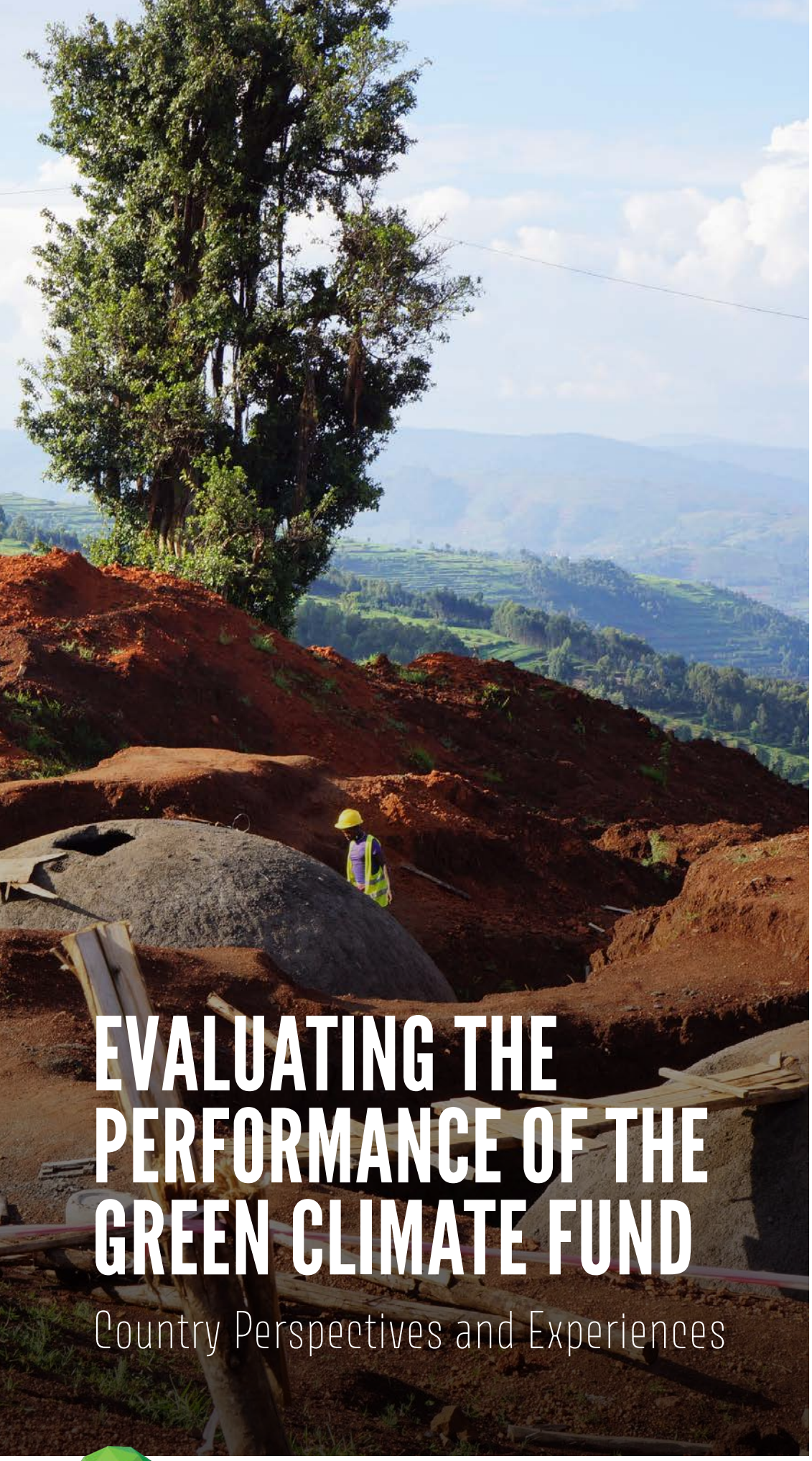
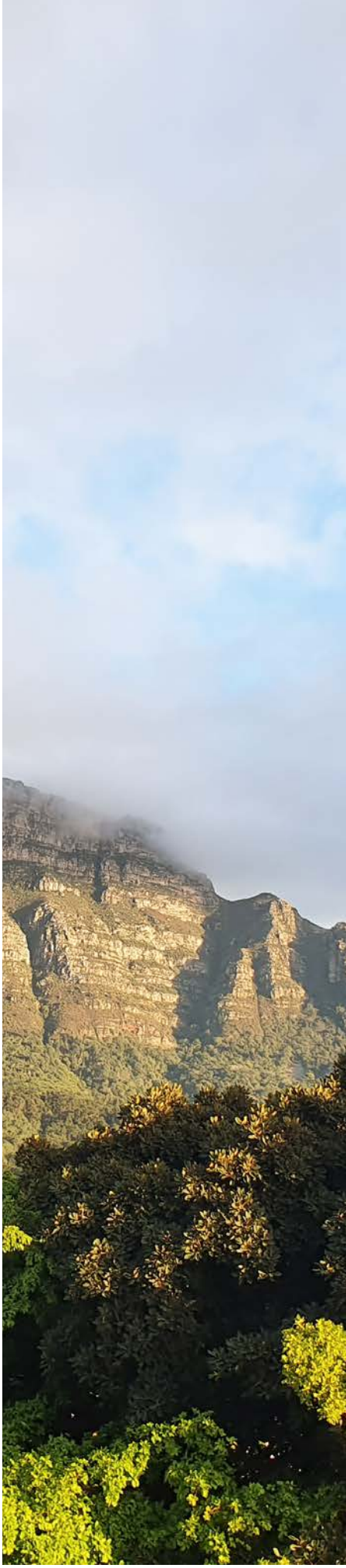


