery and Corruption Policy, AML/CFT Policy, Trade Sanctions Policy, Annual ESG Monitoring and Delegation of Authority.

Navis will also share with the portfolio company its HR Policy Manual Template and Governance Pack which are based on Navis ESG Business Principles, providing guidance on:

- environmental core principals to be adopted by the company;
- health, social and employee core principals to be adopted by the company;
- formation of an ESG Committee with representatives from Navis, and appointment of a Compliance Officer if necessary;
- development of Anti Bribery and Corruption policies which are in line with key aspects of the UK Bribery Act, FCPA best practices and International Sanctions, etc.; and
- internal control policies including whistleblower policy, AML/CFT policy, trade sanctions policy, third-party agent / vendor selection, etc.

Monitoring

Navis has robust procedures in place for ongoing monitoring of the ESG status of a portfolio company, which are set out below:

- the ESG Team will provide regular and ongoing technical and operational support to implement Navis ESG requirements and specific value creation initiatives outlined in the ESAP;
- ESG performance of a portfolio company will be monitored by the deal team and the ESG teams. This will include: i) tracking the progress of the ESAP via an online platform; ii) reviewing relevant monitoring reports submitted by the company; iii) compliance to GCF requirements; iv) progress on target KPIs; and v) identifying new ESG and climate developments and/or ESG and climate risks or

opportunities. ESG and climate performance update and key issues will be reviewed and discussed by the NDF IC on a monthly basis;

- the ESG Team will also conduct regular site visits to ensure proper implementation of the ESMS and Governance Pack across the portfolio company's operations. Review of the portfolio company's governance program will also be carried out on an annual basis by the ESG Team. Stress tests on the materiality of climate-related risks will be conducted at the ESG Team's discretion;
- the portfolio company's senior management team will be required to sign the Declaration of Compliance on an annual basis to confirm compliance with the Code of Conduct and Navis ESG Business Principles. The CEO and CFO of the company will also be required to provide a signed Representation Letter on an annual basis, addressed to Navis, indicating the accuracy of the financial results submitted to Navis;
- key ESG data will be collected from the portfolio company annually based on the ESG Data Collection Initiative by the ESG Team, including data on employment, diversity, serious accidents, GHG emissions and environmental issues, as well as major property insurance claims, etc.;
- annual ESG audits will be completed either by the Navis ESG Team and/or external consultants, while annual review and update of the Navis Climate Heat Map will be conducted by the Navis ESG Team; and
- serious incident reporting will be presented in the monthly financial results submitted to Navis, which will be reviewed by the Investment Team and ESG Team. The ESG Team will also support the portfolio company and ensure root cause analysis is completed and appropriate corrective actions are in place.

Exit

- As Navis prepares for a potential exit of an investment, an ESG review is conducted six to twelve months in advance of a potential exit by the ESG Team, to assess the ESG maturity and exit readiness of the portfolio company, and to identify and remediate any unresolved ESG issues. Where appropriate, an external subject matter expert may also be engaged to conduct a ESG vendor due diligence. Navis will work with the portfolio company to ensure these issues are addressed and acted upon before the exit.

Climate Risks and Opportunities

Navis understands that climate-related risks and opportunities are a key enabler to improving a company's financial and operational performance as they will be able to prepare for material current and anticipated risks while capitalizing on climate-related opportunities.

To that effect, Navis developed a Climate Risks and Opportunities NDF to ensure a comprehensive understanding of the relevant physical and transition risks and opportunities of the potential investments starting from the pre-investment phase. The framework enhances the systematic assessment of climate risk and leverage the opportunities of existing and future investments.

The Policy is integrated into NDF's ESMS to ensure consistent and comprehensive integration, and to guide internal processes.

Pre-investment

Preliminary Climate Risks and Opportunities Assessment

Pre-investment, the ESG team will conduct a preliminary climate risks and opportunities assessment based on the guidelines laid out in the Climate Risks and Opportunities Policy. The assessment is based on information provided by the Investment Team, including but not limited to exact location of the underlying assets and information about its exposure and sensitivity to climate effects using the Climate Screening Form. The ESG team will utilize the Climate Screening Form and additional collected information to apply the SASB Climate Risk Framework in order to identify the material Climate Risk Categories. This information will be presented in a Navis Climate Heat Map. The ESG team will also complete an initial qualitative scoring of exposure or risk with the use of an “Impact Matrix”. Additionally, the team will also use the SASB tool to identify the industry-specific metrics that the potential portfolio company is recommended to disclose. The pre-due diligence information will be part of the NDF IC materials under the summary of the ESG risks and opportunities.

Due Diligence

During ESG due diligence, the Navis ESG team, or external ESG consultants as appropriate, will provide a summary for the target investment’s risk and opportunities with description of each of the time horizons (short, medium, and long term), an identification of the value chain stages being affected, and the magnitude and likelihood of their potential impacts, with a particular focus on the key risks that have been flagged.

The time horizons will be defined based on the industry of the target investment and the associated business and investment cycles. The stages of the value chain that may be affected will be determined using the SASB Climate Tool, along with Navis’ proprietary evaluation of the materiality of the identified risks in relation to the potential investment.

If the identified climate related risks and opportunities are deemed to be significant by the ESG team, additional quantitative assessment in the form of scenario modelling will be completed by an external advisor. A scenario analysis shall be carried out using a reasonable variety of future outcomes, both favourable and unfavourable. Aligned with the Paris Agreement in 2015 and TCFD recommendations, there would be at least a 2oC or lower scenario and a scenario related to the Nationally Determined Contributions (NDCs). Additional scenarios would be those relevant to circumstances or scenarios as agreed with the external advisor. The outcome of the scenario modelling will be to understand the overall value at risk and the potential costs to mitigate them. The climate related findings shall be presented to the PE IC as part of the ESG due diligence report.

The completed climate screening form which will include a climate risk heatmap, detailed climate risk and opportunities assessment. If appropriate, value at risk determination using scenario modelling will be completed. The identified climate risk mitigation strategies and opportunities will be added to identified climate risk mitigation strategies and opportunities will be added to the ESAP.

Post-investment

To manage the climate risk and opportunities for value creation in our portfolio companies’ post-investment, Navis will endeavour to undertake the following:

Onboarding and engagement

- implementation of ESAP;

- climate risks identified during due diligence will be integrated into the enterprise management risk framework;
- conduct an annual review of all portfolio companies and develop the Navis Climate Heat Map. The Navis Climate Heat Map shall be updated on an annual basis;
- identify high climate-risk and/or high climate opportunities portfolio companies based on the Navis Climate Heat Map;
- for portfolio companies who are rated as high risk, Navis ESG team shall conduct a detailed qualitative analysis taking into account TCFD or International Sustainability Standards Board (ISSB) recommendations for time horizon and risk metrics;
- if a portfolio company's climate-related risk impact is identified as material and likely, scenario modelling shall be completed to assess the value at risk based on a 2°C or lower scenario and a scenario related to the NDCs. Additional scenarios would be those relevant to circumstances or scenarios as agreed with the external advisor;
- a stress test on the materiality of climate-related risks that the investment is exposed will be conducted by the Navis ESG team at their discretion;
- in partnership with the portfolio companies, where climate opportunities are material, develop and monitor value creation initiatives based on climate opportunities for each portfolio company;
- review climate-related performances, and relevant updates (i.e. changes in the regulatory environment) at the PE Exco meetings including implementation of climate action plans; and
- Navis ESG team will monitor the climate action plans and report on the status to PE IC regularly but at least annually;

Communication

- the climate-related risks and opportunities will be clearly communicated to the relevant stakeholders; and
- portfolio companies will be added into the Navis Climate Heat Map and risk register, with the Navis Climate Heat Map being available on the Navis website.

Exit

Where appropriate, Navis will conduct an ESG Vendor due diligence by external consultants to identify climate risks and opportunities, address any gaps through improvement plans and identify potential climate-related opportunities for incoming buyers. The value creation elements are incorporated into the investment memorandum of the portfolio company as the climate-related opportunities are often an integral part of businesses going forward.

G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

Gender equality and women's empowerment are foundational to achieving inclusive, resilient climate action in Southeast Asia. Gender considerations are made in all NDF countries and sectors through comprehensive Gender and Social Inclusion (GESI) Assessments. The full GESI Assessment and Action Plan are presented in Annex 8 provide a framework to promote equity, mitigate gender-related risks, and ensure women, girls and marginalized groups equally benefit from climate investments. The GESI

Assessment and Action Plan are developed in alignment with GCF Human Rights Policies including Gender and Sexual Exploitation, Abuse and Harassment (SEAH).

Inclusion and Equity

Throughout its actions, processes and policies, NDF commits to promoting the following types of changes in behaviors and practices:

- Women's economic participation as business leaders, technical professionals and employees by promoting inclusive workplace policies
- Equal access to climate solutions such as clean energy, water-efficient agriculture, sustainable transport, and low-carbon infrastructure through inclusive product and service design
- Gender-responsive safeguards, ensuring that no climate project inadvertently exacerbates gender-based inequalities or risks
- SEAH prevention and redress, including partner due diligence, and portfolio-wide application of anti-harassment safeguards

GESI integration across the investment lifecycle

The NDF GESI process spans the entire investment lifecycle, from pipeline screening to investment, to exit. The GESI Assessment will inform a due diligence framework and guide investment decision-making. GESI Plans will be required from all investees prior to financial close, with requirements adapted to sector and country context. These plans will define:

- Gender-related risks and opportunities
- Actions across company operations
- Stakeholder engagement
- Product/service delivery
- Monitoring

Scope of the GESI Assessment

The GESI Assessment in Annex 8 will include:

- Analysis of national gender laws, policies, and climate strategies across the 6 Coverage Countries
- Country-specific barriers to women's economic empowerment and climate resilience
- Sector-specific inclusion gaps in energy, transport, infrastructure and agriculture
- Consideration of cross-cutting inclusion issues such as:
 - Indigenous rights and cultural access to land/resources
 - Youth and education/employment pipelines
 - SEAH and gender-based violence (GBV)

Monitoring and Outcomes

NDF's GESI Action Plan will define impact-level commitments, fund-wide outcome indicators, and outputs related to gender and inclusion. Implementation will be monitored through:

- Annual progress reporting on GESI indicators
- Mandatory sex-disaggregated data collection by investee companies
- Periodic third-party reviews of GESI performance

Each investee company will also be responsible for adopting basic gender safeguards and non-discrimination policies as a condition of funding.

GBV and SEAH

Navis recognizes that Gender-Based Violence (GBV) and Sexual Exploitation, Abuse and Harassment (SEAH) are still prevalent issues in Southeast Asia. GBV and SEAH risks are potential social risks in the geographies and industries that NDF might invest in. The Environmental and Social Due Diligence will include these risks during the assessments. Furthermore, portfolio companies shall develop policies and procedures to address and mitigate the risks associated with GBV and SEAH. Annex 6 Appendix I outlines NDF's strategy in addressing GBV and SEAH.

2X Challenge

NDF on a Fund level is committed to embrace Gender and DEI and encourage equal employment opportunities and drive related initiatives in the workplace for the benefit of its employees. Gender and DEI are embedded into every aspect of our business and key talent management processes as it enables us to continue to evolve, attract and retain the best talent in delivering our business strategy. NDF will adopt the 2X Challenge criteria on Fund manager and portfolio company level for assessing and structuring investments to provide women with leadership opportunities, quality employment, finance, and enterprise support. A detailed implementation plan is available in Annex 8 – Part II. NDF will ensure that there is adequate resourcing available for both Fund and investment level implementation.

G.3. Financial management and procurement (max. 500 words, approximately 1 page)

1. Financial Management System

Financial Monitoring Systems

- **Real-Time Tracking:** a centralized system will monitor fund inflows/outflows, with monthly financial summaries tracking budget vs. actuals, liquidity positions, and currency exposure.
- **Quarterly Reviews:** Portfolio companies will submit financials within 30 days of quarter-end, reviewed by the Navis' finance team and reported to the Investment Committee.
- **Cash Flow Budgeting:** weekly cash position reports will forecast short-term liquidity needs, with excess funds placed in interest-bearing accounts.

Financial Accounting

- **Segregated Accounts:** GCF proceeds will be held in dedicated, interest-bearing accounts compliant with Clause 11.01 of the AMA.
- **Monthly Reconciliations:** bank statements will be reconciled against ledger entries, with discrepancies resolved within 5 business days.
- **Currency Management:** hedging strategies (e.g., forward contracts) will mitigate FX risks for non-USD transactions, reviewed quarterly.

Auditing

- **Internal Audits:** annual audits will assess compliance with internal controls and GCF fiduciary standards.
- **External Audits:** An independent auditor will conduct ISAE 3402 audits on fund administration, with findings reported to the Board within 120 days of the fiscal year-end.
- **Fraud Prevention:** Anti-corruption screenings will be applied to all transactions exceeding a certain threshold.

Disbursement Structure

- Approval Workflow: Dual signatory mandates (CFO + Managing Partner) for all disbursements, with requests.
- Milestone-Based Releases: Funds disbursed in tranches tied to predefined outputs (e.g., 30% upfront, 50% upon mid-term review).
- Reflow Mechanism: Unused funds returned to GCF within 60 days of project completion, per Clause 7.03 of the AMA2.

2. Procurement Management

Procurement will be conducted in alignment with Annex 10 – Procurement Plan.

Implementation Arrangements

- Navis Oversight: Navis will validate procurement plans for alignment with GCF's Policy on Prohibited Practices, including:
 - Competitive procurement for contracts >USD 50,000.
 - Direct procurement only for emergencies or specialized services.

Procurement Risk Assessment

- Risk Identification: Pre-procurement screenings will flag:
 - Conflicts of interest (e.g., staff linked to vendors).
 - Geopolitical risks (e.g., sanctions on suppliers).
 - Capacity gaps in procurement team

Risk Management

- Third-Party Audits: Annual procurement audits to verify compliance with GCF's procurement guidelines.
- Whistleblower Protections: Anonymous reporting channels managed by the Navis' Compliance Officer, with investigations resolved within 90 days.

3. Key Improvements Over Baseline

1. Digital Procurement Tracker: Replaces manual EE reports with a cloud-based dashboard for real-time vendor performance monitoring.
2. Enhanced Due Diligence: Integrates ESG criteria (e.g., carbon footprint) into supplier evaluations.
3. Capacity Building: Training for EE procurement teams on GCF's Environmental and Social Standards.

This framework ensures alignment with Navis's operational rigor and GCF's accountability mandates, prioritizing transparency and risk mitigation.

G.4. Disclosure of funding proposal

No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if it contains confidential information.

