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

GCF/B.44/02/Add.13

4 March 2026

Consideration of funding proposals – Addendum XIII

Funding proposal package for FP297

Summary

This addendum contains the following six parts:

a) A funding proposal summary titled "CC Asia Climate Fund (CC-ACF)" by CC Global Services Holdings Limited (CC GSH);
b) No-objection letter(s) 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 of the funding proposal.

Table of Content

Funding Proposal

Project/Programme title:	*CC Asia Climate Fund (CC-ACF)*
Country(ies):	*Kazakhstan, Mongolia, and Uzbekistan*
Accredited Entity:	*CC Global Services Holdings Limited (PSAA Applicant)*
Date of first submission:	*2025/04/03*
Date of current submission	*2026/03/03*

GREEN CLIMATE FUND

Contents

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]"

LIST OF ACRONYMS

AE	Accredited Entity
AML	Anti-Money Laundering
APAC	Asia-Pacific
APR	Annual Progress Report
ARA	Adaptation Result Area
BESS	Battery Energy Storage System
CAC	Climate Advisory Committee
CCHL	CITIC Capital Holdings Limited (corporate parent)
CC-ACF	CC Asia Climate Fund (aka the Fund)
CC GSH	CC Global Services Holdings Limited (PSAA Applicant)
CDM	Clean Development Mechanism
CP	Country Programme
CSA	Climate-Smart Agriculture
DFI	Development Finance Institution
EE	Energy Efficiency or Executing Entity
EPC	Engineering, Procurement, and Construction
E&S	Environmental and Social
ESG	Environmental, Social, and Governance
ESGAP	ESG Action Plan
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
FAA	Funded Activity Agreement
FDI	Foreign Direct Investment
FIM	Final Investment Memo
FPIC	Free, Prior and Informed Consent
FX	Foreign Exchange
GAP	Gender Action Plan
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GP	General Partner
IC	Investment Committee
IFC	International Finance Corporation
IMA	Investment Management Agreement
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial Public Offering
IRMF	Integrated Results Management Framework

JV	Joint Venture
KYC	Know Your Customer
LP	Limited Partner
LPA	Limited Partnership Agreement
LPAC	Limited Partner Advisory Committee
MAF	Material Adverse Finding
MDB	Multilateral Development Bank
MRA	Mitigation Results Area
MRV	Measurement, Reporting, and Verification
MSW	Municipal Solid Waste
MW	Megawatt
MWh	Megawatt-hour
NAP	National Adaptation Plan
NDA	National Designated Authority
NDC	Nationally Determined Contribution
ND-GAIN	Notre Dame Global Adaptation Initiative
PEP	Politically Exposed Person
PIM	Preliminary Investment Memo
PPA	Power Purchase Agreement
PSAA	Project-Specific Assessment Approach
PV	Photovoltaic
RCP	Representative Concentration Pathway
RE	Renewable Energy
RES	Renewable Energy Sources
SDG	Sustainable Development Goal
SEAH	Sexual Exploitation, Abuse, and Harassment
SEP	Stakeholder Engagement Plan
SME	Small and Medium-sized Enterprise
SPV	Special Purpose Vehicle
SWF	Sovereign Wealth Fund
TCFD	Task Force on Climate-related Financial Disclosures
TRL	Technology Readiness Level
UBO	Ultimate Beneficial Owner
UNFCC	United Nations Framework Convention on Climate Change

A. PROJECT/PROGRAMME SUMMARY

A.1. Project or programme	Programme	**A.2. Public or private sector**	☐ Public sector ☒ Private sector
A.3. Request for Proposals (RFP)	*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+.* Not applicable		

A.4. Result area(s)

*Check the applicable GCF result area(s) that the overall 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.*

	GCF contribution	Co-financers' contribution[1]
Mitigation total	73%	73%
☒ Energy generation and access	25%	25%
☐ Low-emission transport	%	%
☒ Buildings, cities, industries and appliances	38%	38%
☒ Forestry and land use	10%	10%
Adaptation total	27%	27%
☒ Most vulnerable people and communities	11%	11%
☒ Health and well-being, and food and water security	5%	5%
☒ Infrastructure and built environment	11%	11%
☐ Ecosystems and ecosystem services	%	%

A.5. Expected mitigation outcome *(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)*	*Indicate greenhouse gas (GHG) emission reductions or removals in tCO2eq over total lifespan of the project/programme[2]* 8.21 mtCO2eq – CC-ACF fund ($150m)	**A.6. Expected adaptation outcome** *(Core indicator 2: direct and indirect beneficiaries reached)*	*Indicate total number of direct and indirect beneficiaries*	
			Indicate number of direct beneficiaries 137,020 direct beneficiaries	*Indicate number of indirect beneficiaries* 327,376 indirect beneficiaries
			Indicate % of direct beneficiaries vis-à-vis total population 0.71%	*Indicate % of indirect beneficiaries vis-à-vis total population* 1.23%

A.7. Total financing (GCF + co-finance[3])	USD 150 million (USD 37.5 USD mn GCF + USD 112.5 mn co-financing)	**A.9. Project size**	Medium
A.8. Total GCF funding requested	37.5 million USD (max. 25%) *For multi-country proposals, please fill out annex 17.*		

[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] The total lifespan of the project/programme is defined as the maximum number of years over which the outcomes of the investment are expected to be effective. This is different from the project/programme implementation period.
[3] Refer to the Policy of Co-financing of the GCF.

A.10. Financial instrument(s) requested for the GCF funding	*Mark all that apply and provide total amounts. The sum of all total amounts should be consistent with A.8.*		
	☐ Grant ☐ Loan ☐ Guarantee	☒ Equity ☐ Results-based payment	
A.11. Implementation period	*Indicate the number of years and months the project/ programme is expected to be implemented.* 10 years +1+1 (possible extensions)	**A.12. Total lifespan**	*Indicate the maximum number of years over which the outcomes of the investment are expected to be effective, i.e. to lead to adaptation and/or mitigation results.* 15-25 years
A.13. Expected date of AE internal approval	*This is the date that the Accredited Entity obtained/will obtain its own approval to implement the project/ programme, if available.* N/A	**A.14. ESS category**	*Refer to the AE's safeguard policy and GCF ESS Standards to assess your FP category.* Category B/I-2
A.15. Has this FP been submitted as a CN before?	Yes ☐ No ☒	**A.16. Has Readiness or PPF support been used to prepare this FP?**	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	Yes ☐ No ☒	**A.18. Is this FP included in the country programme?**	Yes ☐ No ☒
A.19. Complementarity and coherence	*Does the project/programme complement other climate finance funding (e.g. GEF, AF, CIF, etc.)? If yes, please elaborate in section B.1.* Yes ☒ No ☐		
A.20. Executing Entity information	*If not the Accredited Entity, please indicate the full legal name of the Executing Entity(ies) and provide its country of registration and ownership type. Note that there can be more than one Executing Entity. Also indicate if an Executing Entity is the National Designated Authority. Refer to the definition of Executing Entity in the Accreditation Master Agreement.* CC Asia Climate Fund LP (the Fund or CC-ACF) CC Asia Climate GP Limited (the General Partner) CC Climate Asia Manager Limited CC Climate Asia Advisor Limited as Investment Advisor in Hong Kong SAR, China CC Climate Asia Advisor Limited as Investment Advisor in Beijing, China Project-specific SPVs Project holding companies outside the hosting countries		

A.21. Executive summary (max. 750 words, approximately 1.5 pages)

Climate change problem

1. The governments of Kazakhstan, Mongolia, and Uzbekistan have committed to pursuing low-carbon, climate-resilient development, substantially mitigating their emissions whilst growing their economies. However, these countries are heavily exposed to significant climate risks—including extreme temperatures, droughts, and changing precipitation patterns—that threaten to disrupt key sectors like energy, agriculture, and water. Their economies are currently carbon-intensive; Kazakhstan is the largest greenhouse gas (GHG) emitter in the Central Asian region, and Mongolia's economy is one of the most GHG-intensive in the world.

2. **A critical barrier to their climate goals is a lack of sufficient financing to scale up innovations in clean technology.** They face substantial funding gaps between the capital required to achieve their net-zero targets and their adaptation needs. The problem is especially acute for equity finance, the instrument for which the widest gap exists. It is estimated that less than 3% of the region's climate finance is equity-based, compared to a global share of around 34%. This scarcity of risk-averse capital prevents promising companies from bringing proven technologies from the commercialisation phase to large-scale deployment.

Proposed interventions

3. The PSAA Applicant, CC Global Services Holdings Limited (referred to as CC GSH), proposes the CC Asia Climate Fund (CC-ACF) to address this critical financing gap. **CC-ACF is CC GSH's first dedicated climate fund that builds on achievements of previous ESG focused funds.** CC GSH has the ambition to further scale up climate investments in Southeast Asia through continued partnership with the GCF and institutional investors. Building on the CITIC Capital ESG team over 15 years of experience, the CC-ACF will continue a proven strategy of fostering the application of innovative technology and replicable business models for climate action. The team is particularly experienced in identifying investment opportunities at their inflection points, where technology has been sufficiently de-risked and is ready to prove its business model.

4. The CC-ACF will be a USD 150 million equity fund created in partnership with the Green Climate Fund (GCF). The proposal requests USD 37.5 million from the GCF to catalyse an additional USD 112.5 million from other investors. Equity funds are uniquely suited to this challenge as they can commit to longer-term projects, allowing for more flexible deployments and improved risk-sharing.

5. **The Fund will strategically deploy investment across priority sectors in Kazakhstan, Mongolia, and Uzbekistan**, including:

   - Renewable energy deployment
   - Resource efficiency and industry decarbonisation
   - Weather-resilient buildings and sustainable construction
   - Water conservation and security
   - Climate-smart agriculture

6. **The investment opportunities will be carefully selected and assessed** to ensure complementarity with other MDB and private sector programmes, specifically by filling the financing gap for growth-stage equity. The selection process will be strengthened by introducing robust additionality assessment as a prerequisite to satisfy the climate-focused eligibility criteria, ultimately aimed at accelerating the adoption and scaling of innovative climate technologies in the Central Asia region.

7. **A key element of the Fund's strategy is that its investments will be supported through know-how sharing and technology transfer**, sourcing both from FDI and home-grown innovations. The Fund's additionality also comes from its role as an active steward; by taking minority stakes and board seats, it will drive value beyond capital by working to improve corporate strategy and raise climate and ESG standards.

8. The programme is comprised of two main components: Component 1 focuses on establishing and operating the investment vehicle, while Component 2 will strengthen sustainability outcomes through strategic support to portfolio companies.

Climate results and benefits

9. **CC-ACF is a cross-cutting proposal, targeting key sectors across climate adaptation and mitigation**. The Fund included a number of clear and dedicated adaptation projects within the portfolio. These specifically aim at introducing Climate-Smart Agriculture (CSA) technologies and deploying more efficient irrigation systems, which directly address climate vulnerability related to food and water security for exposed populations.

10. The portfolio contains a number primarily mitigation-focused projects (such as hybrid energy systems with BESS, microgrids, improved energy efficiency in buildings, and waste-to-energy), some of these projects are considered as cross-cutting interventions where adaptation is an important investment objective. The investment in renewable energy infrastructure is justified by the critical need to build climate-resilient energy systems. This ensures grid stabilisation to maintain power supply during extreme weather events and provides essential off-grid power in case of blackouts, thereby directly reducing the population's vulnerability to climate shocks that impact critical services.
11. Furthermore, projects like those improving energy efficiency in buildings provide a direct adaptation benefit by enhancing the thermal resilience of structures and protecting occupants from health risks associated with rising extreme heat. Similarly, the Waste-to-Energy (WTE) projects prevent the contamination of air, water, and soil resulting from unmanaged landfills, particularly during climate-induced flooding. This serves as an explicit measure to mitigate climate-related public health risks.
12. **The programme's investments are designed to deliver significant climate results, foster a paradigm shift, and provide substantial co-benefits**, including:

    - **Mitigation benefits**: The total financing from the Fund is projected to **reduce GHG emissions by 8.21 million tCO2eq over the projects' total lifespan**. The GCF's direct funding is estimated to contribute 2.05 million tCO2eq (25%) of this reduction.
    - **Adaptation benefits**: The programme is expected to **reach a total of 137,020 direct beneficiaries and 327,376 indirect beneficiaries** by strengthening climate-resilient livelihoods through improved access to clean energy, climate-smart agriculture, and effective waste management.
    - **Paradigm shift**: The Fund's paradigm-shifting potential is rooted in demonstrating that private companies can deliver measurable climate impact while achieving economic returns. The Fund will help shift the target countries away from their reliance on carbon-intensive industries towards clean-technology climate solutions. It will also build resilience by deploying cutting-edge adaptation technologies in the nations' most vulnerable sectors, including agriculture, water resource management, and energy infrastructure, thereby strengthening food, water, and energy security. By showcasing the financial and technical feasibility of these investments, the Fund aims to build investor confidence and catalyse additional private capital to replicate and scale proven solutions.
    - **Co-benefits** are expected across economic, social, and environmental dimensions. The programme is expected to stimulate economic growth and create green jobs. Socially, it will improve livelihoods for farmers and local businesses while implementing a gender-sensitive approach to promote women's participation and leadership. Environmentally, the shift away from fossil fuels and towards better waste management will lead to significant improvements in air quality and public health, protecting ecosystems and enhancing the overall health of communities.

B. PROJECT/PROGRAMME INFORMATION

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

I. Climate change overview and projections

National contexts of the targeted CC Asia Climate Fund (CC-ACF) countries

13. **The target countries of the CC-ACF — Kazakhstan, Mongolia, and Uzbekistan — have experienced rapid population and economic growth and have historically supported their industrial development through fossil fuels as the predominant source of energy.** While still having carbon-intensive economies, these countries have initiated their transitions and strive to enhance energy efficiency (EE) and increase renewable energy sources (RES) to foster resilience and self-sufficiency.

14. **Exacerbated by climate change pressures on natural resources, Kazakhstan and Uzbekistan's agriculture is impacted by decreasing yields, essential for livelihoods and economic growth.** Water scarcity has also become a shared concern, as the majority (80%) of Kazakh and Uzbek national water supplies are provided by upstream, out-of-country rivers, increasing dependency on neighbouring countries' river regulations and water management.[4] Mongolia's agricultural production is centred around animal husbandry, with critical needs for adaptation to more recurrent drought and livestock starvation episodes during extremely cold winters.

15. Excluding recent warzones and small island nations, **Mongolia has the most GHG-intensive economy in the world. Per unit of GDP**, it emits 15 times more than the US. It has the 9th highest per capita emissions of GHG globally. This carbon intensity is predominantly fuelled by the country's domestic reserves of coal, which account for 70% of primary energy supply and 86% of total electricity generation.[5] Electricity demand is projected to increase from 10,000 GWh to 50,000 GWh by 2050. Under current projections, the increasing demand would partly be met with additional coal-fired generation. Mongolia has an extremely low population density, with only 3.5 million people 1.5 million km², it is the world's least populated.

16. **Kazakhstan has a hydrocarbon-reliant economy is backed by its mineral-rich soils, including oil and gas which accounted for 17% of GDP and 80% of exports in 2020**.[6] Fossil fuels remain preponderantly used for energy generation, placing Kazakhstan as the first GHG emitter in the Central Asian region due to the essentially coal-generated national electricity supply (64%).[7] Kazakhstan emissions are particularly high when considered relative to the population size, with 12.4 tCO2/capita in 2023 (over 3 times higher than Uzbekistan).[8]

17. **Uzbekistan is a rapidly growing nation that heavily relies on fossil fuels and agriculture for its economy**.[9] However, its fossil fuel reserves are dwindling, and its agriculture sector faces significant water scarcity.[10] **Uzbekistan is the most populous country in Central Asia,** its population growth and increasing food demand further exacerbate the country's challenges.[11] To address these issues, Uzbekistan needs to transition towards a more sustainable and climate-resilient economy. This involves diversifying its energy sources, adopting water-efficient agricultural practices, and attracting foreign investment for green projects.

18. **To improve climate resilience in its target countries, the CC Asia Climate Fund (CC-ACF) will finance both mitigation and adaptation technologies that advance the sustainable use of natural resources and help accelerate countries' transition away from carbon-dependent economic growth.** Through investments in renewable energy generation capacities, resource-efficient technologies, climate smart agriculture solutions and innovative and water & waste management practices, the Fund is estimated to benefit 464,396 beneficiaries based on its indicative pipeline of projects. These projects could achieve average GHG reductions of 8.21 million tCO2eq over a 25-year lifespan, with an estimated cost of carbon reduction of around 18.26 USD/tCO2eq (investment cost/investment lifetime of emission reduction).

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[4] WB and ADB (2021), Climate Risk Country Profile: Kazakhstan; WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.

[5] EDGAR - Emissions Database for Global Atmospheric Research (2024), GHG emissions of all world countries

[6] World Bank (2023), Mining sector diagnostic- Kazakhstan.

[7] Energy Institute (2024), The 73rd Statistical Review of World Energy

[8] IEA (2023), Total CO2 emissions from energy

[9] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.; WB (2023), Population, total- Uzbekistan

[10] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.

[11] UNFCC. (2021), Updated Nationally Determined Contribution: Republic of Uzbekistan.; ILO (2021), Towards Full and Productive Employment in Uzbekistan: Achievements and Challenges.

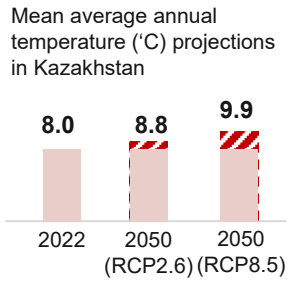
19. **Given the ecological and climatic variation across the Fund's vast target area, the impacts of climate change per region and country differ, as do climate projections and relevant climate strategies.** A summary of the climate context in CC-ACF's geographies and their adaptation and mitigation strategies proposed are provided below and detailed in the Feasibility Study (Annex 2).

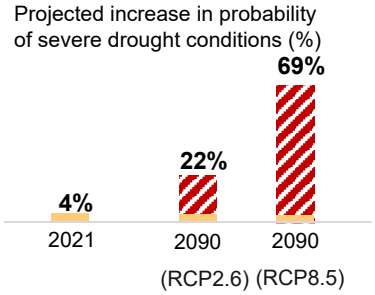
Overview of the climate change problem

Kazakhstan

20. **Warming temperatures are more pronounced in the northern parts of the country near the border with Russia, while enhancing desertification in the grasslands and speeding up the drying of major lake basins, home to one-fifth of the population.**[12] Today, the average temperature is 2.58°C higher than it was in 1961.[13] Temperatures are projected to rise well above global average and faster than most other Asian nations, with potential warming of 5.3°C by 2090, compared with the 1986–2005 baseline under RCP8.5.[14] The average annual number of days in which temperatures surpass 35°C could range between 25 and 55 by 2090 depending on emission scenarios, compared to 15 days in the 1986-2005 period.[15]

21. **Droughts currently affect two thirds of Kazakhstan's land area and have been a regular climate feature, occurring in 11 of the 20 years between 1986 and 2006**.[16] Since its independence in the early 90s, Kazakhstan's shares of agriculture in the GDP have fallen sharply to 4.3% (2022**)** as a result.[17] Though 75% of the country is deemed suitable for agricultural purposes, only 30% is currently used for production.[18] Grain outputs in rain-fed farming in the north are affected by drought in two out of every five years.[19] The annual probability of experiencing a year with severe drought conditions is expected to increase from 22% to 69% by 2090 (compared to the 4% historical likelihood).[20] Water shortage is an increasingly recurring event, as demonstrated by the 2023 southern state of emergency caused by a severe shortage of transboundary water for irrigation.





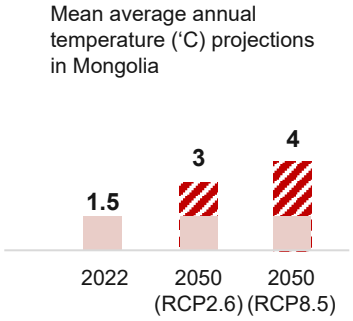
22. **Kazakhstan's diverse terrain—lowlands, mountains, and the Altay peaks up to 7,000m—makes floods the second most common natural hazard.**[21] In 2024, floods cost over USD 600 million, affecting most regions except the South.[22] Across the country, the number of people exposed to extreme river flooding is expected to rise by 72% by 2035 in the median forecast as an average across emission scenarios.[23] Under a high-emission pathway, water discharge and runoff will reach 20% by the end of the century.[24]

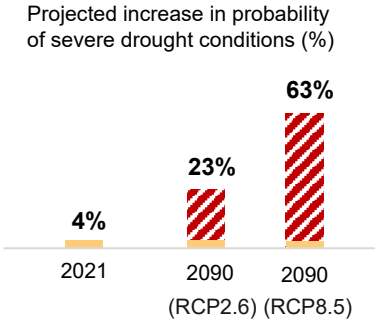
Mongolia

[12] WB and ADB (2021), Climate risk profiles for Uzbekistan and Kazakhstan.
[13] WB and ADB (2021), Climate Risk Country Profile: Kazakhstan.
[14] SMHI (2024)
[15] WB and ADB (2021), Climate Risk Country Profile: Kazakhstan
[16] WB and ADB (2021), Climate Risk Country Profile: Kazakhstan
[17] Trading Economics (2023), Kazakhstan- Agriculture, Value Added (% of GDP).
[18] Privacy Shield Framework (2020), Kazakhstan- Agricultural sector.
[19] WB and ADB (2021), Climate Risk Country Profile: Kazakhstan.
[20] WB and ADB (2021), Climate Risk Country Profile: Kazakhstan.
[21] UNFCC (2023), Kazakhstan First NDC (Updated submission)
[22] UNDP (2024), Why does Kazakhstan need a national adaptation plan for sustainable development and climate change mitigation.
[23] UNFCC (2023), Kazakhstan First NDC (Updated submission)
[24] SMHI (2024)

23. **Mongolia has been affected by one of the highest warming rates worldwide.** Between 1950 and 2023, average annual temperatures rose by 2.34°C.[25] This translates to a 0.32°C increase per decade, which is 2.3 times the global average and 0.05°C above the Asian average for the same period. This rise has been associated with a decline in frost days and an increase in hot summer days. Temperature trends can vary locally, influenced by altitude and by type of land cover. Mongolia's warming rates are expected to continue rising well above global average, including in the lowest emissions scenario. Under the highest emissions scenario (RCP8.5) Mongolia is projected to experience a rise of around 5.3°C by 2090, compared to a global average of around 3.7°C. Rises in minimum and maximum temperatures are projected to be more rapid than the rise in average temperature, reflecting a transition in the climate regime which could have major implications for ecosystems and human health.

24. **In addition to meteorological and hydrological droughts, dry summers followed by cold winters in Mongolia create a natural hazard locally called *dzud*.**[26] It refers to a severe winter disaster characterised by extreme cold, heavy snow, and ice, leading to livestock starvation and significant economic and social losses for herders. Severe droughts expected to increase drastically by 2090 under all emissions pathway, from a 4% historical probability to a range of 23% to 63%. This measure of drought particularly captures the transition of large areas of Mongolia's land surface to more arid and hyper-arid (i.e. chronically drought affected) environments. The drought-related climate hazards disproportionately affect the most economically vulnerable communities, as there is a high concentration of poverty and economic vulnerability in some of the provinces with the highest rates of exposure to drought.





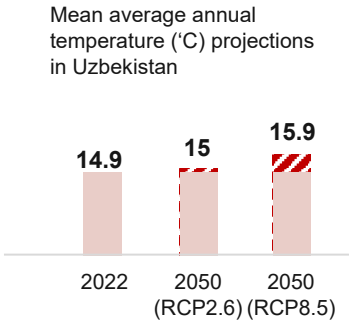
Uzbekistan

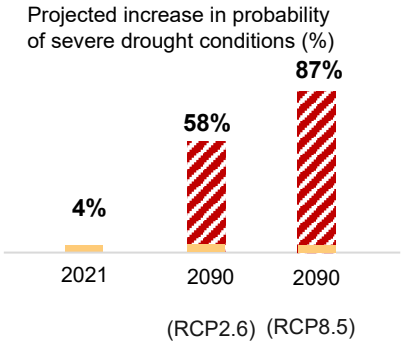
25. **In Uzbekistan, warming temperatures and year-to-year rainfall variability are accelerating desertification surrounding the Aral Sea, contributing to land salinisation, degradation and reduced agricultural productivity as well as the formation of new desert areas, which were once arable land**.[27] Scarce water supplies threaten to diminish major crops, such as cotton by 25-49%, causing drastic repercussions on the support they provide to livelihoods and to the national economy.[28] Agriculture accounts for 18% of the GDP, yet it hires 27% of the working population, indicating that those who work in the sector make up the poorest segments of the population.[29] By 2025, it is expected that food demand in Uzbekistan will exceed national crop production.[30]

26. **Temperature increase has reached 0.43°C per decade on the Ustyurt plateau near the Aral Sea, which is shared with Kazakhstan.**[31] Today, the average temperature in Uzbekistan is 2.33°C higher than it was in 1961.[32] The frequency of heatwaves and extreme temperatures has already risen, with the sharpest increase being observed in the northwestern areas surrounding the Aral Sea and the lower Amu Darya.[33] By 2090, the annual number of days over 35°C could range between 70 and 110, depending on emission scenarios, versus 50 days in the 1986-2005

[25] WB and ADB (2021), Climate Risk Country Profile: Mongolia.
[26] WB and ADB (2021), Climate Risk Country Profile: Mongolia.
[27] WB (2023), Climate Change Knowledge Portal: Uzbekistan.
[28] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.
[29] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.
[30] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.
[31] UNFCC (2021), Updated Nationally Determined Contribution: Republic of Uzbekistan.; WB (2023), Climate Change Knowledge Portal: Uzbekistan.
[32] WB Climate Change Knowledge Portal (CCKP, 2020). Climate Data: Historical. Climate Change Knowledge Portal: Uzbekistan.
[33] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.

period.[34] Severe droughts are also projected to increase significantly and could occur in 58% to 87% of all years by 2090.[35]





Mitigation and adaptation needs in target countries

27. **Natural resources have been placed under a continuous strain for industrial development and energy generation to meet the growing demand.** Without further renewable energy sources and low-emission production pathways, these high GHG emitting countries are at greater risk of shortages of natural resources (fossil fuels and water) for energy generation, causing reliability issues and economic losses while also failing to meet carbon neutrality objectives.

28. Central and East Asian countries like Kazakhstan, Mongolia, and Uzbekistan face particularly substantial funding gaps between the amounts required to achieve net zero and their respective mitigation targets and adaptation needs. Equity is the financial instrument for which the widest gap exists in project countries. It is estimated that less than 3% of Asia and the Pacific climate finance is equity-based, while the global share of equity in climate finance is around 34%.[36] Equity funds with the ability to commit to longer-term financing are the best funding sources for projects with long financing cycles and are thus critical to the catalysing of transformational transitions required to achieve mitigation goals in countries that are expected to sustain fast economic growths.

29. **Kazakhstan’s updated Nationally Determined Contribution (NDC 3.0)**[37] stipulates an emissions reduction target of 17% (unconditional) and up to 25% (conditional) by 2035 relative to 1990 levels. This revised contribution, published by the UNFCCC and yet to be adopted as of November 2025, is designed to transform national commitments into a ready-to-implement investment plan, explicitly structured to integrate corporate investment plans and avoid policy blockages faced by previous NDCs. Notably, Kazakhstan aims to bring its share of total electricity generation to at least 35% by 2035 from low-carbon sources, including renewable and nuclear energy. This ambitious strategy requires mobilising capital on an immense scale; national estimates suggest Kazakhstan needs to attract approximately USD 175.6 billion (USD 128.5 billion for mitigation; USD 47 billion for adaptation) between 2026 and 2035 to reach its targets, which amounts to roughly 5.5% of its current GDP annually. The NDC 3.0 workstreams place increasing emphasis on accelerated RES deployment, particularly incorporating Battery Energy Storage Systems (BESS) for grid stability, and promoting ESG compliance across the corporate sector.

30. **Mongolia has significantly enhanced its ambition with the adoption of NDC 3.0**, which extends the target timeframe to 2035. The unconditional GHG emission reduction target has been raised substantially to 30.3% by 2035 (compared to the Business-as-Usual scenario), up from the 22.7% target in NDC 2.0.[38] When conditional measures supported by international finance are included, the total potential reduction reaches 52.8% by 2035. The total estimated financial need for the NDC 3.0 implementation plan between 2025 and 2035 is estimated at USD 14.84 billion. The adaptation strategy focuses on critical areas such as animal husbandry, arable farming, and water resource management, reflecting Mongolia’s high vulnerability to *dzud* (severe winter disaster) and drought risk.

31. According to **Uzbekistan’s Third Nationally Determined Contribution (NDC 3.0)**,[39] the country has significantly raised its climate ambition. Aligned with the 'Uzbekistan-2030' Strategy, the new NDC commits to **reducing specific GHG emissions per unit of GDP by 50% by 2035** (from 2010 levels). To achieve this, the country has set ambitious

[34] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.
[35] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.
[36] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.
[37] UNFCC (2025), Kazakhstan NDC 3.0
[38] UNFCCC (2025), Mongolia NDC 3.0
[39] UNFCCC (2025), Uzbekistan Third NDC

renewable energy targets, including increasing renewable energy capacity to **25,000 MW (25 GW)** and ensuring that **40% of total electricity generation** comes from renewable sources by 2030. Despite these goals, power generation in 2023 was still mainly driven by fossil fuels, with only 3% from hydropower. Uzbekistan faces significant financial gaps to realise these green energy goals, necessitating foreign direct investment to accelerate the transition.

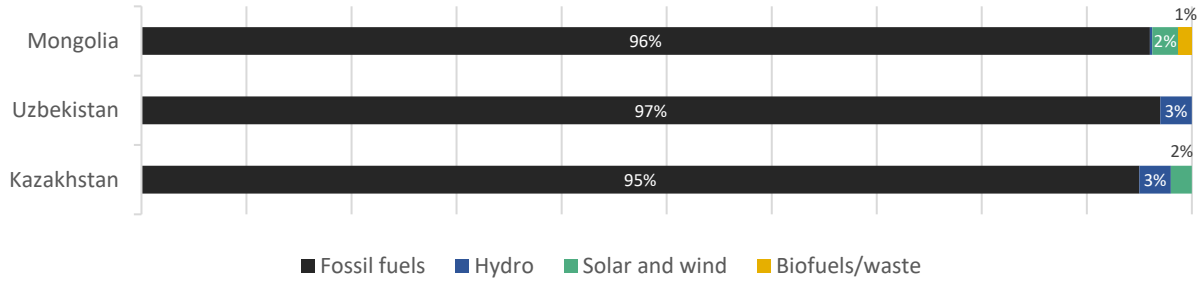


Figure 1. Primary energy consumption by source for project countries (% of total consumption, 2023)[40]

32. **Climate change is putting significant pressure on energy-generating infrastructures, therefore instigating the imminent need for advanced technological pathways to shift current consumption and production patterns toward sustainable alternatives.** CC-ACF countries show a high potential for renewable energy sources, including solar, wind, and waste-to-energy, among potential investment options. The use of renewable energy at the place of its origin strengthens the local economy, increases security, and reduces the import dependence of the countries involved. Also, the use of renewable energy dramatically reduces the cost of energy and its transportation. Most importantly, renewable sources make a key contribution to the fulfilment of national NDCs and sustainable development goals. (Please refer to Section 1 in the Feasibility Study, for further details).

33. **According to the Intergovernmental Panel on Climate Change (IPCC) (2022), adaptation to extreme events, including droughts and extreme temperatures – has been limited in Asia.**[41] Kazakhstan has identified its main drivers of climate vulnerability in the areas of agriculture, water resources, and social and economic development.[42] The country faces challenges related to the limited ability to acquire and deploy agriculture technologies, such as equipping areas with irrigation infrastructures.[43] In Uzbekistan, the adaptation priorities include support across key sectors such as agriculture, the economy, water resource management, and energy.[44] Mongolia faces similar capacity challenges for expanding irrigation systems, a critical need for mitigating *dzud* related livestock losses.[45] High sectoral GHG emissions and air pollution challenges also remain a major cause of health issues that stand to hasten mortality in Ulaanbaatar, the capital and home to half of the population.

34. **Climate change stands to restrain renewable electricity outputs from hydropower to varying degrees in the countries of CC-ACF, driving the need to diversify renewable energy sources.** This is demonstrated by Kazakhstan's glacial loss and frailer river flows that impact its hydropower capacities,[46] and Uzbekistan's year-to-year temperature variability that drives the growing risk of energy crises during the coldest months of winter, as nationwide power outages have occurred in 2022 and 2023.[47] There is also growing concern about the adverse environmental and social impact of hydropower facilities; in Mongolia, the construction was due to start in 2022 for the country's largest hydropower plant to date but has been put on hold due to local communities voicing their concerns over impacts on wetlands and wildlife and local pastoralists' access to freshwater.[48]

II. Vulnerabilities and impacts of climate change in the target sectors

[40] Energy Institute (2024), The 73rd Statistical Review of World Energy
[41] Shaw et al. (2022), *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*
[42] UNFCC (2023), Kazakhstan First NDC (Updated submission)
[43] ND-GAIN Index (2022), Kazakhstan
[44] UNFCCC (2025), Uzbekistan Third NDC
[45] UNFCCC (2025), Mongolia NDC 3.0
[46] WB and ADB (2021), Climate Risk Country Profile: Kazakhstan
[47] WB and ADB (2021), Climate Risk Country Profile: Uzbekistan.
[48] Chinbat, B., & Muñoz Cabré, M. (2024). Solar and wind power in Mongolia: 2024 policy overview.

35. The vulnerabilities and impacts of climate change manifest in different ways across various sectors, posing unique challenges that require targeted interventions. The following table maps specific climate hazards to sectors targeted by CC-ACF, illustrating how each sector is affected by climate-related stressors. Understanding these sector-specific vulnerabilities has enabled CC-ACF to select targeted interventions that address the distinct adaptation and mitigation needs of each sector.

Table 1. Climate rationale and adaptation response: indicative project pipeline as of February 2026

Impact area	Country	Climate hazards	Risk / impact	Example projects from CC-ACF pipeline	Adaptation interventions
ARA 1 Most vulnerable people and communities	Mongolia	• Rapid warming • Extreme temperature variability • Drought • Dzud events • Extreme weather	• High vulnerability of remote communities to power disruptions • Increased winter and summer energy stress due to extreme temperature variability	• 10 MW hybrid solar + BESS micro-grid project in remote, extreme-weather regions	• Decentralised renewable energy systems to enhance energy access and resilience • Reduced dependence on diesel generation in climate-exposed areas
ARA3 Infrastructure and built environment	Mongolia	• Rising temperatures• Extended heatwaves • Extreme cold spells	• Reduced thermal comfort • Increased energy demand for heating and cooling • Heightened health risks in poorly insulated buildings, particularly in Ulaanbaatar	• Female-co-owned local company producing and installing high-efficiency insulation materials for residential, commercial and industrial buildings in Ulaanbaatar	• Improved thermal insulation to reduce heat and cold stress • Reduced energy demand for heating and cooling • Enhanced resilience of urban housing stock
	Kazakhstan	• Rising temperatures • Heatwaves • Water stress	• Increased cooling demand • Higher operational costs and reduced resilience of buildings lacking climate-resilient design	• Medium-size local company constructing climate-resilient and energy-efficient buildings (energy efficiency, water conservation, sustainable materials, data-driven design)	• Climate-resilient building design and construction • Energy- and water-efficiency improvements in the built environment
	Kazakhstan / Uzbekistan	• Rising temperatures• Drought• Waste-related methane emissions	• Increased pressure on water resources and agriculture • Environmental and public-health risks from unmanaged waste and methane emissions	• Waste-to-Energy (WtE) projects developed by a leading Chinese company (municipal solid waste collection, sorting, incineration, power and heat generation)	• Circular-economy solutions linking waste management, energy generation and emissions reduction • Reduced methane emissions and improved resource efficiency
	Mongolia	• Drought• Water stress• Urban environmental pressure	• Increased stress on urban water and waste systems under climate extremes	• 32 MW Waste-to-Energy project near Ulaanbaatar with a 20-year power purchase agreement secured	• Integrated waste-energy solutions improving urban resilience and environmental health
ARA2 Health, well-being, food and water security	Uzbekistan	• Rising temperatures • Altered precipitation patterns • Water stress and drought	• Higher irrigation demand • Declining crop yields; increased pest and disease pressure affecting farmer livelihoods	• USA–Uzbekistan joint-venture agro-cluster (27,500 ha, 245 farmers) in Jizzakh region implementing climate-smart agriculture, digital traceability, remote sensing and AI	• Climate-smart agriculture (drought-resilient crops, soil health management, agroforestry) • Efficient irrigation and water management • Digital climate information and early warning systems

36. The below table outlines the mitigation needs in the target sectors and highlights potential mitigation measures for CC-ACF to address them.

Table 2: Mitigation needs and possible measures

Mitigation			
Sectors	**Emissions baseline (2022)**	**Mitigation measure**	**Expected impact and result**
Energy generation and access	Kazakhstan: over 300 MtCO2e of GHG annually. Energy sector accounts for around 85% of emissions. Mongolia: around 60 MtCO2e of GHG annually. Energy sector accounts for around 43% of emissions. Uzbekistan: over 200 MtCO2e of GHG annually. Energy sector accounts for around 76% of emissions.	• Development of distributed RES farms (wind, solar, hybrid) to reduce the reliance on fossil fuels, with a focus on distributed RES in remote areas. • Modernising grid to reduce transmission losses and integrate RES effectively • Implementing BESS to balance the energy supply and demand, improve grid stability, and enable greater use of RES.	Increased share of clean electricity in the power mix.
Waste management	Kazakhstan: waste generates 5 MtCO2e annually Uzbekistan: waste generates 10 MtCO2e annually	• Improving solid waste and wastewater treatment capacity and developing infrastructure to international standards • Enhancing waste collection and disposal systems, strengthening waste collection to prevent waste build-up and promoting waste reduction and recycling • Developing alternative waste disposal methods that are less vulnerable to flooding, such as waste-to-energy facilities	Avoided emissions from landfill decomposition and from substituting part of fossil fuel generation with waste-to-energy.
Agriculture	Kazakhstan: Agriculture accounts for 12% of total GHG emissions, or 41 MtCO2e annually.	• Promoting climate-smart agriculture (crop and seed diversification, sustainable agroforestry, etc.) • Upgrading existing irrigation systems with water and energy saving technologies • Optimising land management and desertification control through climate smart agriculture and agroforestry	Reduced emissions through energy efficient systems and carbon removals from new plantations.

III. Proposed CC-ACF solutions and expected impact

37. **The PSAA Applicant, CC Global Services Holdings Limited (referred to as CC GSH), proposes the CC Asia Climate Fund (CC-ACF) to address the vulnerabilities and impacts of climate change in the target countries.** CC-ACF is CC GSH's first dedicated climate fund that builds on achievements of previous ESG focused funds. **CC GSH has the ambition to further scale up climate investments in Southeast Asia through continued partnership with the GCF and institutional investors.**

38. **CC GSH has more than 15 years of experience investing across early-growth, growth-stage and late-venture companies through equity instruments in East and Central Asia, with a focus on sustainable development.** CC-ACF will continue a proven strategy of fostering the application of innovative technology and replicable business models for climate action.

39. CITIC Capital ESG Group is the Asia-focused sustainability investment platform across CC GSH. The team is particularly experienced in identifying climate investment opportunities with long-term sustainability at their inflection points, where technology has been sufficiently de-risked and is ready to prove its business model. In the proposed new fund with GCF, the CITIC Capital ESG Group proposes to continue the same strategy to foster the application of innovative technology and replicable business models in climate mitigation and adaptation in Kazakhstan, Mongolia, and Uzbekistan.

40. **Considering the climate context and rationale for Kazakhstan, Mongolia, and Uzbekistan and their respective needs for mitigation and adaptation, the CC-ACF will deploy a range of climate resilient technologies, drawing upon CC GSH's proven track record in these target countries. The investment opportunities will be carefully selected and assessed** to ensure complementarity with other MDB and private sector programmes, specifically by filling the financing gap for growth-stage equity. The selection process will be strengthened by introducing robust additionality assessment as a prerequisite to satisfy the climate-focused eligibility criteria, ultimately aimed at accelerating the adoption and scaling of innovative climate technologies in the Central Asia region.

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

Goal statement and intervention logic

41. **CC-ACF will have a strong demonstration and catalytic effect, sending signals to the market to invest in climate technology that moves away from fossil fuels, improves resource efficiency, introduces climate smart agricultural practices and innovative water and waste management solutions**. Rapid decarbonisation of these sectors, along with actions to increase climate resilience, is critical for low-carbon and climate-resilient development that will meet Paris Agreement goals. CC-ACF, together with GCF financing, will provide equity investments in innovative climate solutions with the following outcomes:

42. **CC-ACF demonstrates its commitment to climate solutions and a paradigm shift by prioritising investments with strong climate and sustainability fundamentals during deal selection** (Output 1.2). Activities also include developing plans to enhance portfolio companies' climate strategies, operational and financial management, and capacity for long-term sustainability (Output 2.1). Furthermore, it facilitates knowledge sharing to disseminate best practices, incentivise foreign direct investment, and catalyse the climate technology market (Output 2.2).

