Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the Least Developed Countries

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ABBREVIATIONS

ADB	Asian Development Bank
AE	Accredited entities
AF	Adaptation Fund
AFD	*Agence française de développement*
AfDB	African Development Bank
AFOLU	Agriculture, forestry, and land use
ASEAN	Association of Southeast Asian Nations
BOAD	*Banque Ouest Africaine de Développement*
CCD	Climate Change Directorate
CCODE	Centre of Community Organization Development
CCSP	Climate Change Strategic Plan
CDEMA	Caribbean Disaster Emergency Management Agency
CGLU	United Cities and Local Governments of Africa
CI	Conservation International Foundation
CIF	Climate Investment Funds
CIO	Climate Investor One
COP	Conference of the Parties
CP	Country programme
CRGE	Climate Resilient Green Economy
CSDGs	Cambodia Sustainable Development Goals
CSE	*Centre de Suivi Écologique* (Senegal)
CSO	Civil society organizations
DAE	Direct access entity
DCCMS	Department of Climate Change and Meteorological Services
DMA	Division of Mitigation and Adaptation
DoDMA	Department of Disaster Management Affairs
DoF	Department of Fisheries
DoMS	Department of Metrological Services
EAD	Environmental Affairs Department
ECOWAS	Economic Community of West African States
EE	Executing entities
EFCCC	Environment, Forest and Climate Change Commission
EPACC	Ethiopian Programme of Adaptation to Climate Change
ESMP	Environmental and social management plan
ESS	Environmental and social safeguards
EU	European Union
FAA	Funded activity agreement
FAO	Food and Agriculture Organization
FP	Funding proposal

GCF	Green Climate Fund
GDP	Gross domestic product
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GHG	Greenhouse gas
GNI	Gross national income
HDI	Human Development Index
IAE	International accredited entity
IBRD	International Bank for Reconstruction and Development
IEU	Independent Evaluation Unit
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
INDC	Intended Nationally Determined Contribution
IUCN	International Union for Conservation of Nature
JRC	Joint Research Centre
LDC	Least developed country
LDCF	Least Developed Countries Fund
LEAD	Leadership for Environment and Development (Malawi)
MEF	Ministry of Economics and Finance
MFS	Mobilizing Funding at Scale
MGDSII	Malawi Growth and Development Strategy II
NAMA	Nationally appropriate mitigation actions
NAP	National adaptation plan
NAPA	National adaptation programme of action
NAPFFIP	National Adaptation Plan Financing Framework and Implementation Plan
NASFAM	National Smallholder Farmers Association of Malawi
NbS	Nature-based solutions
NCDD	National Democratic Development
NCSD	National Committee on Sustainable Development (Cambodia)
NDA	National designated authority
NDC	Nationally determined contribution
NEFCO	Nordic Environment Finance Corporation
NGO	Non-governmental organization
NOL	No-objection letter
NSCCC	National Steering Committee of Climate Change
OECD	Organization for Economic Cooperation and Development
PAP	Proposal Approval Process
PCA	Pegasus Capital Advisors
PCU	Project Coordination Unit
PICSA	Participatory Integrated Climate Services for Agriculture

PNCC	*Politique nationale de lutte contre les changements climatiques* (Haiti)
PPF	Project Preparation Facility
PSF	Private Sector Facility
PSIDS	Pacific small island developing States
PSNP	Productive Safety-net Programme
PV	Photovoltaics
R&DB	Research and Development Board
REDD	Reducing Emissions from Deforestation and Forest Degradation
RfP	Request for Proposals
RGC	Royal Government of Cambodia
RLLP	Resilient Landscapes and Livelihoods Project (Ethiopia)
RPSP	Readiness and Preparatory Support Programme
SADC	Southern African Development Community
SAP	Simplified Approval Process
SCCF	Special Climate Change Fund
SDGs	Sustainable Development Goals
SIDS	Small island developing State
SLMP	Sustainable Land Management Programme
SnCF	Subnational Climate Fund Global
SNNPR	Southern Nations, Nationalities, and Peoples' Region
SPC	Secretariat of the Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
SREP	Scaling Up Renewable Energy Programme in Low Income Countries
TA	Technical Assistance
UEMOA	Union Economique et Monétaire Ouest Africaine
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WB	World Bank
WB | IDA	World Bank | International Development Association
WHO	World Health Organization

COUNTRY CASE STUDY REPORTS

1. CAMBODIA COUNTRY CASE STUDY REPORT

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A. Background and context

1. Overview of Cambodia

Cambodia is located in mainland Southeast Asia on the Gulf of Thailand, and shares borders with Thailand, Laos and Vietnam. The primarily flat topography of Cambodia, with its low-lying plains in the centre and flat coastal areas, is juxtaposed by highlands and mountain ranges in the north and southwest. The Mekong River cuts across Cambodia, north to south, passing through the capital city of Phnom Penh, and is a major artery for trade, fishing and agriculture. The Tonlé Sap – Southeast Asia's largest fresh water lake – is also a key resource for fishing and its floodplains support the bulk of Cambodia's rice cultivation.[1] Water fluctuations in the rivers and lake from seasonal rains have an unusual influence on the regional ecosystem. In the dry season (December to April), water from the Tonlé Sap Lake flows south via the Tonlé Sap river into the Mekong. During the monsoon season (May to November), water volume in the Mekong River increases – up to 30 times its dry season volume – and causes a reversal of the flow along the Tonlé Sap river, saturating floodplains with nutrient-rich water. These water flow patterns are critical to the fertility of the central plains, the biodiversity adapted to them and the livelihoods that depend on the productivity of the rivers and the lake.[2]

Cambodia's population of 16,718,971[3] lives across 25 provinces. The population is overwhelmingly rural (76 per cent in 2020).[4] Although traditionally an agrarian society, by 2019, employment in agriculture had dropped to an all-time low of 35 per cent of total employment,[5] while services climbed to an all-time high of 38 per cent.[6] Prior to the COVID-19 pandemic, tourism, construction, and garment manufacturing contributed to 40 per cent of paid employment and 70 per cent of the country's 2019 growth.[7] Over the past decade, Cambodia's average real growth rate (gross domestic product (GDP) change per year) has been 7.7 per cent.[8] The economy of Cambodia remains one of the fastest-growing economies globally, and it is on the cusp of "graduation" from least developed country (LDC) status,[9] although the COVID-19 pandemic has made economic forecasts uncertain. Agriculture, forestry and fishing accounted for 22.8 per cent of GDP in 2020.[10] Crop production, especially rice, continues to account for the majority (60 per cent) of agricultural GDP.[11] Cambodia has a well-established export sector, dominated by garments, rice, and rubber, among others.[12] Its

[1] OpenDevelopment Mekong, "The Mekong". Available at https://opendevelopmentmekong.net/topics/the-mekong/ (accessed on 31 August 2021).
[2] Ibid.
[3] World Bank, "Population, total – Cambodia". Available at https://data.worldbank.org/indicator/SP.POP.TOTL?locations=KH.
[4] WB, "Rural population (% of total population) – Cambodia". Available at https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=KH.
[5] WB, "Employment in agriculture (% of total employment) (modeled ILO estimate) – Cambodia". Available at https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=KH.
[6] WB, "Employment in services (% of total employment) (modeled ILO estimate) – Cambodia". Available at https://data.worldbank.org/indicator/SL.SRV.EMPL.ZS?locations=KH.
[7] WB, "Cambodia Country Economic Update, June 2021: Cambodia's Economy Recovering but Uncertainties Remain", 16 June 2021. Available at https://www.worldbank.org/en/country/cambodia/publication/cambodia-country-economic-update-june-2021-cambodia-s-economy-recovering-but-uncertainties-remain.
[8] WB, "The World Bank in Cambodia: Overview" (2021).
[9] United Nations, Department of Economic and Social Affairs, "Least Developed Country Category: Cambodia Profile". Available at https://www.un.org/development/desa/dpad/least-developed-country-category-cambodia.html.
[10] WB, Agriculture, forestry, and fishing, value added (% of GDP) - Cambodia. Available at https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=KH.
[11] Asian Development Bank, Cambodia, 2019–2023 – Inclusive Pathways to a Competitive Economy. Board document (Manila, the Philippines, 2019).
[12] ADB, Economic and Research Department, "Cambodia Diversifying Beyond Garments and Tourism. Country Diagnostic Study" (Manila, the Philippines, 2014).

export concentration is the third highest in the Association of Southeast Asian Nations (ASEAN), as measured by the Herfindahl-Hirschmann Index.[13] However, Cambodia's exports are primarily those with low value added,[14] and Cambodia's agricultural exports are mainly unprocessed: only 10 per cent of Cambodia's agricultural goods are estimated to be processed within the country.[15]

Poverty and inequality continue to characterize Cambodia, despite impressive economic growth over the past decade – until the COVID-19 pandemic delivered a sharp shock. Cambodia's GDP grew at an average annual rate of over 8 per cent between 2000 and 2010, and about 7 per cent since 2011. The tourism, garment, construction and real estate, and agriculture sectors were major drivers of economic expansion.[16] Nevertheless, Cambodia is still one of Asia's poorest nations. GDP per capita in current USD stood at USD 1,513 in 2020 – this is an impressive increase from USD 786 in 2010,[17] but still low by global standards. There are also positive signs that inequality is decreasing, and that benefits of economic development are being shared. The Gini coefficient (a measure of income distribution across a population, and widely used as an indicator of economic inequality) stood at 36.6 in 2018,[18] that is, stood at 36.6 per cent in 2018, signalling medium-level income distribution inequality when viewed from a global perspective. While the official national poverty rate is so outdated that it is no longer useful, it is undeniable that many Cambodians still live in abject poverty. Its Human Development Index (HDI) value in 2019 was 0.594, placing it 144 out of 189 countries and territories. When controlling for inequality, however, the HDI drops by 20 per cent, down to 0.475.[19] Meanwhile, wages are low: some 35.2 per cent of women and 36.7 per cent of men who are employed in Cambodia still earn below the international poverty line.[20]

Health and education remain perpetual concerns. Only 63 per cent of school-aged students attended school in 2019–2020.[21] The under-five mortality rate was 24.6 deaths for every 1,000 live births in 2020.[22] Neonatal mortality accounted for 14.5 deaths for every 1,000 live births in 2019.[23] Child stunting (low height for age) declined from 59 per cent in 1996 to 32.4 per cent in 2019,[24] but its prevalence remains "high" according to the World Health Organization (WHO) public health thresholds. The prevalence of child wasting is also considered high, at 9.6 per cent.[25] Meanwhile, the National Institute of Statistics reported that about 80 per cent of the households in Cambodia had access to both "improved water sources"[26] and improved toilet facilities.[27] However, these facilities can only be considered as rudimentary, and water, sanitation, and hygiene (WASH) remains an issue

[13] Ibid.
[14] WB, *Cambodia Economic Update: Road to recovery – Special focus government-to-person (G2P) payments for social benefits* (June 2021).
[15] ADB, Cambodia, 2019–2023 – Inclusive Pathways to a Competitive Economy. Board document (Manila, the Philippines, 2019).
[16] CIA, "The World Factbook: Cambodia – Economy". Available at *https://www.cia.gov/the-world-factbook/countries/cambodia/#economy*.
[17] WB, GDP per capita (current US$) – Cambodia. Available at *https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=KH*.
[18] Knoema, Cambodia – GINI index. Available at *https://knoema.com/atlas/Cambodia/GINI-index?view=snowflake*.
[19] United Nations Development Programme, "Human Development Report 2020", Brief Note. Available at *http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KHM.pdf* (2020)
[20] UN Women, "Cambodia". Available at *https://data.unwomen.org/country/cambodia*.
[21] Cambodia, National Institute of Statistics, *Report of Cambodia Socio-Economic Survey 2019/20* (2020).
[22] Knoema, Cambodia - Under-five mortality rate. Available at *https://knoema.com/atlas/Cambodia/topics/Demographics/Mortality/Under-5-mortality-rate*.
[23] Knoema, Cambodia - Neonatal mortality rate. Available at *https://knoema.com/atlas/Cambodia/Neonatal-mortality-rate*.
[24] UNDP, "Human Development Reports – Cambodia". Available at *http://hdr.undp.org/en/countries/profiles/KHM*.
[25] United Nations Children's Fund, UNICEF: Globally, an additional 6.7 million children under 5 could suffer from wasting this year due to COVID-19, press release, 3 August 2020.
[26] Improved water source includes piped water in the dwelling, piped water into a compound yard or plot, public tap/standpipe, tube/piped well or borehole, protected well, protected spring, rainwater collection, and bottled water. See Cambodia, National Institute of Statistics, *Report of Cambodia Socio-Economic Survey 2019/20* (2020).
[27] Improved toilet facilities includes three types of toilets, namely "pour flush/flush connected to sewerage", "pour flush/flush connected to septic tank/pit", and "pit latrine with slab". See NIS (2020).

of great importance in the country. Meanwhile, nearly 19 per cent of Cambodian households do not have access to grid electricity and are reliant on car batteries, wood and other traditional fuels for energy.[28]

Cambodia has its share of gender challenges, although there are some positive examples of female parity: for instance, girls actually have higher school completion rates than boys,[29] and women have higher literacy rates.[30] However, it is widely recognized that women shoulder a "double burden" of household as well as income generation responsibilities: women spend 12.5 per cent of their time on unpaid domestic chores, which occupy only 1.3 per cent of men's time.[31]

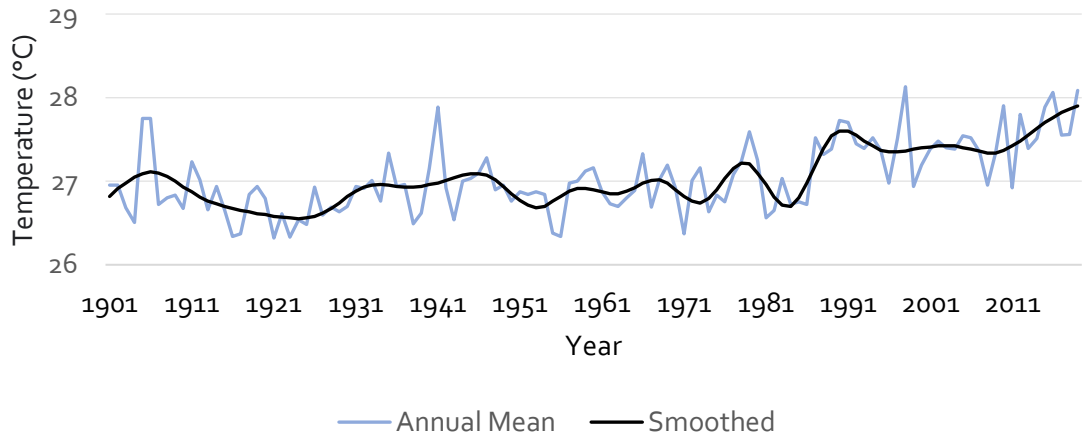
The impacts of the COVID-19 pandemic have fallen particularly hard on many LDCs, including Cambodia. The pandemic catalysed an economic downturn, cutting off the country's primary economic drivers of tourism, construction, and garment manufacturing.[32] A negative growth of 3.1 per cent was reported in 2020, the most dramatic downturn in recent memory.[33] Although early border closures, containment measures, and public health behaviours (e.g. the wearing of masks) kept the COVID-19 pandemic at bay for 2020, an outbreak in early 2021 has defied elimination and, as of early September 2021, there were nearly 100,000 documented cases.[34]

2. CLIMATE CHANGE CONTEXT

Climate change is one of the most critical challenges Cambodia faces today. Cambodia is commonly named as one of the most at risk countries in the world – in 2014, for example, Standard and Poor's ranked its economy as the single most vulnerable to the effects of climate change worldwide.[35] Socioeconomic and environmental co-factors, primarily high levels of poverty and a high frequency of disasters, underpin this vulnerability. Climate change threatens to undermine livelihoods and reverse the country's impressive economic development gains.

[28] In 2020, 81.06 per cent of households had access to grid-connected electricity. See Cambodia, Electricity Authority of Cambodia, "Salient Features of Power Development in Kingdom of Cambodia". Available at *https://www.eac.gov.kh/site/index?lang=en*.
[29] WB, Primary completion rate, male (% of relevant age group) – Cambodia. Available at *https://data.worldbank.org/indicator/SE.PRM.CMPT.MA.ZS?end=2019&locations=KH&start=2002*.
[30] UN Women, "Cambodia". Available at *https://data.unwomen.org/country/cambodia*.
[31] Ibid.
[32] WB, "Cambodia Country Economic Update, June 2021: Cambodia's Economy Recovering but Uncertainties Remain", 16 June 2021. Available at *https://www.worldbank.org/en/country/cambodia/publication/cambodia-country-economic-update-june-2021-cambodia-s-economy-recovering-but-uncertainties-remain*.
[33] WB, "The World Bank in Cambodia: Overview" (2021).
[34] Khmer Times, "Cambodia nears 100,000 case mark as it records highest daily case total since August 1". Article, 12 September 2021. Available at *https://www.khmertimeskh.com/50933657/cambodia-nears-100000-case-mark-as-it-records-highest-daily-case-total-since-august-1st/*.
[35] Kraemer, M. and L. Negrila, "Climate Change Is a Global Mega-trend for Sovereign Risk", New York: McGraw Hill Financial.

Figure A - 1. Average annual temperature of Cambodia during the period from 1901 to 2021



Source: Adopted from the World Bank Climate Change Knowledge Portal (*https://climateknowledgeportal.worldbank.org/country/cambodia/climate-data-historical*)

Some key climate change hazards have been identified for Cambodia, including floods, drought, sea level rise, intense storms and tropical diseases. These factors are exacerbated by socioeconomic vulnerabilities including: an agrarian economy, limited human and financial resources, insufficient physical infrastructure, limited access to technology, and high levels of poverty and inequality. Below, we discuss some of these in context.

Cambodia is one of the most disaster-prone countries in the world.[36] The primary hazard is variable rainfall, which will almost certainly be exacerbated by climate change. Cambodia already has one of the world's highest exposures to flooding.[37] It should be noted that while Cambodia is characterized by a very high frequency of disasters, it has largely been spared from very extreme disasters such as typhoons. Cambodia's coastline is only 440 km in length and is unexposed. However, the country's population is crowded into low-lying plains and river basins, which are subject to annual flooding. Cambodians are well-adapted to these conditions. However, climate change is ushering in more erratic rainfall, which may trigger more frequent and severe floods and droughts, beyond the population's coping capacities. It is not unusual for both drought and flooding to occur within a single agricultural year. There are often short "dry spells" in the middle of the rainy season which, if protracted or severe, can compromise crops. The heaviest rains, however, occur at the end of the rainy season. If rainfall continues to become more extreme, it is likely that farmers will struggle with dual disasters within a single growing season.

Rising sea levels pose a serious threat to Cambodia. Although Cambodia has only four coastal provinces, Cambodia's low-lying central plains, in which most of the population is crowded, would be highly affected by a rise in sea levels.[38] In addition, the seasonal "pulse" of the Tonlé Sap river system is likely to exacerbate the effects of sea level rise. Not only will flooding be more frequent and severe, but the pulse will flush in salty water, compromising both agriculture and fish stocks. Salinity is extremely difficult and expensive to manage.

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[36] World Risk Index. Available at *https://reliefweb.int/sites/reliefweb.int/files/resources/WorldRiskReport-2020.pdf*.
[37] Asian Disaster Preparedness Center and UN Office for Disaster Risk Reduction, *Disaster Risk Reduction in Cambodia. Status Report 2019* (July).
[38] Thevongsa, Phoonsab, "Climate change and its impact on Lao and Cambodian people", *Vientiane Times*, 3 May 2012. Available at *https://www.iucn.org/sites/dev/files/import/downloads/climate_change_and_its_impacts_on_the_lao_and_cambodian_people_vientiane_times.pdf*.

Rising temperatures can have dramatic effects on agriculture, horticulture, aquaculture, and natural fisheries. Even small changes in average temperature can affect both crops and fisheries. For example, if temperatures climb to 35°C (95°F) for more than an hour during flowering, rice becomes sterile and produces no grain.[39] Rural livelihoods and nutrition are largely dependent on subsistence agriculture and small-scale fishing, which are both highly sensitive to both gradual climatic changes and extreme weather events. Rice and fish are the traditional staples of the Cambodian diet. As of the late 2000s, fish constituted 80 per cent of the population's animal protein intake.[40] Cambodians benefit from one of the world's richest fresh water fisheries, via the Tonlé Sap, which will be impacted by salinity. Climatic changes and weather events are likely to compromise both rice harvests and fish yields, possibly dramatically.

Cambodia is also prone to **poor natural resource management**. The negative effects of climate change are being compounded by more immediate threats to the integrity of Cambodia's natural environment. Although Cambodia still has extensive tracts of forest land, it is quickly diminishing: it lost 1.28 million hectares (Mha) of humid primary forest from 2002 to 2020.[41] This alarming loss, coupled with threats to aquatic ecosystems (e.g. unsustainable fishing, upstream hydropower dams), not only further compromises rural livelihoods and human capacities, it also influences the ecosystem's capacity to adapt to climate change. Ecosystems, which are already under stress, are less able to withstand climatic changes.

According to the World Bank's Climate Change Knowledge Portal, the following changes in weather data have been observed or are predicted:

- Temperature
  - Temperature increases have been observed, with an approximate increase of 0.18°C per decade since the 1960s.
  - Temperature has increased most rapidly during the country's dry season (November to April), increasing by 0.20°C to 0.23°C per decade.
  - Temperatures have increased during the rainy season (May to October), but not as significantly, with increases between 0.13°C and 0.16°C per decade.
  - The number of "hot days" in the country has increased over the past century, by as much as 46 days per year.
- Precipitation
  - While rainfall was observed to increase in some areas since the 1960s, no statistically significant changes were detected over the twentieth century, either in terms of annual rainfall or extreme events.
  - However, precipitation variability is linked to the El Niño Southern Oscillation phenomenon, with years of strong El Niño correlated with years of moderate and severe drought over the twentieth century.[42]

It is also important to note that climate change is an inherently uncertain process. While climate change itself is almost certainly inevitable, the pace and extent of specific changes and cascading environmental effects cannot be fully predicted – especially at the local level. Thinking in terms of

[39] Manas Ranjan Senapati, Bhagirathi Behera and Sruti Ranjan Mishra, "Impact of climate change on Indian agriculture and managing its priorities", *American Journal of Environmental Protection*, Vol. 1, No. 4, 109-111 (2013)
[40] The WorldFish Center, "Climate change and fisheries: Vulnerability and adaptation in Cambodia", Issue brief 2011-22, Penang, Malaysia, 2009).
[41] Global Forest Watch, Cambodia Deforestation rates & statistics.
[42] Climate Change Knowledge Portal, Cambodia. Available at *https://climateknowledgeportal.worldbank.org/country/cambodia/climate-data-historical*.

"adaptation pathways" is encouraged.[43] For Cambodia, this implies fostering diverse livelihoods and flexible development options.

There are several challenges facing Cambodia, in addition to the vulnerabilities outlined above, as it transitions to a low carbon development pathway. A generation on from genocide and war, Cambodia's human resource base remains weak, and there is still a lack of a highly educated, skilled workforce. Additionally, while Cambodia is widely recognized for embracing a climate agenda early on, opportunities for improvement remain. Critiques of Cambodia's climate policy include: conflating Cambodia's normal seasonal variation with "drought" and "flood", sidestepping internal drivers of climate change and weak resilience (e.g. deforestation), and larger political questions regarding governance and meaningful participation.[44] These matters are well outside the scope of this evaluation. Overall, there is ample opportunity within the policy landscape to enable partnership between the Green Climate Fund (GCF) and the Royal Government of Cambodia (RGC) to pursue a generous range of interventions.

3. Climate change policy in Cambodia

Following the endorsement of the Sustainable Development Goals (SDGs) at the United Nations General Assembly in late 2015, the RGC has endeavoured to apply the aims within the national context.[45] These Cambodia Sustainable Development Goals (CSDGs) have been incorporated into the Government's chief guiding policy framework: *Rectangular Strategy IV: Growth, Employment, Equity, and Efficiency and the National Strategic Development Plan (2019-2023)*. Prior to the pandemic, a majority of CSDGs targets were rated as "ahead" or "on track", including on the country's six prioritized goals: Education, Decent Work and Growth, Reduced Inequalities, Climate Action, Peace and Institutions, and SDG Partnerships.[46] Cambodia's climate change aspirations include both mitigation and adaptation, and are far-reaching. In addition, Cambodia's Climate Change Finance Framework has been adopted to better manage the climate finance resources in which three financial sources are identified: new climate change funding, existing funding to be modified to respond to climate change, and changes to the funding allocation.

Cambodia's key climate change policy document is the Climate Change Strategic Plan (CCSP) 2014–2023. The CCSP 2014–2023 aims to enable Cambodia to achieve a green, low carbon, climate resilient, equitable, and sustainable society. The CCSP sets out three goals supported by eight clear strategic objectives.[47]

CCSP goals:

- Reducing vulnerability of most vulnerable groups and critical (natural and societal) systems to climate change impacts.
- Shifting towards a green development path by

CCSP strategic objectives:

- Promote climate resilience through improving food, water and energy security.
- Reduce vulnerability of sectors, regions, gender and health to climate change impacts.
- Ensure climate resilience of critical ecosystems (Tonle Sap Lake, Mekong River, coastal ecosystems, highlands etc.), biodiversity, protected areas and cultural heritage sites.

[43] Patrick Pringle, *AdaptME: Adaptation monitoring and evaluation* (UKCIP, Oxford, UK, 2011). Available at www.ukcip.org.uk/wp-content/PDFs/ UKCIP-AdaptME.pdf.
[44] See, for example, Mira Käkönen and others, "Rendering climate change governable in the least-developed countries: Policy narratives and expert technologies in Cambodia", *Forum for Development Studies*, Vol. 41, No. 3, pp. 351-376.
[45] Cambodia, *Cambodia's Voluntary National Review 2019 on the Implementation of the 2030 Agenda for Sustainable Development*, (2019). Available at https://sustainabledevelopment.un.org/content/documents/23603Cambodia_VNR_PublishingHLPF.pdf.
[46] Ibid.
[47] Cambodia, *Cambodia Climate Change Strategic Plan 2014–2023* (2013). Available at https://www.cambodiaip.gov.kh/DocResources/ab9455cf-9eea-4adc-ae93-95d149c6d78c_007729c5-60a9-47f0-83ac-7f70420b9a34-en.pdf.

promoting low carbon development and appropriate technologies. • Promoting awareness and participation of the public in climate change response actions.	• Promote low carbon planning and technologies to support sustainable development of the country. • Improve capacities, knowledge and awareness for climate change responses. • Promote adaptive social protection and participatory approaches in reducing loss and damage. • Strengthen institutions and coordination frameworks for national climate change responses. • Strengthen collaboration and active participation in regional and global climate change processes.

Cambodia's nationally determined contribution (NDC) sets targets for climate change mitigation and adaptation activities in order to achieve the vision of a low carbon and climate resilient country. The last updated NDC was approved in 2020. For the scenarios adopted in Cambodia, the mitigation target is to reduce emissions by up to 64.6 million tCO2e/year by 2030 in various sectors, including waste, energy, agriculture, industry, transport, building, forestry and other land uses (NCSD, 2020)[48]. More recently, in 2017, the National Adaptation Plan Financing Framework and Implementation Plan (NAPFFIP) was approved. Priority sectors for adaptation in Cambodia are forestry, fisheries, agriculture, water, infrastructure, coastal zones, and health. The objectives of the national adaptation plan (NAP) and the priority sections for the NAPFFIP are directly responsive to the climate vulnerabilities that are particular to Cambodia. When the previous Climate Change Action Plan expired, it was replaced by an array of sector-specific Climate Change Action Plans. These documents operationalize the CCSP within the scope and mandate of a given ministry.

B. KEY FINDINGS

1. RELEVANCE OF GCF POLICIES AND FINANCING MODALITIES

a. Policy linkages

Overall, the GCF and its funding streams are eagerly welcomed by all stakeholders. As outlined above, Cambodia is regularly identified as being especially vulnerable to climate change. Cambodia positioned itself early and successfully to welcome international climate finance, and it has generated detailed policy documents accordingly. Climate change is also addressed widely, including in national level documents like the "Rectangular Strategy: Growth, Employment, Equity, and Efficiency", as well as the official policies and plans of various ministries (e.g. Ministry of Public Works, the Ministry of Health, the Ministry of Environment, the Ministry of Water Resources and Management, and the Ministry of Agriculture, Forestry, and Fisheries). Cambodia's climate change aspirations include both mitigation and adaptation, and are far-reaching.

b. GCF funding modalities and business model

Cambodia has a large and varied GCF portfolio – perhaps surprisingly so for a small LDC. This may reflect its especially strong ties to the United Nations system. The collapsed State that the United Nations directly governed and administered contributed to this (via the United Nations Transitional Authority of Cambodia in the 1990s), and the relationship between the Government and the United Nations remains close. There are multiple current and anticipated international organizations who are GCF accredited entities (AEs) operating in Cambodia, and more recently, there was the entry of direct access entities (DAEs). (See section 'GCF portfolio and effectiveness' below for more details

[48] NCSD stands for National Committee on Sustainable Development.

on AEs and DAEs.) Multiple GCF funding streams are being tapped into, including the Readiness and Preparatory Support Programme (RPSP), Simplified Approval Process (SAP), and funding through intermediary AEs. Newly accredited agencies – including national ones – are now entering the GCF arena in Cambodia. There are currently no approved Project Preparation Facility (PPF) projects, however.

The GCF's RPSP (also referred to as the 'Readiness programme' or simply 'Readiness') receives generally, but not consistently, high reviews including praise for the opportunities for learning and expedited action. However, some stakeholders express considerable frustration. As one Cambodian national explained, "GCF has a lot of money, basically, so I was interested to learn about green finance. I was lucky enough to get involved in this Readiness project. I learned a lot. GCF is very new to Cambodia… there was limited knowledge of this potential source of funding."

Box A - 1. Readiness at a glance

Eight GCF RPSP grants were approved between 2016 and 2021, with eight different delivery partners:

- PricewaterhouseCoopers
- Ministry of Environment
- Mott MacDonald
- Global Green Growth Institute (GGGI)
- Mekong Strategic Partners
- United Nations Industrial Development Organization (UNIDO) – Climate Technology Centre and Network (CTCN)
- National Committee for Sub-National Democratic Development (NCDD) Secretariat
- United Nations Human Settlements Programme

See section "GCF Portfolio and Effectiveness" below for more details on these grants.

The modest Readiness funding window of USD 1 million is seen as too small. While it is not surprising that everyone wants more money, it is also undeniable that many LDCs are weakly equipped to access direct funding, and struggle with in-country human resource capacity. For countries who share Cambodia's limitations, the USD 1 million ceiling on Readiness funding may effectively restrict the countries' access to GCF funding indefinitely.

There is also demand – especially from the Government – for a greater number of Readiness projects to be implemented concurrently. It is unclear if the restriction comes from the national designated authority (NDA) or from the GCF, but it was reported that potential partners compete with each other over RPSP access, in a way that is unhelpful and hampers long-term coordination. Meanwhile, GCF processes remain opaque and inaccessible, especially to Cambodian nationals. It can be argued that Readiness and similar windows are not working as intended, insofar as the Government remains dependent on foreign consultants. The hoped-for skills and knowledge transfer remains an unrealized ambition, and the case study team noted that some Cambodian stakeholders showed unfamiliarity with the documents, strategies, supporting research, or project plans for proposed GCF-resourced activities.

Stakeholders report less positive experiences with the GCF's SAP. It is reported to be a maze of internal contradictions, and the application process is not seen as necessarily faster or easier than that for a standard process, known as the regular Proposal Approval Process (PAP). In one interview respondent's words, "…there is nothing simple about the SAP!" One interviewee complained bitterly that on the one hand, GCF expects participation and community consultations, but that actually doing so automatically transfers the activity from "low" safeguards risk to "medium" or "high," which is strictly forbidden under the rules. The details of this problem have not been

verified, but the story that was told does raise some serious questions. For example there is the possibility that certain people and/or types of interventions (e.g. participatory natural resource management) are being *excluded* by the very rules that are intended to protect their interests. This also highlights a need for greater transparency with potential partners about the type and scope of work that can *realistically* be funded via this window. Meanwhile, there are reports of partners in difficult binds, wasted resources spent on ineligible proposals, and confusion among national counterparts who are supposed to be "capacitated" and "empowered."

Not many interviewees had been involved in preparing proposals for GCF's standard project funding, so it is difficult to draw conclusions on process efficacy from interview answers. Expectations and enthusiasm among newly accredited partners is very high, and possibly unrealistic. Some frustrations are expressed that proposal preparation is too resource intensive, and data requirements are unreasonable. Some are also frustrated with what are perceived to be hidden – or shifting – preferences in what the GCF will and will not fund. As one respondent reported:

> "[The accredited entity] is accredited for adaptation and mitigation for up to $10 million, but then everyone says that we won't get a mitigation project… Word on the street is that it's super hard to get mitigation money. Well, they should tell us what they are hungry for! I should not be finding out after two freaking years of working on a mitigation proposal, from someone in Mexico, that it probably won't get funded! Things like that are not fair. It's okay to shift priorities, but can you please communicate it and also let those who have invested in your old priorities to see that through?"

The GCF **business model** of working through the NDA is, overall, functioning well in Cambodia – although it is arguable that it is not working entirely as intended. A wide swathe of (potential) implementing partners consistently report cordial and professional working relationships with the NDA. The evaluators found no complaints from either the Government or non-government partners. While some would absolutely welcome in-country GCF presence (e.g. a representative or office), the system is clearly not broken. The NDA indeed serves as an essential gatekeeper and authority over matters under its jurisdiction: it convenes formal meetings and coordination bodies, and has its own systems to select priorities and approve initiatives. However, in the words of one interviewee, the NDA "presides but it does not participate" insofar as it does not appear to have a direct hand in operations. Meanwhile, much of the technical work to support accessing GCF funding (e.g. preparing strategy documents, feasibility studies, etc.) is shouldered by (often foreign) consultants or agencies. It is safe to say that Readiness and other capacity-building efforts are widely appreciated, but they may not effectively equip the NDA or other government agencies to assume the kind of operational management role that may be expected by some quarters of the GCF.

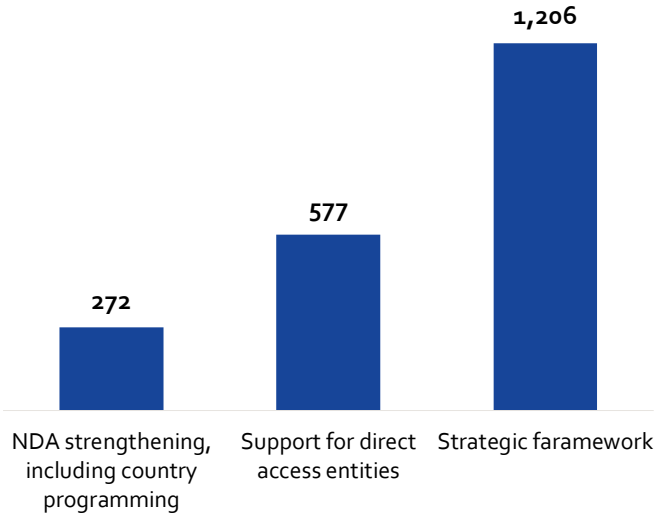
c. Country ownership and participation

Country ownership in GCF projects in the country is generally strong in many of the most formal and important respects, but not without flaws. As with the GCF business model, it is working, but perhaps not entirely as intended. As discussed elsewhere in this report, Cambodia has strong climate change policy frameworks and coherent institutional arrangements. National representatives at all levels focus first and foremost on GCF as a source of generous funding. They do not however clearly or consistently express their own priorities and purposes. This suggests that while country ownership is strong on a formal level, some stakeholders lack confidence about driving the agenda.

Country ownership is extremely high, if one conflates country ownership with *government* ownership. The question of **participation** in public affairs – including climate change – is more

complex. Cambodia is frequently characterized as a "hybrid democracy".[49] There have been strong efforts to mainstream gender within government planning, decentralize the bureaucracy, and engage villagers in community projects. At the same time, it should be acknowledged that these efforts remain part of a social environment in which truly inclusive community engagement is complicated, as civil society has been historically weak in many respects in Cambodia.[50] Projects that are coming through the pipeline in Cambodia are largely being channelled through international agencies that have strong safeguards and other policies, which are largely consistent with the GCF's premium on consultation, participation and benefit sharing. Incoming government-administered climate change projects may also be inherited from other international programmes (e.g. scaling out the United Nations Capital Development Fund Local Climate Adaptive Living Facility programme nationwide, to channel climate finance directly to local governments), and/or are low risk (e.g. renewable energy). Meanwhile, consultation with stakeholders indicates that some GCF project design and risk management processes make community engagement challenging. This interplay of factors may inhibit intentions to fully engage with vulnerable populations and civil society in a way that amplifies benefit sharing and grassroots empowerment.

Figure A - 2. Approved RPSP funding per programme activity (USD thousands)



Source: RPSP approved grants data set extracted by the IEU DataLab

2. GCF PORTFOLIO AND EFFECTIVENESS

The GCF's portfolio in Cambodia is large and varied. To date, funding has been extended for eight RPSP grants between 2016 and 2021; zero PPF projects; and officially, there are four "approved" projects. The approved GCF projects are as follows.

[49] Mona Lilja, "Discourses of Hybrid Democracy: The Case of Cambodia", *Asian Journal of Political Science*, 18(3):289-309. Available at https://www.researchgate.net/publication/254240687_Discourses_of_Hybrid_Democracy_The_Case_of_Cambodia.
[50] Affiliated Network for Social Accountability in East Asia and the Pacific, *The Evolving Meaning of Social Accountability in Cambodia* (Quezon, Ateneo de Manila University, january 2010). Available at http://era.gov.kh/eraasset/uploads/2020/02/The-Evolving-Meaning-of-Social-Accountability-in-Cambodia.pdf.

Table A - 1. Approved GCF funded projects in Cambodia

TITLE	NUMBER	APPROVAL YEAR	AE	GCF SECRETARIAT DIVISION	TOTAL FUNDING (USD MI.)
Climate-Friendly Agribusiness Value Chains Sector Project	FP076	2018	ADB	DMA	141
Global Subnational Climate Fund – Technical Assistance Facility*[51]	FP151	2020	IUCN	PSF	0.7
Global Subnational Climate Fund – Equity*	FP152	2020	PCA	PSF	18
ASEAN Catalytic Green Finance Facility: Green Recovery Program*	FP156	2021	ADB	DMA	737

Source: GCF iPMS approved projects data set
Note: IUCN (International Union for Conservation of Nature); PCA (Pegasus Capital Advisors); PSF (Private Sector Facility), DMA (Division of Mitigation and Adaptation)

A key finding on the GCF portfolio in Cambodia is that there is a considerable – arguably alarming – disconnect between the data from GCF headquarters in Songdo, Republic of Korea, and the data from the NDA in Phnom Penh about the number and nature of incoming projects. For example, of the approved projects, only the first listed in the table above is specific to Cambodia, while the other three are multi-country projects. The team was unable to explore FP076 due to the availability of key staff and stakeholders. The team leader had a death in the family in the morning of our scheduled interview and abruptly departed on extended family leave, and other stakeholders declined to speak in his absence. The other three multi-country projects appear to be inactive in Cambodia, or at least key stakeholders are not fully aware of them. The data from Songdo lists an additional 13 projects in the pipeline, most of which are unknown to the NDA. There are three possible explanations for this:

- In some cases, organizations have submitted a concept note for a project that they are no longer pursuing, but it still appears in the official pipeline. If they do not formally withdraw, they remain in the GCF database.
- There are multi-country projects which in principle may include Cambodia, but are too early in the planning stages to explore local partnerships or inform the NDA, and therefore they do not appear within the NDA's own records. This raises the question of how multi-country projects are collaborating with the individual countries via the GCF's NDAs and national focal points. In other country case studies undertaken for this evaluation, including the one for Ethiopia, the interviewees conveyed that they know very little about what is happening with the GCF's multi-country projects in which their country is involved. This evaluation lends further evidence of an apparent communications gap about the GCF's multi-country projects. It could also be that while the relevant information has been sent to the NDA, the projects are not yet mobilized in-country, and they are not fully recognized from an NDA standpoint. The Cambodia NDA did note personnel shortage, capacity constraints, and competing priorities,

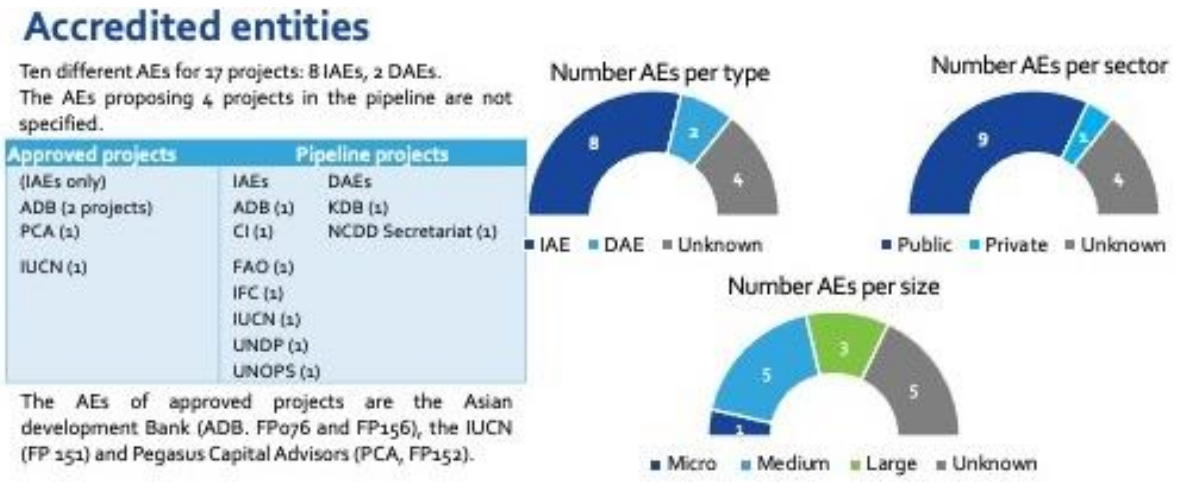
[51] Projects marked with an asterisk are multi-country.

and so routine communications about matters beyond Cambodia may not have been fully processed.

- The NDA does not track projects by the GCF numbering system, and it is possible that project titles changed, and/or the in-country incarnation of a multi-country project is known by a different name. While the evaluation team did not encounter any evidence of this actually happening, it is possible that a particular multi-country (or, indeed, other) project is simply being called something different within Cambodia.

The NDA, meanwhile, has a much longer list of projects which have not yet been officially registered with the GCF pipeline. The table in annex A shows data extracted from the official 2021 document *Cambodia's Country Programme for the Green Climate Fund*. Readers who are interested in further details about the NDA's intended scope of action are encouraged to consult this very detailed report directly. It shows 24 projects at the concept stage, only four of which appear in the GCF's own data. There is an obvious reason for this: a potential project is only "official" vis-à-vis the GCF *after* it has matured enough to be officially registered with the agency. This is done by submitting a formal concept note, triggering entry into the GCF's formal approval and engagement processes. It is thus unsurprising that there are many more projects that are percolating, but not yet *formally* registered in the GCF pipeline. However, it does raise a potentially important issue: that the GCF may be unprepared to process the volume of incoming project proposals.

Figure A - 3. Acredited entities with approved and pipeline projects to be implemented in Cambodia



Source: GCF iPMS approved and pipeline projects data sets[52]

Accreditation has been a thorny subject within the GCF; it is a slow and often resource intensive process that has become a source of pronounced dissatisfaction for many. Those interested in a full discussion of accreditation within the GCF are encouraged to read the IEU's 2020 report on the topic,[53] but it is useful to note that respondents explained they feel very strained about the accreditation process. Evidence from Cambodia does, however, also demonstrate that GCF's efforts to address the accreditation bottleneck have been felt. Complaints still voiced that the dominant narrative is along the lines of "regardless of the complaints about the accreditation process, the dominant narrative among respondents was satisfaction with their path towards becoming a national accredited entity".

[52] All figures related to the GCF-related data in this report have the reference date of July 1, 2021.
[53] Independent Evaluation Unit, *Independent synthesis of the Green Climate Fund's accreditation function* (Songdo, South Korea, 2010). Available at https://ieu.greenclimate.fund/sites/default/files/evaluation/accreditation-final-report.pdf.

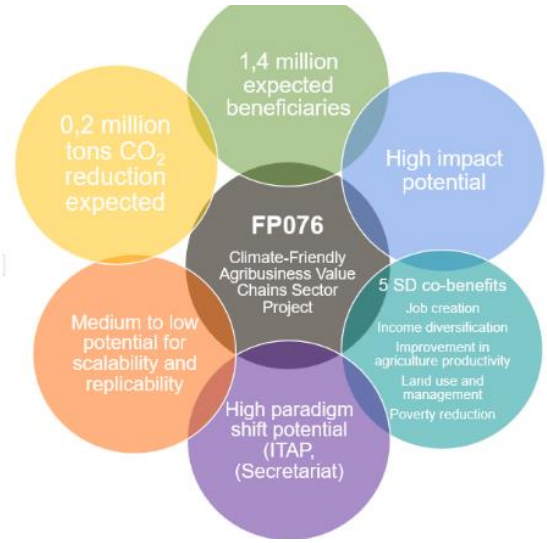
Quite a few interviews in Cambodia suggested that the accreditation process had been onerous, but now that it is over, there is eagerness, anticipation, and very **high expectation for imminent partnership** with the GCF. While the GCF is to be commended for processing a backlog of entities that had been in its accreditation queue, there are signals that the next GCF bottleneck may be a flurry of well-developed proposals that will be submitted in the near term. The evidence from Cambodia implies that the expectations from GCF in regard to the connection between accreditation and funding for newly accredited partners (including DAEs) has been unclear to some key in-country stakeholders. If the GCF is unwilling or unable to meet these expectations, the stage may be set for significant frustration.

The GCF's resource intensive processes represent an opportunity cost for countries including Cambodia and other LDCs that have weak human resource capacities. While the detailed nature of GCF processes helps entities organize their work to international standards, the evidence from Cambodia suggests that some are perhaps too glib that once accredited, the difficult part is over. AEs are expected to develop their own proposals. However, many interviewees in Cambodia (especially national ones) tend to express either anxiety over guidelines or (perhaps naïve) anticipation that large sums of money will materialize quickly. Despite the GCF's Readiness support, some appear poorly prepared for the next steps.

Projected results

Although Cambodia's GCF portfolio is optimistic in many respects, it is also nascent. It is too early to draw confident conclusions about results, either to date or anticipated, or about the success of such aims as gender/social inclusion. There are some hints about expected outcomes from the RPSP, but ultimately, GCF's impact will be in terms of implemented – rather than Readiness – projects. Annex A presents the NDA's list of projects pipeline, but of course it is impossible to predict which of those still being prepared will ultimately be funded. We do see a good mix of anticipated adaptation and mitigation projects, and diverse implementing partners and initiatives. The official projected results data on Cambodia on projects underway is blurred by multi-country approved projects that are not (yet) active in-country. Figure A - 4 illustrates expected results for FP076, the only approved project which is specific to Cambodia. This initiative targets four agricultural value chains in Kampong Cham, Tbong Khmum, Kampot and Takeo provinces. It is intended to enhance the resilience and productivity of crops, and increase agricultural competitiveness and household incomes in the targeted provinces. It will address each stage of the agricultural value chain, and has an estimated lifespan of six years.

