

GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund

VIRTUAL COUNTRY CASE STUDY REPORTS

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VIRTUAL COUNTRY CASE STUDY REPORTS

1. GAMBIA COUNTRY CASE STUDY REPORT

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ABBREVIATIONS

AE	Accredited entities
APR	Annual performance report
DAE	Direct access entity
EbA	Ecosystem-based adaptation
EE	Executing entities
GAMWORKS	The Gambia Agency for Management of Public Works
GCCF	Gambia Climate Change Fund
GCCI	Gambia Chamber of Commerce
GCF	Green Climate Fund
GDP	Gross domestic product
INDC	Intended nationally determined contribution
MECCNAR	Ministry of Environment, Climate Change and Natural Resources
MPC	Multi-purpose centre
NAP	National adaptation plan
NAPA	National adaptation programme of action
NCCF	National Climate Change Fund
NCCP	National Climate Change Policy
NDA	National designated authority
NGO	Non-government organizations
PPP	Public-private partnership
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar

A. PRESENTATION OF THE COUNTRY AND GREEN CLIMATE FUND ROLE

The Republic of The Gambia was purposely selected for adaptation evaluation case studies as it was one of the first African countries to access Green Climate Fund (GCF) funds for adaptation projects. The virtual mission met with representatives of the national designated authority (NDA), relevant national government bodies, accredited entities (AEs), international and direct access, and the private sector and civil society from July to September 2020. The Gambia has developed its approach to the GCF over time. It has received GCF Board approval for one project, titled “Large-scale ecosystem-based adaptation in The Gambia: Developing a climate-resilient, natural resource-based economy” (hereafter referred to as the ‘EbA [ecosystem-based adaptation] project’). The AE for the project is the United Nations Environment Programme (UNEP), and the executing entity (EE) is the Ministry of Environment, Climate Change, Water, Forests and Wildlife.

1. MAIN CLIMATE CHANGE ADAPTATION RISKS AND CONTEXT

a. Climate change adaptation risks

Covering an area of 10,960km², The Gambia is the smallest country in mainland Africa. The Gambia is well endowed with rich biodiversity, mainly due to the River Gambia. The country's economy, and particularly its agricultural sector, is highly vulnerable to the impacts of climate change. Approximately 25 per cent of the national gross domestic product (GDP) is from agriculture, making the sector critical for the national economy. It is estimated The Gambia experienced a decline in rainfall of around 30 per cent from 1950 to 2000 due to climate change. Reduced rainfall and temperature rises are affecting crop productivity and the incidence of pests and diseases. The majority of cropland in The Gambia is dependent on rainfall. Groundnuts are the country's most commonly grown agricultural crop, taking up about 44 per cent of agricultural land. Cole et al. (2005) predicted a 40 per cent reduction in groundnut yield due to climate-related impacts. Furthermore, the disappearance of fresh water swamps coupled with soil salinization from sea level rise could impact the lowland rice growing regions and affect rice production and food security. Reduced agricultural production also has indirect impacts, such as the migration of the able-bodied rural workforce to urban areas.

The Gambia is also prone to frequent droughts, a major disruptive force capable of exacerbating existing social, economic, political and cultural concerns. Even during normal rainfall conditions, droughts may still prevail in the country. Government documents show that between 1951 and 2007, The Gambia experienced droughts in 1968, 1972, 1977, 1983 and 2002, with the latter two events being the most severe (with only 479.5 mm and 577.95 mm of rainfall, respectively). For reference, the country's highest recorded rainfall occurred in 1958 (1,425.67 mm).

With up to 20 per cent of the country's land area distributed along low-lying coastline, The Gambia is at significant risk of climate change-induced sea level rise and seasonal flooding. The rise in sea levels could result in accelerated coastline destruction, stronger and more frequent storms, salinization of soil and the water table, degradation and alteration of biological systems, and people's involuntary migration (Yaffa, 2013). A rise in sea levels of approximately 100 cm has been predicted, potentially leading to the submergence of around 8 per cent of the country's land area (Jaiteh and Baboucarr, 2011). The salinization of coastal areas and water aquifers resulting from the sea level rise would impact the quality of drinking water along the coastal strip, leading to negative impacts on coastal tourism – the country's largest source of foreign exchange earnings. It is

estimated that the costs of adapting to the impacts of sea level rise in Africa's coastal states could amount to 5–10 per cent of countries' GDP (Amuzu et al., 2018).

Other climate change impacts in The Gambia relate to biodiversity (including habitat destruction), the degradation of ecosystem services and the extinction of local species. High rates of urbanization and the utilization of wood have compounded these impacts. Forest regeneration rates are expected to decline in a world where temperatures have increased, and rainfall is more erratic. An estimated 43 per cent of the country's total land area was once covered by dense forest (GoTG, 2014b), but it has been documented that woodland cover has decreased by at least 38 per cent since the 1940s.

Due to the direct reliance of the population and the economy on the country's natural systems, particularly its agricultural sector and ecosystems, The Gambia has developed several policy instruments that emphasize the greater integration and alignment of climate vulnerabilities and impacts with national planning processes, thereby attracting finance from domestic budgets as well as external public and private sources.

b. National adaptation initiatives

The Gambia signed the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 and ratified the Convention in 1994. Since the ratification, The Gambia has taken important steps towards implementing the Convention's provisions and addressing climate change's impacts. The country's national communications, national adaptation programme of action (NAPA), nationally appropriate mitigation actions, and the national capacity self-assessment, are some of the documents and processes that have been developed and submitted under the UNFCCC.

To address the impacts of climate change and implement the provisions of the Convention that pertain to adaptation, The Gambia developed its NAPA in line with national policies and programmes, its Vision 2020, the Programme for Accelerated Growth and Employment and other sectoral policies in the country. Developed in 2007, the NAPA was one of the first policy documents that integrated climate impacts into development planning in biodiversity, agriculture, water, energy and health while reflecting national priorities. It also set out the region's main climate hazards, namely sea level rise, floods, soil and water salinization, higher temperatures, vegetation changes, erratic rainfall patterns and infectious diseases. The NAPA points out that traditional coping strategies are no longer sufficient to deal with climate change impacts and that new adaptation strategies will be needed to deal with current and longer-term changes. The NAPA also acknowledges the importance of having up-to-date research and climate information to inform adaptation strategies, and the importance of partnerships at national, regional and local and community levels to successfully implement adaptation strategies and activities.

The Gambia considers adaptation a top priority and therefore included an adaptation component in its submission of its intended nationally determined contributions (iNDC) to the UNFCCC. The Gambia noted that it does not view the iNDC as the vehicle it will use to address its adaptation needs post 2020. The national adaptation plan (NAP) is the preferred vehicle for The Gambia, in which it will provide the careful assessment and articulation of its adaptation needs. In its iNDC, The Gambia has stated its short- and medium-term plans, with the short-term plans focusing mostly on creating an enabling environment for undertaking adaptation actions. Its medium- and longer-term plans focus on the mainstreaming of climate adaptation into national development planning and its Programme for Accelerated Growth and Employment and other sectoral policies and plans, such as the Forest Policy and Fisheries Strategic Action Plan for fostering public investments and greater international cooperation. The Gambia has also expressed an interest in developing a transformative adaptation investment plan that will articulate an investment pipeline that addresses short and long-term needs and sets out the framework for action by central and local actors, including the private

sector and civil society organizations (CSOs). This will involve looking at current expenditures to determine the degree to which these enable or undermine resilience.

In 2016, The Gambia developed a National Climate Change Policy (NCCP). The policy's overall objective was to steer the country towards a climate-resilient and low-emission economy by mainstreaming climate change into development planning. The policy outlined a framework for addressing climate risks, identified options for building institutions and identified ways to strengthen capacities in the country. It is important to emphasize that the NCCP is firmly rooted in its national development and poverty-reduction frameworks (GoTG, 2016). The NCCP also sets out a cross-cutting policy direction to implement national development strategies in a climate-resilient manner, drawing on all sectors of the population while emphasizing strong partnerships and various actors' collaboration. The policy identified four key thematic clusters and highlighted the links between climate change adaptation and disaster risk reduction in the country, including areas such as (i) climate-resilient food systems and landscapes; (ii) low emissions and resilient economy; (iii) climate-resilient people; and (iv) managing coastlines in a changing environment.

The Government of The Gambia has proposed that the National Climate Change Fund (NCCF) support the implementation of current and planned climate-related activities on climate change. As part of its functions, the NCCF will encourage public-private partnerships (PPPs), prioritize climate funding within national budgets, harmonize it with international funding requirements, and establish a multi-stakeholder platform for continued engagement national and international actors.

The Gambia has also started formulating its NAP, which seeks to build upon the NAPA foundation. The process of developing an NAP can add value by identifying capacity gaps for the design and implementation of medium- and long-term climate adaptation priorities, as well as tapping into international funding opportunities for more effective climate-responsive planning and budgeting.

In 2018, The Gambia developed a GCF country programme to provide a strategic framework for interaction between the Government and the GCF as part of the GCF country preparation programme. The adaptation priorities mapped for the GCF programme are outlined in Box A - 1 below.

Also, The Gambia, with the support of the International Institute for Environment and Development, is working on strengthening the draft GCF country programme to integrate more adaptation components. The International Institute for Environment and Development has identified and screened over 50 potential projects for potential incorporation into the revised GCF country programme through a consultative process.

Box A - 1. Adaptation priorities mapped for the GCF country programme

1. Climate-smart fishing
2. Implementing climate-smart agriculture
3. Enhancing climate resilience and disaster risk reduction through integrating ecological disaster risk reduction into transport, water, coastal, and natural resources management
4. Promoting sustainable forest management
5. Building national capacity and raising awareness on climate change impact and adaptive strategies
6. Tackling climate change-related health diseases

2. INSTITUTIONAL CONTEXT

The Ministry of Environment, Climate Change and Natural Resources (MECCNAR) is the policy institution responsible for climate change in The Gambia. The Department of Water Resources is the technical institution accountable for dealing with climate change. It houses the meteorological unit,

where the focal point for the UNFCCC is based. The MECCNAR is in the process of setting up a National Climate Change Council, which has membership from all relevant sectors, including expert membership from non-governmental organizations (NGOs) and the private sector. The overall aim of the Council is to ensure coherence with national development goals and strategies. The Interministerial Climate Committee has been established and is chaired by the Permanent Secretaries of both the Ministry of Environment and the Ministry of Finance.

A multi-stakeholder National Climate Committee has also been formed, with expert representatives of farmers, women, research and youth groups, communities, business and industry, NGOs and local authorities, to advise the Climate Change Secretariat on change-related issues. The Department of Water Resources Director is the National Climate Committee Chair, which oversees climate change-related projects and international commitments in the country.

Regarding GCF engagement, the Ministry of Finance is the NDA. After a recommendation from the national consultant, The Gambia set up a multi-sectoral GCF Steering Committee with the overall mandate of overseeing GCF-related matters, including assessing, monitoring and making recommendations to the NDA if a proposed project should be issued with a no-objection letter. This approach is commendable as the final decision rests not with one office, (i.e. the NDA) but with all Steering Committee members.

3. GREEN CLIMATE FUND CONTEXT IN THE COUNTRY

The Gambia is working towards a more coordinated approach for climate financing in the country, which still holds room for improvement. Additionally, it has a limited capacity to be able to develop pipeline projects for the GCF. Currently, there is no system for identifying national and subnational budgetary allocations to respond to climate change, which is a critical first step in enhancing resource mobilization for mainstreaming climate change.

Despite its challenges, The Gambia is one of the first African countries to access GCF funds for adaptation projects. The EbA project is the only GCF project in the country. The AE for the project is UNEP, and the EE is the Ministry of Environment, Climate Change, Water, Forests and Wildlife. The project was approved in June 2016, but it started about 18 months after approval, in February 2018. This delay was due to staff changes and project assumptions that needed to be clarified at the beginning of implementation.

The project aims to use EbA approaches to build the climate resilience of rural landscapes and facilitate the development of a natural resource-based economy that will benefit both the environment and communities. It will achieve this through two key elements: (i) restoring degraded forests and agricultural landscapes with climate-resilient plant species that provide goods for consumption or sale; and (ii) facilitating the establishment of commercially viable natural resource-based businesses.

The project has a six-year timescale, and it is in its third year of implementation. For the first two years, the focus of the project was twofold. First, it aimed to invest in infrastructure to support the rehabilitation component of the project. Second, it aimed at producing climate-resilient seedlings that were identified by local and scientific knowledge. The project is working with farming groups in the five regions of the project area. Each of the farmers will develop a management plan to protect the trees from prolonged droughts, fires and grass competition. The project also has an enterprise component, including working with communities doing beekeeping, developing multipurpose centres (MPCs) to process forest-based products, and establishing eco-tourism lodges. All of the investments are made through community forests and community protected areas, which are managed by communities with government help.

To enhance adaptation funding in the country, and in line with the climate change policy objective of facilitating the coordination of national and international financial resources for addressing climate change, The Gambia is developing its NCCF,¹ which was included in its iNDC. The Gambia Climate Change Fund (GCCF) will have the mandate to coordinate all climate-related funds in the country within each ministry. It will seek to institutionalize financial management capabilities to improve project proposal preparation, disbursement and project implementation and compliance with accounting and reporting requirements. It will encourage PPPs to facilitate access to the Private Sector Facility of the GCF. The delivery partner for the Fund is the African Development Bank.

B. FINDINGS

1. STRATEGY AND POLICIES

a. Fit between GCF strategy and country needs

Both the NAPA and The Gambia's GCF country programme have highlighted adaptation priorities requiring urgent attention (see Table A - 1 below). Agriculture, fisheries, forests/ecosystems and coastal areas are top priority sectors for The Gambia. These appear to align with the focus areas referenced in the GCF portfolio and pipeline projects (GCF, 2018).² While The Gambia seems to prioritize the health sector highly, it does not get the same kind of ranking (and prioritization) in the GCF portfolio and pipeline. The GCF (2018) notes that as of 2018, only around a tenth of country programmes/briefs and only five projects in the GCF portfolio and pipeline include health-related activities. While the GCF approach seems to fit well with the main adaptation priorities of The Gambia, health as a sector is still lagging in terms of funding, therefore requiring the GCF to make concerted efforts to enhance their support for the health sector.

Table A - 1. Adaptation priorities in key documents

NAPA ADAPTATION PRIORITIES	GCF COUNTRY PROGRAMME ADAPTATION PRIORITIES	GCF ADAPTATION APPROACH
Agriculture, fisheries, water resources, forests and woodlands, coastal areas and health.	Fisheries, agriculture, disaster risk reduction, forests, capacity-building and health.	Agriculture, fresh water, disaster risk reduction, ecosystem health, forests and coastal. Health is one of the least funded sectors.

Source: Government of the Gambia, Gambia National Adaptation Programme of Action (NAPA) on Climate Change (2007) and Government of the Gambia, Gambia Strategic Framework Paper for Engaging with the Green Climate Fund – Draft 3 (2018).

b. Implementation of GCF policies

Interviewees perceive the GCF's policies as generally understandable but also challenging to put into practice and subject to interpretation. Some interviewees indicated that, while the policies and guidelines are accessible and understandable, it does not mean the national entities can successfully deliver what is requested. They understand everything the GCF requires, but they have neither the

¹ The Gambia Climate Change Fund (GCCF) was included in the list of priority projects in the iNDC of The Gambia and in the climate change policy.

² GCF, 2018. "Approach and scope for providing support to adaptation activities." At the seventeenth meeting of the Board (B.17), the Board requested the Secretariat to develop a proposal for the Board's consideration on guidance to the approach and scope for providing support to adaptation activities. Document GCF/B.21/Inf.03, approved in October 2018.

capacity nor the resources to fulfil these requirements. One respondent emphasized that “*without the experts to guide us through the process, we cannot achieve what the GCF wants*”.

Some respondents believed that document requirements differ based on the task manager's interpretation for each project submitted to the GCF. Some proposals can progress smoothly, while others struggle to go through the review process. Therefore, a recommendation is to have a policy that is interpreted on a standard basis when it comes to technical assessments and requests for annexes and additional data.

2. BUSINESS MODEL

a. National designated authority

The general feeling is that adaptation is still grossly underfunded. The common sentiments are that adaptation needs greater priority if the GCF intends to reach its objective of a balanced allocation of mitigation and adaptation. Interviewees understand that it is challenging to measure adaptation's benefits and that, in many cases, those benefits take a long time to reach fruition. In contrast, quantifying mitigation's benefits is less complicated as it is limited to measuring the amount of greenhouse gases avoided. Interviewees recommended that the GCF take all the necessary steps to enhance support for adaptation.

Many respondents highlighted that a significant challenge is the accessibility of Secretariat support for countries seeking to develop their proposals further. Regional desks could help to ease this situation, which is caused by capacity constraints in the Secretariat. Interviewees suggested the GCF consider decentralizing the work to reduce the pressure on the Secretariat to carry out implementation. Decentralization could also address time differences, which have proven challenging for the GCF, AEs and other partners.

b. Accredited entities

While The Gambia currently has no direct access entity (DAE), several organizations are in the process of becoming accredited. Interviews, however, revealed that all organizations that have started the accreditation process are facing difficulties. They view the GCF's accreditation process as lengthy, complicated and bureaucratic and regard it as a critical challenge facing organizations. Achieving accreditation requires a thorough understanding of GCF standards and procedures and possessing the institutional ability to comply with them. Respondents identified several challenges. These included organizations not having some of the policies required by the GCF (e.g. a national gender policy, anti-money-laundering policy) and a lack of an environmental and social assessment framework, among others. For accreditation, organizations must meet all of the requirements, but many organizations in The Gambia do not have the necessary policies. Another challenge is the required fiduciary standards, which are very low for many African countries. While stakeholders regard these requirements as critical, according to some, “*the GCF is overstressing the low-income countries with this accreditation requirements*”. One respondent argued that GCF's stringent requirements and criteria are useful but are challenging for poorer countries and more suited to international organizations and large corporations. Some respondents suggested the GCF lower the accreditation requirements for low-income countries, particularly for adaptation. Adjusting these requirements will go a long way in encouraging entities in developing countries to attempt the accreditation process.

As stated by many of the potential DAEs, there is a lack of clarity on the accreditation processes and the support the GCF could provide to assist countries and organizations. Many of the organizations interviewed were unaware of the readiness facility's existence and the kind of support the GCF currently provides. One of the potential DAEs stated:

We are familiar with this traditional/classical approach to funding, which is the initiation, design and execution of project. But with the GCF, one needs to be accredited first, and only after that can one access the funds. It is not the classical way of funding and that is why we are not moving forward. The problem is we do not know how to get to the next step, and we have no one to help us to get to the next step. We are stuck and it would require a specialist to help us. It is only when Ernst & Young approached us we understood more about how to access the readiness facility.