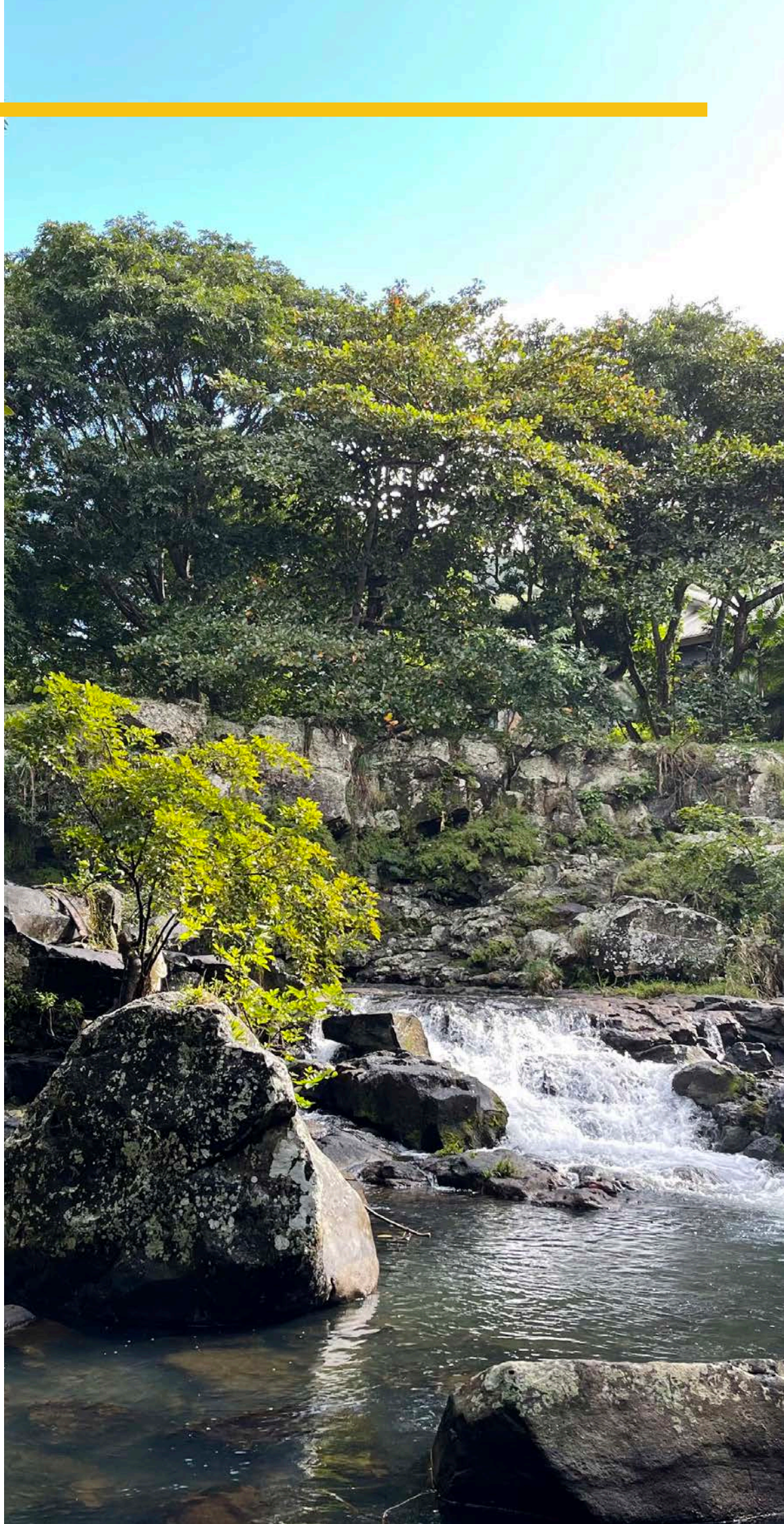
EVALUATING THE PERFORMANCE OF THE GREEN CLIMATE FUND

Country Perspectives and Experiences



GREEN CLIMATE FUND | Independent Evaluation Unit

TRUSTED **EVIDENCE**.
INFORMED **POLICIES**.
HIGH **IMPACT**.



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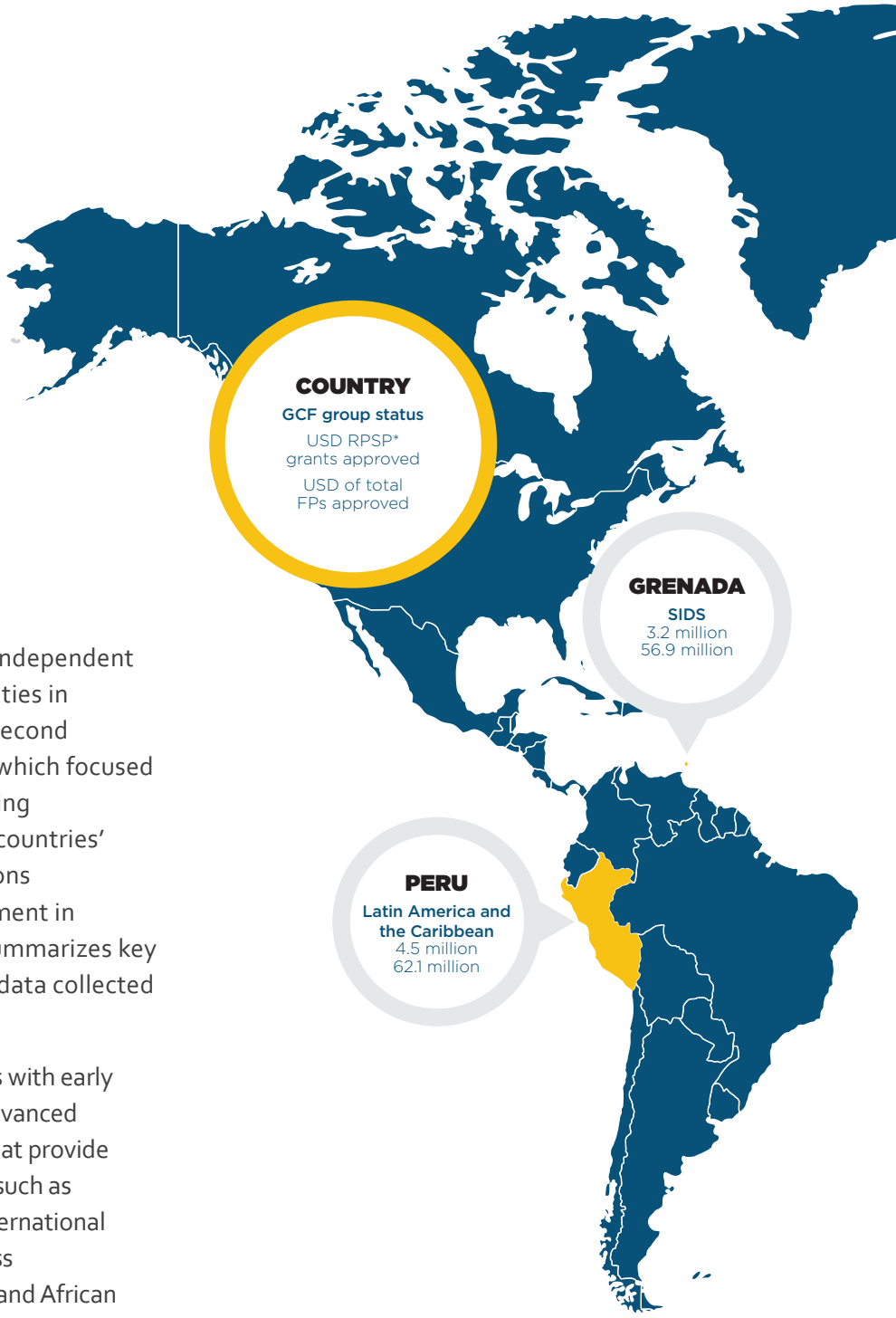
All photographs are provided courtesy of
IEU staff and consultants for the SPR country visits.



In 2023, the Green Climate Fund (GCF) Independent Evaluation Unit (IEU) studied GCF activities in 12 developing countries as part of the Second Performance Review (SPR) of the GCF, which focused on the first replenishment period covering 2020–2023. These case studies explore countries' efforts to lower greenhouse gas emissions and promote climate-resilient development in partnership with the GCF. This report summarizes key insights from those case studies, using data collected from March to August 2022.[1]

The 12 cases selected represent countries with early funding proposal (FP) approvals, more advanced implementation and results, and those that provide balance across other portfolio attributes such as adaptation/mitigation; public/private; international accredited entities (IAEs) and direct access entities (DAEs); regional representation; and African States, least developed countries (LDCs) and small island developing States (SIDS). Therefore, these case findings cannot be generalized to the entire GCF portfolio.

1 The full report and the 12 case studies are available on the SPR page of the IEU website (https://ieu.greenclimate.fund/evaluation/SPR2022).

CASE STUDY COUNTRIES

*Readiness and Preparatory Support Programme (RPSP)

ALIGNING GCF PROGRAMMING WITH COUNTRY GOALS

GCF programming generally aligns with national priorities and policies.

GCF programming is mostly aligned with national climate policies and financing in the case countries, with eight countries in significant alignment. In some cases, alignment derived from a strategic approach by the National Designated Authorities (NDAs) and other agencies to integrate GCF resources into sector programming and development. A good example is Rwanda, where the ministries of finance and environment (and their respective agencies) are working closely together to develop sector-scale programming and pipelines to support national priorities (e.g. around climate-resilient agriculture and green cities). Countries such as Georgia and Morocco have similarly strong institutional approaches.

GCF programming moderately complements other resources at the project or programme level but is not necessarily coordinated or optimized at the country portfolio level.

In all but one country profiled, GCF support for individual projects and programmes either moderately or significantly complements other climate finance interventions for that sector in the country. However, there is only limited evidence of strategic or coordinated approaches to planning or financing at the national portfolio levels.