Figure A - 4. Project FP076 expected effectiveness and impacts



Source: Project impact potential data set extracted by the IEU DataLab

The GCF is strongly and explicitly committed to paradigm shift, which is a complex matter indeed. As one stakeholder reflected, "Paradigm shift in Cambodia? Yes, it has the potential. It's a very big word. Difficult question. We talk a lot of business-as-usual. This is a new way of business…. It's not easy to translate it to real action." On balance, we find the GCF is poised to deliver transformational change in terms of *scale*, but not approach. Much of this can be attributed to the fact that transactional costs of working with the GCF and demands for data are so high that seasoned partners only select projects they are confident they can get through the system. Stakeholders see the GCF as the one and only source of funding that is ample enough to scale a successful pilot. The GCF is seen as a powerful vehicle to propel successful climate action more widely, but parties are reluctant to experiment via the GCF. The implication is that the GCF may be better poised to deliver demonstrated climate action on an unprecedented scale, but is not the ideal donor to finance "innovative' experiments".

3. The efficiency of GCF processes and projects in LDCs

The evidence from interviews in Cambodia validates findings from previous IEU evaluations, which document that GCF's processes are not smooth, efficient or expedient.[54] These matters are both well-known and widely documented, and do not need to be repeated in close detail here. The interviews in Cambodia largely validated these concerns, but there are also some striking counter-narratives. While some interviewees expressed great frustration over laborious processes, other voices are more positive. The evaluators interpret these mixed signals as **signs that internal reforms within GCF are being felt: there are concrete examples of GCF being straightforward and prompt, with helpful staff who opened the right doors at the right time.** As one recalled, "The project was initiated by [a senior government official]. He asked someone to develop a concept note. I wrote a two-pager, and they came knocking on my door, said to turn it into a Readiness proposal. So, we did exactly that, took the concept note, unpacked it and put it into the GCF format, and it was approved. It was so easy! I was worried it was so easy!" **However, there are also examples of very good people and projects who are trapped in one bureaucratic maze or another. The implication is that *reforms do matter*, but that the process is incomplete and so experiences may be different or inconsistent**.

This is a qualitative evaluation with a small sample of projects, and it is impossible to draw generalizable conclusions. Nevertheless, there are signals that certain *types* of projects run into internal GCF challenges, whereas others do not. Stakeholders understand the GCF's investment criteria and other formalities, but some express wariness, weariness, and/or worry that GCF decision-making is not fully transparent, or that priorities may shift suddenly as policies and processes evolve, as the Board's composition turns over. There is anxiety in some quarters about what characteristics a project needs in order to win funding from the GCF, and worries that processes and/or decision-making may be biased. Meanwhile, the evidence from Cambodia suggests that the "easier" funding windows may be less (rather than more) efficient simply because they have more restrictions.

Cambodia has a large and diverse portfolio for a small LDC; as such, it may presage either the future of GCF in terms of effective climate action – or the next bureaucratic bottleneck if the GCF is unprepared to process them efficiently and helpfully. Within Cambodia itself, the chief efficiency constraint at this time is the capacity to prepare the proposals or implement them. Normally, a foreign consultant or advisor is hired to help develop the proposals and train personnel at the same

[54] See, for example, *https://ieu.greenclimate.fund/evaluation/fpr2019*.

time. However, the next hurdle is whether and how the GCF processes the proposals, extends timely feedback, and so forth. Another issue is how well-prepared AEs are to process the comments – especially given a revolving door of external consultants who have moved on by the time feedback is received. The GCF, meanwhile, also has high staff turnover, and it is reported that feedback-and-response with Songdo can go in endless circles insofar as the people involved are constantly changing. As outlined above, the GCF's Readiness support may be preparing potential partners to participate, but its slow and technical processes are compounding, rather than overcoming, dependence on foreign advisors, and the efficiency of the process is not optimal. This is a core tension between GCF intentions versus field-level constraints on the ground.

According to some stakeholders, **the GCF is too formal and lacks transparency**; there can be a difference between formal requirements and "the word on the street". For example, one interviewee (quoted above) has heard that GCF was focusing on adaptation for the time being, despite the fact that formal commitments embrace both mitigation and adaptation. It is true that the GCF has taken steps to balance a portfolio that was skewed heavily towards mitigation, but abrupt shifts in priority or policy can leave potential partners with immense "sunk costs". Another commented on discrepancies between formal commitments on the website with what was "really" happening in terms of priorities and Board decisions. While not an efficiency issue per se within the GCF, these matters greatly influence how efficient it is for (potential) partners to engage with it. It also contributes to a strong demand for more presence (either in-country or virtual) and guidance to better navigate the institution and its processes.

Since the implementation portfolio is nascent, the key question with regard to **sustainability** is whether Readiness really supports long-term institutional capacity building. We find that despite real and meaningful practical actions and capacity-building efforts, the GCF processes are so complex, opaque, and data-centric that despite direct access, Cambodian institutions will not likely directly partner without external support. National capacity to support climate finance projects independently is low, and while policies, strategies and plans have been developed, goals have not yet been achieved.[55] Capacity and coordination challenges may be even greater as the transition is made from Readiness to implementation.

C. INSTITUTIONAL ARRANGEMENTS AND COHERENCE WITH OTHER SOURCES OF CLIMATE FINANCE

As outlined above, Cambodia positioned itself early and well to leverage international climate finance. It is one of the most disaster-prone countries globally, and its exceptionally strong ties to the United Nations system helped pave this approach, early and successfully. The Ministry of Environment is the coordinating agency facilitating joint activities with relevant line ministries and development partners. The Minister of Environment chairs the NCSD; it was established in 2015 to consolidate what had been four separate policymaking committees related to climate change, green growth, biosafety, and biodiversity. It is composed of representatives from 36 ministries and government agencies, together with 25 capital/provincial governors. This body coordinates climate change activities in Cambodia with an aim "…to promote a stronger, comprehensive and effective climate change response".[56] The NCSD is tasked with shepherding a strong suite of policies to bring Cambodia to more sustainable, resource-efficient, climate resilient, low carbon modes of development. It has facilitated key policies including the Cambodian CCSP 2014-2023, the Sectoral

[55] Ma Chansethea, "Regional Forum on Climate Change and Sustainable Development", slide presentation, 2015. Available at *www.climatefinance-developmenteffectiveness.org.*
[56] National Council for Sustainable Development, "About NCSD". Available at *https://ncsd.moe.gov.kh/ncsd/about-ncsd*.

Climate Change Action Plans and the Climate Change Financing Framework. Other major climate development partners operating in Cambodia include the Global Environment Facility (GEF), UNIDO, the United Nations Development Programme (UNDP), the European Union (EU), and Asian Development Bank (ADB).

Table A - 2. Climate projects financed by other funds in Cambodia

	AF	CIF	GEF	LDCF	SCCF	TOTAL
Projects	1	3	5	4	1	**14**
Country level	*1*	*3*	*2*	*2*	*1*	**9**
Multi-country	*0*	*0*	*3*	*2*	*0*	**5**
Funding (USD millions)	5	295	22	133	26	**481**
Country level	*5*	*295*	*17*	*104*	*26*	**447**
Multi-country	*0*	*0*	*5*	*30*	*0*	**35**

Source: Respective funds data (July 1, 2021), as compiled by IEU DataLab
Note: The climate change oriented projects of the AF (the Adaptation Fund), CIF (Climate Investment Funds), GEF, LDCF (Least Developed Countries Fund) and SCCF (Special Climate Change Fund) include all that have been approved since 2015. CIF, GEF, LDCF and SCCF funding include co-financing. For multi-country projects, only the funding allocated to Cambodia is considered (in case of a lack of information, we assumed an even distribution of the funding between participating countries).

The GCF NDA is also housed in the Ministry of Environment, and the team is responsible for coordinating a suite of initiatives, policies, and donors. As for the GCF, feedback is that the process and system for reviewing, providing feedback and approving proposals for submission to GCF are similar to those of other climate donors. Stakeholders in Cambodia generally considered GCF to be detailed, vigilant and responsive, but the process is lengthy, and there are complaints about transparency, consistency and unreasonable bureaucratic complexity. Since the GCF started its operations in 2015, 24 projects were approved by the AF, CIF, GEF, the LDCF and the SCCF. Three more concept notes were approved by the GEF between 2019 and 2021. The existing data, supplied by IEU, has not shown any co-financing between the GCF and other agencies, and this case study did not identify any issues vis-à-vis donor coordination or coherence**.** However, the NDA is very heavily booked, and the team has many things to do besides being the GCF NDA. The case study team did not detect signs of problems regarding donor coordination. However, it may be the case that the NDA is overstretched *because* the team has broader roles and responsibilities.

D. CONCLUSION AND RECOMMENDATIONS

This review demonstrates that the GCF can and does work very effectively in LDCs. The business model is working smoothly and satisfactorily – although perhaps not entirely as intended. The GCF's portfolio in Cambodia is large and diverse for a small LDC, which perhaps reflects its exceptional climate vulnerability and its strong ties to the United Nations system. National partners have clearly benefited from the GCF's Readiness activities and express appreciation. As accreditation applications have been both processed and expedited, the number of AEs – including DAEs – has increased, a proliferation of concept notes and proposals is being prepared, and the character of the portfolio is set to shift slowly, but steadily, from Readiness to implementation. Many parties express enthusiasm and confidence about incoming projects and long-term partnerships with the GCF. In other words, GCF engagement in Cambodia has been successful to date.

Working with the GCF is not all smooth sailing, however. Although there is evidence that internal reforms of the GCF system and their efficiency gains have been felt, this process has been incomplete and some partners are stuck in what they perceive to be contradictory or unreasonable demands. The evaluators are concerned that the GCF may be unprepared for the sheer volume of concept notes and proposals that are under preparation – many more so than are yet registered in the GCF's formal pipeline – and it is possible that a new bottleneck will erupt if the GCF cannot process all the applications. Accreditation is looked upon as a very difficult process, but some parties now expect – perhaps naively – that generous funding from the GCF is imminent. Country ownership is high but conflated with *government* ownership, and this is potentially problematic vis-à-vis civil society and community level participation. Moreover, serious concerns have been raised that GCF safeguard rules have been applied in a way which inhibits the very participation and benefit sharing that the GCF is committed to fostering. Finally, working with the GCF involves time, patience and resources, and these challenges are compounding the country's dependence on foreign advisors.

Key recommendations to improve the GCF's performance in LDCs like Cambodia include:

- The Readiness programme should consider how to recalibrate and strategically support national entities in the context of long-term human resource capacity limitations, which characterize many LDCs. Some aspects of the GCF compound dependence on foreign agencies, advisors and contractors. Capacity-building efforts need to be grounded in a way that recognizes difficult underlying challenges that cannot be easily "trained".[57]
- The GCF should explore how to more meaningfully and consistently foster gender and social inclusion in its projects, and investigate signals that safeguards are being applied in a way that inadvertently inhibits community participation and benefits-sharing. It should also explore ways to mainstream citizen and "grassroots" participation in decision-making, insofar as country ownership is arguably too conflated with government ownership.
- The GCF should continue its internal reforms to streamline its bureaucracy, expedite decision-making, and relieve bottlenecks. It should also be more transparent about opportunities and challenges, and proactively resolve roadblocks within its own systems. Proposal development and legal processes should be clearer, more consistent, and less repetitive. Projects already "within the system" should not be subjected to abrupt changes in policies and priorities, which can be applied to new projects while the existent pipeline is "grandfathered".
- The GCF should continue on its pathway to enabling access to GCF finance for national agencies which are unlikely to secure independent climate finance for some time. The SAP and other "lite" funding windows have been a step in the right direction, but there remains a strong sense of dissatisfaction and dependence, and the evidence from Cambodia is that they are not working optimally to expedite partnerships.
- The GCF and NDAs should work together to improve the consistency of their internal data. There are too many "multi-country" projects with little or no footprint in the nation, many more projects in earlier stages of design than they appear in the GCF's formal pipeline, and concept notes that have been abandoned but still appear in some lists but not others. Basic data on reach and potential impact are thus confounded, and there is potential for miscommunication and confusion.

[57] For example, Cambodia's human resource pool is constrained by limited English (and other international languages), and an education system based on rote memorization poorly equips the workforce with analytical skills. One possibility might be to second advisors directly to the NDA for mentoring, and/or to sponsor continuing education classes in topics such as "Analyzing and Interpreting Data" or "English Composition for Public Policy".

- As more and more entities are accredited, the GCF should be prepared for a cascading volume of applications, and take steps to ensure its internal resources and systems are prepared to process them promptly, and to support LDC DAEs in proposal preparation.

Appendix 1. CAMBODIA NDA'S OWN LIST OF PROJECTS

As noted in the body of the case study report, there seem to be discrepancies between the Cambodia NDA's own list of projects and the GCF's pipeline and portfolio data for Cambodia.

No.	Project	Financing (USD millions)		AEs
		GCF	Co-finance	
1	Public-Social-Private Partnerships for Ecologically-Sound Agriculture and Resilient Livelihood in Northern Tonle Sap Basin (PEARL)	34.5	6.1	Food and Agriculture Organization (FAO)
2	Agroecological Transition	10	0.1	UNDP, NCDD
3	Integrated Water Management	10	0.2	UNDP, NCDD
4	Realizing the full potential of Cambodian communities in a changing climate	10	-	Save the Children, NCDD
5	Reducing Cambodia's Emissions Through Decentralized Forest Management	25	5	CI, WCS
6	Resilience's Livelihood and Infrastructure in Social Land Concession for Vulnerable Communities Project	-	-	NCDD
7	Moving Towards Reducing Emissions from Deforestation and Forest Degradation plus (REDD+) Implementation through Private Sector Engagement in REDD+ Actions	10	3	UNDP
8	Strengthen Resilient Capacity of Flooding Communities	-	-	NCDD
9	Supporting climate resilience and sustainable water management	-	-	World Bank
10	Scaling up of Distributed Renewable Energy in Cambodia	26.3	-	United Nations Environment Programme (UNEP)
11	Promotion of E-mobility in tourism areas	5	0.5	UNIDO
12	Repair and rehabilitate existing road infrastructure and ensure effective operation and maintenance system, taking into account climate change impact	-	-	N/A
13	Decarbonizing the transport, industrial and households sectors through scaling up biofuels value chain in Cambodia	1.5	1	UNIDO
14	Strengthening the market supply chain and increasing the climate resilience of rural communities through water-energy-food nexus	10.3	-	NCDD, UNEP
15	Local Governments and Climate Change-III (LGCC3)	10	4.31	NCDD
16	Promote integrated public transport systems in main cities	-		N/A
17	Technical Assistance (TA) Facility for the Global Subnational Climate Fund (SnCF Global; Cambodia: Production and Dissemination of Ceramic Water Purifiers)	-	-	IUCN
18	Urban Cooling	10	-	NCDD, UNEP
19	Resilient Cities	10	0.2	UNDP, NCDD

No.	Project	Financing (USD millions)		AEs
		GCF	Co-finance	
20	Fostering climate-friendly agro-industry development and investment in southern and northwestern regions of the country	20	3	UNIDO
21	Fostering climate-friendly recovery responses through innovative policies and interventions and green technology up-taking	15	2.5	UNIDO
22	Formulation of Technical guidelines for mainstreaming climate change into Commune	-	-	N/A
23	Develop various technical guidelines and tools (e.g. disaster vulnerability analysis, disaster prevention strategy, and new town development guidelines) for strengthening spatial planning responding to climate change, especially the effective procedures for disaster risk management (flood and drought), green infrastructure planning, and green growth	-	-	N/A
24	Collaborative R&DB Programme for Promoting the Innovation of Climate Technopreneurship	60	60	UNIDO

Note: SnCF (Subnational Climate Fund Global); R&DB (Research and Development Board), CI (Conservation International Foundation)

Appendix 2. LIST OF INTERVIEWEES

NAME	AFFILIATION
Carl Wong	Oyika Pte Ltd.
Carlos Riano	United Nations Development Programme (UNDP)
Chanborith ROS	Save the Children
Daravuth Youn	Ministry of Environment
Doeun Dara	Ministry of Environment
Dr. Hak Mao	Ministry of Environment
Karolien Casaer-Diaz	Global Green Growth Institute (GGGI)
Meng Lot	NGO Forum Cambodia
Robert Novak	United Nations Industrial Development Organization (UNIDO)
Seyla Sok	Ministry of Environment
Simon Mahood	Wildlife Conservation Society (WCS)
Sovanna Nhem	United Nations Development Programme (UNDP)
Vatanak Chheng	National Committee for Sub-National Democratic Development (NCDDS)

2. ETHIOPIA COUNTRY CASE STUDY REPORT

CONTENTS

TABLES

FIGURES

A. Background and context

Ethiopia was selected for the Least Developed Countries Evaluation case study as it met the criteria for country selection outlined in the approach paper for this evaluation.[58] The national DAE in Ethiopia is the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MoFEC), which was accredited in 2016. Ethiopia has received GCF Board approval for two national projects, one of which has been running since 2017, titled "Building gender-responsive resilience of the most vulnerable communities" (hereafter referred to as FP058). The accredited entity (AE) for the project is the MoFEC and the two executing entities (EEs) are the Ministry of Water, Irrigation and Electricity, and the Ministry of Agriculture. The Board also approved the "Resilient Landscapes and Livelihoods Project" in 2021, for which the World Bank is the AE and the Ministry of Finance the EE.[59] The GCF worked with the Government of Ethiopia and the Least Developed Countries' Constituency under the United Nations Framework Convention on Climate Change (UNFCCC), to convene the Structured Dialogue with the LDCs in Addis Ababa, Ethiopia in November 2018.[60]

1. Geographical, political and socio-economic context

Geography: Ethiopia is a landlocked country located on the Horn of Africa, and borders Eritrea, Somalia, Kenya, South Sudan, Sudan, and Djibouti. Ethiopia's main port has been Djibouti for the past 30 years and it is set to resume accessing Eritrean ports thanks to a recent peace agreement.

Demographics: With a population of more than 112 million people (2019), Ethiopia is the second most populous nation in Africa after Nigeria. It has the fastest-growing economy in the region but is also one of the poorest countries, with an average per capita annual income of USD 1,050. Ethiopia aims to reach lower-middle-income status by 2025[61] but it is not yet approaching the LDC "graduation" threshold.[62] The population of Ethiopia, though steadily urbanizing, is still predominantly rural with 78 per cent of people living in rural areas in 2020.[63]

Politics: Ethiopia is governed as a federal parliamentary republic. It is divided into regional states that are governed by a regional council whose members are elected to represent districts – known as "woreda" – which lie at the fourth level of administrative division. Woreda are further subdivided into a number of "kebele", which are the smallest administrative unit of local government in Ethiopia. The federal Government is led by Prime Minister Abiy Ahmed, leader since 2018 of the former Ethiopian People's Revolutionary Democratic Front, which transformed itself into the Prosperity Party at the beginning of 2020. Prime Minister Ahmed was re-elected at the June 2021

[58] The mission for conducting the present study included virtual meetings with the national designated authority, in-person and virtual meetings with international and national accredited entities, and private sector and civil society stakeholders. The study also included interviews with regional ministries and focal points as well as focus group discussions in the Oromia region and Southern Nations, Nationalities and Peoples' Region (SNNPR). The study took place in July 2021 and was conducted by Ibrahim Kasso and Judith Friedman.
[59] The EE has a legal agreement with the AE.
[60] GCF, "GCF affirms its commitment to Least Developed Countries", 23 November 2018. Available at *https://www.greenclimate.fund/news/gcf-affirms-its-commitment-to-least-developed-countries*.
[61] CIA World Factbook, Explore All Countries – Ethiopia (2021). Available at *https://www.cia.gov/the-world-factbook/countries/ethiopia/*.
[62] Ethiopia's human assets index is 55.5 and for graduation it would need to be 66 or above. However, Ethiopia's economic and environmental vulnerability index (EVI) is 34.3, which is between the thresholds of graduation (below 32) and inclusion (36 and above) for LDCs. See United Nations, Department of Economic and Social Affairs, "Least Developed Country Category: Ethiopia Profile" (2021). Available at *https://www.un.org/development/desa/dpad/least-developed-country-category-ethiopia.html*.
[63] WB, Rural population (% of total population) – Ethiopia (2021). Available at *https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=ET*.

elections. Ongoing civil conflict that started in Tigray Province has spread to other parts of the country and is contributing to political instability. The Tigray region is currently receiving international humanitarian support.[64]

Gender equality: Ethiopia has made gains towards girls' and women's empowerment over the past decade. The Government of Ethiopia has worked to bridge gender gaps and increase women's political participation. Nevertheless, there are still significant inequalities in health, education and employment for women. Of note for this study is the significant disparity in landholding: as of 2016, 81 per cent of land was held by men as compared to the 19 per cent held by women.[65]

Economic outlook: The country's economy has experienced significant growth over the past decade (averaging 9.4 per cent a year since 2011), largely due to expansion in industry and services. Growth in GDP slowed to 6.1 per cent in 2019–2020 due to the COVID-19 pandemic. Economic growth has contributed to poverty reduction, although there is still disparity between regions. Telecommunications, banking, insurance, and power distribution are all State owned.[66] However, with the recent government decision to open telecom markets to international operators, one company (Kenya's Safaricom) is licensed to work in the country parallel to Ethio-telecom. Over 70 per cent of Ethiopia's population works in agriculture. The agricultural sector was not dramatically affected by the COVID-19 pandemic and its contribution to growth slightly improved in 2019–2020 compared to the previous year.[67] Ethiopia aims to expand the role of the private sector through foreign direct investment and industrial parks, to make its growth momentum more sustainable and increase trade competitiveness and resilience to shocks.

2. CLIMATE AND OTHER VULNERABILITY

a. Development challenges

Ethiopia's main challenges are **sustaining the growth** of its economy and accelerating poverty reduction, both of which require job creation and improved governance. To meet these challenges, the Government has designated a high proportion of its budget to pro-poor programmes and investments which are combined with large-scale donor support to finance their costs.[68] The 2020–2025 United Nations Sustainable Development Cooperation Framework highlights persisting challenges in achieving food security (SDG2), improving access to safe water and sanitation (SDG6) and managing sustainable urbanization (SDG11).[69] These are overarching challenges for Ethiopia as it strives to achieve the SDGs: poor access to energy, slow access to new technologies, human development challenges and food insecurity. Even with the advent of Ethiopia's Climate Resilient Green Economy (CRGE) strategy (see more below) and its aim to build a more sustainable economy, there is poor access to energy (SDG7) and slow access to new technologies (SDG9).[70]

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[64] World Food Programme, "World Food Programme convoy reaches Tigray, many more are vital to meet growing needs", 12 July 2021. Available at *https://www.wfp.org/news/world-food-programme-convoy-reaches-tigray-many-more-are-vital-meet-growing-needs*.
[65] UN Women, "UN Women Ethiopia" (2018). Available at *https://www2.unwomen.org/-/media/field office africa/attachments/publications/2018/12/un womens eco 2018 key achievements 002compressed.pdf?la=en&vs=2916*.
[66] CIA World Factbook, Explore All Countries – Ethiopia (2021). Available at *https://www.cia.gov/the-world-factbook/countries/ethiopia/*.
[67] WB, "The World Bank in Ethiopia", 13 October 2021. Available at *https://www.worldbank.org/en/country/ethiopia/overview#1*.
[68] Ibid.
[69] UN Ethiopia, *UN sustainable Development Cooperation Framework for Ethiopia 2020-2025* (2020). Available at *https://www.et.undp.org/content/ethiopia/en/home/library/UNSustainableDevelopmentCooperationFrameworkforEthiopia2025.html*.
[70] Ibid.

Human development challenges, and food insecurity, in particular, are exacerbated and complicated by civil conflict in the Tigray region of northern Ethiopia.

COVID-19: Like the rest of the world, Ethiopia has been experiencing the unprecedented social and economic impact of the COVID-19 pandemic. The COVID-19 shock is expected to be transitory with potential recovery possible in 2022, but the overall adverse economic impact on Ethiopia will be substantial. This impact includes the increased price of basic foods, rising unemployment, slow down in growth, and increase in poverty. Based upon the UNDP Socio-Economic Assessment of the Impact of COVID-19, the COVID-19 pandemic is likely to lead to "…increased poverty levels, further marginalization of rural communities", and a drop in the productivity of the agricultural sector which has been critical to poverty alleviation in Ethiopia.[71] The COVID-19 pandemic is projected to reduce the resilience capacity of producers, contributing to food insecurity and the increased vulnerability of already vulnerable communities.

b. Climate vulnerability

Vulnerability and Readiness: Ethiopia is ranked 157 out of 196 countries on the ND-GAIN Index (2019) with a high vulnerability score and a low Readiness score.[72] In terms of vulnerability, there are a number of areas where Ethiopia's situation is worsening, including agriculture capacity, access to reliable drinking water and dam capacity. Ethiopia ranks low on "social Readiness" – social factors that enhance the ability of investments to be converted into adaptation actions. Of particular note is Ethiopia's limited information and communications technology infrastructure. According to the ND-GAIN Index, perceptions of political stability remain very low and are comparable with the rankings for Myanmar, Venezuela, and Iran.[73]

Ethiopia is highly vulnerable to climate change.[74] According to data from the United States Agency for International Development (USAID), Ethiopia is one of the world's most drought-prone countries.[75] This is particularly challenging given the country's reliance on rain-fed agriculture. Less than 1 per cent of land cultivated by smallholders – responsible for over 95 per cent of total agricultural production – is irrigated.[76] Agriculture in Ethiopia is hampered by deforestation, overgrazing, soil erosion, loss of biodiversity, water shortages in some areas from water-intensive farming and poor management, industrial pollution and the use of pesticides. Frequent droughts and irregular rainfall have produced floods in some instances, and desertification in others.[77] Further, as of 2020–2021, Ethiopia has been experiencing a new desert locust infestation which may weaken development gains and threaten the food security and livelihoods of millions of Ethiopians.[78]

[71] UN Ethiopia, One UN Assessment: Socio-Economic Impact of COVID-19 in Ethiopia (May 2021).
[72] University of Notre Dame, ND-GAIN Notre Dame Global Adaptation Initiative. Available at *https://gain.nd.edu/our-work/country-index/rankings/*
[73] University of Notre Dame, ND-GAIN Notre Dame Global Adaptation Initiative. Available at *https://databank.worldbank.org/reports.aspx?source=worldwide-governance-indicators*
[74] University of Notre Dame, ND-GAIN Notre Dame Global Adaptation Initiative. Available at *https://gain.nd.edu/our-work/country-index/rankings/*
[75] USAID, Climate Change Risk Profile, Ethiopia, 2016. Available at *https://www.climatelinks.org/sites/default/files/asset/document/2016 CRM Factsheet - Ethiopia_use this.pdf*.
[76] WB, Country Partnership Framework for the Federal Democratic Republic of Ethiopia, 2017. Available at *https://documents1.worldbank.org/curated/en/202771504883944180/pdf/119576-revised-Ethiopia-Country-Partnership-Web.pdf*.
[77] CIA World Factbook, Explore All Countries – Ethiopia (2021). Available at *https://www.cia.gov/the-world-factbook/countries/ethiopia/*.
[78] WB, "The World Bank in Ethiopia", 13 October 2021. Available at *https://www.worldbank.org/en/country/ethiopia/overview#1*.

c. Challenges to green growth and a low carbon development pathway

Ethiopia's CRGE strategy is premised upon the concept that green growth is an economic, environmental and social necessity, and that a traditional development pathway will not be possible. Agriculture, forestry, power and transport are the key sectors where green growth is critical to realizing Ethiopia's economic development goals.

- Agriculture: An estimated 75 per cent of Ethiopia's economy is dependent on agriculture, which accounts for at least 40 per cent of GDP. The long-term viability of agriculture is wholly affected by climate change.
- Forestry: From 2002 to 2020, Ethiopia lost up to 18 per cent of its total tree cover, and 4 per cent of total humid primary forest. Deforestation needs to be mitigated for the economic and ecosystem benefits of forests, including as carbon stocks, to be realized.[79]
- Power: Biomass is the main source of energy in Ethiopia, although the country has significant hydropower potential. Ethiopia needs to ensure its access to renewable energy sources to avoid spending on fuel imports.
- Transport: In 2013, the quality of overall infrastructure in Ethiopia was ranked 112 out of 148 countries.[80] Improvements to infrastructure will rely on energy-efficient technologies.

3. CLIMATE CHANGE POLICY AND INSTITUTIONAL CONTEXT

a. National adaptation plan

Ethiopia adopted its national adaptation plan (NAP-ETH) in 2017. The NAP-ETH builds on Ethiopia's CRGE strategy and the second Growth and Transformation Plan (GTP II).[81] The overarching objective of the NAP-ETH is to "…reduce vulnerability to the impacts of climate change by building adaptive capacity and resilience through a holistic integration of climate change adaptation in Ethiopia's development pathway over the longer term".[82] The NAP-ETH is designed to focus on the most vulnerable sectors: agriculture, forestry, health, transport, power, industry, water and the urban environment. Within these sectors, the NAP-ETH identifies 18 adaptation options and five strategic priorities to be implemented by 2030.

b. Nationally determined contributions

NDC commitment (ratified on 9 March 2017)

> Committed to reducing greenhouse gas emissions by 220.59 MtCO2 eq. The estimated resources required for implementing the mitigation and adaptation interventions is USD 294 billion, of which the Government of Ethiopia is committed to financing 20 per cent.

Ethiopia's CRGE strategy, developed in 2011, articulates the country's policy for low carbon, climate resilient growth and development.[83] The CRGE forms the basis for Ethiopia's NDCs, which

[79] Global Forest Watch, Ethiopia, 2020.
[80] International Trade Centre, Ethiopia – Infrastructure. Available at https://www.intracen.org/country/ethiopia/Infrastructure/.
[81] Ethiopia, Environment, Forest and Climate Change Commission, *Ethiopia's Climate Resilient Green Economy – National Adaptation Plan* (Addis Ababa, 2019). Available at *Ethiopia's Climate Resilient Green Economy – National Adaptation Plan*.
[82] Ethiopia, EFCCC, *Ethiopia's National Adaptation Plan (NAP) Implementation Roadmap*" (Addis Ababa, 2020). Available at https://napglobalnetwork.org/resource/ethiopias-climate-resilient-green-economy/.
[83] NDC Partnership, Ethiopia – Overview. Available at https://ndcpartnership.org/countries-map/country?iso=ETH.

were submitted in 2015. Ethiopia has the long-term ambition of "realizing a carbon-neutral economy" and has committed to reducing economy-wide greenhouse gas emissions by 220.59 $MtCO_2$ eq by 2030.[84] Livestock and energy, particularly from biomass, are the most important drivers of the country's emissions. Ethiopia wishes to cooperate in international carbon markets as a way to increase mitigation ambition and promote sustainable development.[85]

c. Overview of Ethiopia's climate related policy context

The national adaptation programme of action (NAPA) of Ethiopia identifies agriculture and livestock as priority areas for addressing climate change. Ethiopia also prepared its nationally appropriate mitigation actions (NAMA) and submitted it to the UNFCCC in January 2010. The NAMA are targeted at selected sectors including agriculture, building, energy, forestry, industry, urban waste management and transport.

The CRGE strategy (2011) aims to address both climate change adaptation and mitigation objectives, and identifies priority sectors including agriculture (livestock and soil), forestry, transport, electric power, industry (including mining) and buildings (including urban waste and green cities).

The Ethiopian Programme of Adaptation to Climate Change (EPACC) (2011) aims to build a climate resilient economy through adaptation initiatives implemented at sectoral, regional and local community levels. The EPACC programme links climate change adaptation with the economic and physical aspects of the country, and identifies key climate change adaptation measures and strategic priorities.

Ethiopia also has its own REDD+ Strategy. It aims to reduce emissions from deforestation and forest degradation, and enhances the role of conservation and the sustainable management of forests.

Further, Ethiopia's climate resilient strategy for water identifies key priorities that include the following:

- accelerating universal access to water and sanitation
- strengthening the management, coordination and streamlining of water resource planning
- managing growing water demands and ensuring water allocation
- improving local water storage facilities or participatory water resource management
- increasing the resilience of rain-fed agriculture; and strengthening data systems

d. GCF policy and institutional arrangements

National designated authority. The Environment, Forest and Climate Change Commission (EFCCC) is the NDA for the GCF in Ethiopia. The NDA's role is to oversee all funding proposals through the no-objection procedure. The EFCCC is responsible for coordinating, supporting and implementing all sector oriented green economy interventions which are identified under the CRGE strategy, and for ensuring sustainable development that is resilient to the negative impacts caused by climate change. The EFCCC is the federal institution for managing the environment of Ethiopia, and was established as an autonomous government agency at the federal level by Proclamation 9/1995 in 1995. It is responsible for ensuring the realization of the environmental rights, goals, objectives and basic principles enshrined in the Constitution. It also implements the Environment Policy of

[84] Ethiopia, EFCCC, "Summary of Ethiopia's Updated Nationally Determined Contribution (NDC)" (2020). Available at *https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Ethiopia%20First/Ethiopia's%20NDC%20update%20summary%202020.pdf.*
[85] Ibid.

Ethiopia through coordinating appropriate measures, establishing systems, and developing programmes and mechanisms for the welfare of humans and the safety of the environment.[86] The NDA for the GCF is also the designated authority for the AF. The EFCCC is the focal point for the GEF, although there is a different person responsible for GEF operations. Ethiopia's CRGE is overseen and coordinated through the MoFEC.

National accredited entity. The MoFEC was accredited by the GCF in March 2016, and the accreditation was formalized in 2017 under the "small" financial capacity category. The MoFEC's mandate is to oversee the planning and implementation of development programmes, including those that address climate change. Its activities in climate resilient development pathways, valued at over USD 400 million, include mitigation and adaptation projects and programmes in a variety of sectors, particularly agriculture, water, energy, forestry, buildings, industries and transport.[87]

Table A - 3. Accreditation status of the Ministry of Economic Cooperation of Ethiopia

NAME	STATUS	DATE OF ACCREDITATION	REGIONAL/ NATIONAL	ACCREDITATION LEVEL
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MoFEC)	AMA effective	6 March 2016	National	Small

The MoFEC's accreditation level of "small" allows it to undertake activities or projects of up to USD 50 million. The MoFEC is currently in the process of seeking an upgrade of its accreditation status to "medium", so it can take on projects of above USD 50 million and up to and including USD 250 million for an individual project or an activity within a programme.

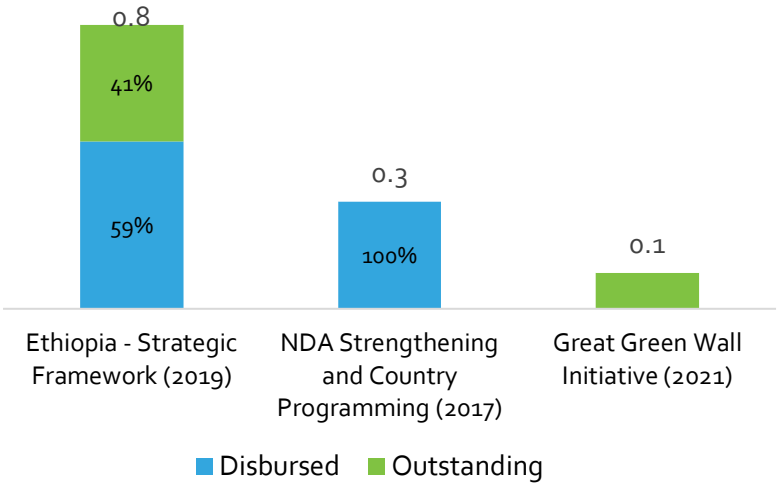
4. GCF PORTFOLIO IN ETHIOPIA

Ethiopia has received two RPSP (also referred to as the 'Readiness programme' or 'Readiness') grants, and has one national project that is being implemented at present. In addition, it has four multi-country projects which have yet to be rolled out in Ethiopia. Twelve out of 16 projects in the pipeline have an "active" status, four with the PSF and eight with the DMA. While the GCF is committed to achieving a 50:50 balance for mitigation and adaptation in its portfolio overall, currently, the focus of the active projects in Ethiopia is on climate change adaptation.

Readiness support. Ethiopia has two RPSP grants in the pipeline, in addition to the two grants it has already received. The GCF's Readiness support has been designated to supporting the Government towards implementing the objectives of its CRGE development strategies, alongside its other development partners. So far, USD 3.3 million has been approved but only USD 794,900 has been disbursed (Figure A - 5[88]).

[86] Ethiopia, EFCCC, Background & History of EFCCC. Available at *https://www.efccc.gov.et/about-the-commission/background-history.html*.
[87] GCF, Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (2021). Available at *https://www.greenclimate.fund/ae/mofec*.
[88] All the figures showing the GCF-related data in this report have a reference date of July 1, 2021.

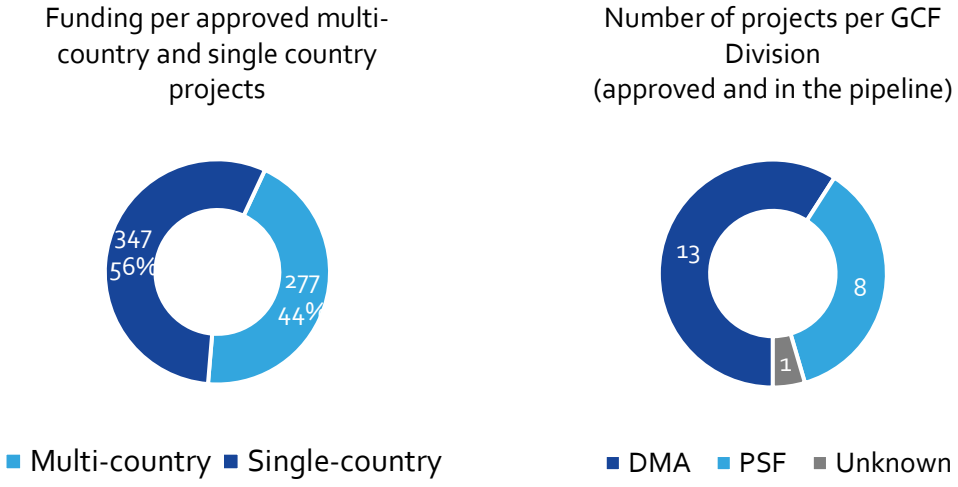
Figure A - 5. Status of fund disbursements towards readiness and project preparatory projects (million USD)



Source: RPSP and PPF data sets extracted by the IEU DataLab and analysed by the author.

PPF. One multi-country grant with the PPF was approved in 2021 for the regional Great Green Wall Initiative led by the International Fund for Agricultural Development (IFAD), which plans to engage Ethiopia during the thirty-third meeting of the GCF Board (B.33) in June 2022. It is unclear at this point how much has been approved for Ethiopia in the multi-country programmes. In addition, it is not clearly stated in the proposal whether IFAD will not confirm to the NDAs that the project will not be launched in some of the project countries until 2022. Nevertheless, the Ethiopian Government has high hopes for the potential of this project.

Figure A - 6. Approved project funding



Source: GCF iPMS approved and pipeline projects data set.

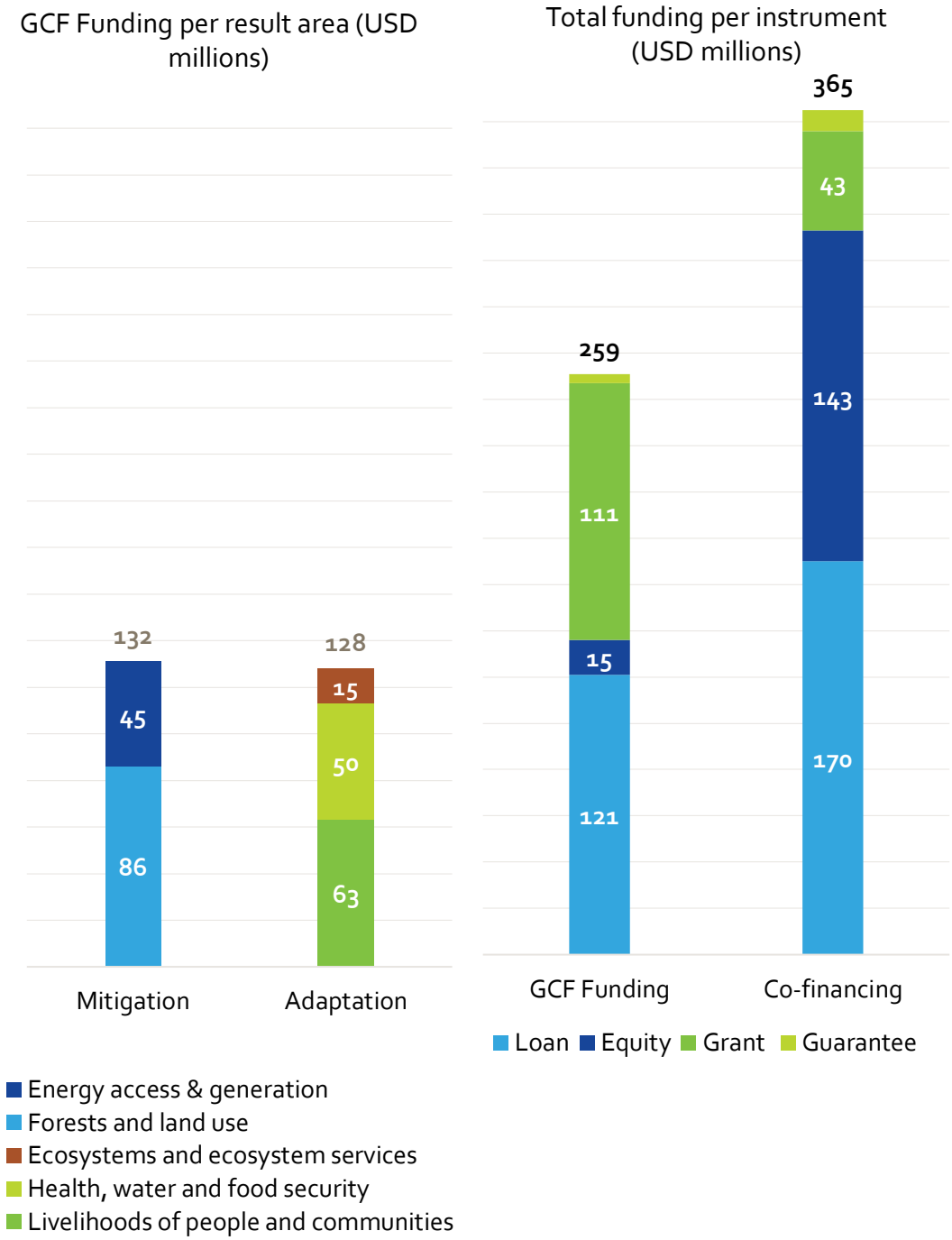
Approved projects. According to GCF data, the estimated allocation of GCF financing is USD 265.4 million. This amount, however, includes the amount of funding that Ethiopia will receive from multi-country projects that are not yet confirmed. Ethiopia has six projects under the GCF's regular PAP and 16 projects in the pipeline. FP027 and FP136 are single country projects under the DMA, while the others are multi-country projects under the PSF (except for FP168, which does not specify the GCF division).

Single country projects. Ethiopia currently has one active single country project (FP058), and one that was recently approved (FP136). Although the portfolio includes only one adaptation project (FP058) and one cross-cutting project (FP136), funding is split evenly between mitigation and adaptation. The "active portfolio" reflected on the GCF-Ethiopia web page includes four multi-country programmes, for which the NDA has provided a non-objection letter, but where there has yet to be project activity in Ethiopia.

Multi-country programmes. Of the four approved multi-country programmes in Ethiopia, none are active in Ethiopia at this point, although planning is underway.

Even though the portfolio includes only one adaptation project (FP058) and one cross-cutting project (FP136), funding is split evenly between mitigation and adaptation. The GCF result areas "Forests and land use" (33 per cent of funding) and "Livelihoods of people and communities" (24 per cent) were allocated the biggest amounts for Ethiopia, followed closely by "Health, water and food security" (19 per cent) and "Energy access and generation" (18 per cent). Some 47 per cent of the funding is provided through loans (FP136 and FP168), followed by 25 per cent through both equity and grants. FP168, which deals with renewable energy generation, is the only project to use guarantees.

Figure A - 7. GCF funding per result area and funding per financial instrument



Source: GCF iPMS approved projects data set

Table A - 4. Active single-country projects

TITLE	NUMBER	APPROVAL YEAR	AE	TOTAL FUNDING ($ MI)	CO-FINANCING ($ MI)	SIZE	TYPE	FUNDING MODALITY
Building gender-responsive resilience of the most vulnerable communities	FP058	2017	MoFEC, Ethiopia	50	4.9	Small	Adaptation	Grant
Resilient Landscapes and Livelihoods Project	FP136	2020	World Bank (WB)	297	132	Large	Cross-cutting	Loan

Table A - 5. Approved multi-country projects

TITLE	NUMBER	APPROVAL YEAR	AE	SIZE	TYPE	FUNDING MODALITY
Universal Green Energy Access Programme	FP027	2016	Deutsche Bank	Large	Mitigation	Equity and grant
Climate Investor One	FP099	2018	FMO	Large	Mitigation	Grant
Arbaro Fund – Sustainable Forestry Fund	FP128	2020	na Bank	Medium	Mitigation	Equity
Leveraging Energy Access Finance Framework	FP168	2021	AfDB	Large	Mitigation	Loan, guarantee, grant

Source: GCF iPMS approved projects data set
Note: AfDB (African Development Bank)

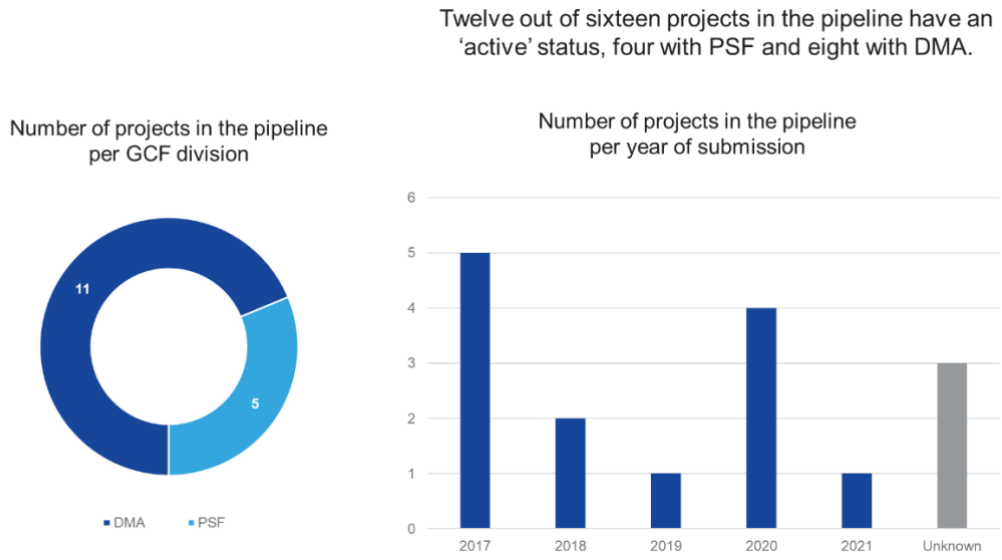
The GCF funded projects aim to address various country challenges in Ethiopia and the level of project implementation and progress in Ethiopia varies from project to project. There has been limited activity under the Universal Green Energy Access Programme (FP027) from the time it was approved in 2017. Recently Ethiopia was added to the list of Climate Investor One (FP099) countries. The project list initially included 60 countries and was then cut down to Burundi, Cameroon, Djibouti, Indonesia, Uganda, Kenya, Malawi, Madagascar, Mongolia, Morocco, and Nigeria. *Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden* N.V. FMO is the AE and Climate investor One, the EE, opted to pursue a larger proposal. For Ethiopia, the intention of the project is to focus on geothermal energy. The energy priorities of Ethiopia itself are focused on hydropower rather than geothermal energy. The third project, the Arbaro Fund – Sustainable Forestry Fund (FP128) is being implemented by the MUFG Bank, formerly the Bank of Tokyo-Mitsubishi UFJ, Ltd., as the accredited entity. The project includes Ethiopia, Ghana, Sierra Leone, Uganda, Ecuador, Paraguay, and Peru. Arbaro Fund will provide effective climate change mitigation outcomes by investing in sustainable plantation forestry projects in the emerging forestry markets of Latin America and Sub-Saharan Africa, while also bringing adaptation co-benefits. Ethiopia was chosen as a country with excellent bio-physical and climatic conditions for growing forests. Population growth and the expected demand for wood is a rationale for focusing on forestry in these countries. Ethiopia differs from the other countries in the programme for its limited share of

deforestation attributable to logging and for its lack of forest plantations. In fact, the native forests of Ethiopia are too degraded to allow for logging, but wood fuel extraction drives forest degradation. Finally, the **Leveraging Energy Access Finance Framework (FP168)** project, a multi-country project servicing a total of six African countries including Ethiopia, will likely be relevant to Ethiopia's need for renewable energy sources and carbon storage. The project is designed to provide decentralized renewable energy solutions to tackle the energy shortfall and will contribute to the growth of the mini-grid which has in the past been curtailed by lack of access to affordable debt finance among other factors. The project will address this by enabling the scaling up of investment by the private sector which in turn is expected to contribute to the reduction in use of generators and associated emissions.

