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FUND**

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# Annual portfolio performance report (2019)

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## **Summary**

This annual portfolio performance report presents a review and analysis of the performance of the GCF portfolio of investments via funded activities, of the Readiness and Preparatory Support Programme, and the Project Preparation Facility under implementation as of 31 December 2019.

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## Executive summary

1. This is the third annual Portfolio Performance Report (PPR) to be presented to the GCF Board, and it provides an overview of the progress and results achieved by the portfolio of GCF funded activities, the Readiness and Preparatory Support Programme (RPSP) grants and the Project Preparation Facility (PPF) grants under implementation as of 31 December 2019. The report also highlights implementation challenges encountered by Accredited Entities (AEs), lessons learned by the Secretariat and the proposed actions for improving portfolio monitoring and management in the coming year. Additionally, given the extraordinary circumstances the global economy encountered in the course of 2020 due to the coronavirus (COVID-19) pandemic, the report also includes a preliminary analysis of the impact on the portfolio and highlights the ongoing GCF responses.

### Progress and results in 2019

2. **Funded activities:** The portfolio of funded activities continues to expand with projects under implementation nearly doubling from 41 projects in 2018 (USD 1.8 billion) to 75 projects (USD 3.4 billion) as of 31 December 2019. The total amount of co-financing mobilized for the portfolio under implementation amounted to USD 7.6 billion. In line with its focus on supporting the most vulnerable countries to cope with the effects of climate change, USD 2.1 billion (61 per cent) of GCF's portfolio of funded activities under implementation targets least developed countries (LDCs), small island developing States (SIDS) and African States. The support to these countries leveraged USD 4.5 billion (60 per cent of total co-financing for the portfolio under implementation).

3. Disbursements are also increasing, albeit at a slightly slower pace than the growth in size of the funded activity portfolio. During the reporting period, USD 478 million was disbursed – an increase of 72 per cent compared with USD 279 million disbursed in 2018 (compared with an 83 per cent growth in portfolio under implementation in 2019). On a cumulative basis, USD 904 million has been disbursed as of 31 December 2019, equivalent to 27 per cent of the total portfolio under implementation.

4. Funded activities continue to show progress in results compared to previous years. Based on AE self-reporting, the portfolio under implementation contributed to the abatement of 48 million tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) equivalent, reaching 15 per cent of the total impact potential of projects under implementation during the reporting period. The portfolio has also reached 10 million direct and indirect beneficiaries, accounting for 4 per cent of the total adaptation target for the projects under implementation.

5. For compliance with the legal conditions and covenants relating to the environmental and social safeguards (ESS), gender and indigenous peoples, about 50 per cent submitting annual performance reports for the first time in 2019 were focused on establishing project implementation units. Many of the projects reported developing the detailed environmental and social management plans (ESMP), procurement of civil works, planning for construction, ESMP implementation and monitoring activities, recruitment of safeguards personnel and consultants, and establishing legal and implementation arrangements with government and executing entities.

6. For gender-related activities, except for the few projects that did not have gender assessments and gender action plans, all other projects were compliant to the policy requirement. Also, during the 2019 reporting period, four projects showcased good practice in relation to engaging indigenous peoples and their knowledge. These emerging practices can be

of relevance to bodies such as the United Nations Framework Convention on Climate Change (UNFCCC) Local Communities and Indigenous Peoples Platform.

7. **Readiness and Preparatory Support Programme:** In 2019, GCF approved a total of 366 grants under RPSP covering 138 countries with total approved funding amounting to of USD 226 million. Of this amount, USD 77 million has been disbursed, almost doubling the amount disbursed in 2018 (USD 43.1 million; USD 12.9 million in 2017). Out of the 366 grants approved, 67 are pending legal arrangements whilst 265 have received disbursements. There are currently 243 grants under implementation, 48 grants completed, and 8 of the grants cancelled.

8. The number of grants under implementation stood at 98 per cent and 72 per cent of the total number of grants approved for NAP and non-NAP activity areas respectively (figure 22). The disbursement rate for NAP activity areas was 21 per cent while that for non-NAP activity areas was 46 per cent. The lower disbursement rate for NAP-related areas could be attributed to the fact that many grants under NAP activity areas were approved in recent years, representing a younger portfolio as compared to that of non-NAP activity areas.

9. **Project Preparation Facility:** The number of PPF grants provided to countries has increased as well. As of 31 December 2019, 27 grants have been approved, up from 16 grants at the end of 2018, corresponding to a USD 7 million increase to USD 18 million over the same period. Of the approved PPF grants, USD 12 million has been disbursed as of the end of 2019, more than double of the USD 5.4 million that was disbursed in 2018.

## Implementation challenges

10. Both the funded activity portfolio and RPSP have continued to experience implementation challenges and issues similar to those previously reported in 2018. AEs/Delivery Partners (DPs) and National Designated Authorities (NDAs) continued to report challenges related to: (i) operational or implementation start-off delays; (ii) financial challenges related to delays in co-financiers' disbursements, funding gaps in budget, cost overruns, and exchange rate fluctuations; (iii) procurement-related delays (especially due to prolonged tendering processes, executing entities' limited capacity for procurement, etc.); (iv) legal challenges related to changes in regulation and delays in approval of implementation arrangements; and (v) political challenges related to government transitions and election challenges, and accompanying changes in ministry officials and focal points as well as changes in government priorities. Consequently, approximately 49 per cent of the projects under implementation (37 of 75 projects) were reporting delays in more than 25 per cent of the total activities. The COVID-19 pandemic is likely to further impact implementation pace in the coming year.

11. In addition, RPSP reported challenges related to lack of understanding of GCF operating procedures especially within the NDAs, delays in procurement of goods and services as well as inadequate local capacity to provide the required expertise at the local level.

## Lessons learned

12. The experience and challenges encountered during implementation provide valuable insights and lessons that will be integrated into the portfolio management approach and guidance to the Secretariat and AEs.

13. For funded activities, implementation delays are often the result of shifting country contexts. Changes in governance can impact project oversight, while broader macroeconomic factors impact budget accuracy. Building contingencies into project timelines and addressing bottlenecks early is key to effective implementation. The importance for AEs to have clear

communication lines and robust monitoring and evaluation processes in place prior to implementation of project activities cannot be overemphasized.

14. For RPSP and PPF, capacity gaps at the country level hinder implementation. In many countries, there are only a limited number of experts who understand both GCF procedures and the technical area to support the development of proposals and other services required as deliverables. This makes procurement/recruitment of such expertise difficult, resulting in implementation delays for both readiness grants as well as for funded activities. In addition, limited capacity for procurement may result in further delays.

15. Continuous engagement with NDA and AE partners is critical for success. Not only does regular communication ensure that GCF can provide feedback and identify potential issues early, but it also provides an opportunity to convene stakeholders and build consensus between DPs and NDAs. Capacity at Secretariat level to also respond timeously to adaptive management requests as well as other implementation-related requests is critical.

### **Proposed priorities for 2021**

16. In line with the continued growth of the funded activity and grants portfolio, the Secretariat will continue building on the forward-looking initiatives highlighted in its 2020 work programme, including the use of dynamic adaptive management techniques to improve the quality of implementation and results; and development and launching of new tools for portfolio monitoring and management, including guidance to DPs and AEs in the implementation of GCF projects and programmes. Finally, given the widespread and unpredictable impacts of the COVID-19 pandemic, the Secretariat will further intensify the level of engagement with AEs, DPs, and NDAs to maintain and improve portfolio quality.

## **I. Introduction**

### **1.1 Background and structure of the report**

17. The Governing Instrument for the GCF, in paragraph 23(d), established the mandate for the Secretariat to carry out monitoring functions and prepare reports on the performance of the implementation of activities under GCF. In line with the GCF monitoring and accountability framework,<sup>1</sup> this annual portfolio performance report (PPR) presents an update on the progress made in the performance of funded activities under implementation for the reporting period ending 31 December 2019, as well as the progress achieved through the Readiness and Preparatory Support Programme (RPSP) and Project Preparation Facility (PPF) support.

18. The report is informed by qualitative and quantitative information on funded activities drawn from the annual performance reports (APRs), legal agreements, funded activity agreements (FAA), financial reporting and annual financial statements submitted by the accredited entities (AEs). For RPSP and PPF support, information for the reporting period spanning January to December 2019 is drawn from interim progress reports and completion reports submitted by delivery partners (DPs) and national designated authorities (NDAs), in line with the relevant legal agreements.

19. The report starts with an executive summary, followed by section 1, which provides an overview of the PPR for the 2019 reporting period and briefly outlines actions taken in 2019 to

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<sup>1</sup> Initial monitoring and accountability framework for accredited entities, decision B.11/10, paragraph 14

improve internal processes and procedures for monitoring and adaptive management.<sup>2</sup> Section 2 focuses on the performance of the portfolio in terms of progress in implementation and highlights some results achieved for the funded activities. It reports the trends in implementation, financial performance including disbursements, compliance with the legal conditions and covenants relating to the environmental and social safeguards (ESS), gender and indigenous peoples, and results performance. An analysis of the composition of the direct access entity (DAE) portfolio under implementation was also included. Section 3 highlights the progress in implementation of RPSP and PPF support as of 31 December 2019. Section 4 highlights the lessons learned during the year under review and focuses on the funded activities, RPSP and PPF activities. The report ends with section 5, which sets out the next steps and planned priorities for 2021 that will strengthen portfolio implementation and performance. In recognition of the current extraordinary circumstances of the novel coronavirus (COVID-19) pandemic, which is outside the reporting period, a preliminary assessment of the initial impacts of the COVID-19 pandemic on the portfolio has been provided in the annex I.

## 1.2 Actions taken in 2019 to strengthen portfolio monitoring

20. For funded activities, the various implementation challenges reported in the 2018 APRs were reviewed and analysed to identify some of the key lessons learned, which included: (i) need for enhancing the quality of proposals at the entry stage to minimize project implementation challenges; (ii) timely adaptive management measures are critical to addressing changes between expectations at design stage and reality during implementation in order to reduce potential implementation delays especially related to implementation start-up; (iii) need for funded activities to build flexibilities and contingencies in their project design to accommodate changes in country contexts, governance and staffing; and (iv) constant dialogue and engagement between the Secretariat and the AEs help facilitate and ensure AEs' compliance with key reporting requirements and the Secretariat's continuous improvement and refinement of its processes, templates and tools in line with feedback and evolving contextual and learning imperatives.

21. Based on the aforementioned lessons learned, the Secretariat initiated some actions to address the challenges reported in the implementation of funded activities. These include:

- (a) **Improving quality at entry:** In order to improve the quality of funding proposals at entry, the Programming Manual was developed to provide guidance to GCF partners on how to prepare and submit a funding proposal that meets the GCF investment criteria and adheres to the Fund's policies and procedures. It also helps AEs and other stakeholders better understand their roles, responsibilities, and engagement with the Secretariat during the implementation processes especially with a view to strengthening implementation and results. The Secretariat organized webinars and clinics for AEs to further guide and improve their ability to develop a Theory of Change and logical frameworks at the design stage and to strengthen their reporting on progress and results. The Secretariat is also conducting internal workshops and training for AEs, DPs, and NDAs to discuss emerging challenges and portfolio trends as well as share emerging lessons.
- (b) **Portfolio monitoring and adaptive management:** To aid and facilitate timely execution of corrective actions, and improve portfolio performance, the Secretariat has advanced the development of the proposed Portfolio Performance Management System (PPMS). This system will act as the main platform for portfolio management and

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<sup>2</sup> Reported in Board document (GCF/B.24/Inf.04, Annex II) presented at the twenty-fourth meeting of the Board, in October 2019.