For instance, in India, several projects were building on, aligning with, or scaling up other climate finance initiatives. FP045 complements earlier and ongoing climate and water management interventions implemented at the state level, including those implemented by the Asian Development Bank and the World Bank.[2] Likewise, FP084 aligns with and builds upon existing Asian Development Bank and World Bank projects.[3]

In Kenya, GCF funding has amplified climate initiatives that began with funding from other bilateral and multilateral aid projects, such as for the Agence Française de Développement (FP095), the

2 FP045: Ground Water Recharge and Solar Micro Irrigation to Ensure Food Security and Enhance Resilience in Vulnerable Tribal Areas of Odisha.

3 FP084: Enhancing Climate Resilience of India's Coastal Communities.

Netherlands Development Finance Company (FP099), Germany's Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (FP103), the African Development Bank (FP148 and FP168) and the World Bank (FP163 and FP177).[4]

Country capacities and circumstances play a major role in determining how strategically GCF programming aligns with country priorities and opportunities.

Institutional weakness in the NDA can result in a strategic disconnect between a country's GCF portfolio and wider sector planning and finance processes, as well as create capacity challenges in accessing funding. The case studies found high variance in the capacities of NDAs and accredited entities (AEs), particularly DAEs, with greater challenges in more fragile and lower-capacity environments.

For instance, NDA capacity levels among the 12 countries ranged evenly from low to moderate to strong (4 each), with most (7) indicating at least slight improvement in capacity since GCF's Initial Resource Mobilization (IRM) phase from 2015 to 2018. A major challenge is that the NDA role often represents only a small share of one government staff person's duties that also engages more broadly with climate finance planning and institutional relationships. Even in a large middle-income country with strong NDA capacities such as India, the GCF portfolio has developed in a somewhat organic rather than strategic way.

Countries more successful in developing strategic GCF programming often have strong NDA capacities (e.g. to undertake planning and prioritization) and access to high-capacity AEs and development partners that align with country priorities, and they bring significant experience in climate finance programme management as well as sufficiently scaled and timely funds from GCF and other sources for their needs. For example, countries such as Morocco, Rwanda and Georgia have strong institutional delivery models and right-sized project portfolios.

GCF country programmes (CPs) are only inconsistently helpful in guiding internal country planning and related stakeholder engagement.

The case studies found that while CPs do add value to national climate processes, such as by increasing engagement of stakeholders, they have not been consistently useful for identifying the areas of highest impact for the country to then engage further on with GCF. For example, they do not necessarily identify projects with high paradigm shift potential or ways to strategically use the Readiness and Preparatory Support Programme (RPSP). Five of the nine cases with CPs approved or awaiting approval indicated the CP was helpful but had gaps or became quickly outdated. One country anticipated that its CP, currently under review, would be helpful once the GCF approves it, and the remaining three reported the CP was of limited or no meaningful value in guiding GCF country programming.

To give an example, Grenada has taken a comprehensive approach in developing its CP to ensure that its GCF project pipeline is fully aligned with national policy and climate planning priorities. Stakeholders there believe that the CP, which is awaiting GCF approval, will enable a rapid influx of capital needed to help recover from the economic shock caused by COVID-19 and set the country on a path for climate-resilient and low-carbon development.

4 FP095: Transforming Financial Systems for Climate; FP099: Climate Investor One; FP103: Promotion of Climate-Friendly Cooking: Kenya and Senegal; FP148: Participation in Energy Access Relief Facility ("EARF"); FP168: Leveraging Energy Access Finance (LEAF) Framework; FP163: Sustainable Renewables Risk Mitigation Initiative (SRMI) Facility; FP177: Cooling Facility.

IMPROVING ACCESS TO THE GCF

Direct access continues to be a challenge, due to high transaction costs for accreditation as well as unclear decision-making, and extensive communications with the GCF.

Bangladesh, Georgia, Grenada, Kenya, India, Mauritius, Morocco, Peru and the Solomon Islands all reported serious issues in accessing the GCF, some of which led to insurmountable hurdles for the countries' entities. For instance in Kenya, stakeholders reported a lack of clarity on GCF process and communication protocols, including how to interpret standards and templates, or whom to contact at the GCF Secretariat.

Several countries indicated that many agencies eager to work with the GCF do not wish to do so as AEs, citing challenges like high fiduciary and compliance standards (e.g. Bangladesh) or a lack of basic resources and capacities (e.g. Mauritius).

Countries struggle to strategically identify DAEs.

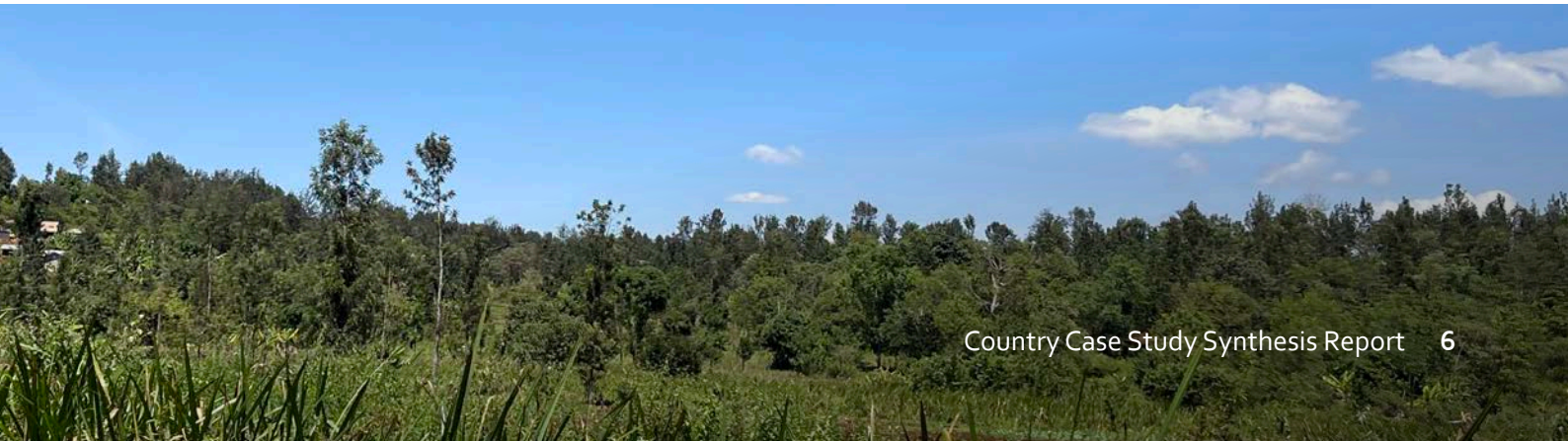
Many NDAs reported they do not have sufficient access to the types of AEs and DAEs best suited for their programming priorities. The right number and type of DAEs in a country depend on several factors, including entity capacities, sectoral opportunities, programming priorities and the expected availability of GCF resources. Many countries would prefer to access the GCF through accredited DAEs but ultimately look for alternatives while waiting for DAEs to become accredited.

Only four countries profiled had two or more accredited DAEs (Bangladesh, India, Kenya and Morocco). Another four had one DAE, and the remaining four (mainly SIDS) had none. For some countries, broadening their national coverage to at least one public and one private sector DAE was important (Peru, Rwanda). In India and Morocco, it was unclear whether the large number of accredited and nominated DAEs (eight total in each country) is too many for the funding resources that the GCF could realistically commit to the country. It was also unclear whether there were sufficient DAEs to meet critical GCF priorities, such as for adaptation. For instance, in India, only one of the accredited DAEs had any approved projects. Most other DAEs had internal dynamics, like restructuring, which were beyond the GCF's control that stopped them from pursuing GCF programming. Another had never received approval of any concept notes (CNs).

In most cases, the GCF's accreditation and proposal development support is not adequately meeting DAE capacity development needs.

While DAEs represent a broad range of capabilities, capacities and business objectives, many, especially private sector and very small DAEs, face financial, technical and staffing challenges. DAEs struggle with requirements for accreditation and in developing successful FPs mainly due to capacity constraints. In 11 out of 12 case study countries, DAE capacity development needs were inadequately covered for accreditation, FP development, or both.

