



**GREEN
CLIMATE
FUND**

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Status of the GCF portfolio: approved projects and fulfilment of conditions

Summary

This document provides an update of the GCF portfolio of approved projects and fulfilment of conditions for the reporting period from 1 January to 30 April 2018.

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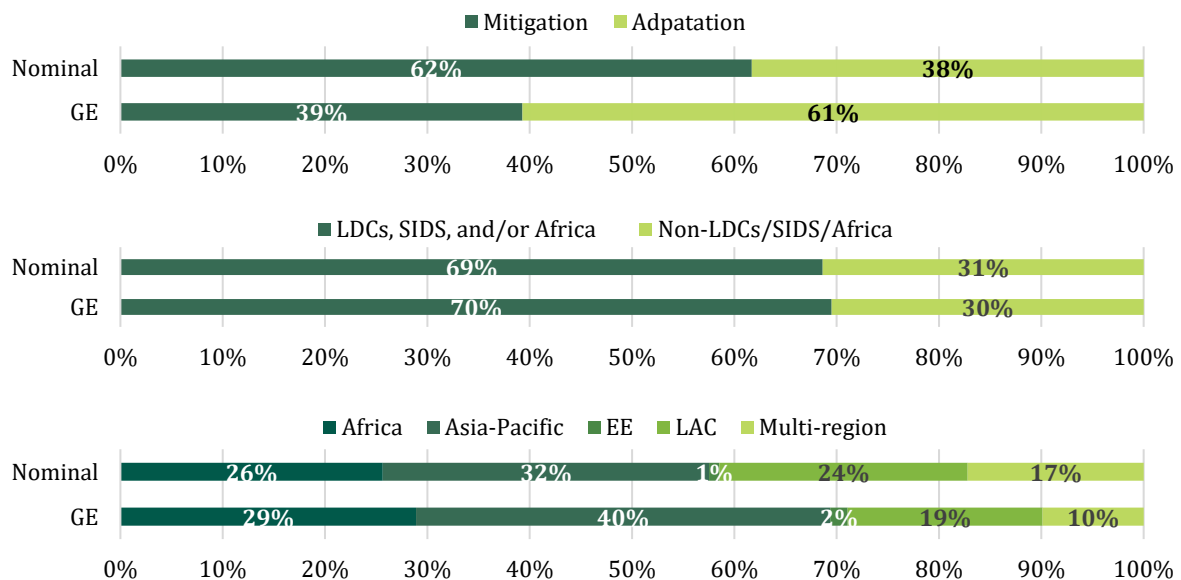
Snapshot of the GCF portfolio of approved projects in terms of the Initial Resource Mobilization (IRM)

This section provides a snapshot of the GCF portfolio of approved projects in terms of the Initial Resource Mobilization (IRM) as at 30 April 2018. The key table and figure below show the breakdown of approved projects in both nominal terms and grant equivalents (GE)¹, as per thematic and group priorities and targets as contained in the Investment Framework and programming document from the IRM.²

Table 1: Breakdown of approved projects

Sectoral distribution	Number of approved projects	GCF funding approved (million USD, %)	
		Nominal terms	Grant equivalents
Public	60	2,241 (60%)	1,840 (84%)
Private	16	1,497 (40%)	342 (16%)
Total	76	3,738 (100%)	2,182 (100%)

Figure 1: Portfolio targets of thematic area, adaptation allocation for LDCs/SIDS/Africa, and regional distribution (%)



Abbreviations: EE = Eastern Europe, GE = Grant Equivalents, LAC = Latin America and Caribbean, LDCs = Least Developed Countries, SIDS = Small Island Developing States.

¹ The grant equivalents were estimated for each project using a uniform 5% discount rate. The Grant Equivalent Calculator (GEC) tool developed by the Office of Risk Management and Compliance of the GCF to measure the grant-like element embedded in GCF financing has been used for the calculations. In this document, the breakdowns by mitigation and adaptation for cross-cutting projects are preliminary estimates for all approved projects through B.19 based on the best information available to the Secretariat. The methodology to segregate the mitigation and adaptation components and the discount rate approach continues to be improved, so there may be modifications to the data in the coming months.

² As per Decision B.06/06, Decision B.07/06, and B.08/15, the Fund will aim for the following portfolio targets: (1) A 50/50 funding balance between adaptation and mitigation over time; (2) A floor of fifty per cent of the allocated adaptation funding to be channeled to vulnerable countries, including the least developed countries (LDCs), small island developing states (SIDS) and African states; (3) A reasonable and fair allocation across a broad range of countries in order to ensure geographic balance of funding; and (4) To maximize fund-wide engagement with the private sector, including through significant allocation to the PSF.

I. Introduction

1. The Governing Instrument for the GCF³, paragraph 23(d), established the mandate for the Secretariat to carry out monitoring functions and prepare reports on the performance of the implementation activities under the GCF.
2. In addition, the Board requested the Secretariat to provide a report on the status of fulfilment of all conditions decided by the Board (decisions B.14/07, para. (j), B.17/21 and B.17/09, annex III); and to provide reports on the status of implementation of funding proposals approved by the Board (decision B.16/02).
3. In response to these requests,⁴ this document presents an update on (i) the overall status of post-approval process of the 76 approved projects and their implementation and (ii) the fulfilment of conditions for the reporting period from 1 January to 30 April 2018. The portfolio values throughout this document are presented in nominal terms, unless otherwise specified.

II. Overview of the GCF portfolio

2.1 Overall status of approved projects

4. Since the first consideration of approved projects by the Board in November 2015 at its eleventh meeting (B.11) to March 2018 at its nineteenth meeting (B.19), the Board has approved 76 projects.⁵ The GCF portfolio of approved projects is expected to abate a total of 1.3 billion tonnes of carbon dioxide equivalent (CO₂ eq) of greenhouse gases (GHGs) and reach 217 million (direct and indirect) beneficiaries, based on the estimation of AEs.
5. GCF funding of the current portfolio is USD 3.7 billion⁶, totalling USD 13 billion when taking co-financing into account. GCF funding for projects under implementation is USD 1.2 billion accounting for 32 per cent of total GCF funding, of which USD 158 million has been disbursed (figure 2). It should be noted that the implementation of GCF-funded projects starts when their funded activity agreements (FAAs) become effective, unless otherwise established in the signed legal agreements.

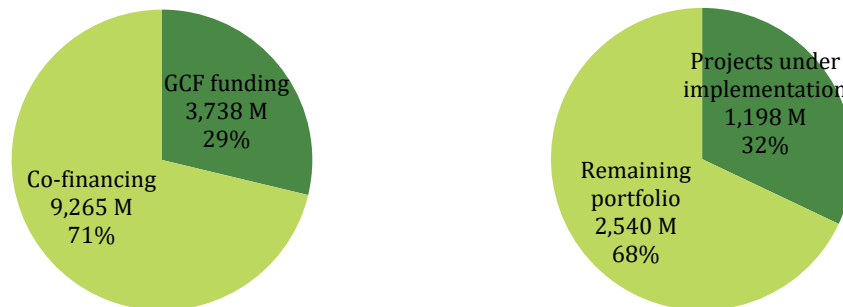
³ The Governing Instrument was approved by the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) at its seventeenth session and is annexed to UNFCCC decision 3/CP.17 (available at <<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>>).

⁴ Furthermore, in decision B.11/10 the Board requested the Secretariat “to develop the appropriate tools and internal procedures to operationalize the initial monitoring and accountability framework”, which include reporting requirements, particularly under section 1.2, “Funded activity monitoring”.

⁵ Excluded is one project, FP029 from the Development Bank of Southern Africa, which has lapsed as of 23 October 2017. A full list of the 76 approved projects is presented on the GCF website.

⁶ For the five projects approved at euro currency, FP021, FP041, FP042, FP043 and FP059, the exchange rate applied was EUR 1.000 = USD 1.208, from the United Nations Operational Rates of Exchange, effective as at 1 April 2018. ‘M’ in charts throughout this document refers to millions of United States dollars.

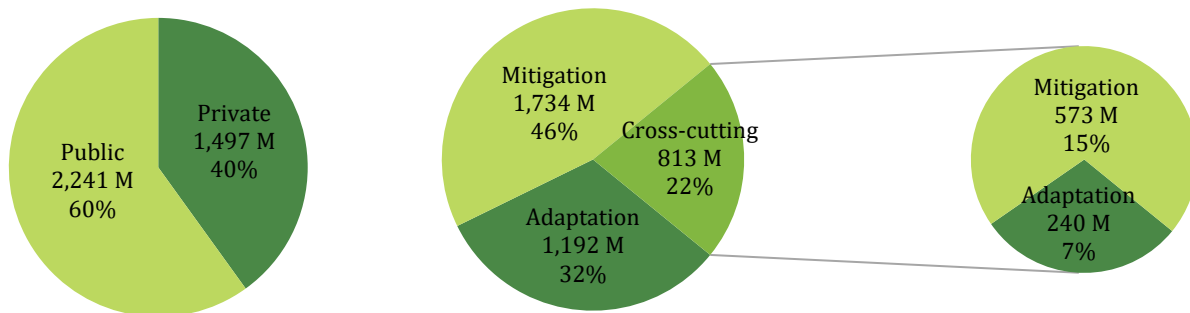
Figure 2: Total GCF funding, co-financing, and projects under implementation



6. The portfolio comprises 16 private sector projects with a total GCF contribution of USD 1.5 billion, and 60 public sector projects totalling USD 2.2 billion, accounting for 40 per cent and 60 per cent, respectively, by amount. This includes USD 9 million for one simplified approval process⁷ project approved at B.19 for the first time.

7. In terms of thematic area, USD 2.3 billion (62 per cent) is allocated for mitigation projects and USD 1.4 billion (38 per cent) is allocated for adaptation projects.

Figure 3: Total GCF funding amount by sector and thematic area



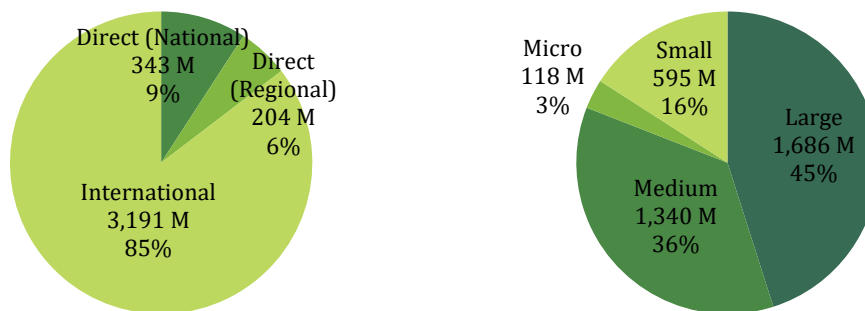
8. The majority of GCF funding is being channelled through international access AEs. USD 3.2 billion (57 projects) is allocated to international access entities, which represents 85 per cent of the portfolio. The remaining 15 per cent is allocated to national and regional direct access entities in the amount of USD 343 million (13 projects, 9 per cent) and USD 204 million (6 projects, 6 per cent), respectively. The concentration is evident because international access entities are accredited to implement larger, higher environmental and social risk projects utilizing a wide range of financial instruments.

9. In terms of the distribution of the portfolio by size, the category with the largest portion of GCF funding is large (USD 1.7 billion, 45 per cent) followed by medium (USD 1.3 billion, 36 per cent), small (USD 595 million, 16 per cent) and micro (USD 118 million, 3 per cent)⁸ (figure 4). However, in terms of the number of projects, the largest portion is accounted for by medium size (31 projects) followed by small (23 projects), large (12 projects) and micro (10 projects).

⁷ The Board by decision B.18/06 approved the SAP pilot scheme with an allocation of up to USD 80 million in GCF financing, and requested the Secretariat to operationalize the pilot as expeditiously as possible.

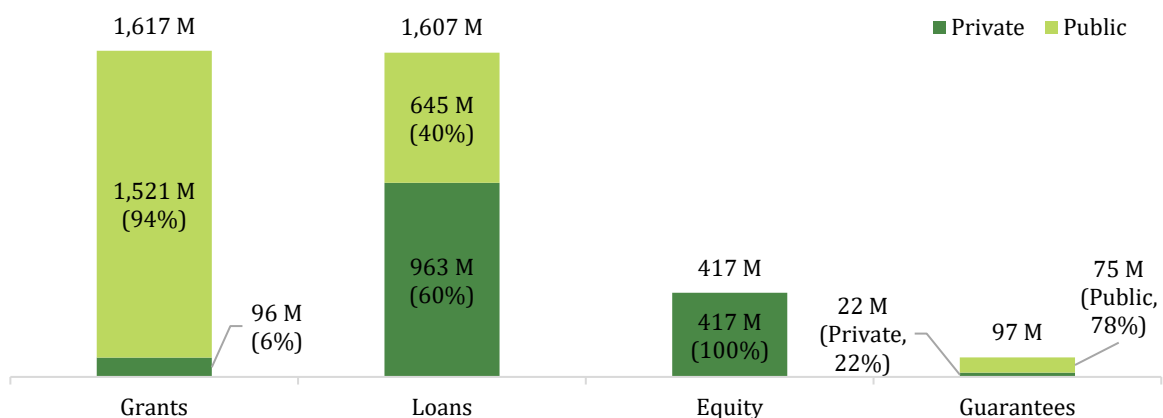
⁸ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), the project size category is as follows: micro (<USD 10 million), small (USD 10–50 million), medium (USD 50–250 million) and large (>USD 250 million).

Figure 4: Total GCF funding amount by access modality and project size



10. The portfolio utilizes a wide range of financial instruments as authorized by the Governing Instrument. The largest portion of the portfolio is financed by grants (43 per cent) and loans (43 per cent), followed by equity (11 per cent), and guarantee (3 per cent). In particular, 94 per cent of total GCF grant funding is through public sector projects. For loans, public and private sector projects account for 40 per cent and 60 per cent of the total, respectively (figure 5).

Figure 5: Total GCF funding amount by financial instrument and sector



11. The highest number of approved projects (29) targets the Asia-Pacific region with USD 1.2 billion (32 per cent of total funding) followed by the Africa region (26) with USD 958 million (26 per cent), Latin America and the Caribbean (17) with USD 907 million (24 per cent), multi-region (2)¹ with USD 643 million (17 per cent), and Eastern Europe (2) with USD 37 million (1 per cent) (figure 6).

12. In the portfolio, 46 projects² totalling USD 2.2 billion (60 per cent) of the total GCF funding is dedicated to least developed countries (LDCs), small island developing states (SIDS) and/or African countries.³ This includes two multi-region projects⁴ valued at USD 643 million that partially cover LDCs, SIDS and/or African countries. USD 1.2 billion is allocated to projects

¹ There are two multi-region projects – FP025 and FP038 – covering more than two regions of Africa, Asia-Pacific, Latin America and the Caribbean, and Eastern Europe.

² Some countries fall under more than one category – LDCs, SIDS and African States.

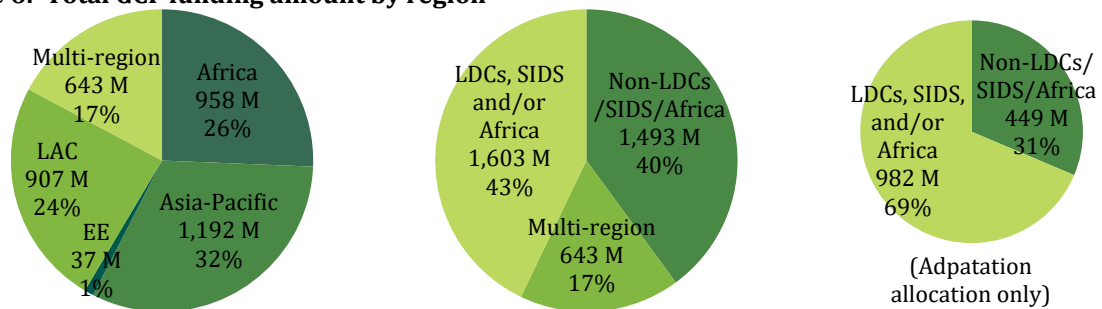
³ In line with guidance in UNFCCC decision 7/CP.20, paragraph 13, where the Conference of the Parties requested the Board in its implementation of the accreditation framework to pay adequate attention to the priorities and needs of developing country parties, including the LDCs, SIDS and African States.

⁴ FP025 and FP038.

covering LDCs while USD 786 million is covering SIDS projects. A total of 26 projects⁵ will be implemented in LDCs and 15 projects⁶ in SIDS.

13. In terms of GCF funding for adaptation projects (USD 1.4 billion), 69 per cent (USD 982 million⁷) is allocated for LDCs, SIDS and/or African countries. The figure is above the target as per Investment Framework (Decision B.07/06), which is floor of 50 per cent adaptation allocation for vulnerable countries, including LDCs, SIDS and African countries.