- performance checks and facilitate timely identification of risks and the adoption of corrective measures, while enhancing effective monitoring of the outcomes and impacts of the GCF portfolio. Accordingly, the PPMS will cover four key functions: (i) tracking the submission of implementation reports and disbursements; (ii) results management; (iii) identifying implementation risks; and iv) knowledge management functions.
- (c) At the same time, the Secretariat has continued to provide guidance to AEs seeking minor changes related to implementation of funded activities, such as time extensions towards meeting funding conditions in response to the realities on the ground. These measures have contributed to pre-empting potential implementation disruptions as well as assuring the continued relevance of GCF investments to evolving contexts.
- (d) **Results monitoring and management:** As part of efforts to bridge gaps in the implementation of the Fund's results management framework (RMF), a monitoring and evaluation (M&E) gaps analysis exercise was undertaken by the Secretariat in response to the Independent Evaluation Unit's review findings on the RMF and performance measurement framework (PMF). The result of the analysis, including options to address the identified gaps, was presented to the Board at its twenty-fifth meeting. Following guidance from the Board, the Secretariat did some further analysis and consulted with AEs. The outcomes will be presented to the Board in due course.
- (e) **Enhanced AE/DP engagement:** More structured and regular engagement is being undertaken with AEs on funded activities under implementation. This has improved the feedback mechanism and enabled easy identification of problematic projects by AEs and thus early guidance from the Secretariat on resolving reported challenges. This has in turn translated into improvements in timeliness of submission of reports, extension and waivers requests as well as the resolution of implementation issues/challenges.
- (f) **Enhanced Secretariat capacity:** To match the growth in the portfolio and the evolving management needs of a maturing portfolio, the Secretariat is continuing recruitment of full-time staff to strengthen the existing portfolio management team capacity which should contribute to timely review and identification of portfolio performance issues and provision of early and timely guidance to the AEs.
22. For the RPSF activities, lessons learned from implementation to date include: (i) the need for a standardized reporting template for the RPSF and PPF grants to facilitate consistent and quality reporting by grant recipients and review information verifications by the Secretariat; (ii) the need for a simplified reporting process that facilitates tracking of reports submission, portfolio performance, learning and monitoring results as well as deliverables; (iii) that frequent changes in government accompanied by changes in policies, cabinet and ministry mandates as well as government focal points in many countries have profound implications on the implementation of the readiness grants; and (iv) there is need for realistic timelines that allow for adequate implementation and attainment of results. The increasing number of no-cost extension (NCE) requests indicate that the project duration approved for many grants may have been too ambitious.
23. To mitigate the aforementioned challenges and incorporate lessons learned, the Secretariat is undertaking the following actions:
- (a) **Proactively engaging NDA and DPs:** Targeted country and entity dialogues were continued, and GCF technical support to NDAs/DPs has been increased to facilitate exchange of their knowledge and experiences of implementation and provide feedback on GCF procedures and reporting requirements. This engagement also seeks to facilitate disbursements on approved proposals and the processing of requests for NCEs and budget reallocations needed for countries to appropriately produce expected deliverables.

- (b) **Improving monitoring efficiency:** The Secretariat has undertaken various measures to improve RPSF portfolio monitoring efficiency as indicated below.
- (i) The Secretariat has improved or updated policies and procedures and guidance tools for RPSF implementation. Measures have included simplification of reporting templates. The administrative improvements are geared to lower transaction costs, improve quality of reporting, and increase impact through implementation. As a result, the Secretariat has reduced processing timelines and disbursements from over a year in 2015 to 127 days in 2019.
  - (ii) The Secretariat has continued to leverage capacities of other partners/service providers such as the United Nations Office for Project Services, PricewaterhouseCoopers, and Mott MacDonald, who are supporting the administration, monitoring implementation, and reporting on selected RPSF grants. This allows the Secretariat to handle the growth in the RPSF portfolio while allowing GCF staff to focus on core portfolio management functions.
  - (iii) Enhancements and improvements in information and communications technology were implemented to strengthen the infrastructure to support stronger and timely monitoring of the growing RPSF portfolio. The Secretariat is working to improve the Fluxx grants management system to feature online portals where DPs/NDAs can submit their interim progress reports, completion reports, requests and queries directly, with trackers to facilitate the internal review of different requests, and robust modules to capture and track outcome and output-related information.
- (c) The above notwithstanding, the Secretariat's capacity to respond to adaptive management requests for RPSF grants under implementation remains stretched, impacting turnaround times.

## II. Funded activities 2019 performance review

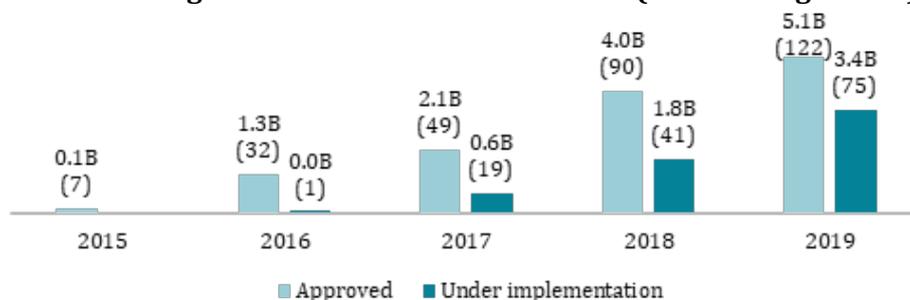
24. This section provides a snapshot of the funded activities under implementation as of 31 December 2019 and a review of the performance of funded activities under implementation for the reporting period spanning January to December 2019. This is the fourth year of submissions of APRs, which has seen continued expansion in the size of the portfolio as well as a continued maturation of the projects. As in previous years, this section will focus on progress in implementation as well as implementation challenges as reported by the AEs.

### 2.1 Portfolio overview

#### Portfolio size

25. As of 31 December 2019, the portfolio of funded activities under implementation recorded significant growth, with projects nearly doubling from 41 projects (USD 1.8 billion) in 2018, to 75 projects (USD 3.4 billion) in 2019 (figure 1). The associated co-financing pledged increased by 60 per cent from USD 4.8 billion in 2018 to USD 7.6 billion in 2019, thus translating to a leverage factor of 2.2 times the value of the GCF investment portfolio.

**Figure 1: Portfolio size 2015–2019 (GCF funding in USD)**



*Abbreviation:* B = Billion.

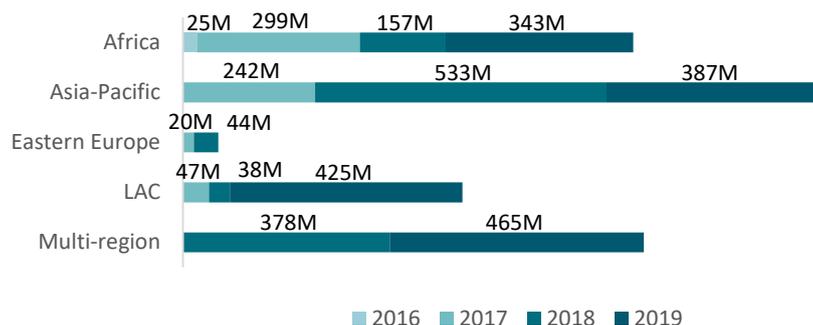
*In parentheses:* Corresponding number of projects/programmes.

#### Geographical spread

26. As reflected in figure 2 below, the Asia-Pacific region holds the largest share of the GCF portfolio by volume (34 per cent; USD 1.16 billion) with 30 projects in 23 countries. The large portfolio position is driven by three big projects<sup>3</sup> (USD 355 million) as well as projects targeting least developed countries (LDCs) and small island developing States (SIDS) in the region (jointly USD 531 million). Africa represents 24 per cent of the portfolio (USD 824 million) with 9 projects of value USD 343 million having transitioned to implementation in 2019.

<sup>3</sup> The three projects are: 1) FP047 – GCF-EBRD Kazakhstan Renewables Framework in Kazakhstan by European Bank for Reconstruction and Development (EBRD); 2) FP077 – Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Project (AHURP) in Mongolia by Asian Development Bank (ADB); and 3) FP081 – Line of credit for solar rooftop segment for commercial, industrial, and residential housing sectors in India by National Bank for Agriculture and Rural Development (NABARD).

**Figure 2: Portfolio under implementation (GCF funding in USD)**



*Abbreviations:* LAC = Latin America and the Caribbean, M = Million.

27. The projects within the Latin America and the Caribbean (LAC) region registered a huge growth in year 2019 (USD 425 million) with 11 projects commencing implementation, cumulatively accounting for 15 per cent of the GCF portfolio. The Eastern Europe (EE) portfolio stands at USD 64 million representing just under 2 per cent of the overall portfolio. In 2019, 3 large programmes began implementation covering 30 countries (20 in Africa; 6 in EE; 3 in Asia-Pacific; 1 in LAC), increasing the overall share of multi-region programmes in the GCF portfolio to 25 per cent (USD 844 million).

### Country context

28. GCF continues to support the most vulnerable countries to cope with the effects of climate change. Projects in vulnerable countries represent 67 per cent of total projects (50 of 75 projects), equivalent to USD 2.1 billion (61 per cent) of the total volume of GCF portfolio under implementation. 71 per cent (24 of 34 projects) of the projects that transitioned into implementation in 2019 target countries in LDCs, SIDS and Africa.<sup>4</sup>

### Theme (mitigation, adaptation)

29. The number of adaptation projects witnessed the highest growth year on year, accounting for 49 per cent of the portfolio (37 of 75 projects), compared to mitigation projects which accounted for 23 per cent (17 of 75 projects), and cross-cutting projects which accounted for 28 per cent as at end of 2019 as indicated in figure 3a. By volume (in nominal terms), the proportion of adaptation in the portfolio decreased to 31 per cent (USD 1.1 billion) with mitigation at 27 per cent (figure 3b). This is because the mitigation projects in the portfolio are more capital-heavy, with an average GCF project funding of USD 53 million (median USD 30 million) compared to an average of USD 29 million (median USD 25 million) for adaptation projects. Cross-cutting projects by volume are significant at 42 per cent by volume (USD 1.4 billion; 21 of 75 projects) of which 64 per cent (USD 0.9 billion) is geared towards mitigation. However, in grant equivalent terms, adaptation projects under implementation represents 46 per cent (USD 1 billion) of the total GCF funding cross-cutting projects represent at 36 per cent (USD 802 million), and mitigation projects accounting for the remaining 19 per cent (USD 416 million).

<sup>4</sup> Collectively referred to as “vulnerable countries”.