The extent to which each country benefited from GCF support through RPSP tasks that focused on DAE capacity building, Project Preparation Facility (PPF) grants, or tailored on-demand support varied widely. This is due in part to the varying capacities of NDAs, such as if they have too many responsibilities (e.g. Kenya, Morocco) or are rotating too often (e.g. Bangladesh) and are not able to fulfil their role in connecting with the GCF or support DAE capacities. In some cases, support from the GCF Secretariat was critical or helpful for accreditation (e.g. Kenya, Rwanda). In other countries, NDAs and their partners did not apply for or obtain sufficient RPSP or other forms of support (e.g. India, Solomon Islands).



DAE capacity support and accreditation varied widely across case study countries.

BANGLADESH. Early RPSP engagement was instrumental for the accreditation of DAEs. Entities prefer better access through a graduated system of accreditation and learning as they go – for instance, where multiple DAEs and IAEs collaborate on a single project.

GEORGIA. The one accredited DAE (TBC Bank) had high capacities due to international development exposure and used its own funds to take the steps needed to meet accreditation requirements. The nominated Georgian Energy Development Fund benefited from good-quality RPSP support.

GRENADA. A nominated DAE (Grenada Development Bank) is making good, albeit slow, progress through RPSP support, ad hoc GCF consultancies and advice, and as the executing entity (EE) in two GCF projects. Accreditation was delayed due to other priorities during the COVID-19 pandemic.

INDIA. The many DAEs and DAE candidates have varying capacities, with only limited assistance from the NDA and other sources of support. A private sector entity accessed the GCF through a Netherlands Development Finance Company project and assistance from the GCF's Private Sector Facility.

KENYA. Two national DAEs, the national environmental protection agency and a bank, were recently accredited with significant assistance from the GCF Secretariat. But seven remaining DAE nominees have not received much assistance with accreditation through RPSP grants or other sources of support.

MALDIVES. The main candidate as DAE is the current NDA, but RPSP support for accreditation was delayed and the entity has limited capacities to advance the accreditation process internally. One nominee decided not to continue to pursue accreditation, and another nominee received technical support from USAID (not GCF) to pursue GCF accreditation.

MAURITIUS. Support is lacking, and no RPSP grants were requested. The DAE candidate has not succeeded in obtaining an online accreditation system account. The NDA has tried to facilitate access without success.

MOROCCO. There are three national DAEs. Most DAEs and DAE candidates used their own resources for their applications. However, the Agency for Agricultural Development of Morocco received RPSP support, and the Crédit Agricole du Maroc and United Cities and Local Governments of Africa also recently received targeted RPSP grants for accreditation and programming.

PERU. One early DAE (Profonanpe) received support through several RPSP grants and succeeded in obtaining approval for an FP. No other potential candidates received RPSP support.

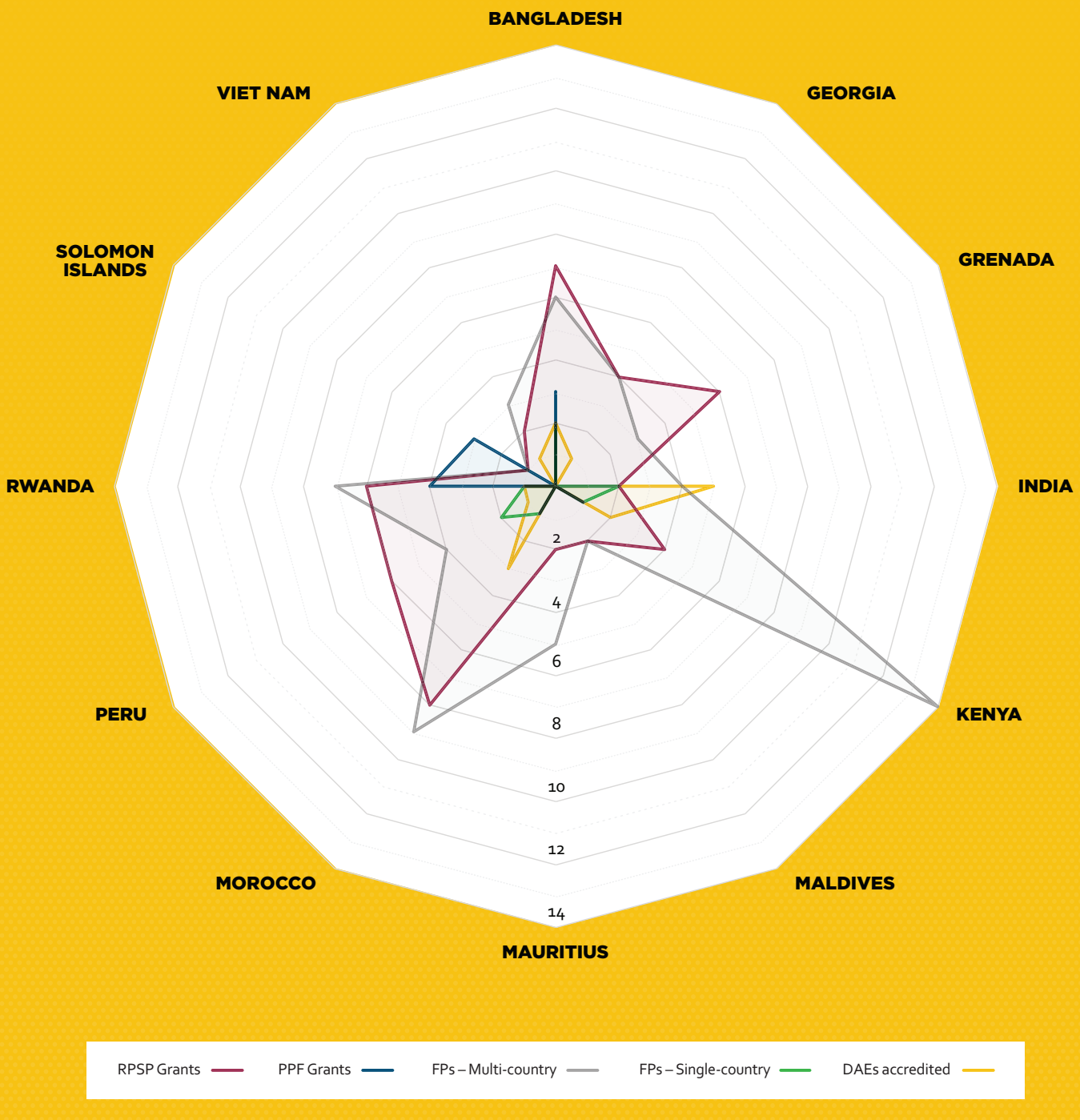
RWANDA. A private sector DAE nominee (Rwanda Development Bank) benefited from capacity support by the Investment Climate Reform Facility. The Ministry of Environment, as an early government-related DAE, was fast-tracked and received GCF technical support for accreditation.

SOLOMON ISLANDS. GCF accreditation support through multi-country training workshops was not useful. No RPSP grants were requested. A regional DAE (Secretariat of the Pacific Regional Environment Programme) said it was applying for multi-country DAE support.

VIET NAM. The Vietnam Development Bank is the only accredited DAE and used its own resources for accreditation. However, there were concerns that the DAE was not sufficiently prepared to sign its Accreditation Master Agreement or follow up with CNs/FPs. It has not requested RPSP support.

> "The [recent] support through the PPF was amazing [at] … letting us know what is coming up and how to be prepared. Our perception of [the] GCF changed completely."
>
> *– Stakeholder in Bangladesh*

GCF INVESTMENT AND PREPARATORY SUPPORT VARIES BY COUNTRY*



*Note: The numbers represented are the number of projects (as opposed to project funding amounts).

PROGRAMMING AND IMPLEMENTATION

The readiness support options are only partially meeting country capacity building, climate planning and strategic prioritization needs.