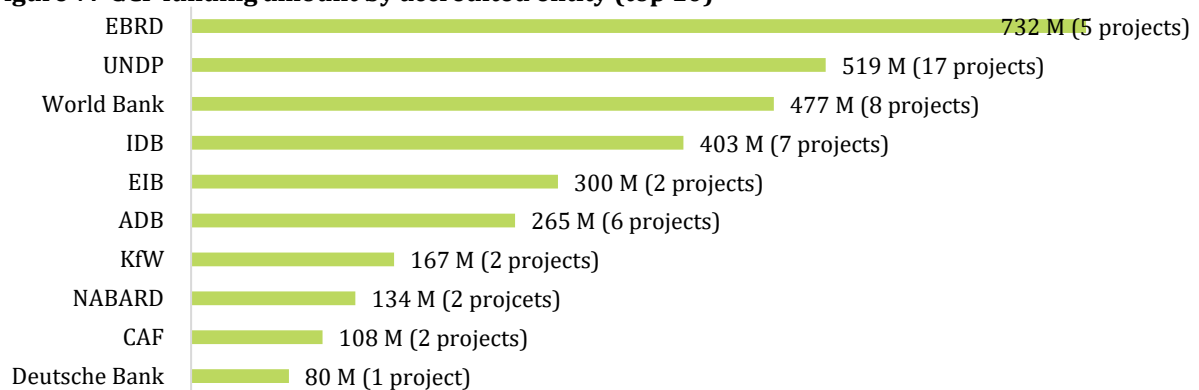
Figure 6: Total GCF funding amount by region



Abbreviations: EE = Eastern Europe, LAC = Latin America and Caribbean, LDCs = Least Developed Countries, SIDS = Small Island Developing States.

14. The current 76 approved projects will be implemented by 29 AEs. The European Bank for Reconstruction and Development (EBRD) accounts for the largest volume of GCF-approved funding, totalling USD 732 million (20 per cent of the total), followed by the United Nations Development Programme (UNDP) (USD 519 million, 14 per cent), World Bank (USD 477 million, 13 per cent), Inter-American Development Bank (IDB) (USD 403 million, 11 per cent) and the European Investment Bank (EIB) (USD 300 million, 8 per cent) (figure 7).

Figure 7: GCF funding amount by accredited entity (top 10)



Abbreviations: ADB = Asian Development Bank, CAF = Corporación Andina de Fomento, Deutsche Bank = Deutsche Bank AktienGesellschaft, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, IDB = Inter-American Development Bank, KfW = Kreditanstalt für Wiederaufbau, NABARD = National Bank for Agriculture and Development, UNDP = United Nations Development Programme, WB = World Bank.

15. Except at its twelfth and seventeenth meetings, where no funding proposals were considered, the Board has approved between 7 to 11 projects at each Board meeting, with funded amounts ranging from USD 168 million to USD 781 million. At B.19, 23 projects valued

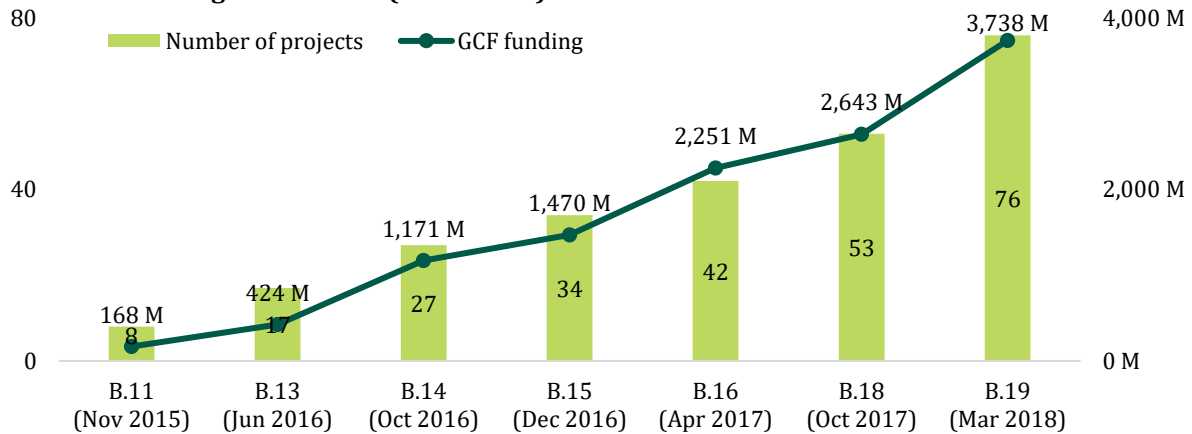
⁵ Out of 26, 4 multi-country projects valued at USD 396 million partially cover LDCs.

⁶ Out of 15, 1 multi-country project valued at USD 265 million partially cover SIDS.

⁷ USD 982 million includes a total of USD 28.7 million of adaptation allocation for FP025 that is a multi-country project partially covering LDCs, SIDS, and/or Africa.

together at USD 1.1 billion of GCF funding were approved and brought the portfolio of approved projects to 76 as illustrated in figure 8.

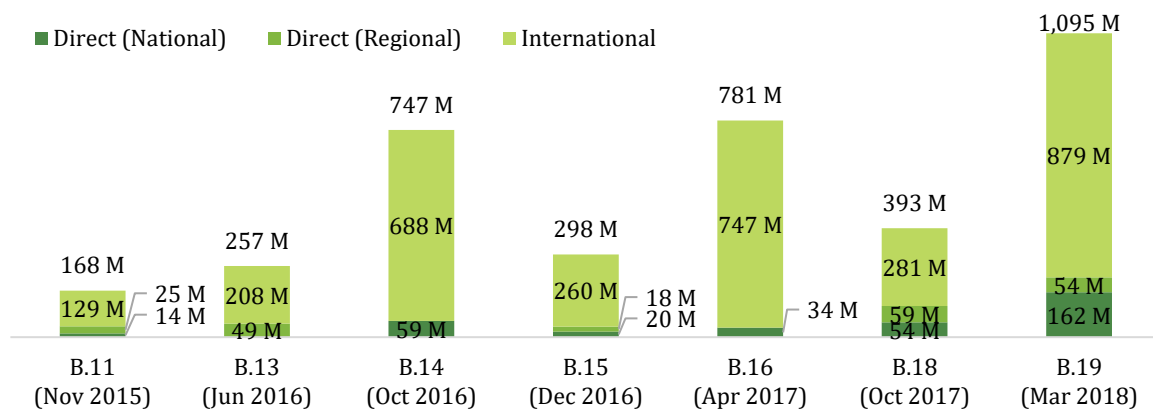
Figure 8: Number of approved projects and GCF funding from the eleventh to the nineteenth meeting of the Board (cumulative)



16. While the proportion of GCF funding for projects led by international access entities has remained high, a notable increase occurred in the GCF funding amounts approved for direct access entities during the last two Board meetings. At B.18, the Board approved USD 112 million for direct access entities and at B.19, USD 216 million (figure 9).

17. This trend was in line with decisions B.13/20, B.13/21 and B.14/07, where the Board requested the Secretariat to facilitate and enhance the direct access entities' access to the Fund's resources through a number of channels, including the simplified approval process.⁸

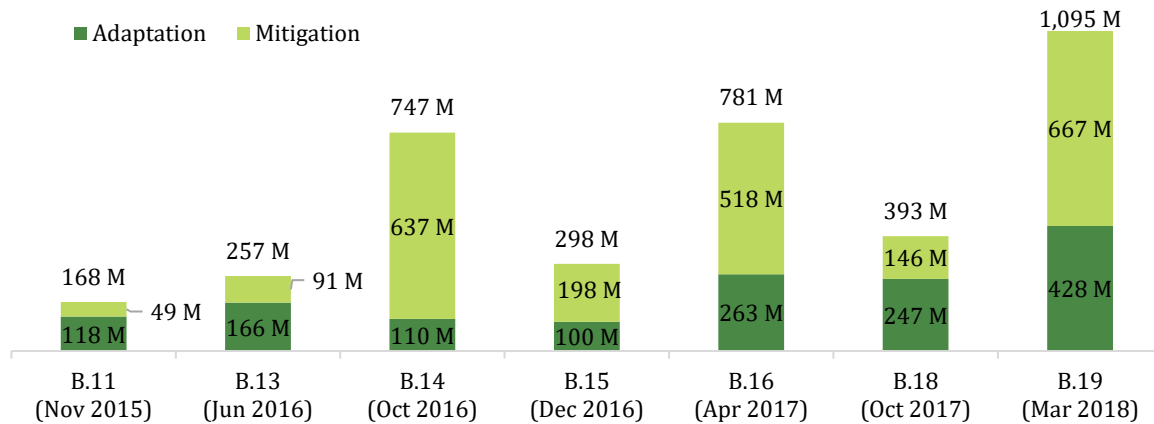
Figure 9: GCF funding amount by access modality from the eleventh to the nineteenth meeting of the Board



18. At B.11, B.13 and B.18, the proportion of approved GCF funding for adaptation projects is higher than that for mitigation. At the other Board meetings, the proportion for mitigation projects is higher (figure 10).

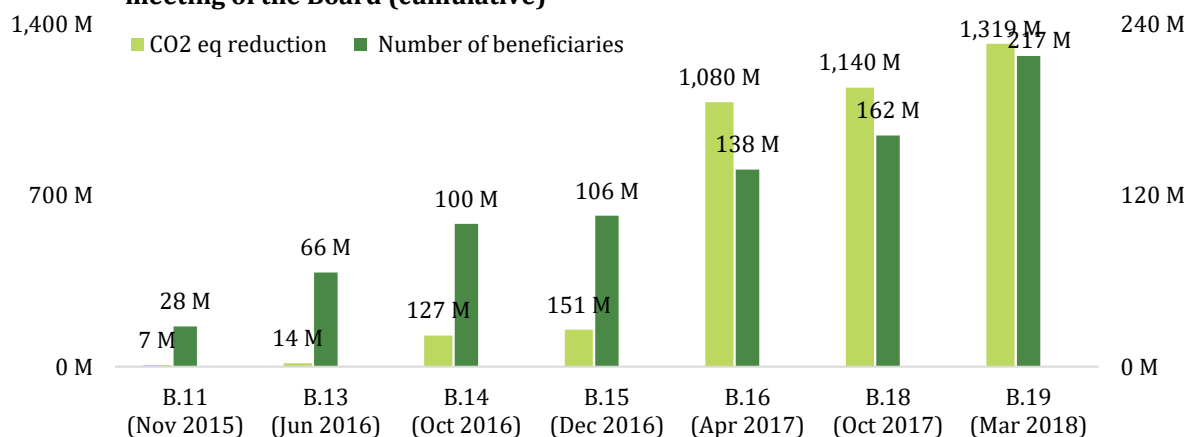
⁸ See document GCF/B.16/Inf.08.

Figure 10: GCF funding amount by thematic area from the eleventh to the nineteenth meeting of the Board



19. Figure 11 shows cumulative figures of the estimated reduction in GHG emissions and the number of beneficiaries of approved projects from B.11 to B.19 as provided by AEs. The estimated reduction in emissions by mitigation and cross-cutting projects approved increased from 7 Mt CO₂ eq (B.11) to 1,319 Mt CO₂ eq (B.19)⁹. The number of beneficiaries to be reached by adaptation and cross-cutting projects has increased to 217 million.

Figure 11: Estimated reduction in greenhouse gas emissions in carbon dioxide equivalent and the number of beneficiaries of the approved projects from the eleventh to the nineteenth meeting of the Board (cumulative)



2.2 Overall status of approved projects under implementation

20. The number of projects that have started implementation has increased over the past 2 years. At the end of 2016, only 1 project had started implementation. By the end of 2017, the number of projects had increased to 19. Finally, during the reporting period, 7 additional projects started implementation for a total of 26 projects.

21. The total value of GCF funding of the projects under implementation amounts to USD 1.2 billion although most projects have received only the first disbursements.¹⁰ As at 30 April 2018, the GCF funding of the projects under implementation represented 32 per cent of the total

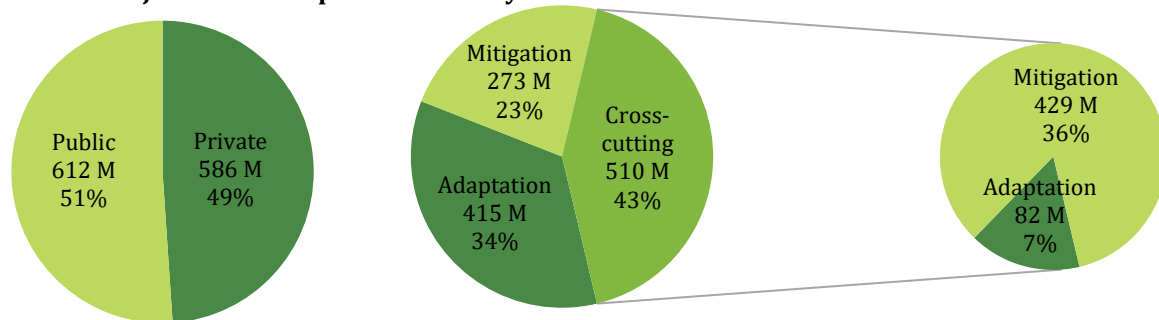
⁹ This is mainly due to the single project of FP038 (GEEREF NeXt) covering 29 countries, which is expected to abate 769 Mt CO₂ eq.

¹⁰ Two projects (FP005 and FP028) from the GCF portfolio have had subsequent disbursements.

funding approved by the Board. In terms of number of projects, the 26 projects under implementation amount to 34 per cent of the 76 approved projects.

22. The projects under implementation amount to USD 612 million (51 per cent) and USD 586 million (49 per cent) for the public sector and private sector, respectively. In terms of thematic area, USD 702 million (59 per cent) is allocated for mitigation projects and USD 497 million (41 per cent) is allocated for adaptation projects (figure 12).

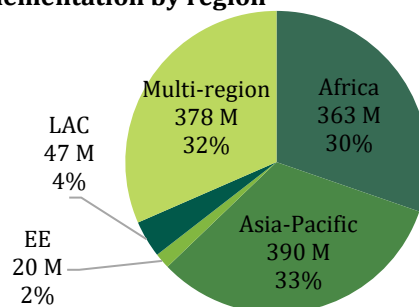
Figure 12: Projects under implementation by sector and thematic area



23. The estimated impact potential of the 26 projects under implementation amounts to 83 Mt CO₂ eq of emissions reduced or avoided and 108 million beneficiaries, according to the AE estimates.¹¹ The 26 projects under implementation are expected to contribute, when completed, to 6 per cent of the total mitigation impact potential and 50 per cent of the total adaptation impact potential of the 76 approved projects.

24. In terms of a regional distribution, there is a concentration of projects under implementation in Asia-Pacific with USD 390 million (33 per cent), followed by Africa with USD 363 million (30 per cent), and Latin America and the Caribbean and Eastern Europe with USD 47 million (4 per cent) and USD 20 million (2 per cent), respectively. Projects with a multi-region focus¹² represent USD 378 million (32 per cent).

Figure 13: Projects under implementation by region



Abbreviations: EE = Eastern Europe, LAC = Latin America and Caribbean, LDCs = Least Developed Countries, SIDS = Small Island Developing States.

2.2.1. Disbursements of GCF funding

25. The total disbursement amount of GCF portfolio stands at USD 158 million¹³ as at 30 April 2018. This is an increase when compared with the same period of the previous year (USD 5.5 million). USD 158 million represents 13 per cent of total value of the projects under implementation and 4 per cent of the total GCF funding (table 2). The disbursed amount for

¹¹ Amounts approximated as a simple sum of the individual funding proposal's target.

¹² Refers to FP025: GCF-EBRD Sustainable Energy Financing Facilities.

¹³ Excluding AE fees. As at 31 May 2018, the total disbursement amount is USD 167 million.

projects benefiting SIDS, LDCs and/or African countries amounts to 70.6 per cent of the total disbursements.

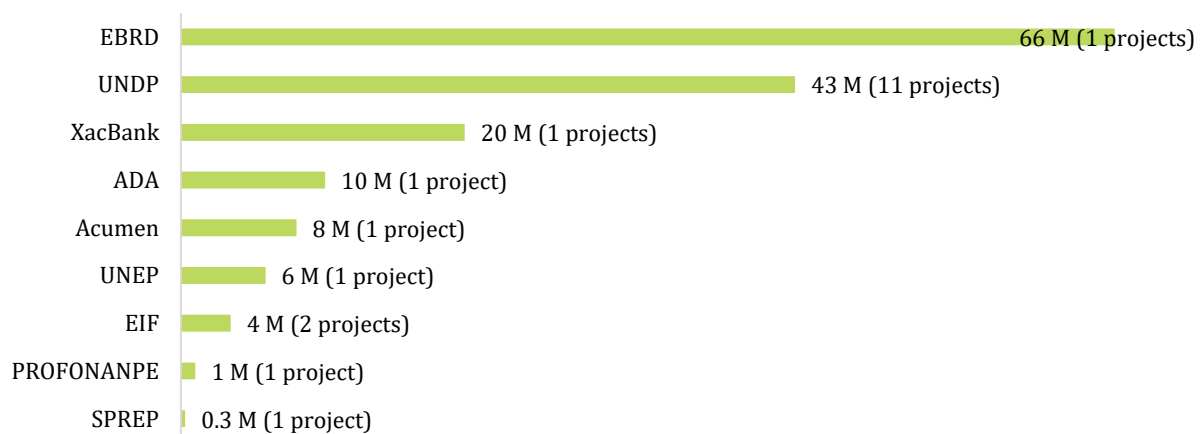
26. Twenty projects have received disbursements from GCF, consisting of 3 private sector projects and 17 public sector projects. Out of USD 158 million, USD 64 million (41 per cent) and USD 94 million (59 per cent) were disbursed for public and private sector projects, respectively. For this reporting period, FP035 SPREP Vanuatu and FP018 UNDP Pakistan received the first disbursements, amounting to USD 0.3 million and USD 10.5 million, respectively.