Project pipeline

The NDA for Ethiopia has been engaged in the country's pipeline projects, and has worked closely with the MoFEC in the preparation of the project "Climate resilient community access to safe water powered by renewable energy in drought-vulnerable regions of Ethiopia". It has provided no-objection letters for the multi-country programmes in Ethiopia, including the AfDB project "Support to REDD+) investments in Africa" and the World Bank's "Sustainable Renewables Risk Mitigation Initiative Facility (Phase 2)". The Sustainable Cities Programme proposed by MoFEC was suspended after the GCF Secretariat requested an additional study on water quality, the completion of which would have exceeded the budget requested for the project (USD 50 million).

Figure A - 8. Number of pipeline projects per GCF division



Source: GCF iPMS pipeline projects data set

B. Findings

1. Relevance: the fit between GCF investments and Ethiopia's needs

Overall, GCF investments align with Ethiopia's climate change strategies and priorities. The projects approved in Ethiopia are aligned to the CRGE, the NDC, and the NAPA. The project documents directly focus on the climate related challenges that Ethiopia experiences, highlighting the issues surrounding the lack of water and the need for sustainable energy sources in particular. However, the structure of the project that is active is not aligned with the levels of Ethiopia's sub-national government (they include Federal, regional, and woreda level but do not include the zonal

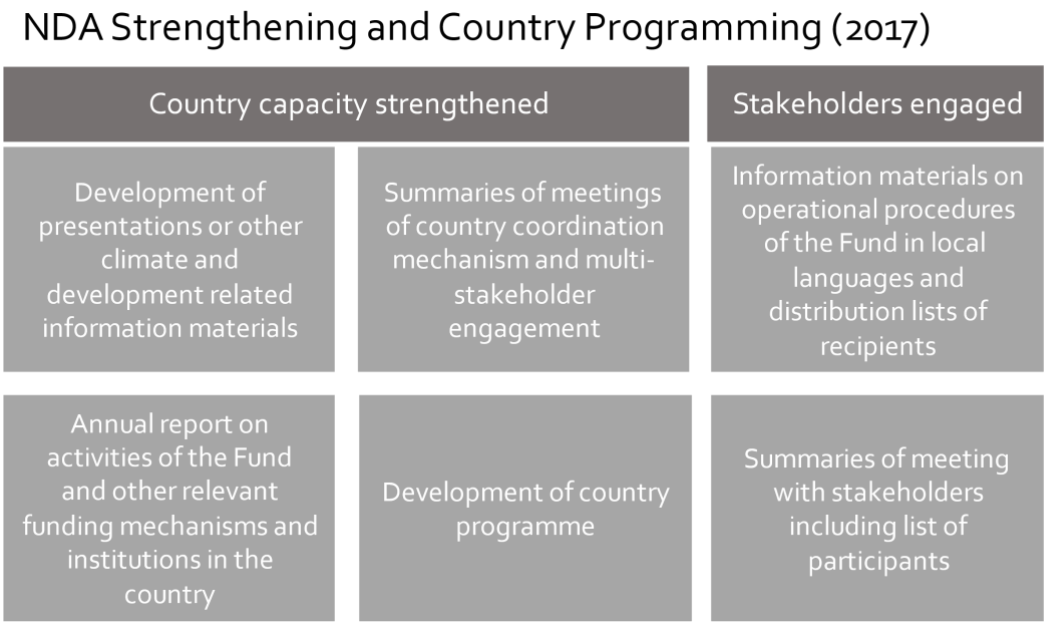
level, which in some regions is a key part of administration infrastructure). In addition, they do not provide adequate resourcing for administration.

a. Relevance of Readiness programming

While the GCF has committed significant funding towards NAP development in a number of countries, Ethiopia has not been a recipient of GCF Readiness funding for that purpose as other development actors (including the International Institute for Sustainable Development, and the NAP Global Network) have supported the country's NAP preparation. The RPSP financing supports the responsiveness of local institutions so that they are able to attract funds and prepare proposals. Readiness support aims to enhance opportunities for both private and public sector entities for climate finance, not just from the GCF but from other funds, and has supported training on how to prepare GCF proposals. In addition, Readiness funding has been directed towards preparing the MoFEC to upgrade its accreditation level.

One RPSP grant (up to USD 300,000) was received for institutional strengthening, and its budget was directed to the EFCCC, the NDA of Ethiopia. The rationale for the Readiness programming was to accelerate and clarify engagement with the GCF and build the capacity of the staff team.[89] Readiness programming was also dedicated to harmonizing GCF funding with other international sources of public financing. While this study does not aim to assess the strength of the NDA, it can be noted that national stakeholders found the NDA to be highly responsive.

Figure A - 9. Outcomes of received readiness support



Source: Key informant interview administered to the Ethiopian NDA

The GGGI has been the delivery partner of the second Readiness grant since 2019. The GGGI and the Government of Ethiopia have a long-term technical support and capacity development framework agreement, through which the Readiness grant provides support to help Ethiopia's MoFEC, Ethiopia's DAE, build its institutional, project management and delivery capacities, including pipeline development, review, appraisal, monitoring and evaluation. It will also help the MoFEC further strengthen its systems for environmental and social safeguards (ESS) and gender

[89] GCF, *Readiness Proposal – with the Ministry of Finance and Economic Affairs for the Federal Democratic Republic of Ethiopia* (2015).

considerations, as well as meet required accreditation and upgrading conditions. Readiness support through the GGGI is also being used to engage with the private sector.[90] [91]

b. Relevance of GCF's project portfolio to Ethiopia's national priorities

FP058 is aligned with Ethiopia's CRGE to respond to Ethiopia's persistent water insecurity and its effects on communities' livelihoods and health. The project was developed with the MoFEC acting as the AE, and implemented by the Ministry of Agriculture and the Ministry of Water, Irrigation and Electricity as EEs, to provide rural communities with water supplies for year-round drinking water and small-scale irrigation in response to the rising frequency and severity of drought. Ethiopia's exposure to drought continues to worsen due to climate change. Variability of temperatures, rainfall and weather extremes all affect water supply and management systems. The project is in line with Ethiopia's NDC implementation process and is designed to catalyse the implementation of the CRGE strategy, to transform the way water is being utilized and managed in Ethiopia.

FP058 combines improved water access and resource management in line with the Ethiopian Water Resources Management Policy to enable the most vulnerable communities to adapt to the shocks of future climate variability.[92] The project's main activities are introducing solar-powered water pumping and small-scale irrigation, the rehabilitation and management of degraded lands around the water sources, and creating an enabling environment by raising awareness and improving local capacity.[93]

In line with NDC ambitions and the CRGE's emphasis on green infrastructure, the objective of FP136 is to improve climate resilience, land productivity and carbon storage, and increase access.[94] The project consists of investment in green infrastructure and resilience livelihoods, investing in institutions and information for resilience, land administration and use, and project management and reporting. The project scales up initiatives with demonstrated climate value and co-benefits within the Sustainable Land Management Programme (SLMP), and it pilots new innovations. The EE for FP136 is the Government of Ethiopia, represented by the MoFEC.

2. Country ownership: Inclusion of stakeholders in the design, implementation and monitoring of projects in Ethiopia

For this study, country ownership is broadly understood to mean that the NDA and country level stakeholders are appropriately engaged throughout the project design and implementation process. There is a distinct difference in the approach and level of country ownership between multi-country programmes and national (single country) projects. For the multi-country programmes, there has yet to be consultation with stakeholders, besides the completion of the non-objection process. In some cases, this is because specific investments have not been identified. For single country projects, there has been consistent consultation with different levels of stakeholders at government and community level. This has been supported by established government coordination structures at the federal, regional, and woreda levels, consideration of beneficiary needs and interests, and has been guided by the GCF's gender policy and ESS, through which detailed gender assessments and environmental and social assessments are conducted.

[90] GCF, *Strategic Frameworks support for Ethiopia through GGGI* (2019).
[91] GCF, *Project Preparation Funding Application* (2021).
[92] GCF, "Funding Proposal – FP058", 2017.
[93] GCF, "FP058 – Overview". Available at *https://www.greenclimate.fund/project/fp058*.
[94] GCF, "Funding Proposal – FP136: Resilient Landscapes and Livelihoods Project", 2020. Available at *https://www.greenclimate.fund/sites/default/files/document/fp136-worldbank-ethiopia.pdf*.

a. Multi-country programmes

For multi-country programmes, the main conduit for country ownership based on the GCF business model is the no-objection procedure. Through this process, all projects that are submitting a project proposal seek endorsement (no-objection letter) from the NDA as part of the project proposal process. In Ethiopia, feedback from the NDA and stakeholders suggests that although non-objection is sought from NDAs, the communications flow after the no-objection letter is signed is not systematic. There appear to be different expectations from international AEs proposing the projects and from the NDAs who are expecting the projects to be implemented. There are different expectations from private AEs about when stakeholders should be engaged, which in the case of private investment may be after specific investments have been identified. There is not an established channel to report on the status of disbursement or implementation of multi-country projects.

b. National projects

Ethiopia benefits from a well-established climate change coordination structure. For the national projects (FP058 and FP136), stakeholder participation, coordinated by the CRGE Steering Committee, takes place at national and subnational levels. At the federal level, the CRGE Steering Committee, composed of the MoFEC, the Ministry of Agriculture, the Ministry of Water, Irrigation and Electricity, the EFCCC and the FAO, conducts quarterly reviews of the project to make decisions on high level issues. There are equivalent steering committees at regional state and targeted woreda levels that also meet every quarter. In addition to the steering committees, there are appointed committees at the woreda and regional state levels, who review technical matters and present key issues of the project to the Steering Committee.

c. Involvement of local communities

Apart from the government-sector ministries, bureaus and offices, beneficiary communities have participated in feasibility studies led by the Government and the project needs assessment process. Vulnerability assessments were conducted in consultation with sub-national representatives and beneficiaries in order to identify and prioritize the most vulnerable communities for project implementation. These exercises were conducted through the process of developing the NAP, as well as specifically for project design.

For FP058, between July and August 2019, four workshops were organized for the project stakeholders drawn from the federal, regional and woreda levels. The first workshop was organized to mark the launching of the project to relevant federal and regional stakeholders. The next three workshops aimed at familiarizing relevant federal, regional and woreda stakeholders with the project, and inviting them to prepare a detailed plan for the 2020 Fiscal Year and to customize the plans to each project target in the woreda context.

Community groups (in the Oromia region) were directly involved in the process of identifying specific project sites for water source development and rehabilitating degraded land. Improved access to water, promoting natural resource management and enhancing enabling environments are the three major works supported by the GCF project. This included developing potable water sources and small-scale irrigation, implementing biological and physical conservation, developing nursery and rangeland sites, and organizing capacity building for different stakeholders engaged in the implementation process.

Project participants in the Southern Nations, Nationalities, and Peoples' Region (SNNPR) noted that the project targeted the three woredas most vulnerable to drought. Within this area, the nine worst affected kebeles were selected with the full involvement of beneficiary community and sector

offices. Vulnerability assessment was based on data collected from the targeted community on the extent of degraded land areas, and localities with the potential for water source development.

The social assessment conducted as part of FP136 prioritized the identification of vulnerable and historically underserved groups, and the key socio-economic factors to consider in project design and implementation. Community groups identified as "vulnerable" by the project have included the elderly, female headed households, families with members living with HIV or other chronic diseases, and historically disadvantaged ethnic groups.[95]

d. Integration of local knowledge

In the woredas where FP058 has been implemented, beneficiaries have first-hand experience of the negative impact of deforestation, prolonged drought, and land degradation and have implemented a number of localized efforts to mitigate and adapt to the effects of climate change. This has included efforts to conserve soil and water, promote reforestation, and protect indigenous plants. For FP058, beneficiaries expressed that the project had considered the cultural perspective, knowledge and skills of the targeted community at the design stage through consultation with elders and influential leaders. To facilitate grassroots-level discussion with beneficiaries, the project is using community mobilizers who were identified from the localities and villages. According to woreda stakeholders, this helps the community understand more about the project and to actively engage in the implementation process. Beneficiaries considered the relatively quick start-up process for the project to be an indirect consequence of the community's existing knowledge and skills.

e. Integration of gender in design and implementation

Project design is carefully guided by the GCF ESS and the GCF gender policy. The gender action plans of each project specify which gender-specific action will be taken, how it will be measured (indicator) and which party is responsible. A comprehensive Gender Action Plan is available for each of the FP058, FP099, and FP128 projects.[96]

FP058 explicitly and deliberately prioritizes women in the design and implementation of the project. The gender assessment that underpins the project emphasizes disparities in land rights between men and women. It also describes the differential impact of climate change for men and women in terms of the effects of poverty, health outcomes, access to education, political participation, and income.

Table A - 6. Gender mainstreaming in GCF-funded projects in Pacific LDCs

	FP027	FP058	FP099	FP128
Female headed business/role of women in small business development				
Female headed household access to electricity				
Improve access to finance for women				
Gender-specific target in jobs created	✓			✓

[95] For FP136, the AE relied on the Ministry of Agriculture to conduct the social assessment. Engagement of beneficiaries included a purposive sample of woredas which engaged with grassroots institutions and officials at the woreda and kebele level. Of the 406 people consulted as part of the social assessment, 306 were men and 130 were women. According to the social assessment, focus group discussions were guided by checklist and featured male and female community members, and attempts were made to include female household heads, people with disabilities, the elderly, and the rural poor.
[96] No Gender Action Plan is available for FP027. Although there is a Gender Action Plan for FP136, no data are available. No information is available for FP168.

	FP027	FP058	FP099	FP128
Supported women's participation in technical aspects and implementation of the project	✓	✓	✓	
Bringing women into leadership roles in decision-making				

Source: Sustainable development potential data set extracted by the IEU DataLab and elaborated by the author and gender action plans, 1st July 2021.

Project stakeholders indicate that gender has been included during the design and launching of the project. Project focal points for FP058 attended gender-focused capacity building training programmes. The cash payment component of the project is benefiting both men- and women-headed households in the woreda concerned. Women are actively participating in the soil and water conservation, nursery establishment, and seedling production activities, and earning additional income for their families. In addition, they also participated in the launching event of the project held at woreda level. In a similar manner, they are participating in the works of the various committees of the project at the kebele level. For instance, in terms of the overall project beneficiaries in the year 2021, out of 156 targeted people, 102 are women while the remaining 54 of them are men.

In the SNNPR (region), stakeholders expressed that focus is given to gender issues during capacity building trainings. The project also deliberately involves women in different committees such as water user associations and small-scale irrigation development activities. Women are also participating in the process of soil and water conservation activities and receiving cash payments made by the project. Most importantly, women are the primary beneficiaries from the water scheme developed by the project. As a result this scheme, the distance travelled by women in search of water for livestock has been reduced.

f. Accreditation process of Ethiopia's national accredited entity: Ministry of Finance

Ethiopia's stakeholders point to the value of having the MoFEC as an AE. The accreditation process, which took approximately two years, was considered "less than satisfactory" by government stakeholders. A higher accreditation level (for medium or large projects rather than small projects) was expected from the GCF, given Ethiopia's experience in managing larger amounts of funding, its size and high level of need, and the potential financing available from the GCF as the largest climate fund.

The MoFEC applied for GCF accreditation for large projects but was approved for small projects with a maximum ceiling of USD 50 million, instead of the medium or the large window. There is a perception that the MoFEC's experience of managing large grants for other multilateral sources of financing, particularly the WB, was not given adequate consideration in determining Ethiopia's accreditation level. Stakeholders pointed to the first and second phases of the SLMP and the Productive Safety-net Programme (PSNP) as examples of Ethiopia's experience of managing large projects. It was suggested that given the large budgets that the MoFEC manages, its "small" accreditation scope with the GCF was disproportionate to its fiscal capacity and to the needs of Ethiopia. With this, the MoFEC is currently working to upgrade its accreditation scope to the "medium" project category at least, if not to the "large" window.

Stakeholders questioned the approach taken by the accreditation panel in assessing public institutions for accreditation. They also felt that applying blanket standards to public and private,

national and multilateral entities is confusing and "unfair". Specifically, stakeholders noted that national public entities should not be held to the same standards as international AEs (e.g. for historical data), and that private entities should not be treated as public entities (e.g. providing ex ante detailed site assessments).

3. Process and project efficiency in Ethiopia

Proposal and assessment templates are found to be complex, difficult to understand and not built for countries with limited human capacity. The GCF's review process is experienced as "lengthy and tedious, and not streamlined". The heaviness and lengthiness of the process was referenced with regard to the accreditation process – which took "too long" – and to the application process for the PPF and then the funded activity agreement (FAA).

a. Challenges in the project proposal process

Prior to the approval of FP058, a similar project (FP046) was presented with UNDP as the AE. Due to reasons that are broadly described by Ethiopia's stakeholders as "political", the project was not approved when it was presented to the GCF Board due to a lack of consensus following recommendations from the independent Technical Advisory Panel (iTAP) that the project should be redesigned to prioritize water-related activities. The iTAP also recommended that the project should elaborate on both the regeneration of ecosystems through forest and soil conservation activities, and on the management, maintenance and appropriation of the climate information system. A further recommendation was that a sustainability strategy, including sources of co-financing, should be developed.[97]

Table A - 7. Summary of consideration for and against the approval of FP046

	Arguments cited in favour of approval of FP046	Arguments cited against approval of FP046
Key arguments	The need to give "special considerations on finance and technology to the Least Developed Countries" Concerns over lack of guidelines, and lack of eligibility criteria to reject the project A strong environmental and social management system and gender aspects A balance between drought and climate change and a link between environmental protection and food security	A high level of concessionality being requested Concerns about drawing a line between climate change and sustainable development Concerns raised by iTAP The need to consider the project's sustainability Concerns about the role of UNDP as a "vehicle for higher funding" Limited transformational aspects

Source: *https://www.twn.my/title2/climate/info.service/2017/cc170402.htm*

For FP058, stakeholders reported that the GCF raised difficult comments which made it challenging and time-consuming (reportedly an additional 2–3 years) to implement the project after approval. Stakeholders perceived that the requests came both from the GCF Secretariat as well as the iTAP. The iTAP raised questions that required additional studies and consequently more budget to fulfil the GCF's requests for further information. The requests were found to be particularly challenging given the limited resources and the lack of ready-made data to support these information requests in Ethiopia, and it also took 2–3 years to conduct a survey on water quality. The questions they raised

[97] Third World Network, "GCF Board does not approve funding proposal from Ethiopia", 12 April 2017. Available at *https://www.twn.my/title2/climate/info.service/2017/cc170402.htm*.

and their comments required another study, survey, and more budget. Ethiopia's limited capacity and availability of data made it difficult to get this information and provide the requested feedback to the iTAP.

b. Disbursement rates

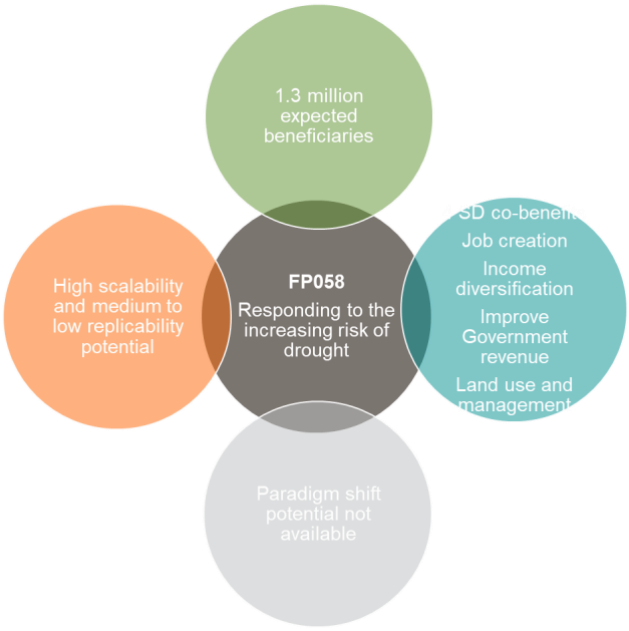
The disbursement of the first payment for the GGGI Readiness project was slightly delayed but subsequent payments were timely. For FP058, as of July 2021, the project was using the 2020 first quarter budget, although the project proponents are in the second year of the project implementation period. The second disbursement was received in July 2021, while the review process was being undertaken.

The reason provided by the GCF for the delay of the disbursement is that the second round is conditional to the settlement of the first instalment. According to the FAA agreement, the disbursement requirements were clear whereby the Secretariat would submit the disbursement as soon as a draft annual performance report is submitted. The delay in fund disbursement has affected implementation of the project and the engagement of staff at federal and regional levels. It has also negatively affected seasonal activities such as tree seedling preparation at community level.

4. Effectiveness: Project achievements and projected impact

For FP058, it is too early to assess its impact, but communities are already receiving support to manage their watersheds and install irrigation. The GCF's interventions are well-targeted to communities that are among the most vulnerable to drought. FP058 has been the first GCF project to be implemented directly by a national entity, which has been a priority for Ethiopia. However, Ethiopia's stakeholders describe the process of engagement with GCF as "cumbersome", with many iterations from the Secretariat and iTAP, and complex templates. Project achievements are constrained by delayed project budget disbursements, minimal administrative budgets, and a mismatch between the project structure and government hierarchy. This has the effect of compromising the quality and efficiency of the engagement and burdening the regional and woreda levels of government to fill capacity and resourcing gaps with in-kind support. Further, it obliged the government offices to use budget from other earmarked projects and programmes on a temporary basis. While it is too early in the project to determine what the long-term impact of the project is, the community has the aspiration that FP058 will help it address some of the existing challenges induced by climate change, such as massive land degradation, shortage of pasture for livestock, and drought conditions that are affecting agricultural activities and food security. The GCF project has already started producing tangible results for the community and it is moving positively towards the intended outcomes.

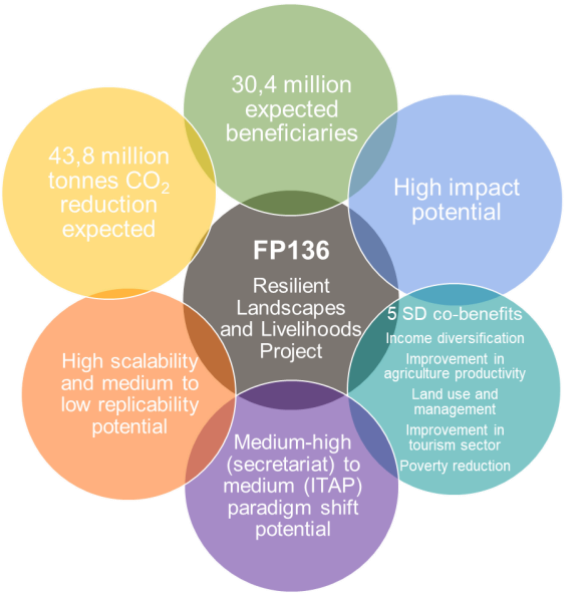
Figure A - 10. Expected impacts of projects FP058



Source: Project impact potential data set extracted by the IEU DataLab and elaborated by the author

FP136 is expected to contribute to the reduction of vulnerability but compared to the extent of vulnerability in Ethiopia, the project's contribution is not proportionate to the need which stakeholders broadly recognize requires extensive, coordinated efforts from a range of actors. Stakeholders report that Ethiopia needs more, large-scale projects to address vulnerability in the country.[98] For example, there are projects in the pipeline in the energy sectors, but the need on the ground requires more projects in this sector to contribute to a paradigm shift.

Figure A - 11. Expected impacts of projects FP136



Source: Project impact potential data set extracted by the IEU DataLab and elaborated by the author

[98] As of 2019, Ethiopia received USD 4,810 million in ODA, of which 14 per cent was for production. See *https://public.tableau.com/views/OECDDACAidataglancebyrecipient_new/Recipients?:embed=y&:display_count=yes&:showTabs=y&:toolbar=no?&:showVizHome=no*.

a. Support to reduce vulnerability

FP058 targets communities who are among the most vulnerable to the effects of drought. Community selection is based on community vulnerability to drought. In addition to the main project activities planned for agriculture, the development of water resources and irrigation are also planned and under implementation. On top of its expected longer term impacts, the project is bringing immediate benefits to the community in the form of cash payment for those families who are engaged in soil and water conservation works, nursery site development, and seedling production. The rate used for the cash payment is derived from the productive safety-net programme that has been implemented in the country for over a decade. The community's contribution to the labour required for implementation suggests a sense of ownership and investment in the various project initiatives.

b. Factors constraining the performance of GCF projects in Ethiopia

Delayed disbursements. Due to the delay in budget disbursement, most of the activities planned to be implemented in 2020 have not yet been completed. For example, seven weirs that were meant to be constructed during the first year have not been started in the SNNPR. Most of the planned activities will be pushed towards the end of the project period, and project stakeholders worry this will compromise the quality. Project implementation is being negatively affected by the delay in project budget disbursement from the GCF to the appropriate implementing entities.

Low administrative costs available for projects. A number of project stakeholders highlighted the limited funding available for administrative costs for FP058 as an aspect that distinguished the GCF project from other CRGE projects being implemented by the MoFEC. They explained that this limited funding has made it more challenging for the Government to implement the project. Unlike the projects being implemented by other organizations (e.g. the WB), the GCF project budget is heavily focused on project costs, and there is less allocation for overheads costs. This has the effect of requiring strong government commitment to provide in-kind support in the form of staff time for coordination, and logistical support in the form of vehicles. Although it has been instrumental for Ethiopia to implement FP058, the MoFEC playing the role of AE appears to require more investment from the Government in the form of additional logistical support than when MoFEC operates as an EE, as in previous projects. In the latter scenario, there may be higher budgets available for operations. The key issues cited by stakeholders are:

- Uncompetitive project staff salary leading to frequent staff turnover
- Insufficient budget for monitoring and supervision activities
- Insufficient budget for vehicle purchases that limits the mobility of staff and project follow-up activities

Unstable staffing. This is having a detrimental effect on the implementation process. The limited budget allocated to the project means it has to rely on government agencies to provide in-kind support through vehicle loans, thereby limiting mobility within and between project sites. The nature of the project and the geographic locations of the targeted woredas and kebeles and the project sites require close follow up, which is constrained by the limited budget. For example, in the SNNPR, where the GCF project is being implemented in three woredas found in different geographic locations, only 60,000 birr (or USD 1,300) is allocated for project monitoring exercises in a six-month period, which is considered very low.

One of the key issues cited by stakeholders is that the salary paid by the project is not attractive enough, when compared with other similar projects being implemented by the same bureaus and offices. The salary rates appear to be a product of the proportion of the budget that can be allocated

for administrative costs for GCF projects. This is particularly important given the scarcity of human resources in Ethiopia and the higher costs of doing business in more vulnerable, and often harder to reach areas. As a result, there is a frequent turnover of staff, which is having a detrimental effect on the implementation process and leads to a loss of project data and archives. For instance, in the case of the Oromia National Regional State Agriculture Bureau, the current GCF focal point is the third person within a period of two years, as two of his predecessors have left the project.

Project structure. The project structure does not reflect the existing government hierarchy of Ethiopia. Specifically, zonal level structures are not built into the project design, which is a product of the requirement that the project design needs to propose a standards approach that the GCF would endorse, and thereby limiting the need for multiple iterations between the GCF and the MoFEC in the project proposal stage. For all the technical assistance, the woreda is demanding support from the regional bureaus instead of the zonal offices which are close to the woreda. Other similar projects such as the SLMP and the PSNP have followed the existing government structure, while the GCF did not. The project structure has not been aligned with the government hierarchy. Based upon the consultations with the NDA, this was largely due to the transaction costs for the government and further project delays that are associated with making changes or corrections to a project proposal.

5. Coherence and complementarity

Intragovernmental coherence and established platforms for coordination benefit project implementation in Ethiopia. GCF projects have not yet optimized regional- and woreda level coordination opportunities and have not taken advantage of existing administrative structures. Interviewees recognize the role for GCF funding in the Ethiopian climate change context and appreciate the ability to gain direct access to funding through GCF, while also expressing concerns that Ethiopia, as an LDC, is not set up to compete for funding against countries with more capacity and greater access to information systems and data.

a. Coherence between Ethiopian government ministries and GCF projects

There is consistent collaboration between the national implementing entity and the NDA. The NDA has a large, ongoing role in following up and asking questions about implementation, and signing interim programme reports. At the federal level, there are strong coordination systems between the ministries and there is a very good coordination system between the implementing offices (the agriculture and water offices). Similarly, there is also good communication with regional bureaus of agriculture and water in the course of project implementation. However, project stakeholders at the woreda level point to variability and challenges with respect to coordination with zonal offices where there are no GCF focal persons. The stakeholders at the regional and woreda level have expressed that there is loose coordination and communication between the SNNPR agriculture and water bureaus. There seems to be a friction between the two implementing bureaus over who should take the lead in coordinating the entire project activities in the region. The underlying cause for this has been the challenge and resulting transaction costs in re-designing a project to align with sub-national structures, given the risk of delay in resubmitting project information to the GCF. In practice, the challenges in coordination are managed by the AE.

b. Alignment with other climate change projects

The GCF project is developed on the experience of other similar climate-change-sensitive initiatives being implemented in the country. The FP136 has drawn extensively from the practical experiences and lessons from the previous (WB) SLMP, which is the other CRGE facility project, and the new

RLLP (or SLMP phase III), among others. Stakeholders have also explained that the GCF is very much linked with other CRGE facility projects in terms of its components and planned activities.

c. Complementarity with the private sector

The Government is opening up to private sectors which were previously owned by the Government and under monopoly. At present, there is very limited engagement of the private sector and there is an identified need to incentivize the private sector for green projects.

Stakeholders highlighted the challenge of engaging the Ethiopian private sector and pointed to the need to raise awareness about potential opportunities from the GCF to support businesses (e.g. small- and medium-sized enterprises, or banks) to go green. Raising awareness in the private sector has been one of the priorities of GGGI Readiness programming, which led to the facilitation of a two-day workshop for high level private sector representatives and a training on concept notes and project proposals. The private sector was also involved in the project implementation of FP058 through the construction of a big water harvesting pond – part of the infrastructure for FP058 – which was undertaken by a private contractor. Two of the multi-country programmes involve private sector entities (MUFG Bank, FMO) and they are yet to gain traction in Ethiopia. This is not directly related to the national context, but instead to the programmes' stage of development.

d. Climate projects from other funds in Ethiopia

Ethiopia also seeks to mobilize financing through the other climate funds. Government stakeholders report there are trade-offs to seeking funding from the GCF. The most significant advantages to working with the GCF are that the level of funding is higher, compared with the smaller funding available through, for example, the AF (a cap of USD 10 million which has changed as of March 2021 to USD 20 million) or the GEF STAR allocation, which is usually not on par with the needs of the country. Also, it is possible to access the GCF through DAEs, as compared to the situation with the GEF, to which Ethiopia can only gain access through an implementing entity/agent. Another advantage cited by stakeholders about engaging with GCF is that the Fund has more financial instruments and models. One of the challenges with the GCF is that there is competition for GCF funding. This is in contrast to the GEF and the AF, where if you submit a bankable project to these funds, you most likely get the funding in the end. This is particularly challenging for Ethiopia as GCF funding is based upon the quality of project proposals. Stakeholders express concerns that for an LDC with limited capacity, this may be a disadvantage.

There are a number of climate projects under implementation in Ethiopia. The most complementary to GCF investments are the sustainable land management projects supported by the WB, which precede FP136. Beyond this, there is a diverse portfolio of climate investments in Ethiopia from other funds, including two AF projects under implementation which could be complementary in terms of sector engagement and capacity building, but there is no expected shared output.

Table A - 8. Approved climate change-oriented projects of the AF, CIF, GEF and LDCF since 2015

	GCF	AF	CIF	GEF[99]	LDCF	TOTAL
Projects	6	2	3	4	2	11
Country level	*2*	*1*	*3*	*2*	*2*	*8*
Multi-country	*4*	*1*	*0*	*2*	*0*	*3*
Funding ($ m)	624	12	433	58	33	1,160
Country level	*347*	*10*	*433*	*55*	*33*	*878*
Multi-country	*277*	*2*	*0*	*3*	*0*	*282*

Source: GEF, Ethiopia – County-At-A-Glance. Available at *https://www.thegef.org/projects-operations/country-profiles/ethiopia*.

C. CONCLUSIONS AND RECOMMENDATIONS

- Review criteria for assessing public entities and duly consider their prior experience in managing similar grants or projects.
- Improve efficiency in terms of project appraisal and fund disbursement processes.
- Offer opportunities for flexibility in project design after a project is approved. This would, for example, offer potential to adjust the project to align with government structures at all levels for the effective implementation of GCF projects.
- Encourage the country to utilize its government structure at all levels (sub-national, zonal) for the effective implementation of GCF projects.
- Review the parameters for project staffing structure, including the salary scale available for GCF projects, and pay due attention to project management rather than focusing solely on capital costs.

99

Table A - 8 differentiates the funding source for the different projects between the GEF Trust Fund and the Least Developed Countries Fund. GEF. See *https://www.thegef.org/projects-operations/country-profiles/ethiopia*.

Appendix 1. LIST OF STAKEHOLDERS CONSULTED

NAME	AFFILIATION
Tirhas Mebrahtu	Environment, Forest and Climate Change Commission
Habtamu Deboba	Environment, Forest and Climate Change Commission
Yonas Getahun	Ministry of Finance and Economic Cooperation
Militetsega Gebreselassie	GGGI
Zerihun Getu	Ministry of Finance and Economic Cooperation / CRGE
Samson Emeru	Ministry of Agriculture
Balaynesh Birru	Ministry of Water, Irrigation and Electricity
Leonard Roelvink	FMO
Jim Brands	FMO
Kevin Anderson	Climate Fund Managers
Chika Fukuyama	MUFG Bank
Pablo Cesar Benitez	World Bank
Ross Hughes	World Bank
Gebremichale Kidane	Ministry of Trade and Industry
Dawit Temesgen	Regional Agriculture Bureau of Oromia
Mangesha Lemma	Weira Ditcho Woreda Agriculture Office and GCF Focal Person
Ababiya Sirgaga	SNNPR, Halaba zone Weira-ditch woreda
Hussein Nuradin	Regional Agriculture Bureau of SNNPR
Habtamariam Tilahun	Regional Water Bureau of SNNPR

3. HAITI COUNTRY CASE STUDY REPORT

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A. BACKGROUND AND CONTEXT

1. GEOGRAPHICAL, POLITICAL AND SOCIOECONOMIC CONTEXT

a. Geography

The Republic of Haiti occupies the western third of the island of Hispaniola, located between the Caribbean Sea and the North-Atlantic Ocean. It shares the island with the Dominican Republic. Its total land area is 27,560 km^2 of mostly rough and mountainous terrain, with a mean elevation of 470m.[100]

b. Demography

Its population totals 11,198,249 (July 2021 estimate), is fairly evenly distributed across the territory and is growing at a rate of 1.22 per cent. As of 2021, 58 per cent of the country's population is considered urban, a proportion that is growing at 2.47 per cent annually. The capital, Port-au-Prince has a population of 2.844 million.[101]

c. Political context

The political context in Haiti is complicated and increasingly unstable. The country has a history of authoritarianism, extreme poverty and governance challenges. Weak economic growth, currency depreciation and political divisions have contributed to political and social instability.[102] The past couple of years have seen important social protests as well as an increase in gang violence. The incumbent Government did not hold elections scheduled for 2019, which resulted in the terms of most of the members of the legislature ending in January 2020, with no replacement. The legislature also failed to pass a budget for 2019–2020 or to confirm key appointments. As a result, the President ruled by decree for a year and a half.[103] President Jovenel Moïse was assassinated on 7 July 2021, further heightening instability as the country was shocked by the events and it was unclear who had the legitimacy to take over leadership.[104] On 20 July 2021, President-designated Ariel Henry was confirmed as the new Prime Minister.[105] General elections, combining presidential elections, legislative elections and a constitutional reform proposed by President Moïse and previously scheduled for September 2021 have been postponed indefinitely.[106]

d. Economic outlook

Haiti is the poorest country of the western hemisphere, with a real annual GDP per capita of USD 2,905 (2019 est.), ranking 198th in the world. Growth is slow, at 1.2 per cent (2017 est.), while inflation reached 14.7 per cent the same year. As of 2017, agriculture contributed 22.1 per cent of GDP, industry 20.3 per cent and services 57.6 per cent. The main agricultural products are sugar

[100] CIA World Factbook, Haiti, 2021. Available at *https://www.cia.gov/the-world-factbook/countries/haiti/#introduction*.
[101] Ibid.
[102] WFP, *Haiti country strategic plan (2019-2023)* (2019).
[103] Congressional Research Service, "Haiti's political and economic conditions", March 2020.
[104] Catherine Porter, Michael Crowley and Constant Méheut, "Haiti's President Assassinated in Nighttime Raid, Shaking a Fragile Nation", *The New York Times*, 7 July 2021. Available at *https://www.nytimes.com/2021/07/07/world/americas/haiti-president-assassinated-killed.html*.
[105] Drazen Jorgic and Grant McCool, ed., "Haiti appoints new prime minister in wake of president's assassination", *Reuters*, 21 July 2021. Available at *https://www.reuters.com/world/americas/haiti-swear-new-prime-minister-wake-presidents-assassination-2021-07-20/*.
[106] Le Figaro, "En pleine crise, les élections reportées sine die en Haïti*",* 28 September 2021. Available at *https://www.lefigaro.fr/international/en-pleine-crise-les-elections-reportees-sine-die-en-haiti-20210928*.

cane, cassava, fruits (mangoes, guavas, bananas, yams), avocados, maize, rice, and vegetables. The main industries are textiles, sugar refining, flour milling, cement, and light assembly. Some 38 per cent of the population works in the agricultural sector, 50 per cent in services and 11 per cent in industry.[107] Agricultural outputs have declined by 12 per cent since 1997 due to market liberalization and unsustainable agricultural practices. The increasing difficulty to sustain livelihoods from agriculture is causing rural-to-urban migration, as well as migration abroad.[108] Unemployment is widespread, and two-thirds of the population do not hold formal employment.[109] The 2010 earthquake caused damages equivalent to 120 per cent of the 2009 GDP, and multiple other shocks since then have hampered economic recovery.[110]

e. Poverty and development outlook

Haiti is a LDC and a small island developing State (SIDS). It has a HDI score of 0.510 (2019) – low human development - ranking 170 out of 180, a position it shares with Sudan. The country's HDI has increased by 23 per cent since 1990, from 0.414. Haiti is a highly unequal country, which is reflected in the inequality adjusted HDI (IHDI), which has a value of 0.303, below the LDC average of 0.384.[111]

Table A - 9. Value of HDI components for Haiti

HDI COMPONENTS	2019	RELATIVE TO 1990
Life expectancy at birth (years)	64.0	+9.7 years
Expected years of schooling	9.7	+2.5 years
Gross national income (GNI) per capita (constant 2017 PPP$)	1,709	-21.7%

Source: UNDP Human Development Report 2020

According to the U.S. State Department, the country has made progress in terms of health indicators and succeeded at eradicating the recurring cholera epidemics. As of 2012, it was estimated that 58.5 per cent of the population lived below the national poverty line, while a quarter of the population lived below the extreme poverty line.[112] Urban/rural inequality is high, as almost two-thirds of the poor live in rural areas.[113] The country's Global Hunger Index score rose from 28 in 2009 to 34 in 2017, beyond the "extremely alarming" threshold, with an undernourishment rate of 47 per cent, one of the worst in the world. Food insecurity is driven by poor agricultural performance and dependence on food imports, as "consumer prices for major food products are 30 to 77 per cent higher than in the Latin America and Caribbean region, making them unaffordable for vulnerable populations."[114] The Government has limited capacity to address these challenges, as few people and businesses pay taxes, and people are dependent on remittances to supplement their incomes.[115] [116]

[107] CIA World Factbook, Haiti, 2021. Available at *https://www.cia.gov/the-world-factbook/countries/haiti/#introduction*.
[108] WFP, *Haiti country strategic plan (2019-2023)* (2019).
[109] CIA World Factbook, Haiti, 2021. Available at *https://www.cia.gov/the-world-factbook/countries/haiti/#introduction*.
[110] WB, Haiti, 2021. Available at *https://www.worldbank.org/en/country/haiti/overview*.
[111] UNDP, Human Development Report 2020. Available at *http://hdr.undp.org/en/countries/profiles/HTI*.
[112] Congressional Research Service, Haiti's political and economic conditions, March 2020.
[113] WB, Haiti, 2021. Available at *https://www.worldbank.org/en/country/haiti/overview*.
[114] WFP, *Haiti country strategic plan (2019-2023)* (2019).
[115] Congressional Research Service, Haiti's political and economic conditions, March 2020.
[116] According to the United Nations, the country experienced a spike in urban violence in June 2021, caused by in-fighting among criminal gangs. This caused 15,000 women and children to flee their homes and seriously affected the delivery of humanitarian aid in the areas surrounding Port-au-Prince. Available at *https://news.un.org/fr/story/2021/07/1100212*.

f. Gender equity

As a country with relatively high gender inequality, the above-mentioned economic and development challenges disproportionately affect women. The female HDI is 0.473, while the male HDI is 0.540, a 0.875 ratio (also called Gender Development Index – GDI). Women tend to carry out unpaid domestic and reproductive tasks, and the unemployment rate is 1.5 times that of men. About 55 per cent of women work in the non-agricultural sector, 94 per cent of them in the informal sector (above the national proportion of 88 per cent). Violence against women from an intimate partner affects 30 per cent of women, while no data is available for external violence.[117] Despite a quota of 30 per cent of women in Parliament, only 2.7 per cent of Parliament members are women.[118]

g. COVID-19 situation

As of 3 August 2021, Haiti officially counted 20,307 cases of coronavirus and 560 related deaths, with the number of deaths sharply increasing since June 2021.[119] These numbers are likely underestimated, as the President declared a sanitary emergency for eight days in May 2021, later extending it to 15 days. Haiti was the last country in the Americas to receive vaccines, with the first 500,000 doses provided through COVAX landing on 14 July. As of 30 July, 5,766 doses of vaccine had been administered in the country.[120]

The effects of the pandemic in Haiti are multiple and also difficult to estimate. They contribute to political paralysis by, among others, slowing down ongoing reforms, preventing the finalization of agreements with international partners and disrupting public finance plans. Due to the country's reliance on oil and food imports, the country is facing increased prices,[121] contributing to food insecurity.[122] Other short- and long-term effects are multiple. As an example, the United Nations Children's Fund (UNICEF) reports that vaccination rates for children have decreased, exposing the country to other epidemics.[123]

2. CLIMATE AND OTHER VULNERABILITY CONTEXT

This section describes the specific climate related vulnerability of the LDC and will outline historical hazards, extreme weather, geological phenomena, and geopolitical and internal vulnerability. It will also seek to describe anticipated shifts in exposure to such hazards in light of best available climate predictions.

a. Projected climate change and vulnerability

Haiti is widely recognized as being one of the most vulnerable countries to climate change. It ranks 168 out of 182 countries on the ND-GAIN Index (2019), with a score of 35.6. It combines a high level of vulnerability (ranking 152nd out of 182) and a low level of Readiness (ranking 182nd out of 192). According to this index, vulnerability is highest in the water sector, followed by the

[117] UNDP, Human Development Report 2020. Available at *http://hdr.undp.org/en/countries/profiles/HTI*.
[118] WFP, *Haiti country strategic plan (2019-2023)* (2019).
[119] Worldometer. Accessed on 3 August 2021. Available at *https://www.worldometers.info/coronavirus/country/haiti/*
[120] Ibid.
[121] Le Nouvelliste, "Impacts Covid-19 sur l'économie haïtienne et mesures économiques", 7 April 2020. Available at *https://lenouvelliste.com/article/214510/impacts-covid-19-sur-leconomie-haitienne-et-mesures-economiques*.
[122] CCFD, "Coronavirus en Haïti : vers une crise alimentaire", 9 October 2020. Available at *https://ccfd-terresolidaire.org/actualites/covid-19/coronavirus-en-haiti-6600*.
[123] UN, ONU Info, "Haïti : à cause du coronavirus, les enfants sont moins vaccinés", 3 September 2020. Available at *https://news.un.org/fr/story/2020/09/1076422*.

infrastructure and the ecosystem services sectors. Infrastructure vulnerability has been worsening since 2000, especially when it comes to electricity access.[124]

Haiti's climate is a hot and humid, with daily temperatures ranging between 19°C and 28°C in the winter and 23°C and 33°C in the summer. Annual precipitation in the mountains averages 1,200mm, and in the lowlands 550mm.[125] Key historic and projected climate changes are summarized in Table A - 10. Additionally, sea level rise between 0.13m and 0.56m by 2090 is projected.[126]

Table A - 10. Historical and projected climate change in Haiti

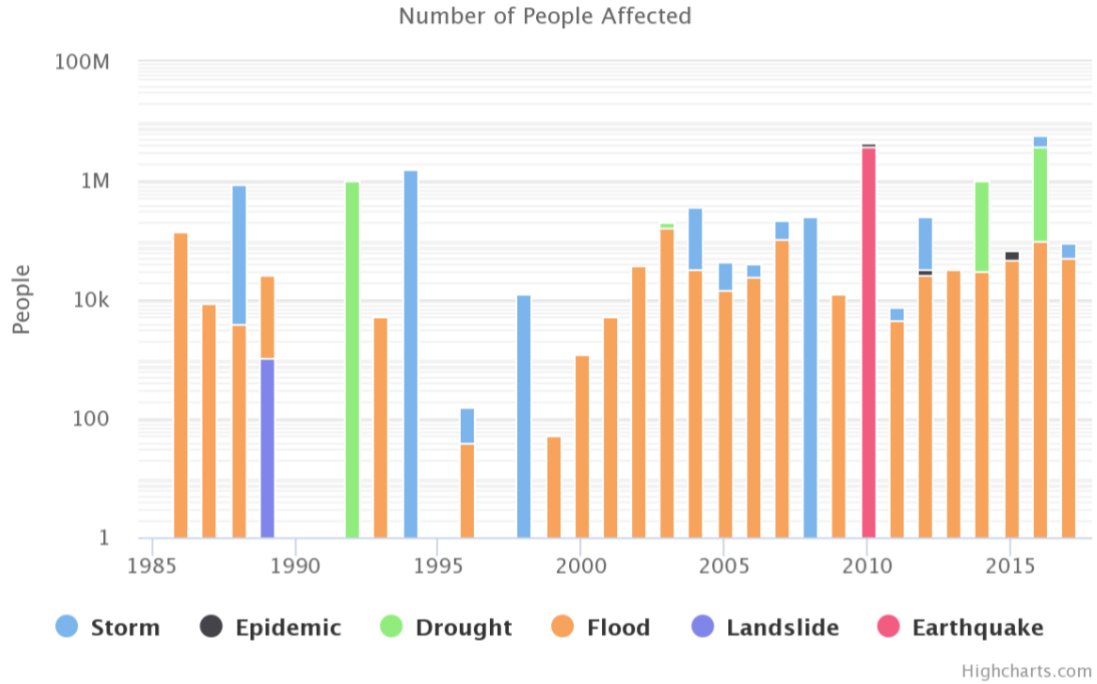
HISTORIC CHANGES	PROJECTED CHANGES
Temperature • Mean temperatures have increased by 0.45°C since 1960, with warming most rapid in the warmest season, June to November. • The frequency of hot days and hot nights increased by 63 and 48 days per year, respectively, between 1960 and 2003. • The frequency of cold days and cold nights has decreased steadily since 1960.	Temperature • Temperatures are expected to increase by 0.5 to 2.3°C by 2060, with warming most rapid during December to February. • The number of hot days and nights are projected to increase throughout the country. • The number of cold nights is projected to steadily decrease or become rare.
Precipitation • Mean annual rainfall has decreased by 5mm per month per decade since 1960. • The intensity of Atlantic hurricanes has increased substantially since 1980.	Precipitation • Rainfall projections predict decreases in rainfall during June to August, while rainfall projections during the remainder of the year are less certain.