Despite the progress made via individual RPSP grants, readiness support is only partially meeting country needs, and extensive or delayed approval processes are discouraging countries from seeking more support. Half of the countries profiled indicated that readiness support was insufficient (e.g. Solomon Islands) or only partially met country needs (e.g. Kenya, Mauritius). Five countries reported the support as adequate, though each noted gaps (e.g. Bangladesh, Georgia).

> "Readiness is not the big chunk of money that we need."
>
> *– Stakeholder in Mauritius*

Only Grenada and Rwanda, each of which have six RPSP grants approved to date, reported that the GCF or other supporters were substantially meeting their readiness needs. Grenada used its RPSP grants to build capacity within the NDA, develop a CP, and develop climate programming and capacities at the sector level. Rwanda used RPSP and PPF grants together in interesting ways to support development of a Green City Pilot CN and subsequent FP.

GCF processes are still widely perceived as bureaucratic, lengthy, inconsistent and non-transparent.

The GCF has made substantial efforts to improve its processes in recent years. However, country stakeholders reported that while partners had good relationships with individual Secretariat staff, GCF processes had become more rigid, repetitive, unpredictable and unwieldy since the IRM phase, particularly in the CN stage. Several cases, such as Bangladesh, Grenada, Maldives and Rwanda, indicated it would be "impossible" to provide the detailed climate data that GCF expected to justify the countries' CN submissions. Almost all countries also reported that the RPSP submission process was unnecessarily burdensome, lengthy, uncertain and unclear on the types of support available or the process to initiate a request.

The RPSP and FP approval cycles are still widely perceived as too long to be responsive to the urgency of climate change, particularly in SIDS, LDCs and African States. For instance, stakeholders in Maldives are frustrated that they have not yet secured RPSP grant approval to support their National Adaptation Plan after two years. In Mauritius, RPSP grants funded feasibility studies for climate-proofing the Port of Port Louis, but the FP approval process has been so slow that the validity of the study may expire.

> We are still waiting for support from GCF. It takes three years to get anything through GCF. It's quite a long time. It's a gap, and we cannot complete our task on time because we are waiting. Please, can GCF consider shorter processes?
>
> *– Stakeholder in Viet Nam*

> GCF needs to be more realistic than what is expected from a CN or FP and could learn from Global Environment Facility and the Adaptation Fund.
>
> *– Stakeholder in Peru*

> Outline exactly what else needs to be done with conditional approval, then it would be better.
>
> *– Stakeholder in Kenya*

Once FPs reached the implementation stage, stakeholders in all countries still viewed processes as excessively burdensome. In Georgia, for instance, the IAEs for all active FPs indicated that there was a high degree of inflexibility in implementation and supervision processes, particularly given the highly dynamic implementation environment in the country. The IAEs cited the challenges of ensuring approval for minor changes to projects and the long lead times in reporting and monitoring, which limited the usefulness of Annual Performance Reviews (APRs).

> People change in the GCF and do not read the background context and then [are] asking the same questions … We know it will be the same problems for the [next project].
>
> *– Stakeholder in Bangladesh referring to GCF review of APRs*

Partners are losing momentum, and some are hesitant to further engage with the GCF.

Most countries (7 of 12) indicated that their momentum for GCF engagement is slowing or stalling relative to the IRM phase, and key climate actors have either already decided not to pursue further engagement with the GCF or are more cautiously assessing future activities due to the processes involved.

In one case, stakeholders in Maldives noted that challenges during the RPSP and FP submission and appraisal processes since 2018 make it nearly impossible to access GCF finance now. This was a significant change from earlier (e.g. for FP007), when the submission and appraisal process was relatively streamlined.[5] Some IAEs mentioned that they were strongly considering other options because the transaction costs were prohibitive. Similarly, some AEs were not motivated to pursue further GCF FPs in the Solomon Islands because the country obtained approval for only one FP to date.

Georgia, Kenya, Mauritius and Rwanda are continuing to engage with the GCF but with restrictions, including capacity issues. India was the only country where stakeholders perceived momentum building since the IRM phase, although the NDA and AEs are still facing capacity constraints in advancing projects in the current phase.

5 FP007: Supporting Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages.

EMERGING RESULTS

Countries have made good implementation progress, considering the COVID-19 pandemic.

Project implementation was mostly on track in half of the countries profiled, ahead of schedule in one (Rwanda), and behind schedule in the rest. Project results were emerging in all countries but one (Solomon Islands). Note however that the countries selected for this review are further along in their implementation efforts than the average country in the GCF portfolio. In other words, readers should not generalize the results here across the overall portfolio.

Eight of the 12 countries profiled mentioned that constraints due to the COVID-19 pandemic affected implementation and results to varying degrees. In Peru, COVID-19 and the remoteness of the indigenous project area were issues (FP001).[6] In India, COVID-19 led to bankruptcies and lower demand for project support in the private sector. Georgia reported that the problematic macroeconomic and political context compounded COVID-19 challenges. Grenada, Kenya and Maldives had inflexible workplans for funded activities and problems adjusting project implementation to changing circumstances and the loss of purchasing power of project funds.

In Bangladesh, Grenada, Maldives and Morocco, protracted funded activity agreement negotiations, delayed start-up, disbursement problems and communication with the GCF Secretariat around implementation reports were especially challenging. Many projects that faced significant challenges due to the COVID-19 pandemic also faced considerably delayed co-financing by IAEs, such as by the World Bank in the Solomon Islands (FP044), or had funds withdrawn entirely, such as by the Korea International Cooperation Agency in Peru (FP001).[7]

Factors playing a strong role in implementation progress include good project design, sufficient resources, strong political support, high government capacities, and close stakeholder coordination.

High-level political support for national climate change action helped spur progress, such as in Bangladesh, Kenya and Vietnam. Implementation progress was also more likely in countries with high government capacities, close coordination, and ongoing alignment among affected ministries, EEs and AEs (e.g. Grenada, Kenya, Mauritius, Vietnam).

6 FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru.

7 FP044: Tina River Hydropower Development Project; FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru.

Good project design, preparatory funds and support, as well as building on past or ongoing projects and lessons learned with highly experienced AEs and EEs also provided a good basis for successful implementation in Kenya, Morocco, Peru and Rwanda. In Peru and Rwanda, extensive beneficiary consultations and strong, locally based technical assistance has helped projects progress in targeted communities.

Initial outcomes and climate impacts are starting to emerge, signaling potential paradigm shifts at the sub-sectoral level.

Several projects in early implementation are targeting systems-level changes that could contribute to a paradigm shift in sub-sectors or smaller scales. For instance, some GCF interventions have demonstrated the social, economic and financial viability of new business, technology or community models with replication potential (e.g. FP073 in Rwanda, FP001 in Peru).[8] Similarly, the emergence of new institutional capacities, policies and regulations holds promise for potential impacts (e.g. FP033 supported establishment of the Renewable Energy Agency to support national scaling of clean energy in Mauritius; FP004 has established a center of excellence within the Local Government Engineering Department and created guidelines for climate-resilient building design to be followed at a national level in Bangladesh).[9]

In smaller countries, individual GCF projects can facilitate a whole sector's transformation (e.g. FP069 can facilitate the restructuring of the entire national early warning and hydrological monitoring system in Georgia).[10]

The following segment outlines projects where outcomes and climate impacts are reported to emerge in India, Morocco, Grenada and Maldives.

8 FP073: Strengthening Climate Resilience of Rural Communities in Northern Rwanda; FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru.

9 FP033: Accelerating the Transformational Shift to a Low-Carbon Economy in the Republic of Mauritius; FP004: Climate Resilient Infrastructure Mainstreaming (CRIM).

10 FP069: Enhancing Adaptive Capacities of Coastal Communities, Especially Women, to Cope With Climate Change Induced Salinity.