43. CC-ACF's goal statement, as per the Theory of Change (ToC), is:

- **IF** the CC Asia Climate Fund strategically deploys investment across priority sectors - including renewable energy deployment, resource efficiency and industry decarbonisation, weather-resilient buildings and sustainable construction, water conservation and security, climate-smart agriculture - in Kazakhstan, Mongolia, and Uzbekistan;
- **THEN** these three countries will lower their dependence on low-cost fossil fuels, reduce their GHG emissions and strengthen their adaptive capacities and resilience to climate impacts;
- **BECAUSE** these investments will enable the scaled deployment of renewable energy generation capacities, resource-efficient technologies, climate smart agriculture solutions and innovative and water & waste management practices.

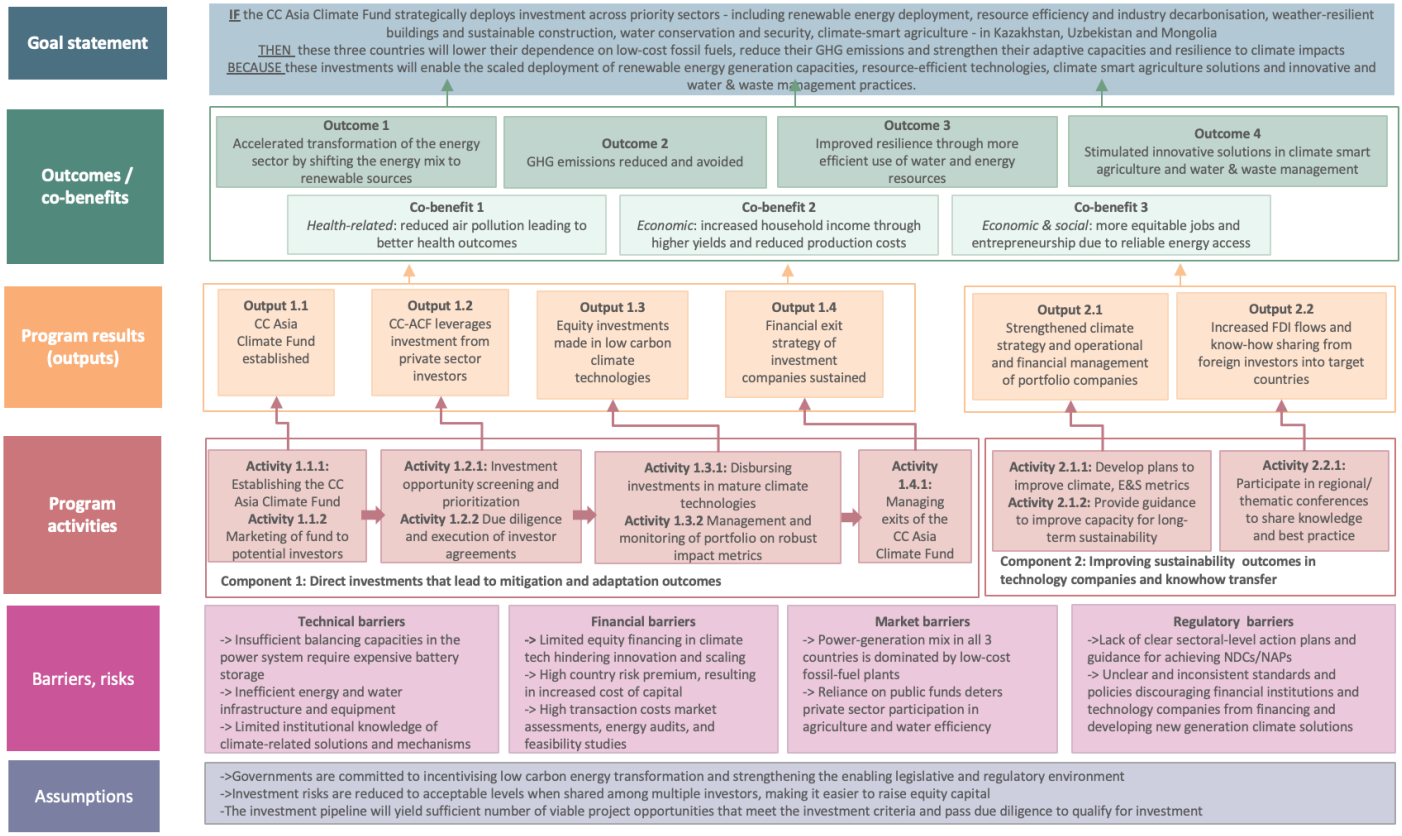


Figure 2. CC-ACF Theory of Change

Barriers

44. CC-ACF aims to address barriers to climate finance in target countries, which vary by sector and country due to regulatory frameworks, market conditions, and technical knowledge. The barriers cutting across countries are summarised below and more detailed assessment is provided in the Feasibility Study.

Financial barriers:

45. **High capital costs and long payback periods:** Most climate mitigation and adaptation technologies (renewable energy, building efficiency, low-carbon industries, wastewater treatment, waste-to-energy) require significant upfront capital investments with long payback periods, deterring private sector investment. Projects involving new technologies, especially renewables integration in grids and heavy industries, also face increased transaction costs due to necessary market assessments, energy audits, and feasibility studies.

46. **High country risk premiums:** The high up-front costs associated with capital-intensive climate technologies are exacerbated by higher country risk premiums in Kazakhstan, Mongolia, Uzbekistan, respectively 7.34%, 5.26% and 2.78%. Higher country risk premiums increase the cost of capital and deter private investors, especially for high fixed-cost projects like renewable energy generation, grid upgrades, industrial and residential retrofits and heavy industry decarbonation.

47. **Limited access to equity financing hampers climate projects.** Financial sectors in these countries lack experience with climate tech financing, leading to underdeveloped green financing mechanisms, especially for equity. Debt dominates traditional project finance, but equity enables flexibility, longer terms, faster capital, and better risk sharing. Domestic financiers lack capital and track records to attract equity; international financiers lack suitable investment structures and agility to mobilise funds for climate-prioritised projects. Reliance on government persists.

48. **Reliance on government subsidies:** Several sectors that struggle to generate sufficient value are heavily reliant on government subsidies, hindering private sector participation and innovation. This includes agriculture and irrigation, waste treatment.

49. **Low access to climate finance for adaptation projects:** While there is growing international recognition of the need for climate adaptation investments, accessing dedicated climate finance mechanisms remains difficult, particularly for smaller-scale projects and in countries perceived as higher risk. This leaves particularly wide funding gaps in target countries for investments in climate-resilient infrastructure, agricultural adaptation and overall population resilience.

Technical barriers:

50. **Limited knowledge and access to advanced climate technologies** hinder technology transfer, despite shared climate challenges. High perceived technological risks arise from few demonstration projects. Organisationally, understanding of sectoral climate impacts and vulnerability is unclear, with limited forecasting and problem visioning. Sector-specific issues include weak climate monitoring systems, poor links between research, policy, and action, and low awareness of climate change impacts, adaptation, and programme linkages.

51. **Worn-out infrastructure and limited capacities for upgrades and maintenance:** Most development infrastructure dates back to early 20th century, is worn-out and outdated and operates with significant losses and inefficiencies. This includes power transmission and distribution networks and other ancillary infrastructure, irrigation systems, drinking water and sanitation pipes, building stocks, and waste treatment facilities.

Market barriers:

52. **Power-generation mix relies heavily fossil-fuel plants due to low costs**, making renewables less competitive. Private developers struggle without environmental cost internalisation for carbon-intensive sources. In remote areas of Kazakhstan and Mongolia, decarbonisation is challenging, and fossil fuels remain the primary energy source without strong support to develop RES. Distributed systems face long payback periods and higher investor risks, especially off-grid.

Regulatory barriers:

53. **Absence of clear sectoral-level action plans and guidance for achieving NDCs and NAPs**, coupled with poor coordination between ministries and misaligned strategic objectives, hinders effective implementation and alignment with national climate goals.

54. **Insufficient legislation on PPAs and Feed-in Tariffs hampers renewables.** In Mongolia, coal favouritism, underfunded Feed-in Tariff budgets, and poor PPA rules persist, with focus on hydroelectric and coal plants over wind or solar. In Kazakhstan, corporate bilateral PPAs are an alternative, but fragmented efforts and unclear rules hinder a functional contracts market between consumers and RES companies.

55. The table below outlines the barriers and the programme elements that are designed to overcome them:

Table 3. Identified barriers and programme solutions

Barrier	Interventions to overcome the barrier
Technical barriers: **Kazakhstan/Mongolia/Uzbekistan** Limited local knowledge and state-of-the-art technology for climate solutions Worn-out infrastructure and limited capacities for upgrades and maintenance	Develop plans to enhance portfolio companies' climate, E&S metrics, operational and financial management Enhance technical skills by supporting portfolio companies with climate change assessments and monitoring systems and guiding them on international best practices (Output 2.1). Participate in knowledge sharing to disseminate best practices, incentivise foreign direct investment, and catalyse climate finance (Output 2.2) Invest in distributed renewable energy, focusing on hybrid generation, storage, and BESS technology to address intermittency and stabilise grids (Output 1.3). Enable energy generation at the point of consumption, improve grid capabilities to meet international standards, and strengthen knowledge of advanced technologies, reducing costs for local governments (Output 1.3). Invest in climate-smart agriculture and water-efficient technologies to modernise infrastructure, boost productivity, and tackle water scarcity (Output 1.3). Support energy and water efficiency in urban and industrial settings to upgrade degraded, carbon-intensive facilities (Output 1.3).
Financial barriers: **Kazakhstan/Mongolia/Uzbekistan** High perceived risk and transaction costs for newly developed solutions High country risk premiums Heavy reliance on public funds and little private sector participation for agricultural, water, waste and buildings efficiency projects Substantial financing gaps persist for climate technology projects, especially within private equity and venture capital finance.	Once established (Output 1.1), CC-ACF will deploy climate technology solutions that are commercially viable and financially attractive sustainable investments, empowering companies' expansion and technology scale-up with a high demonstration and catalytic effect. Agricultural production and water management, energy and water efficiency, waste management and decarbonisation of transportation and heavy industries will be supported through new investments and innovative technologies (Output 1.3), while knowhow sharing will help to improve efficiencies along the value chain. (Output 2.2)
Market barriers: **Kazakhstan/Mongolia/Uzbekistan** The energy-generation mix is dominated by low-cost fossil-fuels and clean energy remains relatively expensive. **Kazakhstan/Mongolia** Sparsely populated landscape poses significant challenges for developing and modernising infrastructure	Private sector investment in renewable energy sources will play an important part in energy transformation, through the sponsorship of banks and international investors leveraged (Output 1.2), helping to further develop the sector and make use of the country's RE potential. Ensure the solvency of RES producers and improve operational performance to match international standards. Operational supervision as well as monitoring climate performance under will ensure businesses meet acceptable international emissions standards. (Outputs 1.2, 1.3 and 2.1) Invest in late-venture, early-growth, and growth-stage companies through equity instruments in Kazakhstan, Mongolia, and Uzbekistan with a strong focus on sustainable development, resilience building and remote, underserved areas. By directly injecting capital into climate technology and project developers, it will allow the scaling of new solutions and support their development into market-competitive technologies. (Output 1.3) Support the portfolio companies in developing their understanding of the addressable market and facilitate knowledge sharing between all actor de deepen the analysis of developing low-carbon technologies and their applications. (Outputs 2.1 and 2.2)
Regulatory barriers: **Kazakhstan/Mongolia/Uzbekistan** Insufficient legislation and regulatory frameworks for climate projects and ecosystems and weak enforcement of environmental norms.	CC-ACF will provide ad-hoc technical assistance to portfolio companies to support them in navigating the various regulatory contexts, integrating and complying with local, national and regional/global policy requirements and mitigating of policy and legislation constraints and shortfalls to successfully develop and scale their solutions. (Output 1.3)

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Fill in the GCF results area table below to map each project/programme outcome identified in section B.2(a) to the contributing GCF results area(s) by referring to the description of eight results areas provided in the guidance note.

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	**MRA 2** Low-emission transport	**MRA 3** Building, cities, industries, appliances	**MRA 4** Forestry and land use	**ARA 1** Most vulnerable people and communities	**ARA 2** Health, well-being, food and water security	**ARA 3** Infrastructure and built environment	**ARA 4** Ecosystems and ecosystem services
Outcome 1 Accelerated transformation of the energy sector by shifting the energy mix to renewable sources	☒	☐	☒	☐	☒	☐	☒	☐
Outcome 2 GHG emissions reduced and avoided	☒	☐	☒	☐	☐	☐	☐	☐
Outcome 3 Improved resilience through more efficient use of water and energy resources	☐	☐	☐	☒	☒	☒	☒	☐
Outcome 4 Stimulated innovative solutions in climate smart agriculture and water & waste management	☐	☐	☒	☐	☒	☒	☐	☐

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 Reduced air pollution leading to better health outcomes	☐	☒	☐	☐	☐	☐
Co-benefit 2 Increased household income through higher yields and reduced production costs	☐	☐	☒	☒	☐	☐
Co-benefit 3 More equitable jobs and entrepreneurship due to reliable energy access	☐	☒	☒	☒	☐	☐

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

About the CC Asia Climate Fund (CC-ACF)

56. CC-ACF will be established as an Equity Fund to mobilise climate finance for private sector projects in Kazakhstan, Mongolia, and Uzbekistan. CC-ACF will aim to reduce carbon emissions, improve energy and water efficiency and introduce climate smart agricultural practises to benefit local populations by creating resilient livelihoods.

57. The primary objective of the programme is to **establish and operate a pioneering climate equity fund in Kazakhstan, Mongolia, and Uzbekistan. The Fund is specifically designed to address the critical equity financing gap for small and medium-sized enterprises (SMEs) tackling climate challenges in these traditionally underserved markets.**

58. With a target size of USD 150 million, the Fund will invest in growth-stage companies that are transferring proven climate technologies and business models to the region.

59. By setting a new benchmark for climate finance, the Fund will implement global best practices in fund management, ESG compliance, and climate impact assessment. The goal is to demonstrate measurable economic and climate results, thereby building investor confidence and catalysing the flow of sustained international capital. This will foster a paradigm shift towards private sector-led climate action supported by local and global investors.

Table 4. CC-ACF description

Indicative Fund Size	USD 150 m
Term (timespan of the project in years)	10 + 1 + 1 possible extensions
Investment Approach	Stage: primarily growth-stage investments but late-venture and early growth stage investments are also considered
Number of Investments	10-12
Investment per Portfolio Company	USD 5-20m

60. The programme is comprised of two main components. **Component 1** focuses on the establishment and operation of the investment vehicle, which will secure co-financing and invest directly in companies operating in renewable energy, waste to energy, demand-side resource efficiency (incl. energy efficiency and water efficiency) and other projects. **Component 2** will strengthen sustainability outcomes through active board participation and strategic support to portfolio companies, focusing on climate impact metrics, long-term operational and environmental sustainability, and establishing robust governance structures and monitoring systems.

61. **Component 3 (**CC Asia Climate Fund daily operation) is included to capture the essential internal, administrative, and logistical activities required for the Manager (CC Asia Climate Manager Ltd.) to maintain solvency, staff its team, and execute its day-to-day responsibilities for Components 1 and 2. These activities, alongside the fiduciary duties of Component 4, are not included in the Theory of Change because they do not form part of the direct climate impact pathways; however, they constitute essential activities required for the fiduciary compliance and due management of the fund.

62. **Component 4** is included to clearly delineate the high-level legal, fiduciary, and governance responsibilities that reside with the General Partner (CC Asia Climate GP Limited). These responsibilities are non-delegable oversight functions that include ensuring legal compliance, managing conflicts of interest, overseeing the Investment Manager (Manager), and acting as the legal representative of the Fund (CC-ACF). By separating these functions from the operational activities (Components 1, 2, and 3), the Fund structure fully complies with GCF requirements for transparency in the management structure.

Programme Implementation: Roles and Responsibilities

63. The roles and responsibilities for implementing the CC-ACF are clearly defined across the various legal entities to ensure fiduciary compliance and effective day-to-day operations, as outlined in the legal structure in Section B.4. This separation of duties ensures adherence to the PSAA Applicant's core legal obligations under the Funded Activity Agreement (FAA) and GCF's operational requirements. The following table provides a succinct overview of the primary responsibilities of the participating entities for each activity.

Table 5. Roles and responsibilities matrix

Activity	Primary Responsible Entity	Specific Responsibility
COMPONENT 1: CC Asia Climate Fund		
Output 1.1: CC Asia Climate Fund established		
Activity 1.1.1: Establishing the CC Asia Climate Fund	CC Global Services Holdings (PSAA Applicant), GCF and other co-investors	Preparation and execution of upstream legal documents (e.g., FAA) to formally establish the Fund
Activity 1.1.2: Sourcing of potential investors	CC Global Services Holdings (PSAA Applicant) CC Asia Climate GP CC Climate Asia Manager Limited	Leading the fundraising efforts to attract institutional investors, MDBs/DFIs, and private investors.
Output 1.2: CC-ACF leverages investment from private sector investors		
Activity 1.2.1: Investment opportunity screening and prioritisation	CC Climate Asia Manager Limited	Sourcing and initial screening of deals against investment and climate eligibility criteria.
Activity 1.2.2: Due diligence and negotiation of investor agreements	CC Asia Climate GP	Conducting all levels of internal and external due diligence (financial, legal, E&S, gender) and negotiation of transaction documents.
Activity 1.2.3: Investment Approval	CC Climate Asia Manager Advisor Limited CC Asia Climate GP	The Investment Manager (via the Investment Committee) Investment Committee recommends an investment to the GP, which ultimately approves an investment.
Output 1.3: Equity investments made in green climate technologies		
Activity 1.3.1: Disbursing investments in climate technologies	CC Asia Climate Fund, L.P. (The Fund)	Disbursement of equity capital to target companies.
Activity 1.3.2: Management and monitoring of portfolio on robust impact metrics	CC Climate Asia Manager Limited	Ongoing portfolio management, including financial performance, impact, ESG, and gender outcomes.
Output 1.4: Financial exit strategy of investment companies sustained		
Activity 1.4.1: Managing exits of the CC Asia Climate Fund	CC Climate Asia Manager Limited	Developing and executing tailored exit strategies (IPO, Trade Sale, Buy-back) for each portfolio company.
COMPONENT 2: Improving sustainability outcomes in technology companies and knowhow transfer		
Output 2.1: Strengthened climate strategy and operational and financial management of portfolio companies		
Activity 2.1.1: Develop plans to improve climate, financial and operational metrics	CC Climate Asia Manager Limited	Identifying and evaluating baseline data and developing plans to address operational, financial, and ESG risks and opportunities.
Output 2.2: Increased FDI flows and know-how sharing from international investors into target countries		
Activity 2.1.2: Provide guidance to improve capacity for long-term sustainability	CC Asia Climate GP	Providing targeted guidance on developing ESAPs, strengthening climate data collection, monitoring, and essential policies for long-term sustainability.
Activity 2.2.1: Participate in regional/thematic conferences to share knowledge and best practice	CC Asia Climate GP	Leveraging networks to actively participate in knowledge sharing, document insights, and amplify impact.
COMPONENT 3: CC Asia Climate Fund daily operation		
Activity 3.1.1 Set up HK and PRC advisory firms	CC Asia Climate GP	Manger is the sole shareholder of HK and PRC advisory firms
Activity 3.1.2 Distribute management fee to HK and PRC advisory firms	CC Asia Climate GP	Manager needs to distribute management fee to HK and PRC advisory firms
Activity 3.1.3 Fund daily operation	CC Climate Asia Manager Limited	Responsible for office rental, engagement with consulting firms-Bloomberg for example, payroll of staff etc
COMPONENT 4: CC Asia Climate Fund legal, fiduciary, and governance		
Activity 4.1.1 Fiduciary and Legal Governance of the Fund	CC Asia Climate GP	• Legal representative of the Fund. • Owes fiduciary duties to the Fund and its Limited Partners. • Ensures the Fund operates in compliance with the LPA, laws, and regulations.

Activity 4.1.2 Overseeing and Delegating to the Investment Manager	CC Asia Climate GP	• Appoints the Investment Manager/ Advisor to perform day-to-day sourcing, diligence, execution, and monitoring. • Oversees the Investment Manager to ensure compliance with the Fund's strategy and mandate.
Activity 4.1.3 Managing Fund Administration and Operations	CC Asia Climate GP	The GP ensures or delegates: • capital calls and distributions • LP communications, notices, and approvals • NAV calculation oversight • partnership accounting and financial statement approval • tax filings and investor tax reporting • custody, audit, and administrator oversight Often delegated to an administrator, but the GP is responsible for ensuring it happens.
Activity 4.1.4 Exercising Authorities Under the LPA	CC Asia Climate GP	The GP is the "control node" for all LPA-governed processes: • approving follow-on investments and reserves • approving write-ups and write-downs (often delegated but legally sits with the GP) • enforcing transfer restrictions on LP interests • approving extensions to the investment period or fund term (often subject to LP vote) • implementing key person provisions and responding to key person events • handling defaults by LPs
Activity 4.1.5 Managing Conflicts of Interest	CC Asia Climate GP	• Identifies, discloses, and resolves conflicts under the LPA. • Ensures related-party transactions (e.g., co-investment allocations, cross-fund sales) follow the agreed protocols. • Often escalates certain conflicts to the LP Advisory Committee (LPAC).
Activity 4.1.6 Risk Management & Compliance Oversight	CC Asia Climate GP	• Monitors that the Fund is operated within its investment strategy, concentration limits, and geographic/sector mandates. • Ensures regulatory compliance—either directly or via the regulated Investment Manager. • Oversees valuation processes (often with third-party valuation firms).
Activity 4.1.7 Investor Relations, and LP Engagement	CC Asia Climate GP	• Maintains relationships with LPs, including reporting, meetings, and LPAC interactions. • Provides periodic updates on portfolio performance, valuations, and fund developments.

COMPONENT 1: CC Asia Climate Fund

Output 1.1: CC Asia Climate Fund established

Activity 1.1.1: Establishing the CC Asia Climate Fund

64. Funding structure: CC GSH, with over 15 years of track record in raising capital, including in Central Asia, will aim to raise USD 150m in investments with the GCF representing up to 25% of the total funding and total aggregate for all investments. The funding structure benefits from GCF's anchor investment, which provides a strong foundation and credibility for mobilising diverse funding sources. Through its network of institutional investors, sovereign wealth funds, MDBs/DFIs, and commercial banks, CC GSH will facilitate co-investment arrangements that can increase deal size capacity and share transaction risks. Financing will be mobilised primarily from private sector investment, supplemented by co-financing arrangements MDBs/DFIs, to maximise GCF resources' impact.

65. CC GSH is requesting USD 37.5m equity funding from GCF as the anchor investor in the CC-ACF USD 150m fund, helping to leverage a further USD 112.5m.

66. **Climate Advisory Committee:** CC-ACF will establish a Climate Advisory Committee ("CAC") to advise on climate impact strategy and transformational and paradigm-shifting goals. GCF will have the right to appoint one member of the Climate Advisory Committee. The roles and responsibilities and composition of CAC are detailed in Section B.4.

Activity 1.1.2: Sourcing of potential investors

67. Once the fund has been established, the programme will create a fundraising campaign to attract investment into CC-ACF. As a leading alternative asset manager in Asia, CC ACF will target a diverse LP base including international financial institutions, and private investors, including sovereign wealth funds, corporations and pensions. It will seek investors that have synergies with the overall portfolio as well as existing strategic investors who are advocates in climate technology. With more than 15 years' experience in the green technology space and one of the first funds of its kind in Asia, CC ACF will market the fund to those with a strong demand for sustainable solutions, as well as those with a willingness and ability to execute quickly, enabling investments to be deployed at pace. Co-financing is expected to come from MDBs, and other strategic investors and/or EPC contactors (to a lesser extent) for equity financing. Local financing, from local banks and lenders, will also be involved. Furthermore, the long-term co-financing relationships of CC GSH with local stakeholders in the target countries, will be utilised.

Output 1.2: CC-ACF leverages investment from private sector investors

Activity 1.2.1: Investment opportunity screening and prioritisation

68. **Investment strategy**: CC-ACF will invest in 10-12 companies, primarily late-venture but also early-growth and growth-stage, in Kazakhstan, Mongolia, and Uzbekistan, using equity instruments, with a focus on sustainable development. CC-ACF will hold significant minority stakes (up to 30%), with a target ticket size varying from USD 5 to 20 million.

69. CC-ACF's investment team will set up to source, screen and prioritise investment opportunities according to the Fund's investment strategy. CC-ACF will source deals to invest in mature companies at later stages of development, typically Series C and beyond. These companies will have demonstrated commercial viability, allowing CC-ACF investments to help scale up their operations and amplify their climate impact. Key criteria to be considered when evaluating and prioritising potential investments will include:

Table 6. CC-ACF's Investment Criteria

	Criteria	Description
	Eligibility Criteria	
1	**Investment Hold Period, and Board Participation**	CC-ACF will seek in its equity a relevant minority stake (usually between 15 to 30% ownership) and a board seat or observer seat on the board of the target company. CC-ACF will aim to hold the stake in the portfolio companies from 5 to 7 years.
2	**Mitigation Target**	Prioritise companies that are at the forefront of carbon reduction technologies. Companies must demonstrate a clear and measurable impact on reducing greenhouse gas emissions, contributing to the global effort against climate change. CC-ACF aims that the activities enabled by CC-ACF funding will have a positive impact in the environment resulting in the reduction of 8.21 mtCO2eq (CC-ACF fund USD 150m) over the life time of the programme.
3	**Adaptation Target**	Prioritise companies that introduced market-tested transformational technologies that strengthen resilience to climate impacts by addressing vulnerabilities in communities and sectors.
4	**Scalability and Replicability**	Seek technologies that have the potential to be scaled up quickly and replicated in various markets and regions. Criterion should ensure that the investment has broad applicability and can contribute to sustainable development on a global scale.
5	**Geographic Focus**	Invest in Kazakhstan, Mongolia, and Uzbekistan to benefit local populations, aligning with the countries' climate strategies and needs. Portfolio companies, or an operating subsidiary, must be registered in one of the target countries to be eligible for investment.
6	**Country Needs and Benefits**	Ensure investments in target countries benefit local populations, and align with the countries' climate strategies and needs
7	**Investment Stage Focus**	CC-ACF will primarily focus on late-venture and growth-stage companies in Series C and beyond, focusing on sharing know-how and technology transfer.
8	**Technology Readiness Level Focus**	Target companies should stand out with distinguished decarbonisation technology, proven at demonstration or pilot scale, yet to expand or just expanded commercial operations, with the potential for wide applications in respective country (preferably regionally). The technology readiness level at the time of investment decision should fall between TRL 7-8.

9	**Sector Focus**	Invest in companies that demonstrate globally proven best practices and good economic cases with strong mitigation and (or) adaptation effects, including: • Transition to renewable energy • Resource efficiency and industry decarbonisation, • Weather-resilient buildings and sustainable construction • Water conservation and security • Climate-smart agriculture

Demonstration of climate impact

70. Target companies should be able to demonstrate their level of climate impact within the GCF result areas during the investment evaluation stage.

71. **Calculation of mitigation impact:** The abatement of emissions should be achieved through: i) Increasing the share of renewables in the energy mix, ii) Enhancing energy efficiency in the power, industry, and building sectors, or iii) addressing the technical and business case barriers in the above aspects. The projects' quantified mitigation impact will be estimated as avoided GHG emissions relative to a baseline scenario without the proposed investment, using GCF-approved methodologies, including those drawing on CDM tools for baseline setting and additionality assessment. (The CDM methodologies used for impact calculation for an illustrative portfolio are described in the narrative section of Annex 22A).

72. **Calculation of adaptation impact:** Adaptation efforts should be articulated during the investment evaluation stage, including an estimate of the number of impacted beneficiaries and a strong thesis outlining the adaptation benefits from the use of GCF financing. Adaptation impact will be estimated as the number of direct and indirect beneficiaries and the degree of reduced climate vulnerability, measured against a baseline scenario without the proposed investment, using GCF IRMF's core indicators for adaptation for assessing resilience outcomes and, where appropriate, drawing on methodologies that link climate hazards, exposure and sensitivity to changes in climate risk.

Demonstration of additionality

73. Target companies should provide clear evidence to demonstrate that the proposed technology solution overcomes existing barriers of climate actions in the target countries, which is hard to address with existing technologies, solutions, or (and) the absence of GCF financing.

74. For each target company, the CC-ACF will apply an additionality screening to confirm that the proposed investment would not proceed in the same form, at the same time, or at the same scale in the absence of GCF participation.

75. For projects with primary impact of mitigation, the additionality screening will comprise the following qualitative 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 under normal commercial conditions, and/or whether the activity is not financially attractive or financially feasible without the Fund's blended finance (e.g. due to higher upfront costs, longer payback, or heightened technology and market risks), which would likely lead to 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.

76. For projects with primary impact of adaptation, the additionality assessment will comprise the following analytical steps:

- **Climate hazard identification**: Establish the climate hazard and how it is changing over time by documenting scientific evidence based on the best available historical data and projected trends from climate models.

- **Risk and impact assessment**: Document relevant evidence of the risk and/or impact, that is the effects on exposed and vulnerable natural and human systems from the climate change hazard. Evidence shall distinguish climate-induced impacts from non-climatic, human-induced pressures such as unsustainable resource use, land degradation, or ecosystem degradation.
- **Causality and effectiveness**: Demonstrate a clear causality link between the proposed adaptation technology or business solution and its objective of reducing vulnerability or reducing the risk to climate change impacts.
- **Avoidance of maladaptation**: Demonstrate that the proposed actions taken will not result in maladaptation or increase long-term vulnerability.

77. With guidance from the Climate Advisory Committee, CITIC Capital ESG Group's climate experts will document a detailed justification of additionality against the above dimensions, including a description of how GCF's concessional capital helps overcome the identified barriers and enables a paradigm-shifting pathway consistent with the GCF investment criteria and host country NDCs and NAPs. Investments that cannot demonstrate such additionality will not be eligible for investment under the CC-ACF.

Activity 1.2.2: Due diligence and execution of investor agreements

78. **Due diligence**: CC-ACF will conduct a comprehensive due diligence process of every project in the investment pipeline. CITIC Capital ESG Group's climate experts will first screen investment opportunities to determine climate eligibility, additionality and complementarity of the project in the relevant country context (as explained under Activity 1.2.1), to assess whether projects qualify as climate investments under CC-ACF. In conjunction with the climate screening, potential deals will be assessed with respect to Environmental and Social Safeguards during the due diligence procedure, as laid out in CC ACF's Environmental, Social and Governance (ESG) Policy. The assessment will cover environmental, public health, safety, and social issues associated with target companies when evaluating whether to invest in a particular company or entity. During this activity the ESG team at CC ACF will attribute an ES Category (A – C): to the investments based on the existing and planned features of the target companies' activities. This categorisation is done in alignment with the GCF E&S categories defined in the GCF Sustainability Guidance Note.[49] Only Category B (moderate risk) and Category C (low risk) opportunities will be eligible for financing under the CC-ACF. Category A (high risk) projects will be automatically screened out. Furthermore, the presence of any Material Adverse Findings (MAFs) during the due diligence process will constitute grounds for immediate deal termination. If an investment receives Investment Committee approval at the Preliminary Investment Memorandum, then the investment team will engage with independent third-party E&S consultants to review and assess the climate risks, confirm the ES Category, and provide recommendations as needed.

79. The investment team will also seek the guidance of the Climate Advisory Committee.

80. CC-ACF will take a gender-sensitive approach during screening and due diligence. Gender-related data will be collected from target companies and analysed to identify (and later monitor) gender risks and impacts, as per CC-ACF's Gender Policy.

81. The in-depth due diligence process may involve both: (1) desk review of the target company's ESG and gender-related documentation and practices; and (2) field-based review and interviews to provide for a refined understanding of the ESG and gender risks and impacts and support the target company's preparation of a site-specific approach to assessment and management of these risks and impacts in accordance with the applicable standards; (3) engagement with professionals for finance and accounting, legal, technical and environment analysis and to identify key findings; and (4) to conduct expert calls for a more deep analysis of the target projects' potential contribution to GHG reduction and other impacts to the social and environment. Based on the ESG and gender assessments from the investment team's in-depth due diligence, any key issues in the potential investee company's ESG Action Plan (ESGAP) and Gender Action Plan (GAP) must be agreed between the Fund and the target company before the Fund commits any investment.

Output 1.3: Equity investments made in green climate technologies

Activity 1.3.1: Disbursing investments in climate technologies

82. The CC-ACF investments will target innovative climate technology companies with market-tested, scalable and replicable solutions. The Fund will prioritise mature technologies (TRL 7-8) that can be transferred from global best

[49] GCF (2019), Sustainability guidance note: screening and categorizing GCF-financed activities.

practices for immediate climate impact and rapid scale-up across these markets. Technologies and applications include:

- Transition to renewable energy, by supporting a range of solutions from utility-scale hybrid systems with battery storage to decentralised microgrids and innovative residential energy applications, especially in remote or underserved communities.
- Resource efficiency and industry decarbonisation, through enhancing energy efficiency in industrial operations and promoting circular economy models, such as comprehensive Waste-to-Energy (WTE) systems that utilised innovative technologies.
- Weather-resilient buildings and sustainable construction, by investing in companies that advance sustainable building practices and manufacture high-efficiency materials like insulation for both new and existing structures.
- Water conservation and security, through the deployment of advanced, water-efficient irrigation systems and supporting technologies that significantly improve water conservation to address regional water security challenges.
- Climate-smart agriculture, by supporting the adoption of modern agricultural practices and state-of-the-art technologies to cultivate resilient crops and improve soil health.

83. The CC-ACF also seeks to invest in companies that demonstrate globally proven best practices and good economic cases with strong mitigation and (or) adaptation effects in the areas of:
    - Projects in renewable energy generation, low-carbon heating, and manufacturing demonstrating economic viability and decarbonisation effects;
    - Projects that foster the target countries' participation in the global green value supply chain (for example, the production of essential rare-earth minerals for the lithium battery supply chain) that can scale to profitable and sustainable business;
    - Essential equipment and facilities for supply chain upgrades;
    - Climate-smart agriculture technology;
    - State-of-art fresh management technology; and
    - Modernisation of heating systems and electricity systems.

Activity 1.3.2: Management and monitoring of portfolio on robust impact metrics

84. CC-ACF will operate under robust governance structures designed to ensure effective oversight of both fund management and portfolio company operations, clear delegation protocols, and comprehensive compliance monitoring (see details of the governance structure in B.4). To maintain stakeholder engagement and accountability, the Fund will establish a grievance management system while requiring portfolio companies to implement their own mechanisms. Through active stewardship, CC-ACF will:
    - Implement strict policies that prohibit bribery and other improper payments to public officials;
    - Provide timely information to the Fund's LPs on the matters addressed herein, and work to foster transparency about the Fund's activities; and
    - Encourage the Fund portfolio companies to advance these same principles in a way that is consistent with their fiduciary duties.
85. CC-ACF will implement a comprehensive monitoring and reporting framework aligned with GCF requirements, tracking both financial and impact metrics. Regular performance reports will integrate GCF's proprietary methodologies to measure and validate GHG emission reductions and impact on communities, among other metrics. Through systematic monitoring, the reporting system will capture ESG performance, gender outcomes, and climate impacts, with particular attention to documenting transformational change and paradigm shift achieved through investments.

Output 1.4 Financial exit strategy of investment companies sustained

Activity 1.4.1: Managing exits of the CC Asia Climate Fund

86. CC-ACF will develop exit strategies tailored to each portfolio company's specific circumstances (size, jurisdiction, industry) and market context. The potential exit will follow three potential routes: (i) buy-back from the other existing shareholder; (ii) trade sale to a third party financial or strategic investor; or (iii) potentially an Initial Public Offering (IPO). The expected holding period will be an average of 5 years. (See further information under Section B.6).

COMPONENT 2: Improving sustainability outcomes in technology companies and knowhow transfer

Output 2.1 Strengthened climate strategy and operational and financial management of portfolio companies

Activity 2.1.1 Develop plans to improve climate, financial and operational metrics

87. This activity will engage with portfolio companies to develop plans to address operational, financial and ESG risks and prioritise opportunities that create climate impact and value. It will collect and evaluate baseline data on portfolio companies' best practices and performance, identifying improvement areas and following through on climate impact creation and risk mitigation efforts.

88. CC-ACF will be committed to grow and improve the companies in which the Fund invests for long-term sustainability and to benefit multiple stakeholders, including on climate, environmental, social, and governance issues. To that end, the Fund will legally require the portfolio companies to uphold their climate impact and work through appropriate governance structures (for example, board of directors) with respect to environmental, public health, safety, social and gender issues, with the goal of improving performance and minimising adverse impacts in these areas. Furthermore, CC-ACF will remain committed to compliance with applicable national, state, and local labour laws in the countries in which the Fund invests; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, will respect the rights of employees to decide whether to join a union and engage in collective bargaining.

89. CC-ACF will guide portfolio companies in implementing robust governance and financial management processes. Therefore, CC-ACF investments will require governance structures that provide appropriate levels of oversight in audit, risk management, and potential conflicts of interest. At the portfolio company level, CC-ACF will actively monitor governance practices through board representation or observer rights, requiring implementation of internal controls and strong anti-corruption measures.

Activity 2.1.2 Provide guidance to improve capacity for long-term sustainability

90. CC ACF will provide portfolio companies with targeted guidance on developing Environmental and Social Action Plans, strengthening climate data collection, monitoring and reporting, and developing essential policies. The streamlined approach focuses on practical implementation, helping organisations meet investor requirements whilst maintaining operational efficiency. Support and guidance are designed to be brief yet effective, delivering clear, actionable insights tailored to each company's needs. Progress and value creation during the ownership period will be monitored, evaluated and summarised. Capacity and value will be built across performance, leadership and governance aspects including:

- **Performance**
  i. Providing access to industry and financial networks
  ii. Synergies across portfolio companies
  iii. Strategic guidance
  iv. Operational improvements
- **Leadership**
  i. Active board participation as a director or observer
  ii. Serve on sub-committees
  iii. Senior-level recruitment at board and management levels
- **Governance**
  i. Organisational improvements to meet climate impact metrics
  ii. Develop 100-day post-investment roadmaps with management
  iii. Grievance redress mechanisms

Output 2.2: Increased FDI flows and know-how sharing from international investors into target countries

Activity 2.2.1: Participate in regional/thematic conferences to share knowledge and best practice

91. Leveraging CC GSH's extensive network of MDBs/DFIs and established presence across Asian markets, CC ACF will actively participate with co-investors in knowledge sharing to amplify impact and build collective knowledge for scaling climate solutions. The insights from the investments will be shared through periodic updates to GCF and other stakeholders through attending regional conferences, and investment forums, helping to inform future climate investments in the region.

92. Through facilitating peer-to-peer learning among portfolio companies, CC-ACF will document and share key insights on how portfolio companies' climate solutions achieve emission reductions compared to conventional practices. This will include case studies highlighting successful business models and technology applications, with comparisons of carbon abatement costs and implementation approaches.

COMPONENT 3: CC Asia Climate Fund Daily Operation

93. Component 3 is dedicated entirely to the essential internal, administrative, and logistical activities necessary for the Manager (CC Asia Climate Manager Ltd.) to maintain continuous operation and effectively execute Components 1 and 2.

94. The activities under this component—Activity 3.1.1 (Set up advisory firms), Activity 3.1.2 (Distribute management fee), and Activity 3.1.3 (Fund daily operation)—ensure the operational base of the Fund is sound. The Manager is the primary responsible entity for these activities, including supervising and executing fund logistics such as securing office rentals, engaging consultants (e.g., Bloomberg), and managing staff payroll, often through the advisory firms. This clarity ensures GCF's need for specific legal accountability is met.

COMPONENT 4: CC Asia Climate Fund legal, fiduciary, and governance

95. Component 4 ensures that the General Partner's (CC Asia Climate GP Limited) ultimate legal and control role is clearly articulated, fulfilling the specific governance requirements of the GCF These duties are crucial for investor protection and GCF compliance but are distinct from the day-to-day operations managed by the Manager.

96. **Fiduciary and Legal Governance**: The GP is the legal representative of the Fund, owing fiduciary duties to the Fund and its Limited Partners. It ensures compliance with the LPA, laws, and regulations. In this context, its core activities are summarised below:

- Overseeing Delegation: The GP appoints and oversees the Investment Manager to perform the daily operational work (sourcing, diligence, monitoring).
- Exercising LPA Authorities: The GP acts as the "control node" for all LPA-governed processes, including approving follow-on investments, enforcing transfer restrictions, handling LP defaults, and implementing key person provisions.
- Financial Administration Oversight: While often delegated to an administrator, the GP is responsible for ensuring management fee distribution, capital calls and distributions, partnership accounting, and financial statement approval.
- Managing Conflicts: The GP is tasked with identifying, disclosing, and resolving conflicts of interest and ensuring related-party transactions (like co-investments) follow agreed protocols.