Source: WB Climate Change Knowledge Portal (CCKP)

Haiti's vulnerability stems initially from its geographic location on the path of Atlantic hurricanes, along with its topography and the structure of its hydrographic network. Its weather is also regularly affected by El Niño and La Niña phenomena. As a result, the country is increasingly under threat from cyclones, floods, droughts and landslides. This is enhanced by high levels of deforestation and poor infrastructure.

[124] University of Notre Dame, ND-GAIN Notre Dame Global Adaptation Initiative. Available at *https://gain.nd.edu/our-work/country-index/rankings/*.
[125] WB, Climate Change Knowledge Portal, Haiti, 2021. Available at *file:///C:/Users/User/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7O6L5STA/Temperature*.
[126] WB, *Climate Risk and Adaptation Country Profile: Vulnerability, Risk Reduction and Adaptation to Climate Change – Haiti*, 2011.

Figure A - 12. Key natural hazards in Haiti for 1985–2018



Source: CCKP

As illustrated by Figure A - 12, Haiti is not only at risk from climate related disasters (floods, droughts, landslides), but also from non-climate disasters, particularly earthquakes. As recently as 14 August 2021, Haiti was devastated by a 7.2 earthquake that severely damaged infrastructure and caused over 2,200 deaths.[127] This coincided with the beginning of hurricane season which threatens an already precarious situation.[128] Prior to this, in 2016, Haiti was hit by Hurricane Matthew, which was the most important natural disaster since the 2010 earthquake. Its damages corresponded to 32 per cent of the country's GDP, with losses to the agricultural and fishing sectors estimated at USD 600 million. The WB estimates that 96 per cent of the country's population is currently at risk from natural disasters – both climate and non-climate hazards.[129] It also mentions that earthquakes exacerbate climate disasters such as floods and landslides by weakening the slope structures.[130] A study conducted by the Ministry of Environment of Haiti (MDE) estimates the cumulative costs of climate change (with no adaptation measures) to be USD 1.8 billion, and USD 77 million with adaptation measures.[131]

b. Challenge to build a green growth/low carbon development pathway

According to its NDC, Haiti's emissions contribute only about 0.03 per cent to global emissions, with per capita emissions of 0.91 tCO_2eq. However, emissions increased by 20 per cent between 1995 and 2000, much faster than the GDP.[132] The Second National Communication identifies the energy and the agriculture, forestry, and land use (AFOLU) sectors as the main sources of energy,

[127] Caribbean Disaster Emergency Management Agency, "Haiti earthquake situation report no. 11". Available at https://www.cdema.org/images/2021/09/CDEMA_Situation_Report_11_Haiti_Earthquake__9_Sep_2021.pdf.
[128] Sanon, Evens, and Mark Stevenson, "Death toll of powerful earthquake in Haiti soars to 1,297", *AP News*, 16 August 2021. Available at https://apnews.com/article/haiti-earthquake-98f06a322e12f732f94485238d13558c.
[129] Congressional Research Service, Haiti's political and economic conditions, March 2020.
[130] Haiti, *Analysis of multiple natural hazards in Haiti* (2010).
[131] Haiti, *Nationally Determined Contribution* (2015).
[132] Ibid.

noting that due to the country's low industrialization level, residential energy uses more energy than the industrial sector.

3. CLIMATE CHANGE POLICY AND INSTITUTIONAL CONTEXT

a. Climate change policy context

The main elements of the climate change policy framework are:

- First and Second National Communication (2002 and 2013)
- NAPA (2006)
- NDC (2015)
- National Policy for the Fight Against Climate Change (*Politique nationale de lutte contre les changements climatiques* (PNCC), 2019)

The NAP is currently being developed, with GCF support.

The Second National Communication was submitted in 2013. Mitigation measures target the energy, forestry, transportation, industrial, agriculture, and waste sectors. Adaptation measures focus on socio-economic and policy measures that address underlying vulnerabilities, such as strengthening governance for addressing poverty, promoting education, and strengthening the land tenure system. It also proposes specific measures for agriculture and water resources. A six-pillar programme is also proposed to mainstream gender in climate and environmental policies, which identifies four priority sectors: agriculture and food security; water resource management; disaster risk management; and health. The Second National Communication also considered the prioritization of adaptation actions undertaken in the NAPA, which led to the following ranking:

- Option 1: Watershed management and soil conservation
- Option 2: Coastal zone management
- Option 3: Natural resource development and conservation
- Option 4: Preservation and strengthening of food security
- Option 5: Water protection and conservation
- Option 6: Construction and rehabilitation of infrastructure
- Option 7: Waste management
- Option 8: Information, education and awareness

The NDC includes a commitment to reduce its greenhouse gas emissions by 31 per cent compared to their baseline scenario by 2030, corresponding to 45.24 Mt CO_2eq. This includes an unconditional reduction of 5 per cent, and 26 per cent of conditional reduction. It targets:

- Energy, both demand and supply
- AFOLU: legume pasture improvement, national forest parks, afforestation and reforestation, and agroforestry
- Waste: solid municipal waste

Conditional reductions are those that would require financial, technical and technological support from international partners, and include measures to develop the renewable energy sector, reducing woodfire consumption and improving energy efficiency. Unconditional energy contributions focus on increasing the hydroelectric capacity and controlling the import of used cars. Conditional forestry-related mitigation would supplement the conservation and reforestation efforts of the Haitian government, while waste-related measures would be entirely conditional. The NDC target

was integrated into the PNCC. The adaptation priorities mentioned in the NDC are aligned with the NAPA and cover:

- Integrated water resources and watershed management
- Integrated management of coastal areas and rehabilitation of infrastructures
- Preservation and strengthening of food security
- Information, education and awareness

The PNCC's objectives are wider, and aim to (in addition to the emissions reduction target):

- Reduce significantly damages related to climate risks in strategic sectors.
- Strengthen the capacities of public and private sector actors for the fight against climate change.
- Support an improved integration of climate change issues in planning, budgeting and implementation processes at the national, regional and territorial levels.
- Create an enabling environment for producing wealth and diversifying economic activities to increase GDP relative to a status quo scenario.
- Facilitate resource mobilization to address climate change.
- Facilitate improved inter-institutional coordination.

b. Institutional set up for climate change

Responsibilities for climate change issues are located within the Ministry of Environment (MDE), more specifically the Climate Change Directorate (CCD). The MDE counts a total of 12 directorates, a General Direction, and two service departments. This ministry hosts the focal points for the multilateral environmental agreements and funds, including the UNFCCC, the AF, the GEF, and the Convention on Biological Diversity.

A climate change national committee (CNCC) that will include representatives from line ministries, local governments, civil society organizations (CSOs) and private sector organizations (PSOs) is planned but is not yet operational.

The NDA for the GCF is located within the CCD, with a specific focal point identified, but with responsibilities being shared within the CCD. The Director of the CCD was promoted to Minister of the Environment in July 2021.

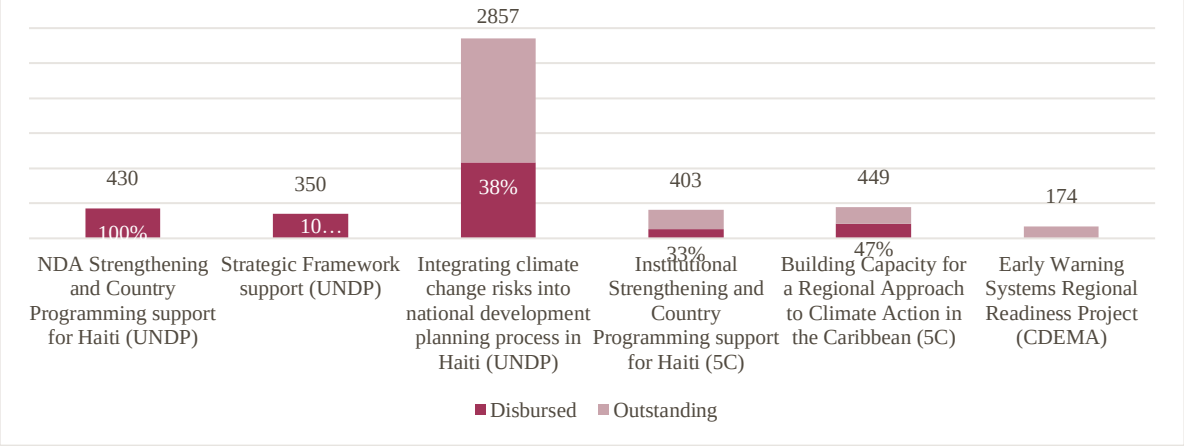
B. HAITI'S GCF PORTFOLIO

Haiti's GCF portfolio comprises six RPSP, also referred to as the 'Readiness programme') grants, one approved national project and one large multi-country project. Out of five projects in the pipeline, two are inactive and three are active, with two projects having recently been submitted to the GCF.

1. READINESS SUPPORT

Among the six grants approved for Haiti under the RPSP, three have been implemented by the UNDP, two by the Caribbean Community Climate Change Centre (5Cs), and one by the Caribbean Disaster Emergency Management Agency (CDEMA). Two of the UNDP grants have been fully disbursed (see Figure A - 13). Two additional requests have recently been submitted, one by the *Institut de la Francophonie pour le développement durable*, and one by the UNEP.

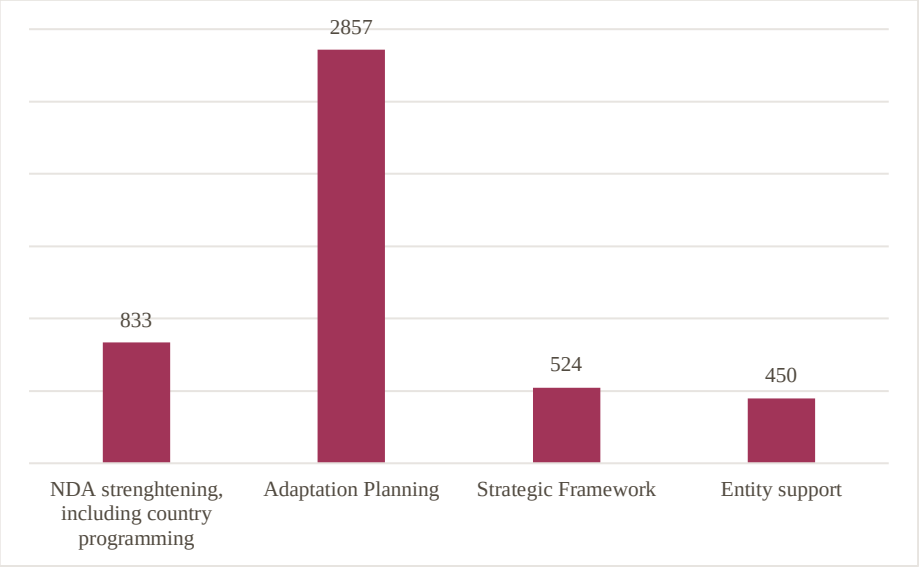
Figure A - 13. Funding disbursed per grant (USD, thousands), as of 22 April 2021



Source: IEU DataLab[133]

Besides the large grant for developing the country's NAP, support focuses mostly on strengthening the institutional framework, including the NDA and country programming (Figure A - 14**Error! Reference source not found.**). The expected outcomes from the different Readiness projects are summarized in Annex 1. Two of these projects (5Cs and CDEMA) have a regional scope, and as such, their outcomes are expected to be achieved at the regional rather than country level. The CDEMA support has a specific focus on regional early warning systems, which contributes to the strategic framework.

Figure A - 14. Approved funding per programme activity (USD, thousands)



Source: IEU DataLab

2. PROJECT PORTFOLIO

Both projects approved in Haiti (see Table A - 11) came through the Mobilizing Funding at Scale Request for Proposal (MFS RFP), which was launched in May 2017 and aimed to select projects

[133] All figures related to the GCF-related data in this report have the reference date of July 1, 2021.

that would leverage substantial amounts of private capital (decision B.16/03). They mobilize the full spectrum of financial instruments, including equity, grants, in-kind, and loan financing.

Table A - 11. Haiti project portfolio (as of June 2021)

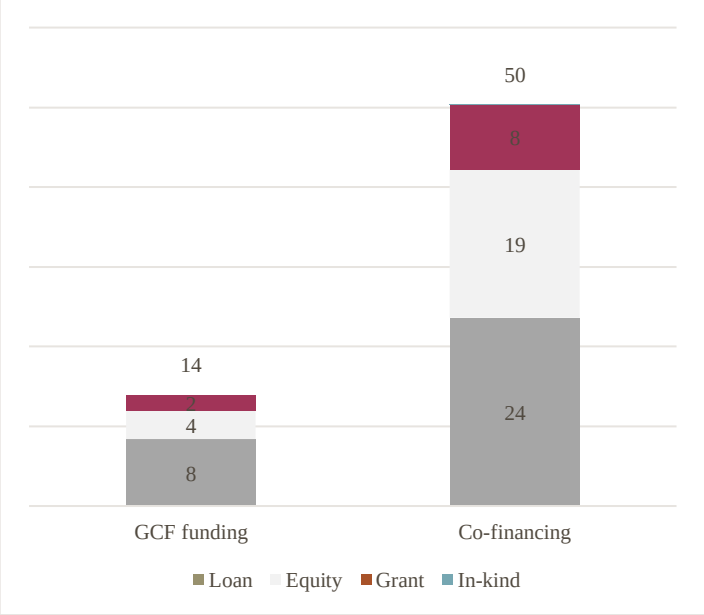
TITLE	NUMBER	APPROVAL YEAR	AE	GCF INVESTMENT (USD)	FINANCIAL INSTRUMENT	SIZE	SECTOR	STATUS
Subnational Climate Fund Global (SnCF) – Technical Assistance	FP151	2020	IUCN	150,000,000	Grant	Medium	Mitigation	First disbursement
SnCF - Equity	FP152	2020	PCA	18,500,000	Equity	Large	Mitigation	First disbursement
Scaling Smart, Solar, Energy Access Microgrids in Haiti	SAP013	2020	Nordic Environment Finance Corporation (NEFCO)	9,900,000	Loan, grant	Small	Cross-cutting	FAA signed

Source: IEU Datalab

The multi-country project Subnational Climate Fund Global (SnCF) was approved as two different projects: FP151 SnCF Technical Assistance, and FP152 SnCF Equity. The SnCF project will receive USD 168.5 million in GCF funding and is expected to mobilize USD 609.5 million in co-finance. The project has allocated USD 19 million (FP152: USD 18 million / FP151: USD 1 million) to Haiti. The SnCF seeks to invest in climate resilient, low carbon infrastructure at the sub-national level, blending public and private funds.[134] It targets sub-national authorities as these have specific responsibilities and authority to decide on investments relevant to mitigation, such as renewable energy generation, energy efficiency retrofits and climate-smart design, and considers that there is currently a gap in investments at this level. The SnCF focuses on mitigation result areas, specifically in buildings, cities, industries, and appliances (40 per cent), energy access and power generation (35 per cent) and forests and land use (25 per cent). The project received its first disbursement, but no activities have been undertaken in Haiti yet.

The project Scaling Smart, Solar, Energy Access Microgrids in Haiti (SAP013) was also submitted through the MFS RFP, under the SAP. Through its EE, led by non-governmental organization (NGO) EarthSpark International (ESI), it plans to build up to 22 solar microgrids in the South of Haiti. SAP013 is a cross-cutting project that invests 60 per cent of its budget into "Energy access & power generation" and the other 40 per cent towards the "Most vulnerable people and communities". Its FAA has been signed and is pending execution.

Figure A - 15. Total funding approved per instrument (USD millions)



Source: IEU DataLab

3. PROJECT PIPELINE

There are five projects in Haiti's pipeline, two of which are inactive. The active projects include two Haiti-specific projects and one multi-country project. Six projects have been withdrawn, four of them national. One global project (FP038 – Geeref Next) was withdrawn after approval.

[134] Despite the fact that adaptation investments can be funded through SnCF, the project is considered a mitigation project.

Table A - 12. Pipeline of projects (as of 1 June 2021)

PROJECT NAME	PIPELINE STATUS	GCF DIVISION	SUBMISSION YEAR	AE	AE TYPE	THEME	SCOPE
SOM Site for Waste recycling, Power generation, and Water Purification	Inactive	PSF	2016	Not available (n/a) (previously *Agence française de développement* – AFD)	IAE	Cross-cutting	National
Emerge Green Fund	Inactive	PSF	2016	n/a	n/a	Cross-cutting	Regional
Common Risk Mitigation Mechanism (TCX)	Active	PSF	2017	AFD	IAE	Cross-cutting	Global
Enhanced climate resilience in the Trois-Rivières region of Haiti through Integrated Flood Management	Inactive[135]	DMA	2018	UNDP	IAE	Adaptation	National
Increasing resilience of vulnerable farmers in Southern Haiti	Active	DMA	2019	Food and Agriculture Organization	IAE	Adaptation	National

Source: IEU DataLab
Note: IAE (international accredited entity)

C. KEY FINDINGS

1. RELEVANCE OF GCF POLICIES AND FINANCING MODALITIES

Thematically, the GCF addresses national priorities in adaptation and mitigation, as stated in their NDC and Second National Communication. The Readiness programme addresses a crucial need for institutional strengthening in the country, although gaps remain. The SAP013 project is highly relevant to the context given its focus on energy generation, which is a critical gap for Haiti. However, the Fund's emphasis on mobilizing private sector investments has led to a portfolio leaning more towards mitigation, whereas Haiti's needs for investments are more in adaptation.

a. Relevance of the Readiness programme

Support for developing the NAP has been the main focus (in terms of funds) of Readiness support in Haiti (Figure A - 13). With adaptation being the most significant priority for Haiti with regard to

[135] The GCF Secretariat considers projects as "inactive" after it has not heard from them for six months. The Trois-Rivières project is in fact "active" and recently obtained its letter of no-objection.

climate change, this investment is therefore relevant. Other Readiness support has targeted topics that are considered relevant by stakeholders in terms of managing climate finance and interacting with the GCF, especially considering the very low national institutional capacities. One such topic is understanding how the GCF works, to aid setting up mechanisms to work with stakeholders. Questions were raised about its duration, considering the changes are expected take a long time to materialize given they entail institutionalization of processes and consolidation of capacities. The project based structure of Readiness support produces deliverables but is not designed to accompany their uptake and sustainability over time. Gaps identified include the need for knowledge management tools, for more direct knowledge transfer from the GCF to help sustain achievements over time (e.g. regular onboarding training for new NDAs, support with knowledge management), and technical capacities to help design bankable projects. No Readiness project addresses this need to date, but at least two are in the pipeline, one of which should further strengthen institutional capacities while the other will support REDD+. Stakeholders involved in project design pointed to the challenge of the lack of meteorological data required to build the climate rationale of their projects, especially as recent natural disasters have contributed to the loss of historical data and meteorological equipment.

b. Relevance of the projects

The IEU DataLab assessed all the current projects approved for Haiti as coherent with the existing national climate strategies, policies and plans. The SnCF (FP151 and 152 – multi-country project) is aligned with four existing plans, strategies or policies of Haiti, while Scaling Smart, Solar, Energy Access Microgrids in Haiti (SAP013) is aligned with two existing plans, strategies or policies (Table A - 13).

Table A - 13. Alignment with national climate strategies, policies and plans

	NAMA	NAP	NDC	National Communications	NAPA	National Strategy /Policy for Climate Change	REDD+ Strategy	National Action Plan	National Sustainable Development Plan	National Energy Plans/ Policy	National Strategy for Forestry and Land use
SAP013			✓	✓							
FP151– FP152	✓		✓						✓		

Source: IEU DataLab

With its focus on photovoltaic energy microgrids in the south of the country, SAP013 is highly relevant to the country's needs. Indeed, energy access is a priority in Haiti, from a mitigation, an adaptation, and a development perspective. This is reflected in the NDC and in the Second National Communication. The current energy mix relies heavily on biomass and hydrocarbons as only a third of the population has access to electricity,[136] which not only contributes to global emissions (although to a limited extent), but the former also contributes to land degradation, a major threat to subsistence in Haiti. By providing access to cheaper and reliable electricity, the project aims to enhance the resilience of local communities, as it enables increased job and business opportunities,

[136] GCF/B.25/02/Add.08: Secretariat's review of SAP013.

and provides energy for education and health services. The project received a rating of "high" by the Secretariat and the independent Technical Advisory Panel (iTAP) for the "needs of the recipient" criteria. Several national stakeholders interviewed confirmed the relevance of the project. A stakeholder from a CSO who visited project sites for current similar microgrids[137] pointed out that the pay-as-you-go approach for the project, whereby users pre-pay for the amount of energy they wish to consume, is relevant as it takes the pressure away from people receiving high bills at the end of the month.

The FP151-152 SnCF offers sub-national governments in participating countries the possibility to access investments for medium-scale low carbon, resilient infrastructure, related among other factors to waste, water and sanitation, and agriculture. The technical assistance component helps structure and manage the investments. Although the context was not analysed in each of the countries that provided a no-objection letter (NOL) for this project, the rationale for the project is that a global funding gap exists for this type of investment at that scale, and that GCF investments will crowd in investments by de-risking them. The funding proposal (FP) indicates that it expects subnational authorities to seek funding for investments that are aligned with country mitigation priorities, which would ensure their relevance. The current state of infrastructure in Haiti confirms the need for such investments, although the relevance of such a mechanism in the context of Haiti may be questionable, as institutions and the private sector have both been described as having low capacities by multiple stakeholders, which is a constraint in the country setting up the type of investments provided by this fund. The project states that it will be able to support 20 countries, while it had received 42 NOLs at the time of approval by the GCF, meaning that not all countries will be able to access funding.

> "Everything is a priority" – AE representative

Stakeholder interviews confirm that the priorities of the GCF are broadly aligned with the needs of the country, in terms of both adaptation and mitigation. Most of them emphasize the urgent needs in adaptation, while several point to the basic need to raise awareness about climate change among the population, so that people may understand how climate change will be affecting them. Others point to the need for the GCF to be a little more flexible with regard to funding projects with a strong development component, in a country that lacks everything. The current portfolio involves private sector mechanisms with a primary focus on mitigation, both of which resulted from the MFS RFP. The IEU assessment of the RFP modality found that this RFP did not succeed at mobilizing adaptation finance as expected, focusing instead on mitigation with adaptation co-benefits.[138] Considering the concept of common but differentiated responsibilities, stronger investments in adaptation could be expected. Two of the projects currently active in the pipeline (and already in possession of an NOL) are adaptation projects targeting the relevant topics of agriculture and floods.

c. Relevance of the business model

The business model of the GCF affects the relevance of the GCF for the countries, in that it sets up the framework through which the country can access its funds. In the case of Haiti, several stakeholders have reported tensions between the three main actors, namely the GCF Secretariat (which is paying AEs/EEs), the NDA (which is trying to assert its country's sovereignty while lacking the capacity to do so) and the AEs (which have the capacity, have to play by the GCF's rules, but have no authority). Several occurrences of tensions have been reported. One involved a

[137] The SAP013 will replicate the model used in two existing microgrids.
[138] IEU, *Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality* (2021).

project designed by the AFD and which failed to go forward because the AE would not integrate specific elements required by the country and that were part of a national strategy on reforestation. Delays in approving Readiness deliverables have also been identified. These tensions appear to be heightened in the context of Haiti, where international cooperation actors have been extremely active for decades and are often perceived by national stakeholders as pursuing their own agenda. Stakeholders in-country and at the GCF Secretariat perceive that the GCF has a role to play in advancing an exit strategy for international organizations in Haiti.

2. COUNTRY OWNERSHIP

The current level of institutionalization of the processes to engage with the GCF limit Haiti's capacity to build strong country ownership over GCF projects. Despite willingness to provide direction for national projects, ownership is limited by a lack of standardized consultation processes, limited NDA capacity, and overall a limited understanding of the GCF. Country ownership for SAP013 is good at the local (rather than national) level. For FP151-152, country ownership is expected to be demonstrated through implementation, as access to the Fund is demand-driven. Direct access is unlikely to be achieved soon, as processes for nominated entities are at a standstill and no private sector entity has been nominated.

a. Overall institutional set up with the GCF

While the country has conducted consultations for its Readiness activities (including several ministries, CSOs and PSOs), it faces challenges in finalizing approval and uptake of some of the deliverables, like the country programme or the private sector engagement strategy. Several reasons were mentioned for these challenges, and although it was not possible to validate them, they all indicate that the process is still too centralized and not fully owned by country stakeholders. Country ownership is undermined by limited understanding of the GCF at all levels.

> "There is a difference between involvement and ownership" – Academic stakeholder

Interviews with stakeholders indicate that while consultations were relatively inclusive – and included women – validation of documents was performed by a more limited team. Furthermore, the stakeholders consulted have a very limited understanding of what the GCF is. Some interviewees highlighted the importance of community involvement and appropriation of projects for them to be successful, while acknowledging the challenges – both logistical and methodological – for engaging stakeholders in project preparation. One of the reasons mentioned by an interviewee for the lack of progress on the country programme is that the ministries responsible for developing the project ideas identified are not interested in doing so. Even though they were involved in the process for selecting these ideas, they do not "own" these ideas.

Other interviews point to the lack of capacity within the NDA's office, and the fact that it may take two to three years for someone to become familiar with the GCF, which is unlikely to happen with the high rotation rates within the CCD.

The role of the NDA is perceived by most stakeholders as being central to defining the GCF agenda in the country, aligning it with its national priorities, and as such it is expected for the NDA to have some influence over the content of the projects. This has caused tensions with AEs over "overlapping prerogatives" when it comes to project design, as government representatives perceive that they have to play by AEs' rules, and that AEs are taking liberties that they would not take in "other countries". This was the case with the above-mentioned AFD project which was ultimately cancelled because the AE and the NDA did not come to an agreement. While governments are

central to the development of projects, there do not appear to be standardized processes for knowledge sharing and citizen consultation as part of the development of the projects.

Nonetheless, the country is looking forward to being able to regain ownership of the projects currently carried by AEs. They wish to see the projects building more country and government capacity, and empowering them, with a clear exit strategy.

The limited capacities of the NDA also affect country ownership in that it currently lacks the tools to effectively monitor results of GCF investments. Furthermore, the GCF's nearly exclusive use of English in its processes represents an important barrier for the country, as most national stakeholders are not able to function in English. This adds an additional level of requirements for the NDA and AEs to be able to effectively inform stakeholders in French about the GCF.

b. Country ownership in the project portfolio

Stakeholder participation in design, implementation and monitoring

In its design phase, the SAP013 project undertook all relevant consultations, including with energy stakeholders (energy regulator, national utility company) and with mayors of local communities (Table A - 14). The platform for consultation with stakeholders was developed in earlier ESI microgrid projects in rural Haiti. Both the Secretariat and iTAP rated "country ownership" as high in their assessments. The Secretariat noted the provision of an NOL by the NDA, the alignment with national policies, and the work of co-financiers in the country to further electricity access. A CSO representative who recently visited the project sites for current plants by the same EE confirmed that the project has built strong community support. The same platform has been used for multi-stakeholder engagement and associated consultations during the planning of the project and will be used during its implementation. During implementation, the project plans to implement local "energy committees" that will consolidate the communities' engagement in the project. It should be noted that most other stakeholders consulted had limited or no awareness of the project.

Table A - 14. Stakeholders consulted during design for SAP013

NDA	GOVERNMENTS	CSOS/ NGOS/ INGOS	PSOS	LOCAL COMMUNITIES	WOMEN´S GROUP	ACADEMIA	OTHER
✓	✓	✓	✓	✓	✓		✓

Source: IEU DataLab

Country ownership in the FP151-152 project is considered for its implementation rather than for its design. This explains why none of the stakeholders interviewed seemed familiar with this project. The Secretariat's assessment rated country ownership as "high", stating that the AEs "have actively and continuously engaged with NDAs" (a statement that could not be validated from the FP), that they "have extensively [sic] experience working with local authorities", and that the project "will focus on 'inclusive' sustainable projects building upon a bottom-up approach where communities at sub-national level are the initiators of the projects". On the other hand, iTAP rated country ownership as "uncertain", as it was "not able to assess" it without requesting additional information from each country, noting that final country recipients had not been identified, and that not all countries that provided an NOL would receive funding. It noted that the standard format for NOLs does not include an explanation of why the project is important to a country.

Role of local knowledge in projects

Neither project, in their current design, relies significantly on local knowledge. Nonetheless, the SAP013 project builds on previous in-country experience and as such integrates lessons from the

first two microgrids. According to the FP, the development of each microgrid will include a detailed needs assessment to understand community needs and priorities, for both women and men.

Gender considerations in design and implementation

The project FP151-152 addresses gender from the angle of environmental safeguards and from that of results:

- Its investment framework includes considerations of gender at each stage.
- Its results framework includes gender disaggregated indicators and targets.
- An assessment of gender results is included in the monitoring and evaluation framework. Results measurement is based on an external certification approach.

The SAP013 project also incorporates gender disaggregated indicators and targets in its Gender Action Plan. Additionally, one of its sub-components which aims at strengthening the enabling environment focuses in large part on "Feminist electrification", an approach that "meaningfully engages women to help ensure that the arrival of electricity in a town is truly unlocking opportunities for all". The approach focuses on the following five pillars: (i) infrastructure planning; (ii) training and employment; (iii) small- and medium-size enterprises promotion; (iv) domestic energy use; and (v) community resource availability.[139] This approach was awarded the 2018 UNFCCC Momentum for Change Award in the category "Women for Results".[140]

Table A - 15 presents the approaches used in each project for gender sensitivity.

Table A - 15. Gender-sensitive approaches in project portfolio

	SAP013	FP151- FP152
Female headed business owner/ role of women in small business development	✓	✓
Female headed household access to electricity	✓	✓
Improve access to finance for women	✓	
Gender-specific target in jobs created	✓	✓
Supported women participation in technical aspect and implementation of the project	✓	
Bringing women into leadership roles in decision-making	✓	

Source: Sustainable developmental potential data set extracted by the IEU DataLab

c. Accreditation

DataLab information indicates that two entities have been nominated for accreditation: the *Comité interministériel d'aménagement du territoire* and the Ministry of Economics and Finance (MEF). Furthermore, the *Société financière haïtienne de développement* (SOFIHDES) is also reported to have received a nomination letter. No interviews with said entities could be conducted, but it would appear that all three processes are at a standstill. Several interviewees mentioned that the accreditation process for the MEF had been blocked by its inability to fulfil the fiduciary requirements, more specifically requirements pertaining to regular auditing, and that this would

[139] SAP013 funding proposal.
[140] UNFCCC, "Feminist Electrification: Ensuring Pro-Women Outcomes in Rural Energy Access | Haiti". Available at https://unfccc.int/climate-action/momentum-for-change/women-for-results/feminist-electrification.

likely be an issue for many national entities seeking accreditation. The support that the NDA can provide to entities seeking accreditation is limited by its lack of access to information on the status of the process, and its main contribution is perceived to be the delivery of designation letters.

One of the Readiness projects aimed to develop a private sector strategy that would lead to the nomination of a private sector organization for accreditation. This was not achieved, as a stakeholder familiar with the matter confided that government priorities changed between the moment the Readiness project was launched and when it concluded. Interviewees pointed to tensions in determining the appropriate roles for the public and private sector in climate action in Haiti. Interviews highlighted concerns from the public sector about the role and level of agency for moving resources in the private sector (e.g. for energy projects). This has implications for the AEs that are selected for projects and the engagement between the Government and private sector entities.

Interviewees mentioned that one of the EEs for SAP013 had envisioned accreditation (as a DAE) for a moment, but concluded that the process would be too demanding, and that working with an already accredited entity would likely be faster. The MFS RFP through which they applied initially welcomed non-accredited entities and planned to process accreditation alongside the FP process.[141] Nonetheless, the entity perceived the process to be too complex, and preferred partnering with an existing AE. Given that the entity would have been a DAE, it is unclear whether existing nomination processes would have allowed them to be nominated by the country.

Most stakeholders consider that having a DAE in Haiti is a priority. Accreditation is considered important, but whether this affects resource mobilization is uncertain. There is a lot of interest in the country being able to submit its own projects, independently from international AEs, as was expected from the GCF mechanism. An academic respondent noted that not having a DAE was a weakness, because a DAE could better understand the specificities of the country. He considered this to be a "marginal to medium" limitation for the country.

3. Process and project efficiency in LDCs

For Haiti, processes for accessing GCF support are rigid, complex, expensive and unpredictable, and generally not adapted to the context of an LDC and to the urgency of the climate challenge in a country that is both an LDC and an SIDS. Readiness support is however considered to be relatively easy to access and the speed of its process has increased over time. The language barrier adds an additional layer of complexity for the country. In the case of SAP013, a small size private sector project, the complexity of the process is disproportionate with its size. The GCF Secretariat's risk averseness is disconnected from the national context and the initial risk mandate of the GCF, and is currently crowding out funding for renewable energy in the country.

a. Overall challenges

The challenges and bottlenecks of GCF procedures that have been discussed in previous evaluations find an echo in Haiti, but with the added complexity of the LDC context, the key message is:

> "We are not responding to the urgencies of the day" – AE representative

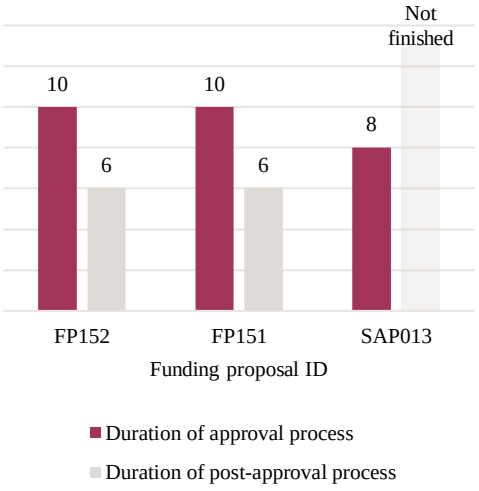
Procedures: Respondents involved in project development describe procedures as "too rigid", "complex", "opaque" and generally "not adapted to an LDC context". Project developers in Haiti are faced with limited data sources for designing projects that respond to the evidence requirements of

[141] GCF/B.16/10/Rev.02: Establishing a programmatic framework for mobilizing funds at scale.

the Secretariat and iTAP. This causes additional delays – and costs – in project development, particularly in adaptation projects for which the climate rationale is more difficult to demonstrate. Rigidity also applies to implementation, as current procedures do not allow for flexibility to adapt to changing needs. This applies both to Readiness projects and to FPs, and is perceived as particularly challenging in an LDC like Haiti where context evolves rapidly.

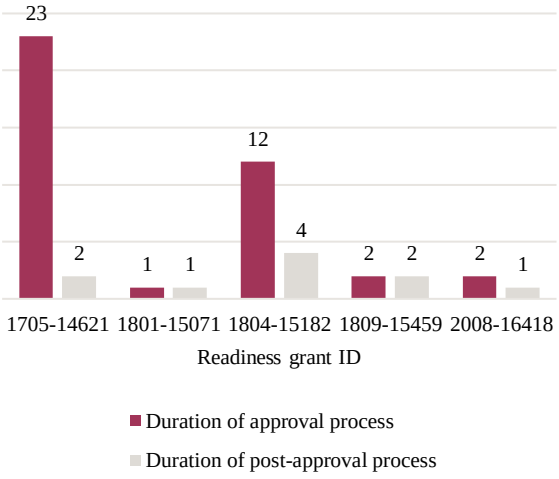
Predictability: The project cycle of the GCF is known to be long (as illustrated in Figure A - 16 and Figure A - 17) although it has improved a lot for Readiness projects since the first submission for Haiti (Figure A - 17). The three projects currently active in the pipeline have been there (concept note submission stage) respectively since 2017, 2018, and 2019. The FPs approved in Haiti were initially submitted in August 2017, when the MFS RFP was open, while both projects were approved in 2020 (FP151-152 was approved in November 2020 and SAP013 in March 2020).

Figure A - 16. Duration of approval and post-approval process per project (months)



Source: RPSP approved grants data set extracted by the IEU DataLab

Figure A - 17. Duration of approval and post-approval process per readiness grant (months)



Source: RPSP approved grants data set extracted by the IEU DataLab

AEs interviewed report that the delays cause projects to lose momentum and capacity to generate synergies, requiring efforts once the project starts to mobilize stakeholders again.

An interviewee from an AE perceives that some AEs with a large portfolio of GCF projects are being subjected to extra-scrutiny by the GCF, resulting in a slower process. While this may be relevant from the GCF perspective in terms of portfolio diversification, the result is that projects in LDCs like Haiti take a lot of time to develop and therefore would end up at the end of a queue, with no priority given to them.

Communications: Stakeholder interviews point to a disconnect between the message of the GCF and the reality. The message makes everything sound easy, especially to the NDA, while AEs and EEs are left to explain the intricacies of processes. However, the GCF is increasingly developing a reputation among a wide range of stakeholders as being inaccessible.

The language barrier is described as a significant challenge for Haiti, especially given that most countries in the region do not speak French. As a result, regional GCF staff generally do not speak French. An AE noted that while other funds also functioned in English, the proximity and fluidity of communication make this barrier less apparent, which is not the case with the GCF.

Nonetheless, several stakeholders pointed out the efforts made by GCF regional staff, including through WhatsApp groups to share key information and deadline reminders and support AEs/EEs

with procedures. These were very appreciated, although the fact that some GCF staff had to act as "champions" of a project to make it move forward reflects poorly on GCF processes.

Costs: AEs and EEs reported having to dedicate a lot of resources to project preparation, not just for data collection, but for consultations and engagement with the NDA, which is particularly demanding for smaller organizations. An entity reports that given the limited national capacities, additional costs are incurred during project implementation in managing the project, costs that go beyond the project management costs allocated.

Readiness: As mentioned in previous sections, the Readiness process has evolved over time and become more efficient. Readiness support is now considered to be relatively easy to access, and a Readiness partner mentioned being able to put together a proposal within only a few days. Inefficiencies remain in the fact that neither the countries nor the GCF have mechanisms to keep track of what is being done under each Readiness project, thus requiring additional efforts to develop relevant proposals.

b. The case of SAP013

This project was submitted by ESI through the MFS RFP. After having been selected, the GCF helped to match the project with an AE, and thus NEFCO became involved in a project that was already mostly developed. This is an example of the GCF Secretariat actively matching an EE that is not accredited with an AE, as was the case with several projects generated through the MFS RFP.[142] This was not necessarily an easy process, as it was difficult to identify an AE willing to take on the project, leading the EE to temporarily consider accreditation. Nonetheless, NEFCO agreed to take on the project, as it specializes in small and medium projects and the objectives of SAP013 were aligned with its approach.

The experience of NEFCO and ESI with the design process for this project was in many ways similar to that of other entities submitting projects through the SAP. As found in the IEUs Independent Assessment of the SAP Pilot Scheme (2020), the process was not simpler or faster than the regular process. Interviewees mention the multiple rounds of uncoordinated comments and iterative steps. This complexity has discouraged at least one other entity from submitting a project through the SAP, considering that it would be more efficient to aim for a larger project.

It took nine months between project approval and FAA execution in December 2020. As of July 2021, the FAA is still not effective. This is partly due to the level of detail of the agreements, which have a lot of requirements that are said to duplicate with the accreditation process that NEFCO had recently gone through. The limited experience of the AE and the EEs with the GCF may therefore have contributed to delays. A Secretariat interviewee mentioned the need to advise entities during FAA negotiations. Additionally, delays are largely due to difficulties in the legal aspects of the financial structure of the project, whereby the GCF is requiring financial assurances that the project is unable to provide due to the nature of the project and the country context. SAP013 was submitted through the MFS RFP, which was set up "to leverage substantial amounts of private capital to finance climate related projects by being an early investor and providing comfort to other institutional investors".[143] The expectation was that the GCF, as an institution that can "take on risks that other funds/institutions are not able or willing to take" to maximise its impact,[144] would take the extra risk to crowd in other sources of co-financing. However, the current level of financial assurances required by the GCF has been described as comparable to what would be expected in a project in Europe, not in an LDC, and often beyond what is being requested by co-financiers.

[142] IEU, *Rapid Assessment of the GCF Request for Proposal Modality* (2021).
[143] GCF/B.16/10/Rev.02.
[144] Initial Strategic Plan for the GCF (adopted via decision B.12/20).

Meanwhile, the project has not been able to finalize arrangements with co-financiers, placing the project in a difficult financial situation. Dedicating extensive resources to mobilizing GCF funds has prevented the EE from actively seeking other sources of funding for its project, effectively crowding out funding. It has crowded out smaller investors who feel they are not needed considering the millions coming their way from the GCF and others. Interviewees state that, while it is challenging to work in an LDC, the context there is a given, and the GCF should live up to its commitment to catalyse climate finance in the countries that need it most.

4. EFFECTIVENESS IN DELIVERING RESULTS

Neither of the two projects approved for Haiti has delivered results for the country. SAP013, despite involving relatively high levels of risk, is likely to achieve significant results for the communities in which it will be implemented, both in terms of adaptation (resilient livelihoods, increased opportunities) and mitigation (transition to renewable energy), with a strong gender component. It is unclear whether FP151-152 will benefit Haiti, as no evidence was found that a sub-national entity would be interested in accessing the SnCF. Readiness support is considered adequate, but its results to date are limited by several factors, such as the low level of human and technical capacities the NDA relies on, limited ownership over the results of Readiness projects, and general political and leadership instability, which GCF Readiness support does not adequately account for.

In Haiti, many stakeholders are very hopeful that the GCF will help them address their urgent climate related needs. To date, the two projects that have been approved in-country (one national) are not yet operational. Six Readiness projects have been approved, two of them fully disbursed.

a. Project deep dive: SAP013: Scaling Smart, Solar, Energy Access Microgrids in Haiti

This project is to be implemented by ESI, through a special purpose company called Participant Power Haiti 1, with field support from Enèji Pwop, a social enterprise incorporated in Haiti. Spark Meter is another ESI spinoff company that will be providing smart metering and billing services. The project will be implemented over five years, with a total lifespan of 25 years. The GCF contribution of USD 9.9 million is expected to mobilize co-finance of USD 35 million from the World Bank's CIF (Scaling Up Renewable Energy Programme in Low Income Countries (SREP)), the U.S. International Development Finance Corporation, the Dunn Family Charitable Foundation and other impact investors. It is set to contribute to two of GCF's result areas, namely to energy access and power generation (mitigation – 60 per cent) and most vulnerable people and communities (adaptation – 40 per cent). Its objectives and expected results are summarized in Box A - 2.

Box A - 2. Objectives and expected results of SAP013

Paradigm shift objectives

Shift to low-emission sustainable development pathways: The Project will increase the installed capacity of renewable energy and will expand energy access through zero-emissions generation displacing existing fossil fuels.

Increased climate resilient sustainable development: The Project will strengthen adaptive capacity of vulnerable households, businesses, communities, and public service providers in Haiti by providing new and alternative livelihoods, reduced energy expenditures, and new technology enabled by clean energy access.

Expected results (impact level)

Tons of carbon dioxide equivalent (t CO2eq) reduced or avoided as a result of Fund funded projects: 10,721 MT CO_2/year; 214,414 MT CO_2 eq reduction s over 20 years

Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options: 16,794 additional households and businesses (est. 83,970 direct beneficiaries) provided with clean energy and the associated cost savings. Addition al 1755 streetlights added. At least 22 high impact small- and medium-size enterprises support cases for climate adapted income.

Number and value of physical assets made more resilient to climate variability and change, considering human benefits: 22 additional solar+battery microgrids valued at US$31.8 million

Cost per t CO_2 eq, decreased: All – USD 128 /tCO_2eq; GCF only- USD 27.7/ tCO2eq

Volume of financing mobilized: USD 35.848million (Public – USD 7.967 million Private – US$ 27.881 million)

Total number of direct and indirect beneficiaries: Direct additional 83,970 direct beneficiaries (50% female) / Indirect additional 184,734 indirect beneficiaries (50% female)

Number of beneficiaries relative to total population: 0.8 % of total population (direct); 1.7% of total population (indirect)

Source: Funding Proposal for SAP013

Both the Secretariat and iTAP provided high ratings for this project, except with regard to effectiveness and efficiency (see Table A - 16). According to the Secretariat's comments, these pertain mostly to sensitivity to the capital expenditure budget. Comments by the Secretariat include: "The project has the potential to set an initial track record and demonstrate at scale the profitability of the private sector-led microgrid business model in the challenging context of the economic environments of Haiti, least developed countries and SIDS." The iTAP also comments that, "In the absence of this project, consumers in the project areas will not have access to modern energy, but will continue to meet their energy demand with fossil fuels. The project will involve the development of solar PV microgrids in selected areas in rural Haiti, where most households do not have access to electricity." This comment was echoed by an interview respondent who confirmed that the areas selected by this project were unlikely to have access to energy any time soon without this project.

Table A - 16. Secretariat and iTAP ratings for SAP013

INVESTMENT CRITERIA	SEC. REVIEW	ITAP REVIEW
Impact potential	Score: High	Score: High
Paradigm shift potential	Score: High	Score: High
Sustainable development potential	Score: High	Score: High
Needs of the recipient	Score: High	Score: High
Country ownership	Score: High	Score: High
Efficiency and effectiveness	Score: Medium	Score: Medium

Source: Secretariat and iTAP reviews for SAP013

The project has not yet started implementation as the FAA has been signed but is not effective. According to the entities involved, this delay does not yet threaten results achievement, it only delays the capacity to deliver on the mitigation and adaptation effects. The concession acquisition process is also a lengthy one, and is ongoing.

The Secretariat identified several project-specific risks pertaining to: (i) the financial structure; (ii) contracting; (iii) co-financing; (iv) project revenues; (v) construction and operation; and (vi) concession and regulatory framework. These risks, while they may be high, are for the most part inherent to the nature of the project and country where it is implemented. This includes, as an example, the need to acquire concessions and sign public-private partnerships with each of the 22

municipalities where the microgrids will be built. The Secretariat notes, "The success of the project will depend on the ability of the EE to successfully construct and operate renewable microgrids in Haiti." Yet, addressing these risks, and specifically financial risks, is one of the elements holding up the effectiveness of the FAA, with requirements that are described as "not relevant to the operating environment".