Main factors affecting implementation in case study countries

ENABLING FACTORS	CHALLENGING FACTORS
• High-level political support or top-down expectations for climate results	• COVID-19 pandemic
• Government capacities	• Worsening macroeconomic context, including loss of purchasing power of project funds
• Close coordination and ongoing alignment among entities and ministries	• Lack of political support or a changing political context
• Good project design, preparatory funds, and building upon earlier projects	• Project rigidities or insufficient adaptive management
• Experienced AEs and EEs	• Delayed start-up and disbursements
• Extensive beneficiary consultations	• Remote project areas
• Substantial, local technical support	• Communication with Secretariat, especially around APRs

INDIA FP081: LINE OF CREDIT FOR SOLAR ROOFTOP SEGMENT FOR COMMERCIAL, INDUSTRIAL AND RESIDENTIAL HOUSING SECTORS

Developing and leveraging the market for solar photovoltaic (PV) financing.

Blending finance for solar rooftops. As DAE, the National Bank for Agriculture and Rural Development blended a USD 100 million concessional loan from the GCF with USD 50 million in equity and USD 100 million in debt from Tata Cleantech Capital, which also was the EE. The programme aimed to provide upfront financing to develop the commercial, industrial and residential market for solar rooftop financing to meet India's ambitious target of 40 GW of rooftop solar power by 2022.

Increasing solar capacity. The project received its first disbursement of USD 50 million in March 2019 and, after a slow start due to macroeconomic instability, a changing regulatory environment, and the COVID-19 pandemic, disbursements accelerated in 2021 and 2022. Despite these challenges, Tata Cleantech had approved 267 MW of rooftop solar capacity by the end of 2021 and expected to achieve its target of 250 MW by the end of 2022.

Generating climate impacts. Installations were expected to generate around 4,000 direct jobs and mitigate 8.2 million tCO_2e over their lifetime. However, that mitigation figure is lower than early estimates because the rooftop plants are generating less power than initially expected, causing the implementers to now plan for a 15-per-cent increase in megawatt capacity.

Transforming the market. The project has been an early mover in PV financing and creating the enabling conditions for market-driven delivery at scale. At least nine financial institutions now operate in the same solar PV financing market. The project also promotes skills development and jobs for women and supports women-led businesses in procurement. Other GCF DAEs have expressed interest in similar financing vehicles for solar PV and other technologies (e.g. waste, water, storage).

MOROCCO FP022: DEVELOPMENT OF ARGANICULTURE ORCHARDS IN DEGRADED ENVIRONMENT (DARED)

Planting revenue-producing trees against desertification and co-managing a forest biosphere and heritage through community participation.

Protecting the biosphere and generating revenues. To be completed in 2023, this project developed a new integrated model of alternative landscape use, value chain integration, and community participation to farm argan trees on 10,000 hectares, including 2,000 hectares of intercropped medicinal aromatic plants, in southern Morocco. The results contribute to natural preservation and are socially and economically benefiting over 26,000 people in local communities. It successfully domesticated argan trees on marginal lands and is helping to defend the argan tree biosphere and forest from desertification. Preserving this biodiversity ensures increased resilience of the whole ecosystem and populations living off the land.

Increasing benefits and sustainability. The project covers the full argan value chain and will considerably increase local revenues once the trees are mature. Argan oil is a high-value commodity with international demand, used for different food and cosmetic products. The project also developed model contracts for argan tree plantations with agricultural and other services, including for private investments, helping businesses become more sustainable. Benefits cut across mitigation and adaptation, and a third of the individuals targeted are women.

Overcoming farmer resistance. The project faced many technical difficulties and social resistance from those more interested in raising goats, livestock grazing and other uses of common grounds. This increased attention on land tenure security and the need for laws to provide better legal protection of argan tree growers. Extensive capacity-building helped improve public perception of the project and facilitate co-management of the argan biosphere by local communities, civil society organizations and forest services. The project established conflict resolution mechanisms and invited national NGOs to engage with local stakeholders in their own languages and participate in project monitoring and evaluation.

Scaling-up. GCF-funded activities totaled USD 49 million, with national and regional entities co-financing USD 9.9 million. To promote scaling-up, the project invested in research to improve the stock of climate-resilient argan tree varieties. Morocco has already signaled an interest using local and national public contributions to scale up the project, such as by investing USD 150 million to plant 43,000 hectares of argan orchards.

GRENADA FP059: CLIMATE RESILIENT WATER SECTOR IN GRENADA (G-CREWS)

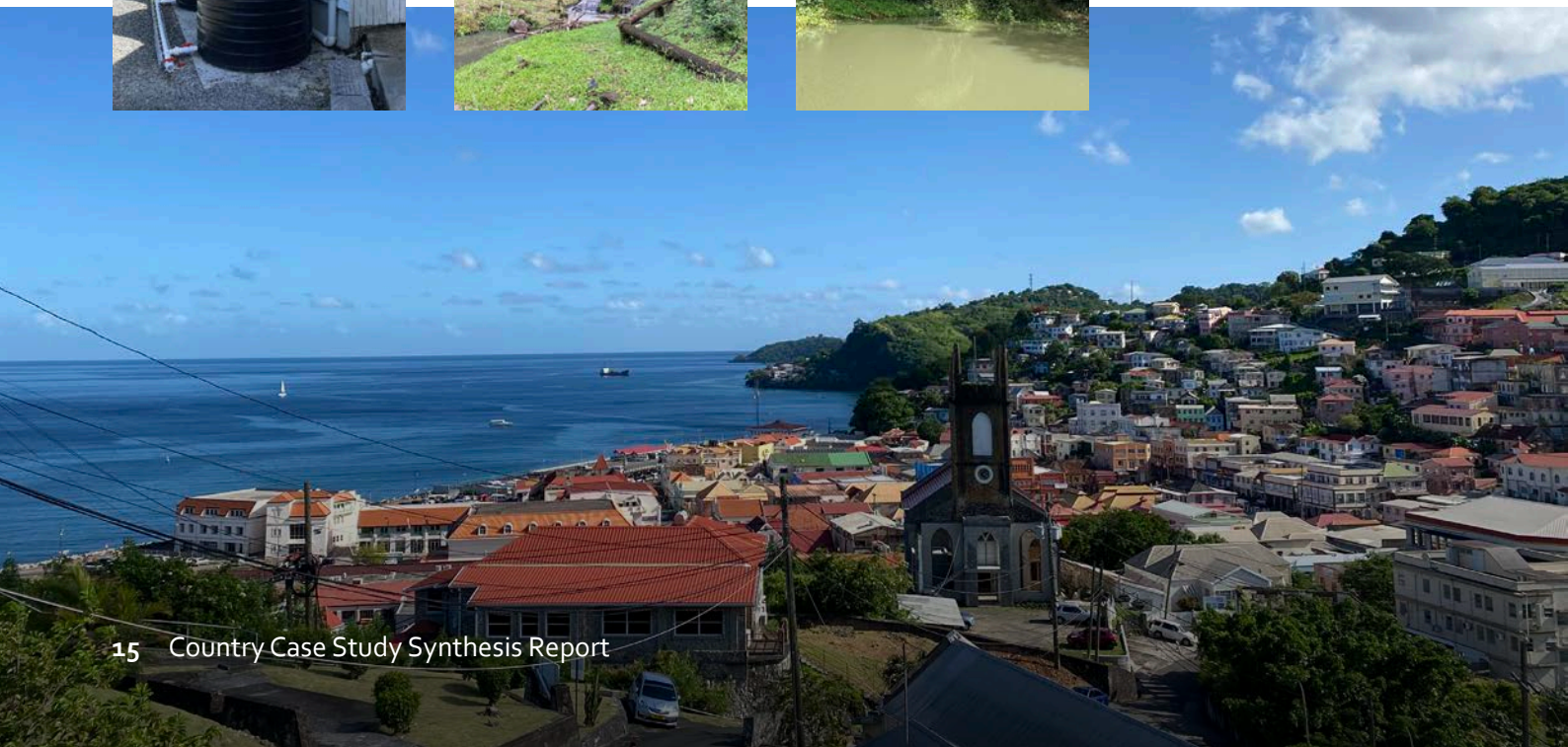
Building the foundations of paradigm shift in the water sector through enabling policies, building capacities, joint learning and designing feasible climate-resilient water subprojects.