While some respondents felt it was important to have expert support, some cautioned that the support needs to ensure in-country capacity-building. As one respondent said: “... *we need in-country capacity-building instead of investing in delivery partners that will assist countries that lack capacity*”.

Respondents also mentioned the inadequate support from the Secretariat. They stated that their emails go unanswered, and when email conversations do occur, “... *we have a faceless interaction with the GCF. We don't know if we are talking to a computer or a person*”. They further recommended that the GCF appoint a case officer for each submission who can follow-up on what is causing the delay.

Respondents recommended that the GCF should support the accreditation of regional organizations to become DAEs. Currently, all the regional DAEs in Africa are financial institutions, which tend to be more mitigation-centred and mostly support projects that favour the private sector or PPPs. This is because of various factors, including the time it takes to get a project approved. For example, a mitigation project takes approximately six months from inception to approval, whereas an adaptation project could take three times longer, at a minimum, for the same process. But in terms of adaptation, as most of the projects are not profit-making, benefits are difficult to measure. As highlighted above, mitigation benefits are easier to quantify, as it is possible to measure how renewable energy translates to avoided CO₂ emissions, as opposed to the benefits of adaptation on livelihoods.

c. Relationship with the Secretariat

The Gambia NDA generally has a positive working relationship with the GCF Secretariat. A few challenges, however, were highlighted by the potential DAEs. The main challenge is the delay in responding to proposals or any other communication. One respondent, a potential DAE, said, “*It took three months to a year for GCF to respond to our proposal.*” Another respondent mentioned a study he assisted that demonstrated it takes an average of 840 days between submitting a proposal to GCF and receiving approval. Such time delays are one reason why some organizations, such as financial institutions, are hesitant to approach the GCF. They admitted that once the comments are received, they tend to be useful, and therefore the expert and technical inputs are valued and much welcomed. However, the process takes a long time and affects project implementation.

The way the GCF Secretariat facilitates the proposal review process is also challenging. For example, a single document might have several reviewers who request different and conflicting information. In some cases, the GCF asks for more data, which is challenging for many countries. Respondents suggested that the GCF coordinate the review process better to avoid conflicting comments. When data is requested, the GCF should be more flexible with countries that lack sufficient capacity and have limited data.

On the positive side, the NDA has been able to intervene when the potential DAE seemed to be facing difficulties in the accreditation process. For example, The Gambia Chamber of Commerce (GCCCI) and The Gambia Agency for Management of Public Works (GAMWORKS) experienced delays in getting a response from the GCF. Initially, the NDA followed up with the GCF regional adviser, but that did not yield positive results, as the adviser was overwhelmed with other projects.

Since the beginning of 2020, the NDA has been working with the Secretariat and the process has become much faster. *“My role is to contact the GCF, find out what the problem is and try to unlock things”*, says the NDA. The NDA has also initiated monthly update calls, which seems to have brought positive results: *“Since we started the regular monthly calls, we are seeing progress with the GCF.”* In addition to the regular calls, respondents suggested the GCF recruit additional staff to strengthen the Secretariat’s support to developing countries. Most importantly, it is crucial to engage the countries throughout the process sufficiently. Developing countries have capacity constraints and therefore need the GCF to guide and support them in addressing climate change challenges.

3. PERFORMANCE

a. Project cycle

As mentioned above, The Gambia has only one project with the GCF. Other organizations have attempted to submit proposals, but one of the major challenges expressed is the lack of support on elaborating the climate rationale for adaptation, which is difficult for many organizations. For the most part, organizations in The Gambia have limited access to reliable and recent climate data that can be downscaled to support the targeted interventions. While the capacities to collect, manage and analyse climate data exist in the country, they are not sufficient for articulating a robust climate rationale in the design of many of the proposed projects. In the case of the EbA project, there are five main lessons learned from its implementation.

First, some of the project design's project assumptions caused delays in the project's initial implementation. Targets in the first year were unrealistic for all components, and therefore time was needed to reformulate them. Meanwhile, research was required to revise some targets or give new mandates where necessary. It took time to clarify some of the assumptions made in the project documents. The baseline analysis helped in unpacking some of those assumptions. For example, the species types were broadened to include climate-resilient tree species that can adapt to extreme weather conditions and water scarcity associated with drought.

Another assumption that needed rethinking was the restoration targets for the project's first year. However, in the first year, plant species still had to be researched and identified, and seedlings and nurseries established. It was, therefore, unrealistic to meet that target. The third assumption concerned the multipurpose centres (MPCs), which had strong economic and business potential but insufficient climate justification. For example, a group of women sewing clothes was justifiable economically, but the climate rationale was weak. Therefore, the MPCs had to be given a new mandate to integrate the climate component into the income-generation activities.

Other important lessons learned include the importance of having a detailed feasibility study at the project’s beginning, understanding the technical aspects, identifying technical inconsistencies if they exist, and guiding the project moving forward. Importantly, time was required at the beginning of project implementation to gain clarity on the technical aspects. This needed to be factored into the project design and its timelines so the project could run smoothly and on-time. This highlights a broader point, which is whether all components of projects require a climate rationale. As adaptation projects often consist of a bundle of components that support different aspects of resilience, not all project subcomponents need a direct climate rationale.

Second, platforms for knowledge-sharing are of significant importance. The EbA project participated in a series of exchanges with other UNEP-facilitated EbA projects in West Africa to exchange experiences and share lessons. This exchange and collaboration of sharing experiences were facilitated and driven by UNEP. These platforms are useful for replicating or learning from others implementing similar projects (inside and outside of the country) and understanding how they

have dealt with similar challenges. Therefore, as suggested by one respondent, the GCF must support a platform for learning and exchanging experiences, successes and challenges.

Third, disbursing funds based on performance make sense in theory but is challenging in practice. As one respondent stated, “... *this is a killer assumption. It is problematic and puts too much pressure on everyone*”. They shared their opinion that it is difficult to reach the financial threshold of 70 per cent of the previous disbursement if the project team has not amended the assumptions as mentioned above, which could result in significant delays in project implementation.

Fourth, there are challenges around adhering to the procurement rules of the AE, which causes delays. The respondents stated that for the GCF, procurement procedures take place according to AE rules. This is challenging, as procurement rules and procedures for an AE such as UNEP are very cumbersome and demanding. “*Both the task manager and the project manager will have to spend significant time learning procurement procedures for an accredited entity that they know very little of,*” said a respondent. For a project that requires considerable procurement (e.g. nearly 75 per cent of the EbA project’s activity involves procurement), project managers unfamiliar with AE rules spend a lot of time learning procurement procedures instead of doing the technical work necessary to implement the project. As a solution, the EbA project used the EE capacity assessment funds to develop a fiduciary risk management plan. This provided for the capacity-building activities of staff in procurement. A solution was eventually found, but it exhausted valuable time. Respondents suggested the GCF take the lessons from this challenge and integrate them into other project designs to avoid similar delays.

Finally, the annual performance report (APR) process was perceived as a value-adding exercise. Respondents noted the thoroughness of the GCF’s APR review process and believed that it takes time with its reviews to get further clarification. In the EbA project, this process led to a revision of the theory of change and the targets. In the end, this was extremely helpful, according to the respondents. The GCF steers the project in a specific direction to yield results aligned with the GCF objective of paradigm shift. The interaction between the Secretariat and the project team helps to gain collective understanding and expectations. This is not the case with other funders, as one respondent explained: “*The worst thing is to have a donor that has no idea what we are doing or only know what you are doing when you hit a rock.*” The systematic review and the regular feedback on the APR help with implementing the project as they provide guidance and steer the project to deliver its intended outcomes.

b. Role of the private sector

There are several private sector organizations in The Gambia that have shown interest in working with the GCF. The following table provides a brief description of the organizations.

Table A - 2. Local private sector organization that showed interest in the GCF

NAME	DESCRIPTION
The Gambia Agency for the Management of Public Works (GAMWORKS)	An NGO that provides public sector infrastructural improvements and private sector development. It does this by managing construction works, rehabilitating public infrastructure and providing technical assistance and training.
Africa Infrastructure Fund (AIF)	AIF aims to close the infrastructure gap in Sub-Saharan Africa. It will do this by providing advisory services, asset management and financing through investment vehicles' capitalization.
Gambia Chamber of Commerce (GCCCI)	The GCCCI is a non-profit membership organization that facilitates business development, promotes trade and advances Gambian business interests nationally and internationally.

NAME	DESCRIPTION
GT Bank	A commercial bank set up is a joint initiative between a Nigerian bank (Guaranty Trust Bank plc) and several Gambian business people and institutions.

Source: Interviews with Gambian entities by Steward Redqueen evaluation team

The Gambia's climate change policy has highlighted the importance of private sector involvement in climate change and the government's commitment to supporting the private sector's capacity enhancement. The policy also stresses the importance of the private sector as a partner in driving the transition to a climate-resilient, equitable and internationally competitive, lower-carbon economy and society in The Gambia. The policy includes ideas for attracting the private sector, including blended finance between the public and private sector in the GCCF to leverage private sector funding. It also enhances the private sector's awareness of the benefits and opportunities and developing an enabling environment to accelerate the private sector's meaningful involvement.

However, the interviews reveal that The Gambia's private sector seems to be more interested in mitigation-related projects such as renewable energy, industrial/infrastructural development, and technology transfer. The involvement of the private sector in adaptation space is met with scepticism. Some interviewees highlighted the importance of return on investment and profitability, which are high on the private sector's agenda. *“Private sector wants investments where they can see the returns quickly, and unfortunately, that is not possible with adaptation projects,”* said an interviewee. It would seem there is a lack of a business case for private sector adaptation. They highlighted that multilateral development banks are more likely to take on adaptation projects because they have a high-risk appetite and can also provide for incremental costs and guarantees, unlike the private sector. Nevertheless, they did mention that if conditions were favourable, the private sector could get involved in adaptation projects, particularly in technology transfer-related projects such as agriculture, seed production and other agricultural inputs.

To attract and engage the private sector, one interviewee cautioned that *“... the approach should not be the same as other actors – private sector needs the right products and the right projects – for example, equity financing or soft loans”*.

c. Risk

The virtual mission did not elicit much information on whether the GCF has taken the appropriate risk in adaptation and cross-cutting projects.

d. Innovation

The direct access modality was found to be innovative compared to other funds. Through this approach, the funds can go directly to the countries, and depending on the project design, they can also reach the targeted communities and eliminate transaction costs. The direct access modality can also increase national agency for adaptation planning and implementation and build in-country capacity for sustained adaptation. Most of the respondents believed that this modality needs to be encouraged and supported, and where capacity is limited, GCF needs to support capacity strengthening at the national level. Direct access entities can be transformational if the right kind of support is provided domestically and multilaterally.

As a way of supporting the scaling up of DAEs both within and across countries, respondents suggested establishing a learning platform that would encourage south-south exchanges to understand the successes, failures, lessons and experiences of DAEs and potential DAEs. Regarding the innovation demonstrated in the EbA project, the project is one of the first to use nature-based

solutions to address climate risks and create resilient livelihoods. The second innovation includes exploring different kinds of financial mechanisms to catalyse private sector investments in natural resource-based business in The Gambia, including mechanisms for increasing domestic and international investments in EbA activities.

4. IMPACT

It was highlighted that the project's gender aspect is lagging, partly due to the low literacy rates for women in The Gambia. As a result, fewer women are involved in extension services and fewer females are participating overall. Furthermore, land ownership and land rights for women are still challenging issues, as land ownership tends to be male dominated. Fulfilling the project's gender objectives may require a better understanding of the underlying vulnerabilities that form barriers to the project and achieving its intended benefits.

5. WAY FORWARD

- While adaptation needs and actions have been mapped, most of the work on adaptation occurs through a piecemeal/project approach. In such approaches, usually a donor funds a project and the project is implemented within a set time frame. The main problem with this approach is sustainability – what happens after the project's life? Stakeholders are keen to have more programmatic approaches that mainstream adaptation into policy processes across all sectors. The GCF is seen as an important player that could facilitate this.
- The GCF has a role in supporting adaptation, but the rules need to be more favourable for developing countries. Most of the countries cannot meet the requirements. There is a general sense that the rules need to be relaxed for the countries that lack capacity. Therefore, it is vital to consider lowering the requirements for accreditation and supporting annexes, lowering expectations for developing funding proposals (especially for adaptation projects) and providing targeted support to developing countries with inadequate capacity.
- A country quota would offer a way for countries to be supported and provide a means of knowing which countries need more support. A country quota system would be the equivalent of merging the Global Environment Facility and GCF approaches.
- The GCF should consider a small-grant window. Most project proposals are small, but many could have a real impact on the ground. CSOs and NGOs could implement these. Relaxing the rules would make the funds accessible.
- Monthly calls with the GCF have led to improved communication channels. A decentralized approach that enables the Secretariat to reach out to more countries would go a long way in promoting communication and interaction between the country and the GCF.
- Not all subcomponents of projects require a clear climate rationale, as adaptation projects typically bundle a range of components together to address underlying constraints to resilience.

Appendix 1. OVERVIEW OF PORTFOLIO

Readiness and Preparatory Support Programme (RPSP)

ID	PROJECT TITLE	STATUS	DELIVERY PARTNER/AE	SUBMISSION DATE	COMMITTED AMOUNT (USD)	ENDORSEMENT DATE	APPROVAL DATE	AGREEMENT DATE	EFFECTIVE DATE	DISBURSEMENT DATE	DISBURSED (USD)	AGREEMENT TYPE
GG-1705-14679	Gambia - NDA Strengthening + Country Programming	Disbursed	Gambia - Ministry of Finance and Economic Affairs	25/05/2016	300,000	11/11/2016	17/11/2016	28/12/2016	24/01/2017	24/02/2017	300,000	General grant agreement

GCF-funded projects

APPROVED REF.	PROJECT TITLE	AE	EE	FAA STATUS	STATUS	APPROVAL DATE	DURATION (MONTHS)	DISBURSEMENT AMOUNT (USD)	LATEST DISBURSEMENT DATE
FP011	Large-scale EbA in The Gambia: Developing a climate-resilient, natural resource-based economy	UNEP	Ministry of Environment, Climate Change, Water, Forests and Wildlife	Effective	Under implementation	08/06/2016	72	11.26 m	14/07/2019

Appendix 2. STAKEHOLDERS CONSULTED

NAME	ORGANIZATION	DATE OF INTERVIEW
Omar Gaye	GAMWORKS	16 July 2020
Bai Madi Ceesay	Ministry of Finance and Economic Affairs	21 July 2020
Maria Azzi	Ministry of Finance and Economic Affairs	21 July 2020
Alieu Secka	Gambia Chamber of Commerce	22 July 2020
Bubacarr Z. Jallow	MECCNAR	23 July 2020
Malanding Jaiteh	EbA Project	23 July 2020
Bubu Pateh Jallow	EbA Project	23 July 2020
Almamy Camara	United Nations Development Programme	24 July 2020
Fatoumatta Sanyang	United Nations Development Programme	24 July 2020
Daniel Pouakouyou	UNEP (Nairobi office)	27 July 2020
Francis Mendy	Ministry of Agriculture	27 July 2020
Sulayman Gaye	Ministry of Transport, Works and Infrastructure	28 July 2020
Nget Sambou	Food and Agriculture Organization of the United Nations	29 July 2020
James Monday	Africa Infrastructure Fund	30 July 2020
Mam Babou Sowe	Youth Action for Food Self Sufficiency and Education	5 August 2020
Buba Senghore	Youth Action for Food Self Sufficiency and Education	5 August 2020
Habib Abubakar	African Development Bank	5 September 2020

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2. GUATEMALA COUNTRY CASE STUDY REPORT

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ABBREVIATIONS

AE	Accredited entity
CABEI	Central American Bank for Economic Integration
CAMBio	Productive Investment Initiative for Adaptation to Climate Change
GCF / (the) Fund	Green Climate Fund
FAO	Food and Agriculture Organization of the United Nations
FP	Funding proposal
FUNDAECO	<i>Fundación para la Conservación de Guatemala</i>
IDB	Inter-American Development Bank
INAB	National Forest Institute
IUCN	The International Union for Conservation of Nature
MARN	Ministry of Environment and Natural Resources
MINFIN	Ministry of Finance
MSME	Micro-, small- and medium-sized enterprise
NDA	National designated authority
PANCC	National Climate Change Action Plan
RPSP	Readiness and Preparatory Support Programme
SEGEPLAN	General Planning Secretariat
SGCCC	Guatemalan Climate Change Science System
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
WFP	World Food Programme

A. PRESENTATION OF THE COUNTRY AND GCF ROLE

Guatemala is an upper middle-income country and the largest economy in Central America. Among the countries in Latin America and Caribbean, Guatemala has the most active GCF adaptation and cross-cutting projects. Furthermore, Guatemala has received three readiness grants to strengthen local institutions and develop a deeper understanding of its vulnerabilities.

From an implementation perspective, projects are mostly at the planning phase, making it challenging to assess their impact on the ground. Nevertheless, the Independent Evaluation Unit has selected Guatemala as a country case study for this evaluation because the GCF's projects in Guatemala have a strong focus on adaptation, reflecting the country's need to prioritize adaptation interventions. Furthermore, out of the three projects under implementation in Guatemala, two have been developed through the GCF's Private Sector Facility.

1. MAIN CLIMATE CHANGE ADAPTATION RISKS AND CONTEXT

a. Climate change adaptation risks

Guatemala is home to a wide variety of biomes (tropical and subtropical forest, mountain forest, dry scrub, savannah) that range from sea level to 4200m in a relatively small area of approximately 109,000 km.² This small and diverse land is home to many different indigenous communities, forming about 40% of the total population.

Guatemala is quite vulnerable to the effects of climate change. According to the Notre Dame GAIN index³, Guatemala has a great need for investment and innovations to improve readiness and urgent climate action. It is the third most vulnerable Latin America and Caribbean country. This is due to substantial exposure and sensitivity to climate change risks, combined with a low adaptive capacity. Like its neighbouring countries, the main vulnerability factor is related to the agriculture system and food production, given the simultaneous increase in population and projected decrease in crop yield. According to the Climate Risk Index⁴, Guatemala ranks sixteenth globally, based on the extent to which countries have been affected by the impacts of weather-related loss events.