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

Institutional Arrangements

97. **PSAA Applicant:** CC Global Services Holdings Limited (referred to as CC GSH) will act in the capacity of Accredited Entity

98. The primary role of the PSAA Applicant will include:

- The Applicant (as the Accredited Entity) shall be responsible for the overall management, implementation and supervision of the Funded Activity in line with its own internal rules, policies and procedures, including administering and managing the use of GCF Proceeds.
- The Applicant will also be responsible for monitoring, evaluating and reporting with respect to the Funded Activity as set forth in the Funding Proposal and the PSAA FAA.
- Applicant shall be responsible for ensuring that the Executing Entity carries out, or contractually cause the Executing Entity to carry out, the Funded Activity in accordance with the standard of care applicable to the Applicant under the PSAA FAA as well as the terms of the Funding Proposal

99. The Applicant will act as the focal point with the GCF. The focal point's role will focus on oversight and quality assurance of the programme, as well as programme management and delivery in alignment with obligations agreed upon with the GCF through the relevant financing and legal arrangements. In practice and on a daily basis these

tasks will be handled by CITIC Capital ESG Group, the Asia-focused sustainability investment platform across CC GSH. CITIC Capital's ESG Group's comparative advantage lies in its:

- 15 years of experience investing across late-venture, early-growth, and growth-stage companies through equity instruments in East and Central Asia, with a focus on sustainability and climate technologies;
- Experience in identifying opportunities at their inflection points, which have been sufficiently derisked in technology and are just proving or about to prove their business models / reach commercialization;
- Track record across three funds in the APAC region that consistently focuses on clean technology and renewable energy projects. The proposed new equity fund with the GCF, CC-ACF, will continue the same strategy to foster the application of innovative technology and replicable business models in climate mitigation and adaptation in Kazakhstan, Mongolia, and Uzbekistan; and
- Extensive experience and robust network of entrepreneurs, institutions, and researchers.

100. The PSAA Applicant will be supported by **Executing Entities**, as follows:

- **The Fund**, CC-ACF, registered in the Cayman Islands as a limited partnership.
- **The General Partner**: CC Asia Climate GP Limited, a limited liability company registered in the Cayman Island and wholly-owned by CC GSH.
- **Project-specific SPVs**: project-specific SPVs will be established as and where needed depending on the specific nature of each portfolio investment, to ringfence said investment. The SPVs will receive investment capital from the Fund, to be provided to the target companies/projects, in accordance with a share purchase agreement, or other such investment agreement, to be entered into between the SPV and the target company.
- **Project holding companies outside the Host Countries**: in the event that CC-ACF, alongside other project sponsors, invest into a Host Country via a holding company incorporated outside of the Host Country, then this holding company will be considered an EE .
- **CC Climate Asia Manager Limited,** a limited liability company registered in the Cayman Island
- **CC Climate Asia Advisor Limited** as Investment Advisor in Hong Kong SAR, China
- **CC Climate Asia Advisor Limited** as Investment Advisor in Beijing, China

The Fund's related legal structure and operations will be governed by the following documents.

Upstream Agreement:

101. GCF will invest as a limited partner in CC-ACF. A Funded Activity Agreement (FAA) will govern the legal relationships between GCF and the PSAA Applicant (CC GSH) and will reflect the specific terms of the equity participation, including limitations on liability, distribution rights, and governance rights.

102. The PSAA Applicant will open and manage a separate bank account in the name of CC GSH (the GCF Account). The GCF will provide its funds into this bank account. The GCF funds will be disbursed from the GCF Account through the PSAA Applicant to the Fund pursuant to the receipt of capital calls as outlined in the LPA and any other governing documents as relevant. The flow of funds will be managed by the AE, upon satisfaction of the conditions precedent under the FAA. The GCF Account is the same as a GCF Account as detailed in the PSAA letter. It is not intended to be a trust account managed by a trustee.

Midstream Agreements:

103. The PSAA Applicant will enter into a Subsidiary Agreement with the General Partner (on its own behalf and on behalf of the Partnership) and the Manager(s), which will pass down relevant obligations under the FAA to the Executing Entities through various agreements including:

- **A Limited Partnership Agreement (LPA),** which governs the Fund's structure, investor rights, fiduciary duties, and operational mechanics. This is entered into by the GCF directly, as well as other Limited Partners (LP) and the GP.
- **Subscription Agreement / Investor Questionnaire**, summarising an investor's specific commitment to the Fund, representations and warranties, AML/KYC information, regulatory and tax disclosures, and acknowledgements of risk. Each LP will enter into these agreements directly with the Fund.

- **Investment Management/Advisory Agreement (IMA/IAA)**, which will govern the responsibilities and obligations of the Manager/Advisor vis-à-vis the GP. The GP will enter into these agreements with the various Manager/Advisor entities directly.
- **Other relevant documents as may be required**, e.g. Side Letters between the GP and individual LPs, the Private Placement or Offering Memorandum.
- **Other operating documents**: GP and Carry vehicle agreements, Administration/custodial agreements.

104. These contractual instruments collectively ensure the implementation of FAA obligations and uphold the fiduciary and compliance standards required by GCF.

Downstream Agreements:

105. Pursuant to the Fund making an investment, the Fund will establish a wholly-owned special purpose vehicle (SPV) to hold the individual investment. The jurisdiction of each SPV will be decided on a case-by-case basis, subject to various considerations, including enforceability of contract law, cost, and tax efficiency.

106. The SPV will invest in the investee company by executing a legally binding **Share Purchase Agreement, Shareholders' Agreement, Convertible Loan Agreement**, and/or other similar agreements as suitable for the specific investment case (Transaction Agreements). These Transaction Agreements establish the terms of the Fund's investments and set out governance, voting rights, information access, and exit provisions, among other things, thereby ensuring adequate control and alignment with Fund objectives.

107. Relationship Between Entities & Decision-Making:

Limited Partnership (Fund)

A **limited partnership (LP structure)** is the standard legal vehicle used to form a private equity fund. It is a **contractual relationship**—governed by the Limited Partnership Agreement (LPA)—between:

- a **General Partner (GP)**, which manages and controls the fund, and
- multiple **Limited Partners (LPs)**, which contribute capital but do not take part in day-to-day management.

Limited Partner (LP)

- An LP is an investor in the fund.
- They commit capital but **do not participate in day-to-day management**.
- Their liability is limited to their commitment.
- They receive reporting and have certain reserved rights (e.g., removal rights, amendments, key person provisions), but **do not make investment decisions**.

General Partner (GP)

- The GP is the legal entity that **controls and governs the fund**.
- It has fiduciary responsibility for the fund and is ultimately accountable for investment decisions, compliance with the LPA, and overall fund governance.
- The GP typically delegates day-to-day investment activities to the investment manager/advisor.

Investment Manager / Investment Advisor

- This is the entity hired/engaged by the GP to **source, evaluate, diligence, execute, and monitor investments**.
- It provides professional advice and performs the fund's actual investment work under an advisory or management agreement.
- It usually employs the investment team and runs the investment committee.

Fund's governance

108. The Fund will operate under a robust governance framework to ensure rigorous oversight of investment decisions and compliance based on the following committees:

- **Investment Committee (IC):** Responsible for final approval of all investments and divestments, ensuring technical, financial, and legal due diligence is complete and consistent with the Fund's climate mandate.

- **General Partner** (GP): GP's Board has the legal authority to formally approve all actions related to all investment activities of the Fund, based on the recommendations from the IC.
- **Limited Partner Advisory Committee (LPAC):** Serves as a consultative and advisory body for the Limited Partners. CC-ACF will invite GCF to take a seat on the LPAC, providing GCF direct input and oversight on potential conflicts of interest, material E&S issues, and significant changes to the investment strategy. (LPAC) will play an important governance and oversight role — but not a control role — helping align interests between the General Partner (GP) and Limited Partners (LPs). The LPAC will serve as a consultative body representing the interests of the broader LP base. It will provide input and oversight on key fund matters where conflicts of interest or interpretive issues may arise.
- **Climate Advisory Committee (CAC):** advises on climate impact strategy and transformational and paradigm-shifting goals. GCF will have the right to appoint one member of the Climate Advisory Committee. The CAC will be defined as follows:
    - **Primary Objective:** The CAC is a consultative body specifically intended to advise the Manager on technical questions related to the climate impact strategy of CC-ACF.
    - **Role and responsibilities:**
        - The CAC serves as a specialized technical resource to enhance climate investment decisions by the Manager.
        - Specifically, the CAC will provide input to the Manager on climate impact measurements and expertise on emerging technologies.
        - Overall, the CAC will provide input to the Manager in respect of transformational and paradigm-shifting climate goals.
    - **Composition:**
        - The CAC will be comprised of dedicated climate experts.
        - GCF will have the right to appoint one member of the CAC.

Sourcing

109. CC-ACF's deal sourcing capability for the Central Asian and East Asian markets is unique, based on the deal team's extensive experience in the region gained during its previous three funds and excellent working relationship with the regional government entities, as well as private business owners. Furthermore, CC GSH's vast global networks and strong brand name will significantly add to CC-ACF's ability to bring in attractive investment opportunities from across the target countries. CC-ACF will also frequently meet with DFIs and private equity funds to exchange ideas on potential investment opportunities and also works closely with industry partners as another resource for investment opportunities. All of these proven deal-sourcing strategies will be utilised by the investment professionals under CC-ACF. Since the team is known in the market for its professionalism, transparency, and high quality of execution, it is approached by deal leads from multiple sources in the region and globally. Overall, CC-ACF has several sources of deal flow:

- **Reverse Inquiries** – deal flows generated due to the Investment Team's track record, market reputation, and integrity;
- **Internal Screening –** the Investment Team spends time analysing sectors and key market players to determine attractive investment targets;
- **CC GSH** – CC GSH has an internal deal referral process;
- **Investment banks** – the CC GSH has strong working relationships with local and international investment banks for deal sourcing, including CITIC Securities, Standard Chartered, JPMorgan, Morgan Stanley, Societe General, Jefferies, and others;
- **Audit and Legal advisors** – the CC GSH works with the Big 4 and top-tier legal advisors for deal execution, and these advisors also bring potential deal leads to the Fund from time to time;
- **VC and PE funds** – the investment team frequently meets with other venture capital and private equity firms in the market to look for potential investment and co-investment opportunities;
- **Trade shows, conferences** – the investment team activity participates in various industry trade shows and conferences to meet other professionals and source deals;

Investment Decision Procedure

110. As demonstrated in CC GSH's previous funds, CC GSH follows a rigorous investment process, described as follows:

- Initial screening, marked by a 'two-pager' summarizing the key information for team discussion and Chief Investment Officer (CIO)'s decision to include in the pipeline.
- Initial due diligence, by the team's own resources, generally ending with a signed term sheet.
- Present the Preliminary Investment Memorandum (PIM) for Investment Committee (IC) review and authorization for budget of formal due diligence
- Due diligence, typically covering financial, legal, tax, and business/technical, by engaging knowledgeable and reputable service providers.
- Present the Final Investment Memorandum (FIM) to the IC to approve the investment and authorise signing of the transaction documents.
- Disbursement.

111. The Fund follows a two-step approval process with the Investment Committee:

- Preliminary Investment Memo (PIM) – review team's internal diligence results and detailed investment proposal, as well as the term sheet and make preliminary investment decision to commence formal diligence
- Final Investment Memo (FIM) – review updates from external diligence and advisors, including transaction documents and structuring and make final investment decision to proceed or terminate

Screening

112. Projects are screened by at least two senior or mid-level team members (VP and above) and one mid-level staff member. It often entails one or two rounds of preliminary Q&A with the company or advisor. This process takes one to two weeks.

Due Diligence

113. CC-ACF conducts two levels of due diligence. The first level is referred to as "Internal Diligence", during which the team reviews the target company's management team, business model, growth opportunities, and other factors, weighing them against the broader macroeconomic context, and based on the CC-ACF's internally prepared research. This review process can take anywhere from four to eight weeks, depending on the completeness of the company's information, as well as the workload of the team.

114. The second level is referred to as "External Diligence". This occurs once the Investment Committee has given preliminary approval to proceed with the project. At this stage, CC-ACF engages with external consultants to conduct financial, tax, legal, IP, technical, market, commercial due diligence, as well as background and integrity checks depending on the specific needs of the project. This process can take anywhere from five to ten weeks, depending on the completeness of the company's information.

Staffing

115. Once a project has passed the initial screening phase, a project is staffed with one senior team member (Director or above), and two mid-level/junior staff members (VP and below). This staffing is unchanged throughout the execution and closing phase of the investment.

Post-Deal Monitoring

- **Board Representation.** Although CC-ACF generally holds minority shares in the invested companies, it usually has board representation, or, in those cases where we are debt holders, observer status on the board.
- **Information Rights.** CC-ACF has information rights for every investment it makes, which includes, at a minimum, quarterly financial performance results and business updates.
- **Supporting Management.** Actively help the portfolio companies to grow their businesses, through CC-ACF's and its proprietary networks in East and Central Asia.
- **Finding Additional Financing Sources.** Given CC GSH's excellent brand name and recognition in the market, the CC-ACF helps its portfolio companies find additional financing sources, both equity and debt. CC-ACF can also introduce portfolio companies to banks' branches in their local markets.
- **Negotiating with Buyers.** As a highly experienced financial investor, our team provides crucial value in assisting or even leading the negotiation process for the invested companies with potential buyers and stock exchanges, and reaching the optimal results for our investment, as well as for the investees.

- **Hedging:** Many of CC GSH's investments are into companies whose jurisdiction and functional currency greatly restricts the ability to use traditional financial hedging mechanisms (for example, Collective Investment Schemes, with almost no readily available hedging tools for the local currencies).

116. For this reason, CC-ACF's main hedging strategy will be to look for investments whose business has a natural currency hedge. For example, the CC-ACF will look for leading local players whose clientele are mostly international multinationals, whose contracts are either directly denominated in USD or EUR, or are indexed to these hard currencies. At the same time, the CC GSH prefers companies and businesses that have revenue streams from multiple markets, adding diversification to the company's cash flow streams. The CC-ACF will also seek to minimise FX risk by encouraging companies to seek long-term, local currency denominated loans, including both from local banks and MDBs.

117. In instances where traditional hedging options are available, the CC-ACF will consider these on a case-by-case basis but nevertheless prefers investing in companies that are protected by a natural hedge, thus improving returns by eliminating hedging costs. Furthermore, CC-ACF takes into account currency risk in its evaluation analysis.

Exits

118. CC-ACF approaches every investment differently when determining its exit strategy. In general, CC-ACF will consider exiting investments through IPO, Trade Sale (to strategic or financial investor), and Management Buyback.

119. The key drivers for determining exit strategy include size of the company, jurisdiction, industry, and several other factors. Broadly speaking, the best IPO candidates are companies that have high growth potential, multi-market access, or have a sizeable asset base. At the same time, the CC-ACF will want to guide IPOs to those stock exchanges that have sufficient market liquidity and educated institutional investors to ensure the Fund can exit without significantly impacting the company's trading price. Finally, sometimes positioning a company for IPO is an intermediate strategy to put the company in a strong position to be acquired by a strategic player at a more attractive price.

120. Overall, CC-ACF will work to ensure investors' principal, meaning that it will work to structure partial exits when possible, and maintaining some participation for further upside potential. CC-ACF also encourages its more sizeable companies to consider pursuing an IPO, but it is not the CC-ACF's goal to have every portfolio company go for IPO. CC-ACF works closely with transaction advisors / underwriters to understand a company's IPO strategy and would also work with CC-ACF (and investment banks where appropriate) to monitor markets.

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

Private equity financing in underserved markets

121. **CC-ACF's unique niche and solution in Kazakhstan, Mongolia, and Uzbekistan revolve around addressing a critical systematic equity financing gap for growth-stage climate technology companies in these economies that are highly carbon-intensive and vulnerable to climate change impacts. Traditional climate project finance in target countries is dominated by debt**, when equity is a key component in allowing for a wider and more enduring climate finance ecosystem, as equity financing enables more flexible deployments, longer terms, faster capital injections and most importantly improved risk sharing, which provides greater stabilisation to recipients of finance compared to debt financing. Direct investments in companies can also bring capacity building opportunities. CC-ACF's pipeline requires significant equity investment but perceived geopolitical and macroeconomic risks deter private investors. Domestic financiers struggle with access to capital and lack sufficient track record to attract equity, while international financiers lack both appropriate investment structures and the agility to mobilise finance that are deployed for projects prioritised in line with climate needs. Moreover, 'traditional' private investors are typically unwilling to consider climate investments in emerging markets without demonstrated commercial success.

122. **To address this significant climate finance gap, CC-ACF will provide equity financing for high-impact but perceived higher-risk projects, while driving value creation through Board representation to improve corporate strategy, raise climate standards and enhance performance.** This comprehensive approach combines direct financing with active governance, and contributes to market transformation and regulatory reform. By successfully demonstrating the viability of climate investments in these markets, the Fund aims to build investor confidence, establish market benchmarks, and catalyse additional private capital to replicate and scale proven

solutions. **The need for this specific instrument is validated by the GCF Kazakhstan Country Programme[50], which underscores that the domestic financial market lacks experience with climate tech financing and is fundamentally dominated by debt.** CC-ACF's equity structure directly addresses the widest financial gap identified in the CP.

Unlocking private sector investment into transformational investments

123. **CC-ACF will fill the financing gap where commercial capital is not readily available.** As discussed under financial barriers, this is due to challenging or difficult markets or countries or with promising technologies. Some of these technologies in the CC-ACF portfolio include those where conventional financing is not readily available, for example:
    - Full hybrid project, including a combination of wind, solar and battery storage system (BESS).
    - Hybrid renewable energy project in the remote autonomous Karakalpak region of Uzbekistan.
    - Waste-To-Energy (WTE) projects with innovative technologies such as plasma or pyrolysis technologies which are not fully commercially established.

124. **CC-ACF will maintain strategic focus by directing financing only to projects that cannot access conventional funding sources and have strong paradigm shifting potential.** The Fund's portfolio companies will demonstrate the best practices to help the target countries move away from the current reliance on carbon-intensive industries and fossil fuels towards high-technology climate solutions and a focus on low-carbon development and accelerate the deployment of sustainable renewable energy. By investing in renewable energy transition with storage, resource-efficient technologies, and climate-smart agriculture, CC-ACF directly supports this transition.

125. **The Fund's portfolio companies will demonstrate and deploy cutting-edge adaptation technologies across the countries' most vulnerable sectors**, including agriculture, water resource management, waste treatment, buildings and energy infrastructure. By investing in the introduction and scaling of the most effective adaptation technologies, the Fund will play a key role in catalysing the development of more resilient systems in the target countries and the strengthening of their food, water and energy security in the face of particularly severe climate risks exposure. By successfully showcasing

126. **CC-ACF's investments will demonstrate the financial and technical feasibility of climate investments, CC-ACF aims to** build investor confidence, establish market benchmarks, and **catalyse additional private capital to replicate and scale proven solutions**.

127. CC-ACF is expected to drive transformation through know-how sharing and technology transfer from third-party countries into the target countries of Kazakhstan, Mongolia, and Uzbekistan. More specifically, technologies will be sourced from: (i) technology transfer from third-party countries and adapted to the local context of target countries, as well as (ii) upscaling home-grown technologies. With regards to technology transfer from third countries, GCF proceeds will only be used for investments in portfolio companies which are domiciled, operational and have climate impact in the Host Countries.

GCF funding request

128. **CC GSH is requesting USD 37.5 million in GCF equity funding to help CC-ACF reach its USD 150 million target size.** The funding, structured as a first-loss tranche for private sector investors (first loss at the portfolio level), is strategically designed to de-risk investments for private Limited Partners and enable broader deployment of private capital in priority sectors that address urgent climate needs and have strong strategic alignment and country ownership. GCF would disburse funds proportionately to other LPs (dependent on co-financing ratio and not exceed 25% of capital). GCF's financial additionality lies in this catalytic investment structure which will bring the following benefits:

- GCF's participation will attract co-financing in Central Asian markets that traditionally see lower investor appetite compared to other regions, as private equity investors typically favour middle-income countries and large economies.
- GCF's support will unlock investment in higher-risk technologies (such as BESS, grid modernisation, climate smart agriculture, etc.) where market penetration in Kazakhstan, Mongolia, and Uzbekistan remains low.

[50] GCF Kazakhstan Country Programme: https://www.greenclimate.fund/document/kazakhstan-country-programme

- GCF's investment will be instrumental in scaling CC-ACF to its USD 150 million target size, enabling full implementation of the investment strategy outlined in Section B.3. This expanded capacity will allow the Fund to execute many projects from its identified high-impact pipeline of project, which is well above the current fund size in value.

129. Beyond the direct financial contribution, **GCF's involvement as the leading climate finance institution brings significant additional value. Its pioneering standards in climate action, gender equality, and social inclusion, combined with its credibility as a climate-focused development partner, will ensure portfolio projects maintain high climate, environmental and social impact standards**. Furthermore, GCF's institutional requirement for country ownership and government buy-in will facilitate strategic alignment and enhanced local knowledge transfer, creating lasting benefits for target communities.

GCF's catalytic role

130. **GCF funding serves as a powerful catalyst for leveraging private sector investment in climate project that otherwise be considered too risky to pursue**. By GCF joining as a strategic funder, it helps attract additional private co-financiers who would typically shy away from such investments.

131. **The catalytic impact of the GCF funding will be further amplified if it is deployed as part of a programmatic approach with investing in projects with clear scaling potential**. Under this approach, the GCF co-financing could be deployed in the first tranches of such a scalable project while subsequent tranches of the same project could be financed by mainstream commercial financing. For example, the water security and efficiency project in Uzbekistan, could be financed with GCF co-financing while the scale-up subsequent tranches could potentially attract local Uzbek banks.

132. **Catalysing local currency leverage:** GCF funding will allow CC-ACF to bridge the gap between international equity and domestic debt markets. By securing high-quality equity stakes, the Fund will enable portfolio companies to access local financing, including debt from local banks. This supports the development of local financial ecosystems and allows for a programmatic approach where initial GCF-backed tranches pave the way for subsequent scale-up financed by local institutions.

Concessionality and pricing

133. Overall, the Fund is structured to enforce commercial discipline at the investee level. Equity investments will reflect standard market terms to demonstrate the financial viability of growth-stage climate companies operating in Central Asia. This commercial orientation is critical to the Fund's theory of change: ensuring that portfolio companies are built on sustainable business models capable of attracting follow-on commercial capital and achieving successful exits, thereby validating the asset class to the broader market.

134. However, to mobilise private capital at scale in this region, this proposal envisages that GCF would the 'first-loss taker' to private sector investors to encourage them come into the Fund. This concessional tranche is essential to address the structural gap in growth capital for Central Asia, where high perceived risks and a limited track record for private equity currently deter commercial investors. By absorbing downside risk, the GCF contribution improves the risk-adjusted return profile for senior private investors, catalysing capital that would otherwise not deploy into these markets. Consistent with the principle of minimum concessionality, this first-loss protection would strictly target private sector investors and will not extend to DFIs, MDBs, or Sovereign Wealth Funds.

135. The pricing of the equity investment will be determined on a case-by-case basis and will reflect the risk / reward profile of each transaction. Lower pricing might be acceptable in case of a relatively less risky investment. For example, lower return might be acceptable for an investment in a company such as utility or a renewable energy investee company benefiting of stable and predictable revenues under a long-term power purchase agreement with a creditworthy off-taker.

136. **GCF's participation provides clear additionality, the following domains most relevant for the CC-ACF:**

GCF's ability to provide concessional finance

- Reduces capital costs through below-market terms, enabling project viability while maintaining private investor returns
- Fills capital stack gaps via subordinated debt, equity, grants, or first-loss positions
- Blends returns by accepting lower rates than private investors, unlocking more investment opportunities

GCF's role as a first-loss taker

- Absorbs initial losses, reducing downside risks for private investors

- Builds investor confidence through capital protection, especially in Kazakhstan, Mongolia, and Uzbekistan markets

Enhancing credibility and signalling effect

- Provide a seal of approval and sends a strong signal to the market, demonstrating that the projects have undergone rigorous due diligence and meet high environmental and social standards.
- Attracts additional capital providers by addressing first-mover concerns

Alignment with climate objectives and strengthening country ownership

- Supports national climate strategies and development priorities of target countries
- Enhances local institutional capacity through direct investment activities and knowhow transfer

Driving sustainability and paradigm shift

- GCF's extensive network of accredited entities and national designated authorities can help private equity funds navigate complex regulatory environments. This collaboration ensures long-term sustainability and scalability of investments.

Conclusion

137. A partnership between the GCF and CC GSH creates a powerful synergy for mobilising capital into underfunded markets like Kazakhstan, Mongolia, and Uzbekistan. The GCF's ability to provide concessional finance and act as a first-loss taker directly addresses key investor concerns, while its mission-driven approach ensures that the funds are channelled into impactful climate projects. Such a collaboration not only enhances private sector participation but also accelerates the transition to resilient, low-carbon economies in these strategically important regions.

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

Exit strategy

138. CC-ACF is designated to have a duration of 10 years, with a possible extension of 2 additional years, subject to the consent of the Investors Advisory Committee. CC-ACF will return GCF and other co-investors' capital with a yield in a form of distributions which will take place before and when the maturity of the programme.

139. CC-ACF approaches every investment differently when determining its exit strategy. In general, we will consider exiting investments through IPO, Trade Sale (to strategic or financial investor), and Management Buyback.

140. The key drivers for determining exit strategy include size of the company, jurisdiction, industry, the development of local capital market and several other factors. Broadly speaking, the best IPO candidates are companies that have high growth potential, multi-market access, or have a sizeable asset base. At the same time, we will want to guide IPOs to those stock exchanges that have sufficient market liquidity and educated institutional investors to ensure CC-ACF can exit without significantly impacting the company's trading price. Finally, sometimes positioning a company for IPO is an intermediate strategy to put the company in a strong position to be acquired by a strategic player at a more attractive price.

141. Overall, CC-ACF will work to ensure investors' principal, meaning that it will work to structure partial exits when possible, and maintaining some participation for further upside potential. CC-ACF also encourages its more sizeable companies to consider pursuing an IPO, but it is not our goal to have every portfolio company go for IPO.

142. Considering some infrastructure projects with long-term stable fixed tariff, we may explore trade sale opportunities to sell to asset managers who are interested in holding assets that can generate long-term stable cash flow

143. Given that the capital markets of target countries are not yet fully developed and there is a lack of active private investors, we may need to engage in discussions with the project sponsors from the outset to explore the possibility put our investment plus agreed return to the project sponsors

144. Furthermore, as a minority stakeholder, we will ensure that our investment documents include tag-along rights, allowing us to join to partially or fully exit our investment when the project sponsors decide to sell their stakes

145. Subject to the investment, we may also consider including a drag-along right, which would obligate us to sell our shares in conjunction with the project sponsors when they decide to sell their stakes.

Sustainability

146. **CC-ACF will actively facilitate knowledge sharing through multiple channels to accelerate market development and drive a paradigm shift in climate technology investment**. By documenting and disseminating knowhow, technical insights, and best practices, the Fund will help reduce perceived risks and attract foreign direct investment into clean technologies. This systematic knowledge exchange will demonstrate commercial viability, strengthen market confidence, and fundamentally transform traditional investment approaches, catalysing broader private sector participation in climate solutions.

147. Furthermore, the Fund will be committed to grow and improve the companies in which it invests for long-term sustainability and to benefit multiple stakeholders, with emphasis on environmental, social, and governance performance. CC-ACF will also ensure these companies establish robust governance and financial management practices.

C. FINANCING INFORMATION

C.1. Total financing

(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount	Currency
	37.5	USD mn

GCF financial instrument	Amount	Duration	Extension	Pricing
(i) Senior loans	Enter amount	years		%
(ii) Subordinated loans		years		%
(iii) Equity	37.5 mn	10 years	2 years	
(iv) Guarantees		years		
(v) Reimbursable grants				
(vi) Grants				
(vii) Results-based payments				

(b) Co-financing information	Total amount	Currency
	112.5	USD mn

Name of institution	Financial instrument	Amount	Currency	Duration & extension	Pricing	Seniority
GCF first loss tranche would only apply to private investors. It will not cover MDB or SWFs' contributions.						
MDBs	Equity	37.5	USD mn	10 years 2 years	%	
SWFs	Equity	35.0	USD mn	10 years 2 years	%	
Other private investors	Equity	40.0	USD mn	10 years 2 years	%	

(c) Total financing (c) = (a)+(b)	Amount	Currency
	150	**USD mn**

(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)	

C.2. Financing by component

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.

Component	Output	Indicative cost million USD	GCF financing		Co-financing		
			Amount million USD	Financial Instrument	Amount million USD	Financial Instrument	Name of Institutions
Component 1: CC Asia Climate Fund	Output 1.3: Equity investments made in green climate technologies	117.00	29.25	Equity	87.75	Equity	TBD
	Outputs 1.1: CC Asia Climate Fund established Output 1.2: CC-ACF leverages investment from private sector investors Output 1.4: Financial exit strategy of investment companies sustained	1.80	0.45	Equity	1.35	Equity	TBD
Component 2: Improving sustainability outcomes in technology companies and knowledge transfer	Output 2.1: Strengthened climate strategy and operational and financial management of portfolio companies	0.32	0.08	Equity	0.24	Equity	TBD
	Output 2.2: Increased FDI flows and know-how sharing from international investors into target countries	0.15	0.04	Equity	0.11	Equity	TBD
Fees and expenses in support of output	Running costs and fees	15.08	3.78	Equity	11.30	Equity	TBD
Set-up fee	One-time fee	1.50	0.38	Equity	1.12	Equity	TBD
Potential follow-on investments	Follow-on investments and related expenses	14.15	3.53	Equity	10.62	Equity	TBD
Indicative total cost (USD)		150	37.5		112.5		

This table should match the one presented in the term sheet and be consistent with information presented in other annexes including the detailed budget plan and implementation timetable.

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.

The Fund drives transformation through know-how sharing and technology transfer into its target countries. Technologies are sourced by (i) transferring proven solutions from third-party countries and adapting them to the local context, and (ii) upscaling promising home-grown technologies. For example, enabling the adoption of battery energy storage systems provides flexible balancing for intermittent renewable energy. This leads to greater emission reduction, better use of wind and solar resources, and enhanced security of supply, which is crucial for transforming the perception of climate investment.

D. 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)

Impact potential

148. CC-ACF is a cross-cutting programme targeting key sectors : renewable energy deployment, resource efficiency and industry decarbonisation, weather-resilient buildings and sustainable construction, water conservation and security and climate-smart agriculture.

149. The CC-ACF has dedicated adaptation projects within the portfolio. These specifically aim at introducing Climate-Smart Agriculture (CSA) technologies and deploying more efficient irrigation systems, which directly address climate vulnerability related to food and water security for exposed populations.

150. The portfolio contains a number primarily mitigation-focused projects (such as hybrid energy systems with BESS, microgrids, improved energy efficiency in buildings, and waste-to-energy), some these projects are considered as cross-cutting interventions where adaptation is an important investment objective. The investment in renewable energy infrastructure is justified by the critical need to build climate-resilient energy systems. This ensures grid stabilisation to maintain power supply during extreme weather events and provides essential off-grid power in case of blackouts, thereby directly reducing the population's vulnerability to climate shocks that impact critical services.

151. Furthermore, projects like those improving energy efficiency in buildings provide a direct adaptation benefit by enhancing the thermal resilience of structures and protecting occupants from health risks associated with rising extreme heat. Similarly, the Waste-to-Energy (WTE) projects prevent the contamination of air, water, and soil resulting from unmanaged landfills, particularly during climate-induced flooding. This serves as an explicit measure to mitigate climate-related public health risks.

152. The programme's impact potential has been estimated using a pipeline approach across the target countries of Kazakhstan, Mongolia, and Uzbekistan, which have a predominance of fossil fuel power generation and vulnerability to climate hazards.

153. **Mitigation impact**: Based on the CC-ACF's climate project pipeline of 10-12 sub-projects, the programme's USD 150 million target is expected to result in around **8,212,648 tCO2eq of GHG emissions** over a 25-year lifespan. The estimated **cost of carbon reduction is 18.26 USD / tCO2eq** (investment cost/investment lifetime of emission reduction).

154. The avoided emissions are calculated from the baseline scenario, for example where electricity generation is sourced from the grid using fossil fuel power generation. The CC-ACF pipeline demonstrates the potential to unlock green solutions and leapfrog these fossil-fuel dependencies. A qualified service provider will be engaged during the due diligence phase to verify reduction in GHG emissions and energy savings utilising the IPCC's official methodology for estimating CO2 emissions reduction, or an equivalent internationally recognised methodology. Further information on the mitigation calculations can be found in Annex 2 and 22.

155. CC-ACF's specific investments will be screened and prioritised during Output 1.2. Consequently, the mitigation impact has been estimated using a proposed pipeline of likely investments. The mitigation impact calculations are considered conservative, as CC-ACF's strong demonstration effect, catalysed by GCF funding, is expected to enable replication and scale-up across its portfolio, target technology groups, and the broader region.

156. **The programme is aligned with GCF mitigation results areas on: (i) Energy generation and access (MRA1); (iii) Buildings, cities, industries and appliances (MRA3) and Forestry and land use (MRA4).** The following table summarises baseline emissions from potential investments selected based on impact potential from a longlist of sub-sectors identified by CC GSH. Investment prioritisation will be further assessed and confirmed after due diligence (DD) of these shortlisted projects.

157. **Adaptation impact**: Based on the indicative project pipeline, CC-ACF is expected to **directly benefit 137,020 beneficiaries** and indirectly benefit an additional **327,376 beneficiaries.** As specific investments will be determined during Output 1.2, these beneficiary calculations are estimations. Full details can be found in Annexes 2 and 22.

158. This GCF programme will assist farmers in adopting water and energy-efficient irrigation, enabling them to adapt to climate change impacts like droughts and floods. Water-saving technologies can increase yields in cotton by up to 30% and save 20-40% on water and 30-40% on fuel and fertilizers.[5152] Communities will benefit from improved

[51] Central Asian Bureau for Analytical Reporting (2024), Uzbekistan seeks to introduce new technologies for irrigation of agricultural lands.

[52] Brody et al. (2020), Approaches to optimize Uzbekistan's investment in irrigation technologies

irrigation **(ARA2)**, strengthening agricultural resilience and reducing production costs **(ARA1)**. Beyond enhancing agricultural resilience, this programme strengthens energy security across the three countries by promoting sustainable electricity supply and reducing import dependence. Waste-to-energy technologies will improve waste management, increasing recycling and reducing landfill use. Cleaner energy options will deliver health benefits and create jobs, while energy efficiency improvements will lower household costs.

159. Additionally, CC-ACF's potential investments will contribute to GCF adaptation results area Infrastructure and built environment (**ARA3)** by enhancing access to clean, renewable energy, thereby increasing resilience in countries with vulnerable energy systems dependent on imports, prone to disruption and losses across the network.

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

Paradigm shift

160. The key aspects of CC-ACF's paradigm shifting potential are summarised below:

161. **Shifting from fossil fuel dependence to low-carbon development:** The Fund will accelerate the transition towards clear energy transition by investing in companies that exemplify best practices. Portfolio companies will deploy next-generation hybrid solar and wind technology with BESS, smart grids, and efficiency-oriented digitalisation tools. This allows them to delink energy use from fossil fuels and decarbonise their energy needs, moving away from spending on the maintenance of inefficient, legacy equipment towards modern, profitable assets that offer a better quality of service.

162. **Building climate resilience:** As the Fund actively prepares countries for expected climate adversities by investing in high-impact adaptation technologies. Portfolio companies will deploy and scale cutting-edge solutions across the nations' most vulnerable sectors, including agriculture, water resource management, and critical energy infrastructure. By financing climate-smart irrigation, effective waste management, and resilient building technologies, the Fund plays a pivotal role in catalysing more resilient systems and strengthening food, water, and energy security in regions exposed to severe climate risks.

163. **Catalysing market-wide transformation** is driven by the Fund's demonstration and catalytic effect. By showcasing the financial and technical feasibility of climate investments in markets like Kazakhstan, Mongolia, and Uzbekistan, CC-ACF will build investor confidence and remove barriers related to a lack of local experience and skills. This powerful demonstration effect is designed to establish market benchmarks and attract other investors, creating a replicable and scalable finance model. The goal is to crowd in additional private capital, ensuring that proven solutions can be replicated and scaled far beyond the fund's direct investment.

164. **Enhancing corporate value and sustainability** extends the Fund's impact deep into the companies it supports. The Fund provides hands-on support to help portfolio companies adopt global best practices in governance, ESG integration, and operational excellence. Through active board participation, CC-ACF guides companies to align with leading frameworks (e.g., TCFD, IFC performance standards) and establish robust ESG oversight. This approach ensures long-term sustainability and benefits multiple stakeholders by focusing on supplementary social and economic benefits, including job creation, poverty reduction, and the promotion of gender equality.

165. **Sharing knowledge and creating an enabling environment:** The Fund drives transformation through know-how sharing and technology transfer into its target countries. Technologies are sourced by (i) transferring proven solutions from third-party countries and adapting them to the local context, and (ii) upscaling promising home-grown technologies. For example, enabling the adoption of battery energy storage systems provides flexible balancing for intermittent renewable energy. This leads to greater emission reduction, better use of wind and solar resources, and enhanced security of supply, which is crucial for transforming the perception of climate investment.

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

Sustainable development

166. Building on CC GSH's successful track record of three funds over the past decade, consistently focusing on clean technology and renewable energy, CC-ACF aims to accelerate the application of innovative technologies with high potential for sustainable growth and climate mitigation and adaptation.

167. The programme will seek to implement projects which are aligned with United Nations Sustainable Development Goals (SDGs), especially those which are priority for the NDA supporting the Fund's programme. It will contribute to the achievement of several Sustainable Development Goals (SDGs) including:

- SDG 6 Clean water and sanitation
- SDG 7 Affordable and clean energy
- SDG 9 Industry, innovation and infrastructure
- SDG 11 Sustainable cities and communities
- SDG 12 Responsible consumption and production
- SDG 13 Climate action
- SDG 15 Life on land.

168. **Economic co-benefits**: By engaging with local partners in Kazakhstan, Mongolia, and Uzbekistan, value will be created at the local level, strengthening business acumen and technical know-how that is sustainable. CC-ACF will promote competition in the target sectors, bringing international strategic experience to stimulate the market and economic growth. Poverty reduction from a reduction in energy consumption and consequently energy bills through energy efficiency measures will result in economic co-benefits. Moreover, the programme is expected to create jobs in the green jobs sector, along the energy, industry, waste and agriculture value chains.

169. **Social co-benefits**: The adoption of improved business models will enhance productivity for farmers and local businesses, facilitating their integration into international value chains and generating job creation and income growth, leading to improved livelihoods and wellbeing. Increased access to innovative technologies will further enhance competitiveness and create new business opportunities. Component 2 will provide strategic support to invested companies and the wider sector, focusing on enhancing climate impact metrics, operational and environmental sustainability, and governance structures beyond the investment period. A gender-sensitive approach will be implemented to improve women's working conditions and representation in leadership and management roles. The Gender Action Plan will ensure that investments are gender-responsive and promotes women's participation across sectors, contributing to equal pay, education, child wellbeing, and long-term economic growth.

170. **Environmental co-benefits**: CC-ACF's investments will strategically reduce the demand for fossil fuel-derived grid energy, leading to significant improvements in air quality and public health. This shift will not only decrease the emission of traditional air pollutants, but also contribute to a reduction in GHG, mitigating climate change. Furthermore, the adoption of advanced waste management technologies will play a crucial role in minimising the release of chemical contaminants into the air, soil, and water. This will protect ecosystems and enhance the overall health of surrounding communities. Finally, the implementation of more efficient irrigation systems will optimise water usage in agriculture, improving soil health, reducing water waste, and fostering a more resilient and sustainable agricultural ecosystem. These combined efforts will have a cascading effect, promoting a healthier environment, stronger communities, and a more sustainable future.

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

Needs of recipients

171. Kazakhstan, Mongolia, and Uzbekistan are three countries with diverse geographic and climatic profiles but have shared concerns over water, desertification, and rising temperatures. Kazakhstan and Uzbekistan have particularly strong challenges related to water scarcity because of their arid environments and reliance on shared transboundary water resources. The Notre Dame Global Adaptation Initiative (ND-GAIN)[53] evaluates adaptation readiness through economic, governance, and social components. Uzbekistan ranks 94th on the ND-GAIN Country Index (out of 191) of the readiest countries to face climate change, Mongolia is 73rd and Kazakhstan is the 53rd. Central Asian countries typically lag behind the global average; however, Kazakhstan is a significant outlier, surpassing it. Mongolia has demonstrated improved adaptation readiness over the last decade, despite infrastructure and agricultural challenges. Uzbekistan is making progress, moving towards the global average after previously scoring below both regional and global levels.