Table 2: Total GCF funding, total value of projects under implementation, and disbursed amounts

	USD (million)	% of total GCF funding
Total GCF funding	3,738	100
Total value of projects under implementation	1,198	32
Disbursed amounts	158	4

27. As at 30 April 2018, disbursements have been made to nine AEs. The largest percentage is represented by EBRD at 42 per cent of the total disbursed amount, followed by UNDP (27 per cent), and XacBank (13 per cent) (figure 14).

Figure 14: Disbursed amounts by accredited entity



Abbreviations: ADA Morocco = Agency for Agricultural Development of Morocco, EBRD = European Bank for Reconstruction and Development, EIF Namibia = Environment Investment Fund of Namibia, SPREP = Secretariat of the Pacific Regional Environment Programme, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme.

28. As of 30 April 2018, the cumulative disbursed amount by the end of 2018 is projected to be within the range of USD 364-667 million.¹⁴

III. Status of fulfilment of conditions

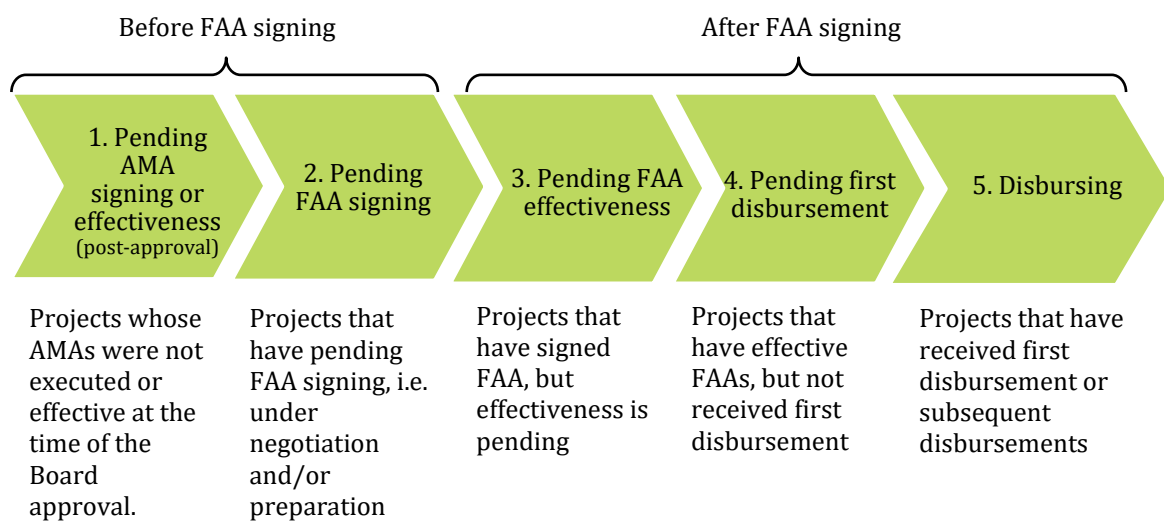
3.1 Stages after Board approval

¹⁴ The projection is based on the combination of (i) information provided by AEs, (ii) indicative disbursement schedules in FAAs, and (iii) the Secretariat's estimation, for example, on when FAAs will be signed for the projects that still require them and how long it will take from FAA execution to first disbursement. Disbursement projection will be revisited every quarter.

29. Based on the three key milestones in the post-approval process, signing of FAA, effectiveness of FAA and disbursement under FAA, post-approval stages are categorized as shown in figure 15.

30. Stage 1 relates to accreditation master agreement (AMA) signing and AMA effectiveness. AMA signing and AMA effectiveness are prerequisites to FAA signing. Stage 1 is applicable only to those projects whose AMAs were not signed and/or effective at the time of Board approval.¹⁵ Stages 2 and 3 refer to pending FAA signing and pending FAA effectiveness. Stages 4 and 5 refer to pending first disbursement and disbursing under FAA. A detailed list of GCF approved projects by stage is presented in annex II.

Figure 15: Stages after Board approval

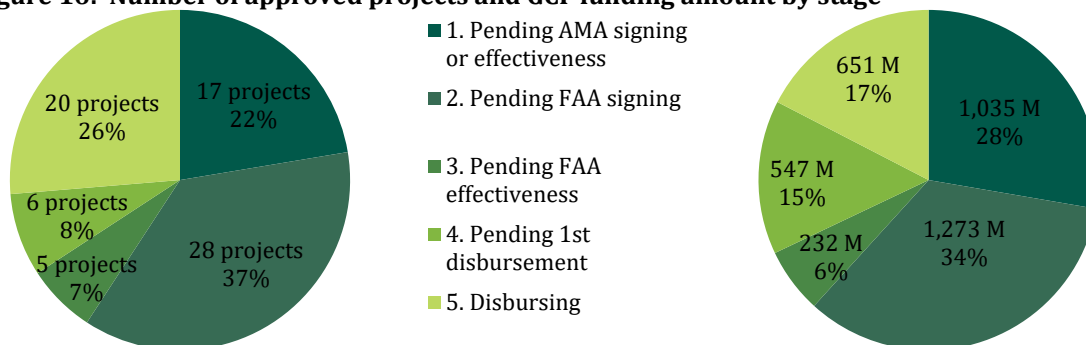


3.2 Updates since Board approval by stage

31. Out of the 76 approved projects, 45 projects (59%) have not signed FAAs as of 30 April 2018. In particular, 17 projects accounting for 22 per cent of total USD 3.7 billion are in stage 1 (pending AMA signing or effectiveness) and 28 projects (37 percent) are pending FAA signing (figure 16).

¹⁵ It is expected that the number of approved projects under this stage will decrease over time through decision B.17/09, which limits consideration of funding proposals without signed AMAs.

Figure 16: Number of approved projects and GCF funding amount by stage



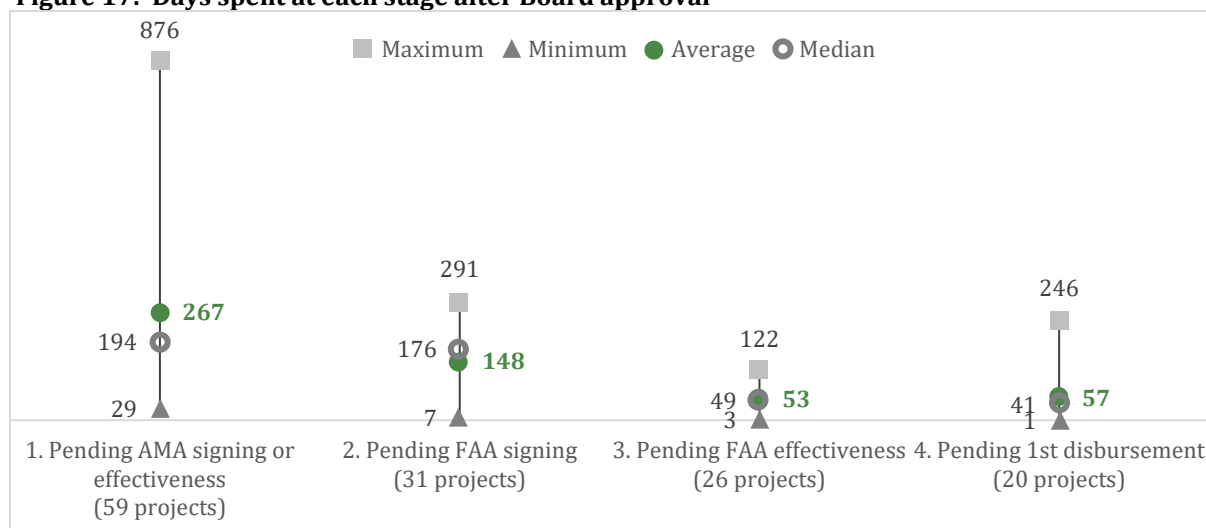
32. Figure 17 shows the time (in days) the approved projects spent at each stage after Board approval before moving to the next stage. For stage 1, on average¹⁶ it took 267 days after Board approval to complete AMA execution and/or AMA effectiveness before the approved projects started FAA negotiation.

33. For stage 2, from Board approval or AMA effectiveness (whichever is later) to FAA execution, an average 148 days were taken. The maximum and minimum values range from 291 to 7 days. As per respective AMAs and FAAs, the deadline for FAA execution is in general within 180 days of the date of Board approval, or the date when all internal approvals are obtained, or the date of AMA effectiveness, whichever is later, with a possible extension. Two projects¹⁷ received extension for FAA execution deadlines.

34. For stage 3, it took an average of 53 days from FAA execution to FAA effectiveness. The maximum and minimum values range from 122 to 3 days. The deadline for FAA effectiveness is in general within 90 days after FAA signing, with a possible extension. One project¹⁸ received extension for FAA effectiveness deadline.

35. For stage 4, from FAA effectiveness to first disbursement, an average 57 days were taken. The maximum and minimum values range from 246 to 1 days.

Figure 17: Days spent at each stage after Board approval



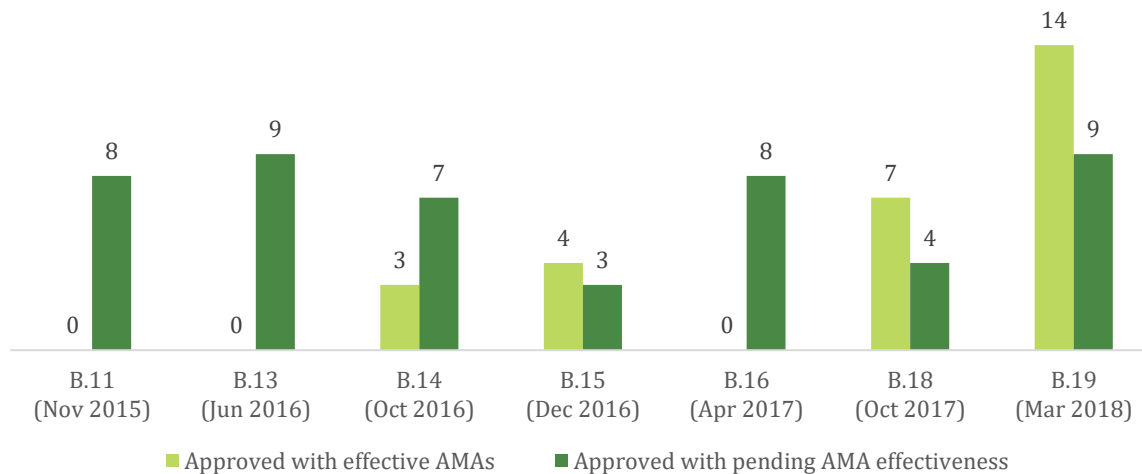
¹⁶ A term average refers to mean value throughout this document.

¹⁷ FP003 CSE Senegal and FP035 SPREP Vanuatu.

¹⁸ FP035 SPREP Vanuatu

36. Figure 18 shows the number of approved projects that did not have effective AMAs at the time of Board approval from B.11 to B.19. The number of approved projects with effective AMAs has exceeded those without effective AMAs for the last two Board meetings, following decision B.17/09 where the Board agreed to limit consideration of funding proposals from accredited entities without signed AMAs.¹⁹

Figure 18: Number of approved projects with effective accreditation master agreements from the eleventh to the nineteenth meeting of the Board



37. The average number of days taken by the approved projects from Board approval to FAA execution, FAA effectiveness and first disbursement has decreased. It took an average of 285 days for the 31 approved projects to have their FAAs executed after Board approval. For projects approved at B.11, it took 622 days on average whereas it took 180 days on average for projects approved at B.18.

38. Similarly, it took 337 days on average for the 26 approved projects to complete FAA effectiveness from Board approval. The number of days decreased from 588 days (B.11) to 304 days (B.16) and 190 days (B.18).

39. The average time for the 20 approved projects to receive first disbursements after Board approval is 407 days. Similar to FAA execution and effectiveness, the average days were reduced from 653 days to 314 days and 210 days when comparing B.11-approved projects against B.16 and B.18 projects.

3.3 Updates since Board approval by fulfilment of conditions

40. Conditions are suggested by the Secretariat, the independent Technical Advisory Panel (TAP) and the Board members and approved by the Board. The status of the fulfilment of the conditions applied to each project is presented in annex I.

41. The number of conditions attached to projects has declined since B.16. At B.19, 8 out of 23 approved projects had project-specific conditions approved on suggestion from TAP and/or the Board.

¹⁹ In addition, by decision B.17/17, the Board requested the Secretariat to inform all national designated authorities of the risks involved in supporting a project or programme being proposed to GCF by an accredited entity that has not signed an AMA with GCF.

42. During the reporting period, the Board approved a waiver of a condition for 1 project (table 3).

Table 3: List of conditions with changes approved by the Board

FP	Board approval	Changes in condition		Board approval for changes
FP021	B.14	Waiver	Waiver of a condition “Securing funding for intradomiciliary connections in those areas where sewers will be built”	B.BM-2018/06 (17 April 2018)

3.4 Approved projects with outstanding issues

43. Since the last reporting, one issue has been identified with regard to FP006 IDB Mexico. One of the general conditions was for AEs to confirm their internal approvals within 120 days after Board approval (decision B.11/11). Subsequently, the Board by decision B.BM-2016/05 clarified that all funding proposals approved at B.11 should meet said condition once the AMA is executed. Since the IDB AMA was signed on 29 August 2017, the deadline for the internal approvals for FP006 would have been set as 27 December 2017.

44. However, following decision B.BM-2016/05, Board decisions approving funding proposals further clarified that the starting point for deadlines related to the internal approvals by AEs should be counted from the date of AMA effectiveness (not the date of AMA execution), which is the case for the rest of the approved IDB projects so far.²⁰

45. Consequently, and given that IDB has indicated that it can obtain its internal approvals only after AMA has become effective, the same rationale should apply to FP006 to make such a condition consistent with the current GCF practice. Therefore, since the IDB AMA became effective on 30 March 2018, the deadline for the internal approvals of FP006 is set as 28 July 2018.

IV. Preliminary findings on the Annual Performance Report and the Portfolio Performance Report

46. The Office of Portfolio Management, in coordination with the rest of the Secretariat and AEs, developed a general template of the annual performance report (APR) in 2017. In 2018,²¹ 19 APRs were due from 7 AEs. The Secretariat is currently reviewing the first round of the reports.

47. It is expected that this number will increase significantly next year. Taking into consideration the current average time for projects to move from Board approval to the start of implementation, it is estimated that 66 APRs will be submitted by 2019.

48. Based on the initial review of the APRs, the Secretariat has requested the AEs to provide additional explanations to clarify portfolio-level data. The information at the portfolio level will be aggregated and presented in the annual reporting to the Board.

49. The initial findings and remarks on the overall portfolio identified at this early stage are as follows:

²⁰ FP009, FP020, FP030, FP048, FP063 and FP064.

²¹ In line with GCF monitoring requirements, the APRs are usually required within 60 days after the end of the calendar year.

- (a) All projects under implementation have started executing project activities specified in the funding proposals;
 - (b) Projects under implementation with reported disbursement of funds to the final beneficiaries represent 92 per cent;
 - (c) A total of 20 beneficiary countries have been targeted by the projects under implementation;
 - (d) During the initial review of the APRs, no significant issues or delays have been identified;²² and
 - (e) No major changes have been identified during the review.
50. Once the first review cycle of the APRs is completed, the Office of Portfolio Management will report the findings to the Board via the portfolio performance report (PPR) as mandated to the Secretariat by the Governing Instrument (see para. 1 above).
51. The PPR will address, inter alia:
- (a) Implementation progress: related to the execution of the specific activities for GCF-funded projects and significant delays or changes during the first year of implementation;²³
 - (b) Financial progress: related to the utilization of GCF proceeds for the implementation of the funded activities;
 - (c) Assessment of compliance with GCF policies and standards including environmental and social safeguards and gender elements of the overall portfolio;
 - (d) Expected impact performance: related to the progress of the fund-level core indicators for both thematic areas (mitigation and adaptation);
 - (e) Review of main challenges and new risks identified during the implementation of the projects under the portfolio;
 - (f) Lessons learned from the overall portfolio under implementation; and
 - (g) Remedial actions recommended to the overall GCF project cycle performance.

V. GCF Portfolio – Key observations and conclusions

52. Since B.11, when the Board approved the initial USD 168 million for 8 projects, the GCF portfolio of approved projects has grown to 76 projects for a total of USD 3.7 billion in funding. In particular, 23 projects were approved at B.19, recording the highest number of approvals in a single Board meeting.

53. The number of conditions attached to approved projects has declined since B.16. At B.19, 8 out of 23 approved projects had project-specific conditions from TAP and/or the Board. Since the last status report, the Board approved a waiver of a condition for 1 project.

²² The review process is still ongoing and additional findings may reveal changes or issues to be reported in the PPR to the Board at the next meeting.

²³ If required, the PPR will also have a separate section presenting to the Board for its consideration on major changes, waivers or requests for guidance on specific issues during the implementation period of funding proposals.