As a stakeholder unrelated to this project put it: "the role of the GCF should not be that of a banker who reports on funds awarded and respect of procedures, it should go beyond by accompanying projects to ensure they have an impact".

FP151-152: SnCF

Box A - 3 summarizes the expected achievements of this medium-sized multi-country project, from which USD 19 million have tentatively been allocated to Haiti.

Box A - 3. Outputs, outcomes and targets for FP151-152

High level outputs

Investment: $750 million in blended public/private capital is invested in approx. 35 subnational projects in 20-25 countries.

Capacity: $28 million is invested in Technical Assistance to support 35-50 high integrity, bankable projects, integrating Nature-based solutions (NbS), where feasible. Note that this aspect of the SnCF will be undertaken as part of the separate TA funding proposal.

Impact: Certified mitigation impacts of 76 MT CO2e and adaptation/resilience through SDGs 3, 5, 6, 7, 8, 11, 13, 14, 15.

Scale: Measurable contribution towards host country NDCs and SDGs and 3-5 regional capacity hubs are established to sustain capacity transfer tailored to local regions.

High level outcomes

Financial: The SnCF blended finance model catalyses private investment in new, subnational climate projects, integrating NbS. This creates an urgently needed pathway for private capital to support additional, high impact projects linked to ecosystem conservation.

Technological: The SnCF shared approach and open-source resources and training build bankable, high integrity sub-national projects, including IUCN's expertise and emphasis in NbS.

Climatic and ecological: CO2e, and water, soil, ecosystem and related NbS are achieved at scale.

Gender and social: Every SnCF project must implement, at minimum, a gender sensitivity framework (SDG 5) and rigorous safeguards into project design leading to climate impacts (SDG13), and at least two additional resilience / adaptation measures (SDGs 1,2,3,6,7,8,11,12), including those related to ecosystems and natural solutions (SDGs 14,15).

Institutional and regulatory: Subnational projects support country priorities and regional capacity is sustained through dedicated hubs. The TA and hubs provide an opportunity for SnCF capacity transfer on technical elements, standards, policies and other best practice, and to learn about the same from regional and subnational partners.

Core indicators targets

Expected tons of carbon dioxide equivalent (t CO_2 eq) to be reduced or avoided: Annual: 3,881,722 t CO_2 eq / Lifetime: 77,634,432 t CO_2 eq

*Estimated cost per t CO2eq***:** Estimated cost: 9,661 USD / t CO2eq; Estimated GCF cost: 1,932 USD / t CO2eq

Expected volume of finance to be leveraged by the proposed project/programme as a result of the Fund's financing: 600,000,000 USD (leverage ratio: 4)

Source: Funding Proposal for FP151 and FP152

The Secretariat and iTAP's assessment (Table A - 17) diverge on the likelihood of this project to achieve its expected results. While the Secretariat is generally confident, iTAP expressed strong

concerns about the structure of the project with two AEs that would not be jointly bound to the GCF. This does not however speak to the likelihood of results being achieved in Haiti.

Table A - 17. Secretariat and iTAP ratings for FP151-152

INVESTMENT CRITERIA	SECRETARIAT	ITAP
Impact potential	High	Uncertain
Paradigm shift potential	Medium-high	High
Sustainable development potential	High	High
Needs of the recipient	High	High
Country ownership	High	Uncertain
Efficiency and effectiveness	High	Low

Source: GCF Secretariat and iTAP investment criteria assessments of project funding proposals

To date, disbursements for FP151 (technical assistance component) total 8 per cent of the budget, while they total 7 per cent of the equity component. No disbursement has been made in Haiti. There was no indication during interviews that a subnational entity would currently be interested or looking into the possibility of accessing this funding. This could not be confirmed with either AE.

b. Overall GCF support

There are high hopes placed on Readiness support as well, given the low capacities of the country. The fact that four national Readiness projects totalling USD 4 million have been approved and 50 per cent disbursed, in addition to the two regional ones, means that funds are already flowing to support national capacities. To date, the Readiness projects have delivered some key outputs, such as procedure manuals for the NDA, a draft country programme, accreditation guidelines, etc. One of the key achievements is the soon-to-be-approved NAP. These achievements are described as useful for the country, with one stakeholder mentioning that the tools developed under the NAP were a valuable contribution for the GCF. An interviewee reported that understanding of the GCF at the NDA's office has increased, and that their work methods had evolved accordingly. However, most stakeholders consider the actual use of these documents to be uncertain, highlighting gaps in the process for their effective operationalization, and limited ownership of the outputs. As an example, the no-objection procedure now exists, but further clarity is needed on some of its aspects to operationalize it.

Most interviewees consider that GCF's support is adequate, and that these challenges pertain almost solely to the country context. The main challenge cited is the lack of resources and capacities within the NDA, which was described as "understaffed" and as "not having the right people in place". Personnel rotation adds to this situation, as well as the tendency to send high level staff rather than technicians to trainings.

Despite a vibrant CSO community, awareness about climate change issues remains low, as does technical capacity to design bankable projects. The private sector also lacks this technical capacity.

Political instability, frequent leadership changes, weak institutions, and recurrent emergencies are key factors preventing long term sustainability of institutionalization efforts. Several stakeholders mentioned the importance of inter-personal relationships in government processes, including when it comes to international AEs.

One AE respondent noted that these dimensions are not sufficiently considered in the design of Readiness projects. He mentioned the need to "have pedagogy, explain and re-explain [the GCF] to the leaders". The issue of whether Readiness support should be continuous or targeted was raised by

several respondents, one of them referring to regular focal point onboarding trainings provided by the GEF as an example of an approach that would help address personnel rotation.

Two challenges with the design of Readiness support were noted by several stakeholders:

- The lack of flexibility of support to adapt to the country's changing needs. Several respondents indeed highlighted that effectiveness of support depends to a large extent on national circumstances, which for Haiti can be described as "unstable".
- The structure of support as based on deliverables prepared by AEs/EEs. Once these deliverables are submitted, there is no follow up from the GCF to make sure they are implemented, and that beneficiaries of this support were not accountable to the GCF for its results.

At the institutional level, knowledge management, meteorological data, and strong consultative processes are also barriers to accessing the GCF. Some of these should be addressed with upcoming Readiness projects.

Direct support from the GCF to the NDA/AEs/EEs on daily operations was described as good, but also seemed to rely on personal relationships. In the case of SAP013, "individual heroes" are fighting internally to help the project become a reality. There is demand for more continuous presence of the GCF in the country.

5. Coherence and complementarity

At the project level, both projects approved in Haiti have adequately coordinated with other major players in the field. SAP013 includes co-finance from other large energy projects in the country. At the institutional level, the NDA is located in a ministry that cumulates responsibilities for most climate action, which is an advantage. Cross-ministerial coordination however remains a challenge. The amount of GCF funding is considered by most stakeholders as its main value added.

a. Climate projects from other funds in Haiti

According to the Organization for Economic Cooperation and Development (OECD), in 2018–2019, Haiti received USD 726.5 million in official development assistance, 38 per cent of which came from the United States.[145] In 2019, climate finance committed to Haiti totalled USD 64.5 million, from bilateral and multilateral donors. Among this finance, USD 37.6 million targeted the energy sector.[146] Contributions from specific funds are identified in Table A - 18.

[145] OECD, "Aid at a glance charts". Available at *https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm*.
[146] OECD, "Climate Change: OECD DAC External Development Finance Statistics". Available at *https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm*.

Table A - 18. Climate change projects from other funds in Haiti since 2015

	AF	CIF	GEF	LDCF	TOTAL
Projects	**0**	**8**	**3**	**1**	**12**
Country level	0	8	1	1	10
Multi-country	0	0	2	0	2
Funding (USD millions)	**0**	**319**	**13**	**26**	**358**
Country level	0	319	12	26	357
Multi-country	0	0	1	0	1

Source: IEU DataLab
Note: CIF, GEF and LDCF funding include co-financing. The amount of funding of multi-country projects only reflects the portion allocated to Haiti (in case of a lack of information, the funding is evenly distributed between participating countries).

Since the GCF started its operations in 2015, 13 projects have been approved by the CIF, GEF or the Least Developed Countries Fund (LDCF). The CIF approved another project in 2021 while the GEF approved six concepts between 2018 and 2021. The AF and the Special Climate Change Fund (SCCF) have no projects in Haiti.

Both projects approved by the GCF in Haiti have coordinated with other climate funds. FP151-152 has been involved with the GEF, while SAP013 expects to receive co-financing from the SREP for Haiti. Table A - 19 summarizes the main energy-related investments of the CIF in Haiti. The SREP investment plan also mentions a pre-existing collaboration with Enèji Pwop, one of the EEs for SAP013.[147] Another microgrid project is also currently underway in the South of Haiti, with Norway funding and with the United Nations Office for Project Services (UNOPS), which mixes solar and diesel energy and uses a cooperative approach.[148]

Table A - 19. Current CIF projects in Haiti

NAME	FUND	FUNDING ($ MI.)	CO-FINANCING ($ MI.)	MDB
GESP: Battery Energy Storage System to maximize the use of surplus energy from a solar photovoltaic plant located in the Caracol Industrial Park of Haiti	Clean Technology Fund	3		Inter-American Development Bank
Modern Energy Services for All	Clean Technology Fund	15.65	48	International Bank for Reconstruction and Development (IBRD)
Off-Grid Electricity Programme	SREP	7.5	42.5	International Finance Corporation (IFC)
Renewable Energy and Access for All	SREP	13.62	60.5	IBRD
Renewable Energy for the Metropolitan Area	SREP	6	4.5	IBRD

Source: CIF, 2021

[147] CIF, "SREP Investment Plan for Haiti". Available at https://www.climateinvestmentfunds.org/sites/cif_enc/files/SREP_13_5_SREP_Investment_Plan_for_Haiti.pdf.
[148] Dieudonné Joachim, "Energies renouvelables: Des communes de la côte Sud donnent le ton", *Urgence Magazine*, Vol.2 (March 2021). Available at https://haiticlimat.org/site/telecharger-urgence-magazine-vol-2_juin-2021-par-acledd_haiti-climat-%e2%9c%85%f0%9f%9f%a2/.

b. Intragovernmental coordination

The MDE hosts not only the NDA, but also focal points for other organizations, such as the GEF, the AF and the UNFCCC. For this reason, several stakeholders are of the opinion that it is well positioned to fulfil the responsibilities of the NDA. An academic mentioned that relative to the Ministry of Finance, the MDE has a more complete understanding of environmental issues, such as payments for ecosystem services, and of environmental safeguards. It faces challenges, as stated before, due to its relative "weakness" and under-funding. The fact that it is a cross-cutting ministry places it in a situation favourable to conflict and competition with line ministries due to overlapping prerogatives. A strong coordination mechanism is still a requirement. Such a mechanism should consider a mixed approach with the Ministry of Finance, such as an involvement of the Finance Committee, to consolidate links to national financial planning.

Some stakeholders consider that a more inclusive vision would allow the MDE to build its capacity. Improving the inclusion of youth and women would go a long way in that direction.

c. Perceived value added of the GCF

The GCF is perceived as very important for the country by the majority of stakeholders interviewed. The reason cited for this is primarily the volume of funds available. However, other elements were also mentioned by one or two interviewees:

- The Fund is based on standards and best practices
- There is a mechanism to revisit accreditation on a regular basis
- Mitigation/adaptation balance
- Readiness support for countries to prepare, in light of the complexity of their requirements
- Role to play for civil society in influencing the Fund

Appendix 1. EXPECTED OUTCOMES FROM READINESS SUPPORT

READINESS GRANT	COUNTRY CAPACITY STRENGTHENED	STRATEGIC FRAMEWORK STAKEHOLDERS ENGAGED IN CONSULTATIVE PROCESSES	ACCESS TO FINANCE/ DIRECT ACCESS REALIZED	PRIVATE SECTOR MOBILIZATION
NDA Strengthening and Country Programming support for Haiti (UNDP)	NDA/focal point lead effective coordination mechanism No-objection procedure established and implemented Monitoring, oversight and streamlining of climate finance	Country programmes developed and continuously updated Stakeholder consultations conducted with equal representation of women Annual participatory review of GCF portfolio in the country organized	Candidate entities identified and nominated for accreditation Direct access entity accredited	
Strategic Framework support (UNDP)	Monitoring, oversight and streamlining of climate finance			Private sector engaged in-country consultative processes Enabling environment for crowding-in private sector investments at national, regional and international levels
Integrating climate change risks into national development planning process in Haiti (UNDP)	The coordination mechanism for multi-sectoral adaptation planning and implementation is strengthened at different levels The NAP is compiled, and adaptation priorities are reflected in the SNAT, PSDH and the PNGRD Universities and educational institutions are capacitated to support adaptation initiatives and the NAP process	Financing and investment strategy for the NAP is developed through gender-responsive consultation process		Private sector engagement in climate change adaptation is strengthened (at least one workshop)
Institutional Strengthening and Country Programming	Monitoring and Evaluation system	Development of a Knowledge Management Platform		

READINESS GRANT	COUNTRY CAPACITY STRENGTHENED	STRATEGIC FRAMEWORK STAKEHOLDERS ENGAGED IN CONSULTATIVE PROCESSES	ACCESS TO FINANCE/ DIRECT ACCESS REALIZED	PRIVATE SECTOR MOBILIZATION
support for Haiti (5C)	for climate finance flows improved			
Building Capacity for a Regional Approach to Climate Action in the Caribbean (5C)	X	X	X	X
	Regional level outcomes. No country level outcomes defined			
Early Warning Systems Readiness Proposal (CDEMA)		X	X	
	Regional level outcomes. No country level outcomes defined			

Appendix 2. LIST OF INTERVIEWEES

NAME	AFFILIATION
Allison Archambault	EarthSpark International
Amund Beitnes	NEFCO)
Ash Sharma	NEFCO)
Andy Bilich	EarthSpark International
Gerald Gattereau	*Chambre De Commerce D'Industrie et des Professions du Sud*
Issa Bado	*Institut de la Francophonie pour le développement durable*
James Cadet	Ministry of Environment, Director of Climate Change Directorate
Dorine Jean Paul	United Nations Development Programme
Paul Judex Edouarzin	United Nations Environment Programme
Patrick St-Pré	Action for Climate, Environment and Sustainable Development
Hector Auguste	Union of peasant groups for educational, economic and social development
Mérope Paul	Citizen action for a new Haitian solidarity
Joseph Ronald Toussaint	Agriculture and environment consultant
Kénel Délusca	President of the LDC Expert Group Member of the consultative group of experts of the UNFCCC

4. MALAWI COUNTRY CASE STUDY REPORT

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A. BACKGROUND AND CONTEXT

1. GEOGRAPHICAL, POLITICAL AND SOCIOECONOMIC CONTEXT

Geography. Malawi is located in southern Africa, on the southernmost arm of the East African Rift System, east of Zambia, and west and north of Mozambique. It is a landlocked country covering an area of 118,484 square kilometres, of which approximately 20 per cent is covered by water.[149] The terrain is described as being a narrow, elongated plateau, with rolling plains, round hills and some mountains. At its highest point, Mount Mulanje, Malawi is 3,002 metres above sea level; it is 37 metres above sea level at its lowest point (located at the boundary between the Shire River and Mozambique), with an average elevation of 779 metres. Lake Malawi, which is 580 kilometres long, boasts the world's largest variety of fish species, some of which are endemic to the lake.[150]

Demography (CIA data). The population of Malawi is estimated to be 20,308,502 as of July 2021, with the population density being highest at the southern end of Lake Malawi.[151] Malawi is the third-most densely populated sub-Saharan African country (2.3 persons per ha of agricultural land).[152] More than 85 per cent of the population live in rural areas,[153] and 17.7 per cent live in urban areas, with a 4.41 per cent annual rate of urban migration (est. 2020–2025).[154] The population growth rate is at 2.39 per cent (est. 2021). The maternal mortality rate is 349 deaths/100,000 people (2017) and the infant mortality rate is 34.19/1,000 live births. Life expectancy in Malawi is around 65 years. Vulnerable groups include women, children, female headed households and the elderly.[155] Malawi's official language is English. However, Chewa is the most common language, followed by a range of other languages including Tumbuka, Tonga and Yao.

Politics. Malawi is a presidential republic, with universal suffrage, and it has a mixed judicial system of English common law and customary law.[156]

Economic outlook. Malawi is classified as a LDC, according to the United Nations. Its economic performance has been constrained by several factors, including policy inconsistencies, macroeconomic instability, inadequate infrastructure, high population growth rates, health challenges and limited productivity.[157] The economy is predominantly agricultural,[158] and 59.2 per cent of the country's land is used for agriculture. Agriculture contributes one-third of the GDP and 80 per cent of export revenues, which are mainly derived from semi-processed tobacco exports

[149] Malawi, Ministry of Forestry and Natural Resources, *The Third National Communication of the Republic of Malawi to the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC)* (Lilongwe, 2021). Available at https://unfccc.int/sites/default/files/resource/TNC%20report%20submitted%20to%20UNFCCC.pdf; Central Intelligence Agency, "The World Factbook | Malawi", n.d. Available at https://www.cia.gov/the-world-factbook/countries/malawi
[150] UNESCO, Lake Malawi National Park. Available at https://whc.unesco.org/en/list/289/ (accessed on 24 August 2021).
[151] CIA, "The World Factbook | Malawi".
[152] Trócaire, *Feeling the Heat* (Kildare, Ireland, 2014). Available at https://www.trocaire.org/sites/default/files/resources/policy/feeling-the-heat-2015-1.pdf.
[153] Mariko Fujisawa, Alashiya Gordes and Ana Heureux, *Assessing the Impacts of Climate Change on the Agriculture Sectors in Malawi*. The MOSAICC Methodology for National Adaptation Planning (Rome, FAO, 2020). Available at https://doi.org/10.4060/ca8624en; Bagrey M. Ngwira and others, *Vulnerability and Adaptation Assessment of the Health Sector in Malawi to Impacts of Climate Change* (Malawi, Ministry of Health, 2015). Available at: https://health.bmz.de/wp-content/uploads/page/06-12-2015_Health_Sector_December_Final_.pdf.
[154] CIA, "The World Factbook | Malawi".
[155] Trócaire, *Feeling the Heat.*
[156] CIA, "The World Factbook | Malawi".
[157] Britannica, "Malawi".
[158] CIA, "The World Factbook | Malawi"; Fujisawa, Gordes and Heureux, *Assessing the Impacts of Climate Change on the Agriculture Sectors in Malawi.*

alongside sugar and tea.[159] Agriculture also employs 64 per cent of the country's workforce,[160] and smallholder farmers generate about 75 per cent of the total agricultural output[161] and supplying 60 per cent to 70 per cent of the raw material to the manufacturing sector.[162] The majority of farmers rely on rain-fed agriculture and have little capacity to invest in irrigation systems.[163] The main export is tobacco,[164] although Malawi is looking to diversify. Malawi's economy depends heavily on direct economic assistance from the International Monetary Fund, the WB and individual nations, with the main bilateral creditors now being China and India.

Poverty and development outlook. Malawi's LDC status has been attributed to the country being landlocked. Over half the population live below the poverty line, a quarter are in extreme poverty conditions and many children suffer from acute malnutrition.[165] The *Human Development Report 2020* finds 54.2 per cent of the population are living in multidimensional poverty and the skilled labour force comprises only 17.6 per cent of the population.[166] Malawi ranks 174 of 189 countries on the HDI.[167]

Gender. Considering the reliance of the country on agriculture, the gender gap in agricultural productivity is of particular significance. Gender gaps exists due to lack of access to resources,[168] the expectation that women will also tend to household work and women's poor access to capital and consequently farming machinery.[169] Added to this is women's unpaid labour when working on their husbands' farms as opposed to seeking paid employment elsewhere. When Malawi's gender gap is calculated using the difference between incomes earned by men and those earned by women, the gap was estimated to be USD 100 million in 2019.

In terms of productivity of the staple food crop, maize, Prowse and Hillbom assessed the gendered yield gap in Malawi from 2002 to 2013 using a logged ordinary least squares regression production function on panel data.[170] Overall, maize yields increased by around 400 kilograms during this period. But importantly, there were no significant differences between farms managed by men and women. In other words, farms managed by women improved productivity at a broadly similar rate to those managed by men.

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[159] Britannica, "Malawi".
[160] Japan International Cooperation Agency, Malawi Office, *Sector Position Paper: Agriculture* (Lilongwe, 2021). Available at *https://www.jica.go.jp/malawi/english/activities/c8h0vm00004bpzlh-att/agriculture.pdf*.
[161] Trócaire, *Feeling the Heat.*
[162] JICA, *Sector Position Paper: Agriculture*; Malawi, *Intended Nationally Determined Contribution* (2015). Available at *https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Malawi%20First/MALAWI%20INDC%20SUBMITTED%20TO%20UNFCCC%20REV.pdf* .
[163] Trócaire, *Feeling the Heat.*
[164] Lynette Wood and Lezlie Morinière, *Malawi Climate Change Vulnerability Assessment,* African and Latin American Resilience to Climate Change (ARCC) Project Report (Washington, D.C., USAID, 2013). Available at *https://www.researchgate.net/publication/276206741_Wood_L_and_Moriniere_L_2013_Malawi_Climate_Change_Vulnerability_Assessment_USAID*
[165] Mariko Fujisawa, Alashiya Gordes and Ana Heureux, *Assessing the Impacts of Climate Change on the Agriculture Sectors in Malawi. The MOSAICC methodology for national adaptation planning* (Rome, FAO, 2010)
[166] UNDP, *Annual Reporting Period of M-CLIMES for the period 01-01-2020 to 31-12-2020*, 2021.
[167] UNDP, *The Human Development Report 2020. The Next Frontier: Human Development and the Anthropocene* (New York, 2020). Available at *http://hdr.undp.org/sites/default/files/hdr2020.pdf*.
[168] Yana Rodgers and Haroon Akram-Lodhi, *The Gender Gap in Agricultural Productivity in Sub-Saharan Africa: Causes, Costs and Solutions*, Policy Brief No. 11 (New York, UN Women Headquarters, 2021). Available at *https://www.unwomen.org/en/digital-library/publications/2019/04/the-gender-gap-in-agricultural-productivity-in-sub-saharan-africa*; UN Women and others, *The Cost of the Gender Gap in Agricultural Productivity in Malawi, Tanzania and Uganda* (2015). Available at *https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2015/Costing%20Gender%20Gap_Launch.pdf*.
[169] CIA, "The World Factbook | Malawi"; JICA, *Sector Position Paper: Agriculture.*
[170] Martin Prowse and Ellen Hillbom, "Policies or Prices? A Gendered Analysis of Drivers of Maize Production in Malawi and Zambia, 2002–13", in *Agriculture, Diversification, and Gender in Rural Africa* (pp. 177–195) (Oxford, Oxford University Press, 2018). Available at *https://doi.org/10.1093/oso/9780198799283.003.0008*.

Women have lower literacy rates than men in Malawi, with 55.2 per cent of women and 69.8 per cent of men being considered literate.[171] Because women are less literate, they are less likely to produce high value crops,[172] and their primary farm production is expected to be subsistent in nature. And, finally, women cannot easily get access to credit, a situation resulting from their poor access to collateral and weak property rights, particularly for those in a patriarchal system.[173] A study conducted in 2021 found that subsidizing farms with fertilizer and seed empowered men, even in matrilocal communities, to make decisions about incomes earned from farm produce. Women, have between 5 per cent and 9.6 per cent of the decision-making power for agricultural output, despite being the primary labour force or landowner. As the primary decision makers in the home, men disempower women.[174]

Effects of COVID-19. As a measure to curb the spread of COVID-19, the government of Malawi instituted movement restrictions, which included movement in the food and nutrition security sector as it was deemed a non-essential service.[175] An estimated 18 per cent of households experienced labour disruptions and post-harvest losses. Studies also showed an overall 10.4 per cent loss in agrifood systems in the first two months of COVID-19.[176] Therefore, despite the estimated above-average cereal production in Malawi for 2021, the effects of COVID-19 will continue to affect access to food as Malawi suffers severe food insecurity due to reduced incomes. The WB estimates that poverty in urban areas will increase by between 1.6 per cent and 2.2 per cent. Malawi has received financial support from the Food and Agriculture Organization of the United Nations (FAO), the EU, Irish Aid and the WB towards funding agriculture, as well as towards reducing the social impact of COVID-19 in vulnerable communities.[177] Malawi has also increased its allocated agriculture budget by 47 per cent for the year 2020/2021.[178] Other unintended impacts of the lockdowns during the COVID-19 pandemic included an 11 per cent to 99 per cent increase in child marriages and increased teenage pregnancies.[179]

2. CLIMATE AND OTHER VULNERABILITIES CONTEXT

a. Climate

Malawi's climate is described as subtropical.[180] It has one unimodal rainy season between November and May and a dry season between May and November.[181] Annual rainfall ranges from 500 millimetres in the lowlands to over 1,800 millimetres in the highlands, with annual temperature ranging between 12 and 32°C.[182] Malawi is vulnerable to extreme events such as floods, droughts and strong winds. Floods are caused by high-intensity rainfalls from three synoptic systems: the

[171] CIA, "The World Factbook | Malawi".
[172] CIA, "The World Factbook | Malawi"; JICA, *Sector Position Paper: Agriculture*.
173 CIA, "The World Factbook | Malawi".
174 Dieter von Fintel and others, "Malawi's farm subsidies aren't helping women: but there are solutions", *The Conversation*, 2021. Available at: *https://theconversation-com/amp/malawis-farm-subsidies-arent-helping-women-but-there-are-solutions*.
[175] FAO, *National Agrifood Systems and COVID-19 in Malawi: Effects, Policy Responses and Long-Term Implications* (Rome, 2020). Available at *https://doi.org/10.4060/cb1601en*.
[176] JICA, *Sector Position Paper: Agriculture*.
[177] Ibid.
[178] Ibid.
[179] Grace W. Mzumara and others, "The Health Policy Response to COVID-19 in Malawi", *BMJ Global Health*, vol. 6, e006035 (2021). Available at *https://gh.bmj.com/content/bmjgh/6/5/e006035.full.pdf*.
[180] Mariko Fujisawa, Alashiya Gordes and Ana Heureux, *Assessing the Impacts of Climate Change on the Agriculture Sectors in Malawi. The MOSAICC methodology for national adaptation planning* (Rome, FAO, 2010)
[181] Britannica, "Malawi".
[182] Malawi, Ministry of Natural Resources, Energy and Mining, *Malawi's National Adaptation Plan Framework* (2020). Available at *https://napglobalnetwork.org/wp-content/uploads/2020/03/napgn-en-2020-malawis-national-adaptation-plan-framework.pdf*.

Intertropical Convergence Zone, the Zaire Air Boundary / Congo Air Mass, and/or tropical cyclones. Jointly, these synoptic systems compound the amount of flooding in the country. Droughts, on the other hand, are caused by the El Niño Southern Oscillation phenomenon. Table A - 20 below shows the historical and projected climate change information.

Table A - 20. Historical and projected climate change

	HISTORICAL	PROJECTED
Temperature	Temperature data across Malawi indicate an increase in temperatures of 0.9°C between 1960 and 2006, at an average rate of 0.21°C per decade. The increase in temperature has been most rapid in December–February (midsummer) and slowest during September–November (early summer).	Under one emissions scenario, the mean annual temperature is expected to increase by 1.1°C to 5°C by 2060; other models project a change of up to 2.1°C. The number of hot days is projected to increase, and the number of cold days is predicted to decrease. These changes have major implications for agricultural production.
Rainfall	Most regions have experienced decreasing but non-significant rainfall trends over the period 1960–2006.	Decreases are projected for annual and seasonal rainfall and for the months of March to December. Slight increases are projected for the highest rainfall months of January and February.
Hot days	From 1960 to 2003, the number of hot days increased by 30.5 days per year; the number of hot nights increased by 41 days in the same time period.	The number of hot days is projected to increase.

Source: Trócaire, *Feeling the Heat* (Kildare, Ireland, 2014); Grace W. Mzumara and others, "The Health Policy Response to COVID-19 in Malawi", *BMJ Global Health*, vol. 6, e006035 (2021); Malawi, Ministry of Forestry and Natural Resources, *The Third National Communication of the Republic of Malawi to the Conference of the Parties (COP) of the UNFCCC* (Lilongwe, 2021); FAO, *National Agrifood Systems and COVID-19 in Malawi: Effects, Policy Responses and Long-Term Implications* (Rome, 2020).

Socioeconomic impacts. According to its NAP, all of Malawi's socioeconomic sectors have been – and will continue to be – affected by climate change, with implications for the country's social and economic development.[183] Every year, Malawi loses 1.7 per cent of its GDP to climate change related disasters: approximately 0.7 per cent to flooding and 1 per cent to drought. This has serious implications for an LDC such as Malawi, as it exacerbates poverty and food insecurity.[184] In recent decades, Malawi has experienced 19 major flooding events and seven drought events – one of the worst being the 2015 El Niño drought, which had devastating effects on the country, including two years of declining economic growth and high inflation.[185] Flooding additionally poses major health implications, as it leads to increases in malaria, cholera, schistosomiasis, malnutrition, scabies and dysentery.[186] For example, in 2015 floods affected 15 of the 28 districts, which resulted in the displacement of 230,000 people, 176 people losing their lives and a further 172 people being

[183] Malawi, *Malawi's National Adaptation Plan Framework*.
[184] Malawi, *Malawi's National Adaptation Plan Framework*.
[185] Britannica, "Malawi".
[186] Bagrey M. Ngwira and others, *Vulnerability and Adaptation Assessment of the Health Sector in Malawi to Impacts of Climate Change* (Malawi, Ministry of Health, 2015). Available at https://health.bmz.de/wp-content/uploads/page/06-12-2015_Health_Sector_December_Final_.pdf.

reported missing. The damages from the floods were estimated to cost the Government of Malawi USD 335 million.[187]

Geographical impacts. Climate change is severely hindering the country's efforts towards achieving prosperity because it affects agriculture. Nine key environmental concerns were identified as exacerbating poverty in Malawi, including soil erosion, deforestation, water resources degradation and depletion, threats to fish resources, threats to biodiversity, human habitat degradation, high population growth, air pollution and climate change.[188] Furthermore, erratic rainfall negatively affects the country's hydroelectric power generation, which provides 90 per cent of the country's power.[189]

Adaptation. Malawi's NAPA identified agriculture, health, fisheries, forestry, wildlife, energy, water and gender as being vulnerable to the impacts of climate change and extreme weather events.[190] The Government's Greenbelt Initiative is the key national adaptation measure to address this challenge.[191] Other sectoral adaptation measures include gender mainstreaming, civic education and public awareness, and social inclusion,[192] to address issues faced by vulnerable groups.

b. Mitigation

As of 2015, Malawi contributed 0.04 per cent of global greenhouse gas (GHG) emissions; however, the government has committed to work towards GHG reduction.[193] The Malawi mitigation plans cover the sectors of energy; industrial processes and other product use (IPPU); AFOLU; and waste management, as these sectors make the greatest contributions to GHG.[194] Implementing all unconditional and conditional mitigation activities is expected to reduce the per capita emissions of Malawi from 1.4 t CO_2e per capita in 2010 to around 0.7 to 0.8 t CO_2e per capita in 2030 compared to expected business-as-usual emissions of around 1.5 t CO_2e per capita in 2030.[195] Proposed mitigation actions are shown in Table A - 21.

[187] Malawi, *Intended Nationally Determined Contribution* (2015).
[188] Trócaire, *Feeling the Heat* (Kildare, Ireland, 2014). Available at *https://www.trocaire.org/sites/default/files/resources/policy/feeling-the-heat-2015-1.pdf*.
[189] Bagrey M. Ngwira and others, *Vulnerability and Adaptation Assessment of the Health Sector in Malawi to Impacts of Climate Change* (Malawi, Ministry of Health, 2015). Available at *https://health.bmz.de/wp-content/uploads/page/06-12-2015_Health_Sector_December_Final_.pdf*.
[190] Malawi, *Intended Nationally Determined Contribution* (2015); Malawi, *The Third National Communication of the Republic of Malawi to the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC)*.
[191] Malawi, *Intended Nationally Determined Contribution* (2015).
[192] Ibid.
[193] Ibid.
[194] Malawi, *The Third National Communication of the Republic of Malawi to the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC)*; Malawi, *Intended Nationally Determined Contribution* (2015).
[195] Malawi, *Intended Nationally Determined Contribution* (2015).

Table A - 21. Proposed mitigation actions

SECTOR	PLANNED ACTION
Energy	Adopting climate technology to reduce GHGs. These include liquefied petroleum gas for cooking, biofuel as vehicular fuel, biomass gasification, Lake Malawi hydrokinetic electric power, solar photovoltaics and improved charcoal production kilns.
AFOLU	Mitigation actions include improved rice cultivation, livestock productivity improvements that reduce emissions, carbon sequestration through improved pasture management, improved manure management practices, improved fertilizer management, zero tillage or conservation farming, and agroforestry practices.
Waste management	Waste reduction and composting.
IPPU	Promotion of earth stabilized blocks, use of cement blends and use of machinery that produces low carbon cement.

Source: Malawi, Ministry of Forestry and Natural Resources, *The Third National Communication of the Republic of Malawi to the COP of the UNFCCC* (Lilongwe, 2021); Malawi, *Intended Nationally Determined Contribution* (2015).

c. ND-GAIN and Readiness Index

In 2007, the UNDP rated Malawi as one of the countries most vulnerable to climate change in sub-Saharan Africa.[196] Malawi is currently ranked 163 out of 181 countries on the ND-GAIN Index, ranking high on vulnerability and low on Readiness. Notable lowest vulnerability scores for Malawi include agricultural capacity (.952), dam capacity (.999) and medical staff (.956). Malawi's lowest Readiness scores include innovation, education and social Readiness. Malawi needs considerable investment and innovation to improve Readiness.[197] To date, climate funding towards mitigation and adaptation efforts from multilateral funds come from the WB, IFAD, AfDB, GCF and GEF. The major challenge with funding for adaptation projects is that funding is sporadic, sourced internationally and often for short term projects. All these factors have implications for the sustainability of interventions and building long-term resilience.

3. CLIMATE CHANGE POLICY AND INSTITUTIONAL CONTEXT

Malawi become a signatory to the UNFCCC on 10 June 1992 and ratified it on 21 April 1994. Malawi ratified the Kyoto Protocol on 26 October 2001 and the Paris Agreement on 17 June 2017.[198] The country reduced GHG emissions by 87.64 per cent between 1994 and 2010.[199]

a. Relevant climate change and strategy documents

Malawi has adopted several policies, guiding documents, related instruments and frameworks to guide climate change action in the country. These include the constitution,[200] the NAPA, the National Adaptation Plan Framework,[201] the Malawi Growth and Development Strategy (MDGS I,

[196] Ibid.
[197] Notre-Dame Global Adaptation Initiative, "Rankings" (2021). Available at https://gain.nd.edu/our-work/country-index/rankings/ (accessed on 8 August 2021).
[198] Malawi, *The Third National Communication of the Republic of Malawi to the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC).*
[199] Ibid.
[200] Trócaire, *Feeling the Heat.*
[201] Joanna Pardoe and others, "Evolution of National Climate Adaptation Agendas in Malawi, Tanzania and Zambia: The Role of National Leadership and International Donors", *Regional Environmental Change*, vol. 20, 118 (October 2020).

II, III),[202] the National Resilience Strategy,[203] intended nationally determined contributions (INDCs) and the National Climate Change Management Policy,[204] to mention a few. In all these policy documents, effort was made to integrate climate change adaptation into national development policies, programmes and activities.[205]

b. GCF portfolio and institutional arrangements

The Malawi NDA is the acting director of the Environmental Affairs Department (EAD) at the Ministry of Natural Resources, Energy and Environment.[206] Other than the NDA, there are several actors who are responsible for coordinating and implementing climate change action in the country.

Ministerial level. The Ministry of Natural Resources, Energy and Mining houses the EAD and the Department of Climate Change and Meteorological Services (DCCMS).[207] The DCCMS is the primary supplier of forecasts and climate information. The EAD is the lead climate change planning organization within the Government of Malawi.[208] The EAD, in collaboration with the Department of Metrological Services (DoMS), is responsible for coordinating climate change issues in the country. The EAD is also responsible for enforcing the regulations and providing guidance on environmental issues, including climate change,[209] as well as coordinating NAPA projects in line with relevant ministries.

National level. The National Steering Committee of Climate Change (NSCCC) acts as the Strategic Working Group on Climate Change and a forum for negotiations, policy dialogue and agreement of subsectoral plans and budget undertakings among various stakeholders. The NSCCC is supported by the National Climate Change Technical Committee, which provides technical guidance;[210] and the Technical Working Group who share experience in their areas of expertise of climate change.

District level. Climate projects at district level are overseen by the district's council for strategic direction. At area level, they are channelled through an area development committee, which is headed by the traditional authority. At village level, projects are channelled through a village development committee, which is headed by group village headmen and the village headmen.

B. GCF PORTFOLIO

1. ACCREDITED ENTITIES

Malawi has no DAE, but it has seven IAEs with projects that are active or in the GCF project pipeline (see below). Two regional DAEs also have projects in the pipeline, and there is one unspecified accredited entity.

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[202] Malawi, *Intended Nationally Determined Contributions (*2015). Malawi First INDC-UNFCCC. Available at: *http://www4.unfccc.int/submissions/INDC/Published%20Documents/Malawi/1/MALAWI%20INDC%20SUBMITTED%20TO%20UNFCCC%20REV%20pdf.pdf.* (accessed 18 August 2021).
[203] Malawi, *National Designated Authority Nomination Letter: Malawi*.
[204] Ibid.
[205] Malawi, *Malawi's National Adaptation Plan Framework.*
[206] Malawi, *National Designated Authority Nomination Letter: Malawi*.
[207] Joanna Pardoe and others, "Evolution of National Climate Adaptation Agendas in Malawi, Tanzania and Zambia: the role of national leadership and international donors". *Regional Environmental Change* 20, 118 (October 2020).
[208] USAID, *Climate Change Adaptation in Malawi* (2021). Available at: *https://www.climatelinks.org/sites/default/files/asset/document/malawi_adaptation_fact_sheet_jan2012.pdf*.
[209] Malawi, The Third National Communication of the Republic of Malawi to the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC).
[210] Malawi, Environmental Affairs Department, *National climate change investment plan 2013-2018* (Lilongwe, 2013).

2. PROJECTS OVERVIEW

Malawi has two approved projects and seven projects in the pipeline (Table A - 22). The multi-county project FP099, Climate Investor One (CIO), was approved in 2018 and has a total value across an anticipated 18 countries of USD 822 million. The project FP002, Scaling up the use of modernized climate information and early warning systems in Malawi (M-CLIMES), was approved in 2015 and is valued at USD 16 million. CIO focuses its GCF financing on the result area of energy generation and access, and M-CLIMES is evenly distributed between health, food and water security, and livelihoods of people and communities.

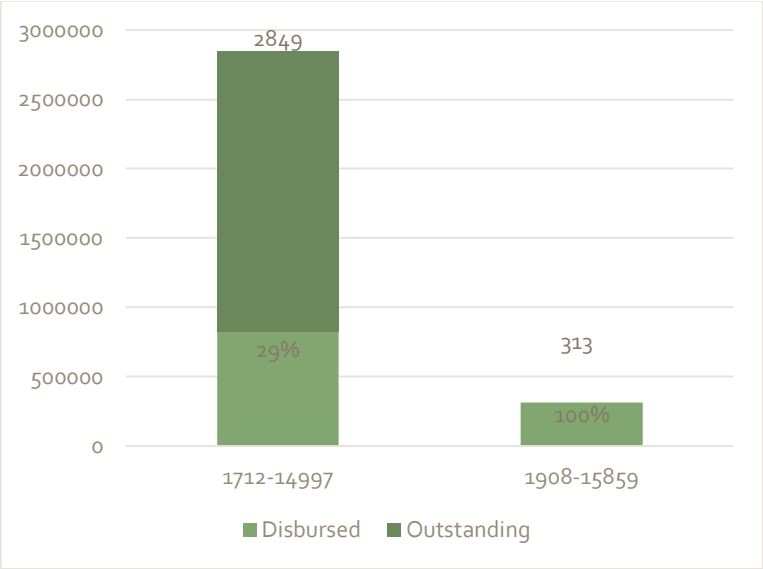
Table A - 22. Malawi pipeline projects for the GCF

NAME	DEVELOPER	IMPLEMENTER	ACCREDITED ENTITY	FUNDS REQUESTED ($ MILLION)
1. SADC-HYCOS IV Project	Southern African Development Community (SADC)	SADC countries	Not provided	Unknown
2. Malawi Climate Resilient Livelihoods Project	Save the Children	Save the Children	Save the Children	27
3. Linthipe Integrated Watershed management Programme	Expert Working Group on Adaptation	Water Resources Department	EAD	40
4. Climate Change Resilient Road Infrastructure	Expert Working Group on Adaptation	Roads Department	LEAD-SEA	14.3
5. More Income and Employment through Greening the Malawian Brick Sector	Centre of Community Organization Development (CCODE) and Technology and Action for Rural Advancement (TARA)	CCODE and TARA	UNEP	31.5
6. Agriculture Sector Consolidated Cross-cutting Project	Ministry of Agriculture	Ministry of Agriculture	FAO	40
7. Building climate resilience of food insecure smallholder farmers in Southern Malawi	DAPP	DAPP	Sahara and Sahel Observatory (OSS)	9.9

Malawi has two RPSP grants with the UNEP as the delivery partner that were approved in 2019. The country also has two RPSP grants in the pipeline with the EAD as the implementing partner.

According to GCF DataLab data, Malawi has two Readiness grants with the UNEP as the delivery partner: Adaptation Planning (1712-14997) and the National Framework for Leapfrogging to Energy Efficient Appliances and Equipment in Malawi (1908-15859), which were both approved in 2019. The Adaptation Planning project (worth USD 2.85 million, with 29 per cent disbursed) is expected to reduce vulnerability and promote ecosystem resilience to the impacts of climate change and gender-equitable adaptive capacity for planning and implementing adaptation interventions. For the second grant (valued at USD 313,000 and fully disbursed), it would seem neither the NDA nor the relevant ministry have been involved in the implementation of the grant. Two other Readiness proposals, the Financial Management Capacity Assessment and the Resilient Recovery Rapid Readiness Support, were submitted in 2019 and 2020 respectively. However, there has been no progress with those two grants. Figure A - 18 shows the funds disbursed per grant.

Figure A - 18. Funding disbursed per grant



C. KEY FINDINGS

1. RELEVANCE OF GCF POLICIES AND FINANCING MODALITIES

- GCF interventions, through the Readiness programme and through the M-CLIMES project, are aligned to Malawi's national priorities.
- Readiness activities are supporting Malawi's efforts to have long-term adaptation plans (through the development of a NAP) and to advance energy priorities.
- M-CLIMES is aligned with Malawi's need to enhance resilience to climate change through early warning and climate information systems.
- The GCF's potential to deliver support at scale is recognized and appreciated by stakeholders.
- The relevance of the GCF's support is constrained by its business model, which is perceived as not responsive to the limitations of country capacity.

a. Relevance of Readiness support

The GCF is currently addressing Malawi's national priorities related to climate change. Through the Readiness programme, GCF support to develop a NAP could be an important contribution to long-term adaptation planning and has been highlighted in several national documents. The second project under the RPSP focuses on energy efficient appliances and equipment. Energy is one of the country's key priority areas, reflected in various national documents, including the NDC, the Third National Communication and the Malawi Growth and Development Strategy. All those documents point to a great need to improve the electrification rate and to move to cleaner forms of energy. The delivery partner for both grants is UNEP. The remaining two grants under the RPSP are still in the pipeline, and the delivery partner for both grants is a national entity, the EAD. While some progress has been made in making Readiness grants available to Malawi, the analysis shows that that process is slow where national entities are involved (in this case, the EAD). It was reported that communication from the GCF Secretariat could be improved for national entities (at the government level) applying for Readiness funds.

b. Relevance of M-CLIMES

The M-CLIMES project is aligned with the national development priorities as outlined in the Malawi Growth and Development Strategy II (MGDSII), the National Resilience Strategy and all the climate related policies and strategies in the country. The project goal is The project goal is responding to the MGDSII's twin goals of (1) enhancing resilience to climate change risks and impacts by improving weather and climate monitoring, prediction systems, and information and knowledge management systems, and (2) promoting dissemination of climate change information for early warning, preparedness and response.[211] This aspiration is further reflected in the MGDSIII, which advocates improved weather and climate monitoring for early warning, preparedness and timely response. It promotes the development and strengthening of people-centred integrated early warning systems, including community-based early warning systems.[212] Moreover, Pillar 2 of the National Resilience Strategy (2018–2030) advances risk reduction, flood control, drought mitigation, early warning and response systems, protection against disaster, saving lives and the environment, and increased productivity.[213]

The project advances a paradigm shift for Malawi in the use of early warning and climate information to strengthen the resilience of vulnerable communities. By facilitating a demand-based model for climate information and use of mobile platforms, the project's intention is to promote private sector participation and market development through targeted monetization of climate data.[214] A key finding is that despite being at the core of the demand-based model for diffusion of climate and agriculture-related information and services, the private sector has not been effectively engaged in the design and implementation of this project. The project has aimed to understand the weather/climate information needs of the private sector in Malawi, including a market feasibility study to assess the demand and willingness-to-pay for climate services. Reportedly, the assessment was delayed because of COVID-19 and is now planned for 2021. Given that Malawi's private sector is fairly small and not that competitive or incentivized to easily adopt climate information systems and demand climate and agronomic information services at a cost, it raises the question of whether this activity and objective was well thought through during project development.

c. Relevance of project pipeline

When it comes to the GCF project pipeline, it seems to be dominated by projects in the agriculture and food security sector, with a focus on improving livelihoods for the smallholder farmer and building resilience. This is well aligned with the priorities of the country, particularly given that the economy is predominantly based on agriculture, contributing approximately a third of the national GDP.

d. Relevance of the GCF business model

> "Too many 'petty' politics at the board level sometimes derail from the substantive issues." A key stakeholder highlighted.

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[211] Malawi, *Malawi Growth Development Strategy II (2011–2016)* (Lilongwe, 2011).
[212] Malawi, Ministry of Finance, Economic Planning and Development, *Malawi Growth and Development Strategy (MGDS) III (2017–2022): Building a Productive, Competitive and Resilient Nation* (Lilongwe, 2017). Available at http://www.reforms.gov.mw/psrmu/sites/default/files/Malawi%20Growth%20and%20Development%20Strategy%20III.pdf
[213] Malawi, Department of Disaster Management Affairs, *National Resilience Strategy (2018–2030): Breaking the Cycle of Food Insecurity in Malawi* (Lilongwe, 2018). Available at https://www.usaid.gov/sites/default/files/documents/1860/Malawi_National_Resilience_Strategy.pdf.
[214] UNDP, *M-CLIMES Project Document* (Lilongwe, 2017).

Stakeholders have stressed challenges dealing with the GCF. For example, the GCF is viewed as very rigid, very bureaucratic and not responsive to the capacity constraints of the most vulnerable countries. Because of the bureaucratic nature of the Fund, some see it as not aligned with the urgency of climate change. Another challenge highlighted by stakeholders is the presence of "petty" Board politics and that some Board members lack appreciation of adaptation projects. Sometimes these two factors can delay project approval.

In the end, the Fund is viewed as relevant because it is a dedicated climate fund, a Fund that can support climate action at scale, and a fund that is party driven and gets guidance from the Parties of the UNFCCC. The fact that the Board comprises developed and developing country membership in a balanced way is seen as positive and that representation of developing countries is observed. Stakeholder interviews indeed confirmed that potentially the Fund can serve the needs of developing countries to address the impacts of climate change. The GCF structured dialogues were seen to be useful as they brought different actors together, such as NDAs, government entities, IAEs and CSOs, to share ideas and develop concepts. This was seen to be useful but for the past few years, the GCF has not organized any structured dialogues and it seems from the interviews that this is much needed.