8. ANNEXES

H.1. Mandatory annexes

- Annex 1 NDA no-objection letter(s) ([template provided](#))
- Annex 2 Feasibility study - and a market study, if applicable
- Annex 3 Economic and/or financial analyses in spreadsheet format
- Annex 4 Detailed budget plan ([template provided](#))
- Annex 5 Implementation timetable including key project/programme milestones ([template provided](#))
- Annex 6 E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3):
[\(ESS disclosure form provided\)](#)
 - Environmental and Social Impact Assessment (ESIA) or
 - Environmental and Social Management Plan (ESMP) or
 - Environmental and Social Management System (ESMS)
 - Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People’s Plan, Land Acquisition Plan, etc.)
- Annex 7 Summary of consultations and stakeholder engagement plan
- Annex 8 Gender assessment and project/programme-level action plan ([template provided](#))
- Annex 9 Legal due diligence (regulation, taxation and insurance)
- Annex 10 Procurement plan ([template provided](#))
- Annex 11 Monitoring and evaluation plan ([template provided](#))
- Annex 12 AE fee request ([template provided](#))
- Annex 13 Co-financing commitment letter, if applicable ([template provided](#))
- Annex 14 Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule

H.2. Other annexes as applicable

- Annex 15 Evidence of internal approval ([template provided](#))
- Annex 16 Map(s) indicating the location of proposed interventions
- Annex 17 Multi-country project/programme information ([template provided](#))
- Annex 18 Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
- Annex 19 Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
- Annex 20 First level AML/CFT (KYC) assessment
- Annex 21 Operations manual (Operations and maintenance)
- Annex 22 Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)⁸⁵
- Annex X Other references

* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.

⁸⁵ Annex 22 is mandatory for mitigation and cross-cutting projects.

No-objection letter(s) issued by the national designated authority(ies) or focal point(s)



MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA DIRECTORATE GENERAL OF FINANCIAL SECTOR STABILITY AND DEVELOPMENT

JUANDA II BUILDING 17TH FLOOR, JALAN DR. WAHIDIN NOMOR 1, JAKARTA 10710

Ref. : S-72/SK/2025

11 November 2025

To: The Green Climate Fund ("GCF")

Subject: Expression of no-objection for the funding proposal titled Navis Decarbonization Fund I submitted by Navis Capital Partners (Singapore) Pte. Ltd. under the project specific assessment approach

Dear Ms. Mafalda Duarte

We refer to the funding proposal titled Navis Decarbonization Fund I in Indonesia submitted by Navis Capital Partners (Singapore) Pte. Ltd. to us on July 21th, 2025 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of Directorate General of Financial Sector Stability and Development, Ministry of Finance, the national designated authority of Indonesia.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- (a) The government of Indonesia has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Indonesia.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect Navis Capital Partners (Singapore) Pte. Ltd. to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



Ditandatangani secara elektronik
Masyita Crystallin
Director General





KEMENTERIAN SUMBER ASLI DAN KELESTARIAN ALAM
(Ministry of Natural Resources and Environmental Sustainability)
Parcel F, Blok F11, Kompleks F
Lebuh Perdana Timur, Presint 1
Pusat Pentadbiran Kerajaan Persekutuan
62000 PUTRAJAYA
MALAYSIA

Tel : +603-8000 8000
Portal Rasmi : www.nres.gov.my

Our Reference : NRES.700-7/1/6 (4)(S)

Date : 29 January 2026

Ms. Mafalda Duarte
Executive Director
Secretariat of the Green Climate Fund
175 Art Center-daero
Yeonsu-gu, Incheon 22004
REPUBLIC OF KOREA

Ms. Duarte,

**EXPRESSION OF NO-OBJECTION APPLICATION FOR THE FUNDING PROPOSAL
TITLED "NAVIS DECARBONIZATION FUND I"**

With reference to the above matter.

2. Referring to the programme titled **Navis Decarbonization Fund I** to the NDA submitted by Navis Capital Partners Singapore Pte. Ltd. under the project specific assessment approach.
3. The undersigned is the duly authorized representative of the Ministry of Natural Resources and Environmental Sustainability, the National Designated Authority of Malaysia. Pursuant to the GCF Board Decision B.08/10, B.37/22, and B.41/02, the content of which we acknowledge and have reviewed with relevant stakeholders, in my capacity as representative of the National Designated Authority, we hereby communicate our no-objection to the programme as included in the funding proposal.
4. By communicating our no-objection, it is implied that:
 - a) The government of Malaysia has no-objection to the programme as included in the funding proposal;
 - b) The programme as included in the funding proposal is in conformity with the national priorities, strategies and plans of Malaysia; and
 - c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

• Nilai Lestari • Responsif • Efisien • Sistematis



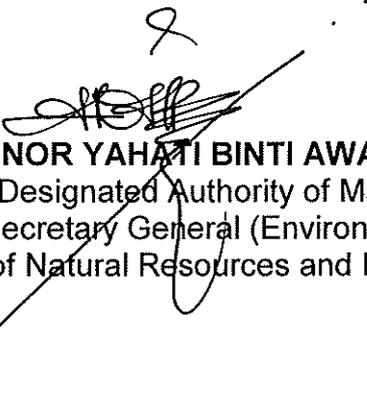
Official Use Only

5. Furthermore, we also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed and that our no-objection applies to all projects or activities to be implemented within the scope of the programme. Notwithstanding the foregoing, we expect Navis Capital Partners Singapore Pte. Ltd. to take the necessary measures to ensure that the programme and its sub-projects as described in the PPF Proposal are implemented in a manner consistent with applicable national laws and identified a national executing entity.

6. For the avoidance of doubt, this letter does not create any obligation on the part of the Government of Malaysia with respect to legal or financial actions. We acknowledge that this letter will be made publicly available on the GCF website.

Thank you.

Sincerely,



(DATUK NOR YAHATI BINTI AWANG)
National Designated Authority of Malaysia
Deputy Secretary General (Environmental Sustainability)
Ministry of Natural Resources and Environmental Sustainability
Malaysia



Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004



MAFALDA DUARTE

Executive Director
Green Climate Fund (GCF)
175 Art Center-daero, Yeonsu-gu, Incheon
Republic of Korea

Subject : Expression of No-Objection for the Funding Proposal titled "Navis Decarbonization Fund I (NDF)" submitted by Navis Capital Partners Pte. Ltd. under the Project Specific Assessment Approach

Dear **Executive Director DUARTE:**

We refer to the funding proposal titled "**Navis Decarbonization Fund**" in the **Philippines** submitted by the Navis Capital Partners Pte. Ltd. to the GCF Philippines National Designated Authority (NDA) on October 17, 2025, under the Project Specific Assessment Approach (the "Proposal").

The undersigned is the duly authorized representative of the Department of Finance (DOF), the NDA of the Republic of the Philippines.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the NDA, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- (a) The Government of the Republic of the Philippines has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of the Republic of the Philippines.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect Navis Capital Partners Pte. Ltd. to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal are implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,


RALPH G. RECTO
Secretary of Finance
05 NOV 2025



URGENT

No. 0804/ 250



Ministry of Natural Resources
and Environment
92 Soi Phahon Yothin 7,
Phahon Yothin Road, Phaya Thai,
Bangkok 10400 THAILAND
Tel./Fax. (+662) 265 6690

29 January B.E. 2569 (2026)

To: The Green Climate Fund (“GCF”)

Re: Expression of no-objection for the funding proposal titled “Navis Decarbonization Fund I” submitted by Navis Capital Partners under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled “Navis Decarbonization Fund I” in Thailand submitted by Navis Capital Partners to us on 24 June 2025 under the project specific assessment approach (the “Proposal”).

The undersigned is the duly authorized representative of the Department of Climate Change and Environment, Ministry of Natural Resources and Environment, the national designated authority of Thailand.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating to our no-objection, it is implied that:

- (a) The government of Thailand has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Thailand.

We also...

Green Climate Fund
Songdo Business District
175 Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea
Tel: +82 32 458 6059

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect Navis Capital Partners to take the necessary measures to ensure that the programme [and its sub-projects] as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Yours sincerely,



(Mrs. Raweewan Bhuridej)

Permanent Secretary

Ministry of Natural Resources and Environment

National Designated Authority (NDA) of the Kingdom of Thailand

**ESS disclosure report form for projects or programmes submitted under the
Project-specific Assessment Approach (PSAA) Pilot**

Environmental and social report(s) disclosure

Basic project or programme information	
Project or programme title	Navis Decarbonization Fund I
Existence of subproject(s) to be identified after GCF Board approval	Yes
Sector (public or private)	Private
Name of Entity	Navis Capital Partners (Singapore) Pte. Ltd.
Environmental and social safeguards (ESS) category	Category I-2
Location – specific location(s) of project or target country or location(s) of programme	Indonesia, Malaysia, Philippines (the), and Thailand,
Environmental and Social Impact Assessment (ESIA) (if applicable)	
Date of disclosure on entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A
Environmental and Social Management Plan (ESMP) (if applicable)	
Date of disclosure on entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A
Environmental and Social Management System (ESMS) (if applicable)	
Date of disclosure on entity's website	Monday, February 23, 2026
Language(s) of disclosure	English, Bahasa Indonesia, Bahasa Melayu, Filipino, and Thai
Explanation on language	These are the official languages within each of the target countries.
Link to disclosure	English: Link Bahasa Indonesia: Link Bahasa Melayu: Link Filipino: Link

	Thai: Link
Other link(s)	N/A
Remarks	An ESMS consistent with the requirements for a Category I-2 programme is contained in the “Environmental and Social Management System Manual”
Any other relevant ESS reports, e.g. Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF), Indigenous Peoples Plan (IPP), Indigenous Peoples Planning Framework (IPPF) (if applicable)	
Description of report	Indigenous Peoples Policy Framework; Land Acquisition and Resettlement Framework
Date of disclosure on entity’s website	Monday, February 23, 2026
Language(s) of disclosure	English, Bahasa Indonesia, Bahasa Melayu, Filipino, and Thai
Explanation on language	These are the official languages within each of the target countries.
Link to disclosure	English: Link Bahasa Indonesia: Link Bahasa Melayu: Link Filipino: Link Thai: Link
Other link(s)	N/A
Remarks	The IPPF and LARF are included as Appendices to the Environmental and Social Management System Manual
Disclosure in locations convenient to affected peoples (stakeholders)	
Date	Monday, February 23, 2026
Place	<p>Singapore: Navis Capital Partners 20 Collyer Quay #21-03 Singapore, 049319</p> <p>Indonesia: Navis Capital Partners One Pacific Place, Level 11, Sudirman Central Business District (SCBD) Jl. Jend. Sudirman Kav. 52-53 Jakarta, 12190, Indonesia</p> <p>Malaysia: Navis Capital Partners 17A Level 17, Axiata Tower 9 Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur, Malaysia</p> <p>Thailand: Navis Capital Partners 12th Floor, Two Pacific Place</p>

	<p>142 Sukhumvit Road Klongtoey, Bangkok, 10110 Thailand</p> <p>Philippines: GCF Philippines NDA International Finance Group 4/F Department of Finance BSP Complex, Roxas Blvd. Manila, Republic of the Philippines</p>
Date of Board meeting in which the FP is intended to be considered	
Date of entity's Board meeting	N/A
Date of GCF's Board meeting	Wednesday, March 25, 2026

Note: This form was prepared by the entity stated above.

Secretariat’s assessment of the project-specific assessment approach applicant

1. The Secretariat has assessed the document titled “PSAA Accreditation: Application and Review Checklist”, submitted by Navis Capital Partners (Singapore) Pte Ltd (hereafter “Navis” or “the applicant”), against the GCF accreditation standards. The result of the entity capacity assessment and recommendations for GCF project-specific assessment approach (PSAA) accreditation are as follows:

Overall capacity	High Navis has a well-developed financial management system and a robust control framework that includes risk management. It maintains strong systems and policies to prevent money-laundering, the financing of terrorism, fraud and other prohibited practices. Additionally, it is well equipped to manage environmental, social, and gender risks and impacts, ensuring a minimal likelihood of negative impacts on its ability to carry out the proposed programme as planned.
Fiduciary functions	Basic fiduciary standards
	Specialized fiduciary standard for project management
	Specialized fiduciary standards for on-lending and/or blending (for loans, equity and guarantees)
Maximum environmental and social risk category	Limited adverse risks (category B/1-2)
Conditions	No conditions

2. The Secretariat has augmented its capacity by using external experts to undertake the applicant capacity assessment review.¹ A summary of the assessment is presented in this document.

I. Applicant capacity assessment summary report

1.1 Introduction and institutional assessment

3. Navis is part of the Navis Group, a consortium of private equity fund-management companies operating across the Asia-Pacific region with its headquarters in Singapore and offices in seven other locations. The group operates under a unified management structure, with regulated entities in Singapore and Malaysia holding Capital Markets Services Licences.

4. Navis has over 25 years of experience managing private equity funds totalling over USD 5 billion across more than 92 investments. The proposed programme, Navis Decarbonization Fund I (NDF), will be structured as a Cayman Islands-regulated private fund targeting small and medium-sized enterprises (SMEs) in Southeast Asia to support the

¹ In line with the project-specific assessment approach pilot framework approved by the Board (decision B.31/06), the Secretariat has augmented its capacity by using external experts, third-party organizations and/or service providers to support it in undertaking the applicant capacity assessment review.

transition to a low-carbon economy. If the application is approved by the Board, Navis will act as the fund manager of NDF and an accredited entity under the PSAA.

5. The applicant has demonstrated a strong institutional track record in managing private equity funds aligned with sustainability goals and development priorities in the target geographies. The assessment determined that Navis possesses a high capacity and meets the relevant GCF accreditation standards.

1.2 Methodology

6. The assessment began based on documentation submitted in January 2025, following the applicant's completion of Climate Investment Committee 2 in November 2024. The external review team conducted a completeness check of the materials by 17 January 2025. A field visit followed from 20 to 22 January 2025, and the final review was concluded on 27 February 2025.

7. The assessment comprised a two-step process. Step one evaluated the completeness of the submitted documentation, including internal policies, procedures and programme materials. Step two involved extensive interviews with Navis personnel across core functional areas: general management, financial administration, procurement, project management, environmental and social safeguards (ESS), gender, and compliance and transparency.

8. Additionally, reference checks were conducted with two long-standing co-financiers of Navis-managed funds. Interview feedback confirmed that there were no issues of concern related to fiduciary performance or institutional capacity during the course of those partnerships.

9. Navis was assessed in accordance with several GCF policies and standards relevant to accreditation, including but not limited to:

- (a) Updated Strategic Plan for the GCF 2024–2027 (USP-2; decision B.36/13);
- (b) “Matters related to the accreditation framework” regarding the accreditation process (decisions B.24/13 and B.26/01);
- (c) “Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund’s fiduciary principles and standards and environmental and social safeguards” (decision B.07/02);
- (d) Policy on Prohibited Practices (decision B.22/19);
- (e) Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT Policy) (decision B.18/10);
- (f) Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21);
- (g) Environmental and Social Management System: Environmental and Social Policy (decision B.19/10);
- (h) Comprehensive Information Disclosure Policy of the Fund (decision B.12/35) regarding the disclosure of environmental and social information;
- (i) Updated Gender Policy and Gender Action Plan 2020–2023 (decision B.24/12);
- (j) Revised Environmental and Social Policy (decision B.BM-2021/18);
- (k) Evaluation Policy (decision B.BM-2021/07); and
- (l) Updates to the accreditation framework (decision B.31/06).