**Figure 3: Portfolio under implementation by thematic area**

Figure 3a: Cumulative number of projects/programmes under implementation by thematic area

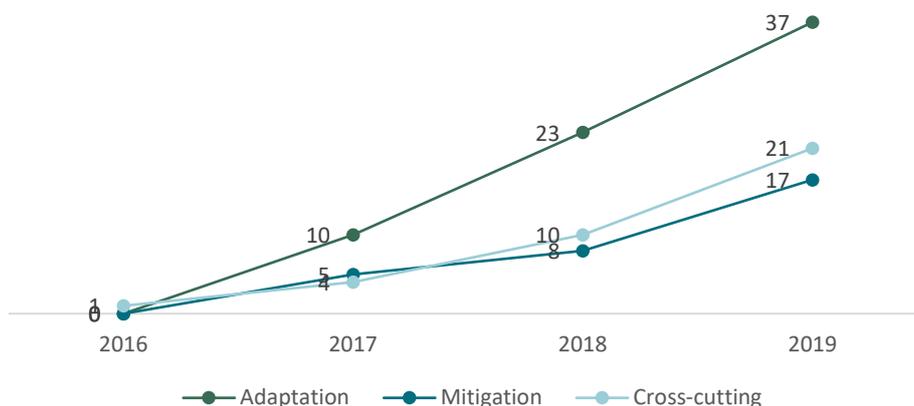
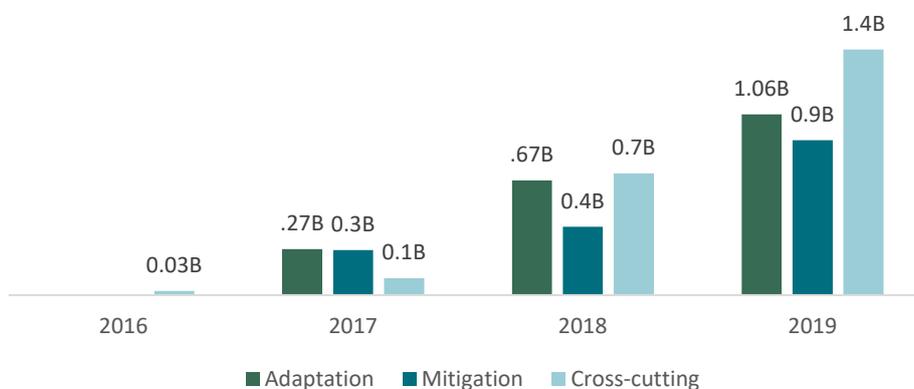


Figure 3b: Portfolio under implementation by thematic area (cumulative GCF funding in USD)

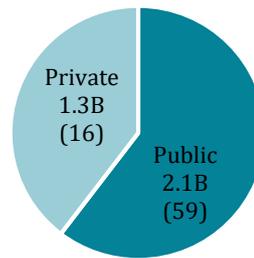


Abbreviation: B = billion.

**Sectoral distribution**

30. From a sectoral distribution perspective, 59 of the 75 funded activities under implementation are public sector projects and the remaining 16 are under the private sector. By volume, public sector accounts for 60 per cent of the portfolio and private sector at approximately 40 per cent as depicted in figure 4 below. Compared to 2018, the public sector-private sector split in the portfolio has remained largely unchanged.

**Figure 4: Portfolio under implementation by sector (GCF funding in USD)**



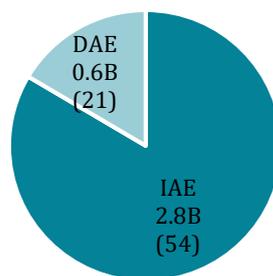
*Abbreviation:* B = billion.

*In parentheses:* Corresponding number of projects/programmes.

### Access modality: comparing direct access entity and international access entity-managed projects

31. The direct access modality is designed to help developing countries exercise ownership of climate change funding and better integrate it with their national climate action plans. While over half of all accredited entities as of 31 December 2019 were DAEs, the growth in the number of projects under implementation that are under DAE oversight has lagged compared to the growth rate of projects under international access entity (IAE) oversight, which account for 72 per cent (54 of 75 projects) of projects under implementation. The DAEs' portion increased from 22 per cent (9 of 41 projects) of the 2018 portfolio to 28 per cent (21 of 75 projects) of the 2019 portfolio. For the IAEs, the growth in portfolio size reduced from 78 per cent (32 of 41 projects) in 2018 to 72 per cent in 2019 (54 of 75 projects). The representation of the split by volume across AEs is reflected in figure 5 below.

**Figure 5: Portfolio under implementation by access modality of AEs (GCF funding in USD)**



*Abbreviations:* AE = accredited entity, B = billion, DAE = direct access entity, IAE = international access entity.

*In parentheses:* Corresponding number of projects/programmes.

32. In terms of portfolio composition, the thematic focus and results areas addressed by DAE and IAE portfolios are roughly similar. The projects that commenced implementation in 2019 under 22 AEs are evenly split between the IAEs and DAEs. However, projects in the IAE portfolio tend to be larger and more complex. While 69 per cent of all IAE-managed projects are USD 50 million or higher, three quarters of all DAE-managed projects are less than USD 10 million.

33. The average size<sup>5</sup> of a DAE-managed project is USD 63 million with a median of USD 33 million. In the DAE portfolio, 24 per cent (5 of 21) of the projects are categorized as micro-sized

<sup>5</sup> As per annex 1 to decision B.08/02, the funding proposal size is defined as the maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund.

(up to and including USD 10 million) and 43 per cent (9 of 21) are small (above USD 10 million and up to and including USD 50 million). The remaining 33 per cent (7 of 21) of projects are medium-sized (above USD 50 million and up to and including USD 250 million). As of December 2019, there were no large (greater than USD 250 million in total project size) DAE projects under implementation.

34. Of the 21 projects under implementation by DAEs, 48 per cent (10 of 21 projects) are focused on adaptation, 29 per cent (6 of 21 projects) are cross-cutting, and the remaining 24 per cent (5 of 21 projects) are focused on mitigation. By volume, 33 per cent of the DAE portfolio (USD 187 million) has a cross-cutting focus. 35 per cent (USD 197 million) is focused on adaptation and 32 per cent (USD 178 million) is focused on mitigation.

35. Similarly, when examining ESS categories, the majority of IAE-managed projects are in ESS categories A and B, indicating that they are more complex and have a greater risk of negative social and environmental impacts. By contrast, there are no DAE-managed projects in category A (the highest risk category), 33 per cent (7 of 21) of DAE projects are classified as category B, 6 projects are classified as category C, while there are 8 financial intermediation projects.

36. DAE and IAE portfolios vary geographically as well. In Africa, DAEs represent nearly half of all projects by number, while in the IAE portfolio 26 per cent of projects are focused on Africa. IAEs also have a higher percentage of both LDCs and SIDS in their portfolio. By number of projects, 25 per cent of DAE projects are focused on LDCs, compared to 35 per cent of IAE projects. While 20 per cent of DAE projects are focusing on SIDS, 28 per cent of IAE projects do.

37. Looking at portfolio performance, DAE projects launch more quickly. On average, DAE-managed projects take 82 days from the date the FAA becomes effective to the date of the first disbursement of funds. By contrast, IAE-managed projects take 109 days to reach the same milestone. Over the course of implementation, DAE-managed projects tend to disburse at a slightly more rapid pace.

### **Funding modality**

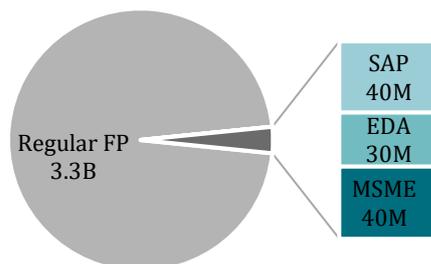
38. In terms of funding modality, 27 of the 34 funded activities that entered implementation in 2019 were submitted as regular funding proposals, 5 were submitted under the Simplified Approval Process Pilot Scheme, and 2 were submitted following a Request for Proposals. The representation of the split by volume across different programming windows is reflected in figure 6 below.

### **Financing instruments**

39. In terms of financial instruments deployed, GCF's overall funding under implementation (in nominal values) consists of USD 1.8 billion in the form of grants, USD 1.6 billion in loans, USD 54 million in equity and USD 2 million in guarantees.

40. Among DAE-managed projects, 18 of the 21 projects under implementation are partly or exclusively grant-based, 6 projects include senior loans, and 1 includes a subordinated loan. Two projects have equity investment, and no DAE projects have used any reimbursable grants, results-based payments or guarantees as yet.

**Figure 6: Portfolio under implementation by programming window (GCF funding in USD)**



*Abbreviations:* B = billion, EDA = Enhancing Direct Access, FP = funding proposal, M = million, MSME = Micro-, Small-, and Medium-Sized Enterprises Pilot Programme, SAP = Simplified Approval Process Pilot Scheme.

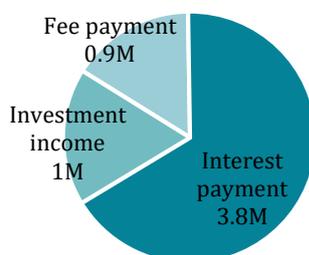
### GCF's loan portfolio

41. At the end of 2019, there was USD 1.6 billion in outstanding loans under implementation, consisting of 21 loans, with an average loan size of USD 74 million. The weighted average tenor of the loan<sup>6</sup> was 20 years. Of the 21 loans under implementation, 9 loans have public sector borrowers, with a weighted average tenor of 28 years. Private sector borrowers account for the remaining 12 loans, which have a weighted average tenor of 16 years.

42. In terms of access modality, in nominal values and on a cumulative basis, GCF's loan book under implementation is distributed between DAEs and IAEs by 16 per cent and 84 per cent, respectively.

43. Total reflows to GCF in 2019 consisted of USD 3.8 million in interest payments, fee payments<sup>7</sup> of USD 0.9 million, and USD 1.0 million in investment income. On a cumulative basis, the total reflows to GCF as of the end of the reporting period reached USD 5.7 million (figure 7).

**Figure 7: Status of reflows to GCF (amount received in million USD)**



*Abbreviation:* M = million.

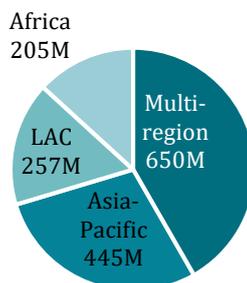
44. In terms of geographic exposure, in nominal values and on a cumulative basis, the geographic concentration of GCF loan portfolio under implementation was distributed as

<sup>6</sup> Loan tenor as set out in the respective FAAs. Projects whose FAAs provide loan tenor as a range, e.g. 12–15 years, were included by the maximum possible tenor, e.g. 15 years.

<sup>7</sup> Includes commitment fee, service fee, front-end fee and other fees as set out in the respective FAAs.

follows: 42 per cent allocated to multi-region projects, 29 per cent allocated to Asia-Pacific, 16 per cent allocated to LAC, and the remaining 13 per cent allocated to Africa (figure 8).