2. OWNERSHIP

- Approval of projects from the NDA is not seen to guarantee country ownership or involvement in projects in Malawi, particularly where it does not benefit from a supportive institutional structure.
- Projects implemented by IAEs in Malawi are not perceived to be led by the Government. The Government of Malawi is not actively involved in the implementation or oversight of the UNDP M-CLIMES project.
- There is limited engagement or communication between the NDA and the AE of the multi-country project on the status of of the projects.

> "We thought the PCU [Project Coordination Unit] was supposed to report to DoDMA [Department of Disaster Management Affairs], but what is happening is that the PCU is part and parcel of UNDP. And PCU often disregards the executing entity, and responds to the needs of UNDP. DoDMA was informed by UNDP that they [DoDMA] will no longer be responsible for payments. Such kind of programmes should not just use government institutions as rubber stamps but rather as true partners in development. Our understanding is that Malawi government is the lead but now it seems like UNDP has taken over leadership."

While every effort is made to ensure that the Government of Malawi follows due process to approve projects and to ensure country ownership, interviews with stakeholders indicate that once projects are approved there is a sense that ownership diminishes. The capacity of the NDA office, as it relates to ownership, is called into question. In Malawi, the approval process for the GCF is the responsibility of the NDA office alone. There is a perception that when the NDA acts alone, without a supportive institutional structure, some projects are given the green light without due process. There does not seem to be a standardized approach in approving projects. An example was given of a project from a United Nations agency that did not go through the full stakeholder engagement process but still received a NOL. But when a project from a local CSO was proposed to the NDA, the process took longer and the project was dismissed. Some have suggested that the NDA be "empowered" by having an advisory group or a multi-stakeholder platform that will work with the NDA in ensuring that proposals and concept notes meet all requirements by the time they are

submitted to the GCF. This, they believe, will reduce the GCF processing time and the back and forth that is experienced currently with the process.

The CIO, a multi-country project, which is reported to be ongoing without the knowledge of the Ministry of Natural Resources, Energy and Mining (the executing entity) or the NDA, offers a case in point. Project reports indicate that the project is ongoing, and funds have been disbursed. Interviews indicate that there have been "only one or two investments to tick the box, but nothing concrete". The NDA is not sure how the project gets endorsements for disbursements without the endorsement of one of the implementing countries.

The same can be said about the M-CLIMES project. While implementation of the project is ongoing and impacts are clearly visible, the "face" of M-CLIMES is UNDP and not the Government of Malawi. Project beneficiaries have reported that even though they are aware that the project executing entity is DoDMA, it does not seem like the project is government owned, and therefore they are not surprised by the dominance of UNDP processes and procedures.

It is worth noting that the country is looking at options to enhance country ownership, particularly for the CIO multi-country project. The NDA is exploring engagement with the GCF to ensure that Malawi is meaningfully engaged in the implementation, and that the project achieves its intended objectives of providing clean energy in the country.

3. Processes and projects efficiency in LDCs

- Accrediting a DAE is seen by stakeholders as the preferred means for accessing the GCF.
- The accreditation process has been impenetrable for Malawi's potential national DAEs due to challenging requirements and capacity constraints.
- The accreditation process is long and is not accompanied by ongoing support for countries' needs.
- Project time frames are not conducive to delivering results, particularly considering the heavy start-up and design phase that is required by the GCF.

a. Accreditation

Currently, Malawi has no DAE. The main reasons put forward is the lack of capacity of national entities to meet the GCF requirements for accreditation — in particular, due to a lack of staff/personnel within the organization. Many are of the view that the GCF requirements for accreditation are extremely stringent, fit for international organizations and not for local entities in developing countries.

To demonstrate this difficulty, six national entities in Malawi started the application process for accreditation, but within four years, five of the entities had withdrawn their application due to the complexity of the process and their lack of the internal policies that are needed for accreditation, such as gender and human resource policies and staff. Many LDCs do not have the capacity or the resources to develop those policies. In addition, most CSOs and the staff within those CSOs are project based, and therefore an organization will not have the staffing levels required by the GCF. Staff members of small CSOs are employed on a project basis and it is not practical or possible to maintain staffing levels. As a result, institutions are not able to demonstrate the capacity that the GCF requires. Some criticism from potential DAEs highlights that the GCF's approach is different from the approaches employed in projects supported by other sources such as the Rockefeller Foundation. These organizations are willing to support capacity-building, including staff recruitment, and it was highly recommended that the GCF takes that into consideration. They argue

that the GCF should build the capacity of institutions to the level that they would want the institutions to operate.

> "If there are existing organizations that have weaknesses and the GCF is serious about promoting local empowerment of institutions to implement climate change, then the GCF should invest in making the institutions functional the way they want them to operate. You can't expect someone else to create an institution and then you just come and benefit from that investment. It's sort of a chicken and egg."

Despite these challenges, there is still a lot of interest in the country to access funding through the direct access modality. Most stakeholders are of the view that the government should access funds directly, and not through an intermediary. Many cited that there are way too many layers when you have an IAE. They cited the example of M-CLIMES, where the project was approved in 2015 but implementation only started in 2018 and to date has not reached all the 21 districts. The same is said to apply with CIO. The stakeholders argue that going through a DAE enhances ownership, promotes long-term capacity-building and is therefore more sustainable in the long run and can minimize delays. One stakeholder highlighted the following:

> "Instead of having a lengthy process and only focusing on funding institutions that already have capacity, the GCF should invest in building capacity of the local institutions. We need more of these national implementing entities. I think there will be fewer challenges, especially when you want to reach to vulnerable countries, and even fewer challenges for them to be supporting vulnerable groups. IAEs have been accessing funds on behalf of LDCs, but we do not see the impact on the ground. We cannot continue working under international entities such as UNDP and GIZ."

b. Procedures

Many stakeholders argue that a lot more time is spent on the process of getting accredited rather than on implementing projects. The GCF DataLab indicates that it takes, on average, 688 days to get accredited. An example was given by LEAD: it has been four years since they started the accreditation process, and they are still not accredited. They argue that the focus should be on supporting organizations throughout the whole project cycle, guiding them on project development, project implementation and reporting. This can be done by developing safeguards for monitoring progress. The process should have safeguards to ensure accountability even for low capacity institutions. There are many examples that the GCF could learn from, such as USAID.

Another procedural issue that leads to delays is the post approval process. For example, M-CLIMES was approved by the GCF Board in November 2015. However, the accreditation master agreement between the GCF and UNDP was signed on 5 August 2016, after which the funded activity agreement was signed on 10 May 2017 and became effective on 28 June 2017. Subsequently, the UNDP project document was signed on 4 August 2017, more than two years after the approval, which led to significant delays.

c. Sustainability

The issue of sustainability was raised a few times by stakeholders. They stressed that longer time frames are needed in order to see results and that one cannot achieve significant results in two years. Even longer time frames, such as five years, are not sufficient. If one breaks down the years, the first two years of any project are meant to provide a space to learn the project and the administration, the next two years can be used to implement the project and the final year is meant to wrap up and

conclude the project. Realistic time frames are needed if the intended results are to be achieved. One suggestion made is to align projects and programmes with longer term goals – for example, the United Nations Decade on Restoration and the SDGs. Alignment with global goals would ensure that longer time frames for projects and programmes are supported and that more time is given to activities that would support the attainment of those goals. In addition, local stakeholders (including communities and local consultants) should be involved throughout project implementation to strengthen capacities and ownership.

> "We want the communities empowered so that even when the project phases out, we should be able to continue with the activities."

d. Complementarity

Since the GCF started its activity in Malawi in 2015, one Readiness grant and 18 projects have been approved by the AF, CIF, GEF or LDCF in the country. Table A - 23 shows the funding of climate projects in Malawi by the AF, CIF and GEF. It shows that the GCF is a small actor in Malawi. Excluding the CIO project, which has not had a meaningful footprint in the country, the GCF is a smaller actor than the GEF, LDCF and the CIF.

Table A - 23. Climate projects from other funds in Malawi

	AF	GEF	LDCF	SCCF	CIF	TOTAL
Projects	**2**	**5**	**1**	**0**	**1**	**8**
Country level	1	3	1	0	1	5
Multi-country	1	2	0	0	0	3
Funding (USD millions)	**14**	**141**	**42**	**0**	**30**	**227**
Country level	10	140	42	0	30	222
Multi-country	4	1	0	0	0	5

Note: GEF, LDCF and CIF funding include co-financing. The amount of funding of multi-country projects reflects only the part attributed to Malawi. The AF Readiness Grant, not included in the table, amounts to USD 0.05 million.

Complementarity and coherence are critical when mutual and complementing activities are deliberately undertaken to support the attainment of a shared objective. The funds shown in Table A - 23 above all have a climate objective, which includes building resilience to climate change. The following are some of the issues identified by stakeholders related to coherence:

- There is currently no government coordination of all climate related funds in the country. The institutional arrangements are clear for climate change: the EAD, in collaboration with the DoMS, are responsible for coordinating climate change issues in the country. There is also the NSCCC, which also has a mandate to support budgetary discussions. Therefore, entry points exist to potentially provide an avenue to facilitate coherence of climate funds for greater impact.
- Stakeholders shared the importance of aligning project/programme budgetary processes with government planning and budgeting timelines. It was suggested that the GCF planning/disbursement should adopt the government's calendar when in Malawi, which would support coherence, while at the same time allowing for smooth flow of activities.
- Maintaining relationships between two projects that have similar goals and objectives is critical. For example, there was a Red Cross funded project that had similar objectives to the

M-CLIMES, where it aimed to enhance early warning system (river gauges). It was reported efforts to integrate UNDP work and to enhance complementarity were compromised because of the relations between the two organizations.

D. Deep dive: M-CLIMES

- M-CLIMEs is one of 18 LORTA projects.
- M-CLIMES is one of two LDC projects that has been running for more than three years and is therefore an important source for understanding the GCF's early contribution to results.

The Government of Malawi is implementing the M-CLIMES project, which is a six-year intervention spanning the period 2017–2023 and receiving funding from the GCF. The AE is UNDP, and the executing entity is DoDMA. The project has five partners: the Department of Agricultural Extension Services, DCCMS, Department of Fisheries (DoF), Department of Water Resources and the National Smallholder Farmers Association of Malawi (NASFAM).

The project is supporting Malawi to take steps to save lives and enhance livelihoods at risk from climate-related disasters, key hazards being floods, drought, and storms or strong winds. It was also estimated that the project could potentially save 18 lives a year through improved weather/climate forecasting and that interventions would result in an annual benefit of USD 3.8 million to the agricultural sector.[215] It will achieve this by addressing technical, financial, capacity and access barriers related to weather and climate information, by enhancing national and sub-national hydro-meteorological capacities for early warning and forecasting, by developing and disseminating tailored climate information products targeting smallholder farmers (women and men) as well as fisher folk, and by strengthening the capacity of communities to respond to climate-related disasters.

1. Project objectives

The project document states that the objective of the project is "to reduce vulnerability to climate change impacts on the lives and livelihoods of women and men, boys and girls, from extreme weather events and climate change".[216] Refer to the project document for more information.

A central element for the paradigm shift is the demand-based model for diffusion of climate- and agriculture-related information and services and enabling private sector engagement, including small and medium-sized enterprises. The project seeks to strengthen the ecosystem of services and to stimulate markets for provision and uptake of climate information/services for use in agriculture, fisheries and water resources management. These early gains can be consolidated and expanded on to serve specialized information needs for a range of service providers and users. Packaging of weather and climate data and information for a range of other service providers – including applications related to the building and management of infrastructure, land and air transport, and the private sector actors in telecommunications, insurance and financial intermediaries – entails opportunities for commercialization of the information for resilience building among the end users.[217]

[215] UNDP, *M-CLIMES Project Document*.
[216] Ibid.
[217] UNDP, *M-CLIMES Project Document.*

2. THE KEY ACHIEVEMENTS

Some of the project's achievements to date, as articulated by project partners and project beneficiaries, are as follows:

- It automated the hydromet stations and now real-time data are available.
- It enhanced the downscaling of the information going to the districts.
- Farmers have gained knowledge from the downscaled information, which aids decision-making. Farmers are able to prepare for the rains by using drought-tolerant crops or matured crops, which previously were not considered. Farmers are able to know when the first rains are coming.
- Coordination between implementation partners is enhanced. Prior to the project, implementing partners responded to disasters in isolation. Now there is enhanced coordination and planning during a disaster, and the process is more inclusive of all stakeholders.
- Farmers have increased their participation in climate change processes. Before, it was a challenge to encourage farmers to grow sorghum. Now the demand for drought-resistant crop varieties has increased, particularly in areas that are experiencing reduced rainfall.
- Lead farmers have been enabled to plan better in terms of their agricultural practices, including the use of long-term weather forecasts and utilizing their local knowledge to adjust their cropping patterns.
- Prior to the project, farmers had no confidence in the climate forecasts. It is reported that farmer perceptions have changed, and farmers are now readily seeking pre-farming climate advisories.

Based on the reports and consultations with project stakeholders, it would seem the project is on track to achieve most of its planned outputs. Generally, national level activities or activities that did not require the engagement of communities, such as procurements directly made by the PCU, have progressed well compared to community-based activities.

The following sections present the main findings and some recommendations related to the M-CLIMES project.

3. IMPACT OF COVID-19

COVID-19 has significant impact on the roll out and implementation of project activities. The parts of the project that involved face-to-face meetings have been significantly affected – in particular, output 2, which involves the development of tailored climate information/products and decision-support platforms for dissemination and decision-making on agriculture, fisheries and flood risk management. Two examples are as follows:

- For the percentage of the population with access to tailored climate information and early warnings for agriculture, fisheries and flood risk management in the 21 target districts (disaggregated by sex), the midterm achievement is at 5.1 per cent (of which 52 per cent are women) instead of the planned 6 per cent (of which 40 per cent were to be women). The increase in the percentage of women is due to the increase in the number of women farmers receiving seasonal and agro-weather information through the Participatory Integrated Climate Services for Agriculture (PICSA) initiative.
- The figure is below the midterm target as the project could not expand PICSA activity to four more districts due to COVID-19. In addition, the project did not develop tailor-made products for fishers.

- Regarding the assessments of private sector engagement and market feasibility for tailored products, the assessment was delayed because of COVID-19 and is planned for implementation in 2021.

4. DELAYED PROCESSING OF PROJECT FUNDS DURING PROJECT EXECUTION

> "The delay in processing of funds introduces inefficiencies – in some cases, funds are released after the rainy season and that does not align well with seasonality for agro-based activities."

The major constraint to implementation has been delayed processing and disbursement of project funds, especially following UNDP's change of fund management modality. The project operated under the National Implementation Modality arrangement until late 2020. UNDP then took over control of the funds and started providing direct disbursements based on activity requests after DoDMA was implicated in the maladministration of national COVID-19 preparedness and response funds in late 2020. During consultations, some stakeholders reported that over the past two years, they had experienced no major challenges with funding. However, effective late 2020, they had noted some changes in the approach to disbursement of funds. For example, prior to the COVID-19 funds scandal, the PCU used to process payments within the country, but this has since changed. DoDMA and the project partners were only told that there had been a change in fund management protocol and that requests for funds would be processed in Malaysia by the Global Shared Services Unit. This has led to the centralization of procurement, resulting in delayed processing of funding requests, with a lot of back and forth with the documentation. When asked about the delays and causes of the delays, some implementing partners had the following to say:

> "The major challenge with this approach is that it takes a long time for a fund request to get processed – on average two months as the PCU has to review it, thereafter passing it over to the regional office in Malaysia, and then back and forth queries and responses delay the process."

Another impact of the delay in project implementation is that it introduces inefficiencies – for example, funds are released after the rainy season is over. There is a need to match the funding disbursements to the beneficiary needs so that they come at the beginning of the growing season and not the beginning of the financial year of the AE, the time when there is minimal agricultural activity and a lower need for funds.

It is observed that while there were inherent delays in the processing of funds, the rigorous fiduciary procedures by the AE and the change in fund management modality has strained UNDP's relationship with DoDMA and the other implementing partners. The NDA was informed about the stringent fiduciary measures to be imposed, the justification for it, and that it would be temporary pending review, and a return to normalcy was contingent upon satisfactory outcome. This is yet to be seen.

5. OWNERSHIP

Most of the implementing partners are of the view that the project would have had more ownership and fewer delays if it was implemented directly through a local entity and not through an IAE. The UNDP, for example, has its own constraints and bureaucracies that limit close contact with the communities through the involvement of local entities.

It was also observed that where several NGOs cooperated with government – as was the case with PICSA delivery in various locations in Zomba (the Ministry of Agriculture worked with FAO, the World Food Programme and NASFAM) – the achievement of results was accelerated. This is in contrast to areas where the government worked alone (for example, in Mangochi, where DoDMA worked with the DoF and the Department of Climate Change). Observations show that, generally, government is constrained, because it has to provide services to the entire district, unlike NGOs, which tend to focus implementation on specific locations and outcomes and can move faster. Partnerships with local organizations were seen as crucial for ownership as well as for greater project impact, while broadening the area covered.

6. PROJECT ASSUMPTIONS

Key assumptions of the project could significantly affect project implementation. The assumption that DoDMA has adequate institutional capacity, such as vehicles, to carry out monitoring and evaluation activities and adequate human resource capacity need to be validated. According to some implementing partners, the GCF assumes that capacities already exist; however, training, research and staffing are not funded. This influences the sustainability of the project. When the project ends, there's no "capacity" to continue with the initiative. Another assumption is that all farmers benefiting from the project have cell phones. This was not the case and therefore led to delays in the project as the activities related to the agronomic advisories and phone-based weather and safety advisories in some target areas, especially at the community level, did not proceed due to lack of mobile phones. In addition, not all fishermen and women in this area have mobile phones either. As a result, they have limited access to mobile-based weather and safety information.

It is important to test key assumptions in the early parts of a project so as to adapt implementation and outcomes. For instance, the following are some of the assumptions in the project:

- All project beneficiaries had cell phones.
- The executing entity had sufficient staff to implement the project.
- There is sufficient capacity and interest from the local private sector to effectively engage in the implementation of the project.

However, these assumptions were not reflecting the realities on the ground. It was important for all the assumptions to have gone through a validation process earlier in the project – before midterm – to ensure the assumptions are realistic and applicable.

7. COMMUNICATION AND PARTNERSHIP

The first two years of the project progressed well because of the good partnership of the implementing partners. Achievement of progress during that time was mainly associated with good partnerships and strong communication among the AE, the NDA, the executing entity and the implementing partners. However, that changed when UNDP took over control of the funds administration and the implementation of the project, soon after DoDMA was implicated in the maladministration of national COVID-19 funds. The relationship between the Government of Malawi and the AE has soured because the decision to suspend DoDMA from funds administration was not carefully discussed and agreed on by the parties. The manner in which this information was communicated, and the decisions taken, soured the relationship between all partners. This severely affected project implementation.

8. IMPACT ON COMMUNITIES

Through the M-CLIMES project, GCF support is helping the country put in place the conditions that will reduce the vulnerability of local communities. GCF support has strengthened interventions for (a) improving safety on the lake (safety at sea) for populations based in lakeshore areas and (b) supported the development of agronomic advisories for improving agriculture production and improved livelihoods. The benefits of the GCF project are recorded from two major perspectives: as (a) a life-saving mechanism especially for the fisher communities along Lake Malawi, and (b) an enabler to agricultural productivity for smallholder farmers. Below is an excerpt of an interview with one of the project beneficiaries on the impact of the project:

> "In the past, the winds on the Lake used to kill our fellow fishermen mainly because we were not receiving the right messages on weather updates. Fishers could just go into the lake without knowing what the weather would be like. An estimated 10 to 20 people could die in one fishing season per year. Nowadays, cases of fishers drowning in the lake have almost reduced to zero per year due to the installation of lake buoys on the lake right here in Monkey Bay. The lake buoys transmit weather updates about how the wind is blowing on the lake, therefore acting as an early warning system. Almost all radio stations include weather updates for that day or the entire week after they have announced the news. We also receive messages on weather updates in our phones that also help save our lives."
> Fishing community members, Monkey Bay

Within the agricultural sector, smallholder farmers testified to harvesting more on the same field due to improved weather forecasting and agronomic messages that aided decision-making in agricultural production. They receive advice on what and when to plant. They reported that based on the PICSA training received, they are able to plant viable crops at the right time, which leads to bumper yields.

> "On a field where I usually harvest 8–11 (50 kg) bags of maize, this past season I harvested 15 bags. I attribute the bumper harvest to the weather forecasts and agronomic advisories that we received through the PICSA approach."
> Smallholder farmer, Nazinomwe Section, Nsondole Extension Planning Area, Zomba

> "I followed the advice from PICSA: I planted early maturing varieties, I followed early weeding, early bunding and early harvesting. As a result, where I used to harvest 18–20 bags, this year I have harvested 32 bags."
> Lead farmer, Nazinomwe Section, Nsondole Extension Planning Area, Zomba

From the interviews and project documents, it would seem that the project is reaching the intended beneficiaries, despite the challenges of fund disbursement, change of project administration, COVID-19 and ill-informed project assumptions.

9. STAKEHOLDER CONSULTATION AND THE INTEGRATION OF LOCAL KNOWLEDGE

The project prepared an environmental and social management plan (ESMP) as part of the project preparation requirements. In line with the recommendations of the ESMP, and to address the risk of vandalism and enhance community ownership, community consultations were organized at sites prior to the installation of automated weather stations (AWSs) and lake-based weather buoys, and involved community leaders and members of the communities. Another round of meetings was held

with the communities following the installation of the equipment, to further strengthen the sense of community ownership of it.

In terms of PICSA, communities were engaged and encouraged to test their indigenous knowledge (or knowledge systems) in predicting weather patterns, choice of seed to plant and other agronomic practices alongside scientific approaches (such as the climate information and agronomic advisories given to them through extension workers, radios and mobile phones). Periodic reviews were held to assess the performance and validity of the indigenous versus the scientific knowledge and approaches. Through such analyses, community members are able to adopt new approaches or to integrate indigenous knowledge with science for resilience.

The engagements with communities seem to be evident in some areas; however, UNDP remains relatively distant from the ground. One project partner highlighted that while that the UNDP has its own constraints and bureaucracies, which limits close contact with the communities, this would be different and could be avoided through the involvement of local entities.

10. GENDER CONSIDERATION

Gender is a crucial element for consideration in agricultural production and in community-based early warning systems, response and recovery. Empowering women in agricultural production and emergencies can help reach vulnerable and at risk groups, and strengthen the basis for recovery. The project has focused on co-benefits pertaining to gender aspects. As of December 2020, the project has trained 9,899 female lead farmers in PICSA. The project had also reached over 50,000 women farmers, with seasonal forecasts that will consequently empower them to increasingly participate in farm decision-making. The project has also trained a number of female staff from hydromet agencies on the operation and maintenance of automated weather stations equipment.[218] Additionally, since 2019, NASFAM has raised awareness on resilience building and has mainstreamed gender action learning systems to 28,813 farmers (of whom 45 per cent were women) in their target districts. Cumulatively, 12,000 female farmers benefited from this initiative.[219]

It is observed that the project has made good strides in mainstreaming gender in the project interventions. However, the emphasis has been on increasing women's participation in project activities. While this is important considering that women have often been left behind in leadership, the salient factors constraining female development, especially in the lakeshore areas, are not being addressed by the project. Specifically, it was reported that one of the key gender issues along the lakeshore areas is the low participation of women in the fish value chain, which is further aggravated by the "fish for sex trade" that exists in these areas. Such practices are demeaning to women and make them more vulnerable. Additionally, most actors in fisheries are men as they are the ones who traverse the lakes to fish. Men tend to dominate decision-making and income-generating activities in the fishing industry. The fish market is controlled and dominated by men, so women are mostly at men's mercy.

One stakeholder highlighted that it is not clear how the project intends to address gender disparities, other than the measurement of numbers of women in the implementation of project activities, especially on the agricultural side. Gender mainstreaming requires a very deliberate effort to address underlying vulnerabilities. One woman beneficiary highlighted that there is value in having women-only groups because women tend to understand each other. In the project area, some women organized themselves and established the Village Savings and Loans Group, with the facilitation of

[218] UNDP, *Annual Reporting Period of M-CLIMES.*
[219] Ibid.

a fisheries assistant. Lessons can be learned from such initiatives with a view to integrating measures for addressing vulnerabilities.

Appendix 1. PHOTOS OF PROJECT ACTIVITIES

Automated community-based early warning system installation in progress

A lake buoy installed on Lake Malawi under the M-CLIMES project

Appendix 2. LIST OF INTERVIEWEES

NAME	AFFILIATION
T. Mbale-Luka Evans D. Njewa Hannah Siame	EAD and GCF NDA
Friday Njaya Stella Gama	National Technical Committee on Climate Change, incl. DoF, Ministry of Health
Prof. Sosten Chiotha	Leadership for Environment and Development, Malawi (LEAD Malawi)
Frank Masankha	NASFAM
Chikondi Mbemba	Department of Water Resources, M-CLIMES Project
Amos Ntonya	DCCMS, M-CLIMES Project
Geoffrey Chilombo	Department of Agricultural Extension Services, M-CLIMES Project
Mulder Mkutumula	DoDMA, M-CLIMES Project
Carolyn Munthali	Fisheries Department
Julius Ng'oma	Civil Society Network on Climate Change
Focus group	Mbera Village, Namitoso Section, Nsondole Extension Planning Area, Zomba
Focus group	Nazinomwe Section, Nsondole Extension Planning Area, Zomba
Grace Malinda Mwandilanga Nicholas Kumasala	Crops Officer and Irrigation Officer
Shadreck Mphande	Fisheries Assistant
Focus group, 12 women	Mwalamba Women Fish Processing Group
Focus group, 10 fishermen	Masasa Village Msumbi, Monkey Bay

5. PACIFIC COUNTRIES CASE STUDY REPORT

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A. BACKGROUND AND CONTEXT

1. GEOGRAPHICAL, POLITICAL AND SOCIOECONOMIC CONTEXT

The Pacific Ocean covers over 30 per cent of the Earth's surface, or roughly 155 million km^2 (60 million mi^2).[220] The Pacific is home to an estimated 30,000 islands and includes some island nations that are categorized as LDCs.[221] Countries that are included in "the Pacific" vary by institution and agency. The United Nations recognizes 14 Pacific Island Countries, whereas the WB recognizes 11. Some agencies within the United Nations system, like the WHO, include New Zealand as a Pacific Island nation, although most do not because their programmes generally target developing countries. Other islands in the Pacific, including Japan, the Philippines, and Indonesia, are considered Asian countries and are therefore excluded from the analysis and discussion of the region.

The United Nations classifies 46 countries as LDCs, three of which are located in the Pacific, namely: **Kiribati, Solomon Islands,** and **Tuvalu.**[222] A fourth nation, **Vanuatu,** is included in this review because it only "graduated" from the LDC status in early 2020. All four of these Pacific Island nations are also classified by the United Nations as SIDS.[223] They are sometimes also referred to as the Pacific small island developing States (PSIDS). Notably, Papua New Guinea meets all the criteria to qualify as an LDC but rejected this designation by the United Nations[224] and, therefore, has been excluded from this review.

Meanwhile, East Timor is typically considered to be an Asian nation rather than a Pacific one. This review focuses explicitly on Kiribati, Solomon Islands, Tuvalu, and Vanuatu,[225]and touches upon the Pacific's broader context. Efforts have been made to exclude data from developed countries like New Zealand and middle-income countries like Fiji. However, regional level data is rarely disaggregated by income status, and some factors that characterize Pacific Island nations apply broadly.

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[220] National Oceanic and Atmospheric Administration, "Ocean Exploration Facts", How big is the Pacific Ocean. Available at *https://oceanexplorer.noaa.gov/facts/pacific-size.html* (accessed on 21 August 2021)

[221] LDCs are defined by the United Nations as: "…countries that have low levels of income and face severe structural impediments to sustainable development", and meet all of the following criteria:

- *Income:* Countries must have an average per capita income of below USD 1,018 for inclusion, and above USD 1,222 for graduation.
- *Human assets:* Countries must also have a low score on the Human Assets Index, a tool that measures health and education outcomes, including under-five mortality rate, maternal mortality, adult literacy rate and gender parity for secondary school enrolment.
- *Vulnerability:* Countries must score high on the Economic and Environmental Vulnerability Index, which measures factors like remoteness, dependence on agriculture, and vulnerability to natural disasters.

See United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Least Developed Countries Category. Available at *https://www.un.org/ohrlls/content/ldc-category* (accessed on 15 August 202).

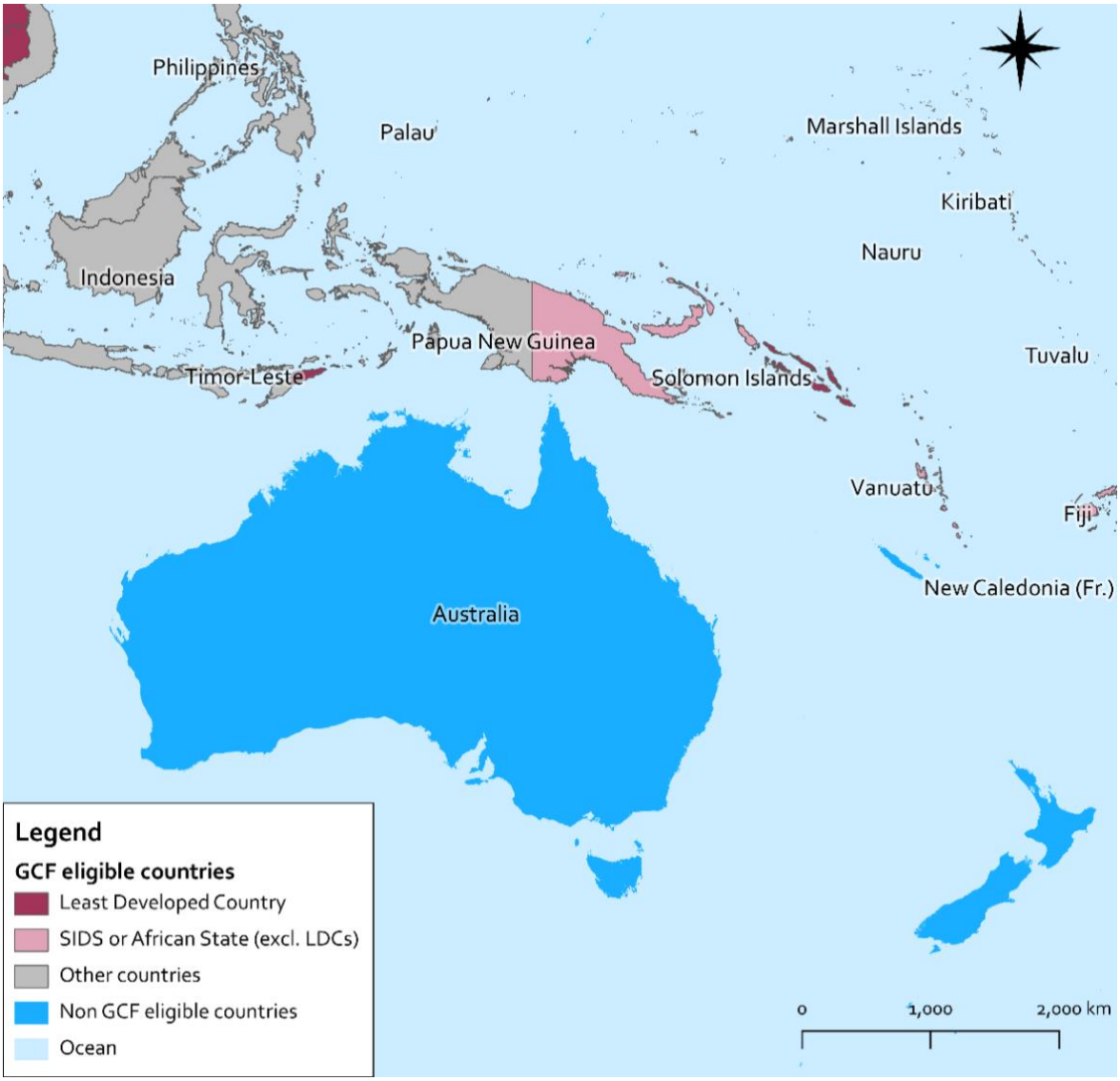
[222] Kiribati, Solomon Islands, and Tuvalu are poised to meet the criteria for graduation from LDC status, though the COVID-19 pandemic has caused major setbacks.

[223] As defined by the United Nations and recognized by the GCF, SIDS are: "…a distinct group of 38 UN Member States and 20 Non-UN Members/Associate Members of United Nations regional commissions that face unique social, economic and environmental vulnerabilities". They are all located in the Caribbean, the Pacific, the Atlantic, the Indian Ocean, and the South China Sea (AIS).
See UN-OHRLLS, About Small Island Developing States. Available at *https://www.un.org/ohrlls/content/about-small-island-developing-states* (accessed on 15 August 2021).

[224] United Nations, Committee for Development Policy and Department of Economic and Social Affairs, Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures (New York, 2008).

[225] All four countries are members of the Pacific Islands Forum, and the Secretariat of the Pacific Regional Environment Programme (SPREP), a component of United Nations Environment Programme's (UNEP) Regional Seas Programme, among others.

Figure A - 19. Map of Pacific Island nations



Source: *https://data.humdata.org*, compiled by the IEU DataLab

The Pacific Islands are extraordinarily diverse. While they are distinct and individual countries, the Pacific nations and especially the Pacific LDCs do share some key characteristics in terms of their geographic isolation, relatively small populations, vulnerability to market fluctuations, exposure to natural disasters, and perhaps most emergently, their disproportionate and increasing exposure to climate change. These factors are further exacerbated by their heavy reliance on imported essentials, including fossil fuels, and by their weak infrastructure. Most recently, the COVID-19 pandemic and tropical cyclones have further compounded the region's vulnerabilities: economies have suffered, poverty and inequality are increasing, and hard-earned progress towards the SDGs has stalled or is in reverse.[226]

The Pacific Islands are typically grouped into three clusters: Melanesia, Micronesia, and Polynesia. Of the roughly 800,000 km^2 (300,000 mi^2) of total land area these island nations encompass, the two largest countries (New Zealand and Papua New Guinea) account for over 90 per cent of the land area.[227] The four Pacific LDCs in this report cover only 5 per cent of the land (a total of 41,020 km^2)

[226] UNDP, Aspiring to a Resilient Pacific: 2020 Annual Report (Fiji, 2020), 15.
[227] WB, "Open Data: Land Area". Available at *https://data.worldbank.org/* (accessed on 21 August 2021).

and include some tiny and remote islands. Some Pacific Island nations are so isolated and dispersed across large expanses of water that many define themselves as "large ocean states".[228] Remoteness inhibits trade and growth due to expensive transportation costs, which, in turn, limit possibilities for economic diversification. This characteristic is defined as the "trade-weighted average of a country's distance from world markets" in formal economic terms. This is also recognized as one of the United Nations Economic and Environmental Vulnerability Indicators for LDCs.[229] Ranked on a scale of 0-100, a high value on the scale is proportional to the country's remoteness. In a 2019 assessment using the remoteness index, all four Pacific LDCs scored within the top six most remote countries. Unsurprisingly, Tuvalu scored the highest value at 85.5.

Kiribati straddles the equator and consists of 33 islands (32 coral atolls and one raised island) dispersed across 3.5 million km^2 of the Pacific Ocean. With a landmass totalling 810 km^2,[230] Kiribati is approximately four times the size of Washington, D.C. Its 119,000 inhabitants are highly concentrated in a few locations: some 56 per cent of the population resides in urban areas, primarily on the Tarawa atoll, and population growth is high (based on figures from 2020).[231] Economically, Kiribati depends almost entirely on its fisheries, which represent over 75 per cent of its GDP. The public sector is the next most significant source of GDP; private sector industry beyond fishing is negligible.[232] Unemployment stands at 17 per cent, and poverty rates are estimated as "among the highest in the region".[233] Kiribati is one of the least developed Pacific nations, where opportunities are limited due to its isolated location coupled with a lack of natural resources and skilled workers.[234]

Solomon Islands is the largest and most well-known among the countries included in this sample, as it was a major battleground during World War II. Although less isolated than many other countries in the Pacific, its economic development has been compromised by pervasive ethnic violence and a weak government; an Australia-led multinational force – the Regional Assistance Mission to Solomon Islands (RAMSI) – occupied the country from 2003 to 2017. Its nearly 30,000 km^2 are heavily forested (79 per cent), compared to its cultivation land (4 per cent). The island nation has a population of 700,000 people from diverse ethnic groups. Its per capita GDP is USD 2,663 annually, and the unemployment rate stands at 13 per cent.[235]

The nine islands of **Tuvalu,** regardless of covering only 26 km^2, stretch out over 1.2 million km^2 of the Pacific Ocean. It is one of the smallest nations in the world in size, and its population only numbers around 11,500 (estimated, July 2021).[236] It possesses an exclusive economic zone 27,000 times its landmass spanning over 702,000 km^2 of ocean.[237] Given its isolation and small population, it has virtually no capacity to build economies of scale, diversify its economy or gain a competitive advantage in global markets. The economy relies primarily on fishing, fishing licences and remittances along with ODA.

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[228] Available at *https://www.iisd.org/articles/small-islands-large-oceans-voices-frontlines-climate-change*.
[229] UN DESA, EVI Indicators. Available at *https://www.un.org/development/desa/dpad/least-developed-country-category/evi-indicators-ldc.html* (accessed on 21 August 2021).
[230] IEU, *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in Small Island Developing States: Kiribati country case study report* (Songdo, South Korea, 2020).
[231] WB, "Open Data: Kiribati". Available at *https://data.worldbank.org/* (accessed on 31 August 2021).
[232] IEU, *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in Small Island Developing States: Kiribati country case study report* (Songdo, South Korea, 2020).
[233] Ibid.
[234] Available at *https://www.cia.gov/the-world-factbook/countries/kiribati/*.
[235] Available at *https://www.cia.gov/the-world-factbook/countries/solomon-islands/*.
[236] CIA, "World Factbook: Tuvalu". Available at *https://www.cia.gov/the-world-factbook/countries/tuvalu* (accessed on 15 August 2021).
[237] Available at *https://www.iisd.org/articles/small-islands-large-oceans-voices-frontlines-climate-change*.

Vanuatu consists of close to 13,000 km^2 of land, with a striking scenery of volcanic mountains and coastline. It is inhabited by approximately 300,000 people and in late 2020[238] graduated from its LDC status, attaining an annual GDP per capita of USD 3,153. The economy rests heavily on small-scale agriculture, which occupies two-thirds of the population.

Table A - 24. Key statistics for Pacific LDCs (2020)

	Kiribati	Solomon Islands	Tuvalu	Vanuatu
Population	119,000	687,000	12,000	307,000
Land area (km^2)	810	27,990	30	12,190
Remoteness	82.7 (81.3)	84.1 (81.4)	80.2 (85.5)	89.6 (83.4)[239]
GNI/GNI PPP (USD per capita)	3,183/4,250	1,843/2,680	6,657/6,430	2,991/2,880
GDP (per capita)	1,636	1,870	3,919	2,749
GDP growth	-1.1%	-4.5%	-3.0%	-8.0%
Poverty (% at national lines)	21.8% (2006)	12.7% (2012)	26.3% (2010)	12.7% (2010)

Source: United Nations, UNCTAD STAT Country Profiles (accessed on 21 August 2021). Available at http://unctadstat.unctad.org.
Note: UNCTAD (United Nations Conference on Trade and Development)

On a global scale, even the largest Pacific Island countries have comparatively small populations. Combined, the four Pacific LDCs that are the focus of this report have just over 1.1 million people, with Tuvalu accounting for only 1 per cent of that total. Across the region, populations are steadily moving away from rural areas towards urban locations. Despite these small populations, limited land area and rural-to-urban migration make for high population densities and rapid urbanization.

In Kiribati and Tuvalu, for example, population density is higher (143 and 384 people per km^2, respectively), and a greater proportion of the population is urban (56 per cent and 64 per cent, respectively) (2020).[240] Solomon Islands and Vanuatu have comparatively larger land areas with lower population densities (23 and 24 people per km^2, respectively), and roughly 75 per cent of their populations live in rural areas.[241] Population growth is relatively low, despite high fertility rates, which is partly due to high emigration rates. All the economies rely heavily on remittances from overseas workers,[242] and the pervasive shortage of skilled personnel is exacerbated by the "brain drain" of the educated workforce.

Pacific economies offer limited opportunities as they are burdened by diseconomies of scale from their small size and isolation from the rest of the world.[243] In some countries, 75 per cent of the

[238] UNCTAD, "Vanuatu graduates from least developed country status", 4 December 2020. Available at https://unctad.org/news/vanuatu-graduates-least-developed-country-status.
[239] UNCTAD, In Focus, "2021: Remoteness". Accessed 21 August 2021. Available at https://sdgpulse.unctad.org/remoteness/. Values in parentheses are from Cantu-Bazaldua, Fernando, Remote but well connected? Neighboring but isolated? The measurement of remoteness in the context of SIDS. UNCTAD Research Paper No. 67 (UNCTAD/SER.RP/2021/10 (May 2021). Available at https://unctad.org/system/files/official-document/ser-rp-2021d10_en.pdf.
[240] UNFPA, Population and Development Profiles: Pacific Island Countries. Available at https://pacific.unfpa.org/sites/default/files/pub-pdf/web__140414_UNFPAPopulationandDevelopmentProfiles-PacificSub-RegionExtendedv1LRv2_0.pdf (accessed on 22 August 2021).
[241] WB, Open Data: Rural Population. Available at https://data.worldbank.org/ (accessed on 21 August 2021).
[242] WHO, "Country cooperation strategy at a glance: Pacific Island Countries" (May 2013). Available at https://apps.who.int/iris/bitstream/handle/10665/136831/ccsbrief_pci_en.pdf.
[243] United Nations, "Pacific Regional Preparatory Meeting on the Mid-Term Review of the SIDS Accelerated Modalities of Action (SAMOA) Pathway in the Pacific", draft Pacific regional report, Tonga, 19-21 June 2018. Available at https://sustainabledevelopment.un.org/content/documents/20868Samoa_Pathway_MTR_Pacific_Regional_Report.pdf.

labour force works in the informal economy.[244] Most are highly dependent on subsistence fishing and ocean resources (the 'blue economy'). In PSIDS, up to 10 per cent of GDP comes from the fishing industry,[245] alongside subsistence farming and agriculture, including export crops (mainly copra). The tourism industry also contributes in varying degrees.

Poverty levels (using national poverty lines) range from 12.7 per cent in Vanuatu and Solomon Islands to over double that in Tuvalu, with per capita incomes ranging from roughly USD 1,850 to USD 6,650.[246] Solomon Islands lags in human development, which is compounded by civil unrest that took place at the turn of the century. Infant and maternal mortality rates and life expectancy at birth – all indicators of a country's health – are following positive trends averaging 20 deaths per 1,000 live births and 70 years. However, there are some outliers: for example, Kiribati's infant mortality rate is double that of the regional average (40.1 infant deaths per 1,000 live births), which is likely attributable to poor nutrition and inaccessible health care (2019).[247] [248] Water scarcity and poor sanitation are the primary concern in all Pacific LDCs. Islands generally rely on rainfall as their primary source of fresh water, but climate change is incrementally causing profound impacts on access to water for drinking and agriculture.

Pacific cultures are exceptionally diverse, with norms that have matured over centuries in isolation from outside influence. It is inappropriate to make sweeping generalizations about cultural gender norms in the Pacific. In terms of global commitments, Pacific Island governments have made some efforts to promote gender equality and reduce gender-based violence with support for policy level changes by international entities. All Pacific nations have ratified the United Nations Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW). Despite the important role women could play in adapting to climate change, "…women typically bear the larger responsibility for tasks that are made more difficult by climate change while having unequal access to resources and decision-making processes".[249] Limited political representation at all levels of government and barriers to women's participation impede progress towards gender equality in many locations. Structural barriers also hinder women's access to land, finance and credit.[250] Migration, predominantly of men working in fishing industries or abroad, compounds women's household management and child-rearing responsibilities. GBV remains high in parts of the Pacific, including in Kiribati, Vanuatu[251] and Solomon Islands, where roughly two-thirds of women reported experiencing physical and/or sexual violence by an intimate partner.[252]

As the COVID-19 pandemic spread worldwide, repercussions have cascaded globally. However, the Pacific Islands represent a unique geographical, economic and cultural context, and it is worth noting the following points:

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[244] United Nations, About Tuvalu. Available at *https://pacific.un.org/en/about/tuvalu*.
[245] Available at *http://unohrlls.org/custom-content/uploads/2017/09/SIDS-In-Numbers_Updated-Climate-Change-Edition-2017.pdf*.
[246] WB, "Open Data: Land Area". Available at *https://data.worldbank.org/* (accessed on 21 August 2021).
[247] UNFPA, Population and Development Profiles: Pacific Island Countries. Available at *https://pacific.unfpa.org/sites/default/files/pub-pdf/web__140414_UNFPAPopulationandDevelopmentProfiles-PacificSub-RegionExtendedv1LRv2_0.pdf* (accessed on 22 August 2021).
[248] WB, "Open Data: Mortality rate, infant". Available at *https://data.worldbank.org/* (accessed on 21 August 2021).
[249] Nic Maclellan and Sarah Meads, *After Paris: Climate finance in the Pacific Islands* (Oxfam New Zealand, 2016). Available at *https://www.oxfam.org.au/wp-content/uploads/2016/09/FULL-REPORT-After-Paris-Climate-Finance-in-the-Pacific-Islands.pdf*.
[250] IEU, *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in Small Island Developing States: Kiribati country case study report* (Songdo, South Korea, 2020).
[251] United Nations, "The UN in Vanuatu". Available at *https://pacific.un.org/en/about/vanuatu*.
[252] UNFPA, "Population and Development Profiles: Pacific Island Countries". Available at *https://pacific.unfpa.org/sites/default/files/pub-pdf/web__140414_UNFPAPopulationandDevelopmentProfiles-PacificSub-RegionExtendedv1LRv2_0.pdf* (accessed on 22 August 2021).

- *Low incidence of COVID-19 due to geographical isolation and closed borders*. The Pacific Island nations closed their borders early and entirely, thereby successfully keeping COVID-19 out of the islands. Indeed, most of the countries have had very few, if any cases of COVID-19.[253] However, healthcare has nevertheless been impacted due to limited medical facilities. The inability for islanders to travel abroad for treatment has had severe consequences for those seeking specialized tertiary medical care.
- *Economic restructuring in some sectors; business-as-usual in others*. Border closures have dramatically disrupted commerce and trade, and global tourism has collapsed. By contrast, since everyday life has been largely uninterrupted by lockdowns and similar restrictions, agriculture, fishing, education, and locally-oriented businesses continue to operate. Economic effects have been severe but uneven. It is projected that it will take an entire decade for average incomes in the Pacific to recover to their 2019 pre-pandemic levels.[254]
- *Regional and international interaction has been interrupted.* This has pushed higher education, regional governance bodies such as the Pacific Island Forum, and technical/professional advisors to support climate change and other interventions. While routine international business travel has been disrupted globally, the effects are exacerbated in Pacific LDCs, which have a limited human resource base and cultural norms that place a premium on personal relationships and in-person contact.