10. The following assessment is based on this due diligence.

1.3 Contribution to the mandate of GCF

11. NDF seeks to accelerate the low-carbon transition of underserved SMEs in Southeast Asia by investing in four key areas: energy access and power generation, low-emission transportation, infrastructure and the built environment, and sustainable agriculture and water. Through initiatives such as biogas, solar photovoltaic systems, battery storage, circular economy solutions and precision agriculture, NDF would advance the GCF strategic objectives of expanding access to sustainable energy, promoting low-emission infrastructure, and supporting climate innovation for small and medium-sized enterprises. Its thematic focus and regional scope are well aligned with the USP-2 strategy and GCF mandate.

1.4 Track record and implementation of similar projects

12. Navis has a strong track record of managing private equity funds with investment strategies closely aligned to the objectives of the proposed NDF. Its previous funds are comparable in terms of size, geographical focus, financing instruments, environmental and social risk categories, and monitoring frameworks. The applicant has consistently demonstrated the ability to deliver value through its investments by aligning with national climate priorities and contributing to GCF portfolio-level outcomes in the region.

13. To date, Navis has managed over USD 5 billion in private capital and executed more than 92 investments. These investments span sectors and companies across Southeast Asia and have established the experience of Navis in deploying capital in the same asset class and regions targeted by NDF. The current pipeline is designed to build on this track record, further reinforcing the applicant's capacity to implement climate-aligned, high-impact projects.

1.5 Legal status, registration, permits and licences

14. Navis was incorporated as a Singapore private limited company in 2007. It is regulated as a licensed fund-management company by the Monetary Authority of Singapore and has held a Capital Markets Services Licence to operate as a fund-management company since 2012.

15. Its local affiliate in Malaysia, Navis Malaysia, was incorporated as a Malaysian private limited company in 1999. Navis Malaysia is regulated as a licensed fund-management company by the Securities Commission Malaysia and has held a Capital Markets Services Licence to operate as a fund-management company since 2002. In the Cayman Islands, the private equity investment funds and management companies of Navis are regulated by the Cayman Islands Monetary Authority as private funds and securities investment businesses under Cayman Islands laws.

II. Accreditation assessment

2.1 Basic fiduciary standards

2.1.1. Key administrative and financial capacities

16. Navis has adequate governance and oversight bodies, including a board and its supporting functions. Its management structure facilitates good governance and decision-making.

17. Navis is governed by a board of directors composed of its three founding partners who serve as the highest approving authority. Day-to-day operations are managed by the managing

partners and heads of key departments, including finance, legal, compliance, portfolio operations and investor relations. The firm has established a comprehensive organizational structure that embeds risk management and oversight through numerous specialized committees, such as the Investment Committee, the Risk Management Committee, the Limited Partner Advisory Committee (LPAC), the Valuation Committee and the Whistleblowing Committee. This structure is clearly documented, with defined responsibilities and reporting lines to ensure governance clarity.

18. The internal fund-management systems of Navis are designed to align operational goals with the firm's broader mission of value creation. Financial functions are handled in-house by a qualified team led by the Chief Financial Officer, supported by eight staff members who manage investment accounting, financial reporting, compliance and investor communications. The firm uses a cloud-based accounting platform and prepares financial statements in accordance with the United States Generally Accepted Accounting Principles. External audits of Navis funds are conducted and the Navis Group itself is audited. Additional audits, along with regular inspections by regulatory bodies, contribute to a strong assurance environment.

19. The internal audit function is overseen by the Head of Legal and Compliance, who also chairs the Risk Management Committee. Findings are reported to senior leadership and shared with external auditors and regulators, such as the Monetary Authority of Singapore and the Securities Commission Malaysia. Navis has not received any audit exceptions in recent years. The firm's internal control system is built around clearly segregated financial responsibilities, comprehensive compliance policies, and robust documentation of roles and procedures across all functional areas.

20. While Navis has demonstrated sound financial and administrative capacity, one possible area for improvement is its procurement process. Navis follows internal review protocols and applies criteria such as cost, experience, and track record in selecting vendors, and will develop a procurement policy to enhance transparency and consistency. The external review team concluded that despite the absence of a formal procurement policy, Navis possesses adequate systems, controls, and human resources to effectively manage GCF funds, with no major gaps observed.

2.1.2. Transparency and accountability

21. Navis maintains a strong culture of ethics, transparency and accountability, guided by its code of conduct and the comprehensive Navis Group compliance guide. Oversight of ethical and regulatory standards is led by the Head of Legal and Compliance, supported by dedicated committees for diversity, equity and inclusion (DEI) and whistle-blowing. The firm enforces rigorous conflict-of-interest policies, including mandatory disclosure of securities holdings and quarterly attestations, with conflict waivers authorized by its LPAC. Sanctions for non-disclosure and personal financial conflicts are clearly outlined. Navis also upholds a zero-tolerance policy on fraud and misconduct, fostering an organizational environment rooted in fairness and integrity.

22. To ensure accountability, Navis has implemented a 24/7 anonymous whistle-blowing platform, managed by a third-party provider. The Whistleblowing Committee – chaired by the Head of Legal and Compliance and including the Environmental, Social and Governance (ESG) Lead and Human Capital Lead – handles all misconduct allegations, with external investigators engaged as needed. Navis employs robust anti-money-laundering and countering the financing of terrorism protocols, supported by World-Check screening and mandatory compliance by portfolio companies. The firm also follows thorough know-your-customer and due diligence procedures for all relevant parties. The external review team found that the Navis ethical standards, compliance mechanisms, and investigative functions are effective and align with GCF policies, with no material gaps identified.

2.2 Specialized fiduciary standards

2.2.1. Project management

23. Navis has a well-defined project management framework that integrates financial, legal, environmental, social and climate considerations through its environmental and social management system (ESMS) manual. Key committees including the Investment Committee and the LPAC oversee project appraisal and risk management.

24. Navis also has strong systems for budgeting, implementation, monitoring and project closure. Post-investment processes include structured onboarding, regular reporting and performance reviews.

2.2.2. Grant award and/or funding allocation mechanisms

25. Navis did not apply for accreditation for the grant award and/or funding allocation mechanisms specialized fiduciary standard.

2.2.3. On-lending and/or blending for loans and equity

26. Navis satisfies the specialized fiduciary standards of GCF for on-lending and blending for loans and equities.

27. Navis demonstrates strong capacity in managing on-lending and blending for loans and equity through a comprehensive, risk-based investment approach. Its governance bodies, including the Investment Committee, oversee due diligence, ESG integration and risk assessment throughout the investment life cycle. Navis holds valid licences in Singapore, Malaysia and the Cayman Islands, and has successfully deployed capital across diverse sectors and countries in Southeast Asia. Its investment strategy includes financial risk management, sectoral and geographical diversification, and regular portfolio reviews.

28. Navis also maintains robust financial controls and reporting systems. Through external audits, site visits and LPAC engagement, the firm ensures transparent fund channelling and effective performance monitoring. Public access to ESG information, case studies and performance metrics is provided through its sustainability web page. While Navis does not have a credit rating, it has consistently demonstrated operational discipline and fiduciary oversight. The external review team concluded that Navis has the systems, governance and experience necessary to manage blended finance effectively and in alignment with GCF standards.

2.3 Environmental and social safeguards

29. Navis addresses ESS through its board-mandated responsible investment policy and ESMS manual, both applied across all funds. These policies align with international standards such as the United Nations Principles for Responsible Investment, the International Finance Corporation (IFC) Performance Standards and World Bank Group guidelines. ESG is fully integrated into the investment process, with oversight by the Investment Committee and ESG Committee.

30. Navis conducts ESG due diligence for all investments, involving internal and external experts for medium- and high-risk projects. Environmental and social action plans are developed for each project, and environmental and social impact assessments are performed when applicable. A 90-day post-investment ESG plan includes site visits, policy alignment and data collection, followed by annual ESG audits. Navis has demonstrated its ability to manage category B-level risks, consistent with GCF requirements.

31. Navis has a robust grievance mechanism supported by a whistle-blowing policy and an anonymous third-party reporting system. This system is used both internally and by portfolio companies to ensure confidentiality and transparency. Grievances are investigated by the General Counsel through an independent process, ensuring stakeholder rights are protected throughout the investment life cycle.

32. ESG performance is monitored and reported monthly and quarterly. While Navis does not publicly disclose environmental and social (E&S) risks prior to investment, disclosures follow local laws. ESG results are shared in sustainability reports and investor updates. The external review team found the Navis E&S systems effective, aligned with GCF standards, and sufficient to manage E&S risks and impacts throughout the investment cycle.

2.4 Gender

33. Navis has a comprehensive gender framework aligned with the updated GCF Gender Policy. The framework is supported by the firm's DEI policy, its DEI playbook and a dedicated DEI Committee. Navis integrates gender considerations across its operations and investments, using tools such as the 2X Challenge criteria. DEI initiatives are implemented at both the fund level and the portfolio level, with dedicated contact points in investee companies and regular monitoring and training.

34. Navis demonstrates organizational capacity, staff competency and a proven track record in promoting gender equality. It supports knowledge-sharing through events, peer learning and gender impact communications. The external review team concluded that Navis meets the GCF gender requirements and has the systems, resources and experience to implement gender-responsive projects.

III. Conclusions and recommendations

3.1 Conclusions

35. Following its assessment, the Secretariat concludes that Navis is well equipped to support the implementation of USP-2. Navis is capable of effectively managing the proposed programme under PSAA accreditation and enhancing private sector participation in climate change mitigation and adaptation projects, especially across the geographical areas targeted by NDF.

36. The applicant has demonstrated that it has a high capacity to implement the proposed NDF programme and manage the GCF-funded activities in alignment with the relevant GCF policies. Navis possesses the relevant legal status to implement NDF as stipulated in the PSAA pilot framework requirements.

37. The applicant meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy, the specialized fiduciary standard for project management, and the specialized fiduciary standards for on-lending and/or blending (for loans, equity and guarantees to the extent applicable to the PSAA, and to the funding proposal).

38. The applicant meets the GCF revised Environmental and Social Policy, the GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S risk information in relation to E&S risk category B/I-2 and to the extent applicable to the PSAA and the funding proposal.

39. The applicant has further demonstrated that it has the necessary policies, procedures and competencies to implement its gender policy, consistent with the updated GCF Gender Policy to the extent applicable to the PSAA and the funding proposal.

3.2 Recommendations on project-specific accreditation

40. **Accreditation type:** PSAA.
41. **Fiduciary functions:**
- (a) Basic fiduciary standards; and
 - (b) Specialized fiduciary standard for project management, on-lending and/or blending for loans and equity;
42. **Maximum environmental and social risk category:** B/I-2.
43. **Conditions:** no conditions.

Independent Technical Advisory Panel’s assessment of FP296

Proposal name:	Navis Decarbonization Fund I
Project-specific assessment approach applicant:	Navis Capital Partners (Singapore) Pte. Ltd. (Navis)
Countries:	Indonesia, Malaysia, Philippines (the), Thailand
Project/programme size:	Large

I. Assessment of the independent Technical Advisory Panel

1.1 Overview

1. The Navis Decarbonization Fund I (NDF) is a proposed USD 300 million closed-ended private equity fund managed by Navis Capital Partners (Singapore) Private Limited, seeking up to USD 60 million in equity from GCF as an anchor investor. The NDF targets growth-stage small and medium-sized enterprises (SMEs) across selected decarbonization and climate-resilience sectors in South-East Asia, with GCF proceeds ring-fenced for four target countries: Indonesia, Malaysia, Philippines and Thailand.

2. The broader geographic mandate covers six ‘coverage countries’ (Cambodia, Indonesia, Malaysia, Philippines, Thailand and Viet Nam), although GCF capital will not be deployed in Cambodia or Viet Nam. Investments in non-target countries are capped at 20 per cent of the total fund size and are excluded from GCF exposure and returns.

3. The investment strategy of the NDF focuses on four high-emitting and climate-relevant sectors aligned with the nationally determined contributions (NDCs) and national adaptation plans (NAPs):

- (a) Energy generation and access (renewables, battery energy storage systems, microgrids);
- (b) Low-emission transport (electric mobility, etc.);
- (c) Infrastructure and the built environment (energy efficiency, advanced cooling, circular economy solutions); and
- (d) Sustainable agriculture and water (precision agriculture, biochar, water-efficient technologies).

4. The NDF intends to deploy capital across approximately 10–15 portfolio companies, with ticket sizes ranging from USD 10–30 million, using a mix of equity and equity-like hybrid instruments (including convertible preference shares and mezzanine-style structures). This approach is positioned as a response to limited exit liquidity and the underdevelopment of traditional buyout markets in the region.

5. The proposal estimates lifetime mitigation impacts of approximately 15.9 million tonnes of carbon dioxide equivalent (Mt CO₂ eq) for the GCF target countries (and approximately 19 Mt CO₂ eq when including the non-target countries), alongside adaptation benefits reaching approximately 280,000 beneficiaries over the lifespan of the NDF. These impacts are based on an indicative pipeline rather than committed assets, reflecting the blind-pool structure of the NDF.