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54. In terms of a regional distribution, about 60 per cent of GCF approved funding is dedicated to LDCs, SIDS and/or African countries. Out of the total GCF funding disbursed (USD 158 million), 70.6 per cent is targeting projects benefiting LDCs SIDS and/or African countries.
55. Out of 76 approved projects, 45 (59 per cent) are still either pending AMA signing or effectiveness, or FAA signing. Out of the 76 approved projects, 26 (34 per cent) are under implementation, representing over a third of the portfolio.
56. The average time projects took from Board approval to implementation has decreased. This decreasing trend is attributable to a decline in the number of projects of which AEs have not entered into AMA execution or AMA effectiveness at the time of Board approval of the projects. The longer the AMA remains unfinalized, the longer it would take for the Secretariat to conclude the FAA process.
57. The number of projects under implementation had grown to 19 as at the end of 2017 since the end of 2016 when 1 project was under implementation. During this reporting period, 7 projects have started implementation. The disbursed amount of GCF proceeds increased by USD 152.2 million when compared with the same period of the previous year. It is expected that such a trend will continue throughout 2018 with a larger number of approved projects moving into the implementation phase.
58. Based on preliminary information received in the APRs, 92 per cent of projects have reported disbursement of GCF funding for their implementation on the ground. Data in the APR are currently under review by the Secretariat and a full set of findings on the implementation progress will be presented at the twenty-first meeting of the Board (B.21) in the PPR.
59. The Board may wish to consider urging AEs to further cooperate with the Secretariat to provide required information in the APR for inclusion in the PPR. The PPR will be presented at B.21 for the Board's consideration.

Annex I: Status of the fulfilment of the conditions applied to approved projects

1. Table 1 presents:
 - (a) For approved projects/programmes without a signed funded activity agreement (FAA), the status of the fulfilment of conditions to be met prior to signing;
 - (b) For approved projects/programmes with a signed but not effective FAA, the status of the fulfilment of conditions for the effectiveness of the FAA;
 - (c) For approved projects/programmes with a signed and effective FAA, the status of the fulfilment of conditions for the first disbursement; and
 - (d) For approved projects/programmes which have been disbursed, the date of first disbursement.
2. For the avoidance of doubt, table 1 does not include the status of:
 - (a) The conditions adopted by the Board and applicable to all projects/programmes relating to the completion of all legal due diligence except in cases where the FAA has been executed, as the satisfaction of this condition is an ongoing process which will only be met once an FAA is ready to be executed;
 - (b) The project/programme specific conditions adopted by the Board for which no expressed time frame for satisfaction has been stated, and for which time frames shall be agreed by the Secretariat and the accredited entity prior to the execution of the FAA;
 - (c) The other conditions adopted by the Board which are expected to be met over different time periods following the effectiveness of the FAA (including, but not limited to, conditions to be met prior to disbursement);
 - (d) The conditions which are not included in the lists of conditions and recommendations annexed to decisions B.11/11, B.13/23, B.14/07, B.15/07, B.16/02, B.18/23 and B.19/12;¹ and
 - (e) Matters referred to in the relevant annexes to the above-mentioned decisions which are not conditions (e.g. covenants with which the accredited entity will need to comply at different times between Board approval and the end of project implementation; these matters will be addressed in the relevant FAA).
3. The types of conditions referred to in paragraph 2(b), (c) and (d) above include, but are not limited to:
 - (a) The conditions approved by the Board when accrediting the relevant accredited entity;
 - (b) The conditions relating to the environmental and social safeguards necessary for the relevant project/programme;
 - (c) Securing and/or reporting on co-financing;
 - (d) The technical conditions to enhance the quality and/or impact of proposals and mitigating implementation risks (e.g. the financial management capacity of the executing entity, the operation and maintenance plan, etc.); and

¹ For example, certain conditions to be met prior to the execution and effectiveness of the FAA are set out only in the term sheets for the relevant project/programme.

- (e) The conditions and covenants which set out the types of activities that GCF cannot, in the context of a specific project/programme, finance (e.g. the financing of scholarships, and disaster response and relief activities).

Table 1: Status of condition fulfilment for approved projects/programmes in the GCF portfolio (as at 30 April 2018)

Type	Time frame	Description of condition	Status	Remarks
1. Pending AMA signing/effectiveness				
FP012: Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project (WB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	AE requested an extension which was granted through a limited distribution decision
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB
FP014: Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB) (WB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	AE requested an extension which was granted through a limited distribution decision
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB
Project-specific	Conditions to be met prior to the execution of the FAA	The accredited entity provides to the Board, through the Secretariat, satisfactory evidence of the following: a) Details on how the project intends to achieve transformational change and provide a theory of change, including long-term sustainability criteria	Met	AE submitted the required information which is to the satisfaction of the Secretariat on 28 May 2018. The relevant information is attached as Annex III and Annex IV to this document.

Type	Time frame	Description of condition	Status	Remarks
		<p>Further details on how the long-term financial sustainability of the project will be secured, including an assessment of the opportunities for the mobilization of future finances;</p> <p>Details on the key barriers, including legal and regulatory frameworks, which may impact project effectiveness and efficiency;</p> <p>Details on the selection criteria that will be used to inform approval or otherwise of sub-investments;</p> <p>Details on how the accredited entity will ensure that the project activities will complement and not overlap with existing projects in the region, as well as the project's intended interaction with other projects financed by the World Bank Group;</p> <p>An overview of the local political context and a detailed assessment of political and governance risks in each of the project's host countries;</p> <p>Details on how the project will fully integrate gender considerations into the project's approach and its results targets;</p> <p>Details on the rationale behind the project's use of grant funding by the GCF as opposed to other instruments (e.g. loans); and</p>		

Type	Time frame	Description of condition	Status	Remarks
		Details on the stakeholder groups consulted by the accredited entity during the design of the project.		
FP026: Sustainable Landscapes in Eastern Madagascar (CI and EIB)				
The FAA was signed in March 2018 (for CI FAA)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA with EIB signed on 26 September 2017 but not yet effective AMA with CI signed on 13 July 2017 and effective on 17 August 2017 Negotiation of draft EIB FAA pending effectiveness of EIB AMA
			Met	CI FAA signed on 16 March 2018
Project-specific	Conditions for the effectiveness of the FAA	The AEs shall ensure that support will not be provided to any category A subprojects and activities as explicitly stated in the ESMP	Partly met	Included as a covenant in the CI FAA, will be included in EIB FAA
		Specific to the CI FAA, the government approval for CI operating in Madagascar shall have been obtained	Met	Documentation provided by CI, checked as part of effectiveness

Type	Time frame	Description of condition	Status	Remarks
		<p>a) A new calendar of committed disbursements should be established for the class A shares, aligned to the calendar of the rest of shareholders. It should set a limit on the annual amount of each reflow up to the accumulated amount it has already disbursed at that point;</p> <p>The shareholder agreement should oblige all the shareholders (class A and class B) to honour the disbursements on a proportionate basis at all times throughout the project's lifespan; and</p> <p>The commencement of the project should be conditional on the commitment of the class A investor or, if this is not possible, the guarantee of the AE related to it</p>	Not met	To be included in the EIB FAA or other relevant legal documentation
FP027: Universal Green Energy Access Programme (UGEAP) (Deutsche Bank)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA executed on 23 May 2017 but not yet effective. Negotiation of the draft FAA and documents for the UGEAP fund is ongoing
Project-specific	Conditions to be met prior to the execution of the FAA	The lead syndication partner of UGEAP underwrites no less than 20 per cent of a syndicated loan for an eligible investment against a maximum 70 per cent of UGEAP take, with the possibility of the lead syndication partner selling down to no less than 15 per cent of the loan principal, on a pro rata basis with UGEAP. 'Market-out' clauses would be applicable to both the lead syndication partner and UGEAP	Not met	To be included in the FAA or other relevant legal documentation

Type	Time frame	Description of condition	Status	Remarks
		Deutsche Bank AG's 3 per cent participation in the capital of UGEAP is invested on a pro rata basis with GCF on each closing date	Not met	To be included in the FAA or other relevant legal documentation
FP038: GEEREF Next (EIB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	Negotiation of the draft FAA pending effectiveness of the AMA
Project-specific	Conditions to be met prior to the execution of the FAA	Execution of an AMA within 120 days of approval	Met	AMA signed on 26 September 2017 but not yet effective
FP044: Tina River Hydropower Development Project (WB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB
Project-specific	Conditions to be met prior to the execution of the FAA	Execution of an AMA within 120 days of approval	Met	AMA signed on 13 November 2017
		The World Bank confirms in writing that a) all mitigation measures set out in the Environmental and Social Impact Assessment and Management Plan: i) are fully estimated with respect to costs; ii) the ownership of, and responsibility for implementation is agreed and formally committed to; and iii) are fully funded; and b) that there is sufficient funding and formal commitment for the long term monitoring and evaluation of the implementation of all	Not met	

Type	Time frame	Description of condition	Status	Remarks
		mitigation measures, and that in the event the proposed mitigation measures prove to be insufficient or ineffective, there are clear mechanisms and funding for the remedial action.		
FP049: Building the Climate Resilience of Food Insecure Smallholder Farmers through Integrated Management of Climate Risk (R4) (WFP)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA not signed
FP059: Climate Resilient Water Sector in Grenada (G-CREWS) (GIZ)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval		
		Finalization of legal documentation	Not met	AMA signed on 15 November 2017 but not yet effective
FP061: Integrated Physical Adaptation and Community Resilience through an Enhanced Direct Access Pilot in the Public, Private, and Civil Society Sectors of Three Eastern Caribbean Small Island Developing States (DOE ATG)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA not signed
FP062: Poverty, Reforestation, Energy and Climate Change Project (PROEZA) (FAO)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA not signed
FP065: Financial Instruments for Brazil Energy Efficient Cities (FinBRAZEEC) (WB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB

Type	Time frame	Description of condition	Status	Remarks
FP066: Pacific Resilience Project Phase II for RMI (WB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB
FP067: Building Climate Resilience of Vulnerable and Food Insecure Communities through Capacity Strengthening and Livelihood Diversification in Mountainous Regions of Tajikistan (WFP)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalisation of legal documentation	Not met	AMA not signed
FP070: Global Clean Cooking Program – Bangladesh (WB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB
FP071: Scaling Up Energy Efficiency for Industrial Enterprises in Vietnam (WB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB
FP074: Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Burkina Faso Country Project (WB)				

Type	Time frame	Description of condition	Status	Remarks
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA signed on 13 November 2017 but not yet effective A template FAA is being negotiated with WB
Project-specific	Conditions to be met prior to the execution of the FAA	A clear operations and maintenance (O&M) budgetary provision agreement to ensure the sustainability of the project after its completion	Not met	
FP080: Zambia Renewable Energy Financing Framework (AfDB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA signed on 29 November 2017 but not yet effective A template FAA is being negotiated with AfDB
2. Pending FAA signing				
FP003: Increasing the Resilience of Ecosystems and Communities through the Restoration of the Productive Bases of Salinized Lands (CSE)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		AMA finalized	Met	Executed on 24 October 2015 and effective on 28 March 2016
	Conditions to be met prior to the execution of the FAA	Finalization of legal documentation	Not met ^a	Project under restructuring: Board extended deadline for

^a Pursuant to decision B.BM-2017/06, the deadline for entering into the FAA in connection with this funding proposal has been extended by 24 months from 12 June 2017.

Type	Time frame	Description of condition	Status	Remarks
				entering into FAA until 11 June 2019
FP006: Energy Efficiency Green Bond Programme in Latin America and the Caribbean (IDB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	To obtain internal approval from its Board, IDB required the agreed FAA text by 28 July 2018
		AMA finalized	Met	AMA became effective on 30 March 2018
	Conditions to be met prior to disbursement	Finalization of legal documentation	Not met	A template FAA is being negotiated with IDB
FP009: Energy Savings Insurance (ESI) for Private Energy Efficiency Investments by Small and Medium-Sized Enterprises (SMEs) (IDB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not Met	To obtain internal approval from its Board, IDB required the agreed FAA text by 28 July 2018
		Finalization of legal documentation	Not met	AMA became effective on 30 March 2018 A template FAA is being negotiated with IDB
FP017: Climate Action and Solar Energy Development Programme in the Tarapacá Region in Chile (CAF)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA effective as of 19 March 2018 Draft FAA is under negotiation

Type	Time frame	Description of condition	Status	Remarks
FP020: Sustainable Energy Facility for the Eastern Caribbean (IDB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	To obtain internal approval from its Board, IDB required the agreed FAA text by 28 July 2018
		Finalization of legal documentation	Not met	A template FAA is being negotiated with IDB
FP021: Senegal Integrated Urban Flood Management Project (AFD Senegal)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	AMA became effective on 16 January 2018 FAA negotiations have not commenced yet
FP030: Catalyzing Private Investment in Sustainable Energy in Argentina – Part 1 (IDB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	To obtain internal approval from its Board, IDB required the agreed FAA text by 28 July 2018
		Finalization of legal documentation	Not met	AMA became effective on 30 March 2018 FAA under negotiation
Project-specific	Conditions to be met prior to the execution of the FAA	The approval of the funding proposal shall be conditional on the inclusion in the FAA of a covenant to the AE to ensure that any concessionality provided by GCF is passed on to the underlying projects	Not met	To be included as a covenant in the FAA
FP036: Pacific Islands Renewable Energy Investment Program (ADB)				
General		AE internal approval	Met	

Type	Time frame	Description of condition	Status	Remarks
	Conditions to be met prior to the execution of the FAA	Finalization of legal documentation	Not met	AMA became effective on 6 September 2017 FAA under negotiation
Project-specific	Conditions to be met prior to be the execution of the FAA	The approval of the funding proposal shall be conditional on the inclusion in the FAA of a covenant that GCF proceeds will not be used for project preparation activities such as feasibility studies, environmental and social safeguards documents, financial modelling and other related activities that are eligible for the GCF Project Preparation Facility. The USD 5 million grant for technical assistance under GCF proceeds will only be used as a means to strengthen capacity-building and sector reform	Not met	To be included in the signed FAA
		The amount of USD 5 million in grant financing to support project preparation for subsequent subprojects shall be secured by the AE from internal sources. Additional grant financing for project preparation, as required, shall be secured by the AE from internal and external sources	Not met	To be included in the signed FAA
		Prior to the execution of the FAA, the AE shall submit to the Secretariat the revised funding proposal and associated documents reflecting the changes related to the removal of the project preparation activities from the GCF proceeds	Met	
FP041: Simiyu Climate Resilient Development Programme (KfW)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	FAA under negotiation
Project-specific	Conditions for execution of the FAA	AMA effectiveness	Met	AMA became effective on 6 November 2017
FP042: Irrigation Development and Adaptation of Irrigated Agriculture to Climate Change in Semi-arid Morocco (AFD)				

Type	Time frame	Description of condition	Status	Remarks
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	FAA under negotiation
Project-specific	Conditions to be met prior to the execution of the FAA	AMA effectiveness	Met	AMA became effective on 16 January 2018
		Initiate the PPP framework to be developed as soon the project is approved	Met	
FP048: Low Emissions and Climate Resilient Agriculture Risk Sharing Facility (IDB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	To obtain internal approval from its Board, IDB required the agreed FAA text by 28 July 2018
		Finalization of legal documentation	Not met	AMA became effective on 30 March 2018 A template FAA is being negotiated with IDB
FP050: Bhutan for Life (WWF)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not Met	AMA became effective on 13 December 2017 Draft FAA under negotiation
Project-specific	Conditions to be met prior to the execution of the FAA	Confirmation by the AE on the fiduciary capacity of the executing entities, to access capacity, policies, procedures and controls of the executing entities meet WWF financial management and procurement standards	Not met	

Type	Time frame	Description of condition	Status	Remarks
		Confirmation in writing by the AE that all co-financing that is necessary to close the Transition Fund in the amount of USD 91,670,648 is fully committed in the form of legally binding agreements	Not met	
FP052: Sustainable and Climate Resilient Connectivity for Nauru (ADB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	AMA became effective on 6 September 2017 FAA negotiations have not commenced yet.
FP054: Implementation Project of the Integral Management Plan of the Lujan River Basin (CAF)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	AMA became effective on 19 March 2018 Draft FAA under negotiation
FP058: Responding to the Increasing Risk of Drought: Building Gender-Responsive Resilience of the Most Vulnerable Communities (MoFEC)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA became effective on 21 February 2018 FAA negotiations have not commenced yet
Project-specific	Conditions to be met prior to the execution of the FAA	Submission to the Fund by the AE of the completed financial management and procurement risk assessment of the executing entities to the satisfaction of the AE	Not met	
FP060: Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados) (CCCCC)				
General		AE internal approval	Not met	

Type	Time frame	Description of condition	Status	Remarks
	Conditions to be met prior to the execution of the FAA	Finalization of legal documentation	Not met	AMA became effective on 23 January 2018 FAA negotiations have not commenced yet
Project-specific	Conditions to be met prior to the signing of the FAA	The approval by the GCF Secretariat of a non-revenue water (NRW) reduction strategy document (NRW Strategy Document), compiled and recommended for approval by a water specialist to be hired by the AE who shall have demonstrated extensive experience in implementation of water audits and NRW programmes in accordance with the American Water Works Association and International Water Association guidelines	Not met	
		The insertion in the FAA of a covenant by which the AE shall ensure the implementation of, monitor and report on, the results of the NRW Strategy Document during project implementation	Not met	To be included in the FAA as a covenant
FP063: Promoting Private Sector Investments in Energy Efficiency in the Industrial Sector and in Paraguay (IDB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	To obtain internal approval from its Board, IDB required the agreed FAA text by 28 July 2018
		Finalization of legal documentation	Not met	AMA became effective on 30 March 2018 Draft FAA under negotiation
FP064: Promoting Risk Mitigation Instruments and Finance For Renewable Energy and Energy Efficiency Investments (IDB)				
General		AE internal approval	Not met	To obtain internal approval from its Board, IDB