**Figure 8: Loan portfolio under implementation by region (GCF funding in USD)**



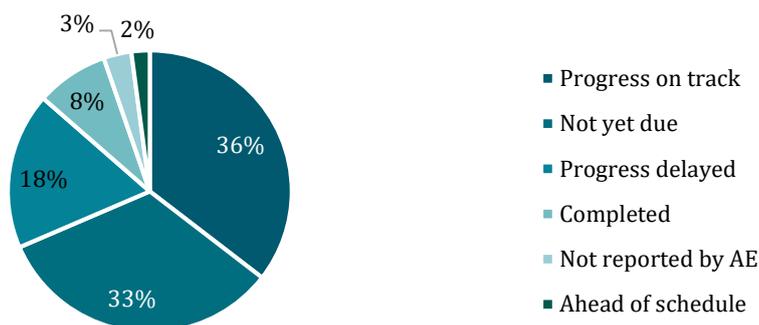
*Abbreviations:* LAC = Latin America and the Caribbean, M = million.

## 2.2 Implementation progress and performance

### Implementation pace

45. As of 31 December 2019, an aggregation of the status of project activities as reported by the AEs reveals that 36 per cent of project activities were on track, 8 per cent were already completed, and 2 per cent were ahead of schedule (figure 9). The GCF portfolio is still relatively young (average age of 17 months) and as such a third of the planned project activities are not yet due.

**Figure 9: Status of project/programme outputs (per cent of scheduled activities)**



*Abbreviation:* AE = Accredited Entity.

46. A deep dive into the implementation status of each of the projects under implementation reveals 19 per cent of the projects (14 of 75 projects) reporting delays in more than 25 per cent of the total activities. Disaggregated by maturity, 8 per cent of projects in the first year of implementation in 2019 reported delays in more than 25 per cent of the total activities, with the number rising to 27 per cent for projects in the second year of implementation and 26 per cent for projects in the third year of implementation.

47. By theme, mitigation projects reported fewer delays in implementing activities (10 per cent) compared to cross-cutting (20 per cent) and adaptation (19 per cent) projects. Mitigation projects also demonstrated more activities (23 per cent) as completed compared to adaptation

and cross-cutting projects (5 per cent). Narrowing the focus to projects that reported significant delays, 30 per cent of adaptation projects under implementation reported delays compared to 10 per cent of cross-cutting projects and 6 per cent of mitigation projects. The noted parallels between mitigation and adaptation can be attributed to the localities of the projects – majority of mitigation projects (71 per cent) lie in non-vulnerable countries whereas the bulk of adaptation projects (81 per cent) are in vulnerable countries with weaker economies.

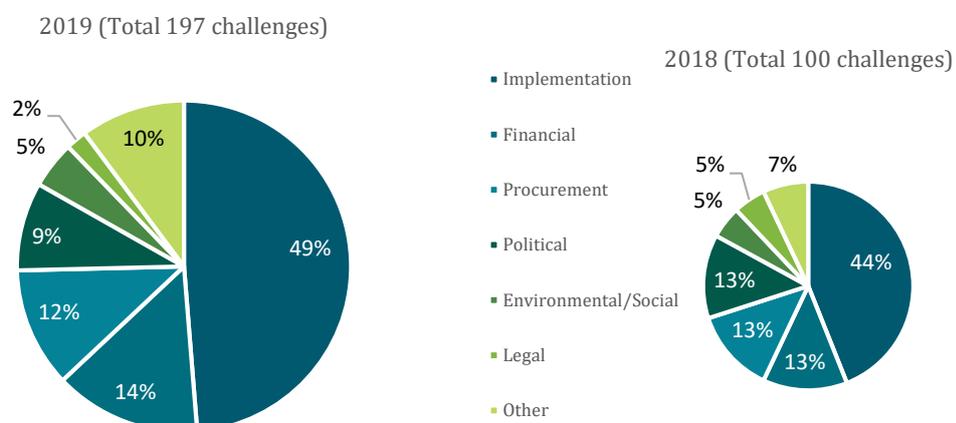
48. Sectorally, private sector projects reported greater relative traction in the execution of project activities with only 9 per cent of the planned activities experiencing delays vis-à-vis 21 per cent for the public sector ones. All 14 projects that reported significant delays (delays in more than 25 per cent of the total activities) are in the public sector. This can be partly explained by the fact that, on average, public sector projects have had a longer implementation period on the ground (1.4 years) relative to the private sector (1.2 years). Further, 56 per cent of the private sector projects have been in implementation for less than 1 year compared to 42 per cent in the public sector.

49. Projects within SIDS have a significantly higher proportion of delays with 50 per cent of all projects with more than one year in implementation reporting delays in more than 25 per cent of the project activities. This can be attributed to widespread challenges within this category as discussed in the challenges section below.

### Implementation challenges

50. The challenges and issues faced by the funded activities in 2019 were similar to those previously reported in 2018, namely with (i) operational or implementation start-off; (ii) financial; (iii) procurement-related issues; (iv) legal; and (v) political. While most projects indicated that some of the implementation start-up delays had been resolved, the new projects that started implementation in 2019 still faced these similar challenges. The different categorizations of implementation challenges reported in 2018 and 2019 are shown in figure 10:

**Figure 10: Categorization of challenges reported in 2018 and 2019 APRs**



*Abbreviation:* APR = Annual Performance Report.

51. Some of the major challenges per category are as follows:

- (a) **Implementation:** Almost half of the challenges were due to implementation issues (49 per cent). Implementation challenges primarily arise from the evolution of project context/realities vis- à-vis initial design affecting choice of project locations,

accessibility to project sites, project restructuring, quality of subproject proposals, difficulty in managing contracts in large numbers, supply chain disruption, economic slowdown, local infrastructure, market dynamics and weather. Staffing recruitment and capacity challenges relating to executing entities, such as frequent turnover rate of staff within executing entities and bureaucratic processes, are another frequently reported implementation challenge.

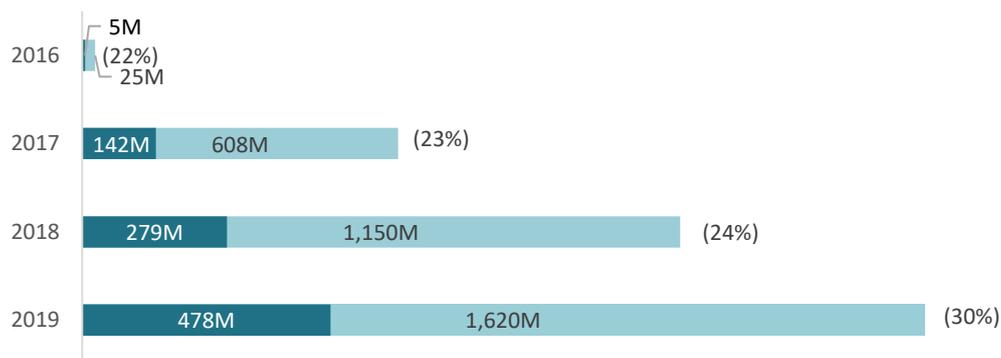
- (b) **Financial:** Of the projects citing financial challenges, 14 per cent relates mostly from funding gaps in budgets, delay in disbursements by co-financiers and/or non-materialization of co-financing (particularly from governments), cost overruns, inflation, limited budget of executing entities, demand for local currency, and difficulty in meeting disbursement conditions – often due to the knock-on impact of delays to implementation as formerly outlined.
- (c) **Procurement:** As reported in 2018, projects continue to experience procurement challenges that negatively impact project progress for 12 per cent of the projects, particularly for those in the first year of implementation. These projects reported issues with tendering processes for contracting consultants, lack of transparency with procurement processes, prolonged tendering process including delays due to lack of bids or limited capacity for procurement. This is more so for procurement of specialized equipment and turnkey contracts.
- (d) **Political:** Political challenges continue to impact projects, resulting in disruption in project activities with 9 per cent of projects reporting the occurrence, e.g. during election periods, frequent transition of government officials which delay approvals of implementation arrangements, result in changes in government priorities and in some instances adverse legislative changes.
- (e) **Environmental and social:** About 5 per cent of projects reported: the lack of water in project sites (especially in the ecosystem-based adaptation projects) as critical, which delays the timeline of implementation; prevailing climatic risks in the project sites; delayed resolution of land acquisition process; different levels of knowledge; and human-wildlife conflict as issues that were encountered in the course of project implementation.
- (f) **Legal:** Only 2 per cent of the projects reported legal issues relating to changes in regulation and delays in approval of implementation arrangements.
- (g) **Others:** Aside from all the major challenges, there were also other issues not categorized but nonetheless had a huge impact on project implementation. About 10 per cent of the projects reported on the lack of understanding and inhibiting cultural values on gender mainstreaming and its application, conflict-prone regions, natural disasters, sanctions, prohibited practices, data quality, etc. Of particular note are the number of projects that reported data quality issues due to lack of access to establishment of baselines for monitoring purposes; quality of available data at the design stage that later affects the computation of targets; difficulties in gathering data through inadequate monitoring; and required changes to data collection methods or updates to data as it was deemed to be inadequate. Furthermore, AEs cited the need for additional data gathering or monitoring exercises that were deemed to be necessary but were initially not included in the funding proposal activities. Other issues relate to partner capacities found not satisfactory for the gathering of data required for M&E purposes and, in some instances, lack of transfer of data and communication to the AE was also cited as an issue.

## 2.3 Financial performance, disbursement, and funds utilization

### Disbursement

52. During the reporting period, USD 478 million was disbursed – an increase of 72 per cent compared to disbursements in 2018 as shown in figure 11. On a cumulative basis, USD 904 million has been disbursed as of 31 December 2019, representing 27 per cent of the total portfolio under implementation. Cumulative disbursements targeting SIDS and LDCs have reached USD 273 million.<sup>8</sup>

**Figure 11: Evolution of total annual disbursement compared to nominal value under implementation (in USD)**



*Abbreviation:* M = million.

*In parenthesis:* Corresponding annual progress rate of disbursement.

53. On a cumulative basis, the highest contribution to disbursements came in the form of loans, representing 53 per cent (USD 476 million) of total disbursements. Accordingly, grants were 46 per cent of total disbursements (USD 419 million), while disbursements in the form of equity remained relatively low at 1 per cent (USD 9 million).

54. The average amount disbursed in 2019 was USD 9 million for public sector activities and USD 16 million for private sector activities. Although, overall, more funds were disbursed to the public sector in 2019, the average disbursement to the private sector was higher. Typically, private sector partners yield to larger programmes, which in turn lead to larger disbursements. Furthermore, in terms of the distribution of disbursements, the allocation remains skewed towards large multilateral partners with the top 10 disbursement shown in figure 12 below.

55. Specifically, within 2019, 21 AEs received disbursements of which 72 per cent were absorbed by only 7 AEs. Of these top 7 accredited entities, only one is a DAE as depicted in figure 12. This might be attributed to the fact that multilateral development banks as IAEs have had sufficient lead time to develop more programmes with GCF by earning accreditation status early on, as well as to the increased experience and capacity of IAEs to accelerate implementation compared to relatively smaller DAEs.

<sup>8</sup> The Secretariat does not require the AEs to report on the country allocation of disbursed GCF funds. The figure, therefore, excludes the amount disbursed for multi-country projects except for FP020, FP036 and FP061, which are hosted by SIDS only.