172. The programme's investment pipeline will strategically target sub-projects designed to mitigate the adverse impacts of climate change on critical areas. These investments will be inclusive, benefiting all socio-economic groups. This holistic approach ensures that climate resilience is built alongside social and economic progress, fostering a more sustainable and equitable future.

173. **Absence of financing:** Energy is a major contributor to GHG emissions in the target countries and the marginal public and private investments made to date cannot create a shift in the energy market needed to overcome this issue. The initial costs of renewable energy compared with fossil fuel systems is currently not competitive enough to

[53] ND-GAIN Index (2022), Uzbekistan, Kazakhstan, Mongolia

scale and compete, but that situation has been changing in recent years in favour of renewable sources. Energy investments of USD 4 trillion are needed by 2030 globally to meet the Paris Agreement objective to stay below 1.5ºC of warming.[54] Funding to support the adoption of renewable energy, improve irrigation practices, and strengthen capacity to mitigate emissions is key to make a long-lasting transformation. However, as described in Section B.1, multiple barriers prevent the adoption of low-emission, climate-resilient interventions.

174. Funding for innovations in clean technology is insufficient in the target countries, along with the supporting knowledge and expertise in international best practice to meet global standards. Risk-averse equity and debt capital needed to support companies for commercialisation and scale-up are not available. Mongolia and Central Asian countries like Kazakhstan and Uzbekistan face particularly substantial funding gaps between the amounts required to achieve net zero and their respective mitigation targets and adaptation needs. Equity is the financial instrument for which the widest gap exists in project countries. For instance, less than 1% of Kazakhstan and Uzbekistan's climate finance is equity-based, while the global share of equity in climate finance is around 34%. The World Economic Forum recommends that the equity share of climate finance should be above 10% to support net-zero targets.[55]

175. **Insufficient institutional capacity:** The countries do not have legally binding net zero targets, but with lessons learned from demonstration projects, awareness and capacity will be strengthened to create lasting change.[56] CC-ACF will collaborate with national and local stakeholders to ensure the projects address local needs and priorities. CC-ACF leverages CITIC Capital Holding Limited's (CCHL) experience, which includes managing 14 funds and making 100+ investments, to identify new opportunities in target countries. With five global offices and 110+ professionals, CC-ACF understands local contexts, identifies market needs, and finds innovative investments that reduce CO2 emissions. Targeting a Total Addressable Market (TAM) exceeding USD 1 billion, CC-ACF will use its local networks to identify sustainable solutions for target countries while delivering investor returns. CC-ACF will build on CC GSH's strategy to scale and replicate innovative climate mitigation and adaptation technologies and business models in Kazakhstan, Mongolia, and Uzbekistan.

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

176. CC-ACF's is fully aligned with the climate targets of the beneficiary countries, including climate policies, plans and Nationally Determined Contributions as part of the Paris Agreement. To ensure country needs were accounted for, local climate experts in the target countries were engaged in the identification and prioritisation process with stakeholders. CC-ACF will contribute to climate change mitigation and adaptation goals, as summarised in Annex 2, with economic, social and environmental co-benefits that work towards the SDGs. Invested companies will adopt climate-smart technologies that will support a transformation towards a low-carbon and climate resilient future. Key national frameworks supported by CC-ACF include:

- **Kazakhstan:** CC-ACF is fully aligned with Kazakhstan's newly adopted Nationally Determined Contribution (NDC 3.0)[57] which raises national ambition by setting an unconditional target to reduce GHG emissions by 17% below 1990 levels by 2035, and up to 25% with international support. To support the national Strategy on Achieving Carbon Neutrality by 2060, the NDC 3.0 prioritises a transformation of the energy sector, aiming for low-carbon sources (including renewables, hydro, and gas) to account for at least 35% of total electricity generation by 2035. Specifically, the volume of renewable energy development is targeted to grow from the current 7.2% to 20% by 2035. This necessitates a rapid scale-up from the 3.2 GW of renewable capacity installed as of 2024. The strategy also targets a 20% reduction in the energy intensity of GDP by 2035 through technological modernisation. Regarding adaptation, the NDC prioritises water security and climate-resilient agriculture, specifically calling for the modernisation of irrigation systems to reduce losses and the restoration of degraded lands. Crucially for the CC-ACF, the NDC 3.0 explicitly emphasises the need to mobilise private sector engagement and international climate finance—including equity investments and risk-sharing schemes—to meet indicative investment needs of USD 175.6 billion. The planned establishment of a "Country Platform" for Climate Finance Mobilization further demonstrates Kazakhstan's readiness to integrate corporate investment plans and blended finance into its national climate strategy.

[54] World Economic Forum (2023), IEA: Clean energy investment must reach $4.5 trillion per year by 2030 to limit warming to 1.5°C

[55] World Economic Forum (2023), IEA: Clean energy investment must reach $4.5 trillion per year by 2030 to limit warming to 1.5°C

[56] University of Oxford (n.d.), Progress towards net zero law.

[57] UNFCC (2025), Kazakhstan NDC 3.0

- **Mongolia:** CC-ACF's design reflects the significantly increased targets in the recently adopted NDC 3.0, which sets a conditional reduction goal of up to 52.8% by 2035.[58] CC-ACF provides private equity, which the Mongolian Focal Point noted is groundbreaking and complementary to existing GCF programmes that typically only offer loans and grants.
- **Uzbekistan:** Uzbekistan's 2025 Nationally Determined Contribution (NDC 3.0)[59] sets economy-wide targets to decarbonise its growing economy. The country has committed to a 50% reduction in GHG emission intensity per unit of GDP by 2035 compared to 2010 levels. This target is supported by the 'Uzbekistan-2030' Strategy, which prioritises a green transition by aiming for 40% renewable energy generation by 2030 and doubling energy efficiency across all sectors. The proposed pipeline, focusing on full hybrid (solar PV) with BESS, waste-to-energy (WTE) systems, and climate-smart agriculture, directly addresses these NDC priorities. Furthermore, the NDC 3.0 emphasises adaptation in water resources and agriculture—sectors critical to the country's resilience—making the Fund's focus on water conservation and efficient irrigation highly aligned with national strategic needs.

177. Building on CC GSH's track record of sustainable investments across Asia, CC-ACF is experienced in identifying de-risked technology opportunities at their inflection points. NDAs in Kazakhstan, Mongolia, and Uzbekistan have shown preliminary interest, with discussions highlighting the need for mitigation and adaptation projects, particularly in water safety, climate-resilience, energy efficiency, and renewable energy infrastructure. To ensure country ownership and alignment with national NDC goals, this project will foster ongoing cooperation with ministries such as Ministry of Ecology, Environment Protection and Climate Change of Uzbekistan, Ministry of Ecology and Natural Resources in Kazakhstan and Mongolia's Ministry of Environment and Climate Change, as well as relevant national agencies and companies.

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

178. GCF funds are justified since the first-loss tranche will provide the necessary level of leverage to incentivise private sector investment and ensure sustainable returns. GCF funds will only be used to the extent necessary to make investments financially viable to attract private investment, demonstrating minimum concessionality.

179. GCF investment will help to leverage commercial investors and generate positive return to investors, thereby catalysing investment in a sector that has a high perception of risk and where private sectors are not incentivised to invest. With GCF support, CC-ACF can offer global green technology companies an inroad to Asian markets and capital to empower their expansion, whilst also delivering on environmental and social impact. CC GSH is benchmarked in the top quartile for equity fund performance on Burgiss and Preqin benchmarks, demonstrating its capability to invest in sustainability technology, particularly in a region where demand is growing.

180. As outlined above, the CC GSH team has more than 15 years of experience investing across late-venture, early-growth, and growth-stage companies through equity instruments in East and Central Asia, with a focus on sustainable development. It sources leading early growth and cross-border technologies which are IP-focused and asset-light that are not yet financed by other mainstream sources, providing strong opportunities for sustainable cash flows and market traction. GCF investment is required to help shift the market in underdeveloped infrastructure that has high growth potential.

181. The efficiency and effectiveness of GCF resources in achieving its impact potential is:

- **Mitigation cost of carbon reduction:** 18.26 USD / tCO2eq (investment cost/investment lifetime of emission reduction).

182. CC-ACF will be committed to grow and improve the companies in which the Fund invests for long-term sustainability and to benefit multiple stakeholders, including on environmental, social, and governance issues. To that end, the Fund will legally require the portfolio companies to uphold their climate impact and work through appropriate governance structures (for example, board of directors) with respect to environmental, public health, safety, social and gender issues, with the goal of improving performance and minimising adverse impacts in these areas.

183. CC GSH has strong ESG due diligence, screening and monitoring procedures, collecting and evaluating data on portfolio company ESG practices and performance annually. It conducts thorough cost-benefit analyses to ensure

[58] UNFCCC (2025), Mongolia NDC 3.0

[59] UNFCCC (2025), Uzbekistan Third NDC

projects deliver maximum climate impact relative to their cost. It seeks interventions which achieve low cost of carbon reduction solutions, providing value for money and efficient use of resources.

184. CC-ACF will ensure that portfolio companies implement robust governance and financial management processes. Therefore, CC-ACF investments will require governance structures that provide appropriate levels of oversight in audit, risk management, and potential conflicts of interest.

E. 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

Please indicate whether this proposal is for a mitigation or adaptation project/programme. For cross-cutting proposals, select both.

☒ Reduced emissions (mitigation)

☒ Increased resilience (adaptation)

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

The program's focus on demonstrating the viability and scalability of climate-smart investments will create a strong demonstration effect, catalysing further investments and policy changes. By addressing the financial, technological, and knowledge barriers to climate action, the programme will contribute to a fundamental shift towards a low-emission, climate-resilient, and sustainable development pathway in the target countries. This shift will generate significant co-benefits, including job creation, improved public health, and enhanced ecosystem services, ultimately contributing to a more prosperous and equitable future.

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	The target countries have carbon-intensive industrial economies, contributing to rising GHG emissions whilst their population and infrastructure are severely exposed by climate change. Climate change poses a transition risk and long-term threat to development. The countries' economies have become reliant on carbon-intensive infrastructure with diminishing economic returns, with a need to rebalance growth towards market-led innovation and low carbon development. The climate transition requires a decoupling of emissions and economic growth faster than advanced economies, requiring dramatic transformation with energy price rises in the short term.	Low	Paradigm shift would involve a move away from the current reliance on fossil-fuel industries replaced by high-technology solutions with ESG impact and a shift towards low-carbon development.	The programme will deliver 8.21 million tCO2eq of GHG reductions over a 25-year lifespan and 464,396 beneficiaries (direct and indirect), representing a significant contribution to NDC targets even before investments are scaled.

Replicability	There is little demonstration and experience of green technologies in the target countries. Little knowledge sharing between organisations and stakeholders working in the green technology sector hinders its replicability.	Low	As green technologies are demonstrated that have sustainable returns, and best practice knowledge is created, solutions can be replicated across the sector and into other countries in Asia.	The project will have a high demonstration and catalytic effect in the countries, with lessons learned and international best practice directly enabling replication across the sector and into other countries in Asia.
Sustainability	The target countries have ambitious commitments to reduce GHG emissions and foster climate resilience, requiring sustainable investments in projects to achieve climate goals and commitments. This provides a strong direction for green technology, although venture capital and equity fund investments remain low, with little uptake of green solutions among the private sector.	Medium	CC-ACF will leverage and facilitate private sector financing to enable long-term investment in green technologies across Kazakhstan, Mongolia, and Uzbekistan, after the project completion. Stakeholders in the target sectors will have gained valuable insights and knowledge into international strategic investments to ensure sustainability and continuity. Paradigm shift would see sustainable private sector investment in green technologies creating a profitable, innovation-led market that favours low-carbon, climate-resilient measures.	The programme will promote long-term sustainability by integrating environmental, social, and governance (ESG) considerations into investment decisions. It will support projects that demonstrate financial viability, environmental integrity, and social inclusiveness. The program's focus on sustainable business models and technologies will ensure that the benefits of climate action are sustained beyond the project's lifespan.

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		Baseline	Target	Assumptions / Note

	Indicator	Means of Verification (MoV)		Mid-term	Final[60]	
All mitigation results	Core 1: GHG emissions reduced, avoided or removed/sequestered	CC-ACF annual programme-level performance reporting	0	1,644,026 tCO2eq (5 years) 8,212,648 tCO2eq (lifetime, 25 years)	3,288,052 tCO2eq (10 years) 8,212,648 tCO2eq (lifetime, 25 years)	It is assumed that 50% of the investments will be completed after 5 years (mid-term) Annual emission reductions: 328,805 tCO2eq Lifespan: 25 years Source: Annex 22a (based on IPCC 2006 methodology)
MRA1 Energy generation and access	Core 1: GHG emissions reduced, avoided or removed/sequestered	CC-ACF annual programme-level performance reporting Monitoring, Reporting and Verification (MRV) by independent third-party CDM auditor	0	584,438 tCO2eq	1,168,877 tCO2eq (10 years) 2,769,283 tCO2eq (lifetime, 25 years)	Indicative pipeline of projects includes full hybrid (solar PV) with BESS and remote small to medium solar PV Annual emission reductions: 116,888 tCO2eq Lifespan: 25 years for solar PV, 15 years for BESS Source: Annex 22a (based on IPCC 2006 methodology)

[60] 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.

	Supplementary 1.2: Installed energy stoarage capacity	Monitoring, Reporting and Verification (MRV) by independent third-party auditor National reports verified by NDAs	0	8 MWh	16 MWh	It is assumed that 50% of the investments will be completed after 5 years (mid-term) Based on indicative pipeline of BESS Source: Annex 22a (based on IPCC 2006 methodology)
	Supplementary 1.3: Installed renewable energy capacity	Monitoring, Reporting and Verification (MRV) by independent third-party auditor National reports verified by NDAs	0	25 MW	49 MW	It is assumed that 50% of the investments will be completed after 5 years (mid-term) Based on indicative pipeline including hybrid solar PV with BESS and remote small to medium solar PV. Source: Annex 22a (based on IPCC 2006 methodology)
	Supplementary 1.4: Renewable energy generated	Monitoring, Reporting and Verification (MRV) by independent third-party auditor National reports verified by NDAs	0	745,968 MWh	1,491,936 MWh (10 years) 3,729,839 MWh (lifetime, 25 years)	Based on indicative pipeline including hybrid solar PV with BESS and remote small to medium solar PV investments. Annual generation 149,194 MWh Lifespan 25 years

MRA3 Buildings, cities, industries and appliances	Core 1: GHG emissions reduced, avoided or removed/sequestered	CC-ACF annual programme-level performance reporting Monitoring, Reporting and Verification (MRV) by independent third-party CDM auditor	0	830,937 tCO2eq	1,661,874 tCO2eq (10 years) 4,300,112 tCO2eq (lifetime, 25 years)	Based on indicative pipeline for waste to energy incineration Annual emission reductions: 166,187 tCO2eq Lifespan 25 years
MRA4 Forestry and land use	Core 1: GHG emissions reduced, avoided or removed/sequestered	CC-ACF annual programme-level performance reporting Monitoring, Reporting and Verification (MRV) by independent third-party CDM auditor	0	228,651 tCO2eq	457,301 tCO2eq (10 years) 1,143,253 tCO2eq (lifetime, 25 years)	Based on indicative pipeline for agroforestry Annual emission reductions: 45,730 tCO2eq Lifespan 25 years
All adaptation results	Core 2: Direct and indirect beneficiaries reached	CC-ACF annual programme-level performance reporting		Direct beneficiaries: 68,510 (50% female) Indirect beneficiaries: 163,688 (50% female)	Direct beneficiaries: 137,020 (50% female) Indirect beneficiaries: 327,376 (50% female)	50% female; 50% male It is assumed that 50% of the investments will be completed after 5 years (mid-term) so half of the beneficiaries will be targeted Source: Annex 22b beneficiary calculations
ARA1 Most vulnerable people and communities	Core 2: Direct and indirect beneficiaries reached	CC-ACF annual programme-level performance reporting	0	Direct beneficiaries: 31,773 (50% female) Indirect beneficiaries:	Direct beneficiaries: 63,547 (50% female) Indirect beneficiaries:	It is assumed that 50% of the investments will be completed after 5 years (mid-term) so half of the beneficiaries will be targeted

				126,952 (50% female)	253,903 (50% female)	Number of beneficiaries with access to clean, resilient energy infrastructure – 24,767 direct and 24,767 indirect Number of beneficiaries with improved Climate Smart Agriculture that will strengthen agricultural livelihoods – 38,780 direct and 78,734 indirect Number of beneficiaries with improved waste management from Waste-to-Energy – 0 direct and 150,401 indirect Source: Annex 22b beneficiary calculations
ARA2 Health, well-being, food and water security	Core 2: Direct and indirect beneficiaries reached	CC-ACF annual programme-level performance reporting	0	Direct beneficiaries: 21,650 (50% female) Indirect beneficiaries: 39,367 (50% female)	Direct beneficiaries: 43,299 (50% female) Indirect beneficiaries: 78,734 (50% female)	It is assumed that 50% of the investments will be completed after 5 years (mid-term) so half of the beneficiaries will be targeted Climate smart agriculture in Uzbekistan – agroforestry measures will benefit increase food production Source: Annex 22b beneficiary calculations

ARA2 Health, well-being, food and water security	Core 4: Hectares of natural resources brought under improved low-emission and/or climate-resilient management practice	CC-ACF annual programme-level performance reporting	0	2,260 ha	4,520 ha	It is assumed that 50% of the investments will be completed after 5 years (mid-term). Climate smart agriculture – agroforestry measures – improved food production Source: Annex 22b beneficiary calculations
ARA3 Intrastructure and built environment	Core 2: Direct and indirect beneficiaries reached	CC-ACF annual programme-level performance reporting	0	36,736 direct beneficiaries (50% female) 111,937 indirect beneficiaries (50% female)	73,473 direct beneficiaries (50% female) 223,874 indirect beneficiaries (50% female)	It is assumed that 50% of the investments will be completed after 5 years (mid-term) so half of the beneficiaries will be targeted Infrastructure investments in Waste to energy projects in Kazakhstan and Uzbekistan have direct and indirect beneficiaries in improved waste management, reduced pollution and use of electricity and heat produced
ARA3 Intrastructure and built environment	Core 3: Value of physical assets made more resilient to the effects of climate change and/or more able to reduce GHG emissions	CC-ACF annual programme-level performance reporting	0	USD 24 million	USD 48 million	It is assumed that 50% of the investments will be completed after 5 years (mid-term). Value of climate-resilient renewable energy systems based on pipeline of projects in countries in

						which the energy system is currently vulnerable due to a reliance on imported energy or is prone to disruption and losses across the network

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
Core Indicator 6: Degree to which GCF programme contributes to technology deployment, dissemination, development or transfer and innovation	Very few examples of green technologies to combat climate change. Limited venture capital and equity funding to fund innovation and new technologies.	*Low*	*The transition to low-carbon and resilient development has unlocked economic growth, innovation and job creation. Decarbonisation of power sector to meet growing electricity demand and electrification of demand sectors including transport and energy efficiency of industry without increasing emissions.*	CC-ACF will facilitate investment in green technologies not yet tapped into in the market.	*Multi-country*
Core Indicator 7: Degree to which GCF programme contributes to market development / transformation at the sectoral, local or national level	High cost of investments compared with low-cost fossil fuel power generation disincentives the market. Tariffs in Kazakhstan, Mongolia, and Uzbekistan make it	*Low*	*The climate transition has lowered the countries' reliance on imported fuels and enhanced energy security. Investments are frontloaded to avoid locking-in carbon*	Green technology investments will have a strong demonstration and catalytic effect in the market, whilst ESG standards and financial management of	*Multi-country*

	relatively difficult for investors to get the required return on energy generation.		*intensive assets to meet country NDCs, accelerating decarbonisation and reducing cumulative emissions.*	companies will be strengthened.	
Core Indicator 8: Degree to which GCF programme contributes to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	Limited knowledge sharing of international strategic investment to disseminate best practices.	*Low*	*The countries are at the forefront of advancing low-carbon energy supply and mobility. Technological progress lowers capital and operating costs encouraging further investment.*	Participation in regional / thematic conferences to share knowledge and best practice, and breakdown silos between technology companies.	*Multi-country*

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 Year 5	**Final Year 10**	
Component 1						
Output 1.1 CC Asia Climate Fund established	*Number of funds established*	Project monitoring and evaluation reports CC-ACF annual reports	0	1	1	
Output 1.2	*Number of investors leveraged to be part of the CC-ACF*	Signed investor agreements	0	6	6	Leverage a further USD 112.5 million from existing and

CC-ACF leverages investment from private sector investors						new LPs from CITIC Capital ESG Group –
	Volume of leveraged private sector funding	CC-ACF annual reports	0	USD 112.5M	USD 112.5M	USD 37.5M equity from the GCF (first loss to private investors only) to make total USD150M fund size
Output 1.3 Equity investments made in green climate technologies	*Value (USD) of funds to support the implementation of green technologies*	Project monitoring and evaluation reports Proof of disbursement of financial resources	0	USD 117M	USD 117M	Equity to be fully invested by Year 5.
	Number of investments	CC-ACF annual reports	0	10-12	10-12	Indicative pipeline
Output 1.4 Financial exit strategy of investment companies sustained	*Number of companies supported through exit due diligence*	Project monitoring and evaluation reports	0	0	10-12	Aiming to hold the stake in the portfolio companies from 5 to 7 years
Component 2						
Output 2.1 Improved ESG standards and financial management of portfolio companies	*Number of ESG plans developed*	Investment Committee ESG due diligence reports Portfolio companies' performance reporting	0	10-12	10-12	One per portfolio company
Output 2.2 Increased FDI flows and know-how sharing from international investors into target countries	*Participation in regional / thematic conferences*	Project monitoring and evaluation reports	0	5	10	One conference per country per year
Project/programme co-benefit indicators						
Co-benefit 1: *Health-related*: reduced air	*Number of people with clean energy access*	Project monitoring and evaluation reports	0	12,384	24,767	Direct beneficiaries of solar PV hybrid

pollution leading to better health outcomes						systems, micro grid and wind energy infrastructure
Co-benefit 2: *Economic*: increased household income through higher yields and reduced production costs	*% increase in cotton yields*	Project monitoring and evaluation reports ESG performance monitoring Field surveys	0	10%	20%	
Co-benefit 3: *Economic & social*: more equitable jobs and entrepreneurship due to reliable energy access	*Number of jobs created through portfolio companies disaggregated by gender*	Project monitoring and evaluation reports ESG performance monitoring	0	760 jobs overall 532 male 228 female	1,519 jobs overall 1,064 male 456 female	Estimated number of jobs created for each of the sectors of hybrid solar PV, remote solar, wind energy, waste to energy and climate smart agriculture According to IRENA (Annual review 2023), the female share in renewable energy and jobs is: 40% in solar, 21% in wind , average 30%

E.6. Project/programme activities and deliverables

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.

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.

Activities	Description	Sub-activities	Deliverables
Activity 1.1.1 Establishing the CC Asia Climate Fund	CC-ACF is established including existing CC GSH human resources and allow investment by the GCF as well as private investors.	• Preparation of the CC-ACF's legal documents and legal advisory	Fully executed documents relating to establishment of CC-ACF

		• Establishment of the CC-ACF's governance	
Activity 1.1.2 Sourcing of potential investors	CC-ACF will attract private investors to leverage GCF funds. The Fund will leverage already established networks to source unique and proprietary deals. Proven deal-sourcing strategies will be utilised (reverse inquiries, internal screening, CC GSH deal referral, investment banks, audit and legal advisors, VC and PE funds, trade shows and conferences)	• Implement various deal-sourcing strategies • Receive proposals from partners, bankers and advisors	Deal-sourcing strategy
Activity 1.2.1 Investment opportunity screening and prioritisation	Investment strategy: CC-ACF will invest in 10-12 companies, primarily late-venture but also early-growth and growth-stage, in Kazakhstan, Mongolia, and Uzbekistan, using equity instruments, with a focus on sustainable development. CC-ACF will hold significant minority stakes (up to 30%), with a target ticket size varying from USD 5 to 20 million. CC-ACF's Limited Partner Advisory Committee (LPAC) will be set up to source, screen and prioritise investment opportunities according to the Fund's investment strategy. CC-ACF will source deals to invest in mature companies at later stages of development, typically Series C and beyond. These companies will have demonstrated commercial viability, allowing CC-ACF investments to help scale up their operations and amplify their climate impact	• Screening of investment opportunities • Prioritisation of investments and making of a final investment pipeline	Finalised investment pipeline
Activity 1.2.2 Due diligence and execution of investor agreements	Projects will be screened including rounds of preliminary Q&A with the potential company. Two levels of due diligence will be conducted: **Internal Due Diligence**: review financials and business plan; site visits; interview with management and shareholders; and meet industry experts, suppliers, customers.	• Screen potential companies • Carry out Internal Due Diligence • Preliminary approval by Investment Committee • Carry out External Due Diligence • Final investment decision to proceed or terminate	Finalised transaction documents

	External Due Diligence: Financial, tax, legal, IP, technical and commercial due diligence; tax structuring; negotiation transaction documents. Following the due diligence a final investment decision to proceed or terminate will be made.	• Execution of the investment (finalise transaction documents, set-up holding structure, regulatory approval, if any)	
Activity 1.3.1 Disbursing investments in climate technologies	Disbursing of financing to target companies to implement green technologies aligned with the mitigation and adaptation measures.	• Equity investments into target companies • Implementation of new technologies	Financial disbursement summary Quarterly / Annual financial statements
Activity 1.3.2 Management and monitoring of portfolio on robust impact metrics	**Supporting management:** CC-ACF will actively help the companies grow their business through CC GSH's proprietary network across East and Central Asia. **Information rights:** As a minimum, CC-ACF will receive quarterly financial performance results and business updates. **Additional financing:** CC-ACF will help firms find additional financing sources, both equity and debt. **Negotiating with buyers:** CC-ACF will provide crucial value in assisting or leading negotiation processes with potential buyers and reaching optimal levels of investment.	• Quarterly financial and operational performance review • Board participation (or other ability to influence)	Performance reports
Activity 1.4.1 Managing exits of the CC Asia Climate Fund	CC GSH approaches every investment differently when determining its exit strategy. In general, the CC GSH will consider exiting investments through IPO, Trade Sale (to strategic or financial investor), and Management Buyback.	• Analysis to determine the right exit strategy • Selection of exit strategy	Exit strategy
Activity 2.1.1 Develop plans to improve climate, financial and operational metrics	CC-ACF will seek out methods to improve corporate governance and management teams at the individual company and project level. This activity will define CC-ACF's approach to integrating the consideration of environmental, social, and governance (ESG) risks and value creation opportunities into its investments.	• Identify improvement areas across sustainable finance, climate impact and ESG • Identify critical financial, climate and ESG risks • Submit findings to Investment Committee for review and decision-making	CC-ACF monitoring reports

		• Investment Committee meetings • Develop plans to address risks and prioritise value creation opportunities	
Activity 2.1.2 Provide guidance and build capacity for long-term sustainability	Implementation of risk mitigation plans to reduce GHG emissions, enhance climate impact and mainstream gender considerations.	• Training on sustainable finance, climate impact and ESG • Implement CC-ACF's processes and procedures (sustainable finance, climate and ESG) • Monitoring and supervision of operations (sustainable finance, climate and ESG)	CC-ACF monitoring reports (ESG implemented, Gender Action Plans, climate impact reports) Training reports Updated due diligence processes
Activity 2.2.1 Participate in regional/thematic conferences to share knowledge and best practice	CC-ACF will implement regional and country strategies to share international investment best practices and knowledge.	• Implement actions for awareness raising and blueprint communication • Develop gender-responsive knowledge products at region, country and sector level • Promote regional and national networks for climate-smart technology • Attend conferences	National engagement strategies Published knowledge products

E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)

The following outlines the reporting processes and schedule that the CITIC Capital ESG Group (referred to as the "Team") aims to uphold throughout the CC-ACF's duration to ensure a Transparent Information Disclosure with the GCF, co-financing partners and other relevant stakeholders. To ensure effective monitoring and evaluation, CC-ACF will implement a robust Measurement, Reporting, and Verification (MRV) process to collect data against the logical framework.

At programme level:

185. The Team 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 Progress Report (APR). The APR will be submitted to GCF following reporting requirements under the Funded Activity Agreement (FAA). It will:

- Reflect the monthly and quarterly reviews conducted throughout the year to produce a comprehensive assessment to evaluate the performance of the CC-ACF 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.

186. The APR will be submitted to the Secretariat for the period ending on 31 of December within 120 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, CC-ACF 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.

187. In addition to the APR, a mid-term evaluation report and terminal evaluation report will be submitted to GCF The evaluation is expected to primarily focus on assessing the implementation of the investment strategy in each target country. This assessment is intended to encompass various aspects, including the number of portfolio companies invested in by the Fund, the catalysation of private sector capital, climate resilience scores, and adaptation and mitigation metrics. Final evaluations will be conducted as the Fund reaches maturity. The end-of-programme evaluations will be conducted in adherence with GCF evaluation policies.

At project level:

188. The Team approaches portfolio monitoring in several ways:

- **Board representation.** Although the Fund generally holds minority shares in the invested companies, it usually has board representation, or, in those cases where it does not, it will at a minimum, hold an Observer position, with the right to attend every meeting and receive the same materials as what is provided to the Directors.
- **Information Rights.** CC-ACF has information rights for every investment it makes, which includes, at a minimum, quarterly financial performance results and business updates.
- **Regular communication** with co-investors, Board members and key management of each portfolio company. Depending on the monitoring needs of the specific investment, the team is in frequent contact with the portfolio company, at least monthly, but in some instances, on a bi-weekly basis. This is often at the request of the portfolio company itself.

189. To manage ESG risks and value creation opportunities in its private equity investments post investment, and subject to CC-ACF's determination of what is reasonable and appropriate for each investment, the management team will:

- **Monitor progress:** Where there are material issues identified during the diligence process, including the management of these issues in a plan to address these items post-close, or otherwise monitor ongoing progress on ESG issues, as applicable. Where management of, or performance on, a material issue is considered to need improvement, CC-ACF will work with company management to support the development of a corrective action plan.
- **Document:** In cases where material ESG-related risks and opportunities are being monitored or managed by CC-ACF, the team will document, for internal use, the issue, progress, and next steps, if any.
  Overall, during the quarterly review of the portfolio companies, the Team ascertains their compliance with ESG factors, as needed.

190. During the implementation period, CC-ACF will receive implementation reports from the project owners to track progress and identify potential issues, including improvement opportunities. This will allow the Team to conduct a review of the Fund's underlying portfolio investments to adjust when deemed necessary to the valuation of each of the investments, including write-downs of any impaired investments. Project owners will report on their specific performance indicators (e.g. tCO2e avoided, hectares benefiting from sustainable irrigation practices, etc.). The Team also plans on engaging National Designated Authorities (NDAs) by sharing progress reports on the progress of investment made in the respective countries. In turn, this will allow NDAs to support and inform project activities while enhancing country ownership and guiding in-country strategy. Information captured will be reflected in CC-ACF's MRV system to facilitate quality assurance and enable transparent reporting of results. The table below provides information on the data sources needed for measuring the various indicators as set out in sections E3 – E5 of the logical framework.

F. RISK ASSESSMENT AND MANAGEMENT

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

The following table provides an overview of the primary risk categories considered in the CC-ACF's risk assessment. These risks encompass potential challenges related to the economic, political, and operational environment, as well as specific investment-related concerns. For each identified risk, the table details its probability, potential impact, a description of the risk, and the strategies for mitigation.

Risk Factor 1: Change of political support for climate change

Category	Probability	Impact
Political	Low	High

Description

The climate strategies and commitments of target countries may not fully align with CC-ACF's investment strategy, in case of limited political will, changes in government leadership, competing national priorities, insufficient resource allocation, and reluctance to adopt necessary climate policy reforms and regulatory frameworks.

Mitigation Measure(s)

CC-ACF mitigates this risk through a pipeline selection process that explicitly aligns with established national climate strategies, NDCs, and country priorities. The investment selection and prioritisation process includes continuous assessment of political support, policy frameworks, and market and regulatory readiness, ensuring investments proceed only where there is strong alignment with policies and an enabling environment for climate technology deployment.

Risk Factor 2: Adverse impacts on ecosystems and biodiversity

Category	Probability	Impact
Environmental & Social	Medium	Medium

Description

Environmental and social risks may arise from the implementation of climate technologies, including potential adverse impacts on local ecosystems, biodiversity, land use, resource consumption, and community livelihoods. These risks could include displacement effects, unequal access to benefits, labour conditions in technology manufacturing and deployment, and unintended environmental consequences from new technology adoption and infrastructure development.

Mitigation Measure(s)

CC-ACF mitigates these risks through a comprehensive environmental and social management system (ESMS) that includes initial screening, detailed due diligence, and risk rating of all potential investments. Only Category B projects with manageable E&S impacts will proceed to investment. Active board participation and oversight will ensure proper implementation of E&S action plans, stakeholder engagement processes, and monitoring frameworks to ensure impacts are properly identified, managed, and mitigated throughout the project lifecycle, aligned with international best practices and safeguard standards.

Risk Factor 3: Investments may underperform

Category	Probability	Impact
Macroeconomic & Financial	Medium	High

Description
Macroeconomic/financial risks include potential losses from investment underperformance, market volatility, currency fluctuations, liquidity constraints, and credit risks associated with climate technology investments. Economic instability, high inflation, or recession can significantly affect company performance and the Fund's ability to achieve its target returns and maintain financial sustainability.
Mitigation Measure(s)
CC-ACF mitigates these risks through detailed financial due diligence, diversification across technologies and markets, and structured investment terms with appropriate risk-sharing mechanisms. Specifically with regards to currency fluctuations, CC-ACF will seek to invest in companies with natural currency hedge i.e. with revenues denominated in hard currencies. Active board participation and oversight ensure proper portfolio management and monitoring of financial performance. The Fund employs robust financial controls, regular portfolio reviews, and risk assessment frameworks to identify and address potential financial challenges throughout the investment lifecycle.

Risk Factor 4: Inequitable access to climate solutions

Category	**Probability**	**Impact**
Other-Impact-related	Medium	High

Description
Impact-related risks include challenges in reaching and delivering benefits to intended beneficiaries, particularly vulnerable communities, women-led businesses, and underserved populations. This includes difficulties in ensuring equitable access to climate solutions, barriers to adoption, and potential gaps in meeting beneficiary needs and preferences. Additionally, projects may underperform on emission reduction targets, affecting the Fund's ability to meet its climate mitigation objectives.
Mitigation Measure(s)
CC-ACF will implement robust impact measurement frameworks at both Fund and project-level, including gender-disaggregated monitoring data, regular monitoring and verification processes. Set clear impact KPIs and milestones. Provide guidance to portfolio companies to strengthen impact management and measurement capacity.

Risk Factor 5: Deploying climate technologies face challenges

Category	**Probability**	**Impact**
Other-Commercialisation	Medium	High

Description
Commercialisation risks encompass multiple challenges in deploying climate technologies and achieving sustainable scale. These include market adoption uncertainties and slow uptake of new technologies, complex customer acquisition and retention in nascent markets, competition from established solutions, regulatory barriers and policy uncertainties, pricing and affordability challenges for target customers, supply chain complexities, distribution channel development, and limited market infrastructure and ecosystem support.
Mitigation Measure(s)
CC-ACF addresses commercialisation risks through comprehensive strategies including detailed market analysis, strong go-to-market strategies, partnerships with established players, and policy engagement. The Fund will seek to provide hands-on support to portfolio companies in navigating commercialisation challenges as minority shareholder with active Board representation. This could include support for business development, market access, strategic partnerships, and development of appropriate pricing and distribution models.

Risk Factor 6: Technical issues in deployment

Category	Probability	Impact
Technical and operational	Medium	High
Description		
Technical and operational risks encompass both technology performance uncertainties and execution challenges. On the technical side, these include technology scalability issues, performance uncertainties, obsolescence risks, and unforeseen technical issues in deployment. Operational risks include implementation delays and cost overruns, supply chain disruptions affecting product delivery, management capacity constraints in portfolio companies, quality control issues, inadequate operational systems and processes, and challenges in maintaining operational efficiency while scaling. Additionally, human resource management, including recruitment and retention of skilled technical personnel, particularly in target countries, poses significant challenges.		
Mitigation Measure(s)		
CC-ACF addresses these risks through thorough technical due diligence, engagement of sector experts, and a staged investment approach based on technical milestones. The Fund employs active portfolio management and oversight through regular operational reviews, milestone-based monitoring, and early warning systems to identify potential issues. Guidance is provided to portfolio companies in strengthening management systems, improving operational efficiency, and developing robust business continuity plans. The Fund maintains contingency plans and flexible implementation approaches while promoting knowledge sharing and best practices across the portfolio.		
Risk Factor 7: Money laundering and terrorist financing		
Category	**Probability**	**Impact**
Reputational	Low	High
Description		
Background and integrity checks may reveal red flags related to potential investee or supply chain partners, including issues of money laundering, terrorist financing, sanctions violations, or prohibited practices that could pose significant reputational risks to both CC-ACF and GCF.		
Mitigation Measure(s)		
The Team will systematically undertake background and integrity checks on potential, new or existing Ultimate Beneficial Owner (UBO) and investee company based on the team's deep local market knowledge and network of local relationships as well as through specialized database such as World-Check. World-Check, is a well-known third-party checking system to perform sanction check/on-going monitoring to all its potential, new and existing UBO Politically Exposed Person (PEP) and investee companies. Once the potential, new and existing UBO and investee have been entered into World-Check monitoring database, World-Check system will continuously monitor the sanction status of these entities on a weekly basis as previously set by the Team. World-Check will then immediately inform the Team in case of red flag or any potential reputational risk. When above investigations are not conclusive and the team deems necessary, the team would undertake background and integrity checks through specialized external forensic consultants with deep knowledge of investigative techniques and regulatory environments. Such consultant would be competitively selected against a shortlist of suitably qualified consultants such Risk Advisory, Control Risks, Kroll etc.. . Scope of such due diligence would include: • Identity and credential verification: Confirming the authenticity of personal or corporate identities, qualifications, and licenses. • Financial background checks: Analysing financial records, credit histories, and potential red flags such as insolvency or unexplained wealth. • Legal and regulatory compliance: Reviewing involvement in litigation, regulatory breaches, sanctions, or criminal activities.		

- Reputational assessment: Investigating media reports, public records, and social media for any adverse information or controversies.
- Political and sanctions screening: Checking for links to Politically Exposed Persons (PEPs) or sanctioned entities (using widely recognized definitions such as those agreed by the International Financial Institutions Anti-Corruption Task Force).
- Criminal links and associations.

If the consultant uncovers any red flag or any potential reputational risk or any cause of concern or potential future embarrassment, the investment would be immediately terminated and dropped. In addition,
The Team proactively monitors risks throughout the project cycle. The Team maintains frequent communication with the portfolio companies, at least on a quarterly basis, to discuss risks and issues. The Team continuously monitors news media for any lawsuits or other risks related to the investee company or its UBO. In addition, the alert feature of the World-Check database keeps the Team closely informed as soon as any red flag arises with any of the portfolio company and its UBO. Furthermore, by holding a board seat in each company, we can identify and address potential risks immediately.

Risk Factor 8: Limited exit opportunities

Category	Probability	Impact
Other – Exit Risk	High	Medium

Description

Exit risks relate to uncertainties in achieving successful investment exits and meeting return expectations. These include limited exit opportunities in emerging climate technology markets, challenges in finding suitable buyers, potential misalignment between investors on exit timing and terms, valuation uncertainties, and market conditions affecting exit opportunities.

Mitigation Measure(s)

CC-ACF addresses exit risks by agreeing to exit strategies from the outset of the investment, including at least a buy-back of the exiting shareholder at a pre-agreed return. The Fund focuses on planning for multiple exit strategies, maintaining financial flexibility, and building a strong track record of business performance. This includes structuring investments with clear exit provisions, developing relationships with potential strategic buyers, and supporting portfolio companies in building robust and scalable businesses attractive to future investors. Regular assessment of exit opportunities and market conditions helps ensure optimal timing and execution of exits.

G. GCF POLICIES AND STANDARDS

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

191. The E&S risk management approach of CC-ACF follows the IFC Guidance Note on Financial Intermediaries 2023 and is in line with the Equator Principles. The applicability of IFC Performance Standards for the Programme is summarised in the Environmental and Social Management System (ESMS).

192. The Fund's comprehensive ESMS, in line with the IFC Performance Standards, the Equator Principles, and GCF Environmental and Social Safeguards (ESS), provides guidance for the identification, assessment, and management of environmental and social risks and impacts. Additionally, it outlines procedures for the preparation of site-specific instruments such as Environmental and Social Impact Assessments (ESIAs), Environmental and Social Management Plans (ESMPs), and Stakeholder Engagement Plans (SEPs).