6. GCF participation is proposed as pari passu equity, subject to a 20 per cent cap on GCF exposure at any closing, with a stated objective of mobilizing up to USD 240 million in co-financing (target co-financing ratio of 1:4). The applicant argues that the role of GCF as an anchor investor is necessary in order to catalyse commercial and development finance participation in frontier decarbonization sectors and to enable sufficient scale and diversification.
7. Governance arrangements include a Limited Partner Advisory Committee with GCF representation, an Investment Committee and an Environmental, Social and Governance (ESG) and Climate Subcommittee responsible for climate eligibility screening, ESG risk categorization and oversight of impact management. The NDF further proposes aligning incentives by linking 25 per cent of carried interest to ESG and climate key performance indicators, a feature highlighted positively by the Secretariat.
8. Navis Capital Partners brings a 25-year private equity track record in South-East Asia, with approximately USD 5 billion in assets under management, 92 primary investments and 64 realized exits, primarily through trade sales. The NDF is Navis Capital Partners' first dedicated climate-focused fund and its first engagement with GCF.
9. This proposal was submitted under the project-specific assessment approach, under which the GCF Secretariat has assessed the institutional capacity of the AE, fiduciary standards, and core environmental and social systems for the purposes of this specific activity. As such, the independent Technical Advisory Panel's (iTAP) assessment does not revisit the full breadth of accreditation requirements but instead focuses on the extent to which the proposed programme meets the GCF investment criteria. In particular, the review by the iTAP concentrates on the credibility of the climate rationale at the fund and transaction level, the justification and proportionality of GCF concessionality given broader market activity, the robustness of the proposed governance and incentive structures to safeguard climate additionality and the likelihood that the NDF can deliver measurable and verifiable mitigation and adaptation outcomes while catalysing private capital at scale.
10. Key fund terms and conditions:

Legal structure	Navis Decarbonization Fund I, Limited Partnership (Singapore limited partnership)
Target fund size	USD 300 million
GCF commitment	Up to USD 60 million (equity), capped at 20 per cent of total commitments at any closing
Co-financing target	USD 240 million (target 1:4 GCF to co-finance ratio)
Investment period	Four years from final closing
Fund term	Ten years plus two one-year extensions
Financial instruments	Equity and equity-like hybrid instruments (including convertible preference shares, mezzanine-style structures)
Portfolio size	Approximately 10–15 investments
Ticket size	USD 10–30 million per investment
Target countries (GCF-eligible)	Indonesia, Malaysia, Philippines and Thailand
Non-target countries	Cambodia, Viet Nam (less than or equal to 20 per cent of fund size; no GCF exposure)
Management fee	1.75 per cent of committed capital during the investment period; 1.75 per cent of invested capital thereafter
Carried interest	Twenty per cent (25 per cent of carry linked to environmental, social and governance/climate key performance indicators)

Preferred return	Eight per cent per annum
Governance	Limited Partner Advisory Committee (with GCF seat), Investment Committee, Environmental, Social and Governance and Climate Subcommittee
Environmental and social safeguards category	Intermediation 2

11. At the time of the iTAP assessment, the NDF is in the capital-raising phase. Exact fundraising figures and investor allocations have not been finalized as of this review. The NDF has articulated a mobilization strategy and a pipeline of prospective investors that includes commercial institutional capital alongside development finance institutions, multilateral development banks, sovereign wealth funds and other mission-aligned partners, but binding commitments have yet to be confirmed. Allocation of GCF participation will be determined at or after the final close, when actual capital commitments are locked in and the GCF share can be precisely quantified.

12. While several design features of the NDF are comparatively strong for a private equity vehicle, particularly around governance, incentive alignment and climate screening, the ultimate climate impact will depend heavily on successful pipeline conversion, disciplined sectoral prioritization and the ability of the NDF to execute a small number of large investments across a wide geographic and thematic scope.

1.2 Impact potential

Scale: Medium to high

13. The NDF is well aligned with GCF mitigation and adaptation results areas, targets sectors of clear climate relevance and presents a credible framework for screening, measuring and monitoring climate impacts at the transaction level. At the same time, inherent constraints related to portfolio scale, sectoral breadth and fund-level uncertainty temper confidence that impacts will consistently materialize at the upper end of projections.

14. According to the funding proposal, the NDF is expected to deliver mitigation outcomes, with estimated lifetime greenhouse gas emission reductions of approximately 15.9 Mt CO₂ eq attributable to GCF-supported investments, and up to 19.8 Mt CO₂ eq across the full NDF portfolio, subject to final investment selection, country eligibility and deployment timing. These estimates are derived from ex ante, pipeline-based assumptions and reflect pro rata attribution to GCF capital for investments undertaken in countries for which GCF no-objection letters (NOLs) have been secured. Average annual emission reductions are estimated at approximately 1.0 Mt CO₂ eq, with the largest contributions expected in Indonesia, followed by Thailand and Malaysia.

15. The implied cost of carbon reduction of approximately USD 15.12 per t CO₂ eq is broadly consistent with comparable private sector mitigation programmes supported by GCF. However, the iTAP notes that these projections are based on indicative pipeline assumptions and ex ante modelling, and that the conservativeness, attribution and NDC-alignment of certain baseline and emission factor assumptions, particularly for transport-related investments, will require careful validation at the project level.

16. Emission reductions are expected to be estimated during transaction-level due diligence and reassessed periodically during implementation using project-level accounting approaches aligned with host country NDCs and GCF investment criteria, with appropriate use of internationally recognized guidance where relevant. The iTAP emphasizes that final credited mitigation outcomes should be grounded in conservative and transparent methodologies, avoid double counting and be consistent with national emissions baselines, rather than relying on life-cycle or scope-based accounting approaches that are not directly applicable to NDC accounting.

As with all blind-pool fund structures, actual mitigation outcomes may diverge from ex ante estimates depending on the portfolio composition and timing of deployment.

17. On adaptation, the NDF is expected to reach approximately 40,000 direct beneficiaries in the target countries, with broader indirect benefits estimated at up to 280,000 beneficiaries across coverage countries. Adaptation benefits are primarily embedded within mitigation-focused investments, particularly through enhanced resilience of energy systems, infrastructure and the built environment, as well as improved food and water security through climate-resilient solutions. The iTAP notes that adaptation impacts are largely indirect and pipeline-based, but considers the proposed methodologies and indicators (including adaptation results areas 2 and 3) broadly adequate at this stage.

18. A key constraint on impact potential relates to the limited number of investments relative to the breadth of the markets and sectors targeted. The NDF anticipates making approximately 10–15 investments across multiple countries and four distinct sectoral themes, including energy, transport, the built environment and agriculture/water. While each sector is individually climate-relevant, the diversity of technologies and market contexts raises execution risks and limits the likelihood of generating deep, replicable lessons or sector-wide transformation in any single market. The iTAP therefore considers that the NDF is more likely to deliver meaningful project-level impacts than systemic market shifts across all targeted sectors.

19. During the initial stages of the review, the iTAP had significant concerns regarding country concentration risk, given that GCF funding was initially ring-fenced to only two countries. Such a structure would have materially constrained both mobilization and impact relative to the scale of the proposed GCF commitment. The iTAP notes positively that, during the review process, the applicant successfully secured additional NOLs, expanding the set of countries eligible for GCF-supported investments. This materially improves the potential geographic reach of GCF capital and alleviates earlier concerns that impacts would be narrowly concentrated in a small number of markets.

20. The iTAP also takes comfort from the governance architecture of the NDF and incentive alignment, which are stronger than in many comparable private equity proposals. In particular, the linkage of carried interest to verified impact performance provides a tangible mechanism to align financial incentives with climate outcomes, reducing the risk that climate considerations are subordinated to purely commercial objectives. While the practical effectiveness of such mechanisms will ultimately depend on implementation, the iTAP views this feature as an important enhancement to impact integrity.

21. In addition, the climate governance framework of the NDF, including formal screening processes, independent review functions and explicit veto rights over investments that fail to meet climate eligibility or additionality thresholds, provides further assurance that climate outcomes will be meaningfully integrated into investment decision-making. While the inherent uncertainty associated with fund-level, pipeline-based approaches remains, these governance safeguards mitigate the risk of ex post rationalization of climate impacts and support confidence in the credibility of projected outcomes.

22. Overall, the iTAP considers that the NDF is likely to deliver material mitigation and adaptation benefits in countries with substantial decarbonization and resilience needs, supported by robust methodologies, governance structures and incentive alignment. However, the relatively small number of investments, combined with sectoral and geographic dispersion, constrains the probability of delivering transformational or market-wide impacts across all targeted areas. On balance, these factors support a medium to high rating for impact potential.

1.3 Paradigm shift potential

Scale: Medium

23. The NDF presents a coherent theory of change centred on addressing a well-recognized financing gap for growth-stage climate-oriented SMEs in South-East Asia, combined with governance, impact measurement and incentive structures that exceed market norms. However, structural features of the NDF, including portfolio scale, sectoral breadth, geographic dispersion and exit constraints, limit the likelihood that the proposed interventions will catalyse a durable, system-wide transformation across markets.
24. A central paradigm shift concern relates to the breadth of the investment strategy of the NDF relative to the number of anticipated transactions. NDF proposes to make a limited number of investments across multiple countries and a diverse set of sectors, including energy, transport, the built environment, agriculture and water. While each sector is individually climate-relevant, the iTAP notes the risk that this dispersion could dilute the ability of the NDF to generate replicable lessons, sector-wide demonstration effects or deep market transformation in any single thematic or geographic context.
25. In response, the applicant has articulated a rationale for sector and country selection based on emission reduction potential, alignment with national climate plans, fit with growth equity instruments and consistency with Navis Capital Partners' historical investment experience. The applicant also noted that agriculture and water were core to the original investment thesis, citing prior experience across vertically integrated agribusinesses and water-related infrastructure. The iTAP acknowledges this explanation and accepts that diversification may be necessary to ensure a credible pipeline in relatively nascent markets. Nonetheless, the iTAP remains cautious that breadth may come at the expense of depth, particularly given the ambition to demonstrate systemic change rather than isolated project success.
26. The applicant further positions the NDF as differentiated from conventional private equity by its use of hybrid capital instruments, focus on underinvested 'hard-to-abate' sectors and SMEs, and an emphasis on active value creation rather than multiple expansion. The iTAP considers these elements directionally positive and potentially innovative in the South-East Asian context, particularly where mainstream capital remains concentrated in large-scale infrastructure or late-stage renewable assets. That said, many of these features, hybrid instruments, ESG integration and hands-on ownership, are increasingly present across impact-oriented private equity, and their transformative effect will ultimately depend on execution and demonstrable outcomes rather than design alone.
27. A further paradigm shift constraint arises from exit dynamics in low-liquidity markets. The NDF anticipates deploying relatively large tickets in jurisdictions with limited historical depth for private equity exits. While the applicant has highlighted prior exit experience through trade sales, initial public offerings and shareholder buybacks, the iTAP notes that successful exits at the proposed scale will be critical not only for NDF performance but also for the broader signalling effect to follow-on investors. Weak or delayed exit outcomes could undermine confidence in the viability of climate-focused private equity in these markets and, by extension, limit the paradigm shift potential.
28. Balancing these constraints, the iTAP notes several features that support a medium paradigm shift rating. These include the focus of the NDF on an underserved SME segment, alignment with national climate priorities, formalized impact governance and the linkage of financial incentives to climate outcomes. If successfully implemented, the NDF could help to normalize climate-aligned growth equity as an investable asset class in South-East Asia and contribute incrementally to shifting investor perceptions beyond traditional infrastructure and venture capital models.
29. On balance, while the NDF is unlikely to deliver a step change transformation of regional financial systems within a single fund cycle, it has credible potential to contribute to an incremental paradigm shift through demonstration, replication and signalling effects. These characteristics support a medium rating for the paradigm shift potential.

1.4 Sustainable development potential

Scale: Medium to high

30. The proposed programme is structured to deliver a broad range of environmental, social and economic co-benefits that are well-aligned with the Sustainable Development Goals (SDGs), particularly in middle-income South-East Asian countries facing rising climate, infrastructure and energy system stresses.

31. **Environmental co-benefits.** The investment focus of the NDF on renewable energy, low-emission transport solutions, circular economy models and energy efficiency is expected to generate meaningful environmental co-benefits beyond direct greenhouse gas mitigation. By supporting the displacement of fossil fuel-based power generation and internal combustion transport, the NDF is likely to contribute to improved air quality, reduced local pollution and associated public health benefits. In addition, the transition towards renewable energy sources, particularly solar photovoltaic, has the potential to reduce water intensity in energy systems relative to fossil fuel-based generation, contributing indirectly to water conservation in water-stressed regions. Circular economy and waste-related investments further strengthen environmental outcomes by reducing landfill use, uncontrolled burning, and associated soil and water contamination.

32. **Social co-benefits.** The NDF investments are expected to contribute to improved living standards through more reliable energy access, resilient infrastructure and efficient cooling solutions, particularly in urban and peri-urban settings increasingly exposed to heat stress and energy supply disruptions. These interventions address human vulnerability to climate impacts in a tangible manner, especially where households and small businesses face rising temperatures and unstable grid performance. While many benefits are indirect, the iTAP considers the social relevance of these outcomes to be clear and aligned with GCF adaptation results areas related to health, well-being and infrastructure resilience.

33. **Gender-sensitive development impact.** The iTAP views Navis Capital Partners' formal commitment to gender-lens investing, as demonstrated by its status as a signatory to the 2X Challenge, positively. The NDF targets at least 30 per cent of portfolio investments to meet 2X criteria and has embedded gender requirements in its investment processes through mandatory gender equality and social inclusion plans for investee companies prior to the financial close. The existence of an internal Diversity, Equity, Inclusion and Gender Committee, alongside operational commitments such as gender-balanced recruitment pools, provides additional assurance that gender considerations are not treated as an ex post reporting exercise but are institutionally anchored. While outcomes will ultimately depend on implementation at the portfolio company level, the framework is stronger than market practice in comparable private equity funds.

34. **Economic co-benefits.** The NDF is expected to support economic growth and job creation, with the NDF projecting the creation of approximately 1,575 jobs over its lifespan, based on portfolio-level estimates. These outcomes will depend on the final sector mix, geographic allocation and operational scaling of investee companies. Investments in renewable energy, infrastructure and SME platforms are likely to generate employment both during construction and through longer-term operations and maintenance. More broadly, by providing growth capital to climate-aligned SMEs, the NDF may contribute to increased productivity, enterprise resilience and local value creation across multiple sectors. These effects are consistent with SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation and infrastructure).

35. Taken together, the NDF demonstrates a credible and well-articulated pathway to sustainable development co-benefits, supported by sectoral relevance, institutionalized gender practices and alignment with multiple SDGs. While some impacts, particularly employment and household-level benefits, remain inherently uncertain at the fund level and will vary

significantly by investment, the overall framework and intent justify a medium to high assessment of the sustainable development potential.

1.5 Needs of the recipient

Scale: Medium to high

36. The proposed programme targets South-East Asian countries that face acute climate vulnerabilities alongside persistent gaps in climate-aligned private sector financing, particularly for SMEs.

37. **Climate vulnerability and exposure.** The coverage countries – Cambodia, Indonesia, Malaysia, Philippines, Thailand and Viet Nam – are exposed to a wide range of climate hazards, including floods, droughts, heatwaves, sea level rise and increasingly severe tropical cyclones. The nature of climate need, however, varies across the countries. Indonesia and the Philippines face high physical vulnerability but also offer significant mitigation and resilience potential owing to their rapidly growing energy demand, infrastructure gaps and exposure of large populations to climate hazards. Cambodia similarly exhibits high vulnerability and low adaptive capacity, compounded by limited access to long-term climate finance. By contrast, Malaysia and Thailand have relatively stronger macroeconomic fundamentals and institutional capacity but continue to face structural gaps in the availability of growth capital for SMEs implementing decarbonization, energy efficiency and resilience solutions. Across all coverage countries, without sustained mitigation and adaptation investment, climate impacts are expected to result in significant economic losses, displacement risks and increasing pressure on public systems over the coming decades.

38. **Structural financing gaps.** A central rationale for the NDF lies in the scale of unmet climate finance needs in South-East Asia relative to actual capital flows. Regional estimates suggest that South-East Asia requires approximately USD 200–210 billion annually until 2030 to meet mitigation and resilience objectives, yet climate finance currently represents only a small fraction of this requirement. Investment in renewable energy in the region remains disproportionately low compared with its projected contribution to global energy demand growth. These gaps are particularly pronounced in areas such as distributed energy, energy efficiency, resilient infrastructure and climate-smart agriculture, sectors that are critical to NDC implementation but are often underserved by commercial finance.