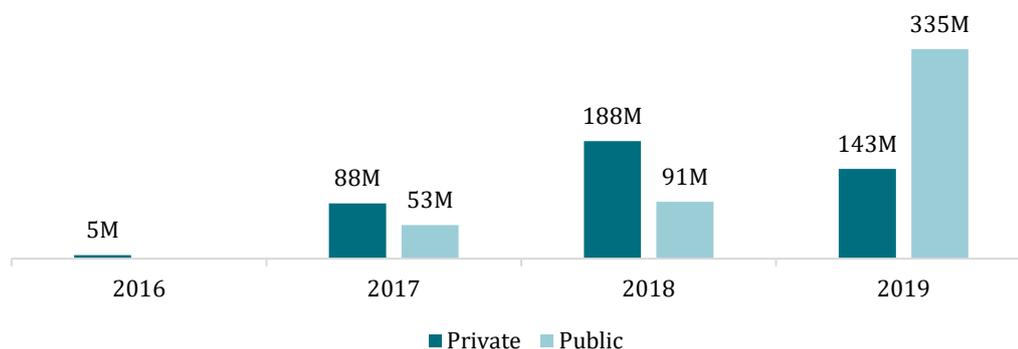
**Figure 12: Top 10 disbursements in 2019 (GCF funding in USD)**



*Abbreviations:* ADB = Asian Development Bank, EBRD = European Bank for Reconstruction and Development, FMO = Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, IDB= Inter-American Development Bank, M = million, NABARD = National Bank for Agricultural and Rural Development, UNDP = United Nations Development Programme, World Bank = International Bank for Reconstruction and Development and International Development Association.

56. Public sector funded activities have exhibited a steep increase (268 per cent) in disbursements compared to previous years and surpassed the private sector in nominal values (figure 13) for the first time. This can be attributed to the constant increase in the number of public sector activities entering implementation coupled with observed delays in private sector related AMAs and major changes/restructuring of private sector activities that have caused delays in implementation.

**Figure 13: Evolution of disbursement distribution by project/programme type (in USD)**



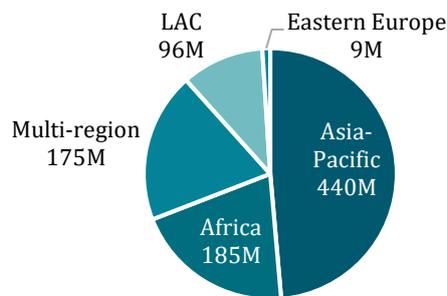
*Abbreviation:* M = million.

57. In terms of results areas, on a cumulative basis USD 339 million has been disbursed for cross-cutting funded activities, USD 370 million towards mitigation, and USD 195 million towards adaptation.

58. The share of disbursements targeting DAEs increased by 406 per cent in 2019 compared to the previous year (USD 16 million), leading to a cumulative disbursed amount of USD 141 million. In 2019, disbursements to IAEs increased by 51 per cent compared to the previous year, leading to a cumulative disbursed amount of USD 763 million.

59. On a cumulative basis, Asia-Pacific received the highest share of disbursements (49 per cent) with a total amount of USD 440 million as shown in figures 14 and 15. Africa absorbed 20 per cent of the overall disbursements, with a total amount of USD 185 million, while the LAC region received 11 per cent of the total disbursed funds, leading to a total amount of USD 96 million. Furthermore, EE received USD 9 million, representing 1 per cent. The remainder has been disbursed to multi-region programmes. Additionally, the annual disbursed amount targeting SIDS directly or as part of a multi-country programme has increased by 392 per cent compared to the previous year, leading to an overall amount of USD 175 million disbursed.

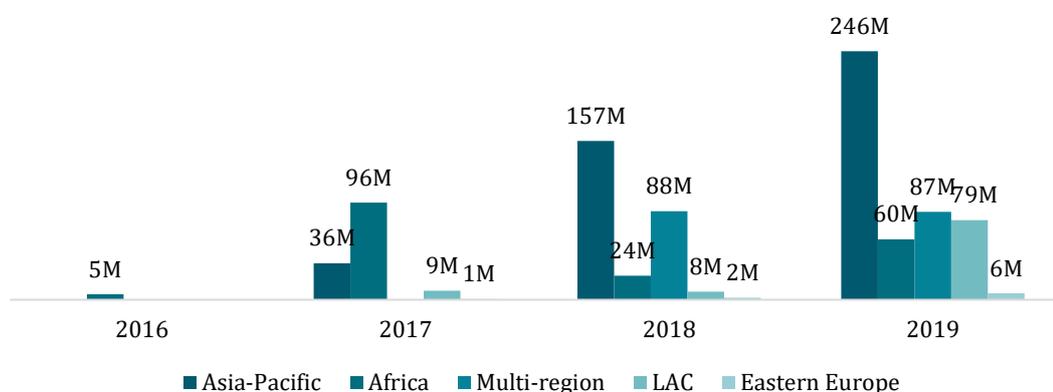
**Figure 14: GCF disbursement by region (in USD)**



*Abbreviations:* LAC = Latin America and the Caribbean, M = million.

60. The geographical distribution of disbursements can be explained when considering that Asia-Pacific ranks first in terms of number of approved funded activities, as well as in terms of nominal values under implementation, followed by Africa, LAC, and EE, respectively. It is worth noting that the distribution of project size among the regions shows that Asia-Pacific has the largest amount of large and medium sized programmes (12) compared to 9 for Africa, 5 for LAC and 5 for EE. The need for larger transactions can also be assessed in conjunction with the size of some of the target countries in the South-East Asia region.

**Figure 15: Trend of GCF disbursement by region (in USD)**

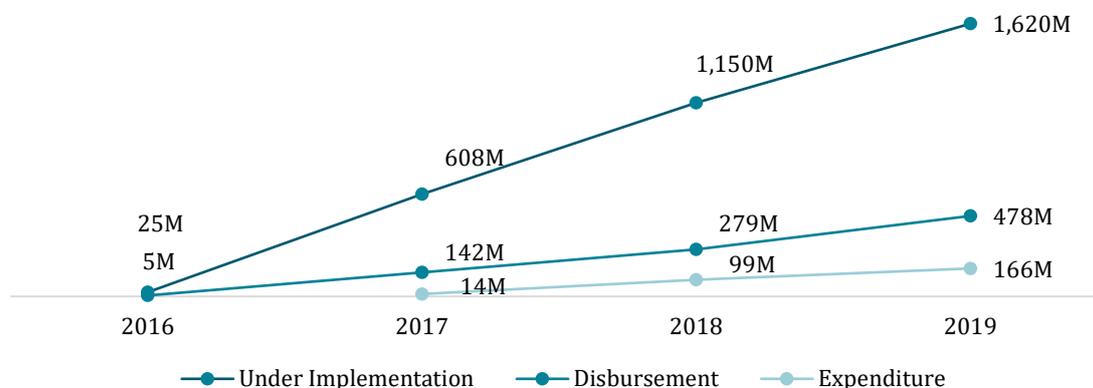


*Abbreviations:* LAC = Latin America and the Caribbean, M = Million.

61. In terms of utilization of disbursed funds, of the overall USD 904 million in disbursed funds, 31 per cent (USD 280 million) was utilized by the AEs during the reporting period, with an annual expenditure of USD 166 million as shown in figure 16. This is an increase of 68 per cent over the previous year. Over the course of time, utilization is following a constantly increasing (albeit modest) pace, expressed as a percentage of the nominal value of funded

activities under implementation. This trend appears in line with expectations for a growing portfolio that is still gradually maturing.

**Figure 16: Annual trend of GCF funding under implementation, disbursement and expenditure (in USD)**



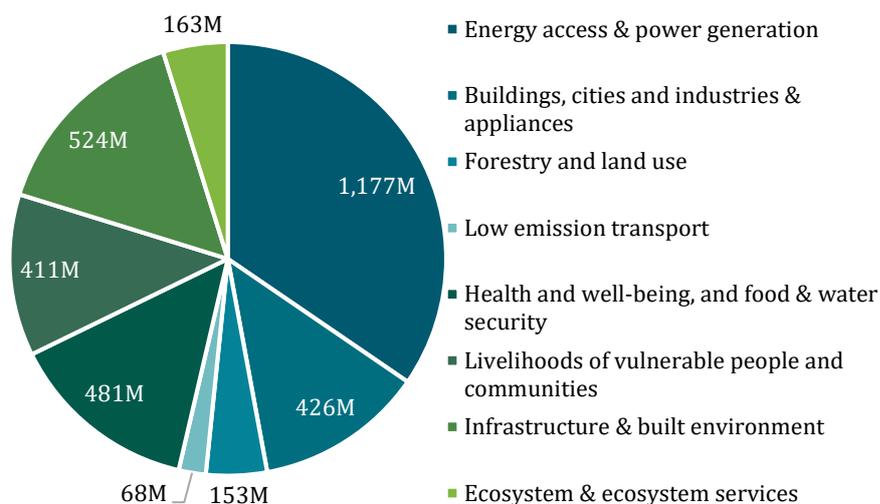
Abbreviations: M = million.

## 2.4 Progress on results

62. During the 2019 reporting period, the portfolio composition against the eight results areas (as per the initial RMF and the PMF) is as following: for mitigation portfolio, energy access and power generation had the largest portion of GCF mitigation-related funding followed by buildings, cities, industries and appliances, forestry and land use and transportation, reflecting the continuing trend of a dominant proportion of energy-related projects and programmes; for the adaptation portfolio, health, food and water security had the most adaptation funding followed by livelihoods of vulnerable people and communities, both of which showed increased proportion in the portfolio compared with the previous year; infrastructure and built environment decreased its proportion from 13 per cent to 11 per cent while ecosystem and ecosystem services increased from 4 per cent to 6 per cent.

63. The proportion between mitigation and adaptation portfolio remains the same as previous year's ratio of 60:40 (figure 17). DAE projects are concentrated in the adaptation results areas. Livelihoods of vulnerable people and communities are a key focus, with 19 out of 27 projects addressing this results area (USD 94 million, 12 per cent of the DAE portfolio by volume). The health, food and water security result area is addressed by 14 out of 21 adaptation and cross-cutting projects (USD 109 million, 14 per cent). Under the mitigation results areas, energy access and power generation is a focus for 12 of the projects (USD 406 million, 52 per cent). The transport results area accounts for less than 1 per cent of the DAE portfolio.

**Figure 17: Portfolio under implementation composition by result area (GCF funding in USD)**



*Abbreviation:* M = million.

*In blue shades:* Mitigation result areas.

*In green shades:* Adaptation result areas.

64. The total climate mitigation impact potential of the 75 projects under implementation is estimated at 324 million tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) of emissions reduced or avoided. At the end of 2019, the amount of tCO<sub>2</sub>eq reduced or avoided (mitigation core indicator) reported by the AEs was 48 million tCO<sub>2</sub>eq, reaching 15 per cent of the total impact potential. Thus, the overall achievement rates for mitigation and adaptation showed moderate progress in the reporting period.

65. In terms of adaptation impact potential, the total number of direct and indirect beneficiaries reached 10 million against the expected 238 million target beneficiaries, accounting for 4 per cent of the total adaptation impact target. The figures 18a–18d below provide graphical illustrations on the progress per region, core indicator, access modality, and project type.