193. Eligibility criteria outlined in the Feasibility Study exclude subprojects with high environmental and social risk (Category A), as well as activities included in the Fund's Exclusion List. This includes, inter alia, activities that impinge on lands owned by, or claimed under adjudication by, Indigenous Peoples without full documented consent, consistent with the GCF Indigenous Peoples Policy (2018). Only subprojects assessed to be Category B or C will be considered and will be subject to screening against national laws and international best practices, particularly in contexts where domestic frameworks are evolving or incomplete. Screening will incorporate a gender-sensitive approach, ensuring that projects contribute to gender equality.

194. CC-ACF will require all portfolio companies to develop Environmental and Social Action Plans (ESAPs) that outline mitigation measures tailored to the specific risks and impacts of their activities. These ESAPs will address key environmental and social considerations, such as the responsible use of natural resources, biodiversity conservation, and equitable benefit-sharing with local communities. In addition, a grievance redress mechanism will be established to enable stakeholders to raise concerns and ensure transparency and accountability in the implementation of funded activities.

195. CC-ACF will support investments in sectors including renewable energy, energy storage, smart grid infrastructure, climate-resilient agriculture, and circular economy solutions.

196. In Kazakhstan, planned activities in renewable energy and industrial decarbonisation carry potential risks related to site development, biodiversity, and noise impacts from wind farms. Social risks include land acquisition, resettlement, and engagement of local communities. The ESMS calls for early and inclusive consultations and biodiversity management plans where applicable.

197. In Mongolia, potential investments will span across multiple sectors including renewable energy, energy efficiency, waste management, industry, agriculture, and digital innovation. Planned interventions include hybrid solar and wind power generation with battery storage, smart grid enhancements, and resilient energy infrastructure. Climate-resilient infrastructure investments also include climate-smart buildings and efficient irrigation. Social and environmental risks in Mongolia are associated with land-use planning for energy infrastructure, potential impacts on peri-urban and nomadic communities, and challenges in safeguarding ecosystem health and biodiversity in fragile steppe zones.

198. In Uzbekistan, CC-ACF will invest in climate adaptation for agriculture and water management, alongside renewable energy. Environmental risks include water abstraction and wastewater management. Social risks include working with rural populations and informal labour. Investments will be assessed for water-use efficiency and inclusion of gender-responsive training and benefit-sharing.

199. To manage these risks, all portfolio companies will be required to develop Environmental and Social Action Plans (ESAPs) tailored to the specific risks of their activities. These plans will address resource use, land management, biodiversity, labour standards, and community relations. A project-level grievance redress mechanism will be established and integrated into each subproject's SEP, with clear procedures for escalation and resolution.

200. The Fund will implement a monitoring and reporting framework to track environmental and social performance across all investments, including compliance with ESAPs, gender outcomes, and climate impacts. The Fund will adopt GCF-approved methodologies for monitoring GHG emissions and resilience benefits. Stakeholder consultations, site visits, and performance indicators will guide adaptive management throughout implementation.

201. All activities financed under the Fund will be subject to GCF's Information Disclosure Policy, including public access to the ESMS and other safeguards reports, which will be disclosed in appropriate languages and formats. The Fund will ensure continuous stakeholder engagement during project implementation, with a special focus on vulnerable and marginalised groups.

202. CC-ACF will apply GCF's Sexual Exploitation, Abuse, and Harassment (SEAH) provisions, and ensure that SEAH safeguards apply to all subprojects.

203. The ESMS also includes a robust monitoring and reporting framework to track the environmental and social performance of portfolio companies. This will involve regular site visits, stakeholder consultations, and the use of key performance indicators to measure compliance with ESAPs, progress on gender equity, and climate impacts. The Fund will adopt GCF-approved methodologies for monitoring greenhouse gas (GHG) emission reductions and other environmental outcomes.

204. In line with the GCF approach to stakeholder engagement, CC-ACF requires implementing entities to ensure the effective engagement of communities, vulnerable populations, groups and individuals, indigenous peoples, local communities and other marginalised groups of people and individuals that are affected or potentially affected by Programme activities. Information related to E&S issues on activities financed in the framework of the Programme is made available in compliance with the GCF Information Disclosure Policy and shall be disclosed on the Fund's website. This includes the E&S Framework, which is made available in the languages of the partner countries.

205. Indigenous Peoples: Potential presence of Indigenous Peoples and related risks in Mongolia, Kazakhstan, and Uzbekistan have been addressed in the Environmental and Social Management System annex (Annex 6), in explicit alignment with the GCF Indigenous Peoples Policy (2018) and its Operational Guidelines (2021), in addition to IFC Performance Standard 7. The ESMS includes updated screening criteria, identification requirements, consultation procedures, and FPIC processes consistent with the GCF policy requirements.

206. All necessary measures to ensure that activities financed by the GCF are developed and implemented in such a manner that aligns with the SEAH provisions of the GCF E&S Policy. SEAH safeguarding will apply to all Subprojects.

207. Furthermore, CC-ACF considers establishing a dedicated in-house E&S and Gender function and/or appointing specialized consultants to assist addressing related issues.

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

208. **Gender-smart investing as a core principle:** The CC-ACF investment philosophy integrates gender-lens investing as a fundamental component. Recognition of gender diversity as a driver of enhanced business performance, innovation, and sustainable impact is central. The investment process, from initial opportunity identification to long-term portfolio management, is designed to actively source, support, and scale gender-smart investments.

209. **Due diligence with a gender focus**: Potential investments are evaluated through an assessment of women's representation in ownership, leadership, and workforce, as well as the potential to deliver climate technologies that specifically benefit women. Investments that create gender-smart value are prioritised, recognising the untapped potential in this space.

210. **Investment decision rooted in gender equity:** A comprehensive gender assessment framework guides the investment decision-making process. Workplace equity and safety frameworks, organisational policies, gender composition across leadership and workforce, supply chain impacts, and leadership commitment to gender equity are scrutinised. Companies that not only meet the gender assessment criteria but also demonstrate a clear commitment to strengthening their gender practices, are favoured. This commitment is prioritised throughout the investment process.

211. **Partnering for gender transformative change**: Upon investment approval, strong partnerships are established with portfolio companies to develop and implement robust Gender Action Plans (GAPs). These GAPs are strategic roadmaps with measurable targets, timelines, and accountability mechanisms. They establish clear steps towards achieving gender equity, including essential workplace policies such as anti-sexual harassment

measures, equal employment opportunities, flexible work arrangements, family leave policies, and accessible grievance mechanisms.

212. **Tracking progress, driving impact**: A monitoring and reporting framework provides a transparent and accountable mechanism for tracking progress on gender-related outcomes. Sex-disaggregated data on company workforce, leadership, and customer demographics is collected and analysed, and gender considerations are integrated into portfolio company board meetings. Regular, transparent reporting on gender-related activities, outcomes, and challenges is provided, demonstrating the tangible impact of investments in advancing gender equality across the portfolio.

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

213. The parent company, CITIC Capital Holding Limited's (CCHL), has a well-established financial management policy and procedures. The Finance Department has developed a financial management and internal control manual, which is reviewed and updated every three to four years. This manual clearly outlines the authorisation and approval process for submitted payment requests.

214. CC GSH and all its funds issue quarterly reports to limited partners (LPs) within 90 days after the end of each quarter, as well as audited financial reports annually within 120 days after the end of the fiscal year. CCHL requires all managed funds and subsidiaries to engage one of the Big Four firms for audit work. Additionally, CCHL Finance collaborates with PwC to conduct an internal audit each year, identifying key issues and providing recommendations for improvement.

G.4. Disclosure of funding proposal

Note: The Information Disclosure Policy (IDP) provides that the GCF will apply a presumption in favour of disclosure for all information and documents relating to the GCF and its funding activities. Under the IDP, 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. Information provided in confidence is one of the exceptions, but this exception should not be applied broadly to an entire document if the document contains specific, segregable portions that can be disclosed without prejudice or harm.

Indicate below whether or not the funding proposal includes confidential information.

☐ 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 containing confidential information.

H. 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)[61]
☐	Annex X	Other references

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

[61] Annex 22 is mandatory for mitigation and cross-cutting projects.

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

ҚАЗАҚСТАН РЕСПУБЛИКАСЫ
ЭКОЛОГИЯ
ЖӘНЕ ТАБИҒИ РЕСУРСТАР
МИНИСТРЛІГІ

MINISTRY
OF ECOLOGY AND NATURAL
RESOURCES OF THE
REPUBLIC OF KAZAKHSTAN

010000, Астана қ., Мәңгілік Ел данғылы, 8
«Министрліктер үйі», 15-кіреберіс
тел.: +7 7172 74-08-44

010000, Astana city, Mangilik El avenue, 8
«The House of Ministries», entrance 15
tel.: +7 7172 74-08-44

№ 04-12/4856-И
05.12.2025

To: The Green Climate Fund (GCF)

Subject: Expression of no-objection for the funding proposal titled "CC Asia Climate Fund" submitted by CC Global Services Holdings Limited under the project specific assessment approach

We refer to the funding proposal titled "CC Asia Climate Fund" in the Republic of Kazakhstan submitted by CC Global Services Holdings Limited to us on 1 December 2025 under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan and the National Designated Authority (NDA) for the Green Climate Fund.

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 focal point, 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 Kazakhstan has no-objection to the Proposal; and

(b) The Proposal is in conformity with the national priorities, strategies and plans of the Republic of Kazakhstan.

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

Notwithstanding the foregoing, we expect CC Global Services Holdings Limited 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,

Vice-minister **Mansur Oshurbayev**

000037

MONGOLIA
MINISTRY OF ENVIRONMENT
AND CLIMATE CHANGE

Government Building 12, Builder's Square,
Chingeltei District, Ulaanbaatar 15170, MONGOLIA
Tel: (976-51) 26 61 71, E-mail: contact@mecc.gov.mn,
Website: www.mecc.gov.mn

Date 2025 Sep 25
Ref. 07/4908

TO: THE GREEN CLIMATE FUND ("GCF")

Re: Expression of no-objection for the funding proposal titled "CC Asia Climate Fund" submitted by CC Global Services Holdings Limited under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "CC Asia Climate Fund" in Mongolia submitted by CC Global Services Holdings Limited to us on 14 August 2025 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of the Ministry of Environment and Climate Change, the NDA of Mongolia.

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 focal point, we hereby communicate our no-objection to the Proposal.

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

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

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

Notwithstanding the foregoing, we expect CC Global Services Holdings Limited 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,

Mr. Odkhuu Durzee
Advisor to the Minister of the Environment and Climate Change
Primary Focal Point
Mongolia

1525000621

O'ZBEKISTON RESPUBLIKASI
EKOLOGIYA VA IQLIM O'ZGARISHI
MILLIY QO'MITASI

NATIONAL COMMITTEE ON ECOLOGY
AND CLIMATE CHANGE OF THE
REPUBLIC OF UZBEKISTAN

"14" 01 2026 № 01-01/21-19 Tashkent

The Green Climate Fund ("GCF")

Expression of no-objection **for the** funding proposal **titled** "**CC Asia Climate Fund**" **submitted by CC Global Services Holdings Limited under the project specific assessment approach**

Dear Madam, Sir,

We refer to the funding proposal titled "CC Asia Climate Fund" in Uzbekistan submitted by CC Global Services Holdings Limited to us on 8 January 2026 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of National Committee on Ecology and Climate Change of the Republic of Uzbekistan, the NDA of Uzbekistan.

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 focal point, we hereby communicate our no-objection to the Proposal.

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

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

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

Notwithstanding the foregoing, we expect CC Global Services Holdings Limited 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,

Aziz Abdukhakimov

Advisor to the President, Chairperson
National Committee for Ecology and Climate Change
Republic of Uzbekistan

7A, Bunyodkor ave., Chilanzar dist., Tashkent, 100043, Uzbekistan, +998(71) 207-11-02
www.eco.gov.uz facebook.com/ecogovuz X.com/@ecogov.uz t.me/ecogovuz

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	CC Asia Climate Fund (CC-ACF)
Existence of subproject(s) to be identified after GCF Board approval	Yes
Sector (public or private)	Private
Name of Entity	CC Global Services Limited Holdings (CC GSH)
Environmental and social safeguards (ESS) category	Category I-2
Location – specific location(s) of project or target country or location(s) of programme	Kazakhstan, Mongolia, and Uzbekistan
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, Kazakh, Mongolian, and Uzbek
Explanation on language	These are the official languages within each of the target countries
Link to disclosure*	English https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-English.pdf Kazakh https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-Kazakh.pdf Mongolian

	https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-Mongolia.pdf Uzbek https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-Uzbek.pdf
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".
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	The Land Acquisition and Resettlement Framework (LARF) and Guidance for Preparing Resettlement Action Plans and the Indigenous Peoples Planning Framework (IPPF), Indigenous Peoples Screening and IPP Template are contained in the ESMS.
Date of disclosure on entity's website	Monday, February 23, 2026
Language(s) of disclosure	English, Kazakh, Mongolian, and Uzbek
Explanation on language	These are the official languages within each of the target countries
Link to disclosure*	English https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-English.pdf Kazakh https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-Kazakh.pdf Mongolian https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-Mongolia.pdf Uzbek https://www.citiccapital.com/wp-content/uploads/2026/02/ESMS-in-Uzbek.pdf
Other link(s)	N/A
Remarks	N/A
Disclosure in locations convenient to affected peoples (stakeholders)	
Date	Monday, February 23, 2026
Place	**CC Global Services Holdings Limited:** CC Asia Climate Fund Environmental and Social Management System (ESMS) CITIC Capital Holdings Limited 28/F CITIC Tover 1 Tim Mei Avenue Central Hong Kong SAR, China **Kazakhstan NDA:** Ministry of Ecology and Natural Resources

	Mangilik el ave, 8, House of Ministries, 15 entrance, office 433, Astana, Kazakhstan **Mongolia NDA:** Ministry of Environment and Climate Change Government Building II, United Nations Street-5/2, Chingeltei District, 4th Khoroo, Ulaanbaatar city 15160, Mongolia **Uzbekistan NDA:** National Committee on Ecology and Climate Change 7A, Bunyodkor ave., Chilanzar dist. Tashkent 100043 Uzbekistan
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

*****Subsequent to the disclosure of the form to the Board and Active Observers on 23 February 2026, the ESMS has minor updates for clarifications.

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

Secretariat's assessment of the project-specific assessment approach applicant and FP297

Secretariat's assessment of the applicant under the project-specific assessment approach

1. The Secretariat has assessed the document titled "**PSAA Accreditation: Application and Review Checklist**" submitted by the entity CC Global Services Holdings Limited (CC GSH) has been assessed against the GCF accreditation standards. The result of the entity capacity assessment and the Secretariat's endorsement and recommendations for GCF project-specific assessment approach (PSAA) accreditation are shown below:

Overall capacity	High The entity has a well-developed financial management system, a functioning control framework, 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 environmental and social and gender risks and impacts with a low likelihood of negative impact on the entity's ability to undertake the proposed project as designed.
Fiduciary functions	Basic fiduciary standards
	Specialized fiduciary standard for project management
	Specialized fiduciary standard for on-lending and/or blending (equity)
Maximum environmental and social risk category	Limited adverse risks (Category B/I-2)
Conditions	The following conditions have been incorporated as covenants into the term sheet (and will be included in the funded activity agreement): (a) Ensure that all the Manager's staff and any of its consultants or outsourced functions working with the CC-ACF completes the following trainings annually which will be tracked and reported to GCF through APR: i. ethics and compliance, ii. anti-bribery, iii. anti-corruption: and iv. anti-fraud. (b) Ensure that a fully anonymous whistleblowing channel will be maintained at Partnership level throughout the implementation of the Programme

2. The Secretariat has augmented its capacity by using external experts when undertaking the entity capacity assessment review.[1]

[1] In line with the PSAA accreditation 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 entity capacity assessment review.

I. Entity capacity assessment summary

1.1 Introduction and institutional assessment

3. CC Global Services Holdings Limited (CC GSH) is an exempted company incorporated in the Cayman Islands with limited liability. It was incorporated in the Cayman Islands on 5 July 2007 and is a wholly owned subsidiary of CITIC Capital Holdings Limited (CCHL), which was incorporated in Hong Kong SAR, China on 21 January 2002. CC GSH holds shares in the general partner (GP) entity for funds managed by CCHL. The broader CCHL organization is based in Hong Kong SAR, China with global offices in Beijing, New York, Shanghai, Shenzhen and Tokyo, and has assets under management amounting to USD 14 billion.

4. The ESG Group is a department within CCHL focused on sustainable investing. To date, the ESG Group has managed three funds, focusing on investments in sustainability technology, clean energy, energy efficiency, agriculture, food security and water treatment: CITIC Kazyna Investment Fund I, L.P. (fund I), CITIC Capital Silk Road Fund, L.P. (fund II) and CC Pan Eurasia Fund L.P. (fund III). The ESG Group manages these three funds under the mandate of CC GSH.

5. The ESG Group's proposed programme is a USD 150 million equity fund called the CC Asia Climate Fund (CC-ACF). The ESG Group will manage this fund under the mandate of CC GSH. The programme seeks a USD 37.5 million equity investment from GCF, which will serve as an anchor to catalyse an additional USD 112.5 million from private investors. CC-ACF is designed to address the equity financing gap for climate solutions in central Asia, with a focus on Kazakhstan, Mongolia and Uzbekistan. The primary climate rationale for the CC-ACF is to accelerate both climate mitigation and adaptation by investing in renewable energy deployment, resource efficiency and industry decarbonization, weather-resilient buildings and sustainable construction, water conservation and security, and climate-smart agriculture. The CC-ACF is intended to prioritize investments in growth-stage companies that can deliver scalable climate impact.

1.2 Methodology

6. The ESG Group submitted the first set of accreditation materials for review round #1 (completeness check) on 24 October 2025 based on the customized application form and material request. The two following review rounds took place between October and November 2025. The external review team (ERT) conducted a review of the submitted materials and an assessment of CCHL's policies, procedures, capacities, track record and human resources against the GCF accreditation standards and checklist.

7. Reference check interviews were conducted with two limited partners (LPs) who are investors in CCHL's previous funds. The interviews indicated that no issues related to the fiduciary role or other capacities of the ESG Group have been identified during the long-term partnership.

8. In addition to the desk review, the ERT conducted a site visit to CCHL's office in Hong Kong SAR, China during which the ERT validated the desk review findings, walked through processes and engaged in interviews across all areas of the assessment. Members of the ESG Group team from Hong Kong SAR, China as well as Beijing and New York offices participated in the discussions, which provided further evidence of the applicant's capacity and procedures.

9. The applicant was assessed in accordance with the GCF policies and standards to the extent applicable to accreditation below:

(a) "Updated Strategic Plan for the Green Climate Fund 2024-2027" (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 Whistle-blowers 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 (E&S) risk 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).

1.3 Contribution to the mandate of the GCF

10. The CC-ACF aims to raise USD 150 million in equity investments to provide capital to growth-stage companies delivering climate mitigation and adaptation solutions across Kazakhstan, Mongolia and Uzbekistan. In addition, the CC-ACF seeks to leverage an additional USD 1.26 billion from project partners, amplifying its impact in the region. The programme is designed to address critical financing gaps for climate technology, focusing on investments in renewable energy deployment, resource efficiency and industry decarbonization, weather-resilient buildings and sustainable construction, water conservation and security, and climate-smart agriculture. The proposed programme corresponds to GCF result areas for both mitigation and adaptation. The CC-ACF's objectives, as well as the ESG Group's mission, are closely aligned with the GCF's 2024–2027 strategic priorities and contribute to the GCF's mandate by catalysing private sector investment and accelerating the transition to low-carbon, climate-resilient development in central Asia.

1.4 Track record and implementation of similar projects

11. The ESG Group has a track record from its previous three funds:

(a) CITIC Kazyna Investment Fund I, L.P. (Fund I, established in 2010);

(b) CITIC Capital Silk Road Fund, L.P. (Fund II, established in 2016); and

(c) CC Pan Eurasia Fund L.P. (Fund III, established in 2021).

12. Through the operation of these three funds, the ESG Group has invested in a total of 18 projects across the world with total investments amounting to USD 270 million. The new fund, CC-ACF, will have a narrower geographic scope, focusing solely on Kazakhstan, Mongolia and Uzbekistan. The ESG Group has a track record in applying environmental and social safeguards (ESS), particularly in Fund III where these were formalized, but does not have a track record in applying full gender considerations in line with GCF standards. The members of the ESG Group collectively bring strong track records in international investment management, sectoral

experience in relevant fields for CC-ACF and experience working with multilateral development banks.

1.5 Legal status, registration, permits and licences

13. As an exempted entity, CC GSH is not subject to regulatory licensing requirements in the Cayman Islands, but it operates under the internal control and compliance framework established by CCHL. For the purposes of managing the new fund (CC-ACF), CC GSH will establish a fully owned new entity, CC Asia Climate GP Ltd, that acts as the GP.

II. Accreditation assessment

2.1 Basic fiduciary standards

2.1.1. Key administrative and financial capacities

14. CC GSH is a wholly owned subsidiary of CCHL and holds shares in the GP entity for funds managed by CCHL. CC GSH operates under the internal control and compliance framework established by CCHL. The CCHL governance structure includes a board of directors, an audit committee comprising directors of CCHL and an executive committee comprising senior management of CCHL, which together provide strategic and operational oversight across departments and managed funds.

15. The ESG Group operates as a dedicated department within CCHL and is focused on sustainable investing. The head of the ESG Group is responsible for the execution, day-to-day operations and investment activities of the ESG Group and its managed funds. Oversight at the fund level is provided by the two-person investment committee, which is composed of the head of the ESG Group and the CCHL chief financial officer. There are no independent members on the investment committee but CC-ACF will establish a limited partners advisory committee where GCF will have the right to nominate a person. The investment committee has remained stable across the three funds implemented by the ESG Group. The organizational structure and reporting lines are clearly documented, with the ESG Group reporting to the CCHL executive committee.

16. As at 2025, the ESG Group consists of five employees, following a recent centralization of secretarial and financial functions at CCHL that resulted in the reduction of three roles (secretary, financial officer and administrative staff) from the ESG Group team. As the ESG Group's team is relatively lean, all members are actively involved in deal sourcing, due diligence and monitoring. The ESG Group is supported by CCHL's centralized functions for legal, finance, compliance, company secretarial and human resources. The ESG Group is able to expand its capacity for the upcoming fund by allocating dedicated resources or subcontracting for ESG and gender-related responsibilities.

17. CCHL's internal control framework is documented in the General Compliance Manual and other policies. CCHL has a segregation of duties across investment, payment processing and financial reporting. However, due to investment decisions being made solely by the two-person investment committee, there is limited segregation of duties in relation to investment decisions and oversight.

18. At the institutional level, CCHL has processes in place to identify, assess, analyse and provide a basis for proactive risk management. Likewise, at the fund level, the ESG Group deal team works closely with the compliance team and the finance team as well as with the portfolio companies to manage risks proactively.

19. The audit committee, authorized by the board of directors, oversees the internal and external audit functions. External audits are performed on the CCHL and fund levels by external service providers (Big Four accounting firms). According to interviews and supported by documentation, CC GSH is audited as part of the CCHL group audit. CC GSH' unaudited financial statements were provided to the ERT. No audit statement is available on the financial statements of CC GSH as a separate entity. The internal audit of CCHL is outsourced to an external service provider (Big Four accounting firm). The internal audit of CCHL covers the operations of the ESG Group as evidenced by the recent internal audit report.

20. Financial administration for the funds is outsourced to Alter Domus, a third-party fund administrator responsible for fund accounting, bookkeeping, capital calls, formal investor reporting, and anti-money-laundering/"know-your-customer" compliance. The CCHL finance team reviews the work of Alter Domus, provides documentation and maintains internal controls. Financial statements for the funds are prepared in accordance with International Financial Reporting Standards and are audited annually by Big Four accounting firms, as mentioned above. Audit reports are shared with investors as part of the annual reporting package.

21. CCHL has two policies that govern procurement, covering approval authorities and requirements for quotations or competitive bids based on financial thresholds. The ESG Group mainly procures only external consultants (for due diligence) and thus individual procurements are not of significant value. Oversight for procurements is provided by the ESG Group, which reviews the deliverables from consultants, and approvals are given by the investment committee. Procurements or procurement policies are not publicly disclosed.

22. Overall, the ESG Group demonstrates a strong capacity in administrative and financial management.

2.1.2. Transparency and accountability

23. CCHL maintains ethical standards through a comprehensive General Compliance Manual and code of conduct, both of which are provided to all employees upon hiring. The code of conduct defines expected ethical behaviour for all staff. By signing their employment contracts, employees contractually agree to the provisions in the General Compliance Manual, which includes the code of conduct. Employees are required to complete a disclosure form every six months to confirm their compliance with the General Compliance Manual. Some staff, mostly in management positions, also attend annual compliance training. However, these training sessions are not required or organized for all staff. Although CCHL does not have a separate ethics committee, the compliance and human resources departments oversee ethical matters and report directly to the executive committee.

24. Conflicts of interest are addressed in the General Compliance Manual, which requires staff to avoid situations that may give rise to conflicts and to report any actual or perceived conflicts to the legal and compliance department. The compliance team monitors staff investment accounts monthly to ensure compliance with the General Compliance Manual. Sanctions for non-disclosure or breaches of conflict of interest policies are clearly outlined and may include disciplinary action and even dismissal.

25. CCHL maintains a zero-tolerance policy for fraud, bribery, money-laundering and corruption, as articulated in the General Compliance Manual and its code of conduct. Staff are encouraged to report suspected ethics violations or misconduct either directly to their supervisors, the head of the legal and compliance department or using a whistle-blowing form. The current whistle-blowing channels do not provide an option for fully anonymous reporting. For the proposed programme, CC GSH will establish and maintain a fully anonymous whistle-blowing channel throughout the implementation of the programme. All reports are investigated by the head of the legal and compliance department, who may involve third parties as needed.

The General Compliance Manual outlines procedures for handling complaints, investigations and record retention. There is no separate investigations function, instead the head of the legal and compliance department is responsible for investigating allegations of misconduct, fraud and corruption. No whistle-blowing cases have been reported to date.

26. Grievance redress mechanisms are in place at both the fund and portfolio company level. The ESG Group provides an email contact point for its grievance mechanism on its website and requires portfolio companies to establish similar mechanisms. At the fund level, anonymous reporting is not currently supported. The ESG Group has not established procedures to verify the effectiveness of portfolio company mechanisms. No grievance cases have been reported to the ESG Group or to portfolio companies to date, according to interviews.

2.2 Specialized fiduciary standards

2.2.1. Project management

27. The ESG Group's investment process has been developed over the lifecycle of the previous three funds.

28. Prospective portfolio companies are first identified during the deal sourcing phase, leveraging the ESG Group's network across Asia and central Asia. Initial screening is conducted against set criteria, including sector relevance, financial metrics and management team quality. A preliminary investment memorandum is then drafted and presented to the investment committee. Upon approval, a full due diligence process is started, covering commercial, legal, tax, accounting and environmental aspects. External service providers are used as needed. After the due diligence process has been completed, a final investment memo is prepared for approval of the investment committee. Once approved, final terms and legal documents are negotiated.

29. The track record of investments in Funds I–III demonstrates the ESG Group's ability to originate, manage and monitor investment portfolios. The ESG Group typically takes minority positions but maintains close communication with portfolio companies throughout the investment lifecycle, often holding board seats in the portfolio companies. The team advises portfolio companies on operational and strategic matters, including annual planning and risk management, and is actively involved in monitoring company performance.

30. The investment committee is responsible for monitoring fund performance and evaluating portfolio returns. Quarterly financial and operational reporting, as well as annual ESG reporting, are shared with LPs. Although there is no dedicated monitoring and evaluation function, the investment team is responsible for ongoing oversight, with annual site visits and direct engagement with portfolio company management.

2.2.2. Grant award and/or funding allocation mechanisms

31. The applicant did not apply for this category.

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

32. The ESG Group has demonstrated experience of managing resources from government and semi-government institutions, including multilateral development banks and sovereign wealth funds, across three funds with a total investment of USD 270 million. The ESG Group invests primarily in equity and convertible bonds in growth-stage companies across the world. The funds do not engage in on-lending, blending or the provision of guarantees.

2.3 Environmental and social safeguards

33. The ESG Group has demonstrated a track record of applying formal ESS in their previous funds.

34. The ESG Group has a comprehensive framework for ESS at the fund level, which is underpinned by its ESG Management Handbook. The handbook was originally developed for Fund III in collaboration with the Asian Infrastructure Investment Bank. Prior to Fund III, although the ESG Group prioritized sustainable investments, its ESS procedures and documentation were not fully formalized. The ESG Management Handbook outlines the approach to integrating ESS considerations into all investment activities. It details policies, roles and procedures for screening, due diligence, monitoring and reporting, and ensuring compliance with international standards. The handbook includes practical tools and templates to support systematic ESS management and continuous improvement across the Fund III portfolio. For CC-ACF, the ESG Group intends to update and further tailor its ESG Management Handbook, ensuring alignment with GCF policies.

35. At the fund level, the E&S framework is operationalized through a structured investment process. Due diligence is conducted first internally and then with the support of external consultants. There are currently no staff dedicated solely to E&S risk issues within the ESG Group. The ESG Group uses an ESG risk assessment tool to identify and categorize E&S risks early in the due diligence process. The ESG Group does not invest in high-risk (Category A) projects. The ESG Group ensures that portfolio companies comply with E&S risk requirements through contractual obligations and ongoing monitoring. Due to the size of the ESG Group, there is no dedicated monitoring and evaluation function. There is also no independent evaluation body or function. Ongoing monitoring is maintained through board participation, quarterly reporting from portfolio companies and regular follow-up on action plans. Since Fund III was opened, the ESG Group has issued an annual E&S risk update but, to date, annual independent E&S risk audits have not been conducted.

36. Both Fund III and its portfolio companies are required to maintain a grievance redress mechanism. Reporting and information disclosure practices include maintaining an ESG Group-specific web page under the CCHL website and issuing quarterly reports to LPs. Recent samples of LP reporting, however, lacked specific E&S risk updates. During interviews, the ESG Group described the public consultation process ongoing currently in relation to one pipeline project in Kazakhstan. The ESG Group has also indicated that it is open to further expanding its information disclosure practices if required by GCF.

2.4 Gender

37. The ESG Group does not have a proven track record of integrating gender considerations into Funds I–III. In those funds, the ESG Group has not had a formally documented procedure for addressing gender issues. However, regarding the planned CC-ACF operations, the ESG Group has made notable progress in integrating gender considerations into the fund processes. For example, it has developed a gender assessment and gender action plan, which sets out institutional arrangements, accountability structures and operational guidelines for gender-responsive investment, due diligence and monitoring. Portfolio companies will be contractually required to report annually on gender indicators, and CC-ACF plans to track key metrics such as the workforce composition, percentage of women in management and technical roles, the gender pay gap and the status of grievance mechanisms. The ESG Group also plans to allocate dedicated resources or use external expertise to support the implementation of gender-related activities and training.

III. Conclusions and recommendations

3.1 Conclusions

38. On the basis of this assessment, the ESG Group demonstrates a high level of capacity to implement the proposed CC-ACF and manage the GCF-funded activities in alignment with the relevant GCF policies. CC GSH is considered to have the legal status needed to implement the CC-ACF, in accordance with the PSAA pilot framework requirements.

39. With respect to the assessed GCF standards, CC GSH is considered to meet most of the assessed GCF's basic fiduciary standards, specialized fiduciary standards, ESS and gender standards. The assessment identified the following differences compared with the GCF standards:

(a) The applicant meets the requirements of the GCF basic fiduciary standards and partly meets the GCF Policy on the Protection of Whistle-blowers and Witnesses. The applicant meets the requirements of the GCF Policy on Prohibited Practices and the GCF AML/CFT Policy, as well as the specialized fiduciary standard for project management to the extent applicable to PSAA and the funding proposal;

(b) The applicant meets the GCF Revised Environmental and Social Policy and GCF interim ESS standards, and partly meets 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) to the extent applicable to PSAA accreditation; and

(c) The applicant has demonstrated its capacity to develop and 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. However, the applicant does not have a track record of applying gender considerations to previous funds. The applicant also currently has limited in-house capacity to implement its gender approach, which will be compensated for through the use of external expertise.

3.2 Recommendations on project-specific accreditation

40. **Accreditation type**: PSAA

41. **Fiduciary functions:** Basic fiduciary standards, specialized fiduciary standards for project management, specialized fiduciary standards for on-lending and/or blending (equity)

42. **Maximum environmental and social risk category**: B/I-2

43. **Remarks**:

(a) Policies, guidelines and charter documents should be updated periodically to ensure they are up to date and in line with activities;

(b) An independent evaluation body or function should be set up. Alternatively, an independent consultant can carry out evaluations; and

(c) The applicant should demonstrate that gender processes and considerations have been duly applied in the deal sourcing phase.

44. **Conditions:** The following covenants have been incorporated as into the term sheet (and will be included in the funded activity agreement):

(a) Ensure that all the Manager's staff and any of its consultants or outsourced functions working with CC-ACF completes the following trainings annually which will be tracked and reported to GCF through APR:

(i) ethics and compliance,

(ii) anti-bribery,

(iii) anti-corruption: and

(iv) anti-fraud.

(b) Ensure that a fully anonymous whistleblowing channel will be maintained at Partnership level throughout the implementation of the Programme

Independent Technical Advisory Panel's assessment of FP297

Proposal name:	CC Asia Climate Fund (CC-ACF)
Accredited entity:	CC Global Services Holdings Limited (CC GSH)
Countries:	Kazakhstan, Mongolia, Uzbekistan
Project/programme size:	Medium

I. Assessment of the independent Technical Advisory Panel (iTAP)

1.1 Overview

1. The CC Asia Climate Fund (CC-ACF) is a proposed multi-country private equity fund targeting climate mitigation and adaptation investments in Kazakhstan, Mongolia and Uzbekistan. The programme is submitted under the project-specific assessment approach by CC Global Services Holdings Limited (CC GSH) as the accredited entity (AE). The funding proposal seeks up to USD 37.5 million as an equity commitment from GCF, representing up to 25 per cent of the CC-ACF target size of USD 150 million, with the balance to be mobilized from co-investors.

2. The CC-ACF is structured as a closed-ended private equity vehicle with a proposed tenor of ten years, extendable by up to two additional one-year periods. The CC-ACF is intended to make approximately 10–12 growth-stage investments across a range of climate-relevant sectors, including renewable energy generation and storage, energy- and resource-efficient buildings, waste and circular economy solutions, climate-smart agriculture and water-related investments. The CC-ACF would take minority equity positions, with an emphasis on active ownership through board representation and engagement on operational, environmental, social and governance (ESG) and climate performance.

3. The CC-ACF has a differentiated capital structure comprising two classes of limited partners: commercial and private sector investors participate through class A interests; while multilateral development bank (MDBs), sovereign investors and the general partner (GP) commitment participate through class B interests. The GCF provides concessional capital through first-loss participation.

4. Under the distribution waterfall, losses are to be allocated first to the GCF's first-loss tranche. Class A investors benefit from loss protection provided by GCF participation, while class B investors are not protected from losses but remain senior to GCF. In the return-of-capital phase, class A investors recover capital prior to the GCF tranche, after which the GCF recovers its contributed capital to the extent permitted by the performance of the CC-ACF. Once all contributed capital has been repaid, profits are distributed on a pari passu basis across all limited partner classes.

5. The programme targets both mitigation and adaptation outcomes. On mitigation, the indicative portfolio for the CC-ACF as set out in the funding proposal focuses primarily on decarbonization of energy systems, industrial processes, buildings and waste management in highly carbon-intensive economies. On adaptation, investments by CC-ACF are linked to climate-resilient infrastructure, water efficiency and agricultural productivity, particularly in regions exposed to drought and extreme temperatures, and resource scarcity. The proposal presents aggregate projections of reductions in greenhouse gas (GHG) emissions and beneficiary reach over a long-term horizon; however, as with most fund-based interventions, these projections are inherently dependent on future portfolio composition and therefore subject to material uncertainty at the appraisal stage.

6. The CC-ACF is positioned as addressing a perceived equity financing gap in Central Asia, where climate finance has historically been dominated by debt instruments and public sector lending. The applicant (the AE) states that growth-stage equity remains scarce, particularly for capital-intensive technologies such as battery energy storage, hybrid renewable systems and waste-to-energy projects that require risk capital prior to reaching bankability. CC-ACF is presented as a vehicle capable of bridging this "missing middle" by providing longer-term equity capital combined with active governance and technical oversight.

7. The investor base is expected to comprise mainly of development finance institutions, public or quasi-public investors and impact-oriented capital, with more limited participation from fully commercial private investors. Although the CC-ACF would be among the larger climate-focused private equity vehicles operating in Central Asia, it is modest in scale relative to the breadth of countries and sectors targeted, which has implications for portfolio concentration and diversification.

8. CC GSH is affiliated with CITIC Capital and builds on the firm's prior experience managing ESG-oriented funds in the region, although CC-ACF represents its first dedicated climate-focused fund. The funding proposal states that CC-ACF will draw on the CITIC Capital ESG platform and proposes leveraging its regional investment experience, sectoral expertise and institutional relationships to originate and execute transactions across the three target countries. The applicant indicates that the CC-ACF's strategy was developed through consultations with national designated authorities (NDAs) and other stakeholders and that investments will be aligned with national climate strategies and updated nationally determined contributions (NDCs).

9. The applicant has secured no-objection letters (NOLs) from Kazakhstan, Mongolia and Uzbekistan, enabling GCF participation in those jurisdictions. As structured, GCF capital will be ring-fenced for investments in the targeted countries, with legal and financial segregation from any non-eligible investments. Although this approach provides clarity on use of proceeds and compliance with GCF requirements, it also implies that the CC-ACF's overall diversification, deployment flexibility and risk–return profile for GCF will be shaped by the depth and pacing of investable opportunities in a relatively small set of markets.

10. The proposal has been submitted under the project-specific assessment approach, under which the GCF Secretariat has assessed the institutional capacity and fiduciary, environmental and social systems of the AE. Accordingly, this independent Technical Advisory Panel (iTAP) review focuses on the CC-ACF's alignment with GCF investment criteria, and assumes that the GCF Secretariat's due diligence has affirmed the adequacy of the proponent's institutional and fiduciary capacity.

11. Key fund terms and conditions

Legal structure	CC Asia Climate Fund (CC-ACF), a closed-ended private equity fund (jurisdiction and final legal form as proposed in the funding proposal)
Target fund size	USD 150 million
GCF commitment	Up to USD 37.5 million (maximum 25 per cent of total fund size); equity
Investment period	Approximately five years from final close
Fund term	Ten years, with up to two one-year extensions (maximum 12 years)
Management fee	As proposed in the funding proposal (subject to final fund documentation)
Investment strategy	Minority equity investments (and selected quasi-equity/debt-like instruments) in climate mitigation and adaptation sectors
Geographic focus	Kazakhstan, Mongolia, and Uzbekistan (GCF investments restricted to countries that have provided no-objection letters)
Sector focus	Renewable energy and storage; energy- and resource-efficient buildings; waste and circular economy; transport; selected agriculture and water investments

Number of investments	10–12 portfolio companies
Governance	Governed by the general partner; an environmental, social and governance (ESG) and climate committee will oversee climate and ESG processes; a limited partner advisory committee will be established (GCF participation as proposed)
Climate governance	Climate eligibility screening and impact assessment integrated into investment process, supported by the ESG and climate committee

1.2 Impact potential *Scale: Medium*

12. The CC-ACF is designed as a cross-cutting investment programme targeting multiple climate-relevant sectors across Kazakhstan, Mongolia and Uzbekistan, including renewable energy deployment, resource efficiency and industrial decarbonization, climate-resilient buildings and sustainable construction, water conservation and security, and selected climate-smart agriculture interventions. These sectors are well aligned with the GCF mitigation and adaptation results areas and address material sources of GHG emissions and climate vulnerability in economies that remain heavily dependent on fossil fuels and exposed to physical climate risks.

13. On the basis of the indicative pipeline of 10–12 subprojects, the funding proposal projects aggregate mitigation impacts of approximately 8.9 million tonnes of carbon dioxide equivalent (Mt CO_2 eq) over a 25-year project lifespan, alongside adaptation benefits reaching an estimated 464,396 beneficiaries (137,020 direct and 327,376 indirect). The applicant estimates an implied cost of carbon abatement of approximately USD 13.18 per t CO_2 eq, which is competitive relative to comparable mitigation interventions in the region. Avoided emissions are calculated against baseline scenarios dominated by electricity generation using fossil fuels, with mitigation impacts to be validated during due diligence using internationally recognized methodologies (e.g. consistent with those provided by the Intergovernmental Panel on Climate Change), supported by independent technical verification.