39. **Equity scarcity for SMEs.** The iTAP views the focus of the NDF on SMEs as a relevant response to recipient country needs. Across the region, SMEs face structural barriers to accessing long-term capital, including stringent collateral requirements, limited risk appetite among local banks and underdeveloped equity markets. The proposal cites that a substantial share of SMEs lack access to climate finance altogether, with equity being the scarcest instrument. In this context, the provision of growth equity, rather than short-tenor debt, addresses a genuine market gap, particularly for companies seeking to scale up climate solutions beyond pilot or early commercial stages.

40. **Additionality relative to public finance.** The NDF is positioned to complement, rather than replace, public and concessional finance by focusing on commercially oriented investments that are not easily financed on standard terms. While public finance and multilateral development bank activity in the region remain essential, they have not been sufficient to catalyse the scale of private investment required to meet climate objectives. By deploying private equity into undercapitalized segments, the NDF seeks to address a dimension of the financing gap that public instruments alone have struggled to fill.

41. The iTAP also notes that institutional capacity constraints, particularly around project preparation, governance and climate risk management, continue to limit the flow of private capital in several coverage countries. The emphasis of the NDF on institutionalizing SMEs and

improving governance and reporting practices responds to these constraints, although outcomes will depend on execution at the portfolio level.

42. Overall, the NDF addresses real and well-documented needs in recipient countries, including high climate vulnerability, large financing gaps and limited access to equity capital for climate-relevant SMEs. While some coverage countries, such as Malaysia and Thailand, exhibit higher readiness and more developed financial markets than others, significant unmet needs persist across the region, particularly for private equity instruments aligned with climate objectives. These factors support a medium to high assessment of the needs of the recipient, while recognizing that the heterogeneity of countries and market conditions will influence the depth of the impact achievable in each context.

1.6 Country ownership

Scale: Medium to high

43. The proposal demonstrates substantive alignment with national climate priorities across the coverage countries and reflects sustained engagement with national designated authorities (NDAs) and other stakeholders. At the same time, structural features inherent to a regional private equity fund – external management, absence of country allocations and reliance on non-domestic capital – temper the strength of country ownership claims.

44. **Alignment with national priorities.** The investment themes of the NDF are broadly aligned with the NDCs, NAPs and long-term development strategies of the target countries. Investments in renewable energy, energy efficiency, low-carbon transport, resilient infrastructure and circular economy solutions correspond directly to the priority sectors identified in national climate frameworks, including Indonesia’s Enhanced NDC and Long-Term Strategy for Low Carbon Climate Resilience 2050 (LTS-LCCR), Malaysia’s National Energy Transition Roadmap, the Philippines’ National Climate Change Action Plan (NCCAP) and NAP, and Thailand’s long-term national development plans. The iTAP is satisfied that, at a strategic level, the mandate of the NDF is consistent with country climate objectives.

45. **Engagement with NDAs and stakeholder processes.** The AE engaged with NDAs across all coverage countries for an extended period, including bilateral meetings and technical discussions on the fund structure, eligibility criteria and the application of the no-objection procedure. The iTAP initially expressed concern regarding the limited number of NOLs submitted with the proposal, particularly given the size of the proposed GCF commitment and the regional scope of the NDF. However, during the review process, two additional NOLs were secured. While this progress is noted positively, the iTAP considers it important to situate the remaining delays within the broader structural challenges associated with the NOL process for regional private equity vehicles. Based on experience across similar proposals, delays in NOL issuance are often not primarily a reflection of weak policy alignment, but rather stem from the limited familiarity of NDAs with private equity fund structures and a broader wariness towards private sector programmes that do not map neatly onto traditional project-based or sovereign investment paradigms.

46. In this context, the iTAP views the initial lag in NOL issuance less as a substantive signal of insufficient country ownership and more as evidence of systemic frictions in applying the NOL framework to regional, market-driven investment vehicles. While these frictions remain a material consideration, the sustained engagement of the AE with NDAs, subsequent progress in securing additional NOLs and alignment of the investment strategy with national climate priorities provide sufficient comfort that country ownership concerns are manageable rather than fundamental.

47. **Local market engagement and capital mobilization.** A recurring concern in iTAP assessments of private equity proposals relates to limited domestic financial participation and weak local capital mobilization. In this case, the iTAP takes note of a more nuanced picture.

While the NDF is externally managed and initially capitalized by international investors, the AE demonstrated a credible pathway to mobilizing regional institutional investors and sovereign wealth funds, rather than relying exclusively on multilateral development banks and development finance institutions. Navis Capital Partners' long-standing presence in South-East Asia and its established relationships with regional limited partners appear to materially increase the likelihood that such investors will participate in its first dedicated climate fund. This differentiates the proposal from other GCF-supported vehicles that remain largely dependent on public or quasi-public capital.

48. Notwithstanding these strengths, the iTAP remains cautious in its interpretation of country ownership. The NDF does not yet include significant commitments from domestic pension funds, insurance companies or local asset managers in the coverage countries, and its governance and investment decision-making remain anchored outside host jurisdictions. While the AE articulated mechanisms for knowledge-sharing, co-investment with local financial institutions and engagement with national stakeholders, these pathways remain prospective. As such, the contribution of the NDF to deepening domestic equity markets and building locally anchored investment capacity will depend heavily on execution rather than design alone.

49. **SME focus and indirect ownership effects.** The iTAP acknowledges that the emphasis of the NDF on SMEs, key contributors to employment and gross domestic product across South-East Asia, provides an indirect channel for strengthening country ownership. By supporting locally registered companies, improving governance and facilitating access to capital and markets, the NDF can help to embed climate objectives within domestic economic structures. This approach aligns with national development priorities, but it does not fully replace direct participation by domestic financial institutions.

50. Overall, the proposal demonstrates meaningful engagement with national authorities and alignment with country climate strategies, and the AE addressed several initial concerns during the review process, particularly around NDA engagement and regional capital mobilization. These considerations support a medium to high assessment, reflecting solid progress and credibility, tempered by ongoing reliance on externally sourced capital and decision-making.

1.7 Efficiency and effectiveness

Scale: Medium to high

51. The proposal presents a credible private equity structure with several strong design features that support the efficient deployment of concessional capital. However, the scale of the GCF commitment relative to the number of investments, sectoral breadth and geographic dispersion remains a central concern that tempers the overall assessment.

52. **Scale and proportionality of the GCF commitment.** The requested USD 60 million GCF investment represents a substantial allocation of scarce concessional resources to a single private equity vehicle. Given that the applicant anticipates making a relatively limited number of investments across multiple sectors and countries, the iTAP questioned whether comparable catalytic and mobilization effects could be achieved with a smaller GCF ticket. Moreover, the NDF targets 10–15 SME investments across multiple decarbonization themes and up to six countries, raising legitimate questions regarding whether limited GCF resources would be spread too thinly to maximize the impact per dollar deployed. This concern is particularly salient considering the opportunity cost: a commitment of this magnitude necessarily constrains the ability of GCF to support other potentially high-impact proposals.

53. The proposed 20 per cent cap on GCF participation at each closing provides important comfort by ensuring that GCF does not dominate the capital structure and that significant third-party capital is mobilized. However, the iTAP notes that this cap is calculated against the full target size of the NDF across six countries, while GCF resources will initially be deployable in a

smaller subset of countries. This effectively increases the relative exposure of GCF in the early phases of deployment, partially offsetting the comfort provided by the headline cap. While the AE has articulated a credible pathway to securing additional NOLs, this dynamic remains relevant to the efficiency analysis.

54. Notwithstanding this, the *pari passu* nature of GCF participation, the absence of preferential downside protection and the requirement that investments meet commercial return thresholds collectively help to mitigate efficiency concerns and reduce the risk of oversubsidization.

55. Further offsetting these concerns, the iTAP recognizes that Navis Capital Partners is one of the largest and most established private equity managers in South-East Asia, with a 25-year track record, deep regional presence and longstanding relationships with institutional investors, sovereign wealth funds and family offices. GCF participation in the NDF would not merely be additive capital, but would serve as a strategic signal that helps to pull a large, commercially oriented manager more decisively into climate-aligned investing. In this respect, the efficiency of GCF resources should be assessed not only at the level of individual transactions but also in terms of shifting the behaviour of a manager with substantial assets under management and influence in the region.

56. The iTAP considers it significant that engaging a manager of the scale and credibility of Navis Capital Partners could attract well-capitalized regional limited partners, including sovereign wealth funds and institutional investors, which have historically been underrepresented in climate-focused funds. If successful, this effect could extend beyond the NDF itself, improving the efficiency of future capital mobilization for climate investments in South-East Asia.

57. **Concessionality design and market discipline.** The structure of the NDF mitigates several common pitfalls associated with concessional finance in private equity. The *pari passu* treatment of GCF alongside other investors, rather than the provision of preferential returns or downside protection, would support market discipline and reduce the risk that GCF capital is perceived as a subsidy for weak or non-viable investments. This is an important efficiency consideration: excessive concessionality can distort pricing, displace private capital and send counterproductive signals about the commercial viability of climate-aligned investments. In contrast, the NDF structure positions GCF as a risk-sharing partner rather than a return-enhancing backstop.

58. At the same time, this structure raises a legitimate efficiency question on the role of concessional capital in a vehicle that targets commercial returns and applies an 8 per cent preferred return hurdle. In this context, the case for GCF participation rests less on return enhancement and more on its role as an early anchor investor, provider of climate impact signalling and catalyst for first-fund-cycle market entry in an emerging segment of South-East Asia's private equity market. The strength of this rationale ultimately depends on the extent to which GCF participation demonstrably mobilizes capital that would not otherwise participate, particularly from regional institutional investors, and contributes to the establishment of a replicable climate-aligned investment model.

59. **Climate-aligned incentives and operational effectiveness.** A notable strength of the proposal is the explicit linkage between climate outcomes and the general partner's carried interest. By tying a portion of performance compensation to verified climate impact metrics, the NDF improves alignment between financial incentives and GCF objectives. From an efficiency standpoint, this mechanism helps to mitigate the risk that climate considerations are subordinated to financial returns at the margin, and increases confidence that GCF capital is being deployed in a manner consistent with its mandate.

60. This mechanism is particularly relevant in the context of a diversified, multisector fund, where trade-offs between financial performance and climate ambition may arise at the margin.

The carry structure helps to ensure that climate impact is not treated as a secondary or reputational consideration, but rather as an integral driver of value creation, thereby enhancing the likelihood that GCF capital translates into durable mitigation and adaptation outcomes.

61. The iTAP also notes that engagement with GCF has demonstrably strengthened the climate governance of the NDF, eligibility screening and monitoring frameworks. Through the review process, the applicant has adopted more rigorous approaches to climate impact measurement, eligibility screening and ESG integration than would typically be required in a conventional regional private equity fund. This institutional learning effect, whereby a major private equity platform adopts more rigorous climate impact approaches as a result of GCF participation, enhances the effectiveness of concessional resources beyond the immediate fund and may influence practices across Navis Capital Partners' broader investment activities.

62. The NDF benefits from a meaningful general partner capital commitment of USD 6 million, representing approximately 2 per cent of the total target fund size. This commitment is material in absolute terms and meaningful relative to prevailing private equity market norms, particularly in the context of a first-time climate-focused strategy for the manager.

63. The general partner commitment strengthens alignment between the NDF and GCF by ensuring that the manager bears direct financial exposure alongside the limited partners, including GCF, across the full investment life cycle. This alignment is further reinforced by the carried interest structure of the NDF, under which a portion of general partner carry is explicitly linked to the achievement of climate and ESG performance indicators, rather than being driven solely by financial return outcomes.

64. From an efficiency and effectiveness perspective, the general partner's capital at risk provides additional assurance that investment selection, portfolio construction and exit decisions will balance commercial discipline with climate impact objectives. In combination with the pari passu treatment of GCF capital, the general partner commitment helps to mitigate concerns that concessional resources could dilute incentives or encourage excessive risk-taking. Instead, the structure promotes disciplined deployment of GCF resources within a commercially oriented framework that remains aligned with the climate mandate of the NDF.

65. On balance, the iTAP finds that the proposal demonstrates reasonable efficiency and effectiveness, supported by sound fund structuring, strong sponsor capability, disciplined use of concessional resources and better aligned incentives. Nevertheless, the size of the GCF commitment relative to the deployment profile of the NDF and the geographic scope remains the principal moderating factor. While the AE has provided a credible rationale for the requested scale, the iTAP remains of the view that similar catalytic effects may potentially be achieved with a smaller commitment. This consideration tempers, but does not undermine, the overall medium to high assessment for efficiency and effectiveness.

II. Overall remarks from the independent Technical Advisory Panel

66. The iTAP recommends that the Board approve this funding proposal.

67. In recommending approval of this proposal, the iTAP does so on the assumption that investments involving bioenergy or biofuels will be screened conservatively to avoid material indirect emission risks. In particular, iTAP expects that:

- (a) No investments will be made in first-generation biofuels derived from food or feed crops; and
- (b) For waste-based bioenergy or biofuel investments, project-level due diligence will assess whether feedstock sourcing could result in material displacement from existing

productive uses (such as recycling, soil amendment or energy recovery) or create incentives for increased waste generation.

68. The iTAP considers such an approach to be consistent with the GCF precautionary principles, alignment with NDC-based accounting and the objective of ensuring that reported mitigation outcomes reflect genuine net climate benefits.

Response from the project-specific assessment approach applicant to the independent Technical Advisory Panel's assessment (FP296)

Proposal name:	Navis Decarbonization Fund I
Project-specific assessment approach applicant:	Navis Capital Partners (Singapore) Pte. Ltd. (Navis)
Countries:	Indonesia, Malaysia, Philippines (the), Thailand
Project/programme size:	Large

Impact potential
Navis appreciates iTAP’s comments that the NDF is likely to deliver material mitigation and adaptation benefits in countries with substantial decarbonization and resilience needs. We believe that given the relatively nascent stage of private sector climate investment landscape, a balanced sectoral and geographic dispersion is required to successfully deploy NDF and achieve its impact potential.
Paradigm shift potential
Navis welcomes iTAP’s comments that NDF is designed to normalize climate-aligned growth equity as an investable asset class in South-East Asia and has a credible potential to contribute to an incremental paradigm shift through demonstration, replication and signaling effects.
Sustainable development potential
Navis appreciates iTAP’s comments that NDF demonstrates a credible and well-articulated pathway to sustainable development co-benefits impacts, acknowledging that some impact is inherently uncertain and will vary significantly by investment due to the nature of a private equity fund.
Needs of the recipient
We value iTAP’s assessment of NDF addressing real and well-documented needs in recipient countries and agree that heterogeneity of countries and market conditions will influence the depth of the impact achievable.
Country ownership
We welcome iTAP’s assessment of NDF demonstrating meaningful engagement with national authorities and alignment with country climate strategies. We believe that Navis’ long-standing presence in South-East Asia and its established relationships with regional investors will increase the likelihood of mobilizing capital from local financial institutions in addition to international investors.
Efficiency and effectiveness

Navis values iTAP's comments that NDF demonstrates reasonable efficiency and effectiveness, supported by sound fund structuring, strong sponsor capability, disciplined use of concessionality and better aligned incentives. We believe that requested GCF commitment is necessary to provide a long-term paradigm shift for decarbonization in Southeast Asia.