2. CLIMATE VULNERABILITY CONTEXT

Climate change presents the single greatest threat to SIDS and has arguably even more urgency for Pacific LDCs.[255] At its root, climate change for Pacific countries is a matter of survival. Indeed, many nations risk disappearing entirely[256] due to the rise in sea level. For those at risk of losing their physical existence and sovereignty, "…no amount of sustainable development can protect against the security implications of climate change".[257] Further, "…economic, social, and environmental costs of climate change and disasters are high and forecasted to increase".[258] More frequent and prolonged droughts, higher air temperature increasing evaporation, decreasing groundwater recharge, and saltwater intrusion contribute to water scarcity and reduced agricultural productivity.[259] As natural disasters become more frequent and intense, sanitation infrastructure is often compromised, leading to more diseases.[260] According to the ADB, sea level rise in PSIDS between 1 and 1.7 metres could reduce GDP by 3–15 per cent from agriculture, tourism, fishing and infrastructure losses.[261] The asset replacement cost for the estimated USD 111 billion "…of infrastructure, buildings and cash crops considered at some level of risk" is estimated to be four times more than the GDP of Pacific Island nations. [262]

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[253] United Nations, The UN in the Pacific. Available at *https://pacific.un.org/en/about/about-the-un*.
[254] Roland Rajah and Alexandre Dayant, "Avoiding a "lost decade" in the Pacific", *the interpreter*, 12 December 2020. Available at *https://www.lowyinstitute.org/the-interpreter/avoiding-lost-decade-pacific*.
[255] WB, "The World Bank in Pacific Islands: Overview", 2020. Available at *https://www.worldbank.org/en/country/pacificislands/overview#3* (accessed on 15 August 2021).
[256] United Nations, "Pacific Small Island Developing States: United Nations Member States", 2009. Available at *https://www.un.org/esa/dsd/resources/res_pdfs/ga-64/cc-inputs/PSIDS_CCIS.pdf* (accessed on 16 August 2021).
[257] Ibid.
[258] Secretariat of the Pacific Regional Environments Programme, "Climate Change Resilience". Available at *https://www.sprep.org/programme/climate-change-resilience* (accessed on 15 August 2021).
[259] United Nations, "Pacific Small Island Developing States: United Nations Member States", 2009. Available at *https://www.un.org/esa/dsd/resources/res_pdfs/ga-64/cc-inputs/PSIDS_CCIS.pdf* (accessed on 16 August 2021).
[260] Ibid.
[261] UN-OHRLLS, SIDS in numbers: updated climate change edition, 2017. Available at *http://unohrlls.org/custom-content/uploads/2017/09/SIDS-In-Numbers_Updated-Climate-Change-Edition-2017.pdf*.
[262] Ibid.

Green growth and low carbon development pathways hold some peculiar characteristics in the Pacific and other SIDS – including a unique geopolitical tension. The reliance on imported fossil fuels results in high energy costs and widespread energy insecurity, especially in the least developed SIDS. This is also a significant barrier to economic development as it magnifies business expenses. Entire islands may depend on burning diesel fuel for power, which is exceptionally polluting in situ, yet represents a negligible contribution to global emissions. Nevertheless, international climate finance is fixated on the extreme adaptation needs in the Pacific. Voices in the Pacific protest this: regional advocates point to widespread energy insecurity, crippling power costs, and pollution threats, arguing that the distinction between "resilience" and "mitigation" in this context is entirely artificial. They also point out that the islands offer exceptional promise for renewable energy, given an abundance of sunlight and wind. However, investments from both the private and public sectors, including the GCF, are disincentivized by the diseconomies of scale. Several stakeholders consulted for this evaluation disputed discussions within the GCF Board that pointed to per-unit costs of investing in emissions reduction in the Pacific as being too high to justify further investment. Indeed, there is a persuasive argument to be made that the GCF's commitment to green growth and low carbon development should be fully inclusive of SIDS nations and economies, and that cleaner, cheaper power holds enormous potential for transforming island economies and attracting private sector investment. A key regional document – the United Nations Pacific Strategy 2018-2022 – prioritizes reducing energy imports through renewable energy. As of 2017, renewable energy constituted only 5–44 per cent of Pacific LDCs' primary energy supplies.

SIDS have been among the most ardent and vocal advocates for climate action in the international arena. They have led calls to address loss and damage in international climate negotiations and placed climate justice firmly on the global agenda.[263] Climate change – both mitigation and adaptation – is a major policy and programming priority across the Pacific, and regional organizations like the Secretariat of the Pacific Regional Environment Programme (SPREP) embrace climate change as a matter of priority. All the Pacific SIDS have articulated key policy documents such as NAPs and NDCs, and they proactively seek to implement them. Common themes include rising sea levels, water insecurity, and the increased frequency and severity of "natural" disasters. Globally, small island nations joined forces in the early 1990s as the Alliance of Small Island States and brought "…much needed attention to those most affected by climate change."[264] These efforts include recognition of their vulnerability in the 1992 UNFCCC, advocating for climate adaptation funding to be made available on par with mitigation funding, lobbying for the inclusion of the 1.5°C limit in the 2015 Paris Agreement, and for climate change to be included in the United Nations Security Council's agenda.[265] Through their collective lobbying and negotiations in the international arena, SIDS continue to play a prominent and influential role in the global climate agenda.

B. KEY FINDINGS

Overall, GCF policies and financing modalities are highly relevant to Pacific Island LDCs. However, the procedures are not fit-for-purpose in the national and regional contexts. The GCF is committed to prioritizing LDCs and SIDS, recognizing the urgency of the climate threat and catalysing paradigm shifts. As the global "canaries in the coal mines" for the urgency of addressing

[263] Adelle Thomas, Rose Martyr-Koller, Patrick Pringle, "Climate change and small islands: more scientific evidence of high risks", *Climate Analytics*, 1 July 2020. Available at *https://climateanalytics.org/blog/2020/climate-change-and-small-islands-more-scientific-evidence-of-high-risks/*.
[264] Leila Mead, "Small Islands, Large Oceans: Voices on the Frontlines of Climate Change", IISD, 29 March 2021, Available at *https://www.iisd.org/articles/small-islands-large-oceans-voices-frontlines-climate-change*.
[265] Ibid.

climate change, the impacts on SIDS are drastic. Arguably, these drastic risks call for extreme measures. SIDS could serve as "learning laboratories" for the more drastic climate actions that may characterize the future of climate finance. In this sense, formal GCF commitments are aligned with the needs of the Pacific. However, its policies and processes are poorly tailored to the constraints and working culture of Pacific nations. In addition, the typical challenges faced by many SIDS are magnified in the Pacific LDCs and require the flexibility of process that the GCF does not yet permit. These challenges include small populations, limited human resource/capacity base, geographic isolation, diseconomies of scale, and dependence on external consultants. This mismatch between the GCF's commitments and its operations in the Pacific compromises its relevance in terms of financing effective climate action.

1. Relevance of GCF policies and financing modalities

This section reviews the relevance of GCF policies and funding modalities. It explores the question: To what extent and how are GCF finance and institutional arrangements relevant to addressing the country's primary climate needs and challenges? The GCF's commitments to SIDS and LDCs position the Pacific LDCs to access generous funding. Some – but not all – GCF **funding modalities** promise to finance effective climate action in Pacific LDCs, especially the RPSP, the PPF, the SAP, and other "smaller" windows that may be better poised to partner with national actors. However, as none are fully tailored to the circumstances of the Pacific, there is an opportunity to improve their relevance. Some of GCF's expectations and requirements are a poor fit, which ultimately compromises the relevance of the funded programmes.

A key barrier across proposal development and implementation is a high demand for comprehensive data and information, where complex longitudinal data is frequently scarce or absent in Pacific LDCs. Stakeholders report that this inhibits project selection since they can only pursue GCF funding for projects where data exists. Such requirements are a source of considerable frustration as they cannot "prove" climate rationale despite very, very obvious and urgent climate risks. This translates into projects that are chosen based on what is most convenient instead of what is most urgent. As one respondent explained:

> "The GCF is definitely challenging. First of all, information requirements… The amount of information requested is an order of magnitude different from other funding sources… When you look at the amount of money that LDCs and SIDS have access to, of course, you get a certain number, and that paints a certain picture. But keep in mind, there are countries that are not in the statistics and cannot pursue the idea or apply because they don't have the data, and GCF would never understand… The GCF constantly asks for a climate rationale to a level that many countries are simply unable to produce. They don't have enough long-term weather data, for example. It isn't there. They have to change proposal topics from one to another, just because they have some other data… For example, if I am brought in to support somewhere, it's because they have an idea, like to support farming. But I know that we will never get it. Their voices are real, but as someone who is supporting these countries, all I think about is what kind of data do you have. And if they don't, I tell them we can't pursue this… We know from experience that these countries have to prove climate-induced water shortages through water shortages. But if it's general water scarcity, GCF isn't interested. I get that. But actually proving that it's climate-induced scarcity is very, very hard. That's what GCF is imposing. These are the things that run through my mind when I get requests, especially about anything agricultural."

It is also no small irony that GCF expects a high standard of outreach and consultation – especially with indigenous peoples who, after all, largely populate the Pacific Islands – but will not accept local knowledge, observations, information or perspectives as convincing data. At the same time, the proposal development process is highly demanding, leading to a high level of dependence on "fly-in" foreign consultants and advisors to support proposal development requirements. While this is characteristic of many LDCs, this barrier is exaggerated in the Pacific insofar as distances are far. It thereby becomes necessary to go through regional or international intermediary agencies which are based elsewhere and have their own processes, procedures and deadlines. The high transactional costs of operating in the Pacific also mean that AEs are reluctant to invest the resources into developing "small" proposals (such as through the SAP). In sum, there is a high appreciation for GCF's commitments to LDCs, but frustration that funding modalities are not fit-for-purpose.

Interview respondents have also highlighted the difficulty in accessing the SAP as it involves efforts that a complete proposal will require, which, in turn, discourages them from accessing this funding modality.[266] The level of effort and the duration of time involved in accessing SAP funding ultimately defeats its very purpose.

Country ownership of GCF funded programmes is successful in many respects but is also lacking in others. Overall, the GCF represents the most generous potential source of funding for the urgent climate needs of Pacific LDCs, and there is strong demand, recognition, and appreciation for this. The projects are also closely aligned with national planning documents (see Table A - 25 below).

Table A - 25. Alignment of funded GCF projects in Pacific LDCs with national climate strategies, policies and plans

PROJECT ID	FP035	FP091	FP044	FP015	FP147
NAMA	✓				
NAP	✓			✓	
(I)NDC	✓	✓	✓		✓
National Communication	✓				✓
NAPA	✓	✓		✓	
National Strategy/Policy for Climate Change			✓	✓	✓
REDD+ Strategy					
National Action Plan					✓
National Sustainable Development Plan	✓	✓	✓	✓	✓
National Energy Plans/ Policy	✓	✓			
National Strategy for Forestry and Land Use					

Source: Country ownership - investment criteria extracted by the IEU DataLab
Note: Information on FP147, a multi-country project, applies to all countries involved, not only Tuvalu.

The lack of GCF presence in the region limits mutual understanding and coherent engagement, and this weakens country ownership insofar as it heightens dependency on regional and global actors who, in turn, do not necessarily understand the local context. The GCF's **business model** is not fully

[266] Respondents have stated that since AEs are held at the same standard as that of non-accredited entities, the ironically long and arduous process serves as a disincentive for AEs to access the SAP for small and quick grants.

embraced in the Pacific; cultural and practical factors are both at play. The Pacific is a unique operational context, and stakeholders would appreciate long-term, consistent presence and feedback to navigate complex processes – especially when policies or procedures do not make sense in situ. There is also a strong sense that outsiders do not understand the Pacific. There is an increasing demand for on-site or regional Pacific presence by interview respondents. National actors in Pacific LDCs and microstates are unlikely to achieve direct access anytime soon, and assumptions underlying some GCF approaches are often a poor fit for the Pacific's unique operational environment. In addition to regional presence, more flexible and tailored policies would be appreciated in the Pacific.

Table A - 26. Gender mainstreaming in GCF-funded projects in Pacific LDCs

PROJECT ID	FP035	FP091	FP044	FP015	FP147
Female headed business owner/ role women in small business development					
Female headed household access to electricity					
Improve access to finance for women			✓		
Gender-specific target in jobs created	✓		✓	✓	
Supported women participation in technical aspect and implementation of the project	✓		✓	✓	✓
Bringing women into leadership roles in decision making	✓	✓		✓	

Source: Sustainable developmental potential data set extracted by the IEU DataLab
Note: The Gender Action Plan of each project specifies which gender-specific action will be taken, how it will be measured (indicator) and which party is responsible. More information can be found here for *FP035*, *FP091*, *FP044*, *FP015* and *FP147*.

Stakeholder participation is strong in some respects, but not without challenges that affect the relevance of GCF investments. Local stakeholders want to be engaged, but the GCF's model is not a good match with the cultural and practical needs of the Pacific nations. **Engagement and empowerment of diverse beneficiaries – including women and marginalized populations – is mixed**. Many of the GCF's AEs have a high commitment to gender and social inclusion and proudly point to benefits that mainly help this population. With grants from the ADB and the GCF, the South Tarawa Water Supply Project will increase Kiribati's water security by overhauling the capital city's water supply, including a solar-powered system and desalination plant to provide residents with safe drinking water.267 As women are the primary users and managers of household water, this project is expected to improve health and alleviate women's burdens. The IEU's 2020 SIDS evaluation commented on lost opportunities to build upon traditional knowledge as a source of innovation. However, it did highlight the Vanuatu project as an example of integrating traditional knowledge with scientific data and information to develop climate information for communities.

The data on gender-sensitive approaches in the Pacific LDCs' four approved projects demonstrate they are concentrated in some areas (e.g. leadership by women and consultation) but not in others. Two somewhat contradictory barriers to better engagement stand out. Both are related to the "everyone is my cousin" factor: in the context of a small population where everyone knows each

[267] IEU, *Independent evaluation of the relevance and effectiveness of Green Climate Fund's investments in Small Island Development States: Kiribati country case study report* (Songdo, 2020).

other, traditional ways of working dominate for better or for worse. GCF formalities and requirements for outreach may not seem germane. For example, the kind of private sector outreach plan and protocols that would make sense in a more highly populated country may seem incomprehensible in a small country where everyone knows each other. It may be expected to gather at community events informally; similarly, private sector outreach looks very different in countries where microenterprises are the norm. When nations are almost entirely populated by indigenous peoples, the nuances of GCF policies can be confusing. It is no small irony that this exacerbates dependence on foreign consultants who can "speak GCF" to explain regular interactions in terms of formal policies. Meanwhile, some pockets of the Pacific are characterized by challenging divisions between ethnicities or between inhabitants of different islands, and these need to be navigated very carefully indeed. The Pacific presents stark contrasts.

The 2020 SIDS evaluation highlighted that interviewees from the Pacific stated that community consultations for climate projects generally focus on the leaders, who are predominantly men. If women were consulted separately from men, it was common for the most authoritative women to be heard. In contrast, younger women remain silent or absent, as is the case for the youth, the elderly, and people with disabilities. The literature review also found that marginalization of less powerful members of island communities is usual for climate projects. Understanding power dynamics for effective gender and socially inclusive consultation is critical in PSIDS, as it is elsewhere. Recognizing the importance of consulting marginalized populations beyond women and indigenous people is also essential. Tight-knit populations may have strict cultural norms and hierarchies that must be navigated sensitively and may be challenging to influence.

2. GCF PORTFOLIO

This section describes the GCF's portfolio in Pacific LDCs and then further explores participation, gender/social inclusion, and accreditation. The GCF's portfolio in the Pacific is diverse, where activities are primarily focused on Readiness and other "smaller" windows.

The RPSP (also known as the 'Readiness programme' or simply 'Readiness') is fully present in Pacific LDCs, with one grant each in Kiribati and Solomon Islands, two grants in Tuvalu, and five grants in Vanuatu between 2015 and 2019. Activities include adaptation planning, strengthening NDA strategic framework development, and supporting DAEs, with the bulk of the funding across the four nations going to adaptation planning. The programme is warmly welcomed by national stakeholders and seen as particularly useful with regard to strengthening the NDAs. It ultimately seeks to equip and support the NDAs to access the GCF (and potentially other climate finance). To this end, Readiness is praised for familiarizing national actors and imparting the skills and perspectives necessary to participate in GCF engagement, as well as overall institutional strengthening and participation. However, questions have been raised about whether it is working to lay a pathway for independent action or management. Pacific LDCs are unlikely to achieve direct access in the coming years; the small population, limited human resource base, and other constraints represent significant barriers that will not be overcome soon. Pacific LDC governments are unlikely to have the fiduciary or other systems in place to raise or manage funding independently.

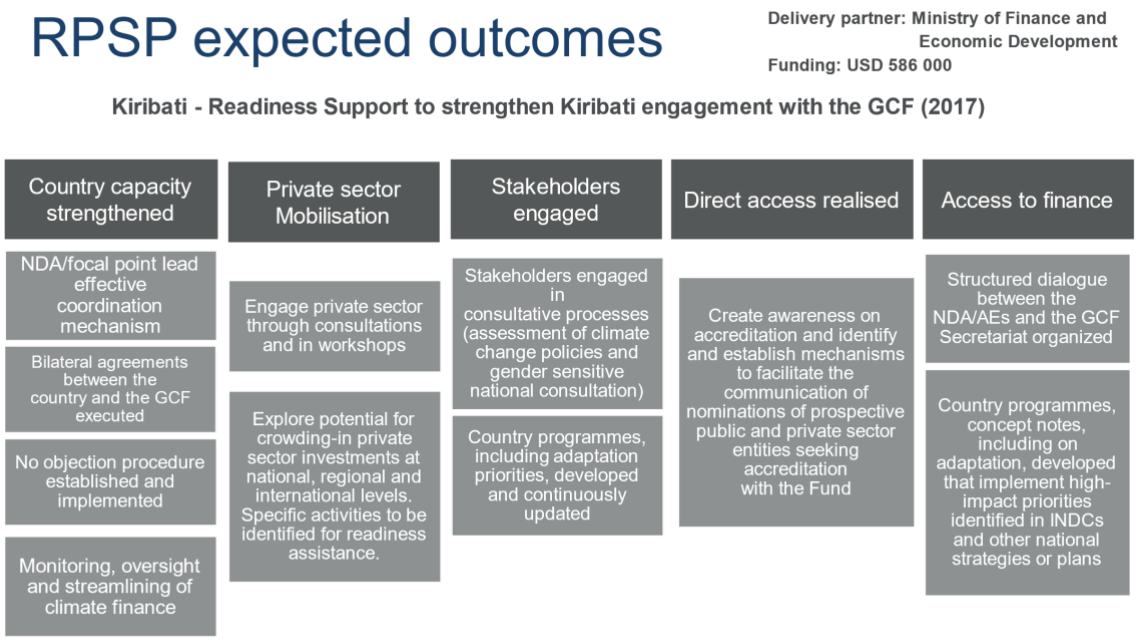
Box A - 4. GCF Readiness projects in Pacific LDCs

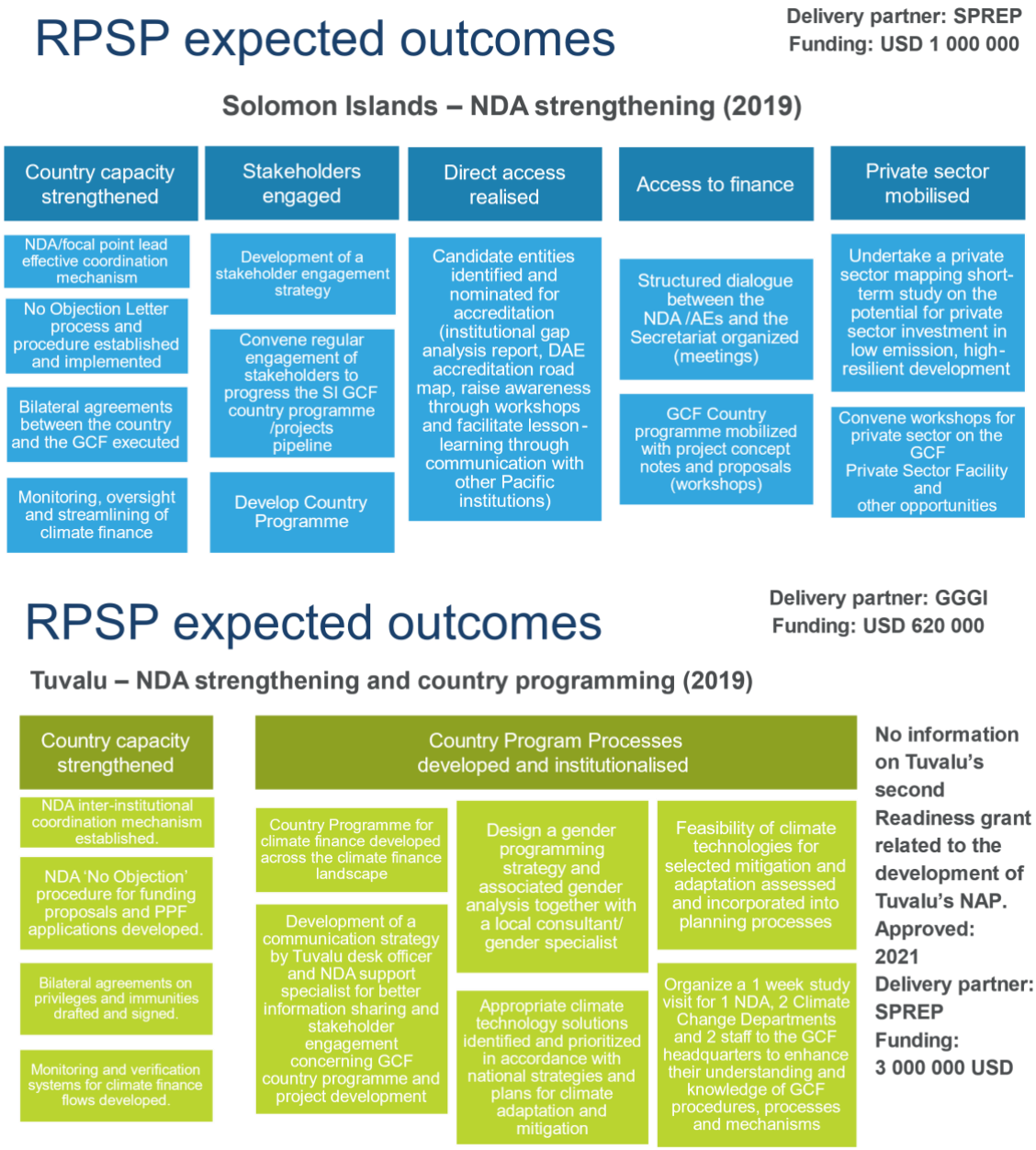
GCF Readiness in Pacific LDCs:

- Nine RPSP grants were approved between 2015 and 2021: five in Vanuatu, two in Tuvalu, and one each in Kiribati and Solomon Islands. (no multi-country RPSP grants)
  - One RPSP grant has been completed (Vanuatu) and only one has not yet begun disbursement (Tuvalu).
  - Three RPSP grants are in the pipeline (with the GGGI, the UNEP and Tuvalu's Ministry of Finance as delivery partners). Two more are under Secretariat review (Tuvalu and Vanuatu), and one has been returned to country (Vanuatu).
- Two multi-country grants were approved under the PPF between 2017 and 2021, which included Pacific LDCs (PLDCs) plus one grant approved for Vanuatu.

Source: GCF iPMS approved Readiness grants data

Figure A - 20. Expected outcomes from RPSP projects in Pacific LDCs





Source: GCF iPMS approved Readiness grants data, extracted by the IEU DataLab

This inspires questions in some quarters about what, exactly, they are being readied *for*, and herein some cynicism is expressed. As one respondent said, "Readiness is the Secretariat's answer for everything. It's an excuse… And the barriers [for PLDCS] are not helped by the Readiness programme." Suppose direct or independent access is not realistic in the short term. In that case, the RPSP, SAP, PPF and similar windows should calibrate their mentoring and capacity-building efforts to equip the right national actors with the right skills for leadership within long-term partnership arrangements. Above all, efforts should be tailored to the local context and grounded in a realistic assessment of local capacities and opportunities. Resources should not be wasted – nor expectations inappropriately raised – by assuming a one-size-fits-all approach to capacitating national entities and actors.

The opportunity costs of enhancing the capacity of a very limited number of qualified personnel should be considered. Given the tiny human resource base that Pacific LDC governments must draw from, if the handful of qualified people with key responsibilities are preoccupied, it means that other

important priorities are simply dropped or put on the backburner. Someone interviewed for an earlier IEU Pacific LDC case study, for example, commented that as one of exactly four citizens of the entire country who could fully engage with the GCF, it was imperative for the GCF to utilize him efficiently, selectively, and in a manner that was fit-for-purpose because his skill set was *also* needed to engage with the WB, the United Nations, the Department of Foreign Affairs and Trade of Australia, and other key players. Meanwhile, an expatriate interviewee in the sample for this evaluation expressed frustration with investing in the capacity building of one or two promising in-country visionaries only to have them move abroad.

A third concern is whether and to what extent the GCF is readying the right actors and readying the right actors in the right ways. National designated authorities are typically housed in whatever agency a country's designated UNFCCC focal point sits in, and key operational ministries – most glaringly finance and planning – may be missed in Readiness activities, even when finance is the key barrier to access. Meanwhile, fixation on elaborating complex institutional arrangements, formal structures, and coordinating bodies may be comically irrelevant when the civil service is relatively small and the government stakeholders have known each other all their lives. As a rule of thumb, these nations would benefit from a capacity-building approach that is more tailored and realistic.

Table A - 27 below shows three projects being supported by the PPF and five projects that have been approved.

Table A - 27. Approved PPF projects in Pacific LDCs

PPF002 – Enhancing Early Warning Systems to build greater resilience to hydro and meteorological hazards in Pacific Small Island Developing States	PPF028 – Melanesia – Coastal and Marine Ecosystem Resilience Programme	PPF041 – Enhancing Adaptation and Community Resilience by Improving Water Security
• Approved in 2017 and active in five countries, including Solomon Islands and Vanuatu. • PPF002 is managed by World Meteorological Organization, a public IAE. • No amount of the approved USD 536,000 has been disbursed so far. Latest registered phase is "FP submitted".	• Approved in 2020 and active in three countries, including Solomon Islands and Vanuatu. • PPF028 is managed by IUCN, a public IAE. • An unclear amount of the approved USD 473,000 has been disbursed.	• Approved in 2021 and active in Vanuatu. • PPF041 is managed by the Secretariat of the Pacific Community (SPC), a public DAE. • No amount of the approved USD 122,000 has been disbursed so far, yet the Statement of Work has been signed.

Source: GCF iPMS PPF grants data extracted by the IEU DataLab

Meanwhile, approved projects which reach Pacific LDCs are:

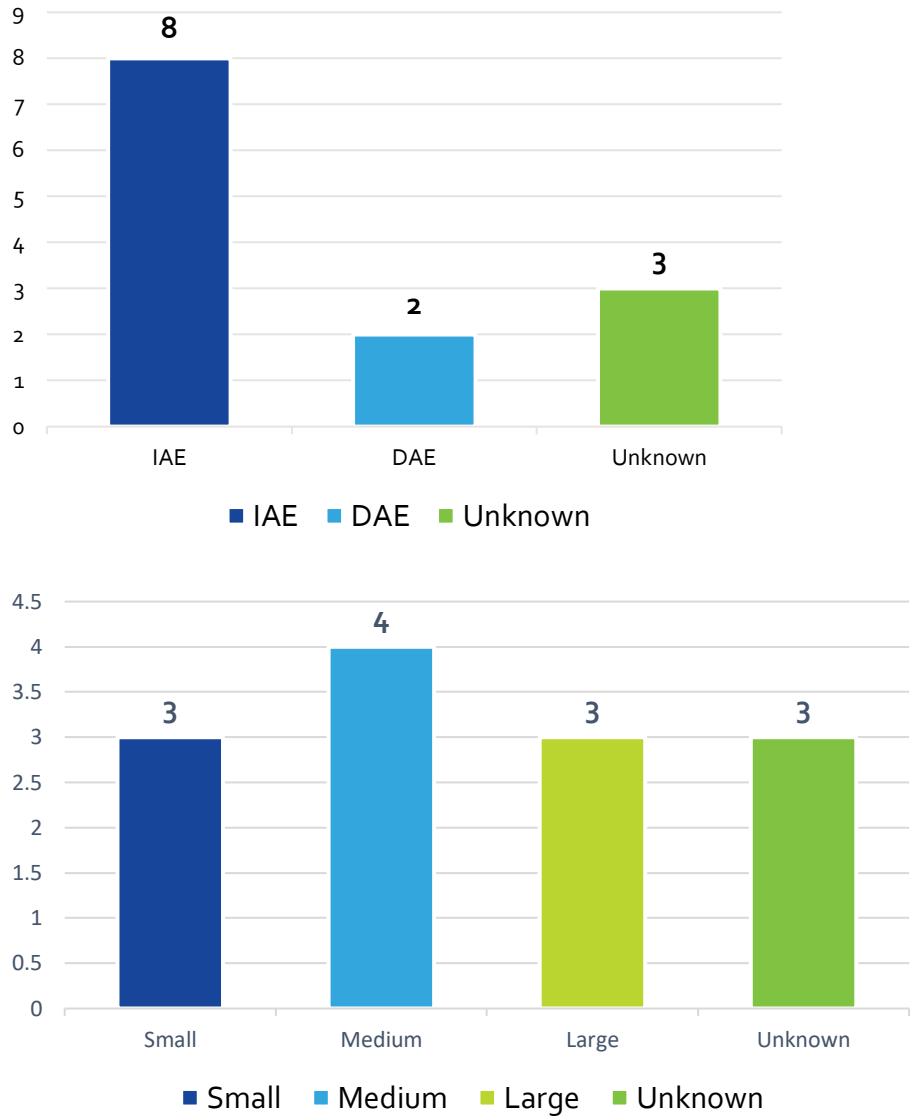
- FP035: Climate Information Services for Resilient Development Planning in Vanuatu
- FP147: Enhancing Climate Information and Knowledge Services for resilience in five island countries of the Pacific Ocean (including Tuvalu)
- FP015: Tuvalu Coastal Adaptation Project
- FP019: South Tarawa Water Supply Project (Kiribati)
- FP044: Tina River Hydropower Development Project (Solomon Islands)

Preliminary findings from these windows are further discussed in the effectiveness section below.

The 2020 SIDS evaluation demonstrated that proposal preparation is the chief obstacle for accessing GCF funding. Both SIDS governments and DAEs lack the capacity to develop projects that match the GCF standards. This capacity constraint has three interlocking dimensions: lack of human resources, competency issues, and dependence on external consultants and agencies. A key message

from interviewees was that the provided support must eventually improve people's capacities in SIDS to do the work themselves, whether that work is to prepare concept notes or to implement projects. The GCF should also accelerate and simplify its process so that they are more accessible to national actors. The summary of other agencies' evaluations of their SIDS portfolio showed the pitfalls of over-reliance on training as a form of capacity-building in SIDS, and that realistic human resource strategies that consider other options may be more effective. Concerns have also been raised about whether governments will be able to absorb the cost of a staff member dedicated to the GCF after the RPSP ends, considering small government budgets in all SIDS and now the COVID-19 pandemic. Separate interview data collected for this case study validated these findings.

Figure A - 21. Number of GCF AEs active in Pacific LDCs, per type



Source: GCF iPMS approved projects data extracted by the IEU DataLab[268]

According to case study research from 2019, **accreditation** and the lack of sufficient access to approved entities was an enormous bottleneck in the Pacific. Fortunately, the GCF's efforts to process applications and reform the system have been felt: stakeholders are less likely to report that their ambitions are strangled by a lack of partners. There are now 10 different AEs for 18 projects,

[268] All figures related to the GCF-related data in this report have the reference date of July 1, 2021.

including eight IAEs and 2 DAEs. The AE is not specified for three projects in the pipeline. All the AEs are public entities – UNEP, ADB, Japan International Cooperation Agency (JICA), WB, CI, Save the Children Australia (SCA), SPREP, and the SPC – and the list includes a good mix of small, medium and large entities. Nevertheless, persistent issues surround the rigidity and slow speed of the accreditation process. There is much more demand for projects than there are AEs who are willing or able to lead them.

Demand for projects is still outstripping the supply of AEs, and **direct access** is likely to remain elusive for Pacific LDCs. Across all SIDS, national DAE coverage is much lower than in other countries, even accounting for all entities not yet accredited. The 2020 IEU evaluation of SIDS projects noted that "…direct access is generally low in the GCF, and exceptionally low in SIDS".[269] The prospects for PLDCs are slim; some national actors recognize this while others are, arguably, chasing an illusion. There are concerns that some accreditation success stories (e.g. the Cook Islands) are prompting entities to seek accreditation without a complete understanding of what is involved. The question for GCF is whether and how it is prepared to support countries that fall outside its assumed partnership pathway. Dependence on regional and global AEs is likely to persist, and they, in turn, gravitate towards larger (multi-country) projects to economize transaction costs.

Meanwhile, SIDS representatives report a lack of interest from IAEs in supporting country programmes. Readiness and other sources of financing for smaller projects are arguably a better fit for country ownership and leadership. However, the assumptions underlying modalities merit revisiting. Indeed, the 2020 SIDS evaluation concluded that the RPSP did not systematically or effectively bridge the gap between accreditation and the capacity to access the GCF.

3. Processes and project efficiency in LDCs

GCF policies and processes are notoriously slow, sometimes painfully so. This has been well documented across IEU evaluations and is widely recognized by staff, partners and stakeholders. The agency overall is bureaucratic, and procedures are not fit-for-purpose for the Pacific context.

Data and information demands compromise the efficiency of accessing GCF funds without necessarily adding value. Implementing partners report they are reluctant to engage the GCF unless it is absolutely necessary. They avoid any project unless they are confident it will be approved. They also avoid making warranted updates to project plans simply because the slow approval process undermines project momentum. This generates significant negative externalities, insofar as indigenous people report missed opportunities for adaptive management and fail to pursue sensible updates which reflect emerging situations and fluid conditions (including disasters, changes in government, and the costs of commodities and transportation). Stakeholders consistently report that other donors allow greater leeway to update a project over time and on an as-needed basis, enhancing the relevance and effectiveness of the other investments compared to those funded by GCF.

Slow feedback on concept notes, proposals, legal agreements, and reports consistently delay climate action. In Pacific LDCs, the effects are arguably exaggerated compared to global norms because of high dependence on a revolving door of external consultants, the need to go through regional or international intermediary agencies which have their own project management cycles and approval processes, and the slow pace of operating in the Pacific. Interviewees report frustration with the changeover of personnel at the GCF, resulting in contradictory feedback from personnel who are

[269] IEU, *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in Small Island Developing States*, p. 27.

unfamiliar with the region, requiring multiple rounds of exchanges that do not necessarily improve the final product. Interviewees also reported the lack of consistency in feedback received after the change in GCF personnel, where the same project can attract different inputs from different GCF personnel.

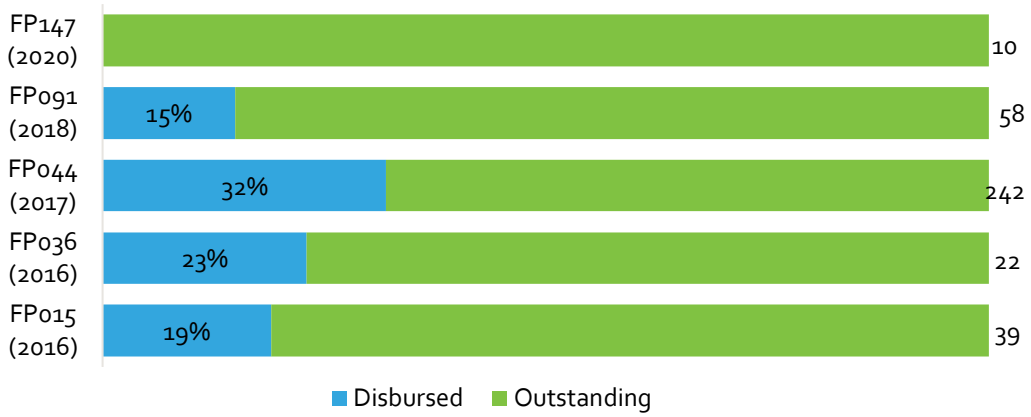
Lack of familiarity with the Pacific further compromises the quality of feedback from GCF, as do stringent processes. For instance, **there is poor recognition that operating in the Pacific is expensive.** Outside actors consistently underestimate the costs of doing business in the Pacific, where transportation costs are high, and diseconomies of scale pervade. Justifying these expenses can be cumbersome, and even small changes in shipping or other charges can have an exaggerated effect on budgets, and variations must be approved. Regional actors would greatly appreciate more sensitivity and flexibility to manage these exigencies.

Slow processes compromise the GCF's effectiveness and exacerbate the transaction costs of partnerships. This is a pervasive problem affecting all aspects of the organization, including accreditation, proposal approval processes, and implementation. As discussed above, project selection is too driven by what AEs think they can most realistically and rapidly secure approval for, rather than reflecting national or regional priorities. It also biases AEs towards larger projects because the transaction costs are similar regardless of the total budget, even when smaller windows would better place national actors in leadership positions.

4. EFFECTIVENESS IN DELIVERING RESULTS

The Pacific LDCs' portfolio is too nascent to demonstrate tangible results. Figure A - 22 above indicates there have been no disbursements on one approved project, while others are all in the early stages of disbursement with one exception – the SPREP Van-Kirap project in Vanuatu has applied for an extension request as its midterm review has not been approved. This project is currently scheduled to end in early 2022. Interviews with stakeholders consistently express confidence and anticipation that the projects will generate important and arguably transformational results. For example, the Tina River Hydropower Development Project in Solomon Islands is expected to transform energy security in Guadalcanal; the Tuvalu Coastal Adaptation Project will significantly contribute to protecting three of Tuvalu's nine inhabited islands from sea level rise and cyclones, while Kiribati's water security project is positioned to connect 62,000 people to a sustainable solar-powered fresh water supply. Figure A - 23 below demonstrates vital data on the expected reach and effectiveness of approved projects in Pacific LDCs. All projects are positioned to deliver significant co-benefits, and in Pacific contexts, it is not easy to distinguish between development and climate resilience entirely. Table A - 28 below presents how GCF funded approved projects contribute to the United Nations SDGs.

Figure A - 22. Funding disbursed per GCF-funded project in Pacific LDCs



Source: GCF iPMS disbursements data extracted by the IEU DataLab
Note: No disbursement has been recorded yet for FP147

Table A - 28. Projected effectiveness in delivering results

	Tuvalu Coastal Adaptation Project	Enhancing Climate Information and Knowledge Services for resilience in 5 island countries of the Pacific Ocean (incl. Tuvalu)	South Tarawa Water Supply Project (Kiribati)	Tina River Hydropower Development Project	Climate Information Services for Resilient Development Planning in Vanuatu
Improve government revenue	X			X	
Improvement in agriculture productivity	X	X			
Improvement in the tourism sector		X	X	X	X
Income diversification	X	X		X	X
Job creation	X	X		X	X
Land use and management					X
Market creation for private sector	X	X			
Poverty reduction					X

Source: GCF funded projects sustainable development potential extracted by the IEU DataLab

Figure A - 23. Projected effectiveness for GCF-funded projects in Pacific LDCs

Source: Project impact potential data set extracted by the IEU DataLab

The **urgency of the climate threat** is exceptionally high in Pacific LDCs, underscoring the need for investments that truly catalyse a **paradigm shift** and innovation. Business-as-usual development pathways will simply not be enough. The GCF is indeed financing projects with transformational potential. Stakeholders especially praise the GCF for being the only source of funding that is generous enough to support large-scale investments. On the other hand, they also criticize it for being too slow and risk-averse. The GCF should be more prepared to embrace risk, innovation, and small and/or pilot projects that hold transformational potential. Partners regret that it does not do this enough. The GCF's value added from a paradigm shift perspective is thus the scale of programming, but not necessarily the content. This is arguably a lost opportunity for innovation and learning.

The GCF's approach to the private sector is not sufficiently articulated or coordinated overall, especially for LDCs. The PSF lack of a coherent strategy has been documented in the recent IEU "Rapid assessment of the Green Climate Fund's request for proposals modality". Still, it is arguable that the challenges in Pacific LDCs are magnified insofar as they "look different" from those in global business. The private sector in Pacific LDCs is characterized by microindustries and high sunk costs related to energy and transportation. The local private sector faces significant risks from the impacts of climate change. These issues point to broader issues within the GCF around a shared understanding of and differentiated, context-sensitive strategy for the private sector. Many of those interviewed for the 2020 SIDS evaluation opined that the PSF's conception of the private sector bears no resemblance to the microscale, low capital base and low capacity for risk of national businesses most common in SIDS. Current projects and pipelines may be poised to reduce the business costs (e.g. through energy and water security). They may protect critical coastal infrastructure but are arguably not fully engaging in the private sector.

The GCF policy landscape has the flexibility to accommodate the circumstances of SIDS, but certain policy and governance issues that are important to SIDS require further Board discussion and decisions. Doing so would enhance the effectiveness of its interventions in Pacific LDCs. These matters include programmatic (rather than case-by-case) approaches to investing in the Pacific, incremental costs, concessionality, and co-financing. There are also calls for increased clarity and flexibility in the final design and application of these policies.

5. OVERVIEW AND COHERENCE OF OTHER CLIMATE FINANCE

From 2016 to 2018, climate finance to LDCs and SIDS doubled from 6 billion and 1 billion to 12 billion and 2 billion, respectively.[270] Least developed countries received 14 per cent of total climate financing in terms of absolute numbers, whereas the SIDS received only 2 per cent, the lowest of all groups.[271] With an average of over USD 69 per capita per year, SIDS have received the most climate finance.[272] However, this has led to an increase in the debt burden on the LDCs, because as per the 2017–2018 estimates, only 40–50 per cent of these funds were grants and 10–20 per cent of the remaining funding was deemed non-concessional. This limits their ability to effectively address climate change and their ability to address vulnerabilities exacerbating the effects of climate change, such as by investing in health infrastructure and education.[273]

The four Pacific Island LDCs in this report receive climate finance from multilateral institutions, including the GEF Trust Fund, the LDCF, the AF, the GCF, and bilateral climate finance from a list of individual donor countries.274 The countries also receive funding from the CIF. The SPREP, the Pacific Islands Forum Secretariat (PIIFS), and the SPC, and other AEs support Pacific Island countries' access to climate finance through various programmes, including the Pacific Climate Change Finance Assessment Framework.[275] The SPREP is a regional implementing entity to the GCF and the AF, where it provides technical assistance to Pacific Island countries' project development and funding access. [276]

The hurdles for Pacific nations to access climate financing are burdensome and often prohibitive, including a complex accreditation process to access GCF[277] and other climate finance. Several bilateral and multilateral climate finance partners are currently present and operating in the Pacific.[278]

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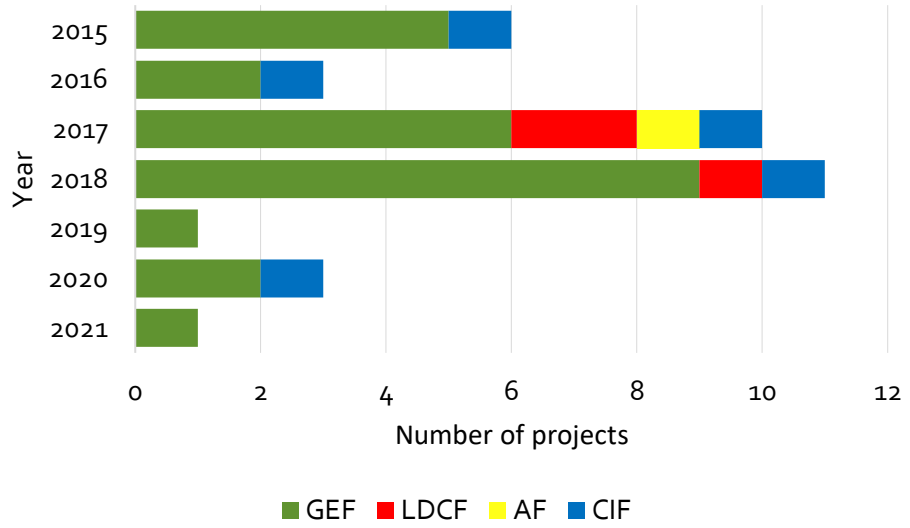
[270] OECD, "Climate Finance Provided and Mobilised by Develop Countries in 2013-18". Available at *https://www.oecd-ilibrary.org/sites/f0773d55-en/1/3/2/index.html?itemId=/content/publication/f0773d55-en&_csp_=5026909c969925715cde6ea16f4854ee&itemIGO=oecd&itemContentType=book#section-d1e2004* (accessed on 26 August 2021).
[271] Ibid.
[272] Ibid.
[273] Oxfam, *Climate Finance Shadow Report 2020: Assessing progress towards the $100 billion commitment*. Available at *https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621066/bp-climate-finance-shadow-report-2020-201020-en.pdf*.
[274] Aaron Atteridge and Nella Canales, *Climate finance in the Pacific: An overview of flows to the region's Small Island Developing States*, SEI, 2017. Available at *https://www.greengrowthknowledge.org/sites/default/files/downloads/resource/SEI-WP-2017-04-Pacific-climate-finance-flows.pdf.*
[275] Pacific Islands Forum Secretariat, *A guide to key funding sources for climate change and disaster risk reduction* (2015). Available at *https://www.forumsec.org/wp-content/uploads/2021/02/Guide-to-key-funding-sources-for-Climate-Change-and-Disaster-Risk-Reduction.pdf*.
[276] Ibid.
[277] Nanettew, "Climate Finance For A 1. 5ºC World", SPREP, 3 December 2019. Available at *https://www.sprep.org/news/climate-finance-for-a-1-5oc-world*.
[278] Multilateral development banks (MDBs), primarily the World Bank and ADB; multilateral climate funds, including the GEF and the Kyoto Protocol Adaptation Fund (KPAF); bilateral institutions, primarily from Australia, New Zealand, Japan, France, the European Union, Germany, China, etc.; regional-level programmes including the SPREP and the SPC; international NGOs and national, sub-regional climate resilience funds, including the Tuvalu Climate Change and Disaster Survival Fund and the Vanuatu National Green Energy Fund.

Figure A - 24. Number of approved Pacific LDC projects per year by other climate funds



Source: *https://www.greengrowthknowledge.org/sites/default/files/downloads/resource/SEI-WP-2017-04-Pacific-climate-finance-flows.pdf*

New Zealand and Australia are long-standing funding partners of the Pacific region, but other bilateral donors, including China, India and Brazil, are increasing their contributions to complement multilateral funding. Other funding sources include the private sector, international NGOs, community organizations and philanthropy.[279] Common pitfalls among these development partners include that they do not consider the size and limited capacities of Pacific countries, are unprepared for higher project implementation costs, institutional competition among donors, and bureaucracies that are burdensome in the Pacific context.[280] Some potential partners are discouraged from operating in the Pacific, preferring "bigger bang for the buck" investments elsewhere. For example, funding based on cost per capita can mean that countries with small populations, like Tuvalu, are disadvantaged compared to countries with larger populations, and have less funding to accomplish similar projects.[281] However, the urgency of the climate threat in the Pacific is unparalleled, and donors should consider how to better meet this need and their stated commitment to climate action. Since the GCF started its operations in 2015, 35 projects have been approved by the AF, CIF, GEF and LDCF in Kiribati, Solomon Islands, Tuvalu, and Vanuatu (see Figure 10). One GCF project ('Enhancing Climate Information and Knowledge Services for resilience in five island countries of the Pacific Ocean') is co-financed by the GEF.