Guatemala is located within the Central America Dry Corridor, a tropical dry forest that extends from southern Mexico down to Panama, including parts of Honduras and Nicaragua, and almost the entire territory of El Salvador. Historically, the Dry Corridor region's weather patterns have been dictated by the cyclical phenomenon, the El Niño Southern Oscillation. This phenomenon is characterized by regular periodic oscillations between a very dry and a very rainy season – conditions that Guatemalan farmers have adapted to in developing their productive activities. As a result of climate change, this phenomenon's oscillation frequency has increased, leading to unpredictable weather patterns, more severe droughts and more intense periods of precipitation.

Such changes in climate exacerbate the already strong socioeconomic challenges of the country. With an economy that relies on agriculture for 9% of its GDP⁵ and more than 30% of its exported products (e.g. coffee exports are 7% of the total country exports)⁶, Guatemala is very sensitive to changes in climate, both from an economic and a social perspective. Food and Agriculture Organization of the United Nations (FAO) estimates that reductions in yields up to 10% are expected in the Dry Corridor and reports how, in 2016, over 200,200 metric tons of maize and black

³ Notre Dame University – GAIN Index (a project of Notre Dame University that summarizes a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience)

⁴ GermanWatch - Global Climate Risk Index 2020 - Averaged assessment for 1999 - 2018

⁵ World Bank Data Guatemala - GDP (2019): USD 76.7 billion; Agriculture, forestry, and fishing, value added (2019): 9.4% of GDP.

⁶ Observatory of Economic Complexity

beans were lost in Guatemala, representing a \$133.1 million economic loss.⁷ Losses in agriculture outputs are critical for both cash and subsistence crops. The Dry Corridor’s socioeconomic situation has become increasingly critical over the last few years and the number of people leaving the country has increased.

b. National adaptation initiatives

Guatemala has been a party to the UNFCCC since 1992 and ratified the Convention in 1995. Since then, the country signed and ratified the Kyoto Protocol in 1999 and established a Climate Change Unit within the Ministry of Environment and Natural Resources in 2001. The first law to address climate change issues was passed in 2003 and aimed at promoting the development of renewable energy projects and establishing fiscal, economic and administrative incentives for the sector.

The 2009 National Climate Change Policy is the first official document that describes the country’s legal and political approach to climate change. This led to the Climate Change Framework Law in 2013. Within this framework, the National Climate Change Council has been set up to supervise climate action and monitor the implementation of climate plans and strategies. Furthermore, a National Climate Change Fund was established to finance adaptation, secure additional financing, build capacity and climate-related disaster risk management, and support mitigation activities related to energy, deforestation and land-use change.⁸

Within the activities of the Council, in 2016, MARN and SEGEPLAN, the National Climate Change Council, developed the National Climate Change Action Plan (PANCC), a plan encompassing climate change mitigation and adaptation. The plan, further updated in 2018, has the objective of preparing the country’s population and institutions facing the risk of the expected impacts, preventing and reducing its negative effects, prioritizing the protection of the vulnerable population and their means life and identifying opportunities for better development of the country low in greenhouse gas emissions.

The plan aims to establish guidelines for achieving the National Climate Change Policy's objectives and complying with the Climate Change Framework Law. The PANCC builds on the country’s National Development Plan (Plan Nacional de Desarrollo K’atun: Nuestra Guatemala 2032), launched in 2014, in which climate adaptation and vulnerability are one of the four key elements identified. The plan describes areas where adaptation action is needed. Table 1 summarizes PANCC’s areas and related objectives.

Table A - 3. Areas for adaptation actions identified in the PANCC and associated objectives

THEME	OBJECTIVES
Human health	Increase awareness and prevention capacity of the health system in the face of climate variability and climate change.
Coastal areas	Conserve, protect, restore, and sustainably use the coastal marine zone's resources by implementing comprehensive actions to adapt to climate change.
Agriculture, cattle and food security	Increase food production (animal and vegetable) by implementing adaptation actions that reduce families' vulnerability to the effects of climate change and guarantee their food and nutritional security.
Forests, ecosystems and protected areas	Conserve, protect, restore and make sustainable use of Guatemalan forest resources and biodiversity for adaptation to climate change.

⁷ FAO – Situation Report Dry Corridor Central America - 2016

⁸ As of July 2020, the National Climate Change Fund is not operational.

THEME	OBJECTIVES
Infrastructure	Improve and build socio-vital infrastructure (basic sanitation systems) and strategic (schools, roads, bridges, hospitals, etc.) and ensure the design addresses climate variability, risk and vulnerability management and land-use plans.
Water resource management	Sustainably manage the country's water resources to guarantee the population's access to water and reduce their vulnerability to the effects of climate variability and change.

Another element established within the same legislation is the Guatemalan Climate Change Science System (SGCCC), which brings together knowledge institutions and is responsible for generating and disseminating climate change information. In 2019 the SGCCC generated the first report assessing knowledge about climate change in Guatemala. Even though the official PANCC document does not include cost estimates, the report from SGCCC highlights that the estimated cost for the realization of the plan is estimated at USD 23 billion. PANCC's adaptation component requires approximately 70% of this amount. The report also highlights that, considering the financial resources devoted to adaptation between 2014 and 2017, only 16% of total investments (USD 325 million)⁹ was allocated to adaptation issues.

Concerning the country's alignment with international frameworks, Guatemala submitted its intended nationally determined contributions in 2015 and signed the Paris Agreement in the following year. To date, Guatemala has submitted two UNFCCC communications, in 2002 and 2016 and is currently working on elaborating the Third National communication and its First Biennial Report.

Table A - 4. Overview of key events in climate change institutional actions in Guatemala

YEAR	EVENT
1992	Guatemala becomes a party to the UNFCCC
1998 / 1999	Guatemala signs and ratifies the Kyoto Protocol
2001	The Climate Change Unit in the Ministry of Environment and Natural Resources (MARN) is established
2002	First communication to the UNFCCC
2009	The Climate Change National Policy is developed
2013	The Climate Change Framework Law is established
2015	Guatemala signs the Paris Agreement
2016	National Climate Change Action Plan & Second communication to the UNFCCC
2018	Update of the National Climate Change Action Plan

2. INSTITUTIONAL CONTEXT

The NDA in Guatemala is MARN. The responsibilities of MARN are generally to coordinate communication with the GCF, coordinate the processes with other governmental and non-governmental local stakeholders, facilitate the accreditation of Direct Access Entities and provide no-objection letters.

⁹ 2014-2017 national spending: GTQ 15,661 million (or USD 2,036 million)

Key actors in Guatemala's institutional landscape include the Ministry of Finance (MINFIN) and the General Planning Secretariat (SEGEPLAN). Projects need to pass through MINFIN and SEGEPLAN, as these institutions oversee official financial flows into and out of the country. Furthermore, SEGEPLAN has a role in strategic planning and verifying a project's alignment with the country's policies and laws. Other relevant public institutions that are part of the Council are the Ministry of Agriculture and Cattle, Ministry of Energy and Mining, the Ministry of Communications Infrastructures and Housing and the National Coordinating Agency for Disaster Reduction.

There are several relevant adaptation-focused entities outside of the government. They are part of the National Climate Change Council, which includes universities (University San Carlos de Guatemala, Universidad del Valle de Guatemala), civil society organizations (indigenous organizations), private sector organizations (e.g. Chamber of Industry, Chamber of Agriculture and the Committee of Agricultural, Commercial, Industrial and Financial Associations and a number of other associations (e.g. Association of Mayors and Indigenous Authorities)).

Finally, institutes such as the National Forest Institute (INAB), the National Institute for Seismology, Volcanology, Meteorology and Hydrology, and the National Council for Protected Areas are advisors to the Council.

3. GREEN CLIMATE FUND CONTEXT IN THE COUNTRY

a. National climate change and development policies

The GCF has been present in Guatemala since 2016, with interventions primarily focused on adaptation (or cross-cutting) activities. There are three approved readiness grants and three adaptation or cross-cutting active projects, all of which are active. The total committed amount to these projects is USD 34.2 million in addition to USD 3 million for readiness support. The current commitment to projects in Guatemala corresponds to 1% of GCF's adaptation and cross-cutting portfolio.

The first readiness grant – *NDA Strengthening and Country Programming support through Guatemala* – was approved in 2016 and aimed to strengthen the GCF Focal Point's capacities and was implemented by IUCN. The grant is now fully disbursed and executed. The key output from this process was the GCF country programme, published in March 2019 as a result of a multi-stakeholder effort.

A second readiness support grant has been developed and brought forward by FAO: *Generation and preparation of information to prepare financing proposals of the Agriculture, Forestry and Other Land-Use sector in Guatemala*. The programme, approved in December 2018, is ultimately aimed at producing better information regarding forest policies and related planning and translating them into proposals for the GCF and other donors.

In 2020 Guatemala also received an adaptation planning readiness support, with the Rainforest Alliance as the implementing entity. The programme, named *Strengthening National Adaptation Planning Processes*, aims to “increase adaptive capacity at the national and departmental levels and build climate resiliency in Guatemala's most vulnerable regions through enhanced access to localized climate information.” In doing so, the Rainforest Alliance will produce a pipeline of adaptation projects and mobilize local stakeholders.

Beyond these readiness grants, there are three active projects in Guatemala. The project *Building livelihood resilience to climate change in the upper basins of Guatemala's highlands* (FP087), with IUCN, aims to reduce climate change impacts on the hydrological cycle in watersheds in the Guatemalan Highlands. It aims to do so via improved and more sustainable land-use practices. The project addresses fundamental vulnerabilities associated with the water deficits forecasted by

climatic projections. Project activities will include capacity-building on watershed management; government incentives to forestry and agroforestry; activities supporting water recharge; awarding grants to grass roots organizations; and second level community-based organizations; and better access to climate information for farmers and communities. Approved in October 2018, the project's actual implementation started in April 2020 when it received a first disbursement of USD 1.9 million.

The two other projects, FP048 and FP097, are similar. Both have been approved through the GCF's Private Sector Facility and aim at facilitating financing for small- and medium-sized enterprises to mitigate or adapt to climate change. The first, *Climate-Smart Agriculture risk sharing facility for micro-, small-, medium-sized enterprises* (FP048), is a cross-cutting multi-country project with the Inter-American Development Bank (IDB) spanning Guatemala and Mexico. The project's objective is to leverage funding from private sector companies and financial institutions and contribute to micro-, small-, medium-sized enterprises (MSMEs') financial needs for climate smart investments. This will be achieved by providing guaranteed funds, long-term and low-cost debt and technical assistance grants through financial intermediaries. Activities financed by the financial intermediaries will include:

- Developing agroforestry in crops such as coffee, cocoa and cashew
- Implementing reforestation and avoided deforestation actions
- Building adaptive capacity through providing training in best agricultural practices
- Supporting income diversification
- Providing weather and climate information

Approved in October 2017, the project started in January 2019 and has so far received two disbursements for a total value of USD 5.6 million out of the USD 20 million committed by the GCF.

The project *Productive investment initiative for adaptation to climate change – CAMBio II* (FP097) is managed by the Central American Bank for Economic Integration (CABEI). Spanning seven different countries in Central America, the project's objective is to promote access to lending through financial and non-financial services to install and spread adaptation technologies, aiming at reducing barriers to financing for MSMEs. The project combines a senior-loan component for the risk sharing facility with a grant component for technical assistance activities. Approved in October 2019, the project started implementation one year after and received a first disbursement of USD 0.4 million in February 2020.

B. FINDINGS

1. STRATEGY AND POLICIES

a. Fit between GCF strategy and country needs

The GCF country programme for Guatemala, developed within the first RPSP project with the IUCN, reflects the Fund's current strategy for its interventions in the country. The programme, developed through a broad participatory approach, builds on the country's plan for climate change action (PANCC). While the participatory approach enabled collecting inputs from a wide range of stakeholders, interviewees agree that the advice provided by the PANCC does not sufficiently guide project design as it lacks clear prioritization.

Addressing this lack of prioritization, the GCF country programme offers useful guidance to identify and rank interventions. The country programme lists 20 high-priority opportunities for investments,

all related to adaptation or cross-cutting areas. These include, for example, financial mechanisms accessible to small-scale producers, infrastructure for food production and promoting efficient irrigation systems and greenhouses.¹⁰

In this context, some interviewees suggest how the role and positioning of the actors involved in developing the country programme may have influenced the list of priorities. For example, the GCF country programme sets a medium priority on agriculture. Some stakeholders voice their doubts that the GCF country programme is fully aligned with country needs. Moreover, interviewees suggest it is challenging to monitor progress against what is established in the country programme. In this respect, they highlight ensuring the country programmes' effectiveness over time could be tied more strongly to country planning. Overall, the GCF country programme does not seem to be a highly recognized strategic document at the moment.

Some respondents suggest that one agency could oversee the development of the GCF plan and additional support for creating a project pipeline for multilateral agencies. Some suggest that a public agency not linked with the government might be a valuable option and could help provide continuity to GCF country operations. Such an agency could provide longer-term viability of planning, irrespective of frequent changes in governments.

If a crucial aspect of the broader strategy of the GCF is to strengthen country ownership and ensure the Fund's interventions are aligned with country priorities. This seems challenging in political contexts such as Guatemala. Indeed, political instability and complex government structures characterize the country's institutional landscape. Furthermore, priorities in the agendas of different ministries are not always aligned.

The RPSF programme is critical to strengthening local capacity and enabling country ownership in countries such as Guatemala. However, some stakeholders report how elements of capacity-building included in readiness programmes are not always as effective as they could be because they do not target staff with decision-making power. Interviewees also reported how the lack of continuity throughout government further challenges the effectiveness of programmes aimed at strengthening the institutions and building local capacity.

The GCF delivers adaptation planning in the RPSF to Guatemala via the Rainforest Alliance. The programme is relevant, even though it already has a national plan for climate change ratified by the UNFCCC. As the PANCC lacks in-depth vulnerability analysis, the adaptation planning grant bridges that gap and allows analysis at the subnational level to better direct future financing efforts. In terms of readiness support, Guatemala has not received any funding to strengthen direct access and still has no local entity accredited with the GCF.

Table A - 5. Overview of RPSF grants in Guatemala

ENTITY	OBJECTIVE	AMOUNT (USD)
IUCN	Country capacity	371,300
FAO	Country capacity & programming	813,294
Rainforest Alliance	Adaptation planning	1,520,639

¹⁰ Further areas include marine-coastal zone governance, conservation and restoration, resilient cities, natural forests and biological diversity governance, conservation, and restoration.

b. Implementation of GCF policies

Many interviewees report how the GCF's policies are complex and not always clear in their level of development, their approval of funding proposals, and throughout the accreditation process.

In developing funding proposals, interviewees report some frustration when dealing with the revision process, claiming it often causes significant delays and only occasionally leads to an actual improvement in the funding proposal. Interviewees noted that the independent Technical Advisory Panel's advice arrives too late in the process. Earlier advice would more likely enable constructive responses. Furthermore, interviewees report how revisions of funding proposals are based on the judgement of individuals who have strong theoretical knowledge but limited experience in implementation and are not always aware of the country's activities in terms of climate change. As such some interviewees do not always recognize the added value of these contributions.

In the specific case of adaptation projects, this process is even more complex due to the requirements for a strong climate rationale. Developing such in-depth analysis is challenging for many players. It can be a factor that ultimately prevents the Fund from sourcing innovative projects from smaller local stakeholders that lack the capacity to provide reliable scientific analysis. Interviewees have different opinions on whether there is an actual need to clearly distinguish climate change adaptation from more general economic development. Overall, the GCF could consider identifying and supporting local institutions in developing climate rationale studies that would officially support entities in proposal writing.

2. BUSINESS MODEL

a. NDA

The NDA of Guatemala is MARN. According to interviewees, it plays an important role in initiating projects as concept notes submitted to the GCF were developed after requests from the government. For example, this was the case for the projects with IUCN and IDB. Furthermore, a technical committee for project screening, initially intended to be set up within SEGEPLAN, coordinates different ministries and is now established within the MARN.

Although one ministry constitutes the official NDA, many actors are involved in matters related to climate finance. However, climate change is not a key priority for any of these actors. As a result, the country struggles in developing a proactive approach to adaptation.

SEGEPLAN, officially the door for all cooperation activity in the country, needs to analyse and approve all projects to ensure alignment with government policies and the country's laws. On the other hand, MINFIN oversees sovereign debt. Overall, this can lead to a lack of coordination between different ministries and, in some cases, tension regarding responsibilities associated with the GCF. Some interviewees suggest that MINFIN could take a larger role, especially if the private sector is to be involved. Other respondents said SEGEPLAN should be more involved in the coordination of different ministries.

While the first readiness programme attempted to address these issues by mapping stakeholders and assigning responsibilities, interviewees suggested a more focused programme could allow for more effective results.

The level of involvement of the NDA in projects varies widely from project to project and depends largely on the relationship between the ministry and the accredited entities (AEs). If the collaboration is strong, then the NDA is fully aware of project progress. This seems to be more challenging for projects with a regional scope. As regional Central American projects do not need to go through the approval of SEGEPLAN, their implementation is more straightforward at the expense of lower country ownership.

Another fundamental and more practical issue in operating in Guatemala is the lack of legal agreements that enable the Fund to function officially in development assistance, for which the Ministry of Foreign Affairs is in charge. As was highlighted in previous Guatemala case studies, the government cannot sign agreements with the GCF. The underlying reason is that the GCF is neither nationally present nor a United Nations entity. As such, an intermediary must be present to ensure GCF funds are considered as official development assistance. To overcome the issue, the accredited entity needs to sign an agreement with the government to acquire *fuentes cooperante* status.

All in all, while adaptation is a real priority for the country. Overall, the NDA structure faces challenges with the complexity of adaptation projects, potentially leading to further layers of complexity rather than enabling project implementation. In countries with complex government structures and low adaptive capacity, country ownership could take different shapes for more effective interventions.

b. Accredited entities

Considering the guidance on adaptation action from institutional planning needs improvement, AEs have an especially prominent role in the GCF's operations. This is observed at different stages of the project cycle, from the development of the GCF country plan, to the development and submission of concept notes. While the engagement of entities leads to action, this has some drawbacks as well.

For example, respondents report that larger international entities are often inclined to prioritize their agendas rather than government priorities. One interviewee said that, in some cases, projects could not include specific project elements because of misaligned priorities between government and international accredited entities. We were unable to obtain further information regarding this matter.

Officers and staff at AEs said few incentives exist for them to develop projects that apply for GCF financing. Two entities reported how an explicit request from the NDA prompted initial work on developing concept notes for submission to the GCF. The AEs that have been operating actively in Guatemala to date are in Guatemala are IUCN, IDB, CABEI, FAO (see Table A - 6).