Overall remarks from the independent Technical Advisory Panel:

We appreciate iTAP's review and endorsement of the proposal and note iTAP's requirement to screen investments involving bioenergy or biofuels conservatively to avoid material indirect emission risks.

To comply with iTAP's requirements, NDF will revise its ESMS, the Responsible Investment Policy's Exclusion List and any other relevant fund documents and policies pertaining to investment restrictions to state that no investments will be made in:

- (a) First-generation biofuels derived from food or feed crops; and
- (b) Waste-based bioenergy or biofuel, where feedstock sourcing could result in material displacement from existing productive uses (such as recycling, soil amendment, or energy recovery) or create incentives for increased waste generation.

Annex 8

Gender Assessment and Action Plan

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Part I: Gender Analysis / Assessment

1. Introduction: Relevance of Gender Mainstreaming for the Project

This Gender Assessment has been prepared for the Navis Decarbonization Fund (NDF).

NDF aims to accelerate decarbonization in Southeast Asia, focusing on countries such as Indonesia, Vietnam, Thailand, Malaysia, Cambodia, and the Philippines. These countries are experiencing rapid economic growth, leading to a significant increase in carbon emissions¹. NDF intends to invest in sectors including energy access and power generation, infrastructure and built environment, low-emission transportation, and sustainable agriculture and water.

The Gender Assessment focuses on systematic issues across Southeast Asia. Given that NDF is a multi-country programme with several investments, the Gender Assessment will be conducted for each individual investment.

Southeast Asia is highly vulnerable to climate change impacts such as rising sea levels, increasing mean temperatures, and extreme climate events². The vulnerability of these countries is compounded by factors including high exposure to natural hazards, dependence on climate-sensitive resources for economic development, and socioeconomic and gender inequalities³. Addressing these pervasive gender inequalities is essential to building resilience and achieving sustainable development in the region⁴.

Gender equality is a cross-cutting issue, with vulnerability to climate change entrenched in existing inequalities. Women are disproportionately affected by climate change due to existing inequalities and multidimensional social factors, including unequal power relations, discriminatory laws and customs, and unequal access to and control of resources. These factors influence adaptive capacity, resilience, and participation in climate action. Without gender analysis, it is unlikely that the project design process would adequately address the full range of vulnerabilities and issues present within the target population, resulting in interventions that produce sub-optimal outcomes or even reinforce the challenges faced by vulnerable members of society⁵.

¹ International Energy Agency, 2024. Southeast Asia Energy Outlook 2024 – Executive Summary

² Intergovernmental Panel on Climate Change, 2022. Climate Change 2022: Impacts, Adaptation and Vulnerability.

³ World Vision International, 2024. Climate Change, Vulnerability and Migration: Impacts on Children and Youth in Southeast Asia

⁴ ASEAN, 2021. ASEAN State of Climate Change Report

⁵ UNDP, 2022. Gender, Climate and Disaster Resilience

Mainstreaming gender into all stages of the Project cycle – design, implementation, monitoring, and evaluation – is therefore essential to maximize its outcomes and deliver transformational impact across Southeast Asia.

2. Methodology

The Gender Assessment describes the gender context, gender issues (gender equality and gender equity), and gender vulnerabilities (gender relations, access and power) relevant to the project and gender opportunities (recommendations). The Assessment is draws on the following methodological steps:

- Comprehensive desk review of existing literature
- The literature review was conducted on climate change adaptation, climate information and early warning systems, disaster risk reduction, and hydrometeorological systems in relation to gender and the context of Vietnam, Cambodia, Indonesia, Thailand, Malaysia and Philippines. Literature was drawn from: research reports from international organizations (United Nations Development Programme – UNDP, United States Agency for International Development – USAID, The Asia Foundation, etc.); multilateral development banks (the World Bank and the Asian Development Bank – ADB); journals (Climate Risk Management, Geography Compass, Women’s Studies International Forum, etc.); and grey literature (government reports, policies and plans).

3. Socioeconomic and Gender Baseline in Southeast Asia

Background

Southeast Asia is a diverse and rapidly developing region, comprising countries such as Indonesia, Vietnam, Thailand, Malaysia, Cambodia, and the Philippines. The region has a combined population of over 650 million people, with significant variations in socioeconomic development, cultural practices, and gender norms across different countries and communities⁶.

Economic growth in Southeast Asia has been robust, with many countries experiencing rapid industrialization and urbanization. However, this growth has not been evenly distributed, leading to significant disparities in income, education, and access to resources⁷. Rural areas, in particular, tend to lag behind urban centers in terms of economic opportunities and living standards.

The average annual GDP growth rate for Southeast Asia was approximately 5.2% from 2015 to 2020, with countries like Vietnam and the Philippines experiencing even higher growth rates⁸. Despite this economic progress, poverty remains a significant issue, with around 15% of the population living below the national poverty line. Women are disproportionately affected by poverty, with higher rates of unemployment and underemployment compared to men⁹.

Gender inequality remains a pervasive issue in Southeast Asia, affecting various aspects of life, including education, employment, health, and political participation. Traditional gender roles and patriarchal norms often limit women's opportunities and reinforce their subordinate status in society¹⁰. Women are disproportionately affected by poverty, lack of access to education and healthcare, and limited economic opportunities.

In many Southeast Asian countries, women are primarily responsible for unpaid domestic work and caregiving, which restricts their ability to participate in the formal labor market. When women do engage in paid work, they are often concentrated in low-paying, informal, and vulnerable employment¹¹. This economic marginalization is further compounded by limited access to financial services, land, and other productive assets.

⁶ ASEAN Secretariat, 2022. ASEAN Key Figures 2022

⁷ Asian Development Bank, 2023. Asian Development Outlook 2023

⁸ World Bank. World Development Indicators: Southeast Asia GDP Growth

⁹ United Nations ESCAP, 2022. The 2022 Asia and the Pacific Sustainable Development Goals Progress Report

¹⁰ UN Women, 2024. Gender Equality and Women's Empowerment in Asia and the Pacific

¹¹ International Labor Organization, 2018. Women and Men in the Informal Economy: A Statistical Picture (3rd Edition)

Composite Indices

Human Development Index (HDI)

The Human Development Index (HDI) is a composite measure to assess long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living. Southeast Asia's HDI values vary significantly across countries:

Indonesia	Vietnam	Thailand	Malaysia	Cambodia	Philippines
0.713	0.726	0.803	0.807	0.600	0.710

Figure 1: HDI values across 6 Southeast Asian countries¹²

These values indicate that while countries like Malaysia and Thailand have relatively high human development, Cambodia lags behind, reflecting lower levels of health, education, and living standards.

Gender Development Index (GDI)

The Gender Development Index (GDI) measures gender inequalities in achievement of the three basic dimensions of human development: health, education, and command over economic resources. Here are the GDI values for the six countries:

Indonesia	Vietnam	Thailand	Malaysia	Cambodia	Philippines
0.889	0.907	0.915	0.957	0.889	0.902

Figure 2: GDI values across 6 Southeast Asian countries¹³

These values show that Malaysia has relatively high gender equality, whereas Cambodia and Indonesia have more pronounced gender disparities. The GDI values highlight the need for targeted interventions to address gender inequalities in these countries.

Gender Inequality Index (GII)

The Gender Inequality Index (GII) is a composite measure that reflects gender-based inequalities in three dimensions: reproductive health, empowerment, and economic activity. Here are the GII values for the six countries:

Indonesia	Vietnam	Thailand	Malaysia	Cambodia	Philippines
0.451	0.304	0.377	0.289	0.474	0.427

Figure 3: GII values across 6 Southeast Asian countries¹⁴

¹² United Nations Development Programme, 2024. Data Center.

¹³ Ibid

¹⁴ Ibid

These values indicate significant gender disparities, particularly in Cambodia and Indonesia. Malaysia and Vietnam have lower GII values, reflecting better gender equality in reproductive health, empowerment, and economic activity.

Multidimensional Poverty Index (MPI)

The Multidimensional Poverty Index (MPI) identifies multiple overlapping deprivations that individuals face in their health, education, and standard of living. Here are the MPI values for the six countries:

Indonesia	Vietnam	Thailand	Malaysia	Cambodia	Philippines
0.116	0.019	0.002	0.011	0.148	0.064

Figure 4: MPI values across 6 Southeast Asian countries¹⁵

These values show that Cambodia has the highest level of multidimensional poverty, followed by Indonesia and the Philippines. Thailand and Vietnam have relatively low MPI values, indicating fewer overlapping deprivations in health, education, and living standards.

Education

Education is a critical factor in achieving gender equality and empowering women in Southeast Asia. The region has made significant strides in improving access to education, but disparities remain, particularly at higher levels of education and in rural areas¹⁶.

Primary and Secondary Education

Most Southeast Asian countries have achieved near gender parity in primary and secondary school enrollment. For example, in Indonesia, the net enrollment rate for primary education is 93% for girls and 94% for boys. In Vietnam, the rates are 95% for girls and 96% for boys¹⁷. However, dropout rates remain a concern, especially for girls in rural areas, due to factors such as early marriage, economic pressures, and cultural norms¹⁸.

Tertiary Education

Gender disparities become more pronounced at the tertiary level. In Malaysia, 45% of university students are female, while in Cambodia, only 30% of university students are

¹⁵ Ibid
¹⁶ UNESCO, 2022. Global Education Monitoring Report 2022: Gender Report – Deepening The Debate on Those Still Left Behind
¹⁷ UNICEF, 2024. Education Statistics – Global and Regional Trends
¹⁸ Plan International, 2024. Girls’ Education in Southeast Asia: Addressing Barriers to Access and Retention

female¹⁹. These disparities are often due to economic barriers, cultural attitudes that prioritize boys' education, and the lack of female role models in higher education.

Literacy Rates

Literacy rates in Southeast Asia have improved significantly, but gender gaps persist. In the Philippines, the literacy rate is 98% for men and 97% for women. In contrast, in Cambodia, the literacy rate is 85% for men and 70% for women²⁰. Lower literacy rates among women limit their access to information, economic opportunities, and participation in decision-making processes.

Barriers to Education

Several barriers hinder women's access to education in Southeast Asia, including²¹:

Economic Barriers	Poverty and the need for children to contribute to household income often result in girls being withdrawn from school.
Cultural Norms	Traditional gender roles and expectations can discourage families from investing in girls' education.
Early Marriage and Pregnancy	Early marriage and teenage pregnancy are significant factors contributing to girls dropping out of school.
Safety Concerns	In some areas, safety concerns related to traveling to and from school can prevent girls from attending.

Health and Well-being

Health and well-being are critical components of human development and gender equality. In Southeast Asia, significant progress has been made in improving health outcomes, but disparities persist, particularly for women and girls.

Life Expectancy

Life expectancy at birth is a key indicator of overall health. In Southeast Asia, life expectancy varies across countries²²:

	Men	Women
Indonesia	67.0	71.0
Vietnam	71.3	76.1

¹⁹ World Bank, 2024. World Development Indicators: Education Statistics

²⁰ UNESCO Institute for Statistics, 2024. Country Profiles

²¹ UN Women 2020. Gender and Education in Asia and the Pacific

²² WHO, 2024, Global Health Observatory Data

Thailand	72.3	79.1
Malaysia	73.2	77.6
Cambodia	66.1	70.3
Philippines	66.2	72.6

These figures show that women generally have a higher life expectancy than men, but the gap varies by country.

Maternal and Infant Mortality

Maternal and infant mortality rates are significant indicators of women's health. Southeast Asia has made progress in reducing these rates²³, but challenges remain:

	MMR (Maternal Mortality Rate)	IMR (Infant Mortality Rate)
Indonesia	177 per 100,000 live births	21 per 1,000 live births
Vietnam	43 per 100,000 live births	16 per 1,000 live births
Thailand	37 per 100,000 live births	8 per 1,000 live births
Malaysia	29 per 100,000 live births	7 per 1,000 live births
Cambodia	160 per 100,000 live births	25 per 1,000 live births
Philippines	121 per 100,000 live births	22 per 1,000 live births

High maternal and infant mortality rates in countries like Cambodia and the Philippines highlight the need for improved healthcare services and access for women.

Access to Healthcare

Access to healthcare services varies significantly across Southeast Asia. In rural areas, women often face barriers such as distance to healthcare facilities, cost of services, and cultural norms that restrict their mobility. For example, in Indonesia, 60% of women report issues with accessing healthcare services, particularly maternal and child healthcare²⁴.

Nutrition and Malnutrition

Malnutrition remains a significant issue in Southeast Asia, particularly among women and children. In Cambodia, 32% of children under five are stunted due to chronic malnutrition. In the Philippines, 28% of children under five are stunted²⁵. Malnutrition among pregnant women increases the risk of complications during childbirth and affects the health of both mother and child.

²³ UNESCAP, 2019. Population and Development Indicators for Asia and the Pacific
²⁴ UNFPA, 2024. Maternal Health in East and Southeast Asia
²⁵ Global Nutrition Report, 2024. Country Nutrition Profiles – South-Eastern Asia

Reproductive Health

Reproductive health services are essential for women's health and well-being. Access to contraception and family planning services varies across the region. In Thailand, 79% of married women use modern contraceptive methods, while in Cambodia, the rate is 39%²⁶. Limited access to reproductive health services can lead to unintended pregnancies and increased health risks for women.

Work and Economics Empowerment

In Southeast Asia, there is a highly gendered division of responsibilities with regards to work and labor, which is legitimized by traditional patriarchal values, norms, and practices. Women are often underrepresented in the formal labor market and overrepresented in unpaid domestic and caregiving roles.

Labor Force Participation

Women's participation in the labor force varies across Southeast Asia²⁷:

	Men (%)	Women (%)
Indonesia	82	54
Vietnam	82	73
Thailand	77	60
Malaysia	80	55
Cambodia	86	79
Philippines	76	46

These figures highlight significant gender gaps in labor force participation, with women being less likely to be employed than men.

Employment Sectors

Women in Southeast Asia are often concentrated in low-paying, informal, and vulnerable employment sectors. For example, in Cambodia, 70% of employed women work in agriculture, compared to 55% of men. In the Philippines, 60% of women are employed in the services sector, often in low-paying jobs such as domestic work²⁸.