Type	Time frame	Description of condition	Status	Remarks
	Conditions to be met prior to the execution of the FAA			required the agreed FAA text by 28 July 2018
		Finalization of legal documentation	Not met	AMA became effective on 30 March 2018 Draft FAA under negotiation
FP068: Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia (UNDP)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	AMA became effective on 23 November 2016 FAA negotiations have not commenced yet
FP069: Enhancing Adaptive Capacities of Coastal Communities, Especially Women, to Cope with Climate Change Induced Salinity (UNDP)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	AMA became effective on 23 November 2016 FAA negotiations have not commenced yet
Project-specific	Conditions to be met prior to the signing of the FAA	The selection and procurement of the appropriate technology to be used for pond water treatment shall be concluded to the satisfaction of GCF and incorporated by the AE into the project design and implementation arrangements. In particular, and for such purposes, the AE shall: a) Procure an independent consultant with extensive experience in water treatment systems in rural areas and specific knowledge in the treatment of	Not met	

Type	Time frame	Description of condition	Status	Remarks
		<p>brackish water, with the procurement and selection of such consultant to be consulted with and agreed by GCF. The terms of reference for such independent consultant shall require her/him:</p> <ul style="list-style-type: none"> i) To visit an adequate number of sites distributed in the areas of intervention; ii) To consider and impartially identify the most sustainable technology solutions based on: <ul style="list-style-type: none"> (1) The different geographical conditions (for example, the north-east area of intervention is less likely to be impacted by high salinity than the south-west, thereby permitting the use of different water treatment technologies in different areas of intervention); (2) The technical, environmental, social and climate conditions existing in each area of intervention; (3) The need to avoid the use of proprietary technologies or name brands; (4) The capabilities of the recipients to operate and maintain the proposed systems/technologies and cover the relevant costs; (5) The availability of spare and replacement parts within Bangladesh; and (6) The ability of Department of Public Health Engineering to cover the costs of major repairs and infrastructure renewals. (7) The ability to describe the needs and appropriate solutions for each relevant area in sufficient detail so as to facilitate their procurement in an open and competitive process; and 	Not met	

Type	Time frame	Description of condition	Status	Remarks
		b) Submit the report prepared by such independent consultant to GCF for its approval		
FP072: Strengthening Climate Resilience of Agricultural Livelihoods in Agro-Ecological Regions I and II in Zambia (UNDP)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Met	
		Finalization of legal documentation	Not met	AMA became effective on 23 November 2016 FAA negotiations have not commenced yet
FP073: Strengthening Climate Resilience of Rural Communities in Northern Rwanda (MOE Rwanda)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA became effective on 1 August 2017 FAA negotiations have not commenced yet
FP075: Institutional Development of the State Agency for Hydrometeorology of Tajikistan (ADB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA became effective on 6 September 2017 FAA negotiations have not commenced yet
FP076: Climate-Friendly Agribusiness Value Chains Sector Project (ADB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA became effective on 6 September 2017

Type	Time frame	Description of condition	Status	Remarks
				FAA negotiations have not commenced yet
FP077: Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Project (AHURP) (ADB)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA became effective on 6 September 2017 FAA negotiations have not commenced yet
FP078: Acumen Resilient Agriculture Fund (ARAF) (Acumen)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA became effective on 12 July 2017 FAA negotiations have not commenced yet
FP081: Line of Credit for Solar rooftop segment for commercial, industrial and residential housing sectors (NABARD)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	
		Finalization of legal documentation	Not met	AMA became effective on 31 August 2017 FAA negotiations have not commenced yet
SAP001: Improving Rangeland and Ecosystem Management Practices of Smallholder Farmers under Conditions of Climate Change in Sesfontein, Fransfontein, and Warmquelle Areas of the Republic of Namibia (EIF)				
General	Conditions to be met prior to the execution of the FAA	AE internal approval	Not met	

Type	Time frame	Description of condition	Status	Remarks
		Finalization of legal documentation	Not met	AMA became effective on 16 June 2016 FAA negotiations have not commenced yet
3. Pending FAA effectiveness				
FP045: Ground Water Recharge and Solar Micro Irrigation to Ensure Food Security and Enhance Resilience in Vulnerable Tribal Areas of Odisha (NABARD)				
The FAA was signed in February 2018; effectiveness conditions set out in FAA yet to be fulfilled.				
FP047: GCF-EBRD Kazakhstan Renewables Framework (EBRD)				
The FAA was signed in March 2018; effectiveness conditions set out in FAA yet to be fulfilled.				
FP051: Scaling-up Investment in Low-Carbon Public Buildings (UNDP)				
The FAA was signed in March 2018; effectiveness conditions set out in FAA yet to be fulfilled.				
FP053: Enhancing Climate Change Adaptation in the North Coast and Nile Delta Regions in Egypt (UNDP)				
The FAA was signed in March 2018; effectiveness conditions set out in FAA yet to be fulfilled.				
FP056: Scaling Up Climate Resilient Water Management Practices for Vulnerable Communities in La Mojana (UNDP)				
The FAA was signed in March 2018; effectiveness conditions set out in FAA yet to be fulfilled.				
4. Pending 1st disbursement				
FP004: Climate Resilient Infrastructure Mainstreaming (CRIM) (KfW)				
The FAA became effective in March 2018				
General	Conditions to be met prior to first disbursement	Fulfilment of conditions precedent set out in the FAA	Not met	
Project-specific	Conditions to be met prior to first disbursement	a) Submission of detailed cost estimates;	Not met Not met Not met	

Type	Time frame	Description of condition	Status	Remarks
		<ul style="list-style-type: none"> b) Submission of a detailed procurement plan in form and substance satisfactory to GCF; and c) Provision of a concrete theory of change and a methodology regarding how the functioning of the climate information system will be generated and mainstreamed with all other stakeholders within the country 		
FP008: Fiji Urban Water Supply and Wastewater Management Project (ADB)				
The FAA became effective in January 2018				
General	Conditions to be met prior to first disbursement	Fulfilment of conditions precedent set out in the FAA	Not met	
FP025: GCF-EBRD Sustainable Energy Financing Facilities (EBRD)				
The FAA became effective in February 2018				
General	Conditions to be met prior to first disbursement	Fulfilment of conditions precedent set out in the FAA	Not met	
FP040: Tajikistan: Scaling Up Hydropower Sector Climate Resilience (EBRD)				
The FAA became effective in April 2018				
General	Conditions to be met prior to first disbursement	Fulfilment of conditions precedent set out in the FAA	Not met	
Project-specific	Conditions to be met prior to first disbursement	Delivery of a detailed project budget and procurement plan	Met	
FP043: The Saiss Water Conservation Project (EBRD)				
The FAA became effective in January 2018				

Type	Time frame	Description of condition	Status	Remarks
General	Conditions to be met prior to first disbursement	Fulfilment of conditions precedent set out in the FAA	Not met	
Project-specific	Conditions to be met prior to first disbursement	a) Present an action plan to start promoting community involvement in water governance and improved awareness of climate change issues for the duration of GCF involvement and after the completion of the infrastructure irrigation works for the duration of EBRD involvement;	Not met	
		b) Present an overall management scheme satisfactory to the Secretariat to preserve the Sebou and Saïss water basins under current and projected climate change scenarios with an ecosystem-based approach, including a hydrological study and a sustainability (economic, sociological and environmental) study of the overall implications of the water transfer within the basin and subbasin; and	Not met	
		c) Present a matrix of climate change indicators (water conservation, community involvement, etc.) that could be monitored during EBRD involvement in the project, ensuring that the Secretariat retains opportunities to ensure that communities are duly integrated and climate change dimensions are considered through an adequate measurement, reporting and verification regime	Not met	
FP046: Renewable Energy Program #1 – Solar (XacBank)				
The FAA became effective in January 2018; conditions precedent for first disbursement as set out in the FAA not yet fulfilled				
5. Disbursing				
FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru (Profonanpe)				
The first disbursement was made to this project in May 2017				

Type	Time frame	Description of condition	Status	Remarks
FP002: Saving Lives and Protecting Agriculture based Livelihoods in Malawi: Scaling up the use of Modernized Climate information and Early Warning Systems (UNDP)				
The first disbursement was made to this project in September 2017				
FP005: KawiSafi Ventures Fund (Acumen)				
The first disbursement was made to this project in September 2016				
FP007: Supporting Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages (UNDP)				
The first disbursement was made to this project in July 2017				
FP010: De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits (UNDP)				
The first disbursement was made to this project in August 2017				
FP011: Large-scale Ecosystem-based Adaptation in the Gambia: Developing a Climate-Resilient, Natural Resource-based Economy (UNEP)				
The first disbursement was made to this project in November 2017				
FP013: Improving the Resilience of Vulnerable Coastal Communities to Climate Change Related Impacts in Viet Nam (UNDP)				
The first disbursement was made to this project in September 2017				
FP015: Tuvalu Coastal Adaptation Project (TCAP) (UNDP)				
The first disbursement was made to this project in July 2017				
FP016: Strengthening the Resilience of Smallholder Farmers in the Dry Zone to Climate Variability and Extreme Events through an Integrated Approach to Water Management (UNDP)				
The first disbursement was made to this project in August 2017				
FP018: Scaling-up of Glacial Lake Outburst Flood (GLOF) Risk Reduction in Northern Pakistan (UNDP)				
The first disbursement was made to this project in March 2018				
FP019: Priming Financial and Land Use Planning Instruments to Reduce Emissions from Deforestation (UNDP)				
The first disbursement was made to this project in July 2017				
FP022: Development of Organic Agriculture Orchards in Degraded Environment (DARED) (ADA Morocco)				
The first disbursement was made in November 2017				

Type	Time frame	Description of condition	Status	Remarks
FP023: Climate Resilient Agriculture in Three of the Vulnerable Extreme Northern Crop Growing Regions (CRAVE) (EIF Namibia)				
The first disbursement was made to this project in June 2017				
FP024: Empower to Adapt: Creating Climate-Change Resilient Livelihoods through Community-Based Natural Resource Management (CBNRM) in Namibia (EIF Namibia)				
The first disbursement was made to this project in June 2017				
FP028: MSME Business Loan Program for GHG Emission Reduction (XacBank)				
The first disbursement was made to this project in May 2017				
FP033: Accelerating the Transformational Shift to a Low-Carbon Economy in the Republic of Mauritius (UNDP)				
First disbursement was made in September 2017				
FP034: Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda (UNDP)				
First disbursement was made in October 2017				
FP035: Climate Information Services for Resilient Development Planning in Vanuatu (Van-CIS-RDP) (SPREP)				
First disbursement was made in February 2018				
FP037: Integrated Flood Management to Enhance Climate Resilience of the Vaisigano River Catchment in Samoa (UNDP)				
The first disbursement was made to this project in August 2017				
FP039: GCF-EBRD Egypt Renewable Energy Financing Framework (EBRD)				
The first disbursement was made to this project in October 2017				

Abbreviations: ADA Morocco = Agency for Agricultural Development of Morocco, ADB = Asian Development Bank, AFD = Agence Française de Développement, AfDB = African Development Bank, CAF = Corporación Andina de Fomento, CCCCC = Caribbean Community Climate Change Center, CI = Conservation International Foundation, CSE = Centre de Suivi Ecologique, DOE ATG = Department of Environment, Ministry of Health and Environment, Government of Antigua and Barbuda, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, EIF Namibia = Environment Investment Fund of Namibia, FAO = Food and Agriculture Organization of the United Nations, GIZ = Deutsche Gesellschaft fuer Internationale Zusammenarbeit GmbH, IDB = Inter-American Development Bank, KfW = Kreditanstalt für Wiederaufbau, MOE Rwanda = Ministry of Environment of Rwanda, MoFEC = Ministry of Finance and Economic Cooperation of Ethiopia, NABARD = National Bank for Agriculture and Rural Development, SPREP = Secretariat of the Pacific Regional Environment Programme, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, WFP = World Food Programme, WB = World Bank, WWF = World Wildlife Fund.

Annex II: Current stages of the approved projects

	B.11 Nov 2015	B.13 Jun 2016	B.14 Oct 2016	B.15 Nov 2016	B.16 Apr 2017	B.18 Sep 2017	B.19 Feb 2018	Total number of projects
1. Pending AMA signing/effectiveness		2 (FP012, 014)	2 (FP026 ^a , 027)		2 (FP038, 044)	1 (FP049)	10 (FP059, 061, 062, 065, 066, 067, 070, 071, 074, 080)	17 (22%)
2. Pending FAA signing	2 (FP003, 006)	2 (FP009, 017)	2 (FP020, 021)	2 (FP030, 036)	2 (FP041, 042)	5 (FP048, 050, 052, 054, 058)	13 (FP060, 063, 064, 068, 069, 072, 073, 075, 076, 077, 078, 081, SAP001)	28 (37%)
3. Pending FAA effectiveness					1 (FP045)	4 (FP047, 051, 053, 056)		5 (7%)
4. Pending first disbursement	2 (FP004, 008)		1 (FP025)		2 (FP040, 043)	1 (FP046)		6 (8%)
5. Disbursing	4 (FP001, 002, 005, 007)	5 (FP010, 011, 013, 015, 016)	5 (FP018, 019, 022, 023, 024)	5 (FP028, 033, 034, 035, 037)	1 (FP039)			20 (26%)
Total number of projects (% of the Portfolio)	8 (11%)	9 (12%)	10 (13%)	7 (9%)	8 (11%)	11 (15%)	23 (30%)	76

^a As FP026 is led by two AEs, the European Investment Bank (EIB) and the Conservation International Foundation (CI), each of which stands at Stage 1. Pending AMA signing/effectiveness and Stage 4. Pending first disbursement respectively, this project is considered being at the stage 1.

Annex III: Information provided by World Bank to meet FAA execution condition of FP014

Climate Adaptation and Mitigation Program for Aral Sea Basin (CAMP4ASB) Funding Proposal to the Green Climate Fund (GCF) by the World Bank

Response on the areas where the GCF Board is seeking additional information/ clarification/ evidence

(a) Details on how the project intends to achieve transformational change and provide a theory of change, including long-term sustainability criteria;

This Funding Proposal to the Green Climate Fund (GCF) seeks to scale up the first phase of the Climate Adaptation and Mitigation Program for Aral Sea Basin (CAMP4ASB), by providing direct adaptation support to the most vulnerable rural populations in Tajikistan and Uzbekistan (the bottom 40 percent and those most at risk to shocks and climatic events). In doing so it **directly contributes to the GCF's strategic results area on adaptation**, namely

- *A1.0 Increased resilience and enhanced livelihoods of the most vulnerable people, communities and region*
- *A4.0 Improved resilience of ecosystems and ecosystem services*

Through climate-investments proposed, designed, and implemented by rural communities (e.g., farmers or farmer groups, villages or village communities, resource-user groups), GCF financing will support climate-smart productivity and improved livelihoods of the poorest populations living in climate- vulnerable rural areas. The Project will reach 205,000 individuals (direct beneficiaries) in Tajikistan and Uzbekistan, representing nearly 4 percent of the rural poor in the two countries. From the beneficiaries, 40 percent or 82,000 at least will be female.^a **The Project will strengthen the climate resilience of those most vulnerable to climate change, by supporting the adoption of climate-smart rural production and landscape management investments that aim to achieve multiple benefits (e.g., climate resilience, food security, increased well-being of beneficiaries, including gender and social inclusion).** Through the Project's interventions more than 35,000ha will transition to climate-resilient agricultural, land, and water management practices. While the associated WBG-financed program supports the market expansion of commercial lending for green investments in climate vulnerable areas, GCF financing will target the poorest and most vulnerable communities in priority areas by providing investment support via sub-grants. The GCF beneficiaries include the poorest populations residing on fringe/risk-prone areas and marginalized groups (who are thus not eligible for commercial lending, given lack of income and collateral). The combination of WBG and GCF financing will

^a This share is in the upper end among World-Bank financed projects in Tajikistan and Uzbekistan for modernization and resilience (Tajikistan: Environmental Land Management and Rural Livelihoods Project: 40% female beneficiaries; Tajikistan: Agriculture Commercialization Project: 30%; Uzbekistan: Horticulture Development Project: 20%; Uzbekistan: Livestock Sector Development Project: 20%).

allow CAMP4ASB to pilot certain climate-smart activities that could not have otherwise been implemented at this scale, and double the Project's expected benefits.

The Project will tackle key barriers to climate action such as low awareness and capacity, funding gap, and perceived risks associated, for instance, with deploying climate-smart technologies and practices. Through sub-Component 2.2, CAMP4ASB will provide for awareness raising and capacity building of rural communities to address knowledge, awareness, and capacity gaps on climate change risks, climate-smart options and share inspirational success stories (Output indicator: Capacity of climate-investment beneficiaries strengthened, target: 50,000 individuals benefit from facilitation package). GCF climate investment support (sub-Component 2.1) is provided via sub-grants to address two major barriers to the uptake of more climate-resilient practices and technologies by the poorest rural communities in Tajikistan and Uzbekistan (Output indicator: Climate-smart technologies and practices piloted, target: 190 climate investments financed). More details on barriers are provided under point (c).

At the community level, GCF support has the potential for long-lasting transformation since it empowers communities and enhances their capacity to sustain and scale-up climate investments. The Project will work directly with local communities to help them better understand climate risks and design investments that best address these risks, with a view to enabling communities to assume responsibility for managing their own resources and livelihoods in financially- and environmentally-sound ways. Furthermore, the requirement of beneficiary contributions will help build ownership and also contribute to the sustainability of these investments. In terms of sustaining investments, experience with the now-closing Environmental Land Management and Rural Livelihoods (ELMARL) Project in Tajikistan (which provided similar support to rural communities and whose implementation arrangements are being closely replicated in CAMP4ASB) **shows that communities do sustain investments: they mobilize resources for operation and maintenance and are also interested in replicating these investments.**^b More details on sustainability are provided under point (b).