Table A - 6. Overview of accredited entities and submitted RPSP and FPs

ENTITY	ENTITY TYPE	FPS	RPSP
IUCN	International	2 (1 Approved, 1 Submitted)	1
IDB	International	1 (Approved)	0
FAO	International	1 (Submitted - declined)	1
CABEI	Regional	2 (1 Approved, 1 Submitted)	0

The country has no national entities currently accredited. Following the NDA's recommendation, the *Fundación para la Conservación de Guatemala* (FUNDAECO), a local non-governmental organization, undertook the accreditation process in 2016. The process was unsuccessful as the entity was deemed to lack the necessary experience. Additionally, several entities considered getting accredited but did not pursue it, given the process's length and complexity.

One interview said the accreditation process lacked an overview of the timeline and process. Such an overview could make it more effective and efficient for institutions to assess their chances of success before fully engaging (especially for small entities with limited resources).

Furthermore, the GCF has not issued any readiness grants in Guatemala to support national AE's development. This has resulted in the current unbalanced portfolio of entities operating in the country. Respondents agree that Guatemala would benefit from a more diversified portfolio of AEs, which would better reflect the full set of country adaptation needs. Several respondents explained

how an organization such as FUNDAECO, a local non-profit organization committed to creating, managing and conserving protected areas, could be considered for authorization as a national accredited entity. While a first attempt to get FUNDAECO accredited was not successful, discussions about a further application are ongoing.

c. Relationship with Secretariat

Several respondents reported that language is a fundamental barrier in communications between the GCF Secretariat and government stakeholders. For example, the lack of documentation in Spanish is a significant hurdle for local stakeholders. One respondent felt the GCF could be more proactive in dealing with the country's language needs.

3. PERFORMANCE

a. Project cycle

The pipeline of adaptation and cross-cutting projects in Guatemala includes seven concept notes and three funding proposals, in addition to the three funded projects. Out of the seven concept notes, three have been withdrawn, while four are still in the pipeline. Those officially still in the pipeline are not associated with any specific accredited entity and no progress has been made since 2017. Little information is available on the concept notes that have been withdrawn. One concept note, being drafted by the World Food Programme (WFP), was withdrawn as the actor drafting it was seeking accreditation and the regulations regarding this were altered.

The pipeline for Guatemala also includes three funding proposals, submitted in November/December 2019. So far, for the six FPs (either submitted or submitted and approved) the time needed to move from a concept note stage to the funding proposal submission was on average of 330+ days (but with considerable variation from project to project). The three approved FPs required, on average, another 350+ days to get approval.

Table A - 7. Concept notes and Funding Proposals in the pipeline

PROJECT PIPELINE FOR GUATEMALA	# (ACCREDITED ENTITY)
Concept notes in the pipeline (#)	4 (MARN)
Concept notes withdrawn (#)	3 (United Nations Development Programme, KfW, WFP)
FPs submitted (#)	3 (FAO, CABEL, IUCN)
FPs approved (#)	3 (IUCN, IDB, CABEL)

Source: GCF Funding proposal and pipeline data, analysis by Steward Redqueen evaluation team

b. Role of private sector

In two out of the three projects active in Guatemala the private sector plays a central and similar role. The IDB (FP048) and CABEL (FP097) projects consist of risk sharing facilities aimed at making finance more accessible to MSMEs in agricultural and agroforestry businesses. In both projects, the private sector is involved at the beneficiary and intermediary levels.

In FP048, the IDB and GCF would, for example, enable MSMEs to benefit from longer-tenor lending products or other credit tools. In doing so, the facility will be able to leverage financial resources from the private sector. Depending on the subproject type, the GCF and IDB would contribute with different ratios. On average, the GCF to private sector co-financing is expected to be at a 1:6 ratio – but this varies among the adaptation and mitigation subprojects. The co-financing

ratio for the adaptation subprojects is expected to range between 1:1 up to 1:3. With a very similar structure, in FP097, CABEI and the GCF would provide guarantees sharing the risk at 50% between the two institutions.

Many of the respondents agree on the need for more substantial private sector involvement in climate change adaptation in Guatemala. They point out how involving the private sector would provide longer-term sustainability to adaptation projects. However, opinions vary on the nature of the private sector in Guatemala. While some interviewees find the country's private sector conservative and challenging to engage with on climate-related topics, others feel considerable potential exists for involving MSMEs and cooperatives. One respondent believes there are already interesting initiatives in the country, with MSMEs in the agriculture sector creating networks/cooperatives to strengthen their climate resilience.

Examples of these initiatives include developing efficient water management systems and an early warning system for sugar cane farmers. Furthermore, there is a large potential for adaptation projects in agroforestry, including improving soil quality and restoring forests in coffee cultivation areas. To identify further opportunities, respondents highlighted the need to take a value chain approach and start from the producers' needs and the need for offering technical assistance to private sector organizations.

One respondent suggests that the GCF could make ad hoc financing windows available to source projects with strong private sector involvement.

c. Risk

The three GCF's projects in Guatemala carry low idea risk¹¹, as they replicate concepts already familiar to the AE/executive entity.

The GCF's main risks in Guatemala are market risks. In the two private sector projects (FP048 and FP097) active in Guatemala, the GCF shares the financial risk with multilaterals (IDB and CABEI). Given the high-risk perception of investments directed to farmers and agri MSMEs, the GCF's capital can fill a gap in the market and attract private sector capital. In FP048, for example, by providing guarantees, the project will (i) de-risk private sector participation and (ii) enable the financial intermediaries to increase the volume of funding to MSMEs. In this context, the GCF and IDB share equally the financial risk associated with these transactions.

In contrast, for FP087, the concept of market risk is not applicable, as the project only relies on grant instruments. The highest risk for project FP087 is associated with its governance because of the many stakeholders involved in the project operations. While the project leverages the rich network of civil society organizations in Guatemala, this has rendered project implementation complex. It is especially challenging to keep everyone well informed about and involved in the process. Some organizations officially listed as direct project beneficiaries seem not to be fully aware of their role within the project.

Furthermore, the project carries a certain level of operational risk, given the potential challenges associated with implementing and adopting climate information systems in remote communities.

Finally, from a legal risk perspective, respondents believe that the GCF is risk averse and, while understanding the need for mitigating legal and compliance risks, feel this could signal a lack of trust towards AEs.

¹¹ Risk associated with implementation of a new concept.

d. Innovation

Analysis of the extent to which the GCF's support has contributed to innovative approaches to addressing adaptation challenges in the country is discussed below.

The projects that the GCF finance in Guatemala are not unprecedented or new adaptation ideas. On the opposite, they rely on AEs' experience with proven concepts.

For example, the project with CABEI, CAMBio II, follows from the experience of CABEI in the project CAMBio I, previously developed in partnership with the Global Environment Facility and the United Nations Development Programme. Similarly, the project FP087 from IUCN scales up a pilot initiative in Guatemala from IUCN with U.S. Agency for International Development and builds on this experience.

However, respondents highlight how there are novel components within these projects. One example is a subcomponent of the IUCN project that aims at designing participatory early warning systems to make climate information available at the community level.

Reflecting on the first years of operation of the Fund, one respondent said that, until now, the GCF has not been sufficiently innovative. Still, the expectations are that this will be different moving forward. The respondent highlights a need for a clearer and shared understanding of what innovation would mean for the Fund and believes that innovation requires developing new technologies and finding ways of scaling up existing concepts and solutions. In this context, the respondent reports how learning from on-the-ground experience is of fundamental importance.

Finally, respondents believe that there are opportunities for further scaling some of these initiatives and bringing similar adaptation concepts to other countries in the Central American region subject to similar vulnerabilities.

4. IMPACT

Projects in Guatemala are not sufficiently mature to assess their impacts on the ground.

From their respective FPs, the expected impacts in Guatemala are as follows:

- Through FP048, IDB aims to reach 800,000 farmers adopting climate smart agriculture practices and an increase in productivity of 10% with almost 200,000 ha of land under Climate-Smart Agriculture practices throughout Guatemala and Mexico.
- As described in previous sections, the three approved projects are mostly in their planning or early implementation phases. FP048 and FP097 have submitted the first annual performance report to the GCF reporting on the progress made in 2019, while no annual performance report has been submitted for project FP087. Since the beginning of 2020, respondents from executing entities report how the activities have been slowed down due to the COVID19 pandemic.
- FP048 (CABEI) has executed the first preparatory actions and institutional arrangements to initiate the project's implementation. This includes the preparation of operational manuals. The project aims to deliver credit to 5,000 MSMEs through local intermediary financial institutions. Respondent explained that currently, four international financial institutions have been identified in Guatemala. No progress has been reported regarding the impact core indicators of the GCF's logic framework.
- Similarly, for FP097 (CABEI), several preparatory activities have been executed and the first project outputs reported. For example, this includes engaging with financial intermediaries and agribusinesses and performing a pre-feasibility assessment of their proposals. From an adaptation impact potential perspective, the respondent highlights how the role of IDB will be

critical in the assessment of MSMEs to ensure that the financing targets those enterprises that are most vulnerable to climate change.

5. WAY FORWARD

In conclusion, Guatemala has a high need for adaptation interventions to tackle its vulnerability to climate change. Overall, the GCF's presence in the country is significant, with three readiness grants and three approved funding proposals. However, its impact on the ground cannot be observed yet due to the portfolio's lack of maturity of the portfolio.

Within the current portfolio of projects, in Guatemala the public and private sectors seem to work on parallel streams; projects that leverage the private sector do not involve key players in public institutions, and vice versa.

As the country has little capacity to own, lead and monitor the process of adaptation, the role of the readiness programme is crucial to strengthen institutional capacity, delineate the key country's priority and ensure that high quality concept notes are presented to the GCF. While the country's capacity was certainly strengthened, the programme's effectiveness is often hindered by a lack of continuity in governments often hinders its effectiveness. Country ownership remains a real challenge.

Guatemala would benefit from the presence of a local institution that could own and assess progress against the country's needs and GCF interventions.

The country lacks national access entities, and readiness support for direct access has not been delivered. The GCF could look more proactively for national AEs in areas especially relevant to the country's vulnerability, such as agriculture and land-use. The GCF should ensure that accreditation requirements and key policy documents are clear and well communicated to enable interactions with local organizations and stakeholders. Ensuring documents are translated into Spanish would further facilitate the process. While these elements would be of fundamental importance to strengthening the GCF's role in Guatemala, a key constraint remains the lack of legal agreements to directly in Guatemala and not through an intermediary entity.

Appendix 1. OVERVIEW OF PORTFOLIO

RPSP GRANTS	COMMITMENT (USD)	YEAR APPROVAL	COUNTRIES
NDA capacity strengthening and country programme development (IUCN)	371,300	2016	Guatemala
Generation and preparation of information to prepare financing proposals of the Agriculture, Forestry and Other Land-Use sector in Guatemala (FAO)	813,294	2019	Guatemala
NAP: Strengthening National Planning Systems for Climate Change Adaptation in Guatemala (Rainforest Alliance)	1,520,639	2020	Guatemala
FUNDING PROPOSALS			
FP048 (Regional) Low-Emission and Climate Resilient Agriculture Risk Sharing Facility for MSMEs in Mexico and Guatemala	20,000,000	2017	Guatemala, Mexico
FP097 (Regional) Productive Investment Initiative for Adaptation to Climate Change (CAMBio II) (CABEI)	15,500,000	2018	Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Dominican Republic
FP087 Building livelihood resilience to climate change in the upper basins of Guatemala's highlands (IUCN)	22,035,512	2018	Guatemala

Appendix 2. STAKEHOLDERS CONSULTED

NAME	ORGANIZATION	ROLE
Juan Carlos Diaz	MARN	Director of International Cooperation
Alejandro Estrada	MARN	Director of Planning
Rudy Mendez	MARN	Coordinator of Project Unit
Vanesa Franco	MARN	Director of Strategic Programmes
Rita Mishaan	SEGEPLAN	Secretary of International Cooperation
Willson Wyller Morales	National Institute for Seismology, Volcanology, Meteorology and Hydrology	Director of Climate Change Unit
Merle Fernandez	National Council for Protected Areas	Director of International Cooperation
Monica Barillas	National Council for Protected Areas	Specialist in Climate Change Unit
Ernesto Moscoso	INAB	Inter-institutional coordinator
Antonio Guoron	INAB	Director of Climate Change Unit
Ursula Parrilla	IUCN	National coordinator
Pia Hernandez	IUCN	Coordinator regional office
Jorge Omar Samayoa	IDB	Climate change specialist
Trevor Estrada	CABEI	National coordinator
Lesly Herrera	CABEI	Private sector specialist
Oscar Rojas	Rainforest Alliance	Director
Alejandro Santos	Rainforest Alliance	Environmental Economist
Ogden Rodas	FAO	Officer
Miguel Martinez	FAO	Officer
David Morales	FAO	Officer
Yvonne Ramirez	Fundación para la Conservación de Guatemala	Director
Micol Mulon	WFP	Climate Finance Team Leader
Diego Jincer	Universidad del Valle	Researcher
Jackeline Palomo	Universidad del Valle	Researcher
Gabriela Fuentes	Universidad del Valle	Researcher

Appendix 3. DOCUMENTS CONSULTED

GCF documents

- Green Climate Fund (2018). Funding Proposal FP087: Building livelihood resilience to climate change in the upper basins of Guatemala's highlands. Decision B21/34.
<https://www.greenclimate.fund/project/fp087>
- Green Climate Fund (2017). Funding proposal 048: Low-Emission and Climate Resilient Agriculture Risk Sharing Facility for MSMEs in Mexico and Guatemala. Decision B18/08.
<https://www.greenclimate.fund/project/fp048>
- Green Climate Fund (2019). Funding proposal 097: Productive Investment Initiative for Adaptation to Climate Change (CAMBio II). Decision B.21/34.
<https://www.greenclimate.fund/project/fp097>
- Green Climate Fund (2016). Readiness Proposal with the International Union for Conservation of Nature for Republic of Guatemala - *NDA Strengthening and Country Programming support through Guatemala with IUCN*
<https://www.greenclimate.fund/sites/default/files/document/readiness-proposals-guatemala-iucn-nda-strengthening-and-country-programming.pdf>
- Green Climate Fund (2019). Readiness Proposal with the Food and Agriculture Organization of the United Nations (FAO) for Republic of Guatemala - *Generation and preparation of information to prepare financing proposals of the Agriculture, Forestry and Other Land-Use sector in Guatemala* <https://www.greenclimate.fund/sites/default/files/document/readiness-proposals-guatemala-fao-strategic-frameworks.pdf>
- Green Climate Fund (2020). Readiness Proposal with Rainforest Alliance for the Republic of Guatemala - *Strengthening National Adaptation Planning Processes*
https://www.greenclimate.fund/sites/default/files/document/readiness-proposals-guatemala-rainforest-alliance-adaptation-planning_0.pdf
- Green Climate Fund (2020). Annual Performance Report FP048.
<https://www.greenclimate.fund/sites/default/files/document/fp048-2019apr.pdf>
- Green Climate Fund (2020). Annual Performance Report FP097.
<https://www.greenclimate.fund/sites/default/files/document/fp097-2019apr.pdf>

External documents

- Government of Guatemala (2009) *National Climate Change Policy*
- Government of Guatemala (2013) *Framework Law for Climate Change*
- Government of Guatemala (2014) *K'atun – Development Plan Guatemala*
- Government of Guatemala (2016) *Plan de Acción Nacional de Cambio Climático*
- IUCN (2019) *Programa de Apoyo Preparatorio para el Fondo Verde para el Clima en Guatemala*
- Second Communication to the UNFCCC on Climate Change in Guatemala (2016)
- Sistema Guatemalteco de Ciencias del Cambio Climático (2019) *Reporte de Cambio Climático Guatemala*
- FAO (2016) *Situation Report Dry Corridor Central America*

3. TAJIKISTAN COUNTRY CASE STUDY REPORT

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ABBREVIATIONS

ADB	Asian Development Bank
AE	Accredited entity
CEP	Committee of Environmental Protection
CP	Country programme
EBRD	European Bank for Reconstruction and Development
FMO	Dutch entrepreneurial development bank
FP	Funding proposal
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GDP	Gross domestic product
IAE	International accredited entities
KfW	Kreditanstalt für Wiederaufbau
NAP	National adaptation plan
NCCAS	National Climate Change Adaptation Strategy
NDA	National designated authority
NDC	National determined contributions
PFI	Partner financial institution
PPCR	Pilot Program for Climate Resilience
SEFF	Sustainable Energy and Climate Resilience Financing Facility
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
WBG	World Bank Group
WFP	World Food Programme

A. PRESENTATION OF THE COUNTRY AND GCF ROLE

Tajikistan, located in Central Asia, is among the most vulnerable countries to climate change in its region. The Government of the Republic of Tajikistan recognizes this and is working with the GCF and other international development agencies, to finance projects and programmes that will enable the country to adapt to the impacts of climate change. The NDA in Tajikistan is the Committee of Environmental Protection (CEP). Several international accredited entities (IAEs) operate in the country, with five GCF projects in implementation.

1. MAIN CLIMATE CHANGE ADAPTATION RISKS AND CONTEXT

a. Climate change adaptation risks

Tajikistan is one of the most climate change vulnerable countries in Central Asia. The ND-GAIN Country Index ranks the country 111th out of 181 countries. It is the ninety-first least vulnerable country and the forty-eighth least ready country in the world.¹² This is primarily due to its geographic and socioeconomic characteristics. The country's terrain is mostly mountainous (93 per cent), and most of the population live 3,000 metres above sea level (Aalto and others, 2014). Annual mean temperatures, depending on elevation and location, can swing from lows of -6°C to highs of 17°C ; in some regions, the range in temperatures is extreme, with lows of -63°C and highs of 47°C . Glaciers cover these mountainous areas, which occupy 6 per cent of the country's landmass (State Administration for Hydrometeorology, 2014). Together with permafrost, the glaciers feed the country's river systems and are the primary source of fresh water and consistent hydroelectric power.

Socioeconomic conditions for people living in Tajikistan have improved markedly over the last two decades. After gaining independence from the Soviet Union in 1991, the country was devastated by a civil war that lasted five years. Since the war ended, the country has made significant progress in improving its socioeconomic conditions. According to the World Bank Development Indicators, GDP per capita, primary school enrolment and life expectancy are all higher than at the turn of the twenty-first century. At the same time, the share of the population living in poverty is lower.¹³ However, the country's economy is heavily dependent on remittances from Tajiks living abroad, most of whom live in Russia. An estimated 43 per cent of the country's GDP is dependent on remittances, making it the most remittance-dependent country in the world. The rest of the country's economy is mostly dependent on either agriculture (which contributes more than 20 per cent of GDP and employs an estimated 500,000 people growing wheat, cotton, and fruits and vegetables) or industrial production (mostly of aluminium, which contributes about 12 per cent of GDP) (State Administration for Hydrometeorology, 2014).