Wage Gap

²⁶ UNFPA, 2024. Maternal Health in East and Southeast Asia

²⁷ ILO, 2024. Statistics in Asia and the Pacific

²⁸ Asian Development Bank, 2024. Gender Equality and Development

The gender wage gap remains a significant issue in Southeast Asia. On average, women earn 20-30% less than men for similar work. In Indonesia, women earn 23% less than men, while in Malaysia, the wage gap is 25%²⁹. This wage disparity is often due to occupational segregation, discrimination, and the undervaluation of work typically performed by women.

Unpaid Work

Women in Southeast Asia spend a significant amount of time on unpaid domestic and caregiving work. In Vietnam, women spend an average of 5 hours per day on unpaid work, compared to 2 hours for men³⁰. This unpaid labor limits women's ability to participate in the formal labor market and pursue economic opportunities.

Barriers to Economic Empowerment

Several barriers hinder women's economic empowerment in Southeast Asia³¹, including:

Access to Financial Services	Women often have limited access to financial services such as credit, savings, and insurance. In Indonesia, only 37% of women have a bank account, compared to 46% of men.
Land Ownership	Women have limited rights to own and inherit land. In Cambodia, only 10% of land titles are held by women.
Education and Skills	Lower levels of education and skills training among women limit their employment opportunities and earning potential.
Discrimination and Harassment	Women often face discrimination and harassment in the workplace, which can discourage them from seeking employment or advancing in their careers.

Governance, influence and decision-making

In Southeast Asia, traditional societal and cultural norms often assign strict gender roles for men and women, leading to discriminatory practices against women. This affects women's participation in governance and decision-making processes at various levels.

Local Level

At the local level, women are often excluded from roles of influence and decision-making. For example, in Indonesia, only 14% of village heads are women. In Cambodia, women

²⁹ Asian Development Bank, 2024. Gender Pay Gap: A Macro Perspective

³⁰ UN Women, 2024. ASEAN Gender Outlook

³¹ Ibid

hold just 18% of commune council seats³². These low levels of representation mean that women's voices and concerns are often not adequately addressed in local governance.

National Level

At the national level, some progress has been made towards achieving gender equality in representation. For instance, in the Philippines, women hold 28% of seats in the national parliament. In Vietnam, women occupy 27% of parliamentary seats. However, in countries like Malaysia and Thailand, women's representation in national parliaments is lower, at 15% and 17%, respectively³³.

Political Participation

Political participation of women in Southeast Asia is influenced by several factors³⁴, including:

Cultural Norms	Traditional gender roles often discourage women from participating in politics. In many communities, leadership is viewed as a male domain.
Economic Barriers	Women often lack the financial resources needed to run for political office.
Education and Awareness	Lower levels of education and awareness about political rights and processes can limit women's participation in governance.
Support Networks	Women may lack access to networks and mentorship opportunities that can support their political careers.

Decision-Making Roles

Even when women are elected to political office, they often face challenges in influencing decision-making processes. In Indonesia, only 10% of ministerial positions are held by women. In Malaysia, women hold 12% of senior government positions³⁵. These figures highlight the need for targeted efforts to promote women's leadership and participation in decision-making roles.

³² United Nations Development Programme, 2023. Gender Equality and Women's Empowerment in Local Governance: A Regional Report on Southeast Asia

³³ Inter-Parliamentary Union, 2023. Women in National Parliaments

³⁴ International IDEA, 2023. Gender and Political participation in Southeast Asia: Challenges and Opportunities

³⁵ World Economic Forum, 2023. Global Gender Gap Report 2023

Legal and Policy Frameworks

Several countries in Southeast Asia have implemented legal and policy frameworks to promote gender equality in governance. For example, the Philippines has the Magna Carta of Women³⁶, which mandates gender equality in political participation and decision-making. Vietnam's Law on Gender Equality aims to increase women's representation in political and public life³⁷. However, the implementation and enforcement of these laws remain a challenge.

Civil Society and Advocacy

Civil society organizations play a crucial role in advocating for women's political participation and leadership. Organizations such as the Women's Caucus in the Philippines and the Cambodian Committee for Women work to empower women and promote gender equality in governance³⁸. These organizations provide training, mentorship, and support to women leaders and advocate for policy changes to enhance women's political participation.

Land and assets ownership

Land and asset ownership are fundamental to economic security and empowerment. In Southeast Asia, women's rights to land and assets are often limited by traditional practices, legal frameworks, and cultural norms.

Land Ownership

Land is one of the most fundamental productive assets, especially in agrarian economies. However, women's rights to land are highly restricted in many Southeast Asian countries³⁹:

	% of land titles owned by women
Indonesia	24
Vietnam	30
Thailand	20
Malaysia	12
Cambodia	10
Philippines	22

³⁶ Government of the Philippines, 2024. The Magna Carta of Women (Republic Act 9710)

³⁷ UN Women, 2024. Vietnam Law on Gender Equality Overview

³⁸ Women's Caucus Philippines, 202. Empowering Women in Politics – Annual Report

³⁹ Food and Agriculture Organization, 2023. Gender and Land Rights Database: Southeast Asian Overview

These figures highlight significant gender disparities in land ownership, which limit women's economic opportunities and financial security.

Legal Frameworks

Legal frameworks in many Southeast Asian countries do not adequately protect women's land rights. In some cases, customary laws and practices take precedence over statutory laws, further restricting women's access to land. For example, in Cambodia, customary practices often favor male inheritance, leaving women with limited rights to own or inherit land⁴⁰.

Access to Assets

In addition to land, women's access to other productive assets such as livestock, machinery, and financial resources is also limited. In Indonesia, women own only 15% of small and medium enterprises (SMEs). In Vietnam, women own 21% of SMEs⁴¹. Limited access to assets restricts women's ability to engage in income-generating activities and improve their livelihoods.

Barriers to Ownership

Several barriers hinder women's ownership of land and assets in Southeast Asia⁴², including:

Cultural Norms	Traditional gender roles and patriarchal norms often prioritize men as the primary owners of land and assets.
Economic Barriers	Inadequate legal protections and enforcement mechanisms limit women's ability to claim and defend their land rights.
Education and Awareness	Women often lack the financial resources needed to purchase land and assets.
Support Networks	Limited awareness of legal rights and available resources can prevent women from asserting their ownership claims.

Impact on Women's Empowerment

⁴⁰ UN Women, 2024. ASEAN Gender Outlook

⁴¹ International Finance Corporation, 2022. Women Entrepreneurs in Southeast Asia

⁴² UNDP, 2023. Barriers to Women's Economic Empowerment in Southeast Asia

Limited ownership of land and assets has significant implications for women's economic empowerment and overall well-being⁴³. Without secure land rights, women are more vulnerable to poverty, food insecurity, and economic dependence on male family members. Ensuring women's access to land and assets is crucial for promoting gender equality and sustainable development in Southeast Asia.

Initiatives and Interventions

Several initiatives and interventions aim to improve women's access to land and assets in Southeast Asia. For example, the Landesa Rural Development Institute works to strengthen women's land rights through legal reforms and community-based programs. In Vietnam, the government has implemented policies to promote joint land titling for married couples, ensuring that both men and women have equal rights to land⁴⁴.

Gender-based violence

Gender-based violence (GBV) is a pervasive issue in Southeast Asia, affecting women and girls across all socioeconomic and cultural backgrounds. GBV includes physical, sexual, psychological, and economic violence, and it has significant implications for women's health, well-being, and overall development⁴⁵.

Prevalence of Gender-Based Violence

The prevalence of gender-based violence varies across Southeast Asia, but it remains a significant concern in all six countries where the NDF will be invested:

	% of women who experienced gender-based violence
Indonesia	33
Vietnam	34
Thailand	44
Malaysia	9
Cambodia	32
Philippines	26

Forms of Gender-Based Violence

Gender-based violence in Southeast Asia takes various forms⁴⁶, including:

⁴³ UN Women, 2024. Women's Land and Property Rights

⁴⁴ JSTOR, 2015. Property Rights and Productivity: The Case of Joint Land Tilting in Vietnam

⁴⁵ United Nations Population Fund, 2020. Gender-based Violence in Asia and the Pacific: A Summary Report

⁴⁶ United Nations Office on Drugs and Crime, 2020. Trafficking in Persons in Southeast Asia

Domestic Violence	The most common form of GBV, affecting women within their homes and perpetrated by intimate partners or family members.
Sexual Violence	Includes rape, sexual assault, and harassment, often occurring in both private and public spaces.
Human Trafficking	Southeast Asia is a significant source, transit, and destination region for human trafficking, with women and girls being trafficked for sexual exploitation and forced labor.
Child Marriage	Early and forced marriages are prevalent in some parts of Southeast Asia, leading to increased vulnerability to GBV for young girls.

Barriers to Addressing Gender-Based Violence

Several barriers hinder efforts to address gender-based violence in Southeast Asia^{47 48}:

Cultural Norms	Traditional gender roles and patriarchal norms often normalize and perpetuate violence against women.
Legal Frameworks	Inadequate legal protections and weak enforcement mechanisms limit the effectiveness of laws against GBV.
Stigma and Shame	Victims of GBV often face stigma and shame, discouraging them from reporting incidents and seeking help.
Lack of Services	Limited access to support services such as shelters, counseling, and legal assistance hinders the ability of survivors to escape abusive situations and recover.

Impact on Women's Health and Well-being

Gender-based violence has severe physical, psychological, and economic impacts on women and girls. Survivors of GBV are at higher risk of physical injuries, mental health issues such as depression and anxiety, and sexually transmitted infections, including

⁴⁷ World Health Organization, 2021. Gender-Based Violence is a Public Health Issue: Using a Health Systems Approach

⁴⁸ World Bank, 2023. Standing Up to Fight Gender-Based Violence in South Asia

HIV⁴⁹. The economic impact includes loss of productivity, increased healthcare costs, and reduced economic opportunities.

Initiatives and Interventions

Several initiatives and interventions aim to address gender-based violence in Southeast Asia ⁵⁰:

Legal Reforms	Countries like the Philippines and Vietnam have enacted laws to protect women from domestic violence and provide support to survivors.
Awareness Campaigns	Public awareness campaigns aim to change cultural attitudes and norms that perpetuate GBV.
Support Services	Organizations such as the Women's Crisis Center in Malaysia and the Cambodian Women's Crisis Center provide shelters, counseling, and legal assistance to survivors of GBV.
Community Programs	Community-based programs work to engage men and boys in preventing GBV and promoting gender equality.

⁴⁹ World Health Organization, 2019. Violence Against Women is a Serious Threat to Women's Health and Well-being

⁵⁰ Springer, 2022. Gender-Based Violence in Southeast Asia; Policy in Practice

4. Gender-Related Political, Legal and Institutional Environment in Southeast Asia

Policy environment and legal frameworks

The policy environment and legal framework in Southeast Asia play a crucial role in shaping gender equality and women's rights. While progress has been made in some areas, significant challenges remain in ensuring that legal protections are effectively implemented and enforced.

Indonesia

Indonesia has made strides in promoting gender equality through various legal and policy measures. The country ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1984⁵¹ and has since enacted several laws to protect women's rights. The Law on the Elimination of Domestic Violence in 2004⁵² and the Law on Gender Equality in 2012⁵³ are key legislative measures aimed at addressing gender-based violence and promoting gender equality. However, implementation and enforcement of these laws remain inconsistent, particularly in rural areas where traditional norms and practices often prevail.

Vietnam

Vietnam has a strong legal framework for gender equality, with the Law on Gender Equality in 2006⁵⁴ and the Law on Domestic Violence Prevention and Control in 2007⁵⁵ providing comprehensive protections for women. The country has also ratified CEDAW⁵⁶ and is committed to achieving the Sustainable Development Goals (SDGs), including SDG 5 on gender equality. Despite these efforts, challenges persist in ensuring effective implementation and addressing deeply rooted cultural norms that perpetuate gender inequality.

Thailand

Thailand has made significant progress in promoting gender equality through legal reforms and policy initiatives. The Gender Equality Act 2015⁵⁷ prohibits discrimination based on gender and provides mechanisms for addressing gender-based violence. Thailand has also

⁵¹ UN Women, 1984. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)

⁵² Government of Indonesia, 2004. Law No.23/2004 on the Elimination of Domestic Violence

⁵³ ASEAN Secretariat, 2012. Indonesia's Efforts for Gender Equality

⁵⁴ National Assembly of Vietnam, 2006. Law on Gender Equality in Vietnam

⁵⁵ National Assembly of Vietnam, 2007. Law on the Domestic Violence Prevention and Control

⁵⁶ UN Women, 1982. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)

⁵⁷ Ministry of Social Development and Human Security, Thailand, 2015. Gender Equality Act B.E. 2558

ratified CEDAW⁵⁸ and is actively working towards achieving the SDGs. However, enforcement of gender equality laws remains a challenge, and cultural attitudes continue to hinder progress in some areas.

Malaysia

Malaysia has a mixed record on gender equality, with some progress in legal reforms but ongoing challenges in implementation. The country ratified CEDAW⁵⁹ in 1995 and has enacted laws such as the Domestic Violence Act in 1994⁶⁰ and the Sexual Offences Against Children Act (2017). However, Malaysia has not yet adopted a comprehensive gender equality law, and discriminatory practices persist in areas such as family law and employment. Efforts to promote gender equality are often hampered by conservative cultural norms and resistance to change.

Cambodia

Cambodia has made efforts to improve gender equality through legal and policy measures, but significant challenges remain. The country ratified CEDAW in 1992 and has enacted laws such as the Law on the Prevention of Domestic Violence and the Protection of Victims in 2005⁶¹. However, enforcement of these laws is weak, and traditional practices often undermine women's rights. Cambodia's National Action Plan to Prevent Violence Against Women (2014-2018) aims to address these issues, but progress has been slow.

Philippines

The Philippines has a strong legal framework for gender equality, with several progressive laws aimed at protecting women's rights. The Magna Carta of Women in 2009⁶² is a comprehensive law that promotes gender equality and women's empowerment. The country has also enacted laws such as the Anti-Violence Against Women and Their Children Act in 2004⁶³ and the Responsible Parenthood and Reproductive Health Act in 2012⁶⁴. The Philippines is committed to achieving the SDGs and has made significant

⁵⁸ UN Women, 1985. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)

⁵⁹ Ibid

⁶⁰ Malaysian Parliament, 1994. Domestic Violence Act 1994 (Act 521)

⁶¹ Cambodian Ministry of Women's Affairs, 2005. Law on the Prevention of Domestic Violence and the Protection of Victims

⁶² Philippine Commission on Women, 2009. Republic Act No.9710: Magna Carta of Women

⁶³ Philippine Congress, 2004. Republic Act No.9262: Anti-Violence Against Women and Their Children Act of 2004

⁶⁴ Philippine Congress, 2012. Republic Act No.10354: Responsible Parenthood and Reproductive Health Act of 2012

progress in promoting gender equality. However, challenges remain in addressing cultural norms and ensuring effective implementation of laws.