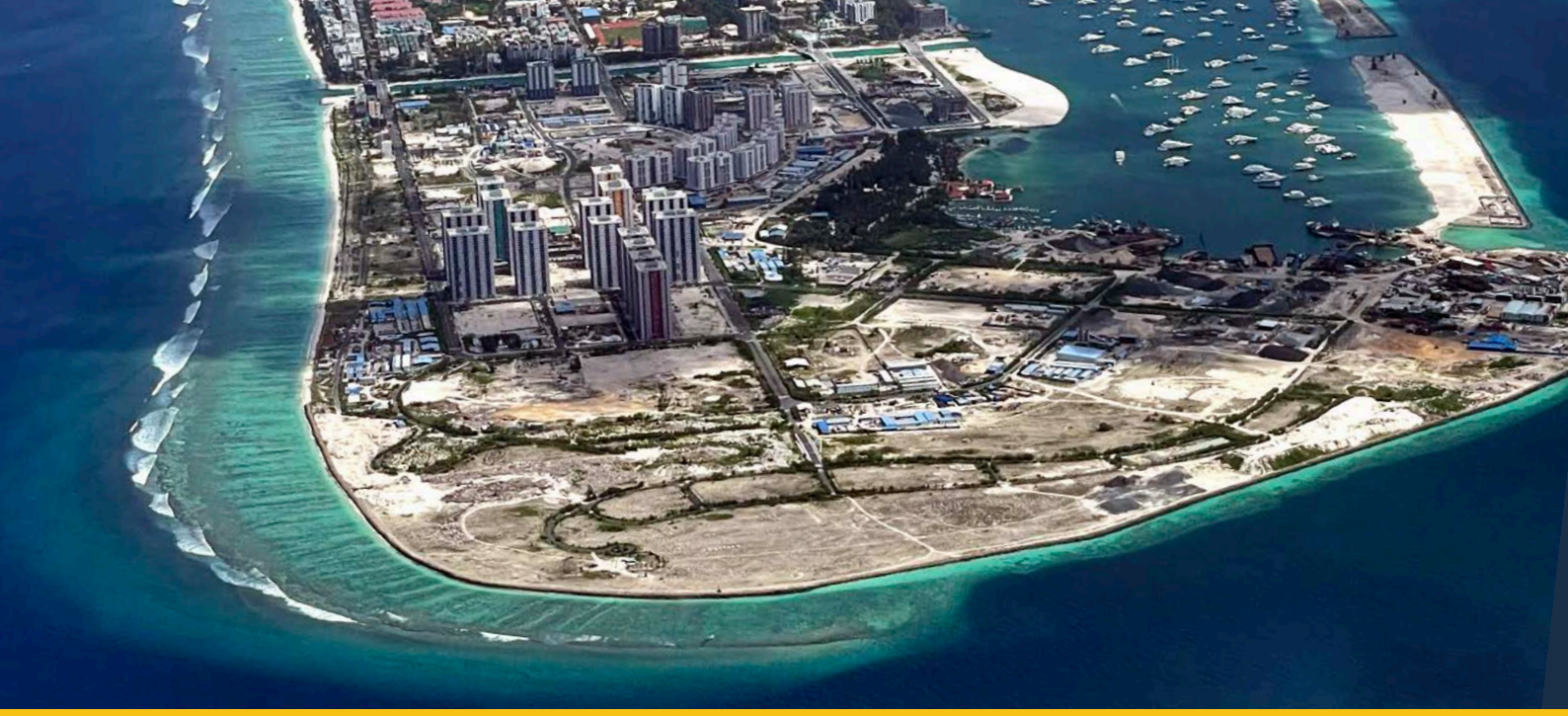
Progressing beyond the COVID-19 pandemic. Since late 2019, the project has made good progress and was on track to achieve its objectives despite construction delays due to the pandemic. It has successfully supported climate-resilient water governance and policy revisions, established the technical and legal foundations for climate-resilient water infrastructure and conducted a national outreach campaign. Land acquisitions and construction plans for climate-resilient water supply systems were progressing well.

Creating an enabling environment. In its first two years, the project facilitated approval of a new national water policy and drafting of a water resource management bill that will help in developing the institutional and regulatory structures needed to oversee scarce water resources and facilitate a climate-responsive water tariff. The project also strengthened the enabling environment for water in close collaboration with the National Water and Sewerage Authority.

Advancing climate-resistant water campaigns. With support from the EE, Grenada Development Bank, this project established the Challenge Fund for Climate-Resilient Water Users and was reviewing applications from farmers and hotel operators for investments in water-saving measures. Initial investments by two hotels have already enabled construction of two rainwater harvesting systems.

Supporting learning in the region. The project is taking strides to integrate water resilience into Grenada's Nationally Determined Contribution, and share lessons learned on climate-resilient water management with other islands in the region. For example, the project set up a community of practice with regional countries and participated in regional exchanges with NGOs, governments and other AE stakeholders.





MALDIVES FP007: SUPPORTING VULNERABLE COMMUNITIES IN MALDIVES TO MANAGE CLIMATE CHANGE-INDUCED WATER SHORTAGES

Long-term, sustainable impact on water security, learning, and capacities for vulnerable communities in Maldives.

Developing integrated freshwater supply systems. This project, which has the United Nations Development Programme as IAE, was set to close in late 2022 and achieved many of its intended results. By constructing decentralized and integrated freshwater supply systems that use rainwater harvesting and filtration combined with reverse osmosis desalination plants, the project has brought reliable year-round freshwater to 25 outer islands. This increased water security by reducing local reliance on transported water and had also lowered plastic pollution by 50 per cent.

Measuring project outputs and impact. The project reduced the number of targeted islands from 49 to 25 due to overly optimistic estimates during design, upgrades in integrated water resource management technologies, increasing costs under the COVID-19 pandemic, and other implementation snags. Yet the project reached the number of beneficiaries it had originally planned, with scalable interventions and indications of paradigm shift in the sector. Some activities exceeded initial expectations (e.g. knowledge sharing, learning, capacity development). It will take time to realize the full effect of these efforts, some of which are not possible to measure during project implementation. For example, many of the groundwater recharge activities will be hard to measure until years into the future.

Increasing sustainability. The project developed and initiated a strategy to transfer ownership of integrated water resource management systems to utility operators. Ten of these systems have been transferred to one of two state-owned utilities to date. GCF supported initial investments, but later investments in operations, maintenance, and monitoring by utilities will be necessary for lasting impact and paradigm shift in the sector.

Promoting paradigm shift. Climate-sensitive integrated water resource management designs are now being used in communities across Maldives, and the project contributed to greater awareness and capacities among government entities, especially the Water and Sanitation Department in the Ministry of Environment, Climate Change, and Technology. Groundwater studies carried out by the project were the first of their kind and will inform future water investments and activities.

GENDER EQUALITY AND SOCIAL INCLUSION

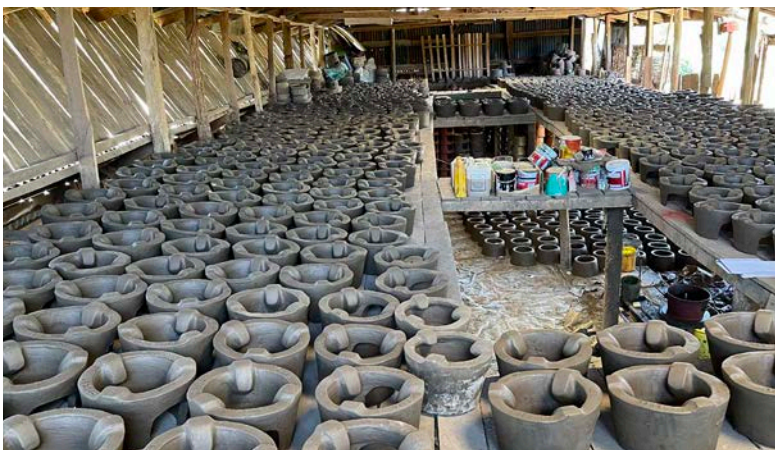
The SPR found overall that national entities' capacities to mainstream gender equality and social inclusion are often limited, and gender and social inclusion is not consistently prioritized. Nevertheless, the countries profiled provide valuable insights on how gender and social inclusion is being addressed at the country and project levels.