**Figure 18: Achievement rate of core indicators**

Figure 18a: Achievement rate of mitigation core indicator by region

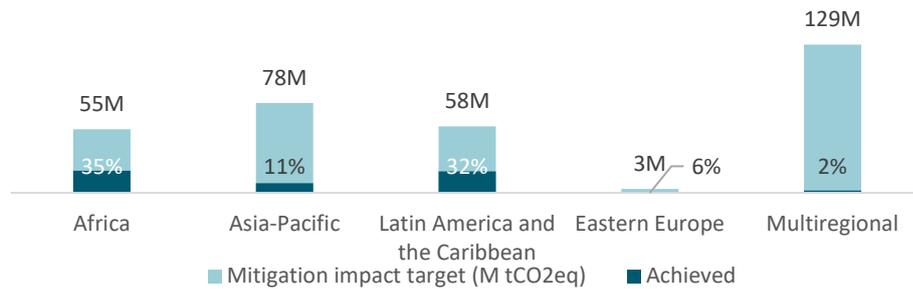


Figure 18b: Achievement rate of adaptation core indicator by region

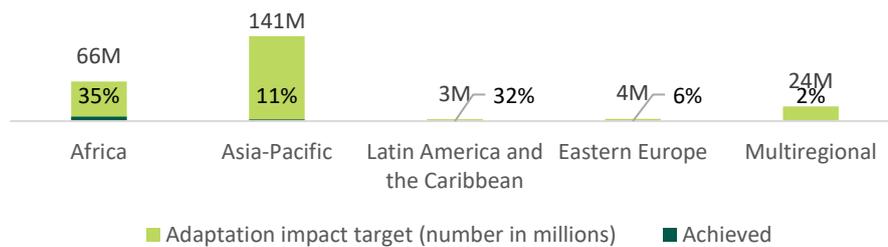


Figure 18c: Achievement rate of core indicators by access modality

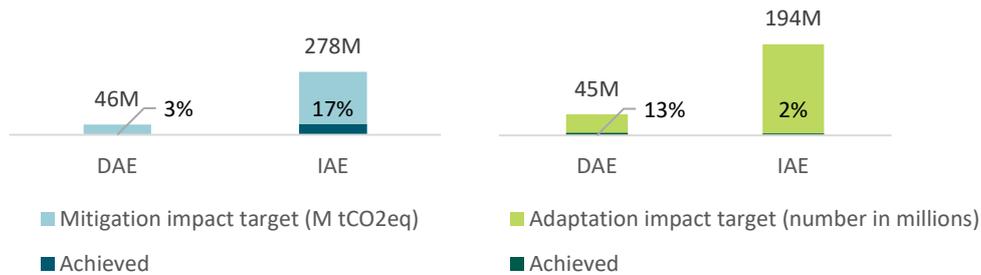
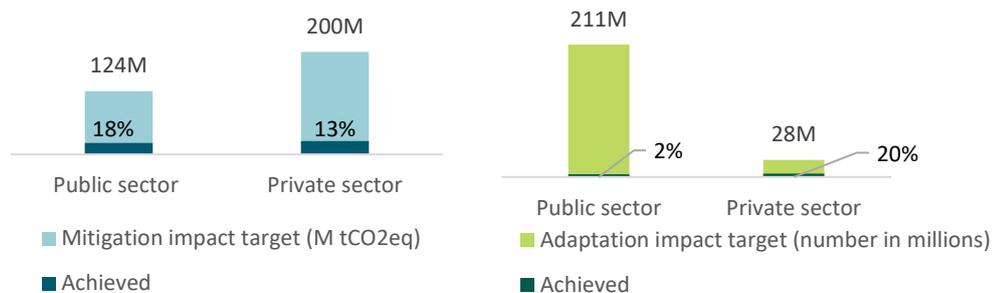


Figure 18d: Achievement rate of core indicators by project/programme type



*Abbreviations:* DAE = Direct Access Entity, IAE = International Access Entity, M = million.

66. During the reporting period, the total amount of co-financing mobilized for the portfolio under implementation amounted to USD 7.6 billion of which USD 4.5 billion (60 per cent) was channelled towards vulnerable countries including LDCs, SIDS, and African States as shown in

figure 19a. The co-financing ratio for private sector projects almost doubled that of public sector projects. Regionally, the Asia-Pacific region mobilized the largest amount of co-financing while EE recorded the highest co-financing ratio. These are shown by region and project in figures 19b and 19c.

**Figure 19: Co-financing of portfolio under implementation**

Figure 19a: Co-financing of portfolio under implementation in focus countries (in USD)

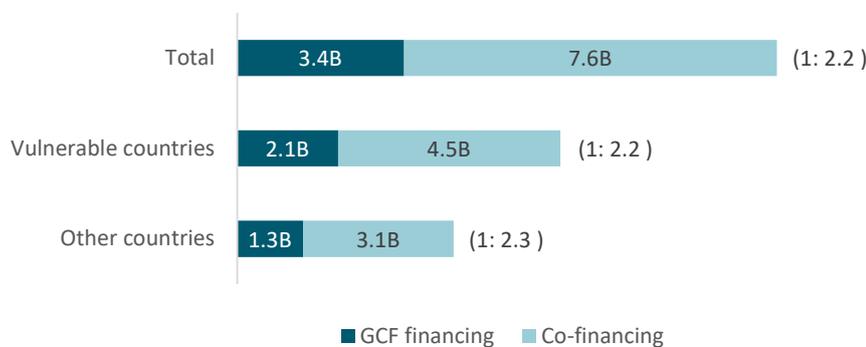


Figure 19b: Co-financing of portfolio under implementation by project/programme type (in USD)

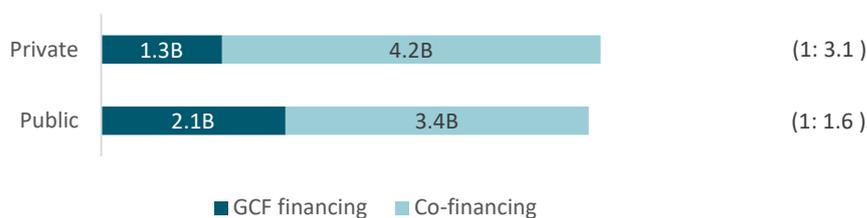
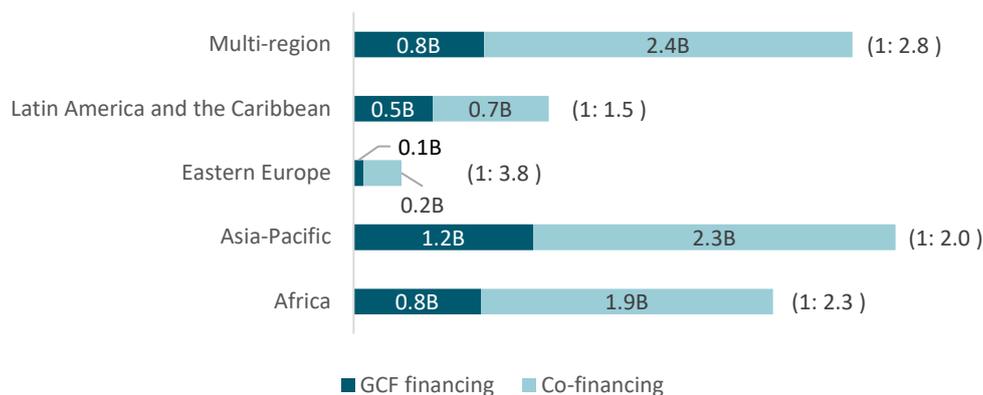


Figure 19c: Co-financing of portfolio under implementation by region (in USD)



Abbreviation: B =billion.

## Investment criteria

67. The AEs continued to report on the progress made against the criteria during the reporting period in 2019 following the first reporting on the investment criteria in 2018. The structure and content of the progress varied across the AEs depending on the status of project implementation as well as the context in which the projects are operating. The performance against the investment criteria is described in a narrative fashion and combines both qualitative and quantitative assessments. Samples of two public and private sector projects under implementation have been provided in the boxes below to showcase the qualitative progress in reporting for both adaptation (box 1) and mitigation (box 2).

- (a) **Impact potential:** The reports from the AEs on the overall portfolio indicate progress in the achievement of climate impact for mitigation (15 per cent) and adaptation (4 per cent) against the estimated targets. In addition to the progress made in climate impact, some AEs reported further details on the project-specific information such as the increase in the construction rate of infrastructure as contributing to overall impact achievement.
- (b) **Paradigm shift potential:** Most of the funded activities are contributing immensely to the enabling environment, such as regulatory framework and operating mechanism, to bring about paradigm shifting potential for transitioning towards low-emission and climate resilient economies for countries. Many of the projects have started providing platforms for knowledge and learning, which would feed into future pipeline development as well as potential scaling up and replication both inside and outside the countries.
- (c) **Sustainable development potential:** Many of the co-benefits identified by projects and programmes are related to environmental, social, and economic ones. Some of the most common co-benefits reported included sector-specific job creation, improved air quality, restoration of wildlife and increased biodiversity, and better representation of females in the decision-making process and benefit-sharing.
- (d) **Country ownership:** Most of the projects provided reaffirmation that the project objectives are coherent and in alignment with the respective national climate strategies, policies, and plans including Nationally Determined Contributions as addressed in the funding proposals and any relevant updates to those since the approval of the projects.
- (e) **Needs of the recipient:** Majority of projects reconfirmed the needs for GCF funding for their countries to address climate-related challenges. Due to participatory engagements and consultations, many of the beneficiaries and local communities have been part of the decision-making process in the selection of sites, sub projects, and activities.
- (f) **Efficiency and effectiveness:** The AEs reported quantitative information on the cost of greenhouse gas emissions reduced or avoided for mitigation projects and co-financing ratio for mitigation and adaptation projects confirming their alignment with this criterion. In terms of effectiveness, only a small number of the projects in the portfolio have reached the mid-point of their implementation period. More meaningful results should be available once the interim evaluation reports are submitted and assessed in coming years.

**Box 1: Scaling Up the Use of Modernized Climate Information and Early Warning Systems (M-Climes) in Malawi (FP002, UNDP) Adaptation Project**



**Context:** Malawi faces intense and frequent climate-related disasters including floods, droughts, and extreme weather events that threaten loss of life, assets, and food security. Vulnerability to climate change impacts is high, with shifts in the rainfall season, longer dry seasons, and reductions in the growing season already occurring. About 85 per cent of the population lives in rural areas, with over half in poverty and most engaged in smallholder agriculture.

**The project:** The M-Climes Project focuses on Malawi's technical and financial capacity, and access barriers related to weather and climate information. These barriers will be addressed by three key objectives and outputs: (i) investing in enhancing the hydro-meteorological capacity for early warnings and forecasting; (ii) developing and disseminating tailored products for different actors (including smallholder farmers and fishers); and (iii) strengthening capacities of communities to respond to climate-related disasters. As an adaptation project, the expected number of beneficiaries are 1.4 million and the indirect beneficiaries are 700,000.

**Implementation progress:** The project made considerable progress and achieved most of its targets for 2019 despite some delays experienced due to both flooding from Cyclone Idai, which hit Malawi in March 2019, and demonstrations following the national elections in May 2019. Key achievements include the installation and completion of 33 Automated Weather Stations (AWS), installation of a lightning detection system that includes 8 lightning sensors, and installations of a weather data integration and processing system at the headquarters of the Department of Climate Change and Meteorological Services (DCCMS) and 2 lake-based weather buoys. Also, in terms of capacity-building, almost 150 staff of DCCMS have been trained on different technical aspects of the job whilst 4,486 fishermen and 996 members of fishing village committees were trained in weather hazards and safety.