14. The iTAP acknowledges that these estimates are presented as conservative, reflecting the pipeline-based nature of the proposal and the intention to prioritize projects during subsequent screening and due diligence. The portfolio approach spans multiple mitigation result areas (MRAs), namely energy generation and access (MRA1); buildings, cities, industries and appliances (MRA3); and forestry and land use (MRA4). It also integrates adaptation co-benefits across agriculture, water management and resilient infrastructure. Dedicated adaptation-oriented investments, particularly in climate-smart agriculture and efficient irrigation systems, are expected to enhance food and water security, improve farm productivity, and strengthen resilience to droughts and floods. In addition, several mitigation-focused investments (such as renewable energy systems, microgrids, battery energy storage, energy-efficient buildings and waste-to-energy) are credibly characterized as cross-cutting, given their contribution to energy security, grid resilience, public health and reduced vulnerability to climate shocks.

15. At the same time, as with many investment fund structures, the ex-ante assessment of impact potential is inherently constrained because of the uncertainty regarding the composition of the final portfolio. Although the indicative pipeline provides useful insight about the intentions of the programme, actual outcomes will depend on success in originating projects, investment selection, and execution across diverse sectors and country contexts. For this reason, the iTAP places particular emphasis on the quality of the CC-ACF's climate screening framework and governance arrangements, rather than on headline impact projections alone.

16. The applicant has articulated a structured approach to climate eligibility and impact assessment at the transaction level, which the iTAP considers broadly adequate. However, the framework does not clearly demonstrate that climate considerations have formal primacy in investment decision-making where trade-offs arise between financial performance and climate additionality. This creates a familiar risk in commercially oriented funds: that projects with strong financial returns but marginal climate benefits could be advanced, while opportunities

with potentially higher mitigation or adaptation value but more modest economics may be deprioritized. Stronger evidence in the funding proposal of climate "stop–go" authority within the investment governance process would increase confidence in the integrity of impact delivery.

17. Overall, the iTAP assesses the impact potential of the CC-ACF as Medium. The programme is well aligned with GCF result areas, targets sectors of clear climate relevance and is likely to deliver meaningful mitigation and adaptation benefits at the individual project level in countries with substantial decarbonization and resilience needs. However, confidence in the scale and consistency of impact is moderated by several factors, including the inherent uncertainty associated with a fund-level, pipeline-based approach; governance limitations around the prioritization of climate outcomes where trade-offs arise; and the relatively small number of expected investments (10–12) spread across multiple large and heterogeneous markets, which limits the likelihood of achieving material, system-level change. In addition, the investor base is dominated by development finance institutions (DFIs) and other mission-oriented institutions, which constrains the extent to which the programme can be expected to catalyse broader private capital or deliver a strong demonstration effect beyond the funded transactions themselves.

1.3 Paradigm shift potential *Scale: Medium*

18. The programme articulates a coherent theory of change centred on demonstration, early adoption and the commercial scaling of climate-relevant technologies in markets characterized by high fossil-fuel dependence and limited exposure to climate-aligned investment. If successfully implemented, the CC-ACF could contribute to incremental shifts in how climate solutions are perceived, financed and deployed in the target countries.

19. A key strength of the programme lies in its ambition to act as an early mover in introducing and scaling technologies – whether homegrown or transferred from third-party markets – that have the potential to bridge the gap between commercial viability and climate impact. The programme's focus on growth-stage companies, combined with active ownership and capacity-building support, could help to demonstrate that climate-aligned business models can be both bankable and scalable in challenging market contexts. The iTAP acknowledges that such demonstration effects, if credible and visible, can play an important role in reducing perceived risks and supporting replication beyond the CC-ACF's direct investments.

20. The programme also presents a plausible pathway for replication, particularly within Central Asia, where similar structural constraints, technology gaps and climate vulnerabilities prevail. CC-ACF's additionality is anchored in the applicant's capacity to identify relevant technologies, partner with solution providers and adapt these solutions to local conditions. If the programme succeeds in scaling up a small number of commercially viable climate investments, it may help establish reference cases that other investors, public or private, can build upon over time.

21. From a sectoral perspective, investments under this programme in renewable energy systems (including hybrid solar and wind with battery energy storage), energy efficiency, resilient buildings, water management and climate-smart agriculture are aligned with national priorities and address essential mitigation and adaptation needs. The iTAP recognizes the potential value of deploying next-generation technologies that reduce reliance on fossil fuels, improve energy security and enhance resilience in agriculture, water and infrastructure systems exposed to climate shocks. These interventions, if executed well, could strengthen confidence in low-carbon and climate-resilient solutions in markets where legacy technologies and practices remain dominant.

22. The emphasis of the CC-ACF is on hands-on engagement with portfolio companies (including board participation, governance improvements, and alignment with international ESG and climate frameworks), which also supports the paradigm shift narrative of the proposal. With sustainability considerations embedded into corporate governance and operational practices, the CC-ACF is intended to enhance long-term enterprise value while delivering

climate and social co-benefits. Such an approach may help professionalize climate-relevant small and medium-sized enterprises (SMEs) and improve their readiness to access follow-on capital.

23. However, despite these positive features, the iTAP considers that the programme's ability to catalyse market-wide transformation is constrained by several structural factors, as follows. The CC-ACF is expected to make a relatively small number of investments (10–12) across multiple countries and sectors, which limits the depth of engagement within any single market or value chain. This lack of breadth increases the risk that impacts remain concentrated at the transaction level, with limited spillover into broader financial systems or sustained changes in local investment behaviour.

24. In addition, although the programme aspires to crowd in private capital over time, the current investor base is predominantly composed of DFIs, MDBs and other mission-oriented institutions. The limited participation of domestic institutional investors or fully commercial capital tempers expectations regarding the capability of the CC-ACF to shift local capital allocation patterns or reduce dependence on concessional finance in future fund vintages. As such, the paradigm shift effect is more likely to be incremental and demonstrative than transformative.

25. The iTAP also notes that, although the proposal articulates a structured approach to climate eligibility and impact assessment, it remains unclear whether climate considerations would have formal primacy in investment decision-making where trade-offs arise between financial performance and climate additionality. Stronger governance mechanisms in this area for the CC-ACF would have enhanced confidence that paradigm shift objectives are consistently prioritized.

26. A further paradigm shift consideration relates to exit risk in low-liquidity markets. The CC-ACF is intended to deploy substantial amounts of capital in jurisdictions where private equity exit pathways remain limited, underdeveloped, or episodic. Although the CC-ACF will primarily take minority positions and there are a range of contemplated exit strategies articulated in the funding proposal (including strategic sales, sponsor buyouts, refinancing and trade sales), the depth and repeatability of these pathways in markets such as Kazakhstan, Mongolia and Uzbekistan remains uncertain. Exit performance is an essential determinant of whether early demonstration funds ultimately catalyse follow-on capital or, conversely, reinforce perceptions of structural risk.

27. In response to iTAP questions, the applicant highlighted its prior experience of exiting investments in similar market environments, including the use of contractual protections and negotiated exit rights at entry. The iTAP views these mitigants as necessary and appropriate, and acknowledges that minority structures with well-designed shareholder agreements can preserve optionality. However, such mechanisms do not fully offset the systemic constraint posed by thin capital markets and limited pools of strategic acquirers, particularly for climate-focused assets that may not yet be widely understood or valued by local buyers.

28. From a paradigm shift perspective, the credibility of exits matters not only for fund-level performance but also for market signalling. Weak or delayed exits could dampen investor confidence and undermine the broader demonstration effect that the programme seeks to achieve. Conversely, a small number of visible, successful exits could meaningfully improve perceptions of climate-aligned investments in the region. Given the size of the proposed fund and the scale of GCF participation, the iTAP considers exit execution to be a material risk factor that warrants close monitoring.

29. In summary, the proposed CC-ACF is a credible demonstration-oriented model that could contribute to incremental market learning, technology adoption and improved confidence in climate-aligned investments in its target countries. These elements justify a paradigm shift rating of Medium. However, limitations related to scale, concentration, local capital mobilization and systemic market influence constrain the likelihood that the programme alone will deliver a step change in how climate finance is mobilized and deployed across the region.

1.4 Sustainable development potential *Scale: Medium to High*

30. The programme is designed to deliver a broad set of environmental, social and economic co-benefits alongside its mitigation and adaptation objectives, and it targets sectors where climate investments are closely intertwined with development outcomes in the target countries of Kazakhstan, Mongolia and Uzbekistan.

31. **Environmental co-benefits**. The proposed interventions of the programme are expected to generate meaningful environmental co-benefits through both mitigation- and adaptation-oriented investments. In agriculture and water-related activities, the programme supports climate-smart agricultural practices and improved irrigation technologies that aim to address soil degradation, inefficient water use and climate-related productivity risks. In the energy, industry and waste sectors, investments are expected to reduce reliance on electricity generated using fossil fuels, improve resource efficiency and strengthen waste management practices, with positive spillover benefits for air quality, water quality and ecosystem health. Collectively, these interventions have the potential to deliver tangible environmental improvements beyond reductions in GHG emissions, particularly in regions facing increasing climate stress and resource constraints.

32. **Social co-benefits**. The programme is expected to contribute to improving livelihoods and social outcomes, particularly in rural and climate-vulnerable communities. Investments in climate-smart agriculture and water efficiency are anticipated to support food security and income stability for farmers and small producers; while improving access to reliable and cleaner energy can enhance service delivery and resilience for households and small businesses. The proposal incorporates a gender-responsive approach, including commitments to promote women's economic participation, improve working conditions and support leadership opportunities for women within portfolio companies. Although the scale of these benefits will depend on the composition of the portfolio, the iTAP considers the proposed approach to gender and social inclusion to be appropriate and credible at the programme level.

33. **Economic co-benefits**. CC-ACF is expected to generate economic co-benefits through job creation, increased productivity and strengthened local value chains across the energy, industry, waste and agriculture sectors. Energy efficiency and renewable energy investments may reduce operating costs for businesses and households; while climate-smart agricultural practices can increase yields and resilience, contributing to income growth and food security. By engaging local partners and companies, the programme has the potential to build technical capacity and business skills that persist beyond the life of individual investments, supporting longer-term economic development.

34. **Alignment with the Sustainable Development Goals (SDGs) and national priorities**. The programme is broadly aligned with several SDGs, namely SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG 11 (sustainable cities and communities), SDG 12 (responsible consumption and production), SDG 13 (climate action) and SDG 15 (life on land). These alignments are consistent with the stated priorities of the relevant NDAs and reinforce the programme's contribution to integrating climate and development outcomes.

35. Although the design of the programme points to a strong set of potential co-benefits, the iTAP notes that the realization of sustainable development outcomes will depend on the investments selected, the quality of execution and the depth of engagement with portfolio companies. As with other fund-based interventions, outcomes cannot be fully assured ex ante and will vary across sectors and geographies. Nonetheless, based on the sectors to be targeted, the integration of environmental and social considerations into the investment approach, and the applicant's track record in clean technology and renewable energy investments, the iTAP considers the sustainable development potential for CC-ACF to be above average, warranting a Medium-High rating.

1.5 Needs of the recipient *Scale: Medium to High*

36. Kazakhstan, Mongolia and Uzbekistan face material climate vulnerabilities and structural constraints that limit their ability to mobilize private capital for climate mitigation and adaptation, particularly for growth-stage SMEs operating in capital-intensive or technology-driven sectors.

37. **Climate vulnerability and exposure**. Despite their different income levels and institutional capacities, the three target countries share common climate stressors, including rising temperatures, increasing water scarcity, desertification and heightened exposure to climate variability. These pressures disproportionately affect energy systems, agriculture, water management and industrial processes. Adaptation readiness indicators highlight these challenges: Uzbekistan and Mongolia rank below the global average on the ND-GAIN Index Country Rankings, reflecting ongoing constraints in governance, infrastructure and economic resilience; while Kazakhstan, although comparatively stronger, still faces significant transition risks linked to its energy mix and water dependency.

38. **Financing gaps and barriers to private investment**. A central constraint across the target countries is the limited availability of risk-tolerant capital for climate-aligned investments. SMEs face acute financing gaps, particularly for the type of equity and quasi-equity instruments needed for commercializing and scaling up climate technologies. Climate finance in Kazakhstan and Uzbekistan remains overwhelmingly debt-based, with equity accounting for less than one per cent of total climate finance – far below global benchmarks and well below levels considered necessary to support net zero emissions pathways. This imbalance constrains innovation, limits business growth and reinforces investor risk aversion, particularly in sectors such as renewable energy, resource efficiency, water management and climate-smart agriculture.

39. **Institutional and capacity constraints**. In addition to financing gaps, institutional and technical capacity limitations remain a binding constraint. Although climate strategies and policy frameworks are evolving, legally binding net zero commitments and robust implementation mechanisms are still emerging. SMEs often lack access to the technical expertise, international best practices and operational support needed for managing climate risks, complying with global standards and attracting follow-on investment. The programme's focus on combining capital deployment with hands-on engagement and knowledge transfer responds to these gaps, particularly in markets where demonstration effects can help shift perceptions of risk and viability.

40. CC-ACF is positioned to address these needs because it targets sectors that are both climate-critical and undercapitalized, and because it will provide equity and structured finance instruments that are scarce in the target markets. By focusing on commercially oriented, growth-stage investments, the programme seeks to demonstrate that climate-aligned business models can be viable in challenging market contexts, thereby reducing perceived risk and improving access to capital for similar enterprises over time. The emphasis on building technical capacity within portfolio companies and engaging local stakeholders further strengthens the relevance of the programme to the needs of the recipient country.

41. Although the programme responds to genuine financing and capacity gaps, the iTAP notes that needs vary across the three countries, with Kazakhstan exhibiting stronger institutional capacity and market depth than Mongolia or Uzbekistan. As such, the additionality of concessional finance may differ by country and sector. Moreover, addressing systemic constraints will require sustained policy engagement and broader market development beyond the scope of a single fund. On balance, however, given the scale of the unmet equity financing needs, the vulnerability of key sectors and the limited availability of alternative instruments, the iTAP considers the programme's alignment with the needs of the recipient to be above average, justifying a Medium to High rating.

1.6 Country ownership *Scale: Medium*

42. The programme demonstrates strong formal alignment with national climate priorities across Kazakhstan, Mongolia and Uzbekistan, supported by the level of engagement with NDAs during the preparation of the funding proposal. At the same time, questions remain regarding the depth of domestic financial participation and the extent to which the CC-ACF can credibly catalyse local capital markets, rather than operate primarily as an externally anchored investment vehicle.

43. The programme is clearly aligned with the climate strategies and NDCs of all three beneficiary countries. In Kazakhstan, the CC-ACF would support the objectives of NDC 3.0 and the country's strategy for achieving carbon neutrality by 2060, particularly the scaling up of renewable energy, energy efficiency improvements and water-related adaptation measures. In Mongolia, the CC-ACF aligns with the heightened ambition of NDC 3.0 and responds directly to government-identified gaps in access to private equity for climate-relevant investments (an instrument the NDA explicitly characterized as complementary to the country's predominantly grant- and loan-based GCF portfolio). In Uzbekistan, the programme is well aligned with the "Uzbekistan-2030 Strategy" and the NDC 3.0 priorities on renewable energy deployment, hybrid systems with storage, waste-to-energy and climate-smart agriculture, particularly in relation to water security and irrigation efficiency.

44. The applicant reports sustained engagement with NDAs and sector ministries in all three countries during programme design, including consultations with environment, energy and climate authorities. The iTAP notes positively that the applicant has secured NOLs from all intended countries of operation, which is non-trivial for a regional private equity structure and reflects both the relevance of the programme to national priorities and the credibility of the sponsor with public counterparts. Commitments within the proposal to ongoing engagement with NDAs during implementation further support alignment with evolving national policy frameworks.

45. Although policy alignment and formal government engagement are strong, the iTAP remains more cautious regarding the depth of domestic financial ownership. The CC-ACF would be externally managed and capitalized predominantly by international DFIs, MDBs, sovereign wealth funds (SWFs) and other mission-oriented investors. Direct participation by domestic institutional investors, pension funds, or local asset managers remains limited at this stage. The AE has articulated a theory of change centred on demonstration effects, co-investment with local banks and gradual confidence-building among domestic investors. Examples cited, including exploratory engagement with local development and commercial banks in Uzbekistan, Mongolia and Kazakhstan, are constructive and suggest potential pathways for future domestic participation, particularly on the debt side.

46. The iTAP acknowledges the AE's explanation that country ownership can be operationalized through alignment with national frameworks, co-investment with domestic financial institutions and capacity-building via "learning-by-doing". These elements provide a plausible pathway for strengthening local financial ecosystems over time. However, at this stage, evidence of such transformation remains prospective rather than demonstrated. The absence of meaningful domestic equity participation limits confidence that the programme will materially reshape local capital allocation patterns or reduce reliance on foreign concessional capital within the life of the CC-ACF.

47. In summary, the programme demonstrates strong alignment with countries' climate priorities, credible engagement with NDAs and responsiveness to nationally identified sectoral needs, justifying a Medium rating on country ownership. This assessment is moderated by the external anchoring of the CC-ACF and the still-nascent nature of domestic financial participation. The iTAP considers that deeper involvement of local investors and financial institutions at scale would be important to substantiate longer-term claims of market transformation and endogenous country ownership.

1.7 Efficiency and effectiveness *Scale: Medium*

48. The proposed structure is broadly consistent with established private equity/blended-finance models and is clearly designed to crowd in commercial capital through a first-loss layer rather than through preferential pricing at the portfolio level. At the same time, confidence in the proposal is moderated by (1) the scale of the request from GCF relative to what appears to be required to secure investor participation and achieve the pipeline, (2) the nature and composition of "mobilized" capital (with a material share likely to come from development and quasi-public sources), and (3) distribution mechanics that may not optimize the use of GCF concessionality.

49. The proposal adopts a blended structure in which GCF provides first-loss protection intended to reduce downside risk for commercial investors and thereby improve overall bankability. The iTAP considers that, in principle, this approach directionally appropriate in principle: concessionality is concentrated at the fund level, while investee transactions are intended to remain commercially disciplined and screened against climate eligibility. The programme also includes a cap on GCF participation (25 per cent of the target fund size), which provides some constraint on GCF exposure and mirrors design features used in other GCF fund transactions.

50. The iTAP nonetheless questioned whether the requested USD 37.5 million first-loss contribution is proportionate to the catalytic need. The applicant argues that this quantum represents the minimum junior equity buffer required to absorb higher volatility in the target geographies, to meet strict climate eligibility constraints and to unlock institutional tickets that would otherwise be constrained by concentration limits. Although the logic is coherent, the iTAP remains cautious. In practice, the value proposition GCF brings (e.g. through its climate imprimatur, signalling and early-mover validation) can often be achieved with a smaller anchor ticket, particularly where a sponsor has significant institutional reach. The 25 per cent cap provides partial comfort, but iTAP has seen structures where comparable catalytic effects were achieved with lower GCF shares. On balance, the iTAP considers the applicant's justification to be minimally to moderately persuasive, but the question of proportionality remains a central factor tempering the efficiency and effectiveness rating of Medium.

51. The proposal's stated leverage relies heavily on the premise that GCF participation is directly instrumental in mobilizing the remaining capital stack. The applicant asserts that the full USD 112.5 million in co-financing is contingent on GCF's first-loss layer and that MDBs, SWFs and commercial investors would not participate at scale absent that structure. iTAP takes this claim on board but notes two recurring issues in fund proposals of this type:

(a) Incrementality is difficult to evidence ex ante. The applicant has described investor "comfort" and signalling effects, but the iTAP generally prefers more concrete evidence (e.g. conditionality in term sheets, documented allocation committee constraints, or clearly articulated ticket-sizing rules tied to the junior buffer); and

(b) Even if the structure attracts non-GCF capital, the market transformation case is weaker when the marginal investors are predominantly DFIs/MDBs/SWFs or other development-aligned actors rather than fully commercial institutions. The applicant has indicated that its fundraising strategy prioritizes commercial capital; however, the iTAP's assessment of catalytic efficiency depends not only on reaching a leverage ratio, but on what institutions are being crowded in.

52. The iTAP also notes that the loss allocation and distribution mechanics for the CC-ACF are structured such that GCF is subordinated to class A in downside scenarios, while class B (MDBs/SWFs/GP commitment) investors would participate pro rata in distributions but do not benefit from loss protection. This is a defensible construct in theory – targeting concessionality to commercial investors rather than to development finance – but it raises two efficiency and effectiveness considerations:

(a) Depending on how portfolio performance and the timing of cash flows unfold, the structure may still result in material value accruing to non-commercial investors

relative to a counterfactual pari passu structure, even if their capital is not explicitly protected; and

(b) Where the GCF concessional tranche is large, the iTAP generally prefers structures that more clearly ensure that concessionality is tightly ring-fenced to the intended beneficiaries (i.e. genuine commercial capital), and that senior development actors are not perceived to benefit indirectly from the same subsidy.

53. In this context, the iTAP notes that the efficiency and targeting of concessionality could be further strengthened by linking the maximum GCF commitment more explicitly to the volume of genuinely commercial capital mobilized. For example, capping the GCF participation at the lesser of 25 per cent of total fund commitments or the size of the class A tranche would help ensure that first-loss support remains proportionate to its stated catalytic purpose.

54. Such an approach would preserve the intended de-risking function for commercial investors, while reducing the likelihood (in both substance and perception) that concessional resources could indirectly enhance value for non-commercial development finance actors. The iTAP considers this type of proportionality mechanism to be consistent with the GCF minimum concessionality principle and with good practice in fund-level blended finance structures.

55. The iTAP flags this as an area for careful review during negotiations on the funded activity agreement, including the detailed drafting of loss allocation, distribution sequencing, and any side-letter provisions that may affect relative economics.

56. The iTAP considers that sponsor commitment is an important signal of alignment of interests and disciplined deployment. The proposal indicates that the GP would participate within the capital structure (class B includes the GP commitment), which is helpful in principle. However, iTAP would place more weight on this factor were the GP commitment to be clearly material, funded in cash, and pari passu with the relevant investor class rather than nominal or mainly fee funded. To the extent that the GP commitment is meaningful, it improves alignment and supports a more favourable efficiency and effectiveness assessment; if not, the absence of true “skin in the game” would be a weakness.

57. Implementation model and operational effectiveness. The applicant describes an approach that combines minority investments with active engagement, governance participation and enforceable ESG/climate covenants. The iTAP is generally supportive of this model and recognizes that, in private equity, value creation and climate outcomes often depend less on capital deployment and more on the sponsor’s ability to influence execution. The written responses submitted during the review provide reassurance that climate eligibility is integrated into underwriting and monitoring. However, the iTAP’s overall comfort remains moderated by the broader governance question raised elsewhere in the assessment: namely, whether climate considerations can reliably take precedence where trade-offs arise between impact integrity and commercial optimization.

58. In summary, the programme has a coherent blended-finance structure and credible implementation intent, and it is responsive to the need for risk mitigation in frontier and lower-liquidity markets. However, the Medium rating by the iTAP reflects persistent concerns around (1) the proportionality of the GCF ask relative to catalytic need; (2) the evidentiary basis for incremental mobilization, particularly with respect to genuinely commercial capital; and (3) the distribution mechanics that may not fully optimize the use of concessionality. These issues do not preclude support, but they warrant close attention in final structuring and ongoing monitoring.

II. Overall remarks from the independent Technical Advisory Panel

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

60. Notwithstanding its overall endorsement of the proposal, the iTAP recommends that the Secretariat explore, in consultation with the AE, whether the efficiency and targeting of GCF concessionality could be further strengthened through modest refinements to the capital structure of the CC-ACF. In particular, the iTAP suggests considering a cap on the GCF

commitment set at the lesser of 25 per cent of total fund commitments or the size of the class A tranche.

61. Such an approach would more explicitly align the scale of first-loss support with the volume of genuinely commercial capital mobilized, reinforcing the principle of minimum concessionality and reducing the likelihood – in both substance and perception – that concessional resources could indirectly accrue to non-commercial development finance actors. The iTAP considers this a proportionate refinement that would preserve the CC-ACF's catalytic function while enhancing the clarity and robustness of risk-taking role of the GCF.

Response from the project specific assessment approach applicant to the independent Technical Advisory Panel's assessment (FP297)

Proposal name:	CC Asia Climate Fund (CC-ACF)
Accredited entity:	CC Global Services Holdings Limited (CC GSH)
Country/(ies):	Kazakhstan, Mongolia, Uzbekistan
Project/Programme size:	Medium

Impact potential
CC GSH acknowledges the "Medium" rating and appreciates the recognition of CC-ACF's alignment with GCF results areas. Regarding concerns on climate prioritisation, we confirm that our Additionality Screening Tool—applied at the Preliminary Investment Memorandum (PIM) stage—ensures that climate considerations precede financial optimisation. By making climate additionality a prerequisite for any deal to proceed, the programme ensures that commercial returns are pursued within its primary climate mandate.
Paradigm shift potential
CC GSH notes the "Medium" rating and appreciates the recognition of CC-ACF's role as an early mover in bridging bankability and climate impact. The programme targets mature technologies with high replication potential to create market-tested blueprints for regional expansion. By establishing successful market entries, the programme generates a strong demonstration effect, reducing perceived risks for private capital. Regarding exit execution, we leverage a proven track record of successful regional exits.
Sustainable development potential
CC GSH welcomes the "Medium to High" rating for sustainable development potential. We appreciate the recognition of the programme's broad environmental, social, and economic co-benefits, particularly regarding climate-smart agriculture, job creation and strengthened local value chains. To safeguard the consistent delivery of these outcomes, our rigorous selection process and additionality screening ensure that only projects with verified sustainability and climate fundamentals are pursued. Integrated with our Gender Action Plan, this approach ensures every investment delivers long-term development value directly supporting the SDGs.
Needs of the recipient
CC GSH is encouraged by the "Medium to High" rating, highlighting the urgent financing gaps and climate vulnerability across Kazakhstan, Mongolia and Uzbekistan. By providing risk-tolerant equity, the programme bridges the "missing middle" while building the technical capacity of local SMEs to manage climate risks and reach bankability. We agree systemic change requires broad engagement; thus, CC-ACF facilitates sharing of knowledge and best practices with regional financiers as a dedicated activity to address structural barriers and amplify impact.

Country ownership
CC GSH values the recognition of the programme's strong alignment with national priorities and NDC targets. During the design phase, our team conducted extensive consultations with NDAs, line ministries, and industry experts, directly incorporating their feedback to shape the programme design and project pipeline. To operationalise ownership, CC-GSH will engage domestic commercial banks in project-level capital stacks, fostering practical knowledge transfer for local financiers. Requiring local registration for all portfolio companies further safeguards that technical expertise and economic value remain rooted in host countries, supporting a transition led by domestic stakeholders.
Efficiency and effectiveness
CC GSH welcomes the feedback on the programme's well-structured blended-finance approach and the coherent logic justifying the GCF commitment size. The requested quantum represents the minimum junior equity buffer required to absorb market volatility and meet strict climate eligibility constraints. This de-risking is essential to unlock institutional tickets otherwise constrained by regional concentration limits. This design ensures GCF's participation remains proportionate to its catalytic purpose, bridging the market gap for commercial investors while safeguarding the efficient use of concessional resources.
Overall remarks from the independent Technical Advisory Panel:
CC GSH acknowledges and thanks iTAP for sharing their perspective. We understand and recognize the importance of attracting commercial investors, while driving mitigation and adaptation in target countries. To ensure the efficient use of concessionality, the current Term Sheet reflects recommendations by iTAP by tying GCF's first loss to fundraising of Class A investors. All gains are shared pari passu across investors. In this way, the GCF can support CC GSH in achieving its stated programme goals, while crowding in private sector capital.

Annex 8
Gender Assessment and Action Plan (GAAP)

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Abbreviations

CC-ACF	CC Climate Asia Fund
CC GSH	CC Global Services Holdings Limited
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CSO	Civil Society Organisations
DFI	Development Finance Institution
EBRD	European Bank for Reconstruction and Development
ESAP	Environmental and Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESDD	Environmental, social due diligence
ESG	Environmental, social and governance
ESMF	Environmental and Social Management Framework
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
FAO	Food and Agriculture Organisations
FDI	Foreign Direct Investment
FPIC	Free, Prior and Informed Consent
GAP	Gender Action Plan
GAAP	Gender Assessment and Action Plan
GBV	Gender-Based Violence
GCF	Green Climate Fund
GDI	Gender Development Index
GESI	Gender equality and social inclusion
GHG	Greenhouse gas
GII	Gender Inequality Index
GRB	Gender-responsive budgeting
GRM	Grievance Redress Mechanism
GSNI	Gender Social Norms Index
ICT	Information and Communication Technology
IFC	International Finance Corporation
IPP	Indigenous Peoples Plan
KPI	Key performance indicators
LFPR	Labour Force Participation Rates
LP	Limited Partners
MDB	Multilateral Development Bank
M&E	Monitoring and Evaluation
MoV	Means of Verification
MSME	Micro, small, and medium enterprises
NAP	National Adaptation Plan
NDC	Nationally Determined Contributions
NFTP	Non-timber forest products
RES	Renewable energy systems
UNDP	United Nations Development Programme
SDG	Sustainable Development Goals
SEAH	Sexual Exploitation, Abuse, and Harassment

SEP	Stakeholder Engagement Plan
SME	Small and medium-size enterprises
STEM	Science, Technology, Engineering, and Mathematics

Glossary

To provide a shared understanding of climate change issues and to create an analysis focused on the impact and exposure of women, men, girls, and boys, the following definitions are offered as a reference.

Table 1. Glossary

Term	Definition
Gender	Gender is a social construct that shapes the expectations, behaviours, and roles associated with being a woman, man, girl, or boy. These expectations can vary across cultures and over time.
Gender Equality	Gender Equality is the concept that women and men, girls and boys have equivalent rights, prospects, and the capacity to achieve their full potential in all facets of life, including human rights, dignity, and participation in economic, social, cultural, and political progress.
Gender Considerations	Gender considerations refer to considering the different ways that gender can affect individuals and groups. This includes recognizing and addressing the unique experiences, needs, and challenges faced by people of different genders, such as men, women, transgender individuals, and those who do not identify with a specific gender.
Gender-based discrimination	Gender-based discrimination is any form of discrimination or unequal treatment based on a person's gender, whether male or female. This can include unequal opportunities; stereotyping; violence; and harassment.
Gender Pay Gap	The gender pay gap is the difference in average earnings between men and women for the same work or similar work in comparable jobs. It is often expressed as a %, showing how much less women earn on average compared to men.
Gender Stereotypes	A gender stereotype is a fixed belief about the traits, behaviours, or roles that are deemed appropriate for men and women. Gender stereotypes can be damaging by constraining women and men's abilities to grow personally, professionally, and as individuals.
Gender-based Violence	Gender-based violence is any kind of violence that is targeted at a person based on their gender, including physical, sexual, psychological, or economic harm. It can occur in any setting, from the home to the workplace, and is a serious human rights violation that disproportionately affects women and girls.

Introduction

This Gender Assessment and Action Plan (GAAP) for the CC Asia Climate Fund (CC-ACF) serves as a **foundational tool to systematically integrate gender equality and social inclusion throughout the Fund's operations**. The Fund's Accredited Entity, via the Project-Specific Assessment Approach (PSAA), is CC Global Services Holdings Limited (referred to as CC GSH). The core purpose of the GAAP, aligning with the Green Climate Fund's (GCF) definition of gender analysis, is to comprehensively assess the barriers and opportunities for advancing gender inclusion, while understanding the intricate relationships between men and women, their respective access to resources, their diverse activities, and the specific constraints they face in the context of climate change. By doing so, this GAAP aims to identify gender-relevant entry points, policies, and opportunities to **enhance gender equality within the CC-ACF's investments**.

The CC-ACF is designed to **catalyze equity investments in scalable climate solutions across Kazakhstan, Uzbekistan, and Mongolia**, focusing on key sectors such as renewable energy and energy infrastructure, energy efficiency in buildings and urban environments, low-carbon transportation, agriculture, water and waste management, and industries. Through these investments, the Fund intends to **contribute actively to gender-responsive climate action** as investments in these areas can yield significant social co-benefits, including **improved opportunities for women and vulnerable groups**.

This GAAP emphasizes alignment with critical international and institutional frameworks, including the **GCF Gender Policy (2021), GCF Environmental and Social Safeguards (ESS), and the Fund's own Gender Policy**. Furthermore, **it explicitly references the Fund's commitment to promoting women's economic participation and leadership, in line with the GCF Gender Policy (2023–2027) and international best practices.** The overarching goal is to ensure the CC-ACF's initiatives align with national gender equality policies, women's empowerment programs, and international commitments such as the Paris Agreement, the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and the Sustainable Development Goals (SDGs).

It is widely recognized that **climate change impacts are not gender-neutral** and disproportionately affect individuals in low and middle-income countries, particularly women and other vulnerable populations. Inequitable access to and control over natural resources (like land, water, and forests), coupled with exclusion from decision-making processes, exacerbates these vulnerabilities, especially for rural women who heavily depend on these resources for their livelihoods. This document specifically discusses opportunities for CC-ACF to adopt a gender lens and ensure women's participation while driving inclusiveness in key sectors, aligning with industry standards and national priorities. This document outlines how the CC-ACF will address these challenges, aiming to catalyze **transformational change towards gender equality and empowerment**.

This document is structured into two main sections:

Part I: Gender Analysis and Assessment, which provides a detailed context of gender issues in the target countries and outlines how climate risks and opportunities are gendered. This section includes in-country assessments for Kazakhstan, Uzbekistan, and Mongolia, with a particular emphasis on labour force participation in the energy sector and agribusiness, as well as gender issues related to land rights.

Part II: Gender Action Plan (GAP), which details specific objectives, activities, and outputs designed to promote gender equality and social inclusion throughout the Fund's investment lifecycle. This includes establishing clear institutional arrangements, budget allocations, and risk mitigation strategies to ensure accountability and effective implementation.

Part I. Gender Analysis and Assessment

1. Country Baselines: Gender Inequalities in Climate Impact and Access to Opportunities

This section provides a baseline analysis of the key gender inequalities and social dynamics that intersect with climate change impacts and opportunities in Kazakhstan, Uzbekistan, and Mongolia. It examines how existing disparities shape women's and men's vulnerabilities to climate risks while also influencing their capacity to participate in and benefit from climate action initiatives across these three countries. An intersectional approach has been used to develop the section. This approach provides differentiated country baselines for Kazakhstan, Uzbekistan, and Mongolia to inform proportionate and locally relevant GAP implementation.

The following subsections present a detailed, country-specific overview to inform a gender-responsive approach to climate-related projects.

1.1 Kazakhstan

Kazakhstan has established itself as a key economic and political power in Central Asia since its independence in 1991. The country has leveraged its vast oil and natural gas exports to achieve significant poverty reduction and improve access to education and health[1]. A regional leader in gender equality, Kazakhstan has a strong formal framework, highlighted by its **76th-place ranking out of 146 countries in the 2024 Global Gender Gap Index**[2]. Its progress is further demonstrated by a **Gender Development Index (GDI) score of 0.998** in 2022, indicating near parity in human development across health, knowledge, and living standards for men and women, a **Gender Inequality Index (GII) score of 0.177** (ranking 42nd globally), and a **Gender Social Norms Index (GSNI, 2023) rate** of **93.23 out of 100,** which point to relatively low levels of inequality in reproductive health, empowerment, and labour market participation[3].

1.1.1 Legal and Policy Framework for Gender Equality

Kazakhstan's commitment to gender equality is rooted in a robust legal and policy framework, coordinated, monitored and implemented by the **National Commission on Women, Family and Demographic Policy**, established in 1998, as one of the first dedicated national bodies in the region[4]. Additionally, Kazakhstan's Constitution guarantees legal equality, stating in its Article 14 that "no one

[1] UN Women (2023), *Country Gender Equality Brief – Kazakhstan*; Asian Development Bank (2022), *Kazakhstan Country Gender Assessment*.
[2] Ibid.
[3] UNDP (2025), *Kazakhstan Country Profile*. Human Development Reports
[4] Government of Kazakhstan (2024), *National Commission on Women, Family and Demographic Policy under the President*.

shall be subject to discrimination for any reason, including gender"[5], which is supported by key legislation:

- **The Law on Equal Rights and Opportunities** (**2009):** This is the main legal instrument prohibiting sex-based discrimination in public and private life, while ensuring equal rights in political, economic, and cultural domains[6].
- **The Law on Prevention of Domestic Violence (2009):** This legislation mandates preventive and educational measures as well as protection and rehabilitation for victims, including restraining orders and shelter provision and requires interagency coordination between police, social services, and medical institutions to respond effectively to domestic violence[7].
- **The Law on Protecting the Rights of Women and the Safety of Children (2024):** This law introduces stricter penalties for domestic violence, creates local task forces, and mandates child-sensitive judicial procedures[8].

National strategies further guide these efforts:

- **The Gender Equality Strategy 2006–2016**: This was the first such strategy in the Commonwealth of Independent States (CIS) region to promote political representation and economic opportunity[9].
- **The Concept on Family and Gender Policy up to 2030**: Approved in 2016, this policy sets targets for women's participation and promotes gender integration in budgeting and policymaking. Its **Implementation Plan 2021–2023** translates the Concept into steps like gender audits, disaggregated monitoring, and civil servant training. However, progress reports remain limited, particularly on rural and climate-vulnerable sectors[10].

Kazakhstan's commitment also extends to international frameworks.

- Kazakhstan is a signatory to several core international agreements. It ratified the **CEDAW** in 1998 and later acceded to the **Convention on the Political Rights of Women**, committing to uphold women's rights to vote, stand for election, and hold public office on equal terms with men. The country then adhered to the **Convention on the Nationality of Married Women** in 1999, affirming that marriage shall not automatically affect the nationality of either spouse, which is particularly relevant in cross-border migration and conflict-affected contexts. It has also adopted the **Beijing Platform for Action** and **ILO Conventions No. 100 and 111** on equal remuneration and anti-discrimination.
- **National Policies Aligned with Global Agendas:**

[5] Republic of Kazakhstan (2021), *Constitution of the Republic of Kazakhstan*.
[6] Republic of Kazakhstan (2009), Law No. 223-IV.
[7] Republic of Kazakhstan (2009), *Law No. 214-IV*.; UN Women (2023), *Country Gender Equality Brief – Kazakhstan*.
[8] Government of Kazakhstan (2024), *Law No. 271-VII*.
[9] UNDP Kazakhstan (2022), *Gender Equality Strategy Overview.*
[10] Government of Kazakhstan (2022), *Implementation Plan of the Concept of Family and Gender Policy 2021–2023.* ADB.

- **2030 Agenda for Sustainable Development:** Kazakhstan has made **SDG 5 (Gender Equality)** a central priority. The government has integrated gender indicators into national reporting frameworks and is progressively aligning sectoral reforms—including labour, education, and environmental governance—with SDG[11].
- **Generation Equality Global Forum:** As a member of this coalition, Kazakhstan committed to increasing women's representation to **30% by 2030** in decision-making roles across executive, representative, and judicial authorities, as well as in state, quasi-state, and corporate sectors. A major outcome of this was the **abolition, in 2021, of a list of 287 professions previously prohibited for women** in sectors like mining, construction, and transport, opening new avenues for female employment in higher-paying technical fields[12].
- **UN Security Council Resolution 1325:** The country adopted a **National Action Plan for Women, Peace, and Security (2022–2025)** to implement this resolution, focusing on increasing women's participation in peacebuilding and security decision-making, strengthening protection mechanisms for women and girls in conflict-affected areas, and integrating a gender lens across security sector reforms[13].
- **Paris Agreement and Global Agendas:** Kazakhstan's Updated Nationally Determined Contribution (NDC) (2023) is a direct response to global climate commitments, aligning with the **Paris Agreement** by setting unconditional (15% by 2030) and conditional (25%) GHG emission reduction targets. It commits to achieving **carbon neutrality by 2060** and supports the **Bonn Challenge** for land restoration and the **Sendai Framework** for Disaster Risk Reduction. The NDC also emphasizes **gender-responsive adaptation action**, linking it to global priorities and explicitly mentioning the role of women in agricultural and water management, thereby integrating gender into its international climate strategy[14].

Despite this formal framework, implementation remains uneven, with persistent structural gaps particularly in rural and traditionally male-dominated sectors. Institutional gender units often lack dedicated budgets and capacity, and monitoring of gender outcomes is limited, especially in rural areas where women have less access to legal protection and public decision-making[15].

1.1.2 Labour Force Participation (LPF)

Kazakhstan has a relatively high female labour force participation rate (LFPR), with women making up nearly half of the workforce (49.1%) and 66% of the LPF in 2024 (66 women out of 100), compared

[11] UNDP Kazakhstan (n.d.), *Sustainable Development Goals*.
[12] UN Women Kazakhstan (2023), *Country Gender Equality Brief.* ; Government of Kazakhstan (2016), *Concept of Family and Gender Policy up to 2030.*
[13] UN Women Kazakhstan (2022), *Kazakhstan National Action Plan 1325.*
[14] Government of Kazakhstan (2023), *Kazakhstan's First NDC (Updated submission).* UNFCCC.
[15] ADB (2022), *Kazakhstan Country Gender Assessment.*

to 75.9% for men[16]. However, a persistent **9.9 percentage point gap remains between men (75.9%) and women (66.0%)**[17]. Women are significantly underrepresented in high-income, male-dominated sectors such as transport, construction, mining, and petroleum, where they constitute only 22-24% of workers[18]. Conversely, they are concentrated in lower-paid sectors like education (~32%), trade and services (~35%), and agriculture (~9–12%), which often offer limited formal protections or benefits[19].