As climate change transforms the country, there are significant risks to the Tajik people and their livelihoods. Over the period 1940–2000, annual mean temperatures rose 0.5°C to 1°C , increasing air temperatures (State Administration for Hydrometeorology, 2014). Warmer temperatures are predicted to increase the rate at which the country's major glaciers are melting. As a result of this, the rivers supported by these glaciers are expected to swell, potentially depleting fresh water reserves and forming glacial lakes that, when they burst, create life-threatening mudflows that can erase whole villages. Mudflows and floods in Tajikistan over the last 10 to 12 years have resulted in about 1,000 deaths and economic damage of an estimated 1 billion Somoni (USD 96.4 million)

¹² See <https://gain-new.crc.nd.edu/country/tajikistan>

¹³ In 2019, GDP per capita (Constant 2010 USD) was USD 1,121, gross primary school enrolment was 101% and life expectancy was 71 years. Available at <https://data.worldbank.org/country/tajikistan> Accessed 28 October 2020.

(State Administration for Hydrometeorology, 2014). In addition to mudflows and flooding, climate change in Tajikistan is expected to increase the risk of prolonged and frequent droughts, heatwaves and other extreme climate events such as heavy rains or dust storms, or both.

b. National adaptation initiatives

Tajikistan joined the United Nations Framework Convention on Climate Change (UNFCCC) in 1997. Since then, it has continuously introduced, amended, adopted and communicated critical policies and strategies related to climate change.

Tajikistan has been active in submitting nationally determined contributions (NDCs) at the international level following the 2015 Paris Agreement. Tajikistan has submitted three national communications under the UNFCCC, in 2002, 2008 and 2014. The fourth National Communication is under development. These included inventories of greenhouse gas emissions and sinks, a vulnerability analysis of ecosystems and the economy, preliminary adaptation recommendations and mitigation analysis. The communications also contained climate change forecasts for the country until 2100. The Tajikistan NDC, submitted in 2015, prioritizes reducing the country's vulnerability to climate change via adaptation and increased resilience. The focus was placed on several key sectors, including agriculture, irrigation and water, energy, transport and disaster risk planning, among others. As required by the Paris Agreement, countries should follow five-year cycles to increase ambition. 2020 particularly represents a crucial milestone to achieve the overall objective of the Convention and the Paris Agreement. In this sense, in November 2020, Tajikistan with the support of development partners and NDC Secretariat started updating its NDCs and it is planned to finalize it in March-April 2021.

Nationally, the Government of Tajikistan has put forth several strategies for adaptation and disaster risk management. The National Climate Change Adaptation Strategy (NCCAS), which was approved in October 2019 by the Tajikistan Cabinet, articulates its vision over the next decade for adaptation and development projects that address the country's adaptation needs. Like the NDCs, the Tajikistan NCCAS highlights agriculture, water, energy and transport as priority areas for implementing adaptation practices in light of climate change. The Government of Tajikistan is also finalizing an update of its 2010 National Strategy on Disaster Risk Management (NDSRR). This document voices the government's need to align climate change adaptation with its disaster risk reduction and management policies. Critically, it will provide short- and medium-term implementation plans to do so. Tajikistan also has a national development strategy, which defines socioeconomic development priorities for the country until 2030. This strategy integrates climate change needs, disaster risk reduction and social inclusiveness, specifically focusing on gender-based development.

Despite the Government of Tajikistan publishing many international and national climate change strategies and policies, these resources do not include specific implementation guidance from the government on climate change and adaptation. To address this need, the Government of Tajikistan is developing a NAP. Together with the United Nations Development Programme (UNDP), it has already submitted a proposal to the GCF for readiness support to complete the NAP. The NAP will seek to complement the national climate change documents noted above, such as the NCCAS and NDSRR, by providing specific guidance on integrating adaptation into disaster risk reduction and management, or how to address coordinating adaptation planning needs and activities between international, national and subnational bodies.

Alongside these policies are specific climate change and adaptation related programmes. One important programme is the Pilot Programme for Climate Resilience (PPCR). The PPCR was launched in 2009 by the World Bank, Asian Development Bank (ADB) and European Bank for Reconstruction and Development (EBRD). The programme aims to help countries facing extreme

risks due to climate change to embark on climate-resilient development paths. It consists of a variety of activities across multiple participating countries. In Tajikistan, the PPCR has six focus areas: (i) building capacity for climate resilience; (ii) improving delivery of weather, climate and hydrological services; (iii) developing a climate resilience modelling programme; (iv) enhancing climate resilience in the energy sector; (v) promoting sustainable land management; and (vi) increasing climate resilience in the Pyanj River Basin, the area surrounding the longest and largest river in Tajikistan (ADB, 2014). The programme has two phases: Phase 1 focused on piloting projects, and phase 2 seeks to use financing to scale the pilot projects. Phase 1 began in 2010 and funded six technical assistance projects, one for each priority area, and concluded in 2012. Phase 2 has been operational since this time and has contributed to several GCF initiatives, as the following narrative shows.

2. INSTITUTIONAL CONTEXT

In Tajikistan, the CEP is the NDA for managing GCF-related matters in the country. Established in 2008, the CEP has served in this role since 2014. The CEP is responsible for controlling natural resource use, protecting land, minerals, forests, water and other resources and coordinating environmental protection activities among government agencies. As the NDA, it coordinates project implementation, engages potential and current AEs, provides strategic oversight for GCF-supported projects to ensure alignment with national policies, convenes various stakeholders (public, private, civil society, etc), and facilitates the proposal writing and submission process for new projects to the GCF.

The CEP also contains agencies critical to the implementation and administration of climate change adaptation work. The Hydrometeorological Agency of Tajikistan (Hydromet) is the lead agency within CEP on the topic. It prepares national communications to the UNFCCC, provides climate and weather information to the general public, and measures national greenhouse gas emissions. Within Hydromet is the Climate Change Center, which manages climate-related research and reporting in Tajikistan.

Other relevant agencies outside the CEP address economic development issues, disaster risk, agriculture and land-use. The Ministry of Economic Development and Trade oversees the implementation of socioeconomic development priorities and their mainstreaming of climate change priorities. The Committee on Emergency Situations and Civil Defence provides early warning alerts, disaster prevention initiatives and disaster recovery work. The Ministry of Agriculture is responsible for delivering adaptation related agricultural support and information on production, policy and forecasts. Finally, the Agency for Land Reclamation and Irrigation plays a role in controlling irrigation systems, drainage and water management amidst climate change.

Working with the NDA and its national peer agencies are IAEs that bring projects forward for financial support and may subsequently implement them as executing entities. These are mainly large, multilateral development institutions, aid groups or nature conservation organizations. They include the following: ADB, EBRD, the European Investment Bank, the International Fund for Agricultural Development, Kreditanstalt für Wiederaufbau (KfW), the Dutch entrepreneurial development bank (FMO), the International Finance Corporation, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Food and Agriculture Organization of the United Nations, the International Union for Conservation of Nature, Japan International Cooperation Agency, the World Bank Group (WBG), UNDP the WFP, the World Meteorological Organization and the World Wildlife Fund.

3. GREEN CLIMATE FUND CONTEXT IN THE COUNTRY

There are currently five projects ongoing in Tajikistan: four are adaptation projects and one is cross-cutting.

FP014, titled “Climate Adaptation and Mitigation Programme for the Aral Sea Basin” is a WBG programme active in Uzbekistan and Tajikistan. The programme builds regional cooperation to meet the challenges of climate change through an investment facility that will support the adoption of climate-smart rural production and landscape management investments. FP014 will target the most impoverished and most climate-vulnerable rural communities, benefiting farmers in rural villages in particular. Agricultural, land and water management practices will be implemented based on local agroecological conditions to strengthen climate change resilience. Investments via the facility will be demand-driven, but will include crop diversification, water resource management, rehabilitation of degraded land, conservation agriculture, livestock production improvements, agro-products processing, energy efficiency improvements and expansion of renewable energy sources.

FP025, titled “GCF-EBRD Sustainable Energy and Climate Resilience Financing Facility (SEFF)”, is a cross-cutting multi-country programme providing credit lines to local partner financial institutions (PFIs) in 13 countries across Southern and Eastern Europe, the Middle East and North Africa, Western Asia and Central Asia. It is an EBRD and GCF programme focused on delivering climate finance at scale via PFIs in developing countries. It aims to fund over 20,000 scalable and replicable projects across the industrial, commercial, residential, transport and agricultural sectors. The programme's PFIs will on-lend the funds to the borrowers such as micro, small and medium-sized enterprises, special purpose companies and households for energy efficiency, renewable energy and climate resilience projects. Financing activities will be complemented by providing technical assistance, both to the local PFIs and the borrowers. This component will include capacity-building of local PFIs and micro, small and medium-sized enterprises; project assessment and monitoring; and gender mainstreaming activities.

FP040, titled “Scaling Up Hydropower Sector Climate Resilience”, is an adaptation project also run by EBRD. Hydropower provides approximately 98 per cent of the electricity in Tajikistan. The modernization of a major hydropower facility in Tajikistan – Barki Tojik, a state-owned, vertically integrated hydropower utility – will protect it against future climate conditions. The infrastructure dates from the Soviet era and needs renewal to cope with the observed and projected impacts of climate change that are leading to increased hydrological variability. In particular, there is an urgent need to adapt spillway capacities to cope with the new climate conditions, including an increase in severe floods. The project has three key components. First, best international practices will be adopted, and Tajik hydropower operators trained to assess and manage climate risks. Second, institutional capacities and structures for effective transboundary management of hydropower cascades will be developed within the context of transboundary cooperation and agreements in the region. Finally, climate resilience measures will be integrated into the hydropower facility, including structural rehabilitation, to optimize climate change resilience.

FP067, titled “Building climate resilience of vulnerable and food insecure communities through capacity strengthening and livelihood diversification in mountainous regions of Tajikistan”, is an adaptation project focused on food insecurity run by the WFP. As Tajikistan experiences increasing temperature and rainfall variability and recurrent natural disasters, particularly droughts and floods, local communities in mountainous areas that rely heavily on climate-sensitive sources of income have a low adaptive capacity to cope. This is due to a lack of adequate climate information for planning their agricultural production. FP067 will introduce adaptation measures to address climate change effects leading to declines in agricultural yields, increases in food prices and reduced agricultural wages. It will focus on the most vulnerable and food insecure communities in the Rasht

Valley, Khatlon and Gorno-Badakhshan Autonomous Region regions. It will include an integrated approach to provide climate information services, capacity-building, sustainable water management and resilient agriculture and forestry.

Finally, FP075, titled “Institutional Development of the State Agency for Hydrometeorology of Tajikistan”, is a programme implemented by ADB to support capacity-building and development of hydrological and meteorological data and information in Tajikistan. The country’s hydrological and meteorological services, designed to provide climate information for development planning, are under severe strain. This problem will be addressed by supporting the legal and structural transformation of the Tajikistan Hydromet Agency and developing and implementing a business model for Hydromet’s services. The improvement of climate data will empower communities to manage risks through timely and robust information.

B. FINDINGS

Since CEP became NDA for Tajikistan, the GCF has been active in the country on adaptation, implementing projects and providing readiness support. This is mostly thanks to the institutional strength of the NDA and the activities of prior climate adaptation programmes – namely, the PPCR. However, work is yet to be done, particularly on involving DAEs and the private sector. Going forward, the GCF should address the absence of DAEs and the private sector and reduce the administrative cost of doing business with it that delays project timelines.

1. STRATEGY AND POLICIES

a. Fit between GCF strategy and country needs

The GCF is mandated to take a country-led approach. Therefore, its activities are relevant in the country to the extent that they match the country’s priorities. In Tajikistan, the country’s priorities are stated in the country programme (CP) and other country strategic documents described above. Because of its many policy and strategy documents related to climate change and in particular adaptation, Tajikistan has a well-defined and comprehensive set of priorities for GCF involvement. These priorities are set out in the CP for the GCF (2019–2021) (Tajikistan Country Programme, 2019). The CEP prepared the CP to define short-term and long-term investment priorities for the GCF in Tajikistan. There are five strategic pillars defined by the CP where GCF investments are needed: (I) Agriculture and Forests; (II) Transport; (III) Energy; (IV) Water resources; (V) Cross-sectoral areas of activity (Education, Public Health Services and Migration).

GCF-funded projects address a number of these priority areas. FP067 and FP014, which focus on food security and climate-resilient agriculture, address the stated needs in Strategic Pillar I. Moreover, FP040 addresses Strategic Pillar III by rehabilitating a deteriorating Soviet era hydropower plant to increase the affordability and availability of the energy that it supplies. This meets a specific need stated in the CP for “climate-resilient hydropower infrastructure to increase the sustainability potential and performance of hydropower.” However, the relevance of these ongoing GCF projects to the needs of Tajikistan is not the result of the GCF’s country-led approach. Instead, it is due to the PPCR and EBRD presence, which piloted FP040 in Tajikistan and helped the CEP define its priority areas before engaging with the GCF. The FP040 funding proposal explains that funding for the project pilot was provided by the EBRD and PPCR starting in 2014 and that the GCF’s role was to provide “further funding ... [that] will allow for a smoother, gradual implementation of the overall project” (Green Climate Fund, 2017a).

Where priority areas are not yet addressed with financing from the GCF, the CEP has proposed several priority project ideas in the CP that it intends to further develop over the coming years. On

water, CEP has proposed a project to develop a national water security system for ensuring food security ahead of severe droughts and desertification related to climate change. On energy, it has proposed a project to implement and scale energy-efficient technology through public sector buildings. On transport, CEP would like to develop a bus rapid transit system in municipalities to reduce emissions, pollution and traffic-related to private transport vehicles.

b. Implementation of GCF policies

The GCF interacts exclusively with the IAEs and the NDA since there are no DAEs. However, in-country IAE offices do not have direct communication lines with the GCF about projects they manage. One interviewee noted that although their organization does not have a global approach but rather a country-focused approach, all communication between the IAE and the GCF goes through their headquarters in Europe and is then passed on to them. Consequently, when changes need to be made to any project-related documentation or the process – such as concept notes or funding proposals, which go through several rounds of revisions and comments from the GCF Secretariat and the AEs – there are unnecessarily convoluted lines of communication that cause delays.

One interviewee also noted that although the GCF was a good partner to fund their project, with climate finance and climate expertise, the support and comments they received during the process were not always clear. In particular, it was not clear to this interviewee what parts of the project the GCF was willing to finance because the GCF made no clear demarcation between adaptation and development. According to this interviewee, the GCF said it would fund the project's incremental costs related to adaptation while leaving the project costs for development to the AE. The GCF claims it adopts the guidelines for doing so from those of multilateral development banks, which also try to finance the incremental adaptation costs. However, the banks' guidelines are not straightforward and not necessarily even possible for the GCF to implement in specific projects. For instance, the interviewee noted that infrastructure projects tend to have relatively straightforward components related to adaptation and not development. In contrast, the incremental costs of projects focused on institutional capacity-building or climate-resilient agricultural practices are much more difficult to discern. For this reason, this interviewee felt that the GCF was not sufficiently clear about what it would provide financing for and why it would provide financing for some project aspects but not others.

2. BUSINESS MODEL

a. NDA

Since becoming an NDA in 2014, the CEP has been able to use GCF funding for five projects now in implementation in the country, including three that are strictly focused on Tajikistan. It has also been able to propose and receive readiness grants from the GCF. These achievements speak to its effectiveness and institutional capacity. However, this effectiveness and capacity result from coordinated and targeted support for the CEP from a variety of international bodies, including the GCF.

When the CEP became the NDA for Tajikistan, climate finance was a new area for it. There was little institutional capacity and personnel resources for the topic were limited, which threatened to inhibit the CEP's ability to attract financing for climate adaptation projects from the GCF effectively. In 2014, the CEP was working closely with GIZ, who had been involved in setting up the CEP as the NDA. GIZ provided training on climate finance readiness on behalf of the German Ministry for Economic Cooperation and Development. GIZ also helped the CEP as an NDA to develop a no-objection procedure. One interviewee who was engaged in this activity at the time

credits this early capacity-building support from GIZ with giving the CEP an edge on getting projects through the lengthy GCF project funding cycle.

The CEP was also the beneficiary of support from the PPCR. Specifically, the PPCR included a project titled “Capacity Development Technical Assistance” that focused on identifying potential implementing entities for the Adaptation Fund. As part of this project, PPCR conducted a gap analysis of potential applicants, credited for identifying AEs to work with the CEP and the GCF. Also, the project helped the government develop a national adaptation strategy.

Readiness and support for the NDA in Tajikistan are still ongoing. The CEP has submitted a proposal to the GCF, together with UNDP, for a readiness grant to develop a NAP to help the NDA drive implementation of its adaptation policies in the coming years.

b. Accredited entities

As noted above, many large IAEs in Tajikistan work with the NDA and the GCF to bring project proposals forward and execute them after approval. The most active AEs in Tajikistan have been the multilateral agencies – namely, WBG, ADB and EBRD. They are responsible for several GCF-funded projects, such as FP014, FP025, FP040 and FP075. Bilateral development banks have also been active – namely, the German organizations GIZ and KfW Group, which have been involved in the capacity-building and readiness support provided to the NDA, as mentioned above. The many United Nations bodies accredited in Tajikistan are present but not highly active. WFP is the only United Nations body currently involved in an ongoing project – FP067 – however, UNDP is closely involved in supporting the NDA in developing its NAP. There are non-developmental organizations (International Union for Conservation of Nature and World Wildlife Fund) accredited in Tajikistan, but they are yet to be active on a project.

Conspicuously absent from the many AEs in Tajikistan are DAEs or any other Tajik organization. This may be due to the small size of the economy and therefore a possible lack of organizations capable of going through the accreditation process or receiving readiness support. The PPCR, as part of its project to measure the institutional capacity for adaptation in Tajikistan, found that non-government organizations and community-based organizations should be leveraged as significant contributors to scaling pilot projects and investments in adaptation projects. NGOs have strong links in local communities and can raise participation in projects as they scale (ADB, 2014). However, specific NGOs from Tajikistan are not yet identified. The NDA plans to request GCF readiness support for efforts to identify them.

c. Relationship with the Secretariat

Interactions with the GCF have mainly been positive, although some interviewees were critical about the process of getting proposed projects funded. In particular, the GCF, according to several interviewees, creates high administrative costs in conducting business with it that delay the process of approving projects and ultimately make the GCF a less competitive source of financing.