At national level, Central Asia is a climate vulnerability hotspot in the Europe and Central Asia region, already experiencing severe climate impacts, from melting glaciers in the uplands to droughts and floods in the lowlands. **GCF support will be transformative in that it can bring adaptation front and center in the discussion and planning of national (and regional) development priorities.** The Project will directly sensitize staff within central and local government agencies to the risks of climate change and climate solutions, by associating them closely to project implementation (i.e., Project Implementation Units are within central government agencies, local government are associated with decision regarding planning and allocation of funding for CAMP4ASB-supported climate investments). The Project also provides opportunities for capacity building and learning for government staff (chiefly through IDA-funded part of the Project). It is expected that both direct exposure and capacity building will offer opportunities for bottom-up learning and help government staff mainstream climate considerations when preparing / updating policies and programs. This success will be measured against the outcome indicator "Strengthened institutional and regulatory systems for climate-responsive planning and development," with the following

^b <http://www.worldbank.org/en/news/feature/2018/05/04/sustainable-management-of-natural-resources-helps-tajik-communities-adapt-to-climate-change>

target: **3 country-led plans and programs that draw on the Program’s climate knowledge services, including lessons from climate investments.**

Finally, given the GCF’s high international visibility, its support can provide a decisive impetus to the CAMP4ASB Program, by **signaling the importance of a regional approach to address the Central Asian countries’ common and shared climate challenges.**

Currently, there is no platform to conduct a regional dialogue on climate change in the region. CAMP4ASB can therefore be transformational by strengthening the capacity of an existing regional institution (the Executive Committee of International Fund for Saving the Aral Sea, or EC-IFAS) in supporting regional dialogue and collaboration on climate change. By each country sharing its experience in piloting climate investments through a common regional data and information system and annual climate fora, the CAMP4ASB program will foster a regional dialogue on climate change. This regional dialogue is expected to ensure that each country has access to a larger number of local climate solutions (given similar climate challenges and contexts across countries), as well as create opportunities for collaboration between countries to address climate challenges that may require transboundary solutions. For GCF funding, there are two relevant indicators: “Improved understanding of climate-smart technologies and practices”, with the target of 140 Project-financed climate investments assessed, and “Action-oriented climate networks fostered”, with the target of 3 multi-country climate coordination networks supported under Project, enabling intra-governmental, sectoral, NGO, etc. cooperation.

(b) Further details on how the long-term financial sustainability of the project will be secured, including an assessment of the opportunities for the mobilization of future finances;

The long-term sustainability of the Program’s platform for regional dialogue and collaboration on climate action (managed by the Regional Coordination Unit, or RCU, that is hosted by the Regional Environmental Centre for Central Asia, or CAREC, and operating under the aegis of the Executive Committee of International Fund for Saving the Aral Sea, or EC-IFAS) will depend on future resources that can be mobilized to continue the climate knowledge service functions post program implementation (i.e., after WB and GCF project closing). Ultimately, the track record and success of the RCU as perceived by the participating countries will be an important factor to determine its fate post Program implementation.

Given its strategic importance, the assessment of the opportunities for **the mobilization of future resources will receive particular attention during the Program’s mid-term review**, when EC-IFAS working with the Program’s Steering Committee and the RCU will prepare a long-term sustainability plan, examining resource mobilization (from participating countries themselves, Development Partners, or climate finance sources) and options for transition arrangements. **CAMP4ASB’s Regional Steering Committee will play a key role in that regard, being tasked, among others, with high-level outreach and resource mobilization.** Potential sources of funding include: government allocation/support (Uzbek fund for Aral Sea area, Turkmenistan Regional Climate Centre under discussion), development partners active on environment and climate change issues (e.g., GIZ, USAID, in particular), or multilateral funds (GEF).

Depending on stakeholders’ interest and amount of funding secured, transition arrangements could include full absorption of the RCU under one institution in Central Asia (e.g., Regional Climate Centre under discussion in Turkmenistan, inclusion under EC-IFAS) or

continuation of select activities, managed separately, but in a coordinated manner, with support from various sources (e.g., different Development Partners or Central Asian Institutions supporting the expansion of select segments of CAMP4ASB's integrated regional analytical platform for climate-smart development in Central Asia).

With respect to the long-term sustainability of the climate investments under CAMP4ASB's Regional Climate Investment Facility, **great attention has been given to engage stakeholders and beneficiaries to ensure ownership and contribute to long-term sustainability and higher likelihood of success.**

The Facility is following a community-driven development approach for the design and implementation of the climate investments. It makes rural communities key decision-makers on what investments to implement and how to allocate financial resources, thus building ownership. Proposals for these investments and plans will require that participants consider economic factors, climate change risks, environmental and social/institutional sustainability, working with existing community or resource-based institutions, to support long-term operations. Furthermore, the requirement of beneficiary contributions (10 percent investment match) will help build ownership and also contribute to the sustainability of these investments. The level of these contributions will be monitored during project implementation to ensure planned amount has been mobilized for the successful capitalization and implementation of the investments. Since the Project is targeting the poorest and most vulnerable groups in rural areas, there is no plan to increase the level of beneficiary contribution in the outer years of the Project. In terms of sustaining investments, experience with the now-closing Environmental Land Management and Rural Livelihoods (ELMARL) Project in Tajikistan (which provided similar support to rural communities and whose implementation arrangements are being closely replicated in CAMP4ASB) shows that **communities do sustain investments: they mobilize resources for operation and maintenance (primarily labor, less so goods and equipment) and are also interested in replicating these investments. From the economic impact assessment, it has been shown that it is expected that as few as 8% of the beneficiaries are expecting to not be able to continue covering the costs that occur with maintaining the sub-projects.**

Local government structures will be associated to the process to ensure alignment of the proposed investments with existing local plans and programs (Tajikistan: selection of participating jamoats in interaction with the local district and jamoat authorities + preparation of Water Management Plans and Pasture and Livestock Management Plan in conformity with local actions plans (if available) and in association with local authorities (technical specialists – such as agronomists and environmental specialists, and heads of villages and jamoats); Uzbekistan: districts in project area selected by Government + pre-screening of grant proposals by a commission under the chairmanship of the Hokim of the corresponding district).

At a broader level, the economic sustainability of the Regional Climate Investment Facility should be considered in the context of the objective to induce behavior change in the poorest communities towards improved climate resilience, and in the context of the broader Program that is aimed at facilitating knowledge exchange and coordination on climate change measures within the sub-region across different sets of stakeholders. In that regard, the long-term sustainability of the Program will be measured against its success in stimulating further

adoption and scaling-up of climate investments by rural communities themselves (e.g., new groups of villagers adopt and replicate these climate-smart technologies and practices since they have witnessed their benefits) and by governments (e.g., these approaches are mainstreamed in regional and national strategies, plans, and programs based on their proven impacts under the CAMP4ASB Program).

(C) Details on the key barriers, including legal and regulatory frameworks, which may impact project effectiveness and efficiency;

The Program will support the adoption of rural production and land management measures that achieve multiple benefits, such as climate resilience, food security, increased well-being of beneficiaries, including gender and social inclusion among others. Agriculture and water management policies in participating countries - although still in transition - allow for the innovation in climate-smart practices and technologies that the Program seeks to support. **As such there are no major barriers in terms of legal and regulatory frameworks that would particularly hamper the implementation of CAMP4ASB.** Tajikistan and Uzbekistan are actively promoting agriculture diversification towards high value, water-efficient crops, reducing state intervention in production and marketing, and improving the quality and efficiency of extension and irrigation services. Although much work remains to be done for modernizing agriculture policies in Central Asian countries, the current framework rightly emphasizes the urgent need to adapt agriculture and water management to a changing climate and it recognizes the leading role played by farmers and rural collectives (e.g., water user associations or pasture user groups) in piloting and scaling up innovative climate-smart practices with support from public research institutions. It is expected that experience from sub-investments under Component 2 will also help underline policy areas requiring further reform, hence fostering bottom-up discussion on outstanding issues such as water recovery fees, production and exports quotas, land ownership and subleasing, as well as modernization of systems for the provision of better seeds, seedlings, and animal breeds.

CAMP4ASB will tackle key barriers to climate action such as low awareness and capacity, weak institutional framework, funding gap, and perceived risks associated, for instance, with deploying climate-smart technologies and practices. CAMP4ASB provides for institutional strengthening and capacity building of regional and national agencies, as well as rural communities to address knowledge, awareness, and capacity gaps. It also provides increased financing and technical assistance for climate investments in priority areas common to Central Asian countries, thereby addressing a funding gap and generating experience to mitigate some of the perceived risks associated with new climate-smart technologies.

Barriers to Climate Action	Project Activities
<p>Limited knowledge and capacities at government levels. Despite high-level awareness in governments of climate change risks and their impacts on development priorities (e.g., food and</p>	<p>Project will directly sensitize staff within central and local government agencies to the risks of climate change and climate solutions, by associating them closely to project implementation (i.e., Project Implementation Units are within central government agencies, local government are associated with decision regarding planning and allocation of funding for CAMP4ASB-supported climate investments).</p>

<p>energy priorities), the full mainstreaming of climate action into policies and programs has not yet happened. There is not even a country- wide adaptation strategy in Uzbekistan while in Tajikistan there are no adaptation plans at the District Development Committee levels. In addition, understanding of climate change and skills of technical staff in government agencies is still very limited (whereby climate change issues are often broadly equated with pollution and environmental degradation issues).</p>	<p>In addition, the Project provides opportunities for capacity building and learning for government staff (chiefly through IDA-funded part of the Project). It is expected that both direct exposure and capacity building will offer opportunities for bottom up learning and help government staff mainstream climate considerations when preparing / updating policies and programs.</p>
<p>Limited awareness on climate risks and smart solutions. While impacts of climate change are already in evidence in Central Asia and felt by rural populations on their livelihoods, the phenomenon in itself is not yet well understood, in particular with regards to future trends and appropriate solutions. While there is a host of traditional knowledge on coping with natural climate variability, traditional practices might come short of understanding the long-term impacts of climate change, leading rural populations to make inappropriate choices in terms of resource allocation (including continuing to invest in risk- prone areas).</p>	<p>Through sub-Component 2.2, CAMP4ASB will provide for awareness raising and capacity building of rural communities to address knowledge, awareness, and capacity gaps on climate change risks, climate-smart options and share inspirational success stories</p>
<p>Limited adaptive capacity of rural populations. A number of factors conspire together in weakening the adaptive capacity of rural populations,</p>	<p>CAMP4ASB will provide for opportunities for strengthening rural production systems (e.g., better irrigation, better seeds/cultivars, better pasture management), value addition in agricultural production (e.g., investments in agroproduct processing and storage,) and risk mitigation</p>

including (i) their heavy reliance on climate sensitive sources of income and livelihood (like agriculture), with few opportunities for diversification, limiting the possibility to grow productive assets and accumulate income from diverse sources and increase financial resilience to climate shocks, (ii) male outmigration in search of work in Russia or Kazakhstan, leaving women and families (young children and elderly) work the land and otherwise rely on remittances and donations, and (iii) lack of strong user associations to manage productively and sustainability common assets, leading to over exploitation and lack of investments to increase/maintain productivity of land/pastures/woodlots.

(e.g., slope stabilization). There will be a particular focus on gender, making sure women do benefit from the project and are decision maker in these collective investments (as discussed under point g, below). Through sub-component 2.2, Project will support participatory approach for the definition of natural resource management plans, including sensitization through awareness raising workshops, co-creation of information and products, use and evaluation of the products and invest in capacities of institutions and end-users to assure adoption and use of adaptation solutions by communities and authorities alike (in Tajikistan only, where beneficiaries are Water User Associations and Pasture User Unions).

Funding gap and affordability issue. Potential beneficiaries are among the poorest and cannot afford upfront investments (especially if break even occurs a few years after construction phase) let alone contract a loan (given low credit-worthiness and lack of collateral).

The GCF support aims to increase climate resilience of the poorest and most vulnerable, while the WB project financing aims to support market expansion of commercial lending for green investments in climate vulnerable areas. GCF climate investment support is provided via grants to address two major barriers to the uptake of more climate-resilient practices and technologies by the poorest rural communities in Tajikistan and Uzbekistan

Perceived risk linked to innovation. Low familiarity with potential new climate-resilient practices and technologies (both in terms of low awareness of their benefits and low capacity for implementation, impacting

potential return) limits
adoption potential.

With regard to barriers that might affect implementation and ultimately impact project effectiveness, CAMP4ASB will be implemented by two experienced Project Implementation Units in Tajikistan and Uzbekistan, well-familiar with technical and operational dimensions of implementing projects for agricultural modernization and resilience. This will help in particular mitigate fiduciary risk in Uzbekistan, linked to Procurement for community investments. Some of the eligible investments activities will require international procurement as there is no domestic market yet for equipment like (large scale) greenhouses or energy efficient agro-product processing appliances. To minimize risk of misprocurement (e.g., inappropriate technical specifications, low value for money, lack of fund traceability) and bring possible economies of scale (e.g., opportunity for bulk procurement if several sub-projects need similar equipment), community procurement will be led by the PIU, on behalf of communities.

(d) Details on the selection criteria that will be used to inform approval or otherwise of sub- investments;

Under the Climate Investment Facility, matching grants will be available to rural communities for piloting and scaling-up suitable technologies and practices for climate resilience, risk reduction, and mitigation. Below are highlighted the eligibility and selection criteria, based on sections of the Project Operational Manuals being developed in Tajikistan and Uzbekistan. Arrangements in the two countries differ, reflecting different experience with Community-Driven Development schemes.

In Tajikistan, arrangements for the Climate Investment Facility follow the proven and well-tested modalities from the Environmental Land Management and Rural Livelihoods (ELMARL) Project, implemented by the Implementation Group within the Committee for Environmental Protection (CEP-IG), which will also implement activities under CAMP4ASB's GCF Grant. Under these arrangements, beneficiary groups (Water User Associations, or WUAs, and Pasture User Unions, or PUUs) are selected in the project area and are then supported by Facilitating Organizations (FOs) in preparing natural resource management plans (Water Management Plans, or WMPs, and Pasture and Livestock Management Plan, or PLMPs) and implementing priority investments in these plans. Working with selected WUAs and PUUs helps ensuring long-term sustainability and impact, as these groups of beneficiaries will stay in place beyond CAMP4ASB's closing, are likely to continue following the natural resource management plans they have developed and updating these instruments based on most successful investments undertaken under CAMP4ASB, and can share experience and emulate replication in other peer groups. These arrangements also increase transparency and accountability in decision-making process as opposed to working with much smaller groups of beneficiaries and more numerous, where decision-making, financial management, and elite-capture might be more difficult to monitor effectively.

Project area comprises eight districts, selected based on vulnerability and poverty levels, following the prioritization methodology developed for the National Climate Adaptation Strategy: Darvaz and Ishkoshim (Gorno Badakhshan Autonomous Region), Lyakhsh and Nurabad (Districts of Republican Subordination), Kanibadam and Devashtich (Sughd Region), and Dangara and Vose (Khatlon Region). In each district about one-two WUAs and PUUs will be selected, based on an assessment overseen by the CEP-IG. WUAs will be selected based on the following criteria: a) legally registered as a WUA; b) active in collecting water dues and in organizing water management activities; c) members are Dehkan farms or family farms (more than 80%); d) existence of the land certificates; e) in proposed project districts, primarily in lowland areas, but irrigation areas in more upland zones could also be included; and f) suitability as a pilot from environmental, social, sustainability and demonstration considerations. For PUUs, participating jamoats will be selected, based on criteria such as: a) pasture lands and grazing constitute an important part of agricultural production (more than 50%); b) users are household farms (more than 90%); c) users have secure rights to grazing; d) located in proposed project districts; e) expressed interest of local authorities and farmers to participate; f) consideration of pasture types including winter and summer pastures; and g) suitability as a pilot from environmental, social, sustainability and demonstration considerations. To the extent feasible, consideration should also be given to selecting adjoining jamoats in a limited number of districts rather than spreading them out among all districts. The CEP-IG, through the District-level Committees for Environmental Protection, will interact with the local district and jamoat authorities during the selection process of participating jamoats.

Selected WUAs and PUUs will then be assisted by FOs in developing WMPs and PLMPs, respectively. These plans will lay out investments/activities to be carried out within the budget limits (based on eligible list in table below) and specify the responsible party for each action including the provider of technical assistance. The WMPs and PLMPs will be prepared in conformity with local actions plans (if available) and in association with local authorities (technical specialists – such as agronomists and environmental specialists, and heads of villages and jamoats), taking into consideration O&M requirements as necessary. The Plans will be submitted to CEP-IG for review and preparation of Grant Agreement with WUAs and PUUs. The first two plans will be subject to prior review by the World Bank.

Prior to WMP development, soil and irrigation water quality tests will be carried out along with an assessment of cropping patterns and productivity. This will be organized by the contracted FO with tests normally carried out at the central Soil and Water Testing Laboratory in Dushanbe. The results of the assessment will be included in the WMP. WMP preparation will be supported by contracted FOs, and local government (jamoat) agronomists and environmental officers as required. WMPs will cover in particular: (a) water saving and soil conservation technologies that could improve water use efficiency such as improved leveling and drip irrigation; (b) measures to reduce salinity, protect soil such as conservation agriculture and tree-planting, and improve soil fertility such as inclusion of legumes in the rotation or composting; (c) investment needs; and (d) responsibilities for implementation of different activities, targets and indicators.