This disparity is driven by structural barriers, including unequal care burdens, gender norms around leadership and limited technical training pathways for women in green technologies. These challenges are particularly acute in rural areas, where employment opportunities are limited, public childcare services are sparse, and traditional gender roles are entrenched, resulting in lower economic autonomy among women[20].

Labour market inequalities are also evident in the prevalence of informal work. As of 2022, nearly **35% of employed women were engaged in informal or self-employed roles**, compared to 25% of men. Women also faced a higher share of part-time contracts without access to social protection[21].

1.1.3 Access to Land, Finance, Education, and Technology

1.1.3.1 Land and Natural Resources

While Kazakhstan's legal framework does not prohibit women from owning land or other assets, de facto access remains limited, especially in rural and forested areas. **Patriarchal norms and customs favour male inheritance and land registration**. This limits women's direct access, economic independence and excludes them from land-based climate programmes, which require ownership or tenure rights.

According to the Food and Agriculture Organisation (FAO) and the European Bank for Reconstruction and Development (EBRD), only **14% of land titles in Kazakhstan are registered in women's names, and women account for less than 10% of farmland owners**[22]. Low ownership restricts women's participation in climate-relevant land-based initiatives like pasture rehabilitation, biodiversity credits, and climate-smart agriculture.

1.1.3.2 Finance and Credit

Despite a formal framework, systemic barriers continue to hinder women's financial access in Kazakhstan. Women-led businesses face higher collateral demands and are often granted smaller loans, with limited investment access, particularly outside major cities. The International Finance

[16] WB (2024), *Kazakhstan*. World Bank Gender Data Portal.
[17] WB (2024), *Empowering Kazakhstani Women to Boost the Economy.* World Bank Blogs.
[18] CABAR Asia (2023), *How Much, Where and How Do Women Earn in Kazakhstan?* Central Asian Bureau for Analytical Reporting.; CIF (2022), *Labour Market Assessment: The Role of Women in Kazakhstan's Energy Sector.*
[19] The Astana Times (2023), *Kazakh Government Addresses Gender Equality, Employment, and Women's Health.*
[20] ADB (2022), Kazakhstan Country Gender Assessment.
[21] Ibid.
[22] FAO & EBRD (2021), *Legal Assessment Tool: Gender and Land Rights in Kazakhstan*.

Corporation (IFC) notes that even though women represent over 50% of university graduates, they receive under **30% of commercial financing**, especially in high-growth sectors like technology and energy[23].

This inequality is supported by data from the National Bank of Kazakhstan, which reports that only **20% of small and medium enterprise (SME) loans go to women-led firms**, with even less directed towards green or tech sectors[24]. This reflects structural biases, such as stricter collateral requirements and higher loan rejection rates for women, as well as demand-side limitations, as women often apply less due to restricted access to financial information, fewer bankable business plans, and a lack of collateral or guarantors, particularly in rural areas[25].

Notwithstanding progress achieved through targeted initiatives, **many women remain excluded from finance networks** due to barriers, including financial literacy, collateral constraints, and risk-averse lending practices. These challenges are **particularly acute for women in rural and climate-vulnerable sectors**, whose livelihoods often depend on access to credit for adaptive technologies, sustainable agriculture, or small-scale green enterprises[26].

1.1.3.3 Education and Skills

Kazakhstan maintains high levels of gender parity in education. Female enrolment rates are strong, reaching **over 53.9% of total tertiary enrolment,** 94% in secondary education and 98.7% in primary education[27].

However, this educational success does not translate proportionately into technical employment or leadership in green economy sectors. Although women comprise 54% of all higher education graduates, they represent only **19% of engineering graduates** and less than 15% of energy sector professionals[28]. Consequently, women remain significantly underrepresented in:

- **STEM-based (Science, Technology, Engineering, and Mathematics) occupations** (especially engineering, IT, and climate modelling).
- **Public infrastructure planning roles** (e.g. transport, water, and energy).
- **Scientific research institutions** leading climate innovation[29].

This disparity highlights that while access to education is high, structural barriers still prevent women from transitioning into higher-paying, male-dominated technical fields crucial for climate innovation and the green economy.

[23] IFC (2021), *She Matters: Women in Kazakhstan Corporate Leadership*.
[24] National Bank of Kazakhstan (2023), *Financial Sector Overview.*
[25] IFC (2021), *Kazakhstan Country Private Sector Diagnostic.*
[26] ADB (2022), *Kazakhstan Country Gender Assessment.*
[27] OECD (2017), *Gender Policy Delivery in Kazakhstan.*
[28] ADB (2022), Kazakhstan Country Gender Assessment.
[29] UNESCO (2016), *Women in STEM.*

1.1.3.4 Technology and Digital Resources

Kazakhstan is a digitally advanced country by regional standards, though it still faces a significant gendered digital divide, especially across the urban-rural spectrum. This divide is not merely about access to devices or the internet; it is a critical barrier that undermines women's participation in education, economic opportunities, and public life. It also limits their ability to access information and resources essential for adapting to climate change, participating in green economy sectors, and securing their livelihoods. The figure below illustrates some of the key barriers that the digital divide presents, particularly in undermining women's capacity to engage in climate action and other development initiatives.

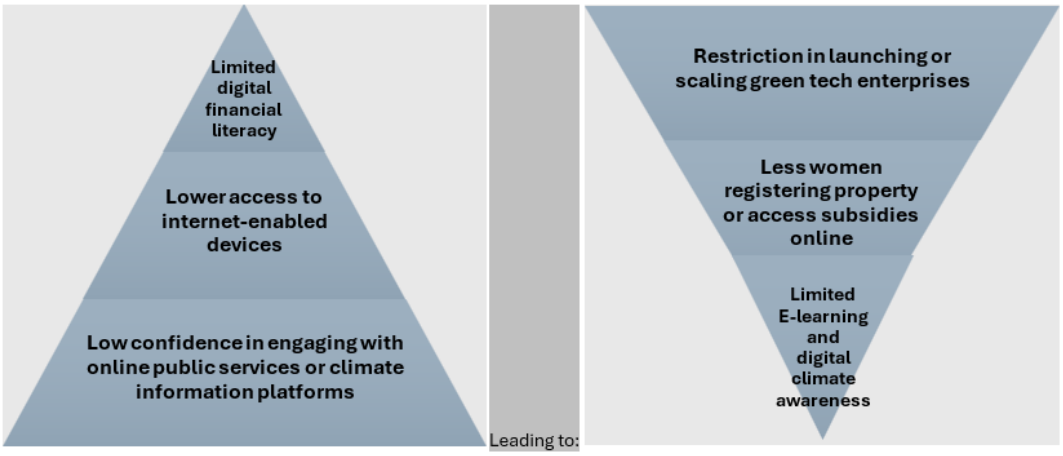

Figure 1. Digital access barriers[30]

1.1.4 Gender Inequalities in Climate-Vulnerable Sectors

1.1.4.1 Energy Sector

While Kazakhstan has scaled up investments in renewable energy and digital infrastructure to advance its decarbonisation agenda, the energy sector remains highly gender segregated. Women are concentrated in administrative and routine support functions, with significant underrepresentation in technical, decision-making, and leadership positions. A 2023 UNDP report noted that women hold only **16% of managerial roles and 19% of technical positions**, even though they make up more than half of non-specialised support personnel[31].

This disparity is rooted in gender norms and educational biases that steer women away from STEM fields early in their academic careers, which is reflected in their low enrolment in energy-related university programs (less than 10%)[32]. The Kazakhstan Updated NDC (2023) acknowledges and

[30] UNDP Kazakhstan (2024), *Legal Expertise Through a Gender Lens*.
[31] UNDP (2023), *Women's Rising Role in Kazakhstan's Renewable Energy Sector*.
[32] Ibid.

commits to gender-responsive adaptation, emphasizing equitable access to new employment opportunities in the modernising energy sector. However, commitments lack **specific gender targets**, revealing a gap between decarbonisation goals and inclusive workforce planning[33]. Similarly, the Carbon Neutrality Strategy notes the need for retraining and upskilling for a "just transition" but **lacks specific provisions to proactively address gender disparities** in access to STEM education or career transition pathways for women[34].

Structural discrimination further compounds these issues. A 2024 World Bank study on women's opportunities in the energy sector identified multiple barriers: gendered job postings, lack of on-the-job training for women, unsupportive workplace policies (e.g., limited maternity accommodations), and cultural perceptions that undervalue women in leadership in traditionally male-dominated industries[35].

In Kazakhstan, female representation across energy sub-sectors remains considerably lower than that of men. Although **women made up an average of 32% in renewable energy (RES)** compared to 22% in oil and gas in 2019, participation in the overall energy sector declined between 2010 and 2020[36]. This suggests a continued unequal level of inclusion, with significant disparities persisting in skilled roles.

1.1.4.2 Agriculture, Water, and Land Use Sector

In rural Kazakhstan, women comprise a significant share of agricultural labour (accounting for **40-50% of agricultural workers**), yet continue to be excluded from formal decision-making, land ownership, and irrigation rights. According to data from the FAO, women own less than **10% of agricultural land**[37]. This exclusion is compounded by cultural expectations surrounding domestic work and care duties, which limit women's access to time, mobility, and essential extension services.

Kazakhstan's national policies on gender and climate present a complex picture of commitment and implementation. The **updated NDC (2023)** is gender-responsive, explicitly stating that adaptation actions should promote gender equality (and traditional/local/indigenous people's knowledge), food security, and water access[38]. It acknowledges the disproportionate impact of climate change on rural women and details the crucial role of women in adapting agricultural practices and promoting responsible water use. Similarly, it calls for the inclusion of gender measures in project portfolios and adaptation policies' periodic review and revision cycles.

However, gaps remain in sector-specific implementation. While the NDC broadly links gender equity to water and agriculture, specific gender-responsive provisions for land or water access are not fully reflected in key action plans. The **Water Resources Management Concept 2024–2030**, for instance, outlines major infrastructure projects, such as the modernisation of 14,000 km of irrigation canals

[33] Government of Kazakhstan (2023), *Kazakhstan's First NDC (Updated submission).* UNFCCC.
[34] Government of Kazakhstan (2021), *Strategy for Achieving Carbon Neutrality by 2060.*
[35] WB (2024), *Exploring Opportunities for Women's Empowerment in the Energy Sector in Central Asia.*
[36] Ibid.
[37] FAO (2021), *Gender, Agriculture and Rural Development in Europe and Central Asia.*
[38] Government of Kazakhstan (2023), *Kazakhstan's First NDC (Updated submission).* UNFCCC.

and the construction of 20 new reservoirs, but **omits explicit gender-inclusive consultation mechanisms**[39]. This trend is also evident in the **Concept Note of Industrial Agriculture Development 2021–2030**, which discusses "human capital development" and "inclusiveness" but lacks explicit gender considerations, defining inclusiveness narrowly as equal market participation for agricultural producers regardless of size[40]. This absence of intentional gender integration in local governance and decision-making bodies, such as Water User Associations, risks the further marginalisation of rural women, whose livelihoods are most dependent on these resources[41].

1.1.4.3 Water and Waste Management

Kazakhstan's water and waste management sectors are critical to both climate adaptation and public health, yet they face significant challenges in gender-inclusive policy and implementation. Women—who are traditionally responsible for household water collection, sanitation, and informal waste handling—are largely absent from decision-making bodies, infrastructure planning, and environmental governance processes[42].

Despite their role as primary water managers in rural areas and small towns, women have limited involvement in water-user associations, river basin councils, and city-level sanitation planning committees, constraining their influence over water allocation, climate resilience strategies, and sanitation service design[43].

The lack of intentional gender integration in water and waste governance undermines effective climate action. Women's exclusion from planning and infrastructure decisions interferes with efforts to build climate-adaptive systems such as flood control, drought mitigation, and community-driven sanitation systems. Their traditional knowledge—on seasonal water availability, household sanitation practices, or solid waste recycling—is underutilized in policy design, limiting both equity and sustainability outcomes.

Moreover, waste management in Kazakhstan continues to reflect broader infrastructural and environmental challenges. With only 15% of municipal solid waste recycled, and the rest stored in non-compliant landfills, the unregulated waste burden disproportionately affects women, who are more exposed to informal waste processing and environmental contamination while shouldering unpaid household labour[44].

While national strategies such as Kazakhstan's Updated NDC (2023) and Carbon Neutrality Strategy call for climate adaptation in water-scarce regions, the Kazakh **environmental framework does not explicitly reference gender considerations or the specific roles of women in waste**

[39] Government of Kazakhstan (2024), *Order of the Government: About Approval of the Concept of development of management system by water resources of the Republic of Kazakhstan 2024-2030.* CIS Legislation.
[40] Ministry of Agriculture of the Republic of Kazakhstan (2021), *Agricultural Development Policy Document*.
[41] Government of Kazakhstan (2021), *Green Economy Action Plan 2021–2030.*
[42] OSCE (2020), *Gender Mainstreaming in Water Governance in Central Asia*.
[43] World Bank (2021), *Promoting Women's Participation in Water Resource Management in Central Asia*.
[44] Glazyrin, S.A., Aibuldinov, Y.K., Kopishev, E.E., Zhumagulov, M.G. and Bimurzina, Z.A. (2024), Analysis of the Composition and Properties of Municipal Solid Waste from Various Cities in Kazakhstan. *Energies*, 17(24), 6426.

management[45]. This creates a significant policy gap. The burden of unregulated waste, with only 3–5% of municipal solid waste recycled, disproportionately affects women, who are more exposed to informal waste processing and environmental contamination while shouldering unpaid household labour. Without explicit gender-responsive clauses in waste management policies, women's vulnerabilities and their caregiving roles remain unaddressed.

[45] Including NDC, the Carbon Neutrality Strategy, and the Green Economy Action Plan.

1.2 Uzbekistan

Uzbekistan has a formal commitment to gender equality, but it still faces significant challenges in translating its legal framework into tangible improvements. The country has made notable progress in foundational areas while grappling with entrenched social norms and structural barriers. Its performance in the **Global Gender Gap Index (2024)** places it **108th out of 146 countries**, reflecting a larger gap compared to its regional peers[46]. Similarly, the **Gender Inequality Index (GII) for 2022** scores it at **0.27**, ranking 107th globally and indicating persistent challenges in the labour market, gender-based violence and political representation[47]. While the country has achieved near-perfect parity in education and health, with scores of 0.990 and 0.959, respectively, a high **Gender Social Norms Index (GSNI, 2023) score of 84.2%** reveals deep-seated biases[48]. This is particularly evident in the largest gender gap, which is in **political empowerment**, and reflects biased beliefs about women's roles in public life.

1.2.1 Legal and Policy Framework for Gender Equality

Uzbekistan has a well-defined legal and policy framework for gender equality, with significant reforms implemented over recent years. The **2023 Constitution of Uzbekistan** guarantees gender equality and mandates government action to eliminate discrimination and promote women's representation in public spheres[49]. This is supported by key legislation and national strategies that aim to institutionalize gender mainstreaming across all sectors, including:

- **The Law on Guarantees of Equal Rights and Opportunities for Women and Men (2019) and amended Labour Code (2021).** This law establishes gender equality as a state priority and institutionalizes gender mainstreaming and equitable access to resources, including equal pay, non-discrimination in hiring, and expanded parental leave. A **Gender Audit rule** was also introduced in 2022[50].
- **The Law on Protection from Domestic Violence (2019):** This legislation introduced protective orders, rehabilitation mechanisms for victims, and inter-agency protocols to address gender-based violence[51].
- **The National Strategy on Achieving Gender Equality by 2030** (2021): This strategy sets ambitious targets for women's participation in the economy, education, and decision-making processes[52].

[46] WB (2024), *Uzbekistan – Country Gender Assessment 2024.* Open Knowledge Repository.
[47] Ibid.
[48] UNDP (2023), *Gender Social Norms Index (GSNI). Breaking down gender biases: Shifting social norms towards gender equality.*
[49] Republic of Uzbekistan (2023), *Constitution of the Republic of Uzbekistan*.
[50] Republic of Uzbekistan (2019), *Law No. ZRU-561*. CIS Legislation. ; WB (2024), *Uzbekistan – Country Gender Assessment 2024.* Open Knowledge Repository.
[51] Republic of Uzbekistan (2019), *Law No. ZRU-562*.
[52] The Government Portal of the Republic of Uzbekistan (2023), *Uzbekistan's Strategy for Achieving Gender Equality.*

- **The Presidential Decree No. UP-87 (2022):** This decree elevated gender equality to a central development goal, mandating gender analysis in all sectoral policies[53].
- The **National Human Rights Strategy (2020):** This strategy mandates the mainstreaming of gender equality across all areas of governance, justice system reforms, and public service delivery[54].

Uzbekistan has also ratified the **CEDAW** in 1995, endorsed the **Beijing Platform for Action**, and adopted **ILO Conventions No. 100 and 111** on equal remuneration and anti-discrimination[55]. Uzbekistan's legal and policy framework for gender equality demonstrates a strong and evolving alignment with global agendas, driven by a comprehensive transformation agenda since 2016. The country has undertaken a rapid series of reforms aimed at liberalizing its economy and prioritising citizen well-being, with a specific focus on fairness, dignity, and inclusiveness.

The alignment with global agendas is evidenced by a robust set of commitments:

- **National Strategies Aligned with SDGs:** The **National Strategy on Achieving Gender Equality by 2030** and the **National Human Rights Strategy (2020)** both mandate gender mainstreaming and set targets for women's participation across various sectors. This strategic approach resonates directly with **UN Sustainable Development Goal 5 (Gender Equality)**.
- **Addressing Gender-Based Violence:** The **Law on Protection from Domestic Violence (2019)** and subsequent amendments in **April 2023** have criminalized domestic violence, increased penalties for sexual crimes, and provided a legal basis for protective orders, bringing the country's legal framework closer to international human rights standards.
- **Paris Agreement and International Environmental Agendas:** Uzbekistan's Updated NDC (2023) demonstrates its alignment with global agendas by integrating climate action with gender equality. This is a direct response to the **Paris Agreement**, committing to a **35% reduction in GHG emissions intensity by 2030** from 2010 levels and aiming for **carbon neutrality by 2060**.
- The NDC explicitly links these climate goals with gender by committing to **"gender-responsive adaptation action."** This strategic approach aligns with international environmental commitments such as the **Bonn Challenge** and the **Sendai Framework for Disaster Risk Reduction**. Furthermore, the NDC directly details the crucial role of women in adapting agricultural practices and managing water resources, thereby linking Uzbekistan's climate strategy with the global agenda for gender equality.

[53] Republic of Uzbekistan (2022), *Resolution of the President about measures for support of training of women in the highest and professional educational institutions.* CIS Legislation.
[54] Government of Uzbekistan (2020), *National Human Rights Strategy- 2020.*
[55] UN (2024), *Information received from Uzbekistan on follow-up to the concluding observations on its sixth periodic report. Committee* on the Elimination of Discrimination against Women, Convention on the Elimination of All Forms of Discrimination against Women, CEDAW/C/UZB/FCO/6.

Despite this progress, significant challenges remain. While legislative reforms are substantial, their effective implementation is hindered by deeply ingrained gender norms and stereotypes. This is reflected in the fact that persistent challenges include occupational segregation, a gendered digital divide, and the fact that women disproportionately lack formal land titles. Women remain underrepresented in climate-relevant sectors like agriculture, energy, and waste[56]. For instance, women hold less than **20% of leadership roles in rural land or irrigation institutions**, and only **12% of formal employees in the energy sector are women**[57]. While gender focal points exist in ministries, they often lack the necessary budgets, capacity, or political influence to effectively enforce reforms.

1.2.2 Labour Force Participation

According to 2024 data, in Uzbekistan, the labour force participation rate for women stood at 39.4%, while the rate for men is significantly higher at 72.3%[58]. This gender disparity reflects the societal gender roles prevalent in a patriarchal society and is primarily due to women's responsibility for unpaid domestic labour, such as childcare and household management, as well as their limited access to specific skills and educational resources. The overall LFPR for the country, based on 2023 data, was 56.1%[59].

A significant share of **women engage in subsistence agriculture or home-based economic activity** that is not captured by formal employment statistics. For instance, women made up two-thirds of the country's cotton pickers in the 2021 harvest. For a large portion of these women, cotton harvest wages constituted their entire annual cash income: at least 49% in 2021, and this figure increased to 60% during the COVID-19 pandemic[60]. Participation in agricultural work, including cotton picking, is often informal, largely because women rarely manage their own farms or have direct access to land - only **5% of farms in Uzbekistan are managed by women**[61]**.** Meanwhile, key climate-vulnerable sectors (energy, water infrastructure, agricultural technology) remain male-dominated.

Gendered skill mismatches further constrain women's economic potential as they make up most students in social sciences and teaching, but they are underrepresented in STEM fields critical for climate resilience. Hence, women entering the labour market face limited pathways into green jobs or technical sectors.

[56] WB (2024), *Uzbekistan – Country Gender Assessment 2024.* Open Knowledge Repository.
[57] Ibid.
[58] The World Bank (n.d.), *Uzbekistan*.
[59] Ibid.
[60] WB (2024), *Uzbekistan – Country Gender Assessment 2024.* Open Knowledge Repository.
[61] Ibid.

1.2.3 Access to Land, Finance, Education, and Technology

1.2.3.1 Land and Natural Resources

Women in Uzbekistan face persistent structural constraints in accessing land and productive assets. While land laws recognize equal rights, de facto land use remains heavily male-dominated. Women rarely appear as formal landholders, especially under the *dehkan*[62] system, where lifetime leases are typically inherited through male family lines, restricting their ability to use land as collateral or make independent farming decisions[63]. This translates into barriers to climate-resilient farming practices, as women are often excluded from irrigation planning, land investment schemes, or agricultural training.

FAO-supported initiatives like the Rural Gender Strategy have made progress in the co-registration of land titles, increasing women's voice in land governance forums and improving their access to productive resources[64]. However, despite this progress, national strategies recognize the gaps in institutional frameworks that systematically integrate gender concerns in land allocation, climate adaptation planning, and rural extension services, while identifying these as structural barriers to equitable land use[65].

The NAP (2022) emphasizes that the vulnerable populations, especially women in arid and agriculture-dependent regions such as Karakalpakstan, Bukhara, and Khorezm, are most exposed to climate shocks due to insecure land tenure, limited adaptive capacity, and lack of access to resilient infrastructure[66]. These regions are also explicitly prioritised in Uzbekistan's NAP due to their combined exposure to aridity, water scarcity, and economic marginalisation. The NAP underscores that integrating climate risk into land governance and targeting subsistence agriculture households is essential to prevent worsening gender-differentiated climate vulnerability[67].

1.2.3.2 Finance and Credit

Uzbekistan counted over **2.1 million women-led businesses as of 2023**—driven by state reforms and financial literacy programs[68]. However, only 20% of female-led micro, small, and medium-sized enterprises (MSMEs) received formal loans, reflecting systemic barriers (2022)[69]. Key barriers to finance access include collateral constraints, low financial literacy and the high informality of women-led businesses. Gender-responsive finance remains underdeveloped, hindering the ability of female entrepreneurs to access low-carbon technologies and climate-smart investments, as outlined in the Strategy for Transition to a Green Economy 2019-2030[70].

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[62] The *dekhan* system in Uzbekistan is a form of small-scale, private farming where families are granted long-term leases from the state.
[63] FAO (2021), *Gender, Agriculture and Rural Development in Uzbekistan*
[64] FAO (2025), *Historic National Dialogue on Gender Equality*
[65] Republic of Uzbekistan (2021), *Updated NDC*
[66] UNDP (2019), *Needs of the Population in the Aral Sea region.*
[67] Ibid.
[68] UNDP (2025), *Women's Entrepreneurship in Uzbekistan*
[69] ADB (2022), *Uzbekistan Country Gender Assessment*
[70] Republic of Uzbekistan (2021), *Updated NDC*

1.2.3.3 Education, Skills, and STEM

While Uzbekistan has reached **near gender parity in primary and secondary schooling**, significant disparities persist in tertiary education and STEM sectors. In 2021, **only 17.8% of information and communication technology (ICT) graduates were women**, and a 2022 national assessment revealed that women's digital competencies lagged 24% behind men, especially in rural and low-income areas[71]. Consequences of this gendered digital divide include reduced access to green economy and technical jobs, limited female participation in climate-resilient innovation and structural exclusion from emerging digital labour markets[72].

The Government's Digital Uzbekistan 2030 strategy explicitly warns that gender-skewed access to digital skills could hinder inclusive economic growth[73]. It notes that such stereotypes can perpetuate occupational segregation and prevent efficient talent allocation, potentially leading to women remaining in less remunerative job occupations. The strategy encourages gender-sensitive policies to be implemented when designing digital skills programmes to ensure equitable participation of women in the digital economy and increase female participation within STEM sectors.

1.2.3.4 Technology and Digital Infrastructure

Digital infrastructure is expanding rapidly in Uzbekistan, but significant disparities persist—especially for women in rural and climate-vulnerable communities. The government and development partners have launched several initiatives aimed at improving ICT access and digital capacity across underserved populations through initiatives such as the Digital Inclusion Project (P179108)**,** led by the World Bank[74] and IT Women – Karakalpakstan (2022), launched by USAID[75]. **However, systemic gendered barriers—including cultural norms, cyber safety concerns, and infrastructure gaps—continue to restrict women's digital participation**, particularly in rural regions. This exclusion poses serious challenges to climate resilience, as highlighted in Uzbekistan's NAP, which underscores the limited access to digital early warning systems and remote services for women in agriculture-dependent communities.

[71] UNDP (2023), *Gender Digital Divide Assessment*
[72] OECD (2023), *Digital Skills for Private Sector Competitiveness in Uzbekistan*
[73] Ibid.
[74] World Bank (2023), *Uzbekistan Digital Inclusion Project - P179108*
[75] USAID (2022), *USAID Launches "IT Women – Karakalpakstan" Training Program for Women and Female Youth*

1.2.4 Gender Inequalities in Climate-Vulnerable Sectors

1.2.4.1 Energy Sector

Although Uzbekistan has heavily invested in modernising energy utilities, women's participation in the sector remains minimal. Leadership, engineering, and technical roles are almost entirely held by men, and a significant **gender imbalance** exists in the workforce[76]. This exclusion is compounded by cultural perceptions that limit women to administrative and caregiving jobs, as technical roles are often perceived to require long hours and extensive travel[77].

This leads to a lack of gender-sensitive recruitment, training, and safety policies, which discourages women from pursuing **STEM careers**. While the energy sector is creating new opportunities in renewables, cultural norms and stereotypes persist as obstacles, along with a general lack of information and entry-level opportunities.

The 2021 NDC and 2022 NAP further exacerbate this issue by omitting specific gender-responsive provisions for utility management, technical training, or workforce inclusion. While gender mainstreaming is a core principle of the NAP process and involves the Ministry of Energy as a key stakeholder, this focus is on strategic planning and coordination rather than specific actions for promoting gender equality within the sector's operational and employment structures[78]. This omission risks deepening the current exclusion of women from infrastructure planning and undermines the effectiveness of community-based climate services, especially for off-grid households.

1.2.4.2 Agriculture, Water, and Land Use Sector

Uzbekistan's **agricultural economy is a major source of both income and vulnerability**. Women are often concentrated in **informal seasonal and unskilled jobs** and are more likely to work as unpaid family workers, especially in low-productivity subsistence activities. As a result, they are excluded from access to climate-resilience services, including training in drought-resistant crops, participation in irrigation schemes, and access to climate-specific inputs and finance. This is a significant issue because women in arid provinces face the highest vulnerability due to a lack of access to climate services and resources.

Gender asymmetries exist in land ownership and water access, contributing to women's exclusion from critical resource governance. For example, only **7.2% of leasehold farms in Uzbekistan were led by women**, and difficulties in transferring land ownership to women restrict their ability to use land as collateral for loans for female-owned micro and small businesses[79]. Restrictions on land

[76] FSR (2025), *Advancing Gender Equality and Clean Energy in Central Asia.*
[77] OSCE (2022), *Women's participation in Uzbek energy sector focus of OSCE event*.
[78] Republic of Uzbekistan (2021), *Updated NDC*; Republic of Uzbekistan (2022), *NAP*.
[79] Khitarishvili, T. (2016), *Gender inequalities in labour markets in Central Asia*. Paper prepared for the joint UNDP/ILO conference on Employment, Trade and Human Development in Central Asia.

access translate into water access challenges, as **membership in water users' associations is often linked to land ownership**. Women-headed households are also less likely to adopt sustainable land management practices due to weaker knowledge-sharing networks.

The Green Economy Strategy (2019–2030) sets clear targets for sustainable agriculture, irrigation reform, and agroforestry value chains. However, an analysis of the strategy indicates that there are **gaps in the mechanisms designed to ensure women's access** to these programs, especially for extension services, cooperative financing, and agroforestry initiatives[80]. Women's exclusion from natural resource management bodies undermines both equality and ecological goals. **Management bodies** typically have fully male boards, with **less than 20% female presence**, while restoration programmes for degraded land do not target women's traditional knowledge in seed collection, seasonal grazing, or ecosystem stewardship[81]. Moreover, given the prevalence of women's roles in medicinal plant gathering and wild seed harvest, overlooking their knowledge excludes strong community support and sustainable livelihoods[82]

Although Uzbekistan's NAP identifies land degradation and Aral Sea desertification as priority adaptation concerns, it does not reference women's roles in restoration, non-timber forest product (NTFP) value chains, or ecosystem planning[83]. This gap is significant given the vital knowledge held by female community members—particularly in Karakalpakstan and other desertification-prone areas—on seed systems, medicinal plants, and land-use cycles. Their exclusion weakens both the social and ecological sustainability of restoration efforts.

1.2.4.3 Water Management

Water scarcity and variability are increasingly critical issues in Uzbekistan with the continuing disappearance of the Aral Sea, which has led to a salt desert affecting the country's ecology and exacerbating water shortages, soil salinity, and erosion. Although the 2022 NAP and the 2021 NDC place a strong emphasis on irrigation and integrated basin management, they contain limited pathways to include women in water governance.

The updated NDC for Uzbekistan identifies climate vulnerabilities related to water shortages, land degradation, and the disappearance of the Aral Sea. While it does not provide a specific narrative on women's unique vulnerabilities in this context, it does establish a policy framework for their inclusion. Under "Climate adaptation of social sphere," the NDC explicitly commits to increasing the **"participation of [...] women and local communities in planning and management, mainstreaming gender approaches and practices."** This indicates an overarching commitment to involve women in the planning and management of adaptation strategies, which inherently includes the critical area of water resources. However, the limited acknowledgement of the intersection of gender, vulnerability and water leaves a blind spot in climate resilience design, especially

[80] UNDP (2019), *Green Recovery and the Transition to Green Economy in Uzbekistan.*
[81] Green Network Asia (2023), *Gender-Responsive Policy to Empower Women in Uzbekistan's Forest-dependent Communities*.
[82] FAO (2021), *Gender, Agriculture and Rural Development in Uzbekistan*
[83] Republic of Uzbekistan (2022), *NAP*.

considering that women's household water usage and agricultural water needs are structurally different but equally critical[84].

The NAP process reinforces this commitment, with its core commitment to gender inclusiveness, it sets up mechanisms like gender-sensitive vulnerability assessments, gender-disaggregated indicators, and dedicated gender expertise to identify and understand these vulnerabilities within the water sector. Furthermore, the inclusion of the Businesswomen Association of Uzbekistan in the Inter-Agency Working Group provides a channel for women's organisations to contribute to decisions on water resource management. However, a 2024 CGIAR study reveals that Uzbekistan still ranks in the bottom quartile for gender representation in water and energy management bodies, with **female representation of less than 15% in regional Water Resource Management Committees and utility boards**[85]**.**

[84] Republic of Uzbekistan (2021), *Updated NDC*
[85] CGIAR (2024), *Gender imbalances limit water and energy management in Uzbekistan*

1.3 Mongolia

While Mongolia has made significant progress in gender equality, especially when compared to its regional neighbours, it's currently facing a concerning reversal of these gains. Persistent and widening gaps in two key areas are threatening to undermine decades of progress: women's economic empowerment and participation, and their political leadership and voice in decision-making.[86] According to the **Global Gender Gap Index 2024**, Mongolia has been ranked **85th out of 146 countries**[87]. Additionally, its **Gender Development Index (GDI) score sits at 1.03** as of 2023, a **Gender Inequality Index (GII) score of 0.28** (ranking 72nd out of 172 countries), and a **Gender Social Norms Index (GSNI, 2023) rate of 97.44 out of 100** which indicates that a high-level of gender bias exists within the country concerning areas of politics, education, economy and physical integrity[88].

1.3.1 Legal and Policy Framework for Gender Equality

To strengthen gender equality, Mongolia established the **National Committee on Gender Equality (NCGE) in 2002, which provides a strong foundation for future legal and policy reforms**[89]**.** Since 2021, the country has also started incorporating gender-responsive budgeting (GRB) into its policy plans at the sectoral and provincial levels. A significant step toward gender equality in the country was the 2011 Law on Gender Equality (highlighted below), which established a strong legal framework to ensure equal opportunities across all aspects of life, including political, social, cultural, and family spheres. It also mandated a minimum **30% quota for women in government and political party roles**, which came into effect in July 2023. This legal change is part of an ongoing evolution of the institutional mechanisms dedicated to gender equality[90].

The following section highlights key legislation and national strategies in Mongolia:

- The **Constitution of Mongolia (Article 14)** provides for non-discrimination and guarantees equal rights between women and men[91].
- The **Law on Promotion of Gender Equality (2011)** is a comprehensive legal tool mandating gender equity in employment, education, public service, and access to resources. It also introduces gender-responsive budgeting requirements[92].
- The **Law on Combating Domestic Violence (2016 revised)** strengthens protection mechanisms and victim services[93].

[86] WB (2024), *Mongolia – Country Gender Assessment 2024.* Open Knowledge Repository
[87] Ibid.
[88] UNDP (2025), *Mongolia Country Profile,* Human Development Reports
[89] WB (2024), *Mongolia – Country Gender Assessment 2024.* Open Knowledge Repository
[90] Ibid.
[91] Government of Mongolia (1992), *Mongolia 1992.*
[92] Government of Mongolia (2011), *Law on Gender Equality 2011.*
[93] Unified Legal Information System Mongolia (2016), *Law on Combating Domestic Violence*

- The **National Programme on Gender Equality 2017–2024** sets detailed gender targets across sectors and commits to mainstreaming gender in climate adaptation and resilience planning[94].
- **The Gender-Responsive Budgeting (GRB) Framework**, introduced in 2019 and led by the Ministry of Finance with UNDP support, was piloted in six key ministries. These pilots resulted in increased consultation with women's groups and greater integration of gender targets into budget submissions[95].

Mongolia has demonstrated its commitment to advancing gender equality on the international stage by ratifying or supporting several key agreements. These commitments serve as a foundation for domestic laws and policies aimed at promoting equal rights and opportunities. In 1981, Mongolia **ratified CEDAW** and supports the **Beijing Platform for Action**, as well as the **ILO Conventions No. 100 and 111[96].**

Implementation of gender laws remains limited by rural–urban disparities, institutional capacity gaps. Rural women, in particular, face challenges in accessing legal protections, gender-sensitive services, and platforms for public participation. While most ministries have gender focal points, their effectiveness is often constrained by limited authority and budget allocations. This results in women being underrepresented in technical and leadership roles across core sectors of the CC-ACF, such as energy, water, and transport[97].

1.3.2 Labour Force Participation

In 2024, **Mongolia's LFPR for women stood at 53.1%, while the rate for men was notably higher at 68.5%[98].** Traditional gender roles often place a greater emphasis on men as the primary breadwinners, while women are more likely to take on unpaid care work, such as childcare and household responsibilities.

Women in rural areas are also highly involved in self-employment and unpaid work, primarily in herding and agricultural activities. Specifically, **38% of working women in rural areas are unpaid family workers in herding and farming, compared to 25% of men[99].** Over 40% of female entrepreneurs are engaged in agricultural activities, predominantly herding[100]. While agricultural and herding jobs offer flexibility, allowing women to attend to family responsibilities while remaining economically active, they often come with lower earnings and less security compared to formal employment.

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[94] WB (2024), *Mongolia – Country Gender Assessment 2024.* Open Knowledge Repository

[95] UNDP Mongolia (2021), *Gender-Responsive Budgeting*

[96] UN Treaty Collection (2025). *Depository*: *Convention on the Elimination of All Forms of Discrimination against Women (1979).*

[97] Ibid.

[98] World Bank. *Mongolia*.

[99] WB (2024), *Mongolia – Country Gender Assessment 2024.* Open Knowledge Repository

[100] Ibid.

A unique feature of Mongolia is its **high literacy and education rates among women**, which do not always translate into equal labour market outcomes. This disconnect between education and employment is especially pronounced in technical fields like renewable energy or water engineering. National statistics show that **37.7% of women were employed informally**, including in the agriculture sector[101]. Informal employment often lacks access to social protections, maternity leave, or career mobility, further exacerbating the gender gap in decent work. Women in these sectors face limited access to training, credit, and insurance to build resilience and scale up green innovations.

The COVID-19 pandemic disproportionately impacted women's employment, especially in education and tourism. This impact was particularly hard on MSMEs, many of which are owned or run by women. These businesses faced major challenges, including cash flow problems, reduced supply and demand, and disruptions to their value chains[102].

1.3.3 Access to Land, Finance, Education, and Technology

1.3.3.1 Land and Natural Resources

Although Mongolia's legal framework supports gender equality, women—especially in rural areas—face systemic barriers in accessing land and natural resources. A 2023 UNDP-Adaptation report found that **68% of surveyed women identified land-use rights as a barrier to household decision-making and climate-resilient livelihoods**[103].

Historically, Mongolia's customary inheritance practices, particularly the tradition of ultimogeniture (where the youngest son inherits the family property), have effectively **excluded women from long-term land planning**[104]. While modern laws provide for equal rights, these traditional norms continue to influence how land is registered and passed down. Since the shift to a democratic system in the 1990s, including the Constitution and the Civil Code, these laws explicitly state that men and women have equal rights to acquire, own, and inherit property, including land. However, the disconnect between modern law and traditional practice remains a significant challenge.[105]

Mongolia's NDC highlights **land degradation, pastureland overuse, and climate-induced migration as critical threats to rural resilience**, particularly for herder households who rely on fragile ecosystems and seasonal mobility[106]. Moreover, Mongolia's long-term development strategy, Vision 2050, reinforces this need by prioritising the rehabilitation of degraded ecosystems and expanding soil fertility and pastureland protection measures through community participation. However, it notes that without equitable tenure systems and gender-responsive governance, these ecosystem services may remain inaccessible to rural women[107].

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[101] National Statistics of Mongolia (2022), *Mongolian Labour Force and Forced Labour Survey.*
[102] UNDP (2021) *Covid-19 pandemic adversely impacting women and girls in Mongolia.*
[103] UNDP (2023), *Integrating Gender Equality into Mongolia's NDCs*
[104] ADB (2022), Women's Resilience in Mongolia: How Laws and Policies Promote Gender Equality in Climate change and Disaster Risk Management, *ReliefWeb.*
[105] Ibid.
[106] Government of Mongolia (2020), *Updated NDC*
[107] Government of Mongolia (2020), *Vision-2050*

1.3.3.2 Finance and Credit

Mongolia's financial sector has improved its gender responsiveness, with several banks integrating inclusive practices. According to a UNDP financial review, Khan Bank and XacBank have pioneered gender-sensitive microfinance, mobile platforms, and tailored repayment options for rural herders[108]. However, challenges persist as **women own fewer movable assets for collateral, face geographic isolation, and lack access to formal credit history**. The NDC flags Mongolia's heavy reliance on international climate finance and the lack of domestic green financial instruments as key barriers to inclusive implementation[109]. It notes that vulnerable groups remain disconnected from mitigation and adaptation funding streams. The NDC further identifies capacity gaps in financial literacy and low digital access as systemic limitations for women's engagement with green financial instruments, particularly in livestock, forestry, and water-intensive sectors[110].