One interviewee described the process of proposing projects and getting them approved as “laborious, onerous and sometimes arbitrary.” They noted that GCF processes and approaches are not original but borrowed from other IAEs, some of which are active in Tajikistan. Despite this, the GCF requires projects to report extensive environmental and social safeguards and gender assessments for projects, which are undoubtedly important but ultimately redundant if a large IAE with similar requirements for projects has already conducted them. This potential redundancy makes the process costlier. This interviewee also noted the need for project proposals to be submitted ahead of upcoming Board Meetings to receive approval, which also increased the cost of doing business with the GCF. This requirement pushed forward work unnecessarily, in their opinion, since if they missed the deadline for submission, the project would be delayed further until the next Board

meeting months later. Finally, they explained that the GCF insisted on several rounds of revision in the proposals, upward of 12 in one instance, several of which were with specialists. Although this improved the proposals, it delayed them and made it costlier to work with the GCF for such AEs, who can go elsewhere than the GCF for co-financing.

In one particularly striking case, another interviewee said that the GCF's insistence on some of their comments made progress on proposals very difficult, delaying the project. According to this interviewee, for the Board to approve the project, the AE and the NDA needed approval from neighbouring countries that would potentially be affected by it. However, Tajikistan had tense or poor political relationships with its neighbours and overcoming these relationship hurdles required a lot of time and effort. In a sense, this requirement was an imposition on the autonomy of the Government of Tajikistan in implementing, together with an IAE, a national project. And because it was a national project, no legal grounds required the NDA to address this comment. In the end, the NDA and the AE worked to get approval from their neighbouring countries to address this comment and get the project approved. This highlights the challenges of projects that are related to transboundary common pool resources.

3. PERFORMANCE

a. Project cycle

There are five ongoing projects, each with different timelines and project statuses. Overall, there have been significant delays in many of the projects for administrative, governance or other reasons. Although interviewees raised concerns about project cycles being slow, overall the timelines do not appear abnormal.

FP014 is the earliest submitted GCF-funded project in Tajikistan. Despite this, it was approved to begin the implementation phase in mid-2020. The project concept note was submitted in July 2015. It was in the pipeline for 365 days and required another 1,434 days for approval. An interviewee attributes delays in the project timeline to stalled governance negotiations between the AE and GCF.

FP025 is operational in Tajikistan, and the EBRD is already engaging a local microfinance institution, Humo, to distribute funds to borrowers. The project has also already developed a learning platform for gender inclusion that is ongoing in Tajikistan. The project had a relatively short timeline. The concept note was submitted in January 2016. It was in the pipeline for 271 days and project approval took 477 days. Implementation began in early 2018.

FP040 has been in implementation for nearly three years already. It is currently building and rehabilitating aspects of the hydropower dam and building the capacity of the utility company. Several assessments have already been conducted, such as examining rehabilitation needs and institutional capacity (e.g. utility company in financial distress). A modernization phase on a technical level began in 2019. The project concept note was submitted in 2015. It was in the pipeline for 731 days and received approval in 2017, after 371 days. Implementation started in 2018.

FP067 began implementation in the last quarter of 2020. At the time of the interviews, negotiations were ongoing between the NDA, the AE and the GCF to implement this project. The project concept note was submitted in 2016. It was then in the pipeline for 494 days and approval took 922 days.

FP075 is currently in implementation. Legal administrative paperwork is being completed, and a new campus to house the hydrometeorological operations centre is being built. The project concept note was submitted in 2017. It was in the pipeline for 268 days and required 379 days for approval. Implementation officially began in 2019.

b. Role of the private sector

Engaging the private sector in adaptation in Tajikistan is an ongoing challenge. In general, engaging the private sector is problematic because it is a relatively small, concentrated economy, dependent on agriculture and government spending. However, this also means there is a large added value for projects with significant co-benefits. Projects that can involve the private sector will be especially additional. This may be achieved if IAEs with experience in similar markets with nascent private sectors can incorporate lessons from other countries into their project designs.

In its CP for Tajikistan, the NDA has a limited number of ideas or proposals related to the private sector, further signalling the lack of obvious opportunity. When looking at the project priority ideas in its CP, they all relate to public provision of irrigation, energy, capacity-building or transport. Part of the NDA's NAP and readiness plan is to receive support for involving the private sector further by identifying possible organizations.

There projects currently involve the private sector, but there is also room for improvement. FP025 is the only solely private sector-focused project and it is already working in the country to engage local financial institutions. In 2019, Tajikistan was among the GCF Green Economy Financing Facility countries where a transaction was signed and where consultants have been selected, contracted and mobilized to provide technical assistance. FP075 intends to develop a fee-based service to provide hydrometeorological data and information to customers in the private sector. According to an interviewee, what exactly this service will entail and who it will target is still being developed.

c. Risk

The GCF does not appear to be taking on a high degree of risk in Tajikistan on the projects it has supported. In Tajikistan, the GCF is either providing grants, like FP067, that have a minimal amount of co-financing (i.e. they are not de-risking the project). Or it offers grants to smaller projects such as FP075 that otherwise would not have been funded, since they are a relatively low priority for the government. The exception to this is arguably FP040, which is the only strictly Tajik project that has received a grant and loan from the GCF and that is large. However, it is not necessarily a hazardous project since it is rehabilitating an existing dam. Furthermore, project risk was initially low as the EBRD piloted it during the PPCR project. In projects operating across multiple countries, including Tajikistan, the risk is mostly borne by the AEs, such as EBRD or the WBG. They provide the lion's share of the financing and take the project risk, too, as implementing bodies.

d. Innovation

GCF-funded projects in Tajikistan are not particularly innovative when it comes to implementing new adaptation initiatives or technology. These projects are either existing forms of projects, such as an energy efficiency facility, an agricultural irrigation support programme, a hydrometeorological information agency or hydropower plant rehabilitation. However, these projects have already been proven to be effective in meeting the climate adaptation needs of Tajikistan. This piloting came from the Climate Investment Funds' funding of the PPCR. The Climate Investment Funds first piloted some of these projects in Tajikistan, such as FP040 and then brought them to the GCF for funding to scale them up, not to innovate them further. In this instance, the GCF's added value was being a partner for expansion, not innovation.

4. IMPACT

Many of the ongoing GCF projects are expected to impact – or at least benefit in some way or another – millions of Tajik people across the country, either directly or indirectly, with their activities. However, the number of beneficiaries is not a useful indication of the impact of many of

the projects in Tajikistan. It is a small country, and some projects claim to benefit everyone in the country, either directly or indirectly, or, in some cases, more people than the entire population. That this occurs is not the fault of the projects, which follow GCF requirements, but rather that the GCF in its proposal and approval process requires such impact metrics to be reported against at all.

For instance, FP040 expects that upon completion it will benefit up to 11 million people. Yet, the country's population was just over 9.3 million as of 2019, making this a perplexing claim. In the project funding proposal, the EBRD argues that the Sughd region's entire population of 2.4 million people will directly benefit from a more reliable electricity supply when the Qairokkum hydropower plant is fully rehabilitated since it is the only major electricity source in the northern Sughd region. The hydropower power plant is operated by Barki Tojik, a state-owned, vertically integrated utility company that focuses on FP040's capacity-building. Also, capacity-building for climate risk management and upgrades to the national grid will indirectly benefit a further 8.6 million people in Tajikistan. Thirty per cent of the population will benefit directly from the plant rehabilitation, and 100 per cent will benefit indirectly from the national grid improvements, they say. FP075 makes similarly all-encompassing claims of its expected impact in Tajikistan. The project expects to directly benefit 300,000 residents, half of whom are women, with flood forecasting and weather products. Indirectly, it expects that strengthening the Hydromet Agency and providing forecasting services will benefit 100 per cent of the population, which was 8.7 million when the funding proposal was written.

However, the actual impacts are still to be determined for most projects since they are in a nascent stage of the implementation phase, or there is little available information on the impacts to date. Two projects began implementation earlier than 2019, and two only began during 2020. The two early implementation projects are FP025 and FP040, and these are the only ones with potential impacts to date, given their maturity. In 2019, modernization works began for FP040 at the Qairokkum hydropower plant, and Barki Tojik began receiving technical assistance for adopting international best practices in climate risk management and enhancing distribution capacity. FP025, according to its APR for 2019, has begun disbursing financing in Tajikistan. Humo, the local microfinance institution, is slated to receive a USD 1 million loan to on-lend to its clients, who are either in agricultural value chains or provide energy-efficient technologies for commercial or residential real estate properties.

5. WAY FORWARD

The GCF's involvement in Tajikistan regarding climate change adaptation has been productive for such a small country. Five projects in implementation, two critical readiness grants approved – one for strengthening the NDA, and one for developing an NAP – and several large and competent IAEs active in the country: these are significant accomplishments in the few years Tajikistan has been involved with the GCF. The activity is mainly due to the NDA's strength, imparted to it from readiness programme funds via the GCF and GIZ. This has enabled the NDA to implement several large projects that will benefit millions of Tajiks – possibly all of them – while addressing key needs of the country in terms of adaptation. Significantly, several projects, such as FP040, have benefited from having been piloted in the PPCR, which has, to some extent, helped pave the way for a smooth GCF landing in the country. Finally, Tajikistan is also working towards developing a NAP to complement the other strategies and provide guidance for further implementing adaptation projects. Taken together, the current situation bodes well for the ability of Tajikistan to increase its readiness and reduce its vulnerability to climate change.

Nonetheless, there is room for the GCF to improve its activities in the country. In particular, the GCF should seek to reduce the cost of doing business and achieve greater involvement from the private sector or local institutions or both.

Several interviewees highlighted that there are high costs of doing business with the GCF. This cost manifests in terms of long, drawn-out processes that are slow and bureaucratic. Such criticism is also valid for large IAEs, such as the WBG or ADB, which are bureaucratic and process focused. But the GCF's processes do not add much, if anything, to those of the IAEs in terms of safeguards or standards, because these organizations provided the foundation for the strict safeguards the GCF applies. Instead, they delay project cycles and ultimately make the GCF less attractive for project or programme financing in an increasingly competitive climate finance landscape.

The GCF needs to do more to help Tajikistan involve local players, particularly in the private sector. The NDA has requested a readiness grant for precisely this, and that is an important start. However, the GCF should also encourage projects to develop private sector angles and revenue-generating mechanisms during project design, in addition to the climate, environmental and scientific comments provided in the many iterations these project proposals go through.

Appendix 1. OVERVIEW OF PORTFOLIO

Readiness and Preparatory Support Programme (RPSP)

ID	PROJECT TITLE	STATUS	DELIVERY PARTNER/AE	SUBMISSION DATE	COMMITTED AMOUNT (USD)	ENDORSEMENT DATE	APPROVAL DATE	AGREEMENT DATE	EFFECTIVE DATE	DISBURSEMENT DATE	DISBURSED (USD)	AGREEMENT TYPE
1706-14711	Strengthening Capacity of NDA for Strategic Engagement with the Green Climate Fund	Completed	Tajikistan	7 Dec 2016	294387	29 May 2017	15 Dec 2017	26 Jan 2018	6 Feb 2018	7 Mar 2018	294387	General Grant Agreement
1809-15408	Enabling an Effective NAP Process for Tajikistan	Legal Agreement Effective	UNDP	27 Sep 2018	2979428	2 Apr 2020	18 May 2020	2 Sep 2016	27 May 2020	n/a	n/a	Framework Agreement

GCF-funded projects

APPROVED REF.	PROJECT TITLE	AE	EE	FAA STATUS	STATUS	APPROVAL DATE	DURATION (MONTHS)	DISBURSEMENT AMOUNT (USD)	LATEST DISBURSEMENT DATE
FP014	Climate Adaptation and Mitigation Programme for the Aral Sea Basin	International Bank for Reconstruction and Development and International Development Association (World Bank)	EC-IFAS	Effective	Under implementation	30 June 2016	72	0	n/a

APPROVED REF.	PROJECT TITLE	AE	EE	FAA STATUS	STATUS	APPROVAL DATE	DURATION (MONTHS)	DISBURSEMENT AMOUNT (USD)	LATEST DISBURSEMENT DATE
FP025	GCF-EBRD SEFF Co-financing Programme	EBRD	EBRD's SEFF team, SEFF implementation teams, Participating financial institutions ('PFIs')	Effective	Under implementation	14 October 2016	180	148,171,000	12 December 2019
FP040	Tajikistan: Scaling Up Hydropower Sector Climate Resilience	EBRD	Ministry of Finance	Effective	Under implementation	6 April 2017	480	13,000,000	29 May 2020
FP067	Building climate resilience of vulnerable and food insecure communities through capacity strengthening and livelihood diversification in mountainous regions of Tajikistan	WFP	CEP						
WFP	Executed	Approved	1 March 2018	48	0	n/a			

Appendix 2. STAKEHOLDERS CONSULTED

NAME	POSITION	ORGANIZATION
Sheralizoda Bahodur	Chairman	CEP, Government of the Republic of Tajikistan
Murodov Turakul	Head of Project Implementation Group and NDA Secretariat	CEP, Government of the Republic of Tajikistan
Roziya Kirgizbekova	Adviser	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Kateryna Stelmakh	Adviser	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Jamshed Rahmonberdiev	Head	European Bank for Reconstruction and Development (EBRD)
Christian Grassini	Head of Climate Change/Resilience	WFP
Khamza Abdurakhimov	Programme Policy Officer (Climate Change Adaptation and Resilience Building)	WFP
Muzaffar Shodmonov	Climate Change Center, Agency on Hydrometeorology	Committee for Environmental Protection, Government of the Republic of Tajikistan
Yuri Skochilov	Network Coordinator	Tajik Climate Change Network
Nathan Rive	Senior Climate Specialist, Central and West Asia Region Dept	ADB

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4. UGANDA COUNTRY CASE STUDY REPORT

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ABBREVIATIONS

AE	Accredited entity
ARAF	Acumen Resilient Agriculture Fund
DAE	Direct access entity
EE	Executive entity
FP	Funding proposal
GCF	Green Climate Fund
GGGI	Global Green Growth Institute
IEU	Independent Evaluation Unit
MWE	Ministry of Water and Environment
NAP	National adaptation plan
NAP-Ag	National Adaptation Plan for the Agricultural Sector
NAPA	National adaptation programme of action
NDA	National designated authority
NDC	National determined contribution
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar

A. PRESENTATION OF THE COUNTRY AND GCF ROLE

1. MAIN CLIMATE CHANGE ADAPTATION RISKS AND CONTEXT

a. Climate change adaptation risks

Climate models for Uganda estimate an increase in mean temperatures of between 0.3°C and 0.5°C each decade. They also estimate rainfall will increase between 10 per cent and 20 per cent by the end of this century, with more extreme weather events. The temporal distribution of rainfall is expected to change, with more precipitation from December to February and less from June to August. The spatial distribution will also alter, with the drier north-eastern and south-western areas not benefiting from the average increases across the country. The impacts of climate change are already being experienced in Uganda, increasing minimum and maximum temperatures and an increased duration of drought periods. The lack of moisture is especially pronounced in the country's drier portions (Ministry of Water and Environment (MWE), 2014b). Also, greater variability of precipitation between years and decades is being observed. Looking forward, by 2050 temperatures are likely to rise by at least 1°C and rainfall patterns are expected to become less predictable and more extreme (MWE, 2019).

The current changes to climatic conditions are already affecting different sectors of the economy – particularly agriculture, forestry, health and water resources. For example, in agriculture, increasingly variable precipitation patterns lead to soil erosion, a loss of nutrients and waterlogging. These impacts limit the ability to close the yield gap of major crops such as arabica coffee, robusta coffee, maize, bananas, beans, sorghum and cassava (ordered in terms of sensitivity to climatic impacts, MWE, 2014b). The Ugandan MWE (2019) highlights how recent modelling work estimates that, overall, the greatest impact in terms of the value of losses will be on food crops (up to USD 1.5 billion per year). In terms of export crops, coffee, tea and cotton yields are predicted to decline by at least 50 per cent by 2050. Climatic changes will also profoundly affect livestock rearing, dairy and fisheries.

Other climate impacts will influence the health sector through increased outbreaks of waterborne and vector-borne diseases and the direct impacts of extreme weather events (MWE, 2019). Of particular concern is the potential for an increased prevalence of malaria across higher altitudes. The impacts of climate change will also accelerate the pressures that forests and wetlands are experiencing in Uganda, such as larger populations, construction and lower water tables. Over 4 million people live close to wetlands in Uganda and derive many livelihood activities from these vital ecosystems. The impacts of climate change on the water sector will influence the many wetland ecosystems in Uganda. There are two areas of particular concern. The first is Lake Victoria, the outflow from which is the major source of hydropower in Uganda and varies according to the country's bimodal rainfall patterns. Second, with demand for groundwater increasing, considerable changes in the form and amount of precipitation have the potential to threaten aquifers and certainly to lower water tables beyond the reach of current borehole depths.

The main channel through which these changes in physical systems will affect the economy is agriculture and livestock, energy, fisheries and aquaculture. Because of hydropower, the water sector will play the main role in tackling climate change effects across all of these spheres. Wetlands play a vital role within the country. They can regulate and smooth out both surplus and deficit rainfall events and ensure that water volume in these ecosystems is used productively. As a result, they have been prioritized within adaptation planning, alongside the agricultural sector.

b. National adaptation initiatives

Uganda has been a signatory of the UNFCCC since 1992 and ratified the Kyoto Protocol in 2002. Since this time, the Government of Uganda has developed a policy framework for mitigation and adaptation, using external finance and domestic expenditures, and has reported regularly to the UNFCCC. Two recent pieces of legislation, the National Climate Change Policy of 2015 and the National Climate Change Bill of 2018, set the legislative framework for coordination between ministries, local government and implementing agencies (MWE, 2019). A key actor here is the Natural Resources Department, which acts as the district level's focal point.

However, at the national level, the Climate Change Department, housed within the MWE under the Permanent Secretary, leads to climate coordination. The Commissioner acts as the main interlocutor with the UNFCCC. The Commissioner leads on national communications and biennial update reports. The Climate Change Department also monitors the implementation of climate interventions and is tasked with communicating their findings to national stakeholders and the UNFCCC.

The Climate Change Bill of 2018 confirmed the coordination role of the Climate Change Department and maintained the role of the Ministry of Finance, Planning and Economic Development as the focal point for climate finance from external sources (such as acting as the National designated authority (NDA) for the GCF). Implementation remains with ministries, departments and agencies. The Climate Change Bill of 2018 delineated clearer roles and responsibilities to these actors.