Prior to PLMP development, comprehensive pasture and fodder assessments, enumeration of livestock numbers (and number of livestock units) and evaluation of the feed/fodder balances will be carried out to inform plan development. This will include productivity estimates for

grassland and fodder production areas to be put in the context of the feed/fodder demand in the villages, and include different types of pastures available to the livestock owners including winter, summer and nearby year-round pastures. FOs will be responsible to undertake the task, primarily, by using participatory stakeholder questionnaires at the village and jamoat level. The results of the assessment will be included in the plan. FOs will support the preparation of the PLMPs, with additional support provided by environmental inspectors, agronomists, livestock and/or pasture specialists at jamoat and district level. The plan will cover: (a) measures to improve pasture productivity and sustainability, such as rotational grazing, protecting areas for regeneration, pasture rehabilitation, improving access to remote pastures, and needs for supplementary fodder production; (b) grazing utilization levels; (c) animal health requirements and breed improvement measures; (d) investment needs; and (e) implementation responsibilities, targets and indicators.

Eligible and Ineligible Rural Climate Investment Activities (Tajikistan)

Farm Productivity	Natural Resource Management	Small rural Infrastructure
<p>1. Improving productivity of field and horticultural crops, medicinal plants, mulberry for sericulture through adopting new and appropriate technologies</p> <p>establishing simple low cost green houses</p> <p>seed potato production, (including real seed)</p> <p>fodder seed (both pulses and grass) production</p> <ul style="list-style-type: none"> - private nurseries - vineyards and orchards <p>improved cropping systems, such as inter- relay, multiple cropping.</p> <ul style="list-style-type: none"> - cultivation of medicinal plants <p>improved crop and tree varieties (wood lots)</p> <p>improved agronomic practices to enhance production, minimize purchased inputs</p> <ul style="list-style-type: none"> - community-revolving seed funds 	<p>1. Sloping land horticulture contour planting of fruit and nut trees on rain-fed land terraced orchards (ring and basin systems)</p> <p>orchards with drip/basin irrigation, mulching</p> <ul style="list-style-type: none"> - use of live fencing 	<p>1. Irrigation in support of SLRM</p> <ul style="list-style-type: none"> - repair of existing channels and small canals (with tree planting) - slope stabilization with contour inward trenches and channels - repair and replacement of small- scale pumps
<p>2. Agricultural product processing</p> <p>processing of oilseeds, vegetables and fruit</p> <p>packaging of vegetable and fruit produce</p> <p>processing of dairy and meat products</p> <ul style="list-style-type: none"> - packaging and grading <p>technically appropriate storage facilities for agricultural products</p>	<p>2. Pasture Management</p> <ul style="list-style-type: none"> - improved fodder production - improving livestock mobility (includes repair of shelters in remote areas, watering holes for livestock) - rotational grazing and fencing, e.g. live fencing - improved trails to pastures 	<p>2. Alternative and efficient use of energy</p> <ul style="list-style-type: none"> - micro-hydro power - bio-gas units - solar power - micro wind power - improved stoves - improved insulation of public buildings



<p>3. Improving livestock production</p> <ul style="list-style-type: none"> - introduction of better breeds suited to local conditions - breed improvement - poultry, turkey and quail production - private veterinary services - livestock management associations (cattle, sheep and goats) 	<p>3. Tree Planting/ Farm Forestry</p> <ul style="list-style-type: none"> - woodlots for fuel and timber - windbreaks/shelterbelts (with trees and shrubs) on hills and around fields - Joint Forest Management - gully stabilization with shrubs and tree planting - live fencing 	<p>3. Drinking water</p> <ul style="list-style-type: none"> - rehabilitation of existing facilities - provision of new facilities through village organizations
<p>4. Support services for agriculture</p> <p>small-scale farm input supply including machinery leasing, units</p> <ul style="list-style-type: none"> - blacksmith services - provision of market information - transport and sales cooperatives 	<p>4. Soil and water conservation measures</p> <p>crop rotations (e.g. introduction of legumes as inter crop and relay crops)</p> <ul style="list-style-type: none"> - composting - irrigation repair (if currently contributing to erosion) leading to improved efficiency of water use 	<p>4. Transport</p> <ul style="list-style-type: none"> - village trails - limited essential patching and rehabilitation of access and feeder roads (access to markets) - improved minor road drainage - repair of minor bridges (access to markets)
<p>5. Apiculture (Beekeeping)</p>	<p>5. Pest and disease control</p> <ul style="list-style-type: none"> - biological controls - integrated pest management (with use of bio-pesticide only) 	<p>5. Others</p> <ul style="list-style-type: none"> - slope stabilization through grass or shrub cultivation with tree belts on contour - river bank erosion protection with vegetative cover
<p>Ineligible</p> <ul style="list-style-type: none"> - tobacco production, processing - activities that consume large amounts of local wood without rehabilitation - any activities that contribute to land degradation - support of cotton production activities leading to increased number of livestock in degraded pasture lands - involve mining or genetically modified organisms 	<p>Ineligible</p> <ul style="list-style-type: none"> - use of pesticides under WHO Class Ia and Ib and Class II - activities that include ploughing on steep slopes without terracing - activities that consume large amounts of local wood without rehabilitation 	<p>Ineligible</p> <ul style="list-style-type: none"> - dam construction (old or new) of more than 3 meters in height - establishing new irrigation pumps - activities that would involve involuntary resettlement (dams, roads, etc.) and/or have ethnic minority/indigenous peoples impact - education and health investments - activities that completely destroy topsoil on an area larger than 100 sq. m (e.g. wide canals, bunkers, pits, etc.)

In Uzbekistan, the selection process encompasses two core steps: identification of beneficiaries and selection and approval of sub-projects. Identification of beneficiaries will

rely actively on local authorities to ensure the Project does support the poorest and most vulnerable and the project sub-grants are not captured by economically-, politically-, or socially-influent groups. Once beneficiaries are identified and their socio-economic vulnerability is confirmed, selection and approval of sub-projects will be carried out by the Rural Restructuring Agency under the Ministry of Agriculture (RRA), which has significant technical and operational experience in implementing projects for agricultural modernization and resilience (including CAMP4ASB). Key criteria in this approval process are economic considerations and the conformity with the positive list of eligible activities. The process will be supported all along by Facilitating Organizations (FOs).

The assessment of the socio-economic vulnerability of the beneficiaries will be carried out through the framework of mahalla organizations, given their active role at community level on social and economic grounds. The most vulnerable groups are defined as economically inactive population, families with incomes at, or below, the minimum wage level, families receiving income solely from subsistence farming and / or livestock maintenance. Mahalla organizations are a form local self-government, led by elected residents among the most authoritative and respected residents of the mahalla area. Mahalla organizations play an important role in local life (including the distribution of state benefits to families with low incomes) and are therefore a reliable source of information on the socio-economic situation of the inhabitants (e.g., income, living conditions, etc.). The project area consists of selected districts in the Republic of Karakalpakstan, Khorezm Province, Bukhara Region, and Navoy Region, all territories with rural population representing 51-67% of population and relying on agriculture and livestock as their main source of income and livelihood, which are at risk from climate change. In each selected district, a commission will be established, consisting of representatives from the hokimiyat, deputies, mahallas, farmer councils, environmental services (etc.), to conduct a primary selection of sub-project beneficiaries, in particular on socio-economic vulnerability. The composition of the commission will be approved by decision of the Hokim of the corresponding district. The commission will perform an initial evaluation of each sub-grant application and rate it according to the level of social, economic, and environmental benefits expected, the availability and adequacy of financial resources from the beneficiary (in cash and / or in kind) that will be mobilized as co-financing, as well as the level of compliance of the proposed investment plans with local priorities and development plans, etc. The protocol decision of the commission approved by the Hokim of the corresponding district will act as a preliminary confirmation of the beneficiary's right to apply for a sub-grant.

Following pre-screening by the local commissions mentioned above, a full sub-grant proposal will be submitted to RRA for review and approval. To keep the number of sub-projects manageable and provide them with enough time for implementation and early results before project closing, two calls for proposals are foreseen, about one year apart. Key criteria in this competitive selection process include: (i) expected benefits (and commensurability with proposed costs), including in relation with indicators in the Project's Results Framework (i.e., number of hectares); and (ii) expected beneficiaries (and commensurability with proposed costs). Other (eligibility) criteria include: (iii) eligible activity (see list below); (iv) gender perspective (at least 40% of expected beneficiaries must be female); (v) cost-effectiveness based on economic analysis (long-term benefits outweigh costs or unitary costs compare to benchmark); (vi) sustainability of sub-project after project closing (based on business plan and beneficiary's resources/contribution); (vii) ease of implementation (e.g., use of

proven technologies, level of effort and time for capitalization, level of resources and skills required for O&M).

Eligible Rural Climate Investment Activities (Uzbekistan)

a) Improving productivity of field and horticultural crops, by crop diversification, climate-resilient seed/sapling variety and seed-system support measures adopting new and appropriate technologies:

- low cost greenhouses;
- private nurseries;
- Vineyards and orchards;
- Improved cropping systems, such as crop diversification;
- Improved crop and tree varieties (wood lots);
- Improved seed varieties (e.g., more tolerant to drought, pest, disease and salinity).

b) On-farm water resource management and efficiency improvement measures:

- Drip and plastic tube irrigation;
- Land levelling;
- Planting shelter belts/ windbreaks;
- Irrigation scheduling;
- Alternate furrow irrigation;
- Drainage rehabilitation and improvement.

c) Land degradation control through agro-forestry and rangeland management measures:

- Infrastructure to access and use remote pastures;
- Fodder seed (both pulses and grass) production;
- Small machinery to produce and harvest fodder;
- Rehabilitation measures for degraded areas.

d) Pest and disease control:

- Biological control;
- Integrated pest management (with use of bio-pesticides only).

e) Conservation agriculture

g) Agro-product processing (e.g., cold storage, equipment to process milk/crop production)

h) Energy efficiency improvements (e.g., insulation, lighting, water pumps, etc.)

i) Expansion of renewable energy sources, particularly for those communities in remote rural areas.

(e) Details on how the accredited entity will ensure that the project activities will complement and not overlap with existing projects in the region, as well as the project's intended interaction with other projects financed by the World Bank Group;

CAMP4ASB's design takes into account the wealth and breadth of activities of the development community's climate-related activities in Central Asia: a) by capturing lessons learned from similar activities in designing the Regional Climate Investment Facility, and b) by ensuring CAMP4ASB's Climate Knowledge Service platform complements and capitalizes on the myriad of knowledge and technical assistance activities by other Development Partners. With regards to the Climate Investment Facility, project areas have been identified by participating countries (based on criteria agreed with the World Bank, highlighting climate vulnerability in particular) to ensure resources are targeted to those communities most in needs. Those are areas where other Development Partner-financed climate-related activities also take place but Climate resilience needs in Central Asia are huge and larger than current development assistance provided to the region. With regard to the Program's Climate Knowledge Services, the choice of CAREC as RCU is quite relevant in terms of coordination, given CAREC's engagement with other Development Partners in major climate knowledge initiatives in Central Asia. Finally, **the Project's Regional Steering Committee (RSC), which meets at least bi-annually, is attended by focal points on climate change in each of the participating countries (e.g., from Uzbekistan, Uzhydromet and Ministry of Agriculture and Water; from Tajikistan, Ministry of Finance and State Committee for Environment Protection). Participants in the RSC for CAMP4ASB also oversee implementation of other projects in this field in their respective countries, thereby also contributing to coordination).**

During CAMP4ASB's preparation, the Task Team has regularly liaised with representatives from the development community, to update them on the Program's status, incorporate lessons from development community activities in the Program's design, identify synergies with CAMP4ASB, and explore possible contributions to future phases of the Program. These updates and discussions took place via bilateral meetings in each Central Asian country, the headquarters of development partners' respective organizations, and during a CAMP4ASB Development Partner's Meeting in February 2015 in Almaty, Kazakhstan. This productive exchange with the Development Community will continue during implementation, either through the Program's supported activities (such as the annual climate forum, where results and future directions for CAMP4ASB are discussed among Central Asia stakeholders³) and via other fora and networks (such as the excellent cooperation among multilateral development banks built through the Pilot Program for Climate Resilience in its two pilot countries in Central Asia, Donor Coordination Councils or equivalent structure in each Central Asian countries, or informal meetings with Development Partner representatives during implementation support missions). In addition, there are regular donor coordination meetings on water, where climate change is also discussed. These meetings take place once a quarter and are attended by all development partners and key institutions involved in regional agenda, i.e., World Bank, ADB, EU, USAID, GIZ, Swiss Development Agency, GIZ, UNDP, UNEP, etc.

³ The latest one took place in January 2018 with more than 200 participants from all Central Asian countries. All development partners, government agencies, and non-governmental organizations with a role, function, or interest in climate change in the region were present.

Finally, with regards to collaboration and cross-fertilization within the World Bank portfolio of projects, the CAMP4ASB World Bank team shares members (including staff based in each Central Asian country) with teams of other projects tackling related areas such as agriculture and water modernization challenges, and disaster-risk management. This strong cooperation among project teams, in turn, facilitates coordination, mobilization of expertise, and incorporation of lessons learned and best practices.

Table: PPCR Program activities in Tajikistan

#	Investment Component of the Program	Project Financing	Closure
1	Central Asia Hydromet Modernization Project (WB) Implementing Agency: Agency on Hydrometeorology	PPCR Grant: US\$7m IDA Grant: US\$6m Total: US\$13m <i>Plus Government contribution: US\$1m</i>	December 31, 2018 (AF to the Project to be negotiated with CA countries (to be financed by IDA) – US\$3m for TAJ, Board
2	Environmental Land Management and Rural Livelihoods Project (WB) Implementing Agency: Committee on Environmental Protection	PPRC Grant: US\$ 11.45m IDA grant: US\$0.83m GEF: US\$5.40m Total: US\$17.68m <i>plus beneficiary contribution: US\$2.03m</i>	May 31, 2018
3	Qairokkum Hydro Power Rehabilitation Project (EBRD) Implementing Agency: Barqi Tojik	PPCR Grant: US\$ 11m PPCR Concessional Loan: US\$10m EBRD Loan: US\$50m EBRD Grant: US\$4m GCF: US\$50m (GCF Grant: US\$23m and EBRD Loan: US\$27m)	Extended to 2023
4	Technical Assistance for Building Capacity for Climate Resilience (ADB) Implementing Agency: Committee on Environmental Protection and Agency on Hydrometeorology	PPCR Grant: US\$6m	May, 2018

5	Strengthening Climate Resilience Capacity in the Pyanj River Basin (ADB) Implementing Agency: Agency for Land Reclamation and Irrigation; State Unitary Enterprise “Khojagii Manziliyu Kommunalii” (KMK); Ministry of Finance	PPCR Grant: US\$21.55m	June 30, 2020
6	Small Business Climate Resilience Financing Facility (Climadapt) (EBRD) Private sector project	PPRC Concessional Loan: US\$5m EBRD Loan: US\$5m EBRD Grant: US\$3m	2017

In addition, GIZ is active in supporting the Government in climate-resilient activities including the following projects: Ecosystem-based adaptation to climate change in high mountainous regions of Central Asia (2015-19), Adaptation to climate change through sustainable forest management (2013-18); Strengthening of livelihoods through climate change adaptation in Kyrgyzstan and Tajikistan (2014-18); and Sustainable and climate sensitive land use for economic development in Central Asia (2016-19).

ADB is preparing a new Climate-Resilient Dairy Value Chain Development Project (Grant US\$20m).

UNDP is engaged in disaster-risk management and climate-resilience activities: Disaster Risk Management Programme Disasters and Development in Tajikistan (2016-20) - \$13,137,623; Strengthening preparedness and response capacity (2016-18) - \$1.65m; Facilitating Climate Resilience in Tajikistan (2018-19) - \$950,130; GEF Small Grants Programme (2010-19) - \$1.5m.

Similarly, there is a list of projects/activities/investments of relevance in Uzbekistan. In order not to overburden the document with large tables, detailed mapping of the projects is enclosed.

All these efforts outlined above aim at ensuring that the proposed activities do not overlap with existing projects in the region, but rather complement where feasible.

(f) An overview of the local political context and a detailed assessment of political and governance risks in each of the project’s host countries;

The countries of Central Asia form a diverse political mosaic. Oil-rich Kazakhstan, being the world’s largest landlocked country, is perceived as the regional success story. It is responsible for most of Central Asia’s trade and investment and would like to be recognized as a pillar of the modern Silk Road. Uzbekistan contains nearly half of the region’s population and, as the only state bordering all the countries of Central Asia including Afghanistan, it is a regional security linchpin. Turkmenistan, among the world’s top gas reserves holders, is a closed regime, which adheres to the principles of neutrality. The two smallest and most underdeveloped states of Central Asia – Kyrgyzstan and Tajikistan – are both major international aid recipients. Central Asia, landlocked between China, Russia, Iran, and Afghanistan, lies at the very heart of the Eurasian continent. With its vast energy

deposits, it is a nucleus of regional dynamics. It seems like its geographical position – in spite of the limitations – has allowed Central Asia to transform into a fully globalized area, in which interests of different subjects coincide. Multiple international actors have regarded Central Asia as an important element of their foreign policy outreach. The region, through the involvement of the great powers – mainly Russia, the United States, China, and to a lesser degree the EU

– was elevated to the position of an economic and security keystone of Eurasia^d. China and Russia remain the dominant powers, though they pursue their influence differently: China mostly through Belt and Road Initiative (BRI), while Russia through Eurasian Economic Union (EEU). Only Kazakhstan and Kyrgyzstan are members of the EEU.

