Introducing the use of geospatial data in the GCF's portfolio: Project location geocoding methodology [1]

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Background

As the Green Climate Fund (GCF) continues to channel climate finance to the world's most vulnerable communities, evaluation experts increasingly recognize that successfully implementing climate actions and assessing their impact requires geospatial data. Using geospatial data, referred to here as geocoding, can improve targeting, planning, policymaking and risk management. Yet the uptake of geocoding is limited in the climate finance domain, as is seen with the GCF.

The GCF already has sufficient country-level information about a project's location to help fulfil its mandate of supporting climate-challenged developing countries in limiting their greenhouse gas emissions and adapting to climate change. Still, having information about a project's location at the sub-national level is critical for measuring impact, managing the concentration of the GCF's portfolio, targeting for impact and reaching a country's most vulnerable communities.

Specifically, location information about sub-national level projects helps assess the alignment of GCF financial flows with pathways towards low greenhouse emissions and climate-resilient development. Geocoding helps clarify the precise geographic location of GCF projects and can be used for the following:

• Determining if GCF projects target the most vulnerable communities at the sub-national level.

• Establishing if GCF interventions within the same country are complementary and coherent.

• Quantifying the impact of GCF's project on communities and ecosystems in beneficiary areas.

About this paper

The 2022 working paper summarized in this brief examines how the DataLab of the GCF's Independent Evaluation Unit identified the sub-national geographical location of GCF projects by reviewing their approved funding proposals. This was the first time GCF's climate finance flows and distribution were tracked at the sub-national level.

The DataLab's review of funding proposals identified the most granular information concerning the location of GCF-financed project activities. The DataLab team undertook this in-depth approach because it felt the inability of the GCF funding proposal template to record a project's geographical location could limit the effectiveness of GCF's climate investments.

Findings

The DataLab's survey of funding proposals submitted to the GCF found that only 47 per cent disclose the sub-national location of the proposed project. Given this figure, it is unsurprising that around 50 per cent of the funding proposals contain a map. Ostensibly, this is good. However, these maps often vary in quality and are rarely useful for capturing a project's precise location.

The DataLab also found that the approach to disclosing project location varies between funding proposals and across the accredited entities that prepare them. The lab's analysis of project location revealed two main inconsistencies

• A non-standardized approach to disclosing location in the project development stage.

• A heterogeneous understanding of project location across funding proposals, leading to

[1] The citation for the IEU working paper discussed in this brief is: Torterat, Laurene, and Galyna Uvarova (2022). Introducing geospatial footprint of the GCF's portfolio: Project location geocoding methodology. Working paper No. 6 (September). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

disparate approaches in describing project locations.

Implications for GCF

This absence of standardized project location disclosure requirements in the funding proposal development stage can lead to ambiguous interpretations of other information in finished proposals. Ambiguous information regarding the location of a project's intervention and beneficiaries makes it difficult for the GCF to effectively monitor and evaluate its projects and overall portfolio of investments.

Similarly, heterogeneous interpretations of what constitutes a project's location can lead to multiple, uneven definitions across funding proposals—again causing ambiguity within the GCF and inconsistencies within the GCF portfolio.

Geocoding for better GCF investments

Having location data as part of a broader geographical information system makes it possible to ensure activities are well planned. Geocoding also helps improve the effectiveness of activities at all stages of the project cycle.

For example, local beneficiaries can learn how interventions are intended to support them. They can also map participation in project planning and implementation. Likewise, project staff can record new project management and evaluation information. Project managers can use geocoded maps to identify and visualize problems and inform their discussions with decision makers. Evaluators can obtain data to assess current and future interventions and their impacts.

As the International Fund for Agricultural Development's *Mapping Rural Development* manual says, geospatial data helps enhance accountability and increase stakeholder buy-in, from beneficiaries and implementors to donors and policymakers.

Conclusions and recommendations

The paper cautions that GCF's climate activities will remain difficult to fully monitor and evaluate if their original proposals lack sufficient baseline geospatial data. The current funding proposal template presents several challenges in identifying and describing project location.

For example, some projects finance sub-projects, but the approach to project location disclosure in such instances is inconsistent across funding proposals. Meanwhile, other projects use GCF funding to set up a finance facility but do not clarify the sub-national areas that will receive funding. Then there are cross-border projects where some countries do not receive funding, excluding them from geocoding and GCF evaluation.

DataLab suggestions for enhancing geocoding and improving GCF investments include, among others:

• Ensuring the geographic scope of a geocoded location is equal to the total beneficiary area for the projects' combined geographical coverage.

• Capturing activities per on-ground administrative unit when funding proposals have several components in the same location.