Uganda's NAPA was submitted to the UNFCCC in 2007. Implementation of the NAPA started in 2012, for a one-year duration in four districts, focusing on agriculture, energy and water (Nyasimi and others, 2016). The lessons learned from these pilot implementation projects show the importance of community participation and that local level stakeholder capacity-building is necessary for implementation but often requires long-term engagement. A further finding was that as livelihoods are diversified and often subject to multiple constraints, single interventions are often insufficient.

The NAPA experiences have been utilized in completing intended national determined contributions reports and further policy initiatives, including non-climate policy frameworks such as the National Development Plan and National Policy for Disaster Preparedness and Management (Nyasimi and others, 2016). Since 2011, Uganda has participated in the NAP process started at the Durban Conference of the Parties and has followed the guidance offered by the UNFCCC's Least Developed Countries Expert Group (MWE, 2019).

Uganda is taking a two-pronged approach to developing the NAP as outlined in a NAP road map: the first is individual sectoral NAPs, and the second is the aggregation of these into an overarching NAP (UNDP, 2020). The development of the NAP is inclusive, with the participation of a wide range of stakeholders. Reflecting the institutional architecture outlined above, NAP implementation is being led by local five-year development plans focusing on key sectors (agriculture, energy and, most importantly, water) but that also highlight strategic local priorities. The degree to which local five-year development plans will integrate adaptation concerns is unclear. Local officials do not have substantive experience of mainstreaming climate concerns into these policy frameworks. As overall coordination is centralized, finance for implementation is mainly provided by the national government via grants, with local revenue collection also expected to play a minor role (UNDP, 2020).

A significant component of the country's NAP is its National Adaptation Plan for the Agricultural Sector (NAP-Ag) from November 2018. NAP-ag has been developed in consultation with a wide range of stakeholders, including the Food and Agricultural Organization, and through participatory events (Ministry of Agriculture, Animal Industry and Fisheries, 2018). The NAP-Ag outlines how a

wide range of agriculture interventions over recent decades (such as irrigation, improved seed varieties and improved agronomic techniques) contribute to adaptation and resilience even though they have not been labelled as such. Based on the National Climate Change Policy and the Costed Implementation Strategy, the NAP-Ag estimates that around USD 0.5 billion will be required for implementation up to 2030, with an estimate of USD 35 million per annum during this period.

In terms of sectoral breakdowns, USD 127 million is earmarked for agriculture, USD 75 million for livestock, USD 71 million for fisheries, USD 111 million for climate information systems and USD 115 million for forests and land-use. Smaller amounts are earmarked for gender mainstreaming and research, as well as knowledge and partnerships. The NAP-Ag states these amounts will be adjusted annually in light of current circumstances. Around 70 per cent of these resources will come from external sources (as reflected in the National Climate Change Policy). Currently unclear is the degree to which the domestic resource expenditures on climate of around 1 per cent of annual budgets will provide a 30 per cent contribution for NAP-Ag implementation.

Overall, the NAP-Ag prioritizes resilient cropping, livestock and fishery systems and value chain development, alongside interventions in climate information systems and better natural resource management. The main aim of agriculture is for adaptive and productive crop varieties in cropping systems that are subject to climatic stresses, promote conservation agriculture, improve irrigation and water harvesting techniques, promote diversification, and better on-farm management of crops especially post-harvest losses, and improve extension services. The NAP-Ag outlines goals for each of the subsectors outlined above.

Additionally, the NAP-Ag outlines a series of challenges for successful implementation. These are relevant as they highlight how the institutional landscape and the incentives within it may limit early and effective implementation. The first challenge is that policies from different ministries reflect overlapping mandates, leading to suboptimal implementation and limited efficiency. Second is a lack of coordination between ministries with no clear mechanisms for solving coordination challenges. Third, and as highlighted above, staff at and below the district level lack technical skills and policy literacy on climate implementation and issues. And the fourth challenge is the need for sincere engagement with local communities. That said, the NAP-Ag is not without its faults. It displays a degree of sectoral bias, as it criticizes the high budgets offered to infrastructure and education ministries without fully recognizing that these sectors are also critical for resilience and adaptation. Such comments offer a small window into the intersectoral (and possibly interdepartmental) conflicts that may be a feature of Uganda's institutional landscape.

As a sectoral NAP for the water sector is not currently available (to the best of our knowledge), some insights into this important sector can be gleaned from a 2014 publication from the Government of Uganda: the country's second communication to the UNFCCC on climate change. This document lays out the importance of wetlands to Ugandan adaptation priorities in the sector (although such priorities may have changed considerably since the date of publication). The government's priority is to maintain the 11 per cent of the surface area currently covered by wetlands. The second is to encourage all citizens who have encroached on wetlands to leave voluntarily and hold politicians accountable if they seek to interfere with this voluntary process. The third is to use additional financial resources from the central government to demarcate and gazette the most important wetlands. And fourth is that if illegal land leases exist within wetland areas, these leases can be cancelled by the relevant ministries.

As we have offered a summary of the sectoral adaptation plans for two key sectors within Uganda, we now turn to the country's institutional context.

2. INSTITUTIONAL CONTEXT

As highlighted above, the GCF's NDA is the Ministry of Finance, Planning and Economic Development, specifically the Permanent Secretary, with the second focal point being held by the Principal Economist / Climate Finance Desk Officer. As the Climate Change Department is the main interlocutor with the UNFCCC and the main coordination hub, the communication between these actors is critical. The Head of the Climate Change Department responds to requests from the UNFCCC; liaises with the Ministry of Finance, Planning and Economic Development; and maintains constant communication with the main accredited entity (AE), the UNDP, as well as the executing entities. These executing entities are the MWE; Ministry of Agriculture, Animal Industry and Fisheries; and the Uganda National Meteorology Authority. The Head of the Climate Change Department also supports GCF readiness activities (through dialogue with the delivery partner) and further GCF grants. This role's broader functions include working with different sectors responding to climate disasters, setting climate change policies and plans, developing climate change project proposals, and developing strategies and direction.

The only functional adaptation project in Uganda, "FP034 Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda, " benefits from these close working relationships between government institutions. For example, the project benefits from a technical working group from the aforementioned ministries and agency, contributing to technical implementation, alongside downscaled project ownership through district officials, subcounty engagement and community participation. The details of this project are explained in more depth in the following section.

3. GREEN CLIMATE FUND CONTEXT IN THE COUNTRY

As of July 2020, the GCF had three active projects in Uganda. The GCF had one active renewable energy mitigation project (FP099: Climate Investor One), a multi-country project that covers 11 countries. As of October 2020, out of the 11 countries in the project, only Uganda and one other country had successfully submitted environmental and social safeguard reports.

The second project is also a multi-country project. It is an adaptation project run by Acumen, an impact investing fund (the Acumen Resilient Agriculture Fund (ARAF), FP078). The GCF acts as the anchor investor in ARAF, which is making small ticket investments (USD 1 million–3 million) in agriculture in East and West Africa. An initial technical assistance grant of USD 3 million from the GCF is accompanied by a USD 23 million junior equity stake. This investment has been matched by ordinary equity stakes from investors, including a development bank, foreign direct investors, family offices and a philanthropic source. Acumen has long experience working with farmers towards increasing agricultural productivity and incomes in sub-Saharan Africa and South Asia (including India) through investments in early stage agribusinesses that work closely with smallholder farmers as customers or suppliers.

ARAF's focus is on agricultural technology, financial services and processors. As of August 2020, the project had no-objection letters from Kenya, Uganda, Nigeria and Ghana, with those from Tanzania, Rwanda and Ethiopia pending. The Fund has made several investments so far. The first is in irrigation through a solar-powered immersed pump to support horticulture production in Kenya. ARAF supports a firm that developed a solution for smallholdings of less than 3 hectares, which is selling about 6,000 units per year in Kenya on a pay-as-you-grow basis. The solution features an artificial intelligence model that uses an in-ground sensor to send an SMS message to the smallholder when irrigation is required. ARAF is expanding the model in East and West Africa. The second investment is an innovation in the delivery of extension advice, leading to a novel institutional structure for increasing horticultural productivity in Nigeria. Improved and climate-

resilient crop varieties are initially introduced to smallholders who act as in-growers on a large farm. Once high yields are attained, which for tomatoes can be as high as 50 tons per hectare compared to the typical yields in Nigeria of 3 tons per hectare, the smallholders then act as out-growers on a contract farming basis through implementing a crop rotation system. In dairy in Kenya, a third investment is focusing on capacity-building and training alongside a solar irrigation component. As of July 2020, ARAF was close to finalizing an investment in Uganda focused on a firm that has demonstrated success in Rwanda and Ethiopia.

The third GCF project is a nature-based solution from Uganda that addresses climate risks and creates resilient livelihoods through a GCF grant matched by domestic resources. The aims of “FP034 Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda” is to regenerate wetlands to reduce flood risks from increasingly intense rainfall patterns. The restoration of wetlands is in line with the Ramsar Convention. The project is also providing dry season irrigation for citizens through the use of solar pumps and climate information systems on adjacent agricultural land. This will reduce the pressure placed on wetlands. As residents previously used (and were evicted from) the wetlands, the project offers an incentive process so that citizens can participate and communities see the benefits of wetland restoration and alternative livelihoods. A final component of the project is to improve the climate information citizens can access to increase safety and improve effective decisions. Over 4,000 hectares of land have been restored and the project enjoys high-level political support. The impact will be measured through a rigorous impact evaluation. The project is supported by a USD 24.14 million grant, with USD 18.2 million in co-financing from government and USD 2 million from UNDP. We now focus in some depth on the genesis and implementation of this project.

The funding proposal for FP034 stems from a collaboration between UNDP Uganda and the MWE. UNDP Uganda worked very closely with the Director of Environmental Affairs to design the project's three components. The project's genesis stemmed from fieldwork close to Mount Elgon. Employees from both UNDP and the Ministry of Water observed how the poorest households entered the wetlands, drained them, dug trenches and then planted rice and vegetables. However, as this is a marginal and risky environment, a large amount of rain on Mount Elgon 50 kilometres away would wash away the crops and pose a risk to life and livelihoods. This fieldwork led to integrating three aspects into the project – wetland restoration, a hydrology component and an alternative livelihood component – to make agriculture safe by removing it from the wetlands. By removing the trenches, the project increases the wetlands' absorptive capacity, reducing surface run-off and allowing the ecosystem to regain its ability to regulate hydrological flows. This is complemented by using solar pumps to shift water to adjacent agricultural land to support agricultural production. Residents are also encouraged to diversify livelihood activities by removing constraints to higher-value value chains (aquaculture, fish farms, livestock and small and medium-sized enterprises). The key starting point for this project is that it is impossible to manage wetlands well without a clear understanding of meteorology and hydrology.

The project received considerable support from the Ministry within the design phase. After almost 10 resubmissions to the GCF, the project was funded in March 2017. The project is now in its third year of implementation, although it is slightly behind schedule. Initial delays were caused by the slow recruitment of a UNDP project manager, which was mitigated slightly by initial early contracts for non-government organizations to conduct some preparatory work. This is illustrated in the first APR, which reflects this early emphasis on process issues. Since 2019, progress has been steady, and respondents report that wetland restoration has been completed for over 4,000 hectares.

In contrast, the hydrology component of the project only started implementation in 2020. Part of this delay has been due to an inability of the current statutory authority to sell their services due to their

status as an arm of government. This situation has been remedied by converting their legal status into an authority, allowing them to sell climatic data to a range of customers.

As of July 2020, the main alternative livelihood interventions have been the initiation of community-managed livestock pass-on schemes, alongside community fishpond interventions. Also, the project has engaged NGOs to conduct market assessment exercises. For example, this involved assessing gender dynamics and market opportunities for fish farms, horticultural irrigated crops and livestock options. The aim is to assess the different market opportunities in each district, emphasizing livestock on the periphery of wetlands where pastures can be ring-fenced.

The livelihood component highlights a key institutional aspect of the project: that of district implementation committees alongside site management committees. Local government is heavily involved in this process with 24 districts currently active (12 in the east, 12 in the south-west). Each district has a focal point person who interacts with the UNDP (the AE) and MWE (the executive entity (EE)) daily. Each district also has an advisory committee of 10 to 12 people. The committees are the technical bodies that guide implementation at the local level. As local government in Uganda is decentralized, part of the project's role is to build the capacity of local actors such that they are empowered to conduct activities. A further part is to ensure the mobilization of the beneficiaries.

B. FINDINGS

1. STRATEGY AND POLICIES

a. Fit between GCF strategy and country needs

Respondents outlined a range of views on the relationship between adaptation interventions and development interventions. When highlighting the overlap between resilience and development in many contexts, one respondent highlighted how intent defines whether an investment is aimed at climate or poverty purposes. A further respondent suggested that climate additionality separates these two types of investments. Specifically, it was suggested that climate adaptation investments are interventions that aim to improve the resilience of individual lives and communities, whereas for development projects, adding a climate adaptation lens adds a layer to help deal with climate impacts. A clear example here is in road construction projects, where adding a climate change component at the design stage ensures roads are becoming more resilient.

A further respondent expanded on the relationship between adaptation and development regarding the climate rationale for the project. While a clear climate rationale is an essential investment criterion for the GCF, the respondent suggested that climate rationale rarely addresses project solutions. For example, within a theory of change for an adaptation project, not all elements are directly related to climate rationale. Many ancillary elements are required to achieve the desired level of change. This is demonstrated in FP034 because it covers several components, including supporting livelihood diversification and market linkages. The respondent explained that if you do not thicken rural markets, then the project will not succeed. But making markets more competitive is not directly related to climate impacts.

The confluence of both resilience and development within the GCF is reflected in the contribution from another respondent who highlighted that when building the resilience of both communities and ecosystems, development projects focus more on a sectoral basis – for example, infrastructure (roads) or energy (electricity). In contrast, adaptation projects such as FP034 are multisectoral. Also, development projects tend to deplete natural capital. FP034 builds the relationship between natural systems and human systems.

Overall, respondents highlighted that while adaptation projects are often not so different from development projects, adaptation projects have a greater emphasis on climate risk management. Thus, there is a need to use systems thinking and recognize there is no silver bullet. When projects use a singular approach to a problem, the benefits can often be quite limited. Instead, projects such as FP034 use a systems approach to tackle multiple constraints.

A particularly insightful contribution to the distinction between adaptation and development came from one informant who stated:

Some projects only tackle climate risk, such as with the [Adaptation Fund]. [The Global Environment Facility] looks at the incremental value of development projects for adaptation. GCF offers both resilience and a development lens. That is the added value of the GCF ... on the development side [the project] helps people provide alternative livelihoods. But the critical point is to understand the climate risk of the project. This project tackles the dry period to support the community, and we are also investing in alternative livelihood options.

A further respondent outlined the unique selling point of the GCF in comparison with comparable organizations. While acknowledging that the Global Environment Facility and Adaptation Fund largely have grant mechanisms, this respondent highlighted the key role the private sector must play in adaptation.

We like the country ownership and capacity support of the GCF. The project was designed when GCF policies were still evolving; therefore, there was a lot of back-and-forth and project approval took much longer than expected. Most of the financing windows for CC [climate change] have grant mechanisms that have a limited role for private sector involvement. As such, the GCF model supports the private sector's role in adaptation, which fits into our priorities.

A further respondent highlighted that because the GCF cannot meet all the developing countries' costs, it needs to promote transformational projects and catalyse the private sector. Continuing in this vein, this respondent highlighted the unique nature of the GCF's approach due to the amount of finance it has – as a vertical fund, the GCF has resources to precipitate a transformational approach. The respondent noted that to achieve this “you do need the scale that the GCF brings to try and make this happen.”

Analysis of national strategies and plans regarding climate change adaptation and extent to which needs are mapped

Respondents highlighted that the adaptation policy framework in Uganda is relatively well developed. They also highlighted that it is not possible to decouple the adaptation policy environment from the political context. A respondent explained at length how FP034 receives such high-level political support. The government's emphasis on the wetlands started in 1986 when the administration came into power. Uganda was one of the first countries to get an approved national wetlands policy in the 1990s. The leadership then, as now, identified wetlands as a critical resource and moved from an exclusionary approach to forest resources to a more community-based approach. The respondent explained how investments in nature-based solutions have a larger benefit on the economy than other typical interventions. The respondent offered a clear example of high-level political recognition: in December 2019, President Museveni visited project sites in Eastern Uganda alongside donor representatives. This respondent's perspective is that FP034 illustrates how government can build the resilience of communities and that with the project being on the cabinet agenda, the government has been in the driver's seat for the project.

Broadening out, one respondent highlighted how Uganda, like many other African countries, has received substantial amounts of support from donor agencies to prioritize the development of a NAPA and the NAP, and similar types of climate policy frameworks. The respondent suggested that

Uganda's stable governance context has been a supportive factor in the successful development of such frameworks.

One respondent further outlined the precise purpose of each of the policy documents. For example, national determined contribution (NDC) reporting sets the right balance between mitigation and adaptation for the country. Other examples were that the National Climate Change Policy (2015) ensures that proper coordination is in place via the Department of Climate Change (which supports the preparation of different sectors' communications and functions as the communication and outreach hub for the country) and that the Strategic Programme for Climate Resilience ensures an appropriate balance between the policies and implementation. More broadly, one stakeholder mentioned that FP034 addresses aims and targets within key development policy frameworks (such as the National Development Plan) and in the earlier mentioned National Wetland Policy of 1994.