C. Conclusion and Recommendations

1. Conclusions

This case study has been prepared based on data from earlier IEU case studies, overarching findings from the 2020 evaluation of GCF support to SIDS, and a series of interviews conducted in 2021 to validate and expand upon critical findings and recommendations. Overall, this desk review of GCF's

[279] Nic Maclellan and Sarah Meads, *After Paris: Climate finance in the Pacific Islands* (Oxfam New Zealand, 2016). Available at *https://www.oxfam.org.au/wp-content/uploads/2016/09/FULL-REPORT-After-Paris-Climate-Finance-in-the-Pacific-Islands.pdf*.
[280] Ibid.
[281] Ibid.

report to LDCs in the Pacific (Kiribati, Solomon Islands, Tuvalu, and Vanuatu) confirms the findings presented in the much more detailed 2020 evaluation of SIDS but underscores that the challenges and obstacles are much more exaggerated in the Pacific LDCs context.

The GCF represents an unparalleled source of climate finance, and there are promising signs of improvement. The number of AEs operating in the Pacific has increased significantly in only a few years. The projects are poised to deliver solid results and development co-benefits, and stakeholders express confidence and anticipation. The Tina River Hydropower Development Project in Solomon Islands and the South Tarawa Water Supply Project in Kiribati, for example, are expected to deliver unparalleled levels of energy and water security to inhabitants on those islands. The GCF is seen as the sole partner able to provide funding to address the climate threat facing Pacific nations, and it is poised to catalyse climate action at a scale other partners cannot touch.

The urgency of the climate threat is exceptionally grave in the Pacific. Unfortunately, GCF's twin commitments of supporting both the LDCs and the SIDS are not fully realized in Pacific LDCs. Themes include mismatches between GCF modalities and the local context; inflexible and slow GCF processes; high (arguably unreasonable) data demands; weak human resource capacities; high operational costs; geographical isolation; and dependence on regional/international support. The GCF's procedures are not fit-for-purpose in the Pacific, thereby compromising the relevance and effectiveness of its interventions. These challenges manifest themselves in many ways, but the most critical include: lack of strategic capacity building in contexts where direct access is not feasible; high dependence on foreign consultants and organizations; potential for unmet expectations; insufficient number of (and risk appetite among) regional and international AEs; selecting projects according to bureaucratic convenience rather than pressing priorities; lost opportunities for adaptive management; and avoidance of projects that are innovative, learning-oriented, and have the potential for a paradigm shift.

2. RECOMMENDATIONS

The following **recommendations** are made to advance the GCF's commitments and operations for LDCs in the Pacific.

- The Readiness programme is warmly welcomed, embraced, and adds value. However, capacity building and activities embedded within the RPSP and other windows should be more nuanced and fit-for-purpose. Capacity building should be grounded in a more realistic assessment of what roles the NDAs (or other agencies) can feasibly expect to manage in the coming years, and be more sensitive to the constraints posed by a limited human resource base.
- "Smaller" finance windows (e.g. the SAP and the PPF) hold considerable promise but should be made more accessible to national and regional agencies, and should be reformed so that they are more flexible to regional and national contexts. As transaction costs for working with the GCF are high regardless of modality, some AEs avoid them.
- **GCF funding modalities and proposal requirements** should be accelerated in order to realistically channel more appropriate levels and types of funding to the Pacific. Updating projects' designs, budget line items, etc., should also be easier and more straightforward to allow for sensible course correction and adaptive management to changing conditions.
- The GCF should better position itself to **finance innovations, pilot projects and experiments with the potential to advance learning and paradigm shifts**. This would imply financing smaller-scale projects; dramatically reducing demands for data, information, and paperwork; providing much more leeway for adaptive management; and being prepared to operate as a "learning laboratory" – including learning from failure.

- GCF should **consider regional presence to shepherd policies and processes**, and it should also **confront the limitations of its business model and assumptions**. For example, small LDC and SIDS nations are unlikely to achieve direct access in the near term. There is a need for the enactment of **alternative funding modalities.**
- GCF should recognize the challenges of operating in the Pacific – including inflated costs and a low human resource base – and tailor its efforts accordingly. Examples include downsizing demands for specific climate rationale data; the flexibility to enable adaptive management and respond to emerging conditions; and a bold embracing of transformational change, paradigm shift and innovative climate action.
- The GCF should consider a **programmatic approach** to address urgent climate challenges in the Pacific to facilitate a way of operating that is more strategic and harmonized than what is commonly seen for individual projects.
- The GCF's private sector engagement should reflect the complexion of the local private sector in PLDCs, and be more realistically poised to support it.
- The GCF should recognize that **Pacific SIDS can contribute to climate change mitigation** and that energy security is a climate resilience and economic development issue. Pacific SIDS have enormous untapped potential for renewable energy, which should not be corralled into adaptation only.

Appendix 1. LIST OF INTERVIEWEES

NAME	AFFILIATION
Barnabas Bago	Ministry of Environment, Climate Change, Disaster Management and Meteorology (Solomon Islands)
Jeffery Lamb	Ministry of Finance (Kiribati)
Noelle O'Brien	Asian Development Bank (ADB)
Patrick Principle	Independent/formerly Secretariat of the Pacific Regional Environment Programme (SPREP)
Rupeni Mario	Secretariat of the Pacific Regional Environment Programme (SPREP)
Vitolina Samu	Secretariat of the Pacific Regional Environment Programme (SPREP)
Yusuke Taishi	United Nations Development Programme (UNDP)

6. TOGO COUNTRY CASE STUDY REPORT

CONTENTS

TABLES

A. BACKGROUND AND CONTEXT

1. GEOGRAPHICAL, POLITICAL AND SOCIOECONOMIC CONTEXT

Geographical situation: Togo is located in West Africa, bordered by Ghana, Benin and Burkina Faso, with a 56-kilometre coastline on the Gulf of Guinea. The country has the shape of a natural corridor, stretching out some 660 kilometres to the north and being only 160 kilometres wide at its broadest point. The country is divided into five administrative zones (the Maritime, Plateaux, Central, Kara and Savanna regions). It has a range of climate zones: from hot and humid in the south to semi-arid in the north.

Demographic context and employment situation: The population of Togo is estimated at around 8.3 million (2021), of which some 60 per cent is under the age of 25. Population density is highest in the south, with around 1.5 million persons living in the Greater Lomé area (the capital). While 43.4 per cent of the total population resides in urban areas, the majority of the population lives in rural communities and is dependent on subsistence or commercial farming. Employment in agriculture has decreased over the past two decades (from 48 per cent of total employment in 2000 to 32 per cent in 2019). Employment in industry grew from 14 per cent to 19 per cent in the same period, while the service sector also showed an increase from 37 per cent to 48 per cent in this period.[282] At least a third of young people are estimated to be unemployed or underemployed (the latter often in the informal sector).

Economic performance: Prior to the COVID-19 pandemic (see below), the country had encouraging economic growth rates (5 per cent, 2018; 5.5 per cent, 2019). In terms of the structure of the economy, agriculture, forestry and fishing (combined) constitute 28.8 per cent of GDP, industry (including mining) 21.8 per cent and services 49.8 per cent.[283] Given its location and transport infrastructure (including a deep-water port), the country functions as a regional trade hub. Yet exports (dominated by foodstuffs, phosphate, cocoa and cotton) are exceeded by imports, and the negative trade balance widened in 2020 due to a drop in exports. The value of food imports as a percentage of total merchandise exports was 26 per cent in the period 2017–2019.[284] The country's business environment appears to be gradually improving, as measured by Togo moving from rank 156 (2018) to 97 (2020) as per the World Bank's Doing Business 2020 ranking[285].

Poverty and development outlook: The GDP per capita for Togo is USD 1,596 (2017 purchasing power parity). While it has improved since 2000, it remains below Africa's average. With respect to the HDI (2020), Togo ranks at 167 out of 189 countries, and a total of 49.8 per cent of the population lives below the income poverty line. Poverty incidence is highest in rural areas, and female headed households have a slightly higher rate of poverty (57.5 per cent) than male-headed households (54.6 per cent). According to FAO, some 1.6 million people are undernourished, 65.1 per cent have access to basic drinking water services, and only 16.1 per cent have access to basic sanitation services.

Energy sector: For energy, Togo relies primarily on biomass (firewood, charcoal, vegetable waste; 76 per cent), petroleum products (20 per cent) and electricity (4 per cent). Electricity generation is based on hydropower (49 per cent) and fossil fuels (50.6 per cent), with only 0.4 per cent coming from renewable energy sources. Access to electricity varies widely between the urban and rural

[282] As per the ILOSTAT database, January 2021. See *https://ilostat.ilo.org/*.
[283] IndexMundi, 2017 estimates. See *https://www.indexmundi.com/togo/*.
[284] As per FAOStat, for the period 2015–2017. See *https://www.fao.org/faostat/en/#country/217*.
[285] World Bank's Doing Business 2020 ranking, *https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf*.

populations (respectively 91.8 per cent and 23.6 per cent).[286]According to Togo's 2017 national action plan, firewood is used by around 50 per cent of households and charcoal by some 40 per cent.

Gender equity aspects: According to the World Economic Forum Global Gender Gap report (2021), Togo ranks at 105 out of 156 countries. Labour-force participation of women is slightly below that of men, and there is a gap between male (77.3 per cent) and female (51.2 per cent) literacy. Be it primary, secondary or tertiary education, enrolment of females is lower than that of males. Only 15 per cent of Togolese women have access to a bank account[287]). There are gaps in gender disaggregated data, including data regarding access to land.

Effects of COVID-19: The pandemic affected the country's economic performance, resulting in a weakening of economic growth (dropping to 0.4 per cent in 2020, from the 5.5 per cent for 2019 mentioned above) due to the decline in foreign direct investment and remittances and a slow down in port traffic in 2020. Inflation doubled due to supply challenges, and the public budget deficit increased as a result of an increase in public expenditures to respond to the effects of the pandemic.

2. CLIMATE CHANGE AND RELATED VULNERABILITIES

Climate change is a very important issue for Togo. As noted in its NAP, the country's mean annual temperature has increased by 1.1 degrees since 1960. Togo is among the most climate vulnerable countries in the world, ranking highest on the JRC Vulnerability Index (2015)[288] and ranking 139 out of 159 countries on the ND-GAIN Vulnerability Index. The intensity of the multiple risks Togo faces also differs across its regions. The main effects are heatwaves, rainfall variability (resulting in both droughts and floods), change in seasons, storms and rise in sea level. These in turn affect the availability of biomass energy sources, the quantity and quality of water resources, and the productivity of agriculture, livestock and fisheries, among other things. They also result in deforestation, soil degradation and erosion and have an impact on health (incidence of malaria and other diseases), housing and the overall livelihoods of inhabitants of affected regions/locations. Climate change and the need for adaptation (and, to a lesser extent, mitigation) are therefore not only an environmental challenge but also a cross-cutting challenge that will affect the ability of Togo to achieve its overall development goals. In addition to climate change induced vulnerabilities, the population is exposed to levels of indoor and outdoor air pollution that exceed WHO guidelines. This pollution emanates from the energy, transport, waste and agricultural sectors.

3. CLIMATE CHANGE POLICY AND INSTITUTIONAL FRAMEWORK

The country's efforts towards and commitment to adaptation and mitigation – with a view to fostering the transition to a climate resilient and green economy – are evidenced by a series of policy decisions and initiatives over the past 25 years, the main ones of which are listed below. Table A - 29 includes milestones directly related to the theme of climate change, while also referring to overarching development strategies (e.g., SCAPE 2013–2017; PND 2018–2022; Development Road Map 2020–2025) and relevant sector strategies that encompass climate related dimensions. These country strategies are aligned to the main environmental strategies at regional level in the context of the Union Economique et Monétaire Ouest Africaine (UEMOA) and the Economic Community of West African States (ECOWAS).

[286] WB, "Access to electricity (% of population) - Togo", 2019. Available at *https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=TG*.
[287] WB, "The World Bank in Togo". Available at *https://www.worldbank.org/en/country/togo*.
[288] Ranking of the Joint Research Centre (European Commission): index for the EU Global Climate Change Alliance plus Flagship Initiative, ranking least developed countries (LDCs) and small island developing States (SIDS).

Table A - 29. Togo - Key policy milestones directly and indirectly related to climate change

MILESTONES	YEAR
Ratification of the UNFCCC, the Convention on Biological Diversity and the Convention to Combat Desertification	1995
National Environment Policy	1998; update 2012
First National Communication	2001
Ratification of the Kyoto Protocol	2004
National Strategy for the implementation of UNFCCC	2005
Establishment of National Commission on Climate Change	2005
Framework Law on Environment	2008
Establishment of National Environment Fund	2009
Adaptation Programme to Climate Change (NAPA)	2009
Establishment of National Forestry Development Fund*	2009
Second National Communication	2010
National Investment Programme for the Environment and Natural Resources 2011–2015	2010
Strategic Plan for Electricity Sector	2010
National Energy Policy	2011
National Forest Policy and National Forestry Action Plan 2011–2019	2011
National Sustainable Development Strategy	2011
Establishment of National Commission on Sustainable Development	2011
Strategy for Accelerated Growth and Employment (SCAPE) 2013–2017	2013
Togo joined the Climate and Clean Air Coalition	2014
Third National Communication	2015
Intended Nationally Determined Contribution	2015
National Action Plans for Renewable Energy and Energy Efficiency 2015–2030	2015
Agricultural Sector Policy 2016–2030	2015
Vision 2030	2016
Togo's First Biennial Update Report on Climate Change	2017
Ratification of the 2015 Paris Agreement	2017
Adoption of NAP	2017
Strategic Plan for the Mobilisation of Resources of the National Environment Fund	2017
Action plans based on Technology Needs Assessment	2018
Strategic Investment Framework for Environment and Natural Resources Management (CSIGERN 2018–2022)	2018
National Development Plan (NDP) 2018–2022	2018
Country programme / Green Climate Fund	2018
National Plan for the Reduction of Air Pollutants and Short-Lived Climate Pollutants	2020
Development Road Map 2020–2025	2020
Updated INDC in view of United Nations Climate Summit COP26 (Scotland, November 2021)	2021
Under preparation: Fourth National Communication Togo's Second Biennial Update Report on Climate Change	2021

Source: Compiled by the authors of this country case study
Note: The list does not claim to be complete but contains the main steps taken at policy level.
*Not operational to date

Togo's 2015 INDC aims at reducing the country's GHG emissions by 11.14 per cent by 2030, compared to the 2010 baseline scenario (unconditional reduction target, based on the implementation of programmed measures), and by 31.14 per cent when including a 20 per cent conditional reduction target. To this end, the INDC focuses on fostering carbon-lean sustainable

development, with an emphasis on the key sectors of energy; agriculture; and land use, land-use change and forestry.[289]

The overall objective of the 2017 NAP is to contribute to inclusive and sustainable growth by reducing vulnerabilities, strengthening adaptation capacity and increasing resilience in order to combat climate change. The NAP lists the following focus sectors (in order of priority based on their weight in the economy and degree of vulnerability): agriculture; water resources; coastal zones (erosion); human settlements and health; land use and forestry; and energy.

The country's institutional framework for managing climate change issues brings a wide range of public and private sector stakeholders and civil society representatives together into a number of different committees, including the National Committee on Sustainable Development, the National Committee on Climate Change and the National GCF Committee. It was reported that a review is ongoing at the level of the Ministry of Environment and Forest Resources, with a view to rationalizing the climate related steering framework, given overlaps in mandates and membership.

Regarding the GCF, the Directorate of Environment became the NDA in August 2014 (by Decree 0078/MERF/SG/DE, June 2017). As such, it is the main contact point between the Secretariat of the GCF and the Government of Togo. It has a coordination function in the process to prepare for access to the GCF, through the submission of concept notes for appraisal and selection by the ad hoc technical committee (see below), and the NOLs required to submit projects to the GCF.

The NDA operates in an institutional framework that includes the relevant ministries, other public/para-public institutions, regional and local authorities, as well as PSOs and NGOs concerned by and engaged in climate related issues. A Decree (not yet signed) defines the organization and functioning of the GCF Steering Committee (under the Ministry of Environment and Forest Resources), composed of 14 members representing the public and private sector, including NGOs. In principle it is to meet twice a year or more frequently, as and when required. It includes a technical ad hoc committee for project appraisal/selection based on the GCF's eligibility criteria and the priorities defined by the Committee itself. Although its formal creation is still pending, the GCF Steering Committee has been convened on several occasions (see Ownership, below).

Togo submitted its first request for Readiness and Preparatory Support to the GCF in April 2015. Its first Readiness grant was approved in June 2016 and covered NDA capacity strengthening and the preparation of the GCF country programme. For further details (e.g., Readiness grants; approved projects and pipeline projects), see the section on the B2 below.Finally, apart from the GCF, a range of other development partners, agencies and NGOs are engaged in climate change related support in Togo (see Appendix 1 for a list of those active in this area).

B. KEY FINDINGS

The following findings are based on (i) document review and (ii) a total of 31 interviews with stakeholders over the period early July to mid-August 2021.

[289] Update: According to Togo's INDC review/update (submitted in October 2021 to the Secretariat of the UNFCCC), Togo's intended contribution now amounts to 50.57 per cent (or 15,378.55 Gg CO_{2eq}) by 2030, with an unconditional reduction target of 20.51 per cent and a conditional one of 30.06 per cent. These new commitments represent an increase in the level of ambition compared to the 2015 INDC.

1. RELEVANCE OF GCF POLICIES AND FINANCING MODALITIES, AND COUNTRY OWNERSHIP

a. Relevance

There is no doubt about the relevance of GCF funding opportunities for Togo. As it is among the most climate vulnerable countries in the world, Togo needs substantial external support to be able to address its needs and reach the strategic objectives set (the most recent strategy being the 2017 NAP), including the INDC targets. For Togo, the GCF is pertinent for several key reasons:

- The possible size of GCF funding (being larger than most other climate funding sources)
- The range of GCF financial instruments (including grants, concessional loans, guarantees and equity investments)
- The availability of Readiness funding for capacity-building and of project preparation funding

The key deliverable of the first RPSP grant was the GCF country programme (CP) document of 2018 that synthesized and could build on existing strategic documents. It was considered a relevant exercise and resulted in a plan of concrete actions with a targeted funding envelope of no less than USD 1.5 billion. The country's expectations with respect to the GCF as an important source of climate finance were very high and remain so to date.

Togo is currently at the end of the CP's first phase, which covered the period 2018–2020.[290] Respondents for this case study raised serious concerns as there are no concrete activities on the ground yet, other than those related to the GCF Readiness funding. In this respect, stakeholders referred to a number of challenges that need to be addressed for the GCF to be able to effectively play its intended role in Togo, as the CP is quite behind schedule as per its planning (see the section B4 below). Some even referred to a mismatch between the GCF strategy, its procedures and realities on the ground. The reported obstacles vary, starting with the complexity of the approach and procedures (see the section on efficiency including processes, below). As one interviewee explained, these make the process of accessing GCF finance seem like an uphill battle (*"parcours du combatant"*). Moreover, the funding of projects covering numerous countries across the globe all under the very same project umbrella is considered to have major flaws, and merits serious review and rectification. Also, whereas co-financing is not a formal condition, it is seemingly a highly recommended modality to obtain access to funding. This is reported to have resulted in the withdrawal of project ideas due to lack of co-financing. Moreover, it is not evident for countries such as Togo to engage in climate lending through the GCF to the extent the GCF tends to privilege loans over subsidies and reportedly imposes stricter conditions in the case of grants. Finally, some respondents indicated that the GCF puts emphasis on a country-by-country approach, whereas in their view a regional approach would be more appropriate.

b. Ownership

The preparation of the CP was participatory, involving a wide range of public and private stakeholders, including representatives of civil society, through a series of consultations during 2017. The CP was pre-validated in December 2017, and its official launch was in April 2018. Several awareness-cum-training events followed in 2019 and 2020, bringing together relevant local players (public, private, NGO, media) to understand more about the modus operandi of the GCF, including requirements and the steps involved in project preparation. These events were held not

[290] The case study is expected to be useful for the first review of the CP, a priori planned at the end of this first phase as per the CP (Section 2.6.1).

only in the capital but also in regional areas.As highlighted above, the GCF Steering Committee mechanism was put in place to oversee and steer the implementation of GCF funded efforts in Togo.[291] It would have been within the mandate of the Steering Committee to examine why Togo is behind schedule in implementing the GCF CP and to make recommendations for actions at the highest national decision-making level to accelerate CP implementation.

So far there is no accredited DAE in Togo. Attempts to gain accreditation have so far been unsuccessful. The candidate local organizations had programme management experience but were not able to meet the fiduciary conditions of the GCF. The ongoing (third) RPSP grant includes, among other thing, a specific objective to enhance the country's direct access to the GCF by aiming to support at least two Togolese organizations (not yet selected at the time of the case study) in their bids for accreditation by the GCF. Also, the UNDP is reported to envisage supporting the accreditation of a Togolese entity (Togo Invest Corporation), with a view to fostering country ownership of the implementation of GCF support. Moreover, Togo has nominated three regional entities, namelyAfrican Guarantee Fund, Sengueti (Ghana) and United Cities and Local Governments of Africa (CGLU Africa, Morocco) that, once accredited, are expected to partner with Togo (which would foster regional ownership of GCF-related operations).

In terms of private sector involvement, the CGLU Africa was included in awareness and training efforts that were undertaken in the context of the first two Readiness grants. The third Readiness grant aims at further enhancing private sector engagement in addressing climate change issues. This will involve capacity-building organized through the National Employers Council of Togo (which comprises 21 professional associations of private sector actors).

As cost-sharing is a dimension of ownership, the in-kind contribution of the Government of Togo needs to be mentioned. It covers counterpart staff (focal point and team) and office space (including for delivery partners), among other things. Although there is no reference to country cost-sharing in-country-specific GCF Readiness grants, Togo contributed around USD 342,000 to a planned multi-country Readiness project funded by the GCF (with the African Adaptation Initiative and Ernst & Young as implementing partners). Full-fledged country projects that include co-financing by Togo are, for now, in the pipeline.

There has been continuity in the NDA post (called a "focal point" in Togo), which has been occupied by the same person since the start of GCF operations (they were nominated in August 2014). It was reported that the focal points in the subregion had initiated an informal network among themselves. However, triggered by turnover in focal points as well as COVID-19, the communication among them is said to have weakened.

The degree to which AEs involve local stakeholders could be improved (at the stages of concept note and proposal development and once projects are funded). Surprisingly, AEs are not required to consult focal points **prior** to submitting a proposal and can do this at the time of submission itself. However, not contacting the focal point **before** submitting a concept note or a proposal goes against the principle of seeking ownership from the start. In the case of one concept note, the AE was reported to have never contacted the focal point or the Government of Togo. Similarly, in the case of approved projects, some AEs seem to take country ownership principles lightly. The country is not kept systematically informed after the focal point has completed a NOL. This is particularly the case for the global multi-country projects approved so far. Finally, regarding the third Readiness grant, there is scope there is scope for the delivery partner to ensure the effective involvement of counterparts (starting with sharing the project document and discussing the project workplan with

[291] Although the Inter-Ministerial Decree establishing this Steering Committee has yet to be signed, this committee convened in 2019. As mentioned in the section A3, a review is ongoing to rationalize the different coordination mechanisms at the national level.

the target beneficiaries who were not directly involved in the grant design and were not yet aware that the project had effectively started at the time of the case study interviews and were not yet aware that the project effectively started at the time of the case study interviews).

2. GCF PORTFOLIO

a. Overview

Readiness support

To date, a total of four Readiness grants have been approved, of which the first two are completed, the third is ongoing and the fourth has not yet started. These cover the following projects and delivery partners:

- NDA strengthening and country programming (USD 240,000; approved in June 2015). The project was implemented by the Centre de Suivi Écologique (CSE), Senegal, and was completed in January 2020.
- Building on Readiness achievement to improve Togo's access to finance (USD 300,000; approved in December 2018). The project was also implemented by CSE and was completed in June 2021.
- Enhancing Togo's direct access to GCF and support for the development of climate finance strategy (USD 600,000; approved in December 2020). The project is being implemented by the GGGI and is currently in its start-up phase).
- Accelerating the financing and implementation of low carbon & climate resilient priorities in agriculture and energy for agriculture in African countries (a multi-country Readiness project covering 25 countries with a budget of USD 7,733,066 and including cost-sharing of USD 342,496 by the Government of Togo). The project was approved in December 2020, involves cooperation with the African Initiative for Adaptation and Ernst & Young, but is not yet under implementation.

Two additional Readiness proposals are under preparation:

- An FAO proposal aimed at decentralizing the planning of climate adaptation
- A proposal from the ECOWAS Centre for Renewable Energy and Energy Efficiency

Approved projects

To date, four approved multi-country projects in the portfolio include Togo (see list below). These projects involve the following four AEs: PCA, IUCN, West African Development Bank/Banque Ouest Africaine de Développement (BOAD) and AFD. The total budget (combined for all countries) is USD 1.6865 billion, and all projects are recorded as being under implementation. Neither Togo's planned share of each of the four multi-country projects nor the actual disbursement so far for activities in Togo is known.

The projects' details are as follows:

- FP 152 (PCA): Global Subnational Climate Fund – Equity; 42 countries across the globe (some LDCs); USD 750 million; approved in November 2020.
- FP 151 (IUCN): Global Subnational Climate Fund – Technical Assistance Facility; 42 countries across the globe, USD 28 million; approved in November 2020.
- FP 105 (BOAD): Climate finance facility to scale up solar energy; six countries; Francophone West Africa (all LDCs), USD 143 million; approved in February 2019.

- FP 095 (AFD): Transforming financial systems for climate; 17 countries in Africa (including North Africa and including six LDCs); USD 765.5 million; approved in October 2018.

The list of approved projects encompasses, de facto, three projects involving four AEs, because the projects implemented by PCA and IUCN are two components of the same project. It is noted that all approved projects are multi-country projects (three with global coverage and one with subregional coverage). So far, the list contains no national projects (other than Readiness grants).

The approved projects are all PSF projects, and mitigation covers the largest share of GCF funding allocated (79 per cent). Total funding mobilized for Togo – as reported by the GCF – is USD 33 million (GCF resources), which is complemented by USD 55 million in co-funding.

Two of the four projects (FP 095 and FP 105) show stakeholder engagement as per proposal documents, and all four include a Gender Action Plan. It is premature to assess to what extent this was implemented, given the very early stage of implementation of these projects.

The BOAD project document shows most clearly its alignment with national climate strategies, policies and plans, as well as the CP. The degree of alignment of the other three approved projects is less explicit (as per IEU DataLab information).

Pipeline projects

At present there are nine pipeline projects, of which four can be qualified as active. The status of the remaining ones is either unknown or the concept note has been abandoned/withdrawn. A total of seven pipeline projects involve the Division of Mitigation & Adaptation, and the remaining two involve the PSF.

The pipeline projects engage six AEs (one AE is not specified). The active concepts involve three AEs. Out of the nine pipeline projects, two are national projects and both are active. Three new concept notes are under preparation.

Table A - 30 summarizes the nine pipeline projects and an assessment of their status; it also includes the project that are being developed.

Table A - 30. Overview of pipeline projects and their status

ID/Concept/AE	Status as per GCF Country Brief (June 2021)	Status as per interviews held (July–August 2021)
15920 Green Bond Cornerstone Fund (Phase II) – IFC	inactive	abandoned by IFC
16380 Sanitation and hygiene – UNOPS	inactive	focal point not contacted by AE
18870 Ignite Triple 5 – AE not specified	active, yet no information on AE	no information at level of focal point; considered inactive
19580 Low carbon electric energy – BOAD	inactive	submitted but not well designed and abandoned
19810 Staple crops processing zone – AfDB	active	proposal passed review stages and reached Board – that requested more studies
20330 Coastal areas resilience (WACA) – WB	active	inactive; de facto abandoned by WB (latter now in contact with AFD to fund the proposal)
22530 Resilience of communities, Mono basin – UNDP	inactive	active; project concept being reviewed/refocused on water resources; also, involvement of UNICEF and of Global Water Partnership
25740 Agro-spatial development – BOAD	active	active; under formulation
25850 REDD+ – AfDB	active	active; no information yet at level of Togo what are the plans
Forthcoming: *Proposal Resilience coffee/cocoa – FAO *Proposal Smart Climate Villages – BOAD		under preparation

ID/Concept/AE	Status as per GCF Country Brief (June 2021)	Status as per interviews held (July–August 2021)
*Revised concept note – UNDP et al. (see above)		

b. Portfolio assessment

Around three years after the CP was finalized, Togo is still at the beginning of its cooperation with the GCF. The main observations on the current status of the portfolio are as follows.

Progress on the Readiness projects is considered to be less than could be expected at the end of the CP launching phase, defined as the period 2018–2020. Two Readiness projects are completed, one has just started and a fourth approved project has not yet started.

All approved projects are multi-country, and there is no clear information about the status of work undertaken in Togo within these projects (with the exception of the one implemented by BOAD). Moreover, the record on total funding mobilized (Togo), as per the GCF dashboard, is questioned (see section BB.4 below).

Entry into the pipeline was highest in 2017 and 2018 (three concept notes each year), with just one in the period 2019–2020. However, the situation in 2021 (up to August) is promising, with several new concepts under preparation. It is noted that there is confusion regarding which pipeline projects are classified as active or as inactive in the GCF information systems: some of those listed as active are in fact inactive or even withdrawn, whereas others classified as inactive by the GCF are considered active at the country level.

There is a disconnect between the current portfolio and the project ideas / draft concept notes listed in the CP document (i.e. the initially planned portfolio). Also, the anchorage of the approved projects to the CP is not evident. In fact, only in one case (i.e. the subregional project) is it clear to which CP priority areas the approved projects are aligned. This is likely related to the vast coverage of three of the four multi-country projects (encompassing many countries). However, alignment with the CP is overall more evident in the case of the (updated) pipeline, the sectors/themes covered being agriculture (2), forestry (1), vulnerable communities (2), resilience of coastal areas (1), electrical energy (1), green finance (1) or not clear (1).

3. Efficiency including processes

The interviews, portfolio analysis and document review revealed quite a number of efficiency/process issues that merit attention (and that are most likely not limited to the case of Togo). Below, these have been categorized into processes and procedures, the use of budgets and procedures, and time-related issues.

a. Processes and procedures

In general, the fact that most GCF documentation is in English is a hurdle for GCF client countries that do not have English as official language. It creates double the work at the country level due to the need for translation.

Regarding concept notes and proposals, the Concept Note User's Guide includes the need for reference to national strategies and plans, yet there is no requirement to explicitly demonstrate how a funding proposal is linked to the GCF CP. This undermines the relevance and use of the CP. Moreover, once a NOL is submitted by the focal point, the latter is not systematically informed of plans/progress by the AEs, affecting the ability of the focal point to coordinate the implementation of approved projects with the required rigour. In fact, signature of a NOL by the focal point does not

guarantee effective inclusion of the country in activities under global multi-country projects. This raises the question how these projects are budgeted (if targeting de facto only a subset of the countries mentioned in the project document).

Projects that include a multitude of countries across the globe that have very different needs and challenges are of questionable eligibility. Accordingly, global multi-country projects are not specific enough, unless it is clear from the start what is planned for each targeted country. Collective efficiencies are, however, likely in the case of (sub-) regional projects.

Even when a proposal passes the multiple stages of appraisal/evaluation (via the independent Technical Advisory Panel), ultimate project approval by the GCF Board is unpredictable, making the process at times a frustrating experience for both AEs and focal points. The number and depth of studies (feasibility studies, financial analyses, impact studies, gender analyses) required to meet the Fund's conditions, as well as the costs involved, are reported to have hampered the preparation of concept notes and also resulted in concept withdrawal. It was reported that the required data (specific/decentralized) are not always available in the context of developing countries.

Even international AEs mentioned that the concept preparation process is complex and resource intensive, encouraging them to go for only large-scale projects considering the investment required by them in project preparation. For local stakeholders, awareness-raising on the instruments and procedures of the GCF was reported to be generalized, indicating that one cannot expect them to be able to prepare robust concept notes based on limited training. The complexity of the GCF process implies that international consultants are being hired and end up drafting the proposals (thus moving away from the idea of country ownership). Furthermore, the SAP introduced procedures for projects needing a GCF contribution up to USD 10 million, but these procedures are alleged to be no easier than the regular procedures. Also, several changes to GCF project proposal templates have resulted in AEs needing to restart the design process in a new format. Finally, keeping abandoned or withdrawn concepts on the pipeline list is not appropriate and calls for periodic clean-ups of the pipeline.

The accreditation process was reported to have become more complex (more evidence needs to be provided; more documents must be completed), as reported by an AE that is engaged in re-accreditation (as accreditation covers a five-year period). It was observed that RPSP procedures allow non-AEs to support local entities in the process towards accreditation as a DAE (such as in the case of GGGI). Also, some local stakeholders reported that GCF could learn from the approach of development partners with long-standing experience on the ground that disburse large-scale funding).

Finally, formalization of the country governance system of GCF interventions is pending, as the Decree establishing the Steering Committee is not yet signed (even though meetings are held). An effort to rationalize the institutional environment related to climate change issues is reported to be ongoing – led by the Directorate of Environment. This is considered a relevant exercise, given the multitude of committees with overlapping membership.

b. Use of budgets and expertise

The CP does not make reference to country cost-sharing – that is, the counterpart contributions covered by government budgets (focal point, staff, office equipment, transport, etc.). There is, however, no mechanism to motivate the NDA (the core entity of GCF operations at the country level), while recognizing the major tasks and responsibilities to coordinate the work (). This situation was reported to have resulted in turnover of focal points in other countries. Also, as the inputs of implementing partners and AEs are budgeted in the respective grants/projects, it is not

clear why some AEs expect focal points / staff to conduct a needs assessment or prepare an action plan, when this is the responsibility of the AE and budgeted for in the GCF funding received.

Be it the RPSP or the approved projects, the rate of disbursement is below expectations at this stage of CP implementation (57 per cent, RPSP; 4.5 per cent in the case of the approved projects). Moreover, GCF data showing disbursements for Togo under the three multi-country projects are inaccurate (as there are no activities so far in Togo under these projects). While it is understood how the GCF arrives at its dashboard figures (dividing the totals over the targeted countries), this is considered misleading and creates confusion at country level.

Staff turnover at the GCF – with new staff members' perceptions deviating from decisions taken by their predecessors – caused delays in the process as well as extra costs. Also, involving another entity acting as fiduciary partner in the Readiness programme, in addition to the selected delivery partner, has a cost implication (as each additional entity implies another layer of support charges).

Finally, the procedure for using any remaining balances of operationally completed RPSP grants is rigid (balance not remaining available for reprogramming at country level, although covering relatively small amounts).

c. Time-related issues

The approval of Readiness grants was relatively fast (averaging 2.7 months), but the post approval of the first grant took a long time (15 months). The picture looks much better for the second and third grants (one month for post approval). Delays in receipt of funding (first grant) made implementation time (one year) unrealistic, but more time has been permitted in the more recent grants (two years).

The average duration to approval of the four ongoing projects in Togo was 8.5 months. However, the average post approval process exceeded 17 months, and in the case of one project (FP 105) was reported as not completed yet (despite being approved in February 2019). As there are no approved national projects so far, it is not possible to compare the durations of the approval processes for multi-country and national projects.

As GCF processes are long, it is costly to engage in them, and respondents highlighted how this discouraged private sector engagement. Accordingly, whereas the GCF is private sector oriented, its own governance was considered not to follow a private sector mode of operation. In general, it is not efficient for entities with a faster approval process to engage in co-financing with the GCF (which is in fact an obstacle for inter-donor cooperation and cost-sharing).

4. Effectiveness in delivering results

The first two Readiness grants resulted in the CP, helped establish the institutional framework for national coordination and covered a series of awareness-raising-cum-training events to explain the modus operandi of the GCF. The ongoing (third) Readiness grant aims to prepare at least two entities (one in the public sector and one in the private sector) for GCF accreditation (complemented by support from UNDP that is also aimed at the accreditation of a national entity). The third Readiness grant is also expected to support the development of two concept notes. However, it is premature to assess the likelihood of its results, as this grant was implemented just a few months ago and for now no candidate entities have been selected. The rationale and expected value added of developing a climate finance strategy, included in this same (third) grant, does not directly refer to whether the GCF CP itself constitutes a strategic vision towards the mobilization of climate finance. In fact, the CP seems underutilized by the GCF, whereas it constitutes the cooperation framework between the GCF and Togo. Although any Readiness grant funding received is considered relevant,

it is ultimately access to GCF climate finance instruments that determines results and, as discussed below, these are not yet observed on the ground in Togo.

The project achievements so far are to be assessed against the implementation plan and targets set out in the GCF CP for Togo. It took about one year to prepare this CP (April 2017–March 2018), which synthesized earlier strategic documents and included a preliminary portfolio of project ideas and concepts. The CP aims to be different from earlier programmes, reflecting "a paradigm shift" (towards a more holistic, cross-sectoral and coherent approach).

The effectiveness of work carried out so far has to be gauged against what was planned to be achieved during the start-up phase – the period 2018–2020. According to this planning, a total of 20 projects should have been initiated by now, for a total investment of USD 568 million – a very ambitious plan and timeline. Given the status of the GCF portfolio as at mid-2021, programme implementation is not achieving these ambitious and possibly unrealistic goals.

To implement its INDC, Togo is estimated to need USD 3.54 billion, of which USD 1.54 billion relates to adaptation, USD 1.1 billion to mitigation, USD 0.5 billion to technology transfer and USD 0.4 billion to capacity-building. The GCF "dashboard" refers to GCF financing in Togo totalling USD 34.5 million. This figure is not only far from the target set for the first phase of the CP (USD 568 million) but is a highly misleading indicator of programme performance. Namely, this GCF figure includes approved multi-country projects that do not guarantee implementation in Togo. Moreover, as the pipeline is rather short and covers, following review, only four active projects (of which two are national ones), the likelihood of a rapid increase of GCF financing is rather low.

The absence of national DAEs implies that Togo has had no direct access to the GCF so far. Attempts made towards DAE accreditation have not yet been successful. Two national funds (*Fonds National pour l'Environnement (FNE), 2008; Fonds National de Développement Forestier (FNDF), 2009*) were expected to play a key role in the regulatory and institutional setup to mobilize climate finance as per the CP (p. 24).[292] In fact, the FNE is not operational, and the outcome of an ongoing review by the Government of Togo of the possible sources of funding for the FNE (aiming to expand the same beyond fiscal levies) is not yet known.

As it proves difficult to find AEs interested in developing ideas/concepts, this certainly does not facilitate the process of building a solid pipeline. AEs appear to be selective before engaging their own resources in the process of concept preparation. Also, the upfront investment required for concept development encourages AEs to engage in large-sized proposals. Moreover, AEs' vision regarding their role may vary. As one AE put it, "It is not our role to develop and implement large volumes of climate finance. Emphasis should be on building local/regional capacity to this end as, for now, a very small percentage of GCF funding is channelled through DAEs."

In the absence of a DAE, and if no AE is interested in taking a project idea forward, a proposal does not get beyond the idea stage or is outright abandoned. This has contributed to a portfolio with very few national projects. To date, all approved (multi-country) projects are only just starting, so it is premature to assess their results, let alone the likelihood of the impact of these ongoing projects in addressing the vulnerability of local communities. Moreover, as explained earlier, it is not yet certain if Togo will actually be part of the ongoing multi-country projects in which it is listed.

[292] In Benin, the National Fund for Environment and Climate is a DAE.

5. Overview and coherence with other climate finance sources/delivery channels

The GCF CP states that its programme structure and intervention strategy provide a practical reference for the country's technical and financial partners that are engaged in climate related mitigation and adaptation support to Togo. Based on the interviews held and document review, a number of findings are highlighted below regarding actual/potential synergies, including among countries and development partners around GCF operations.

To start with, the informal network established by focal points at the subregional level, designed to share experiences and lessons among one another, is considered a relevant initiative. However, partially due to focal point turnover, the network is reported to be less active now than previously.

GCF Readiness in Togo was able to build on the work of the AF by engaging the (already accredited) implementing partner of the AF (a regional AE) for the first two grants. For the third Readiness grant a new delivery partner was chosen. At the time of the case study interviews, there was, however, no contact between the current and the previous implementing partners with a view to building on lessons and experiences.

In general, cooperation on the development of concept notes was reported between AEs (with one of the AEs providing technical advice, yet not expected to be involved in the implementation of the project once approved). One AE reported that it seeks to learn from the GCF review process of a project concept in other countries in the region, to anticipate the types of information/questions that the GCF can be expected to raise about concept notes. Also, it was reported that proposals rejected by the GCF can be submitted to other potential donors active in the field of climate change (an option already followed by one AE).

As countries are encouraged to cooperate on the development of regional proposals (as per the Readiness Guidebook), further strengthening of regional collaboration through the involvement of (sub-) regional AEs is being pursued. To this end, Togo has already nominated three organizations: African Guarantee Fund, Sengueti (Ghana) and CGLU Africa (Morocco).

There is no indication of co-financing/cooperation between the approved projects and related funding from other development partners in Togo. Considering the related assistance in the country (see Appendix 1), there is expected to be scope for seeking collective efficiencies among the related support (e.g. seeking GCF funding to scale up small-scale/pilot interventions with proven results). It is noted that co-financing supposes that the speed of project approval of the participating donors converges. As mentioned, the length of the GCF process could discourage such co-financing.

6. Conclusions and recommendations

The implementation of the GCF CP is seriously behind schedule. Therefore, accelerating its implementation is imperative so that the GCF can contribute to Togo being able to meet the targets set, taking into consideration that Togo is reported to be one of the most climate vulnerable nations.

a. For Togo

Togo is encouraged to do a rapid self-assessment of what is to be done, at its end, at the highest level to speed up direct access to GCF funding (e.g. selection of candidate DAEs and support to prepare for their accreditation; formalization of the local governance of GCF funding; learning lessons from the experience of other countries in the region where possible).

b. For the GCF

The GCF is encouraged to review, based on the findings of the case studies, how and to what extent its financing conditions and processes can be streamlined to better adapt them to the context of LDCs such as Togo.

Moreover, a thorough examination of the relevance of the multi-country approach is needed, including a review of the precise country coverage of ongoing multi-country projects and of their budgeting.

Also, the GCF is to ensure that its dashboard reporting on funding mobilized and expenditures is reviewed and rectified in order to give an accurate picture of the funding mobilized for countries.

Finally, its modus operandi of cooperation with international AEs merits review, including more robust monitoring of the degree to which AEs effectively involve the target countries in concept design and project implementation.

In general, as time goes by and in order to foster country ownership, GCF AEs are expected to gradually move away from implementing large volumes of climate finance on behalf of the countries involved and to start playing a key role in strengthening the capacity of countries to formulate and implement large-scale adaptation and mitigation projects themselves.

Appendix 1. CLIMATE CHANGE RELATED FUNDING – OVERVIEW OF MAIN ACTORS

Summary of climate change support period 2005–2025

FUND	THEME	EXECUTING AGENCY (TOGO)	IMPLEMENTING AGENCIES
Adaptation Fund	adaptation	MERF	BOAD; CSE
LDCF	adaptation	MERF	IFAD, UNDP, FAO; LDCF; WB/ International Development Association
GEF	multifocal (= both adaptation and mitigation)	MERF; Min. des Infrastructures; Compagnie Energie Electrique du Togo; Min. de l'Urbanisme; Min. du Développement à la Base; NGOs	AfDB; EU; BOAD; UEMOA; UNEP, GEF; WB/IDA; UNDP; Gvt of Togo
BMZ/GIZ	multifocal	MERF; Min. de la Santé; Min. de l'Agriculture, Red Cross Togo, AT2R	GIZ; Red Cross
KfW	multifocal	Min. des Infrastructures; Min. de l'Equipement rural	GIZ
FCPF	mitigation/REDD	MERF	WB/FCPR-RF; BMZ/GIZ; Gvt of Togo
EU	multifocal	MERF; Min. de l'Eau et de l'Hydraulique, INADES, AT2R; RAFIA	EU; AFD; INADES; Acting for Life; SEFA/AfDB; Gvt of Togo
UEMOA	multifocal	MERF; Min. de l'Agriculture; Min. de l'Urbanisme	UEMOA; Gvt of Togo
AfDB	multifocal	MERF	AfDB
AFD/FFEM	multifocal	NGO/AVSF; Maire Lomé; Expertise France/BTD; District Autonome Grand Lomé; Min. de l'Eau et de l'Hydraulique; RAFIA; ICAT; ITRA; IRD; UROPC-S	FFEM; IFAD; EU; BOAD; AFD; Commune Lomé
FAO	multifocal	MERF; Min. de l'Agriculture	FAO
UNDP	multifocal	ANPC; MERF	UNDP; NDC
OIBT	multifocal	MERF	OIBT
UNEP	multifocal	MERF	UNEP; Gvt of Togo
Fonds Nordique	adaptation	Min. de l'Eau	
BOAD	multifocal	Min. de l'Agriculture; AT2R	BOAD; AFD; Private Inv.; UNDP; UNEP; GEF; Gvt of Togo; WB; LDCF; GFDDR; Terre Africa
GCF	multifocal	MERF; Min. de l'Energie; Min. de l'Agriculture; AT2R	CSE; GGGI; IAA; BOAD; FAO; UNDP; WB; AfDB; Private Inv.; BADEA; IDB
IFAD	adaptation	Min. de l'Agriculture	IFAD; GAFSP; Gvt of Togo; beneficiaries

FUND	THEME	EXECUTING AGENCY (TOGO)	IMPLEMENTING AGENCIES
WB	adaptation	Min. de l'Agriculture; ANPC; METEO	WB
EXIM Bank	multifocal	AT2R	EXIM Bank
Conseil de l'entente	mitigation	AT2R	AT2R
ARAA/ECOWAS	adaptation	RAFIA	AFD/ECOWAS
IRENA	mitigation	AT2R	IRENA
Private	mitigation	AT2R	Private; AfDB; Government of Togo
Action Solidarité Tiers Monde	adaptation	INADES	INADES
ASTM/Luxemburg	adaptation	INADES	INADES
Misereor/Germany	adaptation	INADES	INADES
Société Triballat/France	adaptation	INADES	INADES
Louvain Cooperation	adaptation	RAFIA	Louvain Cooperation
Self-Help Africa	adaptation	RAFIA	RAFIA
Léa Nature	adaptation	Min. de l'Eau	Min. de l'Eau
Red Cross	adaptation	Red Cross	RAFIA

Source: Based on MERF, *Etude sur lacunes et contraintes*, 2020 (conducted in the context of the preparation for the Fourth Communication)

Note: The list is indicative, covers a range of both ongoing projects and projects under formulation (grants and loans) and does not include recently approved (2021) funding. As the list includes projects under formulation, no budget figures are included.
WB|IDA (World Bank | International Development Association); IDB (Inter-American Development Bank)

Appendix 2. LIST OF INTERVIEWEES

NAME	AFFILITATION
Public sector organizations	
Agrignan Esso-Sam Abdou	Directorate of Environment, Ministry of Environment and Forest Resources
Awougnon Comlan	Ministry of Environment and Forest Resources
Ditoatou Kanfitine	National Coordinator REDD+, Ministry of Environment and Forest Resources
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NGOs	
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Bemah Gado	*ONG Science et Technologie Africaine pour un Développement Durable-STADD*
Eve Koudjovi Ayedeu	*Jeune Volontaire pour l'Environnement*
Accredited entities[293]	
Thoniard Céline	AFD (France)

[293] Interviews with the following international AEs of multi-country projects (including Togo) were covered directly by the IEU/GCF: AfDB; Pegasus Capital Advisors and IUCN.

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CSE	*see Accredited entities*
Donors/development partners engaged in climate change related support to Togo (other than accredited entities/delivery partners)	
Berendsen Alina	ProSanté Programme, GIZ (Togo)
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Appendix 3. MAIN DOCUMENTS CONSULTED

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