The most significant political change in the region in two decades is the opening of Uzbekistan by President Mirziyoyev to international integration and domestic economic liberalization. In late 2016, Uzbekistan underwent its first leadership change since the country's independence in 1991. With the drivers of the old growth model exhausted and the need for job creation given the large demographic bulge in working age population, the new leadership launched in 2017 a process of market-oriented reforms that are unprecedented in the country's modern history. The GOU's *National Development Strategy for 2017-21 (NDS)* aims at transforming the country by liberalizing the economy, reshaping the role of the State in the economy, modernizing the agriculture sector, strengthening governance, creating markets, including in the financial services, and enabling private sector growth, investing in human capital, and improving social protection and service delivery for all citizens. The Strategy, to be implemented over five years, is guided by an annual state program that is approved annually. The country's reform momentum has also created new opportunities for regional cooperation in Central Asia, including in energy, transport, water, and economic connectivity.

GOU has made rapid progress in adopting significant policy changes. The country's progress from a state-led economic system to a market economy entails three fundamental economic and social shifts: (i) from the state to the private sector; (ii) from inward-looking to an outward-looking growth and jobs drivers; and (iii) from general government subsidies to modern targeted social protection. To that end, it undertook important steps to reduce the state's large presence in the economy, including in agriculture, liberalize prices, and open the economy to greater foreign and domestic private-sector participation in job growth and investment. Major reforms include the liberalization of the exchange rate and currency depreciation, the reduction of Government involvement in the agricultural sector, the progress on the discontinuation of forced and systematic labor mobilization in the cotton sector, the diversification of agriculture to shift away from cotton and wheat production, the introduction of price adjustments and differentiation in energy and utility tariffs, and the efforts to improve communication with citizens, and improving access to information. GOU also liberalized the visa regime, strengthened Central Bank independence, eliminated non-core functions from banks (e.g. tax collection), initiated stress-testing of the banking system; took steps to improve corporate governance and organizational structure of energy state owned enterprises, outlined plans to design and implement financial recovery plans in key SOEs, and initiated institutional reforms to promote renewable energy, energy efficiency and improve district heating.

⁴ [http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/535020/EXPO_IDA\(2016\)535020_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/535020/EXPO_IDA(2016)535020_EN.pdf)

Likewise, for the first time since 1895, Tajikistan can escape its legacy of relative isolation at the periphery of a larger state entity or among borders closed for reasons of politics and/or conflict. Recent geo-political changes open doors to transform Tajikistan into a continental energy and trade hub and central intersection of technological, academic, and cultural exchanges along the *new Silk Road*. To this end, Tajikistan's own *National Development Strategy* (NDS 2030)^e focuses on "sustainable economic development" to improve the population's living standards by (i) ensuring energy security and the efficient use of electricity; (ii) overcoming connectivity bottlenecks and taking advantage of the country's potentially strategic geographic location along the trade routes between China, Europe, and Central and Southern Asia (provided that Tajikistan succeeds in overcoming existing regulatory, institutional, and infrastructure bottlenecks deterring trade, tourism, and cultural and academic exchanges); (iii) ensuring food security and households' access to high-quality nutrition; and (iv) expanding productive employment. In particular, the implementation of an ambitious (and difficult-to-finance) multi-billion-dollar energy-centric public investment program—comprising the construction of the 3,600-megawatt (MW) Rogun hydropower plant^f (HPP), the rehabilitation of the 3,000-MW Nurek HPP, and the investment into the cross-border transmission line under the *Central Asia–South Asia Power Project* (CASA-1000)^g— could anchor complementary socio-economic policies and, as such, prove transformational in placing Tajikistan onto a *virtuous cycle* towards dynamic rates of sustainable and inclusive ("endogenous") growth, based on the reliance on private business, investment, innovation, and domestic productivity increases.

CAMP4ASB seeks to establish the first institutional platform for regional dialogue and cooperation on climate change across a broad range of sectors. All five Central Asian countries have unanimously called for such a program in May 2014, acknowledging that cooperation against common and shared climate change challenges can bring benefits larger than unilateral action alone. CAMP4ASB is designed to make the best progress in areas where cooperation is well accepted, such as improving productivity and livelihoods and addressing climate challenges in rural areas (where experience and faster learning from a regional program can benefit each and every country, without delicate trade-offs), and not on regional water management, which remains a sensitive issue. Finally, the Technical Working Group has shown to be an effective mechanism to deepen multi-country dialogue on the design of the Program, as evidenced by the positive discussions and inputs provided at the several meetings of this group. Despite all these positive factors however, momentum behind CAMP4ASB and impetus for regional cooperation on climate change remains fragile and is susceptible to any setbacks in a volatile regional environment. As such, the Program is taking an important first step toward a longer path, by building relationships at the technical level that facilitate collective action and build confidence for increased cooperation.

The risk of delayed implementation and inefficient use of resources because of weak institutional, especially fiduciary and procurement capacity, remains high in both countries. The accredited entity, i.e., the World Bank, will continue to closely monitor fiduciary aspects of

⁵ See Government of the Republic of Tajikistan (2016), "[National Development Strategy of the Republic of Tajikistan for the Period to 2030](#)," mimeo., Dushanbe: Government of the Republic of Tajikistan

⁶ The estimated total cost of this one investment is US\$1.95 billion—or 28 percent of 2016 GDP.

⁷ The [CASA-1000](#) project should enable Tajikistan and Kyrgyzstan to export surplus hydro electricity of about 1,300 MW to their Southern Asian neighbors.

projects' implementation and build the staffing capacity of the implementing agencies. The World Bank plans to conduct public expenditure and financial accountability assessment and support the government in development of the public financial management reform strategy as well as public procurement law to improve the legislative and regulatory framework for financial management and procurement. At the project level, both in Tajikistan and Uzbekistan the Project will be implemented by some of the most experienced PIUs. In Uzbekistan, the Rural Restructuring Agency (RRA) has been implementing donor funded projects in the last decade or so. It currently manages several World Bank-funded projects, as well as ADB projects. In Tajikistan the same PIU that was implementing ELMARL and ELMARL AF will be in charge of implementation of this project. Both agencies already have on board seasoned fiduciary staff – financial management and procurement, as well as social and environmental safeguards specialists. Additional fiduciary capacity assessment will be carried out as part of the appraisal and specific capacity building interventions and support will be provided, as needed. Regular implementation support missions, with visits to the project sites will be carried out by the project's task team to verify the project progress and intended use of resources.

It should be noted that since this will be an Additional Financing to the Bank-financed IDA project, the risk assessment for the Parent Project will remain relevant to cover implementation risks and mitigation measures under the AF. No additional risks are expected as a result of the proposed AF. Key Risks and Mitigation measures are presented in Section V of the Project Appraisal Document for CAMP4ASB, presented also here in Annex. Mechanisms for addressing fiduciary risks specifically are outlined in Annex 3 of that document.

<http://documents.worldbank.org/curated/en/858141468000588741/Central-Asia-Climate-Adaptation-and-Mitigation-Program-for-the-Aral-Sea-Basin-Project>

(g) Details on how the project will fully integrate gender considerations into the project's approach and its results targets;

Women in Central Asia tend to have unequal access to, and control over, resources, particularly in rural areas. In Tajikistan and Uzbekistan, women carry out at least half of the agricultural labor, however relatively few have meaningful decision-making power. This makes them more vulnerable to poverty and climate change will exacerbate these existing problems, in particular with regard to food and energy security as well as livelihoods. At the same time, despite gender inequalities in agriculture, women have great potential as agents of change. Rural women are quick to grasp the holistic nature of farming and offer examples and solutions that they are already engaging in to adapt to climate change. Rural women can also be potential agents for climate change adaptation, as demonstrated by several strategic projects that have successfully involved them.^h

The Program will pay particular attention to gender dimensions:

^h *Tajikistan country gender assessment*: Asian Development Bank, 2016.

- (i) **Specific knowledge management activities will be supported (and monitored through the Program's Results Framework) to ensure awareness on gender issues is increased among CAMP4ASB stakeholders** (supported by World Bank financing, but equally benefitting GCF-funded activities). CAMP4ASB will facilitate greater cooperation and dialogue among institutional stakeholders in the region to deepen the understanding of, and act upon, the social dimensions of climate change, in particular its differentiated impact on vulnerable groups (e.g., poor farmers, female-headed rural households, etc.). In addition, the assessment of the Program-supported investments will capture gender-relevant lessons and the Program will ensure their dissemination.
- (ii) **The Program will also ensure that women benefit from its interventions by requiring a minimum percentage of women as beneficiaries (40%)ⁱ** and demonstrated gender focus is one of the selection criteria for the climate investment grants. This will be monitored in the Results Framework, using gender-disaggregated data.
- (iii) **In terms of voice, the Program will ensure that women are provided with an opportunity to have their voices heard and influence decision-making**, by (a) requiring a minimum representation of women participants in consultations; (b) undertaking outreach efforts that pay attention to different ways in which information is disseminated at the community level; and (c) carrying out community mobilization activities using mechanisms that will help ensure active participation of women, e.g., women-only sessions, ensuring meetings are held at times of the day when women can participate, etc. In addition, given that women are generally absent from decision-making positions in community resource user groups (e.g., Water User Associations and Pasture User Groups), the GCF-supported Climate Investment Facility will offer incentives for these groups to have female chairwomen. Investment proposals from these groups will receive a premium under the Project if they can report having a female chairperson. Representatives from Committees for Women and Family Affairs will also participate in investment proposal reviews to oversee the review of this selection criteria.

(h) Details on the rationale behind the project's use of grant funding by the GCF as opposed to other instruments (e.g. loans); and

The GCF support aims to increase climate resilience of the poorest, while the World Bank project financing aims to support market expansion of commercial lending for green investments in climate vulnerable areas. GCF climate investment support is provided via grants to address two major barriers to the uptake of more climate-resilient practices and technologies by the poorest rural communities in Tajikistan and Uzbekistan: i) perceived risk linked to innovation, given low familiarity with potential new climate-resilient practices and technologies (both in terms of low awareness of their benefits and low capacity for

⁹ This share is in the upper end among World-Bank financed projects in Tajikistan and Uzbekistan for modernization and resilience (Tajikistan: Environmental Land Management and Rural Livelihoods Project: 40% female beneficiaries; Tajikistan: Agriculture Commercialization Project: 30%; Uzbekistan: Horticulture Development Project: 20%; Uzbekistan: Livestock Sector Development Project: 20%).

implementation, impacting potential return), as well as ii) funding gap and affordability issue, taking into account potential beneficiaries are among the poorest and cannot afford upfront investments (especially if break even occurs a few years after construction phase) let alone contract a loan (given low credit-worthiness and lack of collateral). In addition to financial incentives for adoption of climate-resilient practices and technologies, the Project will further tackle awareness and capacity barriers by ensuring rural communities in Tajikistan and Uzbekistan can benefit from the information, tools, and experience garnered under the CAMP4ASB Program (see sub-Component 1.2) and by providing technical assistance to beneficiaries for assessing appropriate solutions to climate risks and supporting their successful implementation (see sub-Component 2.2).

(i) Details on the stakeholder groups consulted by the accredited entity during the design of the project;

CAMP4ASB is the result of an inclusive engagement process that brought together a broad cross section of Central Asian stakeholders, such as representatives from Central Asian national governments, regional organizations, civil society organizations, national and regional knowledge and learning institutions, and Development Partners. Two platforms have facilitated this process:

- (i) two regional climate change fora (in 2013 and 2014), which concluded with a call from all five Central Asian countries for a regional program that builds upon the benefits of regional cooperation to address the mounting challenges from climate change that often transcend borders

see Main conclusions of the Second Central Asia Climate Knowledge Forum, held in May 2014 in Almaty, Kazakhstan (together with list of participants) in Annex

- (ii) the Central Asia Technical Working Group on Climate Change (TWG), a group of technical experts nominated by the governments of the five Central Asian countries to support dialogue and cooperation across borders and sectors for the preparation of the CAMP4ASB Program and other World Bank climate-related initiatives.

see in Attachment, Initial scoping for CAMP4ASB by the Technical Working Group finalized by May 2014 (for the Second Central Asia Climate Knowledge Forum); Minutes of Technical Working Group meetings on November 2014 in Almaty, Kazakhstan; and Minutes of Technical Working Group meetings on January 2015 in Almaty, Kazakhstan.

Through these platforms, stakeholders from the Central Asian countries jointly identified the Program's areas of focus, which correspond to their common national development priorities as reflected in their own strategies, programs, and plans, as well as National Communications to the UNFCCC or as relevant,

submitted Nationally Determined Contributions (NDCs). These areas correspond to key development sectors most at risk from climate change where resilience must be scaled-up, such as at the agriculture, water, and energy nexus. Further, the participating countries' stakeholders have agreed on the Program's design, which promotes the adoption of rural production, land management, and other climate-resilient investments.

Prior to the Program's Appraisal, the general public, key stakeholders, and CSOs in both Tajikistan and Uzbekistan were also invited to review the program, provide feedback, and take part in public consultations in both countries (as part of the consultation process on the Program's Environmental and Social Safeguards Instruments).

see in the enclosed Attachment, minutes (in Russian or national languages) of ESMF consultations for GCF in project area for TJ and UZ

Annex IV: CAMP4ASB Risk Rating (from World Bank Project Appraisal Document)

Overall Risk Rating and Explanation of Key Risks

Table: Risk Ratings Summary Rating

Risk Categories	(H, S, M or L)
Political and governance	H
Macroeconomic	M
Sector Strategies and Policies	S
Technical design of program	S
Institutional capacity for implementation and Sustainability	H
Fiduciary	H
Environmental and social	M
Stakeholders	H
Other	n/a
Overall	H

Risk Ratings: H = High; S = Substantial; M = Moderate; L = Low

The overall risk rating for implementation is **High**. Key risks and mitigation measures include:

Political and Governance. Balancing the interests of each country and each sector involved will be an important outcome under the Program. However, countries may resist collaboration due to national vested interests and agendas, with potentially differing priorities, which may delay decision making and hinder the collaborative process. The Program itself is a mitigating measure for this risk, as it seeks to quickly build on an area of expressed intent for cooperation among the countries of Central Asia. The Bank team is working closely with the client countries to assess and demonstrate benefits from collaboration. CAMP4ASB is designed to make the best progress in areas where cooperation is well accepted (e.g., around knowledge and capacity building, where benefits of a regional approach are well established). In addition, the Program

design has been agreed by a broad range of stakeholders, including national agency counterparts and TWG members.

Sector Strategies and Policies. Participating countries are at different stages in mainstreaming climate change considerations into sectoral strategies and investment plans. For instance, agriculture and water management policies in participating countries – although broadly supportive of the kind of technological innovation and adoption of climate-smart practices CAMP4ASB will help pilot – are still in transition and some areas critical for climate action are still in need of further reform, such as water recovery fees, production and export quotas, land ownership and subleasing. A similar diagnostic could be drawn in the energy sector.

Technical Design of Program. The Program in this initial phase will support national climate investments in two countries. Given that countries' implementation capacities are not uniform, there is a risk that some countries' implementation may lag behind. The RCU will play an important role in monitoring the implementation of national climate investments, and will provide technical support, as needed, to facilitate investment implementation.

Institutional Capacity for Implementation. Given that a regional implementation coordination mechanism (the RCU supporting EC-IFAS) is to be strengthened, there is a risk that appointment of key staff will be delayed and that there may be lack of capacity in fulfilling managerial and technical requirements, which could delay implementation. A work plan to help ensure that World Bank readiness requirements for implementation can be met has been prepared, including the appointment of key staff prior to program effectiveness.

Institutional Capacity for Sustainability. While having an NGO, CAREC, as regional coordination unit will facilitate citizen engagement and gender dimensions under the Program, potential future budget support for CAREC to continue its climate knowledge service functions post-project implementation is still uncertain. Given that the Program's sustainability will depend in large part on participating country budget support, Program sustainability will be flagged as a high risk. In addition, during implementation, an assessment of potential future budget support will be conducted.

Fiduciary. Similarly, given that fiduciary staff (e.g., procurement and financial management) are yet to be appointed, there is also a risk that there will be a delay in the appointment of these key staff and that once appointed, these staff may lack experience with World Bank procurement and financial management requirements. A fiduciary assessment for the CAMP4ASB Program was conducted. Based on its findings and recommendations, financial management and procurement functions will be strengthened as needed, so that systems and reporting mechanisms are in place to comply with Bank requirements in a timely manner.

Stakeholders. CAMP4ASB results from an inclusive engagement process during preparation that has brought together a broad cross section of Central Asian stakeholders, and capitalizing on this engagement will be critical for the Program's success. The Program's design encompasses several mechanisms/entry points to achieve this goal, including facilitating cross-country dialogue and cooperation through Component 1 activities, such as holding annual climate fora or supporting climate networks; as well as encouraging citizen engagement through the wider use of publicly available information, consultative processes, and feedback mechanisms to strengthen the Project's implementation, build ownership, and thus contribute to long-term sustainability and better outcomes.