**Investment criteria:** Below is the main progress made thus far on 2 of the criteria:

**Impact potential:** The installation of 15 automated hydro-level stations has already improved the capacity of the Department of Water Resources to monitor river levels in the central region of Malawi, which will be further enhanced by installation of 22 additional stations in Northern Malawi that will lead to the establishment of an integrated flood monitoring and forecasting system benefitting millions of people. The Participatory Integrated Climate Services for Agriculture approach that aimed at enabling farmers to make informed decisions based on observed and projected seasonal forecasts in their area was scaled up to 6 new districts in 2019, taking the total number of districts covered under this initiative to 10. A total of 183,702 small-holder farmers in four districts received seasonal weather forecasts ahead of the cropping season.

**Paradigm shift potential:** The addition of AWS and hydro-stations has improved the collection of hydro-met data from a wider geographical area. The total geographical area covered by AWS has increased from 21 to 38 per cent with the addition of 33 new AWS. Similarly, the total geographical area covered by hydrological water level stations has increased from 28 to 65 per cent of Malawi. The lightning detection system covers 100 per cent of the geographical area of Malawi. The newly installed weather data integration and processing system has enabled the forecasters in the DCCMS to integrate numerical weather products with satellite-based information and created a user-friendly platform to process and disseminate weather information. The approach to dissemination of weather information to farmers has undergone a big change with district extension workers trained as expert trainers to provide information to the lead farmers in the communities, who in turn take the information to fellow farmers in their communities. The approach of working with farmers has enhanced the confidence of extension workers to talk about livelihoods and farming with communities, resulting in enhanced social standing in their communities.

**Box 2: The Renewable Energy Program #1 – Solar (FP046 XacBank, Mongolia) – Mitigation Project**



**The context:** Mongolia is committed to supply 30 per cent of the country's energy through renewable energy by 2030, as part of its Nationally Determined Contribution targets. However renewable energy investments in the country are limited by barriers to finance including high interest rates and prohibitively short tenors, which make renewable projects more expensive than coal-fired power plants. The Renewable Energy Program #1 – Solar (“the project”) will enable the development, construction, commissioning, and operation of a 10 MW solar power plant, which will be the second large-scale solar photovoltaic in the country. The project became effective on 19 January 2018 and has an estimated lifespan of 10 years.

**The project:** The project is made up of two components: component 1 program implementation and monitoring focusing on legal arrangement and credit assessment; and component 2 project implementation, construction and operation of the solar power plant. In 2019, the Sumber Solar Power Plant (SPP) finished construction and started supplying clean energy to the grid. Thus far, the project has been successful in hitting milestones and goals.

**Implementation progress and achievements:** The project completed many key milestones. Most notably, the Sumber SPP finished construction in December 2018. The Mongolian State Commission approved the completion of construction of the Sumber SPP on 13 March 2019 and provided the Special Permit to supply the electricity to the general electricity grid starting from 28 March 2019, after which the project began supplying electricity to the grid.

**Investment criteria:** Below is the main progress made thus far on three of the criteria.

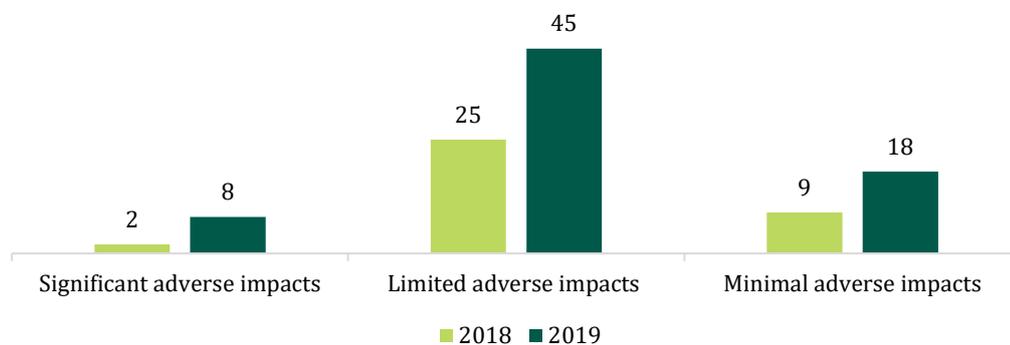
- **Impact potential:** Since connecting to the grid in March 2019, the Sumber SPP has supplied 13,714 megawatts (Mwh) of electricity, 19 per cent higher than the target. At an updated grid emission factor of 0.871 (according to 2018 UNFCCC report), the Sumber SPP has generated 11,945 tCO<sub>2</sub>e<sub>q</sub> in carbon emissions reductions – 30 per cent higher than the target.
- **Paradigm shift potential:** The project performed well in terms of enabling renewable energy scale up in the region, generating substantial knowledge and learnings for both XacBank and country stakeholders, and serving as proof of concept that, despite high upfront costs, renewable energy projects can be bankable with long repayment tenors and access to proper capital with the utilization of proper financing mechanisms.
- **Sustainable development potential:** The project performed well in terms of economic and social co-benefits such as job creation. Compared to coal energy plants, the Sumber SPP saved 160,000,000 litres of water in 2019 by using water-free solar power. The energy produced by the Sumber SPP is clean and renewable, with very limited environmental impact on flora/fauna due to a carefully chosen location in a desert climate.

## 2.5 Environmental and social safeguards/gender assessment

68. About 50 per cent of projects submitting APRs for the first time in 2019 were focused on establishing project implementation units. ESS activities included the preparation of detailed environmental and social management plans (ESMP), conduct of inception workshops, procurement of civil works, planning for construction, ESMP implementation and monitoring activities, recruitment of safeguards personnel and consultants, and establishment of legal and implementation arrangements with government and executing entities. Projects also updated baseline reviews, promoted engagement across various stakeholders and conducted ESS training sessions for project staff and contractors.

69. The projects that submitted APRs were distributed across impact categories: minimal or no adverse environmental and/or social risks and impacts (category C and low level of intermediation (I3)); having limited adverse environmental and/or social risks and impacts (category B and medium level of intermediation (I2)); and having significant adverse environmental and/or social risks and impacts (category A and high level of intermediation (I1)), as further detailed in the chart below.

**Figure 20: Project categorization of environmental and/or social risks and impacts (number of projects/programmes)**



70. For projects and programmes with activities already under implementation, APRs also reported on the implementation of their respective environmental and social management frameworks and plans and compliance with ESS conditions and covenants. Key issues that need to be closely monitored include the potential for significant impacts on physical and/or economic displacement, the existence of voluntary land transactions on use of lands for project activities, the potential impact on biodiversity for activities that may be located within or near natural habitats, and the effectiveness of stakeholder engagements and grievance redress mechanisms (GRMs) established at the activity level for those affected or likely to be affected by GCF-financed activities.

71. During the 2019 reporting period, four projects showcased good practice in relation to engaging indigenous peoples and their knowledge. These emerging practices can be of relevance to bodies such as the UNFCCC Local Communities and Indigenous Peoples Platform.

72. As per the GCF Gender Policy, most projects (47) under implementation were carrying out gender assessments and developing action plans. Two projects provided a revised gender action plan while others are refining their action plans based on the Secretariat's feedback. Additionally, 22 projects are still finalizing the project-level gender assessment and developing the project-level gender action plan, while one is yet to fulfil the FAA condition to submit a more comprehensive gender assessment and action plan. Delays for finalization have been attributed to various factors, two of which are delays in procuring the human resources required to undertake the works and the overall delays in project implementation.

73. Overall, except for the few projects that do not have gender assessments and gender action plans, all other projects are compliant to the policy requirement. As Gender assessments and gender action plans are expected to be living documents that will, and should, reflect the changing needs and priorities of communities within the scope of the project. Therefore, the Secretariat expect assessments and action plans to be refined on a continuous basis. For projects that do not have action plans, consistent feedback is given to AEs to consider the integration of gender issues in their ongoing activities.

74. For more mature projects in the second or third year of implementation, AEs will need to review their gender action plans to ensure targets and indicators are clear and include sex-disaggregated data. Based on an internal review, some projects lack specific gender capacities, notably where no gender specialists have been engaged to assist in the preparation, implementation, and monitoring of gender action plans at the field level.

75. Across the portfolio, gender action plan activities are focused on employment of women in the formal sector or in entrepreneurial endeavours, as well as provision of support for women-led small businesses. Moreover, equitable and relevant access to information, providing employment opportunities, storm-resilient housing, resources, and services not only for women but also equally for men from vulnerable groups, and sector-specific capacity enhancement initiatives for women are key priorities across the portfolio. A number of projects under implementation are achieving some aspects of their mainstreaming tasks such as engaging and providing women with the opportunity for trainings, awareness raising activities, and consultations. However, transformative actions that consider women's empowerment central to any intervention, and address gender-biased power relations, equal access to resources and joint decision-making would need to be emphasized as the portfolio matures.

76. The adoption of GRMs has been a key area of focus during 2019. In earlier reports, AEs were requested to institutionalize AE-specific GRMs and report on how the GCF Independent Redress Mechanism will also be disseminated to affected or potentially affected populations. In 2019, five projects reported grievances and how they were resolved through their own mechanisms. The year 2020 will provide additional insights into whether GRMs are being implemented successfully and how the GRM can be best communicated to different communities affected or potentially affected by GCF-financed activities.

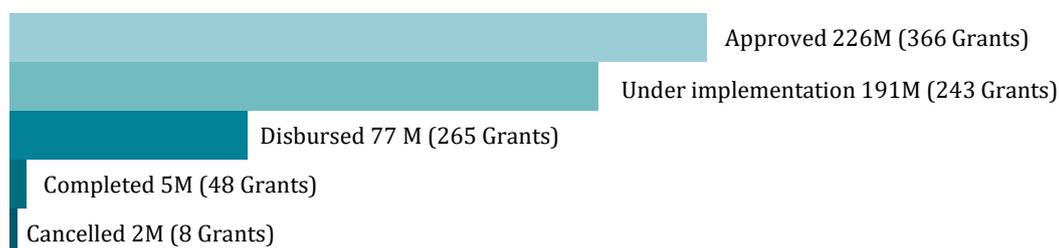
### III. Performance review of the Readiness and Preparatory Support Programme and the Project Preparatory Facility

#### 3.1 Readiness and Preparatory Support Programme (RPSP)

77. RPSP supports countries' engagement with GCF to build country ownership and develop a pipeline of climate change projects.

78. As of 31 December 2019, GCF has approved a total of 366 grants<sup>9</sup> under RPSP covering 138 countries with total approved funding amounting to of USD 226 million. Of this amount, USD 77 million has been disbursed (Figure 21), almost doubling the amount disbursed in 2018 (USD 43.1 million; USD 12.9 million in 2017). Out of the 366 grants approved, 67 are pending legal arrangements whilst 265 have received disbursements. There are currently 243 under implementation<sup>10</sup>, 48 grants completed and 8 of the grants cancelled.

**Figure 21: Status of the Readiness and Preparatory Support Programme (GCF funding in million USD)**



*Abbreviations:* M = million.