1.3.3.3 Education, Skills, and STEM

As of 2022, Mongolia boasts one of the **highest global female literacy rates (~98%)** as well as a **strong representation in tertiary education**, as 36% of adult women had completed tertiary education, compared to 27% of adult men[111]. Women are 26% more likely than men to specialize in health, education, or social work, whereas men are 26% more likely to major in STEM fields such as engineering and ICT[112]. Nonetheless, women in Mongolia have a good representation in professional and STEM fields of study, comprising[113]:

- 63.7% of all university graduates
- 54.7% of graduates in natural sciences, mathematics, and statistics
- 29.9% in engineering, manufacturing, and design
- 27.8% in ICT

The NDC and Green Development Policy (2014–2030) promote targeted skills development in green construction, renewable energy, and ecosystem-based adaptation. However, both documents highlight the low participation of rural women in vocational training due to cultural constraints and logistical barriers[114]. Vision 2050 also calls for expanded environmental and technical education to equip youth and women with practical skills for green economy jobs. Yet, implementation challenges and resource disparities across provinces have limited uptake in climate-relevant sectors[115].

[108] UNDP (2021), *Integration of Gender Responsive Financing Practices in Mongolia's Financial Sector*
[109] Government of Mongolia (2020), *Updated NDC*
[110] Ibid.
[111] WB (2024), *Mongolia – Country Gender Assessment 2024*. Open Knowledge Repository
[112] Ibid.
[113] Ibid.
[114] Government of Mongolia (2014), *Green Development Policy*
[115] Government of Mongolia (2020), *Vision-2050*

1.3.3.4 Technology and Digital Infrastructure

Mongolia has made significant progress in the digital service sector, especially for rural women, through various initiatives and policies. Such progress includes the **e-Mongolia Platform,** which has over 1,200 e-services for 1.8 million users and includes mobile banking, climate data, and agriculture advisories. This service is tailored to suit those with low usage and digital skills, such as rural women (herders)[116]. The **Updated NDC** also promotes climate-smart digital tools (EWS, e-agriculture, digital finance) and identifies ICT as key to adaptation[117]. The NDC makes references to limited access and ICT literacy among women in remote areas, which is important because climate change adaptation and mitigation strategies, such as adopting new technologies in agriculture or renewable energy, must be developed with the input of those on the ground. Explicitly mentioning this issue in the NDC is a step towards creating more inclusive and effective climate policies that reflect the realities of women in remote areas.

However, rural and herder women continue to face exclusion from digital infrastructure and services, limiting their ability to access climate-smart tools and e-governance platforms.

1.3.4 Gender Inequalities in Climate-Vulnerable Sectors

1.3.4.1 Energy Sector

Although Mongolia has made strides in gender mainstreaming policies, including its 2023 "Gender Target Gap Assessment for NDC 3.0 and LT-LEDS," the energy sector remains gender-stratified. According to the 2024 policy overview by the Stockholm Environment Institute, **women make up 26% of the overall energy sector workforce**, and a slightly higher **29% in the renewable energy sector**[118]. It also notes that this is below the global average for women in renewable energy (32%) and solar (40%)[119].

Regardless of strong policy backing, implementation remains weak. A 2023 UNDP/LEDS assessment revealed that no budgeted mechanisms or targets currently exist to operationalize women's inclusion in national energy planning or renewable energy deployment[120]. This is compounded by several challenges, including few women enrolling in technical energy or engineering programs, the perception of energy work as physically demanding or unsafe for women, a lack of female role models in energy sector leadership, and the invisibility of women's energy needs, such as those related to household heating and indoor air quality. For instance, women and children experience higher exposure to indoor pollution, as coal continues to play a central role in energy production and household usage (i.e., for cooking and heating), leading to long-term health risks. Pneumonia is the second leading cause of mortality for children, with those living in Ulaanbaatar found to a 40% lower lung function than those living in rural areas[121]. This, in turn, leads to additional health burdens, which

[116] Government of Mongolia (2025), E-Mongolia.
[117] Government of Mongolia (2020), *Updated NDC*
[118] Stockholm Environment Institute (2024), *Solar and Wind power in Mongolia: 2024 policy overview.*
[119] Ibid.
[120] UNDP (2023), *Gender Target Gap Assessment for NDC 3.0 and LT-LEDS of Mongolia*.
[121] WB (2024), *Mongolia Gender Assessment*.

affect attendance in school and other development opportunities, with prolonged impacts on their access to education and economic welfare[122].

While Mongolia's Updated NDC and Long-Term Development Vision 2050 prioritise renewable energy expansion and decarbonization, it does not specify targets for women's labour or training. The absence of dedicated pathways for female inclusion may therefore contribute to overlooking women's energy needs[123].

1.3.4.2 Agriculture and Pastoralism, Water and Land Use Sector

Rural Mongolian women—especially from herding households—are disproportionately affected by climate variability, including *dzuds* (harsh winters), droughts, and desertification. They often engage in animal care, dairy processing, fodder collection, and small-scale trading, yet have limited control over land, inputs, and financial tools. This is exacerbated by the fact that the capital (Ulaanbaatar) is seen as offering better opportunities, which instigates increasing rural-to-urban relocation[124].

National policies on climate adaptation and development acknowledge these risks but often lack the mechanisms to effectively include women. For example, the NDC identifies climate-resilient agriculture and water security as national priorities, yet it does not specify how pastoralist women—who are central to dairy production and domestic water management—will be included in adaptation strategies. Similarly, the Green Development Policy and Vision 2050 acknowledge the risks of land degradation but fail to provide mechanisms for addressing women's tenure insecurity or their exclusion from training and climate services. This leaves women in *dzud*-prone areas especially vulnerable to income shocks, workload expansion, and the erosion of traditional livelihoods.[125].

Furthermore, these challenges are compounded by a lack of gender-responsive implementation on the ground. Rangeland restoration initiatives, for instance, often lack a practical gender-responsive approach. Cooperatives are overwhelmingly male-run, and technical jobs are rarely offered to women, despite legal mandates to include them in local environmental committees. Women's traditional ecological knowledge—including practices like selective harvesting of wild plants and seasonal fire prevention—is also underutilized or ignored in formal projects[126]. This omission weakens both the social and ecological sustainability of restoration efforts.

1.3.4.3 Water and Waste Management

The context for water and waste management in Mongolia reveals distinct gender roles and significant health and safety challenges, particularly for women and children.

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[122] Ibid.

[123] Government of Mongolia (2020), *Updated NDC;* Government of Mongolia (2020), *Vision-2050*

[124] WB (2024), *Mongolia Gender Assessment*.

[125] Government of Mongolia (2020), *Updated NDC;* Government of Mongolia (2014), *Green Development Policy*

[126] ADB (2022), Women's Resilience in Mongolia: How Laws and Policies Promote Gender Equality in Climate change and Disaster Risk Management, *ReliefWeb*.

Surveys on water collection indicate that men are the primary water collectors, especially when using mechanized transport. However, a significant portion of women and children also perform this task, which can lead to specific health impacts as the physical burden of carrying heavy water loads disproportionately contributes to injuries. Despite their involvement in this critical activity, women's participation in local or regional decision-making bodies on water management remains limited. Furthermore, while Mongolia's Sustainable Development Vision 2050 aims to improve sanitation to 60% by 2030, national documents do not specifically address the sanitation and hygiene needs of women and girls[127].

Whereas waste management is concerned, the Updated NDC now includes agriculture, waste and some industrial sectors, which were not previously considered. Waste management in Mongolia is not gender-neutral, as gender inequalities, roles, and responsibilities significantly shape how waste is handled. Women are often heavily engaged in voluntary, unpaid household and community-level waste activities such as segregation and recycling. However, when these activities become formalized or professionalized, women are often excluded from formal employment. This is compounded by a lack of recognition and protection for the informal waste sector, which employs many women, leaving them vulnerable to losing their livelihoods as the sector modernizes. Furthermore, the waste sector is moving toward a more technological approach, which may exclude women due to their underrepresentation in STEM education. This is exacerbated by the fact that the unpaid labour of women managing waste in households is not officially acknowledged, and gender mainstreaming efforts are often limited to higher administrative levels, failing to build knowledge and capacity at all levels of waste management[128].

[127] United Nations Economic Commission for Europe (2018), *Environmental performance reviews: Mongolia* (Environmental Performance Reviews Series No. 49). United Nations.
[128] United Nations Environment Programme – International Environmental Technology Centre (UNEP-IETC) and GRID-Arendal (2019), *Gender and waste nexus: Experiences from Bhutan, Mongolia and Nepal*. United Nations Environment Programme.

1.4 Gender Analysis Findings

1.4.1 Key Common Challenges Across Target Countries

The Fund's gender analysis reveals that existing gender inequalities across Kazakhstan, Uzbekistan, and Mongolia are exacerbated by a variety of intersecting social and economic factors. This **intersectional approach** highlights how women, particularly those in rural and peri-urban areas, bear a disproportionate burden of climate-related impacts due to their traditional roles in agriculture, water collection, and family care. These responsibilities make them highly vulnerable to climate-induced disruptions such as droughts and floods. Key common challenges observed across these countries include:

- **Gendered division of labour:** Cultural norms often relegate women to unpaid household chores and family care, severely limiting their participation in formal economic activities, despite sometimes having relatively high overall labour force participation rates. This leads to lower wages, poor working conditions, and a lack of social protection.
- **Inequitable access to and control over natural resources:** Women face specific challenges such as unequal access to and control over land, water, and natural resources, which they heavily rely on for their livelihoods, especially in rural areas. This is further demonstrated by limited land titles in women's names in the CC-ACF target countries.
- **Limited access to information, education, and technology:** While all three countries have achieved high levels of gender parity in foundational education, a significant disparity remains in STEM fields. This limits women's access to the technical skills and knowledge needed for green jobs and climate innovation. A significant **gendered digital divide**, especially in rural areas, further restricts women's access to information and finance, crucial for climate adaptation.
- **Exclusion from decision-making processes:** Women are frequently excluded from household, community, and broader decision-making processes, which further exacerbates their vulnerabilities to climate risks and limits their capacity to adapt. For instance, women hold few leadership roles in rural land or irrigation institutions in Uzbekistan and Mongolia and are largely absent from water user associations in Kazakhstan.

The figure maps the gendered barriers in water resource management:

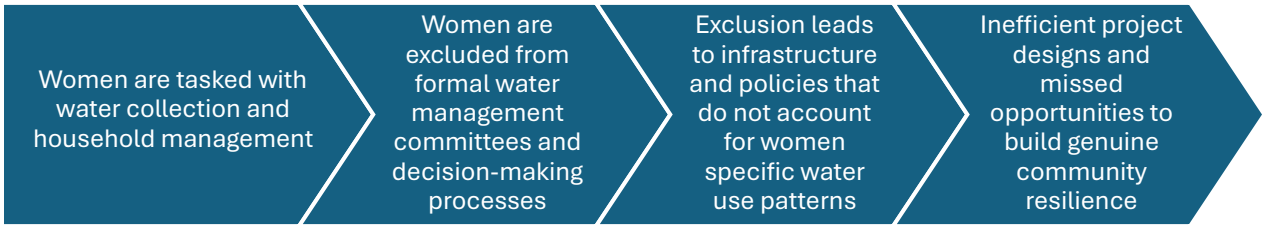

Figure 2. Gendered barriers in water resource management

- **Gaps in Policy Implementation:** Although all three countries have robust legal and policy frameworks for gender equality, implementation remains a challenge. National climate and development strategies often lack specific, budgeted mechanisms or targets to ensure women's inclusion, particularly in rural areas and in male-dominated sectors.

1.4.2 Gendered Barriers in Accessing Opportunities

Despite progress in recognizing the link between gender equality and climate action, significant barriers persist for women in accessing opportunities within climate-resilient sectors, finance, and leadership roles. These challenges are deeply rooted in patriarchal norms and systemic inequalities that disproportionately affect women in Kazakhstan, Uzbekistan, and Mongolia, particularly in rural and peri-urban areas. The CC-ACF has identified these key barriers and has designed a gender-responsive strategy to directly address them across its investment portfolio. This includes tackling issues such as the gendered division of labour, unequal ownership over assets, and limited leadership and participation, all of which hinder women's ability to participate in and benefit from climate action.

Table 2. Barriers to gender equality and women's resilience to climate change in the CC-ACF target countries

Barriers	Description	How does CC-ACF address this barrier?
Gendered division of labour	Cultural norms relegate women to unpaid household chores and family care, limiting their participation in formal economic activities, and leading to lower wages, poor working conditions, and a lack of social protection.	The Fund promotes women's leadership and participation in traditionally male-dominated climate sectors like energy and technology. It encourages portfolio companies to adopt inclusive hiring policies and provide equal pay for equal work, addressing the systemic bias that restricts women to low-wage roles. Activities are designed to avoid placing additional time or labour burdens on women. The strategy focuses on promoting leadership in traditionally male sectors and increasing efficiency (e.g., through technology) to mitigate added care burdens
Property rights, unequal ownership of assets	Patriarchal customs and legal biases often prevent women from holding formal land titles or owning other assets, making it difficult for them to secure loans or start businesses due to a lack of collateral.	The Fund will consider opportunities for targeting investments in companies that provide services and support for women-led businesses, the Fund indirectly addresses this barrier by supporting inclusive business practices that empower women entrepreneurs.
Limited leadership and participation	Women are frequently excluded from crucial decision-making processes at all levels, from the household to broader governance structures. Their representation in senior management and political leadership is low, which diminishes their capacity to influence climate action and adaptation strategies.	The Fund encourages portfolio companies to promote women to technical and managerial positions, thereby increasing female representation in decision-making roles within the climate sector.

1.4.3 Opportunities for Transformative Gender Inclusion

The CC Asia Climate Fund fosters a paradigm shift in climate finance by actively contributing to transformative gender climate action. This is achieved by integrating its gender analysis findings directly into its fund's structure and operational framework, moving beyond a compliance-based approach to one that proactively creates opportunities for women and marginalized groups.

The Fund's framework deliberately employs an **intersectional analysis** to account for the unique vulnerabilities arising from the intersection of gender with other social factors. This ensures investments are inclusive, equitable, and effective across Kazakhstan, Uzbekistan, and Mongolia. The Fund identifies and prioritises several key vulnerable groups, including **women and girls**, who are disproportionately affected by climate change, and **rural and peri-urban populations**, who face heightened vulnerabilities. It also explicitly addresses **women in informal labor/low-income settings**, who are particularly susceptible to **Sexual Exploitation, Abuse, and Harassment (SEAH)**, and accounts for **persons with disabilities**, **Indigenous communities/nomadic pastoralists**, and **children** in its project design and safeguards.

The Fund strategically designs its investments to directly address key gender barriers and create new opportunities, demonstrating how gender considerations are central to its investment strategy. This includes:

- **Promoting Women's Leadership:** Leveraging its investments to promote women's leadership by actively encouraging portfolio companies to advance women into technical and leadership roles. This is achieved by using the due diligence process to identify companies that show a strong commitment to gender equality and by supporting project development that includes specific targets for women's career advancement. By doing so, the Fund not only mitigates gender-based risks but also contributes to a more equitable workforce in male-dominated sectors.
- **Alignment and Overcoming Barriers:** The Fund's investment strategy is aligned with national gender policies and international commitments, such as the Paris Agreement, CEDAW, and the SDGs. By addressing pervasive barriers like the gendered division of labour and unequal access to education, the CC-ACF aims to foster not only climate resilience but also equitable economic participation and leadership for women and marginalized groups in its target countries.

Part II. Gender Action Plan (GAP)

The CC Asia Climate Fund (CC-ACF), through its equity investments in scalable climate solutions in Kazakhstan, Uzbekistan and Mongolia, fosters **transformational change towards gender equality and empowerment,** demonstrated by the Fund's Environmental and Social Management Framework (ESMF) and operational guidelines. This GAP contains a clear framework for implementation and accountability, detailing how it will enforce, monitor, and support this requirement through specific clauses in investment agreements to enhance their effectiveness and sustainability.

The CC-ACF operates under a robust framework of guiding principles that integrate gender equality and social inclusion (GESI) to enhance the effectiveness of its climate finance initiatives. Oversight of environmental, social and governance matters, including gender-related commitments, is coordinated by the ESG team within CC GSH, ensuring accountability throughout the investment cycle.

2. Institutional Arrangements and Accountability

The **CC-ACF** operates under a **robust framework of guiding principles** that deeply **integrate gender equality and social inclusion** (GESI) to enhance the effectiveness of its climate finance initiatives. **Leadership** is provided by the **CC GSH ESG Team**, which is responsible for environmental, social and governance matters — including gender and SEAH safeguards — within CC GSH's organizational structure. The oversight and coordination of ESG is ensured by the **ESG team** and implemented **collectively** across the investment team, with overall accountability held by the **Fund Manager**. This ensures gender and SEAH considerations are integrated into deal sourcing, diligence, portfolio management, and reporting.

As such, CC GSH's ESG Team's responsibilities include i) implementing the Gender Action Plan, ii) rigorous ESG due diligence, iii) strategic oversight and quality assurance, iv) risk mitigation and compliance monitoring, v) capacity building and technical support, vi) grievance redress and accountability, and vii) performance reporting.

2.1 Leadership: Policy and Frameworks

Purpose and alignment:

The CC-ACF embeds gender equality and social inclusion (GESI) across the investment cycle in line with the GCF Gender Policy, the GCF Revised Environmental and Social Policy (incl. SEAH requirements), the GCF Information Disclosure Policy (IDP), and the Fund's Gender Policy and ESMF. Gender commitments will be operationalised through due diligence, investment decision-making, legal covenants, disclosure, and monitoring, using proportionate documentation for Category B and selected Category C investments.

Governance and shared responsibilities:

Oversight of gender and SEAH safeguards will follow a one-team model. Execution is led by the Investment Team & ESG Team and Portfolio Companies; the Fund Manager holds overall accountability and provides coordination, tools/templates, and quality assurance. Legal/Investment Operations embed requirements into covenants, approvals, and disclosure schedules. GRM focal points manage complaints at project and Fund levels; access to the GCF IRM will be disclosed.

Decision rights and accountability (RACI).

- **Screening & due diligence**
    - *Responsible:* Investment Team & ESG Team
    - *Accountable:* Fund Manager
    - *Consulted:* Legal
    - *Informed:* Portfolio Company
- **ESAP/GAP agreement prior to first disbursement**
    - *Responsible:* ESG Team & Investment Team
    - *Accountable:* Fund Manager
    - *Consulted:* Legal
    - *Informed:* Portfolio Company
- **Covenants & disbursements**
    - *Responsible:* Legal & Investment Operations
    - *Accountable:* Fund Manager
    - *Informed:* Portfolio Company
- **Monitoring & incident response (incl. SEAH)**
    - *Responsible:* Investment Team & ESG Team
    - *Accountable:* Fund Manager
    - *Consulted:* GRM focal points / external specialists as needed

- *Informed:* GCF where applicable; Portfolio Company

- **Reporting to GCF**
  - *Responsible:* ESG Team
  - *Accountable:* Fund Manager
  - *Consulted:* Portfolio Companies
  - *Informed:* Relevant stakeholders

Approach to investee support:

The Fund focuses on fostering inclusive practices by encouraging and facilitating support where needed. While the Fund does not operate a dedicated technical assistance facility, investees seeking to strengthen inclusive practices (e.g., non-discrimination policies, gender-sensitive grievance mechanisms, and sex-disaggregated data collection), are **encouraged** to seek support, where feasible, **facilitated through external consultants or partners** identified by the company or the Fund. Awareness-raising sessions are tailored, light-touch, and proportionate to the level of risk, ensuring flexibility and responsiveness to the specific needs of each investee.

Investment conditions & enforceability:

No investment proceeds to first disbursement until a time-bound **ESAP** and **GAP** are agreed with the portfolio company and embedded as **conditions precedent** in binding investment documentation. Failure to meet ESAP/GAP milestones within agreed cure periods (e.g., 30–60 days) may trigger withheld disbursements, enhanced supervision, or remedial actions up to suspension or exit.

Legal requirements:

- All investments must align with the **GCF Gender Policy** and the Fund's own Gender Policy. This commitment is formalised through gender-responsive **ESAPs** and project-level **SEPs**, negotiated with portfolio companies as legally binding obligations.

- Portfolio companies design **SEPs** proportionate to project scale and risk, using tailored engagement methods (e.g., women-only focus groups led by women) to ensure meaningful participation.

- Investment agreements include **gender and SEAH covenants**, contractor-management obligations, and **annual reporting** duties. Breach enables the Fund to withhold disbursements and require corrective action.

Mandatory assessments and plans (proportionate to risk):

- A **Gender Assessment (GA)** is required for Category B and selected Category C projects to identify gender-relevant entry points and opportunities.
- Based on the GA, a **Gender Action Plan (GAP)** is prepared with clear targets, design features, and measurable indicators to ensure women's meaningful participation and benefits; the GAP is consolidated within the **ESAP**.
- **SEAH risk screening** is mandatory for all subprojects during assessment, with SEAH clauses integrated into partnership contracts.

Standards and integration:

This commitment rests on high ESG standards aligned with the **GCF Environmental and Social Safeguards** and the **IFC Performance Standards**. GESI is a cross-cutting priority embedded in investment processes—from screening and risk management to stakeholder engagement and monitoring—so that gender-specific risks and opportunities are identified and addressed, strengthening project resilience and equitable outcomes for women, youth, and other vulnerable groups.

Category triggers for GA on Category C:

A GA-lite is required for Category C projects that have any of the following: (i) >100 workers or significant contractor workforce; (ii) remote sites, camps, or night shifts; (iii) prior SEAH or labour incidents; or (iv) material community interaction.

No-Go / Category A exclusions:

The Fund excludes projects with significant, diverse, or irreversible impacts (**Category A**), including but not limited to: (i) large greenfield facilities exceeding national EIA thresholds; (ii) involuntary resettlement affecting >200 persons; (iii) critical habitat conversion; and (iv) significant community health and safety risks.

2.1.1 Environmental and Social Management System (ESMS) Principle

Core principle:

The CC-ACF's Environmental and Social Management System (ESMS) is designed to promote transparency, accountability, and gender equality by embedding key GCF policies, including the Gender Policy, Indigenous Peoples Policy, Information Disclosure Policy, and SEAH Policy. The ESMS is a "living framework," regularly updated to reflect lessons learned, policy changes, and stakeholder feedback. Gender Equality and Social Inclusion (GESI) is treated as a cross-cutting priority throughout.

I. Transparency and stakeholder engagement

The Fund is committed to continuous, inclusive, and transparent engagement with all stakeholders, particularly vulnerable and marginalised groups. Key documents—such as Environmental and Social Impact Assessments (ESIA), ESAPs, and GAPs—are disclosed online and in-country in local languages and accessible formats at least 30 days before investment decisions.

Grievance Redress Mechanisms (GRMs) will operate at both the project and Fund level. They will include multiple intake channels (e.g., hotlines, SMS, online forms, suggestion boxes), with service standards published (acknowledge within 3 days, target resolution in 30–45 days). Materials will be disclosed in local languages and plain-language formats. All grievance information will reference escalation channels, including the GCF Independent Redress Mechanism (IRM) and Independent Integrity Unit (IIU).

This open approach builds trust, safeguards rights, and ensures that communities are able to raise and resolve concerns effectively.

II. Robust risk management and safeguards

The ESMS provides the operational framework to identify, assess, and monitor environmental and social risks across the investment lifecycle. The Fund finances only Category B (moderate risk) and Category C (minimal risk) projects, explicitly excluding Category A projects with significant, diverse, or irreversible impacts.

Mitigation measures are integrated into project-level ESAPs and may include specific safeguards for Indigenous Peoples and against SEAH risks. For projects with Indigenous Peoples, Free, Prior and Informed Consent (FPIC) will be required, and an Indigenous Peoples Plan (IPP) prepared where impacts are anticipated.

The Fund enforces a zero-tolerance policy on SEAH. Mandatory risk screening, survivor-sensitive grievance protocols, and clear contractual clauses ensure prevention and accountability. Non-compliance may trigger measures such as withheld disbursements, remedial actions, or termination.

In contexts such as Mongolia with nomadic/pastoralist communities, IPP standards are applied proportionately, reflecting customary resource use and ensuring culturally appropriate FPIC processes.

III. Awareness raising

The Fund integrates gender equality and social safeguards into ESG practices through targeted awareness raising and proportionate investee support.

- For staff: The ESG team coordinates induction and refresher training on SEAH, grievance handling, and gender-responsive ESG practices.

- For investees: The Fund may encourage portfolio companies, where feasible, to adopt inclusive practices (e.g., gender-sensitive consultation, non-discrimination policies, and sex-disaggregated data). Awareness-raising or training for investees may be delivered through external consultants or partners, rather than directly by the Fund.
- Training is risk-based (e.g., SEAH training at onboarding and annually for high-risk contexts) and aims to ensure at least 40% of women's participation.

IV. Strategic oversight

The ESG Team, together with the investment team, is responsible for applying the ESMS consistently across the investment cycle. This includes reviewing and approving Gender Action Plans, monitoring implementation, and consolidating results in annual reporting to the GCF.

Portfolio companies are contractually required to report annually on gender and SEAH indicators. The ESG Team maintains country-specific SEAH referral pathways (health, psychosocial, legal aid, shelters), updated annually to ensure survivor services are accessible.

This shared-responsibility approach ensures that gender equality and social safeguards are not add-ons but integral to how the Fund manages risk, engages stakeholders, and delivers equitable climate outcomes.

2.1.2 Gender-Responsive Investment and Due Diligence

The Fund applies gender-sensitive criteria in its Environmental, Social, and Governance (ESG) due diligence to identify risks and opportunities for women's participation. Investment decisions will consider companies' efforts to advance gender equality, such as inclusive hiring practices, equal pay, safe working environments, and promotion of women into technical and leadership roles.

The CC Asia Climate Fund (CC-ACF) adopts a gender-sensitive approach to all its investments by explicitly integrating gender considerations into its Environmental, Social, and Governance (ESG) due diligence process. The Fund recognizes that a gender-responsive strategy is crucial for both mitigating risks and creating opportunities for women's economic empowerment.

2.1.2.1 Screening and Assessment

The Fund conducts a comprehensive screening process for every project in its investment pipeline. A key part of this is the ESG Screening Checklist, which is used to classify potential investments and flag risks related to gender equality and other social issues early on. The due diligence process goes beyond a "best-effort basis" by actively integrating gender-specific criteria to identify and prioritise opportunities for gender-responsive investments. The gender screening process assesses how companies address inclusion, workplace equality, and women's participation in technical and leadership roles. Each Investment Committee memo will include a Gender & SEAH section summarising key risks, proposed mitigations, and binding covenants.

2.1.2.2 In-Depth Due Diligence

The in-depth due diligence process is designed to provide a refined understanding of all ESG and gender risks and impacts. It includes country-specific legal/GBV context and sectoral SEAH risk assessment (e.g., remote operations, third-party labour, night work). This involves a multi-pronged approach:

- **Desk Review:** An analysis of the target company's existing ESG and gender-related documentation.
- **Field-Based Review:** Site visits and interviews with stakeholders to provide a real-world understanding of risks.
- **Expert Engagement:** Consultations with professionals in finance, legal, and technical fields to ensure a thorough analysis.

Based on these assessments, any key issues identified in the **Environmental and Social Action Plan (ESAP)** and **Gender Action Plan (GAP)** must be agreed upon with the target company before the Fund commits any investment. This ensures that gender considerations are not only identified but are also actively managed and monitored throughout the entire investment lifecycle.

2.1.2.3 Promoting Women's Opportunities

The Fund uses the findings from its due diligence to actively promote women's opportunities in several ways, including gender-smart investments, actionable plans and building an inclusive culture. The fund identifies companies that are already leaders in gender equality or have the potential to become one. This process helps the Fund prioritise investments that will directly contribute to women's economic empowerment. CC-ACF also actively encourages portfolio companies to adopt practices that support women, like flexible work arrangements, fair wages, and a zero-tolerance policy for harassment. Essentially, due diligence is not just about finding problems; it's about using those findings to create positive, measurable change.

Portfolio Companies will adopt non-discrimination/IFC PS2-aligned policies (equal pay, anti-harassment, maternity/paternity leave, PPE suitable for women, separate sanitation, lactation rooms where feasible, safe transport where needed.

2.2 Monitoring and Evaluation Framework

The Fund's monitoring and evaluation (M&E) framework is designed to ensure accountability, track performance, and support continuous improvement across all investments. It places particular emphasis on **Gender Equality and Social Inclusion (GESI)** and on safeguards against **Sexual Exploitation, Abuse, and Harassment (SEAH)**, in line with the GCF Gender Policy and the Fund's ESG commitments.

Results Chain (Fund-level):

- **Impact:** Gender-responsive, climate-resilient growth in Kazakhstan, Uzbekistan, and Mongolia.
- **Outcome:** Increased women's economic participation, leadership, and safety in portfolio companies.
- **Outputs:** Gender Assessments (GA) and Gender Action Plans (GAP) adopted; inclusive workplace policies implemented; awareness sessions completed where feasible; SEAH-safe grievance mechanisms operational; and gender-disaggregated KPIs tracked consistently.

Baselines and Targets:

Each investee must submit a gender baseline within 90 days of investment, covering workforce composition (by sex and role), share of women in management and technical positions, gender pay gap, and status of grievance mechanisms. These baselines provide the foundation for setting portfolio-level targets. By Year 5, the Fund aims to:

- Reduce the unadjusted gender pay gap by at least **5 percentage points** where the baseline gap is greater than 10 percentage points.
- Ensure that **100% of investees** have functional SEAH-sensitive grievance mechanisms in place.

Core Key performance indicators (KPI) and Means of Verification (MoV):

The Fund will track and report on the following indicators:

- Percentage of women on boards and in senior management roles
- Gender pay gap (median, unadjusted)
- Percentage of women in technical and STEM-related positions
- Percentage of projects systematically using sex-disaggregated data in reporting
- Percentage of women participating in awareness sessions on gender equality and SEAH
- Number of grievance cases received, percentage resolved, and average resolution time

Means of Verification will include investee HR and payroll records, annual monitoring reports, grievance logs, and, where relevant, third-party verification or spot checks to ensure data reliability.

Reporting:

Portfolio companies are contractually required to report to the Fund **annually** on ESG and gender-related performance. Reports must include progress on agreed gender indicators, grievance handling, and implementation of corrective or mitigating measures. The Fund will consolidate this information and report to the GCF as part of its annual portfolio updates.

Adaptive Management:

Findings from annual portfolio reviews will be used to adjust GAP and ESAP actions, refine ESG requirements, and strengthen portfolio-level gender strategies. Grievance mechanism data and KPI trends will feed back into policy refinements, ensuring the Fund responds dynamically to risks and opportunities.

Training and Awareness:

While the Fund does not directly provide a technical assistance facility, it will encourage investees to strengthen inclusive practices, including the adoption of non-discrimination policies, gender-sensitive grievance mechanisms, and sex-disaggregated reporting. Where awareness-raising or training is appropriate, this may be facilitated by **external consultants or partner organisations**, with a focus on inclusivity (e.g., ensuring women's active participation and leadership).

Table 3: Results Framework for Gender and SEAH Monitoring

Level	Statement	Key Indicators	Means of Verification (MoV)	Timeline	Responsibility
Impact	Gender-responsive, climate-resilient growth in Kazakhstan, Uzbekistan, and Mongolia	Evidence of improved gender equality outcomes in portfolio sectors (employment, pay equity, participation in decision-making)	Consolidated Fund reports; GCF annual performance reports	Y1–Y7	Fund Manager/ ESG Team
Outcome	Increased women's economic participation, leadership, and safety in portfolio companies	% of women in management % of women in technical/STEM roles Gender pay gap (median, unadjusted) % of investees with SEAH-safe grievance mechanisms	HR records; Payroll data; grievance logs; Annual reports	Annual	Portfolio Companies/ ESG Team
Outputs	GA/GAP adopted Inclusive workplace policies implemented	# of Gender Assessments completed # of GAPs embedded in ESAPs	Investment documentation; ESG due diligence;	Investment stage and annually	Portfolio Companies/ ESG Team

Level	Statement	Key Indicators	Means of Verification (MoV)	Timeline	Responsibility
	Awareness sessions completed where feasible SEAH-safe grievance mechanisms operating Gender-disaggregated KPIs tracked	% of portfolio companies adopting non-discrimination & anti-harassment policies % of women participating in awareness sessions # of functioning grievance channels	Monitoring reports; Post-session evaluations		
	Baseline: Each investee submits a gender baseline within 90 days of investment	Gender baseline reports Annual KPI data	Annual portfolio review	Annual	Fund Manager/ ESG Team
Baseline & Targets	Target (by Year 5): Reduce gender pay gap by ≥5 p.p. where gap >10 p.p. 100% of investees operating SEAH-safe grievance mechanisms				

2.3 Grievance Mechanisms

2.3.1 SEAH Safeguards and Gender-Sensitive Grievance Mechanisms

Recognizing SEAH as a material social risk, CC-ACF has adopted the GCF's SEAH policy and made it a mandatory component of its ESMS. The Fund maintains a **zero-tolerance policy** for sexual misconduct. Special protocols for SEAH complaints ensure **survivor-centered case handling**, **confidential data storage**, and **access to support services** (medical, psychosocial, and legal). All SEAH incidents must be reported to the Fund Manager within five business days and trigger a formal review. This continuous oversight ensures that risks are managed throughout the entire investment lifecycle.

GRMs will offer multiple intake channels (anonymous hotline/SMS/web form, emails, suggestion boxes), be available in local languages, and publish service standards (acknowledge within 3 business days; target resolution 30–45 days). A non-retaliation policy applies. Access to survivor services does not require a police report.

Portfolio companies are required to establish local-level, gender-responsive grievance mechanisms aligned with the Fund's framework. These mechanisms are designed to be proportional to the scale and risk of the subproject and emphasize **confidentiality and protection from retaliation**, ensuring a safe space for addressing concerns, especially for women and other vulnerable groups. These mechanisms utilize multiple intake channels, are publicized in local languages, and include clear, step-by-step grievance processing and resolution timelines. The Fund also maintains an open grievance channel at the Fund level for issues not resolved locally. Public disclosure of GAPs and other relevant E&S documents in accessible formats and local languages is mandated to ensure transparency and accountability.

All GRM materials will state that complainants may also contact the GCF IRM and IIU. Contractor and subcontractor workers are covered; EPC/works contracts will include GRM/SEAH obligations and worker induction requirements.

2.4 Budget and Resourcing

The Fund will allocate dedicated resources for GAAP delivery and management budget. Indicative items include:

- Senior Gender Specialist & country focal points (salary & overhead).
- Access to a consultant pool for Gender Assessments and training.
- Gender Assessments & GAP support per investee (consultant pool).
- SEAH & gender trainings (annual; risk-based refreshers).
- GRM setup/operations (hotline, translation, accessibility).
- Third-party verification/assurance for selected investees.

- Knowledge products (case studies, briefs; local-language versions).

2.5 Risks and Mitigation Measures

The Fund identifies several key risks to gender outcomes common to all target countries and has established mitigation strategies proportionate to its role as an equity investor.

Table 4. Gender and SEAH risk register (with likelihood/impact, owner, residual risk)

Risk Category	Description	Likelihood	Impact	Owner	Mitigation	Residual Risk
Contextual norms risk	Male-dominated sectors hinder women's participation	M	M	ESG team & investee HR	Women-only consultations; male champions; inclusive recruitment policies	L–M
Supply-chain labour risk	Child/forced labour in tiers	L–M	H	Portfolio company procurement teams, with ESG oversight	Supplier Code of Conduct; audits; remediation plans	M
Digital safety risk	Cyber-harassment/ exposure via grievance channels	M	M	ESG focal point & grievance team	Anonymous channels; data minimisation; staff protocols	L
Data privacy risk	Misuse of gender/SEAH data	M	H	ESG team & portfolio company management	Secure storage; access controls; data protection oversight	L–M
Regulatory backsliding	Policy changes limit gender actions	L–M	M	Fund management team	Scenario planning; alternative partners; conditions in investment agreements	L–M
Emergency surge	Disasters increase SEAH risk	M	H	ESG team & portfolio company HSE staff	Survivor service referral pathways; rapid response protocols	M

3. Gender Action Plan: Objectives, Activities, and Outputs

The GAP details the Fund's specific objectives, activities, and outputs for integrating gender equality and social inclusion into its investments. This table translates the Fund's commitments and policies into a practical framework, outlining concrete actions, measurable targets, timelines, and responsible parties to ensure the successful implementation of gender-responsive climate projects. It serves as a key tool for accountability and progress tracking, linking the Fund's overarching vision and outcomes to tangible, short-term actions.

Table 5. Gender Action Plan

Impact Statement: To foster a climate-resilient and gender-responsive investment environment in Kazakhstan, Uzbekistan, and Mongolia, where women are empowered as leaders and beneficiaries of sustainable climate solutions.

Outcome Statement: Increased awareness and capacity of portfolio companies to implement gender-responsive practices, resulting in women's enhanced economic participation, leadership, and meaningful involvement in climate projects across Kazakhstan, Uzbekistan, and Mongolia.

Portfolio Targets (Y5): (i) portfolio-weighted ≥30% women in management; (ii) 100% investees operating SEAH-safe GRMs

Priority Areas	Action	Indicators	Means of Verification (MoV)	Timeline	Responsible Entity	Budget Estimates
Component 1: Direct investments that lead to mitigation and adaptation outcomes						
Output 1.1: CC- Asia Climate Fund established						
Investor and fundraising strategy	1.1.1 Explicitly target and engage with investors (LPs, MDBs, DFIs) who have strong gender-responsible mandates	% of committed capital from investors with gender-responsible mandates **Target: ≥20%**	Stakeholder engagement reports	Ongoing	Fund Manager (CC GSH)	~$15,000 lump sum Included in fundraising campaign
Output 1.2: CC- ACF leverages investment from private sector investors						
Due diligence	1.2.1 (At Fund level) Integrate a Gender Assessment into DD for all Category B and GA-lite for Cat C meeting risk triggers	% of Gender Assessments (GA) completed for Category B (and selected Cat C) projects **Target: 100%**	Monitoring and evaluation reporting	Ongoing	Fund Manager (CC GSH)	~$50,000 ($5,000 per portfolio company)

	(workforce size, contractor intensity, remote sites, prior incidents)					Included in due diligence costs
Output 1.3: Equity investments made in green climate technologies						
Promoting women's economic participation	1.3.1 Encourage portfolio companies to promote women economic participation and leadership through inclusive hiring, retention, and anti-harassment policies	% women in management and technical roles in portfolio companies **Target: Annual internal reviews are conducted to address specific barriers that prevent women from advancing into management and technical positions (Y/N).** A time-bound action plan to address any identified disparities and gender pay gap (median, unadjusted) is implemented. **Target: Job descriptions and salary bands are reviewed annually for gender bias, and a transparent and stardardised process for performance-based salary adjustments is in place (Y/N)** # of grievance cases received, percentage resolved, and average resolution time	Investee HR and payroll records; Annual monitoring reports and grievance logs; Third-party verification or spot checks to ensure data reliability	Y1–Y5	Portfolio Companies with Fund Support	~$100,000 ($2,000 per portfolio company per year) Company HR budget
Accountability, management and monitoring	1.3.2 (At project level) Collect and report sex-disaggregated data on workforce, leadership, and project beneficiaries.	% of projects using sex-disaggregated data collection and reporting **Target: 100%**	Monitoring and evaluation records	Annually	Portfolio Companies with Fund Oversight	~$100,000 ($2,000 per portfolio company per year) Project M&E budgets
Component 2: Improving sustainability outcomes in technology companies and knowhow transfer						
Output 2.1: Strengthened climate strategy and operational and financial management of portfolio companies						

Gender-responsive project planning	2.1.1 (At project level) Prepare a project-specific Gender Action Plan (GAP) and embed it within the investee's Environmental and Social Action Plan (ESAP), including sex-disaggregated indicators, time-bound targets, assigned responsibilities, and a budget.	# of investees with an approved ESAP that includes an embedded, budgeted GAP (Yes/No per investee) **Target: 100% of Category B and relevant Cat C investments before first disbursement)** % of portfolio companies integrating inclusive policies (e.g., non-discrimination, anti-harassment, equal pay) **Target: 100% by Year 3**	Investment lists ESAP/GAP documents	At investment stage	Portfolio Companies with Fund support	~$25,000 ($2,500 per portfolio company) Included in project implementation budget
Awareness and engagement	2.1.2 Provide awareness sessions to investees on inclusive consultation and gender-responsive climate-data collection, monitoring and reporting	% of women among participants in gender/SEAH awareness sessions facilitated by consultants or partners **Target: ≥40% each year**	Company selection records Training attendance sheets Post-session evaluations	Y1-Y5 Annually	Fund Manager (CC GSH) ESG/Gender team	~$65,000 ($3,000 per year plus $1,000 direct portfolio company support per year) Project M&E budgets
Output 2.2: Increased FDI flows and know-how sharing from international investors into target countries						
Knowledge sharing	2.2.1 (At Fund level) Document and share lessons learned and best practices on gender mainstreaming.	# of case studies and learning briefs published on gender mainstreaming (local-language versions) Target: at least 3	Case study documentation	Y3–Y6	Fund Manager (CC GSH) and regional Partners	~$10,000 ($2,500 per year for Y3-Y6) Publication costs
					TOTAL	**~$365,000**