Analysis of the relevance and applicability of the GCF's strategy to addressing the country's adaptation challenges

Respondents suggested that the GCF strategy fits well with the challenges facing Uganda. One respondent highlighted how they are particularly attracted to working with the GCF, as it aims to take a 50/50 approach to finance mitigation and adaptation projects, while other funds prioritize mitigation. This respondent also highlighted how the GCF's core principles regarding paradigm shift and country ownership make the GCF strategy align more closely with country strategies. A further respondent suggested that, in addition to country ownership, the GCF result areas on ecosystem and ecosystem services within adaptation have facilitated the development of the funding proposal for FP034 that aligns with country priorities. Overall, this respondent suggested that as the GCF result areas in adaptation align with the Ugandan country strategy, the GCF is a natural fit for Uganda. An important player in the relevance and applicability of the GCF strategy has been the delivery partner for readiness. The NDA is in regular contact with the Global Green Growth Institute (GGGI), which supports partner organizations and a stream of initiatives on concept notes and the development of funding proposals (see below).

b. Implementation of GCF policies

Here, respondents focused exclusively on the Readiness and Preparatory Support Programme's role and how this has been implemented within Uganda. As earlier explained, GGGI is the delivery partner for readiness in Uganda. By July 2020, it received over half of the committed amount of more than USD 700,000 to support Uganda's engagement with the GCF. GGGI will play five roles to promote readiness activities. The first role is to support the NDA by completing a proposal on institutionalizing climate finance in Uganda. It is unclear how advanced this proposal is at present. The second role is to update the country programme via supporting state and non-state actor dialogues (which provide a forum for meeting countries' aspirations) and providing a web portal platform for information. Again, it is unclear how advanced these two initiatives are at the moment. A third role is to support the accreditation of national candidates. GGGI is working with the Kampala Authority, the Environment Authority and Uganda Development Bank in this endeavour. A fourth role is to support concept note development. Here the delivery partner highlighted how a request for proposals led to the submission of almost 60 concept notes. GGGI's role here is to offer a coordinated approach to creating ideas and linking them to government budget cycles. The respondent highlighted three projects of note. First, a waste project in Kampala has received International Finance Corporation funds for seven years and is a public-private partnership. The project is currently facing two problems: it is hard to make it bankable and the availability of ground for other landfill sites is limited in Kampala. Second, the NDA directed a request to GGGI based on a UK and Italian consortium. Here, a UK university provides the technical side and the Italian

partner provides the manufacturing. This is a proof-of-concept project in a mountainous region and it has some potential. The third concept note under development is for ecosystem restoration.

A fifth and final role for GGGI is to support the private sector by offering information and training for firms. However, not all stakeholders were aware of the importance of this role of GGGI's, with one respondent suggesting that the GCF has not been supporting readiness activities directly in the country. This respondent suggested that government, alongside UNDP, has been taking the lead in readiness. This suggests either a lack of awareness or, possibly, a degree of competition between the delivery partner and other stakeholders. This could be examined further.

2. BUSINESS MODEL

a. NDA

As highlighted above, the Climate Change Bill of 2018 confirmed the coordination role of the Climate Change Department and maintained the role of the Ministry of Finance, Planning and Economic Development as the focal point for climate finance from external sources. As such, the Ministry acts as the NDA for the GCF, in particular the Permanent Secretary. As is clear from the above narrative, the NDA has fostered very close links with the main AE, UNDP, alongside the executing entities: the MWE; the Ministry of Agriculture, Animal Industry and Fisheries; and the Uganda National Meteorology Authority. The government has played a fundamental role in shaping GCF support to address pressing adaptation challenges. This is illustrated through the high-level political support FP034 has enjoyed and the breadth and depth of government stakeholders in the project, from district level officials to the President.

Four issues stand out as possible areas for further understanding. First, how will the MWE balance its role as an EE for FP034 alongside an AE role for further funding proposals, such as the results-based financing facility and the further proposal on wetlands outlined above? Second, how will the NDA, alongside GGGI, support the existing four AE applicants to achieve accreditation? The third issue is to get a clearer understanding of the relationship between GGGI and the NDA. And the fourth is to better understand the process around the issuance of no-objection letters, especially for private sector actors such as Acumen's ARAF.

b. Accredited entities

As explained above, in addition to UNDP as the most long-standing AE in Uganda, the MWE also became accredited with the GCF as a national direct access entity (DAE) on 7 July 2019. There is very strong cooperation between the NDA and the MWE as an EE. The degree of cooperation with the MWE as an AE is as yet unclear.

Four additional applicants for AE status are the Kampala Capital City Authority, Bwindi Mgahinga Conservation Trust, KPMG Uganda and the National Environment Management Authority. The virtual country mission did not elicit information on the degree to which these actors cooperate with the NDA. What was clear is that the readiness delivery partner is interacting with two of these actors. The quality of cooperation is unclear.

One respondent highlighted the differences between cooperation with multi-country and single-country projects in Uganda. The respondent suggested that it is hard for the NDA to coordinate and follow-up with international AEs when they have a multi-country project. It is much easier for the NDA to work on national projects. Also, the smaller scope of national projects makes these more tractable. A further reason for better cooperation with national projects is that it takes too long to realize the funds for international AEs, especially as GCF processes always take a long time. In this respect, funds from national projects are received more quickly. The respondent highlighted how DAE projects could be implemented faster. This respondent also highlighted how delays in GCF

processes are, on occasion, leading to delays in disbursements by co-financing agencies. This is important because it creates an incentive for NDAs to funnel the most urgent adaptation projects, not through the GCF but other climate funds instead.

A further respondent also reflected on the balance between DAEs and international AEs. This respondent suggested that initially, the GCF lacked the capacity to accredit a sufficient number of actors. For example, UNDP still found it extremely hard to get accreditation despite its alignment with all the procedures for other multilateral agencies. The respondent suggested that the length of time to get accredited means that many actors in least developed countries are still not accredited. In essence, where the needs are greatest, accreditation is least. Also, one respondent suggested that Ugandan engagement with the GCF needs to be flexible. In particular, national executing entities need capacity development. The respondent suggested that there is a limitation on whether one can offer a grant within a grant in the current policy framework. In essence, this means that FP034 cannot offer grants for capacity-building at the district and community level. The respondent suggested that this may be an area that could be reconsidered.

c. Relationship with the Secretariat

The virtual mission gleaned a limited amount of information on the accessibility of and cooperation with the GCF Secretariat.

3. PERFORMANCE

a. Project cycle

Several respondents reflected that it would make sense to simplify the concept note and proposal stage for project submission. The common theme here was that a high barrier exists for both concept notes and full proposals. The suggestion made by one respondent was to simplify the proposal approval process. The example given was that having four committee stages (CIC1, CIC2, CIC3 and independent Technical Advisory Panel) is far too extensive. Instead, the GCF should keep engagement costs low by keeping a high barrier at the concept note level but then having a medium barrier for the full proposal. This approach's benefit is that detailed comments on concept notes would inform the development of full funding proposals. This approach also has downsides though: there is a trade-off as the current high bar for accreditation and concept notes means that the GCF becomes the gold standard for an anchor investor. Reducing the height of the barrier for a funding proposal would take some of the shine off this status.

The pipeline of concept notes in Table A - 8 illustrates that the number of concept notes being submitted in Uganda appears to be declining each year, which is a concern for meeting the country's adaptation needs.

Table A - 8. Concept note pipeline

PROJECT NAME	AE	DATE OF SUBMISSION
Increased Ecosystem and Agricultural Resilience to Climate Change through Ecosystem-based Adaptation Agroforestry	UNEP	4 April 2017
Global Subnational Climate Fund (SnCF Global)	PCA, IUCN	30 August 2017
Sanitation and Hygiene for Communities Vulnerable to Climate Change	UNOPS	24 February 2017
Integrating Climate Services with Decision Support in Uganda's Adaptation and Development Strategy	UNDP	13 November 2017

PROJECT NAME	AE	DATE OF SUBMISSION
Integrating sustainable landscape management and capacity-building for enhancement of climate-resilient agriculture	AfDB	29 May 2018
Enhancing the resilience of ecosystems and livelihoods through sustainable forest and land-use management in Northern Uganda	IUCN	19 June 2018
Program for the Delivery of Adaptation Benefits in Africa	AfDB	16 March 2018
Enhancing Adaptive Capacity and Resilience of Vulnerable Communities and Ecosystems to Climate Change Impacts in the Cattle Corridor of Uganda	OSS	24 September 2019
NDC Results-Based Financing Facility (Uganda)	MWE_UGA	19 September 2019
Strengthening Climate Information Systems for Climate Change Adaptation in the Greater Horn of Africa through regional cooperation	UNDP	24 March 2020

Source: GCF IPMS data, as of November 13, 2020

Notes: AfDB: African Development Bank; IUCN: The International Union for Conservation of Nature; OSS: Sahara and Sahel Observatory; PCA = Pegasus Capital Advisors; UNOPS: United Nations Office for Project Services.

b. Role of private sector

Respondents highlighted a range of ways in which the private sector can engage more effectively in meeting adaptation needs in Uganda. The delivery partner in receipt of the readiness grant explained that they are engaging with the private sector (in association with the NDA) by helping them understand the financing windows at the GCF, walking them through the accreditation process, and reviewing concepts notes mainly from a technical perspective. The GGGI is currently engaged with three possible entities and is conducting a needs assessment with them. The GGGI encourages these actors to form teams to better understand fiduciary and environmental and social safeguards standards, which would help retain institutional memory if one employee leaves. Also, GGGI is using an investment support team and relies partly on outside experts. In essence, the respondent suggested that “for Uganda to win at this game, we need to be organized”.

Another respondent highlighted several important ways in which the private sector can engage better with bankable adaptation projects. The first point here is that funding proposals from private sector actors address several constraints simultaneously through bundled investments. The respondent explained that a company addressing a single constraint has a lower likelihood of success. However, if a company offers bundled solutions to, say, farmers – credit, seeds, training, inputs and a market – productivity goes up. Second, the respondent highlighted that in the private sector, people do not understand what resilience is. For example, when firms hear the words “climate change”, they think it is all about mitigation. However, the respondent continued, once firms understand what resilience is exactly, then they start to understand what is required to develop bankable adaptation projects. Overall, the GCF needs to raise awareness about what resilience is and the potential role for the private sector.

Third, the respondent highlighted how the accreditation process puts off many fund managers. This needs to be improved as many fund managers have the resources to invest in bankable adaptation projects. Fourth, and on the positive side, the respondent highlighted that with the GCF as an anchor investor, Acumen is seen as the gold standard. That the GCF acts as the first-loss investor is catalysing the investment space. This has leveraged a range of subsequent investments into ARAF by development agencies, family offices and other funds.

Fifth, the respondent suggested that the GCF does not talk enough about the impact it is having. For example, while people have heard about the GCF, it could do more when it comes to publicity. In this respondent's words, "we cannot overstate the importance that the GCF has brought". For example, this respondent highlighted how the firm he works for gets weekly requests to co-submit proposals to the GCF. The firm in question says no 95 per cent of the time because the partner's values are different. Sixth, the respondent highlighted that many private firms think that the GCF is limited to government finance. People need to know about private sector investments more. A different respondent put forward the argument that the domestic private sector is engaged by providing goods and services such as the procurement of equipment and early warning systems, cell phone networks and agro-input suppliers. These multiplier effects support the private sector in the domestic economy.

c. Risk

The virtual mission did not elicit much information on whether the GCF has taken the appropriate level of risk in adaptation and cross-cutting projects.

d. Innovation

Respondents suggested several ways in which the GCF could innovate better. First, if an organization works with an AE for 2 to 3 years and become accredited, then they could go into a fast-track system for accreditation. The respondent suggested that this could be called a "leader-follower" model. Second, the accreditation process could be made easier and shorter by cutting down on bureaucracy. This is not a new concern but still seems important. The respondent highlighted that the issue is that fund managers can access other pots of money more quickly with less hassle, so the GCF is receiving very few funding proposals for adaptation.

Two respondents offered some insights into innovative adaptation approaches within Uganda. First, one respondent felt that the GCF has a greater likelihood of precipitating transformational change and a paradigm shift due to the greater scale it offers. Other climate funds, such as the Global Environment Facility, cannot create such changes as their projects are much smaller.

A further respondent explained that the GCF has been innovative in developing the fast-track simplified approval process modality but felt that the Fund needs to increase its presence in countries and increase the visibility of its activities within countries. Another respondent suggested using geographic information system to track implementation activities within the wetlands was an innovative and welcome element to GCF funding. That brings us to the final section on potential results and impacts.

4. IMPACT

Respondents outlined several effects from the wetlands project. Most importantly, over 4,000 hectares of land have been restored. One respondent outlined that instead of evicting people, this project has created an incentive process so that people are involved and communities now see the benefits of doing things differently. Continuing this line of argument, the respondent explained that it is very hard to change communities' beliefs about their livelihood options (which can be seen as a form of status quo bias). But by demonstrating the benefits of diversification and entering higher-value commodity chains, communities tend to adopt innovations and new ways of subsisting. In this respect, the greatest change has been in attitudes regarding what they want to adopt: that they have given up growing rice. Moreover, the respondent outlined that the project has demonstrated that "we can change and use this ecosystem sustainably". However, residents often display a degree of reluctance, "as if you are taking away what belongs to them", which can be seen to be a type of loss aversion.

FP034 is also assessing the project's impact through an impact evaluation with the Independent Evaluation Unit's Learning-Oriented Real-Time Impact Assessment Programme. In the hydrometeorological component, a respondent highlighted how it is relatively easy to measure the number of products that have been sold (in a similar fashion to assessing the number of beneficiaries reached as an output indicator).

One respondent argued that the results that have been achieved thus far are because the “GCF worked with a line ministry. They have the power and instruments to make sure that things happen. The GCF should continue to work through the ministries as they have all the capacity and the policy frameworks. For example, the Ministry of Water and Wetlands owns the Wetlands Atlas. It knows where to start from and where to direct resources.” Echoing the above discussion on the relationship between development and resilience, the respondent highlighted how the GCF project is supporting the government to meet their mandate in terms of the Sustainable Development Goals. Overall, it is still too soon to assess impacts, but “we can already see some intermediate outcomes and quick wins that are coming up”.

5. WAY FORWARD

Looking forward, respondents highlighted several avenues that should be considered to improve the effectiveness and efficiency of the GCF's adaptation portfolio:

- Projects are not the best way of achieving transformational change. For this to happen, the GCF needs to recognize the need for systemic and behavioural change to make a difference. The GCF can be an incubator, to provide the idea of what change can look like. Whether it is in catalysing private finance or comprehensive NAPs, there are many angles that the GCF can meet.
- The GCF has a comparative advantage in strengthening access to climate information and utilizing the whole value chain of weather information (including the distribution of information and its use).
- The GCF stands out in terms of the way it funds bundled, multisectoral investments. This is facilitated by using theories of change in funding proposals, as these are better suited to a multisectoral emphasis than log frames. Also, a further aspect is the relationships built across different institutions but within a one-stop-shop approach. All stakeholders are working towards a single goal without duplication or waste of resources.

Appendix 1. OVERVIEW OF PORTFOLIO

Readiness and Preparatory Support Programme (RPSP)

ID	PROJECT TITLE	STATUS	DELIVERY PARTNER/AE	SUBMISSION DATE	COMMITTED AMOUNT (USD)	ENDORSEMENT DATE	APPROVAL DATE	AGREEMENT DATE	EFFECTIVE DATE	DISBURSEMENT DATE	DISBURSED (USD)	AGREEMENT TYPE
UGA-RS-001	Readiness Support to strengthen Uganda's engagement with the GCF	Disbursed	GGGI	31 May 2018	\$700,593	10 December 2018	9 January 2019	14 April 2017	15 January 2019	29 April 2020	\$418,599	Framework agreement

GCF-funded projects

APPROVED REF.	PROJECT TITLE	AE	EE	FAA STATUS	STATUS	APPROVAL DATE	DURATION (MONTHS)	DISBURSEMENT AMOUNT (USD)	LATEST DISBURSEMENT DATE
FP034	Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda	UNDP	Ministries of Water and Environment, Agriculture, Animal Industry and Fisheries, Uganda National Meteorology Authority	FAA Effective on 30 June 2017	Under implementation	15 December 2016	8 years (96 months)	7.88 million	25 April 2020
FP078	ARAF	Acumen	ARAF LP	FAA Effective on 3 September 2019	Under implementation	1 March 2018	12 years (144 months)	4.17 million	

APPROVED REF.	PROJECT TITLE	AE	EE	FAA STATUS	STATUS	APPROVAL DATE	DURATION (MONTHS)	DISBURSEMENT AMOUNT (USD)	LATEST DISBURSEMENT DATE
FP099	Climate Investor One	FMO	Coöperatief Climate Fund Managers U.A., Stichting Development Fund, Coöperatief Construction Equity Fund U.A.	FAA effective on 21 June 2019	Under implementation	20 October 2018	20 years (240 months)	21.49 million	20 July 2019

Appendix 2. STAKEHOLDERS CONSULTED

NAME	POSITION	ORGANIZATION
Onesimus Muhwezi	Senior Officer in Charge	UNDP Uganda
Sarah Mujabi	Programme Officer	UNDP Uganda
Polly Mugisha	M&E Specialist	UNDP Uganda
Daniel Omodo	Project Officer	UNDP Uganda
Jascinta Nalwoga	Project Officer	UNDP Uganda
Maris Wanyera	Director, Debt and Cash Management	Ministry of Finance
Andrew Masaba	Principal Economist	Ministry of Finance
Doreen Ankunda	DARC Officer	Ministry of Finance
Paul Mafabi	National Project Coordinator	Ministry of Water
Joseph Malinga	Communications Officer	Ministry of Water
Vincent Barugah	Wetlands Component Coordinator	Ministry of Water
Godfrey Mujuni	Market Development Coordinator	Ministry of Water
Tonny Ojok	Resilience Manager	World Vision Uganda
Tamer El-Raghy	Managing Director	Acumen Resilient Agriculture Fund LP
Ben Larroquette	Regional Technical Adviser	UNDP / Global Environment Facility
Dennis Asiimwe	Deputy Director	Global Green Growth Institute (GGGI), Kampala Office
Bob Natifu	Acting Commissioner, Climate Change Department	Ministry of Water and Environment

Appendix 3. DOCUMENTS CONSULTED

GCF documents

- Green Climate Fund (2016). FP034 Funding Proposal: Building resilient communities, wetlands ecosystems and associated catchments in Uganda. Version 1.0. Approved by the Board at B.15. <https://www.greenclimate.fund/sites/default/files/document/funding-proposal-fp034-undp-uganda.pdf>
- Green Climate Fund (2018a). FP078 Funding Proposal: Acumen Resilient Agriculture Fund (ARAF). Version 1.1. Approved by the Board at B.19. <https://www.greenclimate.fund/sites/default/files/document/gcf-b19-22-add20.pdf>
- Green Climate Fund (2018b). FP099 Funding Proposal: Climate Investor One. Version 1.1. Approved by the Board at B.21. Available at <https://www.greenclimate.fund/sites/default/files/document/funding-proposal-fp099-fmo-burundi-cameroon-djibouti-indonesia-uganda-kenya-malawi-madagascar.pdf>
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External sources

- Nyasimi, M., and others (2016). Uganda's National Adaptation Programme of Action: Implementation, challenges and emerging lessons. Copenhagen: CGIAR Research Programme on Climate Change, Agriculture and Food Security. Available at <https://ccafs.cgiar.org/resources/publications/ugandas-national-adaptation-programme-action-implementation-challenges>
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