Regional Initiatives

In addition to national efforts, regional initiatives play a crucial role in promoting gender equality in Southeast Asia. The Association of Southeast Asian Nations (ASEAN) has adopted the ASEAN Declaration on the Elimination of Violence Against Women and Children in 2013⁶⁵ and the ASEAN Regional Plan of Action on the Elimination of Violence Against Women (2016-2025)⁶⁶. These initiatives aim to strengthen regional cooperation and support member states in addressing gender-based violence and promoting gender equality.

Institutions

The institutional framework in Southeast Asia plays a crucial role in promoting gender equality and addressing gender-based issues. Various government bodies, non-governmental organizations (NGOs), and civil society organizations (CSOs) work towards advancing women's rights and gender equality in the region.

Government Bodies

Each country in Southeast Asia has established government bodies dedicated to promoting gender equality and women's empowerment:

Indonesia	The Ministry of Women's Empowerment and Child Protection ⁶⁷ is responsible for formulating and implementing policies related to gender equality and child protection. The ministry works to integrate gender perspectives into national development plans and programs.
Vietnam	The Vietnam Women's Union (VWU) ⁶⁸ is a mass organization that represents women's interests and advocates for gender equality. The VWU collaborates with government agencies to implement gender-responsive policies and programs.

⁶⁵ ASEAN Secretariat, 2013. ASEAN Declaration on the Elimination of Violence Against Women and Children

⁶⁶ ASEAN Secretariat, 2015. ASEAN Regional Plan of Action on the Elimination of Violence Against Women

⁶⁷ Ministry of Women's Empowerment and Child Protection, 2020. About the Ministry of Women's Empowerment and Child Protection

⁶⁸ Vietnam Women's Union, 2021. Introduction to the Vietnam Women's Union

Thailand	The Office of Women's Affairs and Family Development (OWAFD) ⁶⁹ under the Ministry of Social Development and Human Security is responsible for promoting gender equality and protecting women's rights. The OWAFD works on policy development, capacity building, and public awareness campaigns.
Malaysia	The Ministry of Women, Family, and Community Development (MWFCD) ⁷⁰ is the primary government body responsible for gender equality and women's empowerment. The ministry develops policies, programs, and initiatives to address gender-based issues and promote women's rights.
Cambodia	The Ministry of Women's Affairs (MoWA) ⁷¹ is responsible for promoting gender equality and women's empowerment. The MoWA works on policy development, capacity building, and advocacy to address gender-based violence and improve women's access to education, healthcare, and economic opportunities.
Philippines	The Philippine Commission on Women (PCW) ⁷² is the primary policy-making and coordinating body on women's concerns. The PCW works to ensure the implementation of gender-responsive policies and programs across government agencies.

Non-Governmental Organizations (NGOs)

NGOs play a vital role in advocating for women's rights and providing support services to women and girls in Southeast Asia. Some prominent NGOs in the region include:

Indonesia	The Indonesian Women's Coalition (KPI) ⁷³ advocates for women's rights and gender equality through policy advocacy, capacity building, and public awareness campaigns.
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⁶⁹ Ministry of Social Development and Human Security, 2019. The Role of the Office of Women's Affairs and Family Development

⁷⁰ Ministry of Women, Family and Community Development, 2021. Gender Equality Policies in Malaysia

⁷¹ Ministry of Women's Affairs, Cambodia, 2020. National Action Plan for Gender Equality

⁷² Philippine Commission on Women, 2022. Mandates of the Philippine Commission on Women

⁷³ Indonesian Women's Coalition, 2021. Advocating for Gender Equality in Indonesia

Vietnam	The Center for Studies and Applied Sciences in Gender, Family, Women, and Adolescents (CSAGA) ⁷⁴ works to promote gender equality and address gender-based violence through research, advocacy, and community-based programs.
Thailand	The Foundation for Women (FFW) ⁷⁵ provides support services to survivors of gender-based violence, including shelter, counseling, and legal assistance. The FFW also advocates for policy changes to protect women's rights.
Malaysia	The Women's Aid Organisation (WAO) ⁷⁶ provides support services to survivors of domestic violence and advocates for legal reforms to protect women's rights. The WAO also conducts public awareness campaigns to change societal attitudes towards gender-based violence.
Cambodia	The Cambodian Women's Crisis Center (CWCC) ⁷⁷ provides support services to survivors of gender-based violence, including shelter, counseling, and legal assistance. The CWCC also works on policy advocacy and public awareness campaigns.
Philippines	The Gabriela Women's Party ⁷⁸ is a grassroots organization that advocates for women's rights and gender equality through policy advocacy, public awareness campaigns, and community-based programs.

Civil Society Organizations (CSOs)

CSOs in Southeast Asia play a crucial role in promoting gender equality and women's empowerment. These organizations work on various issues, including gender-based violence, women's political participation, and economic empowerment. Some notable CSOs in the region include:

⁷⁴ Center for Studies and Applied Sciences in Gender, Family, Women, and Adolescents, 2022. CSAGA: Empowering Women Through Advocacy and Action

⁷⁵ Foundation for Women, Thailand, 2021. Providing Support and Advocacy for Survivors of Gender-Based Violence

⁷⁶ Women's Aid Organization, 2022. Fighting Domestic Violence in Malaysia

⁷⁷ Cambodian Women's Crisis Center, 2020. Protecting and Empowering Cambodian Women

⁷⁸ Gabriela Women's Party, 2021. Grassroots Advocacy for Women's Rights in the Philippines

Indonesia	The Women's Solidarity for Human Rights (SP) ⁷⁹ works to promote gender equality and women's rights through advocacy, research, and capacity building.
Vietnam	The Gender and Development Working Group (GDWG) ⁸⁰ is a network of organizations and individuals working to promote gender equality and women's empowerment through policy advocacy, research, and capacity building.
Thailand	The Women and Men Progressive Movement Foundation (WMPMF) ⁸¹ works to promote gender equality and address gender-based violence through advocacy, research, and community-based programs.
Malaysia	The All Women's Action Society (AWAM) ⁸² advocates for gender equality and women's rights through policy advocacy, public awareness campaigns, and support services for survivors of gender-based violence.
Cambodia	The Banteay Srei ⁸³ organization works to promote gender equality and women's empowerment through community-based programs, capacity building, and advocacy.
Philippines	The Women's Legal and Human Rights Bureau (WLB) ⁸⁴ provides legal assistance to women and advocates for policy changes to protect women's rights and promote gender equality.

5. Gender and Climate Change in Southeast Asia

Gender Issues Related to Climate Change Impacts and Risks

Climate change and related disasters impact women and men differently due to existing gender inequalities that affect their ability to adapt and respond.

⁷⁹ Women's Solidarity for Human Rights, 2020. Human Rights and Gender Equality in Indonesia

⁸⁰ Gender and Development Working Group, 2022. Strengthening Gender Advocacy in Vietnam

⁸¹ Women and Men Progressive Movement Foundation, 2021. Progressive Movement for Gender Equality in Thailand

⁸² All Women's Action Society, 2022. Advocating for Women's Rights in Malaysia

⁸³ Banteay Srei, 2020. Promoting Gender Equality in Cambodian Communities

⁸⁴ Women's Legal and Human Rights Bureau, 2021. Legal Advocacy for Women's Rights in the Philippines

Floods

Floods pose significant risks, particularly to women and girls. Due to physical limitations and societal roles, women often find it harder to evacuate quickly⁸⁵. Many women, youths, and children do not have access to mobile phones or radios, limiting their ability to receive timely warnings⁸⁶. As primary caretakers of the home, women are more likely to lose valuable household items and have limited financial resources for recovery. This vulnerability is exacerbated by their role in managing household responsibilities, which can be severely disrupted by flooding.

Drought

Droughts are a recurring issue in these countries, with severe impacts on agriculture and water resources. Women, who are often responsible for water collection and agricultural tasks, are disproportionately affected⁸⁷. The 2015 El Niño event highlighted this disparity, with a higher percentage of women reporting suffering from the prolonged dry season compared to men⁸⁸. Women's roles in farming and natural resource management mean they bear the brunt of water scarcity and reduced agricultural productivity. Reliable early warnings and accessible information are crucial to help women farmers prepare and adapt to drought conditions.

Landslides

Landslides are another significant hazard, particularly in areas with heavy rainfall and poor land use practices. Women, elderly people, children, and individuals with disabilities are more vulnerable to landslides as they spend more time at home and may lack the mobility to escape quickly⁸⁹. The lack of gender-specific education and awareness on landslide risks further increases their vulnerability⁹⁰. Effective communication and education strategies are needed to ensure that these groups are adequately informed and prepared for landslide events.

Gender issues in accessing climate information and early warning services

Access to climate information and early warning services is crucial for effective disaster risk management and climate adaptation. However, gender disparities significantly affect

⁸⁵ UN Women, 2017. Gender and Disaster Risk Reduction

⁸⁶ International Federation of Red Cross and Red Crescent Societies, 2015. Reducing the Gender Gap in Disaster Risk Reduction and Response

⁸⁷ UNDP, 2019. Drought Risk Management and Gender Equality: Opportunities to Build Resilience

⁸⁸ UN Women, 2016. Women and Agriculture in a Changing Climate

⁸⁹ World Bank, 2018. Gender and Landslide Risk Management

⁹⁰ UN Women, 2020. Empowering Women to Mitigate Landslide Risks

how men and women access and utilize these services across Indonesia, Vietnam, Thailand, Malaysia, Cambodia, and the Philippines.

Social, Economic, Cultural, Political, and Institutional Factors

Men and women have different levels of access to climate information and early warning services due to various social, economic, cultural, political, and institutional factors⁹¹. In many communities, traditional knowledge is predominantly held by men, who use it to monitor disaster risks such as flooding. Women often rely on men to receive and pass on this information, as men typically have the cultural authority to communicate with community members. Lower income levels and limited purchasing power also restrict women's ability to buy communication tools like radios and mobile phones, further limiting their access to vital information⁹².

Discriminatory Cultural and Social Norms

Cultural and social norms often limit women's control over and right to use and safeguard assets and resources against climate change impacts. For instance, women's rights to own land are highly restricted in many areas, and traditional gender roles exclude them from decision-making processes regarding land management⁹³. Women frequently report that they do not take disaster risk reduction actions until they receive early warning messages from men, highlighting their dependency on male family members for critical information⁹⁴.

Differing Access Based on Age, Socioeconomic Status, Location, and Disability

Access to climate information and early warnings varies within gender groups based on age, socioeconomic status, geographic location, and disability. Remote and rural communities often lack adequate observation and communication infrastructure, making it difficult for early warnings to reach these areas⁹⁵. Additionally, information providers may lack the capacity to communicate effectively with end-users who have low levels of education or disabilities, further exacerbating the information gap⁹⁶.

Gender-Based Information Requirements

Men and women have different information needs due to gender-based divisions of labor, roles, responsibilities, mobility, and socio-cultural norms. In rural areas, men and women often share agricultural work, but domestic and reproductive tasks are primarily the

⁹¹ UN Women, 2020. Gender Equality and Disaster Risk Reduction in Asia and the Pacific

⁹² Food and Agriculture Organization, 2019. The Role of Gender in Disaster Risk Reduction

⁹³ World Bank, 2018. Women's Land Rights in Disaster Risk Reduction

⁹⁴ CARE International, 2020. Gender-Based Vulnerabilities in Disaster Preparedness

⁹⁵ UNDP, 2019. Leaving No One Behind: Inclusive Early Warning Systems

⁹⁶ UN Women, 2021. Access to Early Warning Systems for Marginalized Groups

responsibility of women. Consequently, women are more concerned about the impacts of climate change on health, education, and market access, while men focus on property damage and livestock loss. For climate and early warning information to be effective, it must be communicated in a format that addresses the specific needs and priorities of each gender group⁹⁷.

Literacy and Comprehension Barriers

Women generally have lower literacy levels compared to men, limiting their ability to read and understand climate and early warning information⁹⁸. The lack of translation into local languages, overly technical presentations, and the absence of straightforward, practical advice further hinder effective communication⁹⁹. Ensuring that information is accessible and comprehensible to all, regardless of literacy levels, is essential for effective disaster preparedness and response.

⁹⁷ FAO, 2020. Gendered Impacts of Climate Change on Agriculture

⁹⁸ UNESCO, 2018. Gender Equality and Literacy in Climate Adaptation

⁹⁹ UNDP, 2019. Making Early Warnings Accessible for All

Part II: Gender Assessment Plan

Navis Decarbonization Fund I.

ACTIVITY	INDICATORS AND TARGETS	TIMELINE	RESPONSIBILITIES
<p>Conduct an assessment of good case practices for Gender and DEI policies across fund managers in Southeast Asia and identify how existing policies can be improved</p>	<p>Indicator: Number of funds / policies reviewed Target: review at least 3 similar funds' policies and summarize findings in an internal document to be presented to the Gender and DEI Committee</p>	<p>Year 1</p>	<p>Navis Human Capital and ESG / Gender and DEI expert</p>
<p>Gather market practices on hybrid / flexi work arrangements and present to Gender and DEI Committee</p>	<p>Indicator: Number of funds / policies reviewed Target: review at least 3 similar funds' policies and summarize findings in an internal document to be presented to the Gender and DEI Committee</p>	<p>Year 1</p>	<p>Navis Human Capital and ESG / Gender and DEI expert</p>
<p>Conduct a stakeholder assessment and identify suitable organizations to join where NDF can further learn about good case practices</p>	<p>Indicator: Number of stakeholders / organizations identified Target: review at least 3 suitable organizations, join one</p>	<p>Year 1</p>	<p>Navis Human Capital and ESG / Gender and DEI expert</p>
<p>Integrate generational diversity into DEI</p>	<p>Indicator: Policy amended Target: amend and roll out policy</p>	<p>Year 2</p>	<p>Navis Human Capital and ESG / Gender and DEI expert</p>
<p>Provide a comprehensive training programs for women at NDF leveraging stakeholders, including DFI investors</p>	<p>Indicator: hours of training offered to women at NDF Target: at least 16 training hours offered per woman at NDF</p>	<p>Year 2-10</p>	<p>Navis Human Capital and ESG / Gender and DEI expert</p>

Organize bi-annual lunch / get togethers for women at NDF	Indicator: Number of events Target: at least 2 events per year	Year 2-10	Navis Human Capital and ESG / Gender and DEI expert
Conduct annual gender impact assessment at Navis	Indicator: Number of gender impact assessments conducted Target: one assessment per year	Years 1-10	Navis Human Capital and ESG / Gender and DEI expert
Hold stakeholder workshops and LPAC meetings to present findings	Indicator: Number of stakeholder workshops and LPAC meetings conducted Target: one workshop every two years and one LPAC meeting per year	Years 1-10	Navis Human Capital and ESG / Gender and DEI expert
Adopt the 2X Challenge criteria on Fund manager and portfolio company level for assessing and structuring investments to provide women with leadership opportunities, quality employment, finance, and enterprise support.	Indicator: number of 2X Challenge criteria met on Fund manager and portfolio level Target: all criteria met on Fund manager level, 30% on portfolio level	Years 1-10	Navis Human Capital and ESG / Gender and DEI expert