Support for women and vulnerable populations

MAURITIUS. NDA staff are mostly women, and the national agency applying for accreditation is led by women. Many women hold senior positions in Mauritian government at all levels, and there are efforts to target them in activities, including solar PV panel maintenance.

GCF funds activities that include women in capacity-building, training, decision-making, and other roles. Funds also support vulnerable populations, such as in efforts by the Indian Ocean Commission to assist highly disadvantaged and vulnerable communities in the country's remote outer islands.

KENYA. The clean cookstoves projects (FP103 and FP005) target women as the principal beneficiaries, both as selected micro-entrepreneurs, as well as end purchasers and users of the stoves.[11] For example, a woman entrepreneur in rural, central Kenya produces terracotta pots from locally sourced materials using traditional kiln firing. In the past, the woman had received training and other support from GIZ. Under FP103, for which GIZ is IAE, the woman received additional training and support to boost production and entrepreneurship. Consequently, her stove business has expanded the number of stoves produced each month from 100 to 4,000. The GCF project also includes sales and bookkeeping training for new distributors in her business. She and her husband now employ around 10 production staff and roughly 40 sales distributors and continue to expand and streamline the production line.



11 FP103: Promotion of Climate-Friendly Cooking: Kenya and Senegal; FP005: KawiSafi Ventures Fund.

> [The GCF's reporting expectations for gender equality and social inclusion] creates positive momentum and voice [to women and youth], mobilizes entities to work on climate changes issues [and ensures] we safeguard the ecosystems and the communities that depend on it.
>
> *– Stakeholder in Kenya*

Support for indigenous peoples

PERU. GCF-funded activities in Peru are designed to reach vulnerable populations. The Datem project (FP001) works with 120 indigenous communities from seven different ethnic groups, each of which has its own distinct territory, culture, and language and is led by a local leader or "apu."[12] Through Profonanpe, the Datem project has reached more than 9,000 indigenous community members, enhancing their quality of life and strengthening their resilience while halting deforestation. The project employs three main strategies: developing participatory land-use and natural resource management plans; entrusting and empowering indigenous communities in managing natural resources and increasing women's participation in decision-making; and creating sustainable, economically viable non-timber forest product bio-businesses.[13]

VIET NAM. Viet Nam is home to 53 ethnic minorities who constitute 15 per cent of the population and primarily live in mountainous areas. The Committee on Ethnic Minority Affairs is responsible for representing their interests within the government. FP125 aims to ensure ethnic minorities will represent 10 per cent of project beneficiaries.[14] Provisions are in place to ensure that ethnic minorities both participate in and benefit from the programme, addressing barriers such as unsustainable traditional farming practices, non-fluency in Vietnamese and low literacy. There is an opportunity to broaden participation and allow for more participation from non-state actors.

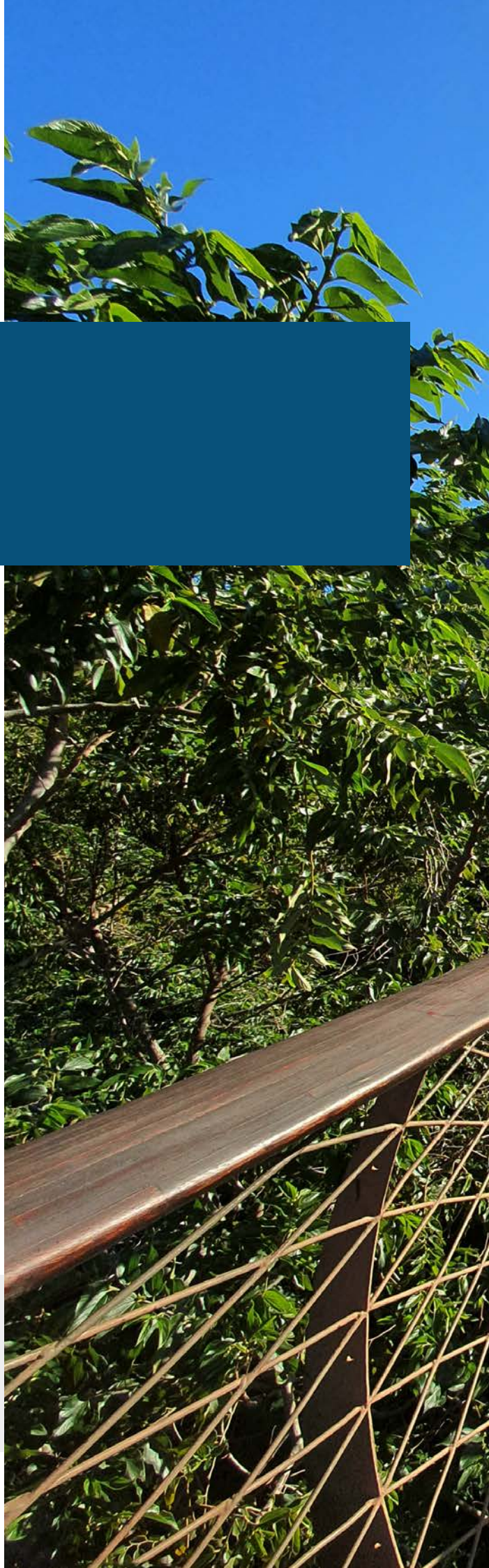
SOLOMON ISLANDS. The Tina River Hydropower Development Project (FP044) is designed to ensure that indigenous peoples are heard and benefit from the efforts. Tina Hydro Limited held more than 200 community discussions and established two community-based project monitoring mechanisms. Locals who own the land where hydropower infrastructure is under development can write to the company with any questions or concerns using postal boxes established in their communities. Additionally, a legal agreement between the government, landowners, Tina Hydro Limited, and the Solomon Islands Electricity Authority regulates how landowner tribes will benefit from the project, such as through receiving rents and having oversight roles. Indigenous landowners affirmed that they are very satisfied with the high level of consultation, cooperation and benefits they have received from the project so far and that they expect to continue in the future.

12 FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru.

13 In 2019, the GCF Independent Redress Mechanism received notification of a grievance in relation to the Datem project. Significant institutional and project-level improvements were made based on GCF recommendations, and the case is now closed. Refer to the full case study at https://ieu.greenclimate.fund/sites/default/files/evaluation/05-peru-country-case-study-report-top-web.pdf or find information on the grievance at https://irm.greenclimate.fund/case/c0002.

14 FP125: Strengthening the Resilience of Smallholder Agriculture to Climate Change-Induced Water Insecurity in the Central Highlands and South-Central Coast Regions of Vietnam.

CONCLUSION



The SPR assesses the progress made on the GCF mandate including country perspectives and experiences. GCF programming aligns with country needs, but falters because of GCF processes and country capacities. Access to the GCF too remains a challenge owing to country and entity capacities. While climate impacts have been modest to date, there are reasons to believe that more results are forthcoming. The GCF's portfolio is still quite young. Many projects are making good implementation progress, with the majority still expecting to reach their climate- and development-related objectives in the future.

This report provides just a small selection of the rich insights drawn from the countries profiled in the case studies. The IEU is grateful to the stakeholders who contributed to this report. Sharing their experiences will help other countries forge their own path toward climate transformation. Readers are encouraged to review the case studies directly for more in-depth discussions of the challenges and successes only sampled here.

For more information, contact the GCF Independent Evaluation Unit at ieu@gcfund.org.

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