*Note:* The number of grants that received disbursements include grants completed and cancelled.

#### Distribution of readiness grants by thematic focus

79. RPSP encompasses five activity areas. One area focuses exclusively on support for the formulation of national adaptation plans (NAPs) and other adaptation planning processes. Support for the other activity areas cover a wide range of activities, including capacity-building, implementation of the strategic framework for climate finance, pipeline development through support to DAEs and knowledge sharing and learning.

80. At the end of the reporting period, 46 per cent (42 grants) of RPSP funding was allocated to NAP-related activities. The remaining funding is for the non-NAP activity areas of 324 grants, which accounts for 54 per cent of the total grants (figure 22).

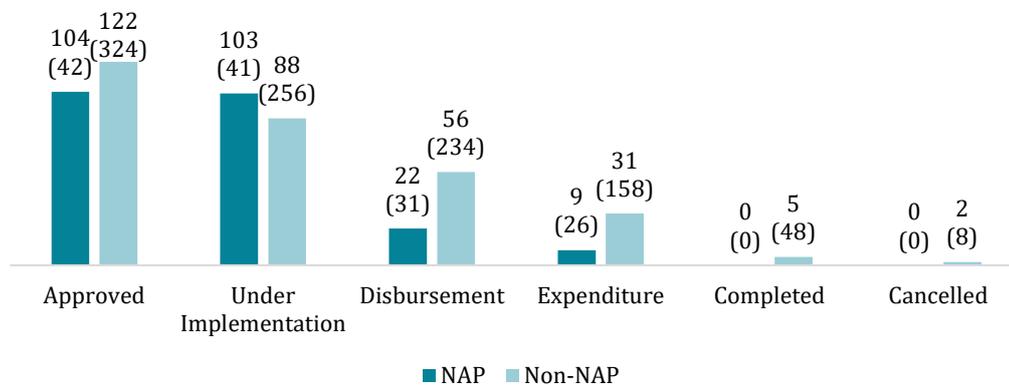
81. The number of grants under implementation stood at 98 per cent and 72 per cent of the total number of grants approved for NAP and non-NAP activity areas respectively (figure 22). The disbursement rate for NAP activity areas was 21 per cent while that for non-NAP activity areas was 46 per cent. The lower disbursement rate for NAP-related areas could be attributed to the fact that many grants under NAP activity areas were approved in recent years, representing

<sup>9</sup> Out of the 366 grants, 8 were cancelled, amounting to USD 2.44 million.

<sup>10</sup> Readiness grants start the implementation once their legal agreements become effective, and despite whether they have received disbursements or not

a younger portfolio as compared to that of non-NAP activity areas.<sup>11</sup> The gap between the expenditure rates<sup>12</sup> for NAP and non-NAP activity areas was not as wide registering expenditure rates of 41 per cent and 55 per cent, respectively.

**Figure 22: Status of the Readiness and Preparatory Support Programme by activity area (GCF funding in million USD)**



*In parentheses:* Number of grants.

*Abbreviation:* NAP = National Adaptation Plan.

*Note:* The number of grants that received disbursements include that of grants completed.

### Regional distribution of readiness grants

82. In terms of the regional distribution, LAC accounts for 33 per cent (117 grants) of total approved GCF funding, followed by Africa (31 per cent, 121 grants), Asia-Pacific and Central Asia (29 per cent, 112 grants) and EE (8 per cent, 16 grants).

83. GCF has provided readiness grant funding to 80 per cent of vulnerable countries that consist of three regional groups, i.e. LDCs, African States, and SIDS, against its minimum target of 50 per cent of readiness budget allocation. Respectively, 30 per cent was allocated to 44 countries categorized as SIDS<sup>13</sup>, followed by 37 per cent allocated to 54 LDCs countries. African countries account for 31 per cent across 53 countries<sup>14</sup>.

84. With respect to the regional distribution of grants under implementation, LAC has accounted for 34 per cent (82 grants), followed by Africa and the Asia-Pacific regions, which occupied 31 and 30 per cent for (75 and 73 grants) respectively, while the grants in the EE region has recorded only 5 per cent (13 grants) of the total grants under implementation.

<sup>11</sup> The number of grants corresponding to the expenditure rates are only those that have reported progress. Similarly, the expenditure rates were 41 per cent and 55 per cent for NAP and non-NAP activity areas, respectively.

<sup>12</sup> 10 per cent of the total number of NAP grants was approved in 2016 and 2017, while 2018 and 2019 have each recorded 45 per cent.

<sup>13</sup> 9 SIDS countries are also categorized as LDCs, 5 of which are located in Africa. With respect to LDCs intersection, it is noted that only 13 countries in the Asian Pacific region and 1 country in the Caribbean fall under the LDCs category, while the vast majority of such category is still dominated by the African region.

<sup>14</sup> The categories of different regional groups may apply more than once to each country vulnerable to climate change impacts, which entails double counting across categories presented in this paragraph.

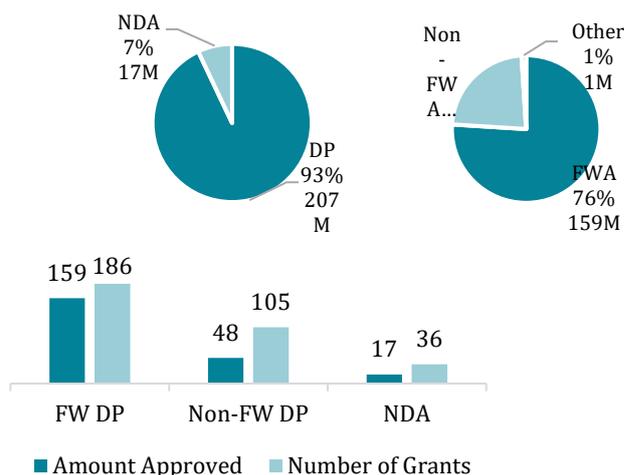
## Distribution of readiness grants among implementing entity types

85. The grant recipients<sup>15</sup> of RPSP might be AEs or other entities that meet the financial management capacities requirements of the Fund. The implementing entities who are not AEs must undertake a financial management capacity assessment. NDAs may opt to deliver the readiness support themselves. Most NDAs have delegated the implementation of readiness support to other DPs who play an important role in supporting NDAs to design and implement grant activities under RPSP. The Secretariat signs a grant agreement for each approved grant with most DPs towards this end. To expedite the legal and administrative arrangements and streamline legal provisions related to the implementation of readiness grants, the Secretariat has entered into framework agreements with eight DPs who administer multiple grants.

86. As of the end of the reporting period, the proportion of approved RPSP funding channelled through DPs (including those with framework agreements), accounting for 93 per cent of the total approved readiness funding, while the remaining 7 per cent of funding is being channelled directly through NDAs (figure 23).

87. At the end of 2019, framework agreement (FWA) DPs accounted for the largest number of approved grants (186) and total funding amount (USD 159 million), followed by DPs without framework agreements (105 grants, USD 48 million), whereas the grants being delivered by NDAs have accounted for only 36 grants amounting to USD 17 million (figure 24). The remaining portion (39 grants, USD 2 million) is related to additional readiness support provided by consulting firms PricewaterhouseCoopers (PwC) and Mott MacDonald for current and potential DAEs.

**Figure 23: The Readiness and Preparatory Support Programme portfolio by implementing entity and grant agreement type (GCF funding in USD)**



*Abbreviations:* DP = delivery partner, FW = framework; FWA = framework agreement, M = Million, NDA = national designated authority.

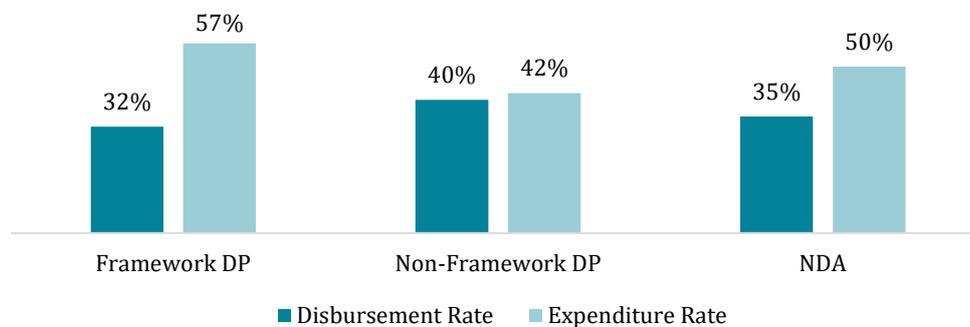
## Disbursement and expenditure

88. The overall disbursement rate of the RPSP portfolio stands at 53 per cent. For the grants implemented by non-FWA DPs, the disbursement rate has recorded 40 per cent, followed by

<sup>15</sup> As referred to in the bilateral agreements and the Framework agreements signed between GCF and the DPs/NDAs.

NDA at 35 per cent. The FWA DPs recorded the lowest disbursement rate at 32 per cent due to the fact that a substantial number of grants managed by FWA DPs were approved towards the end of the reporting period<sup>16</sup> (see figure 25). Meanwhile, the average expenditure rate<sup>17</sup> for all readiness grants – excluding the other support provided by PwC<sup>18</sup> – stands at 53 per cent. FWA DPs have shown the highest expenditure rate of 57 per cent, followed by NDAs at 50 per cent. Non-FWA DPs have shown the lowest expenditure rate at 42 per cent.

**Figure 24: Disbursement and expenditure rates by implementing entity type**



Abbreviations: DP = delivery partner, NDA = national designated authority.

## Adaptive management measures

### *No-cost extensions requested*

89. Approved readiness grants encounter a number of obstacles or delays during implementation due to the varying circumstances on the ground. This may include any number of challenges that could affect achievement of the stated objectives and targeted results during the originally approved implementation period, including changes in the NDA or government, natural disasters, or problems during recruitment of project personnel. In certain situations, a well justified NCE clearance may be required from the Secretariat for the DP or NDA to complete the readiness grant. The number of NCEs requested in the reporting period is depicted in figure 26a by implementing entity type.

90. The Secretariat received 60 NCE requests from DPs and NDAs as of 31 December 2019. This marks a 150 per cent increase in the number of requests submitted compared to only 24 requests submitted in 2018. The surge in the number of requests may be attributed to the fact that a big bulk of the readiness grants had only started implementation in the years 2017 and 2018 with some delays. As these grants are now approaching the initially envisaged completion dates, the number of NCE extension requests is increasing accordingly due to the abovementioned reasons. As shown in figure 26b, there was little difference in the proportion of grants receiving NCEs by type of entity (DP vs NDA) nor by DPs with framework versus bilateral agreements. 29 per cent of readiness grants implemented through FWA DPs received NCEs, NDAs recorded 25 per cent followed by 24 per cent for the grants delivered by Non-FWA DPs.

<sup>16</sup> 51 Grants (27 per cent of the total FWA grants approved) were approved in Q4 2019.

<sup>17</sup> The expenditure rate refers to the proportion of the funds committed and expended to the total disbursed.

<sup>18</sup> PwC support entails helping candidate entities nominated by countries to identify gaps and develop action plans for accreditation.

**Figure 25: Status of extension by implementing entity type**

Figure 25a: Status of extension requests by implementing entity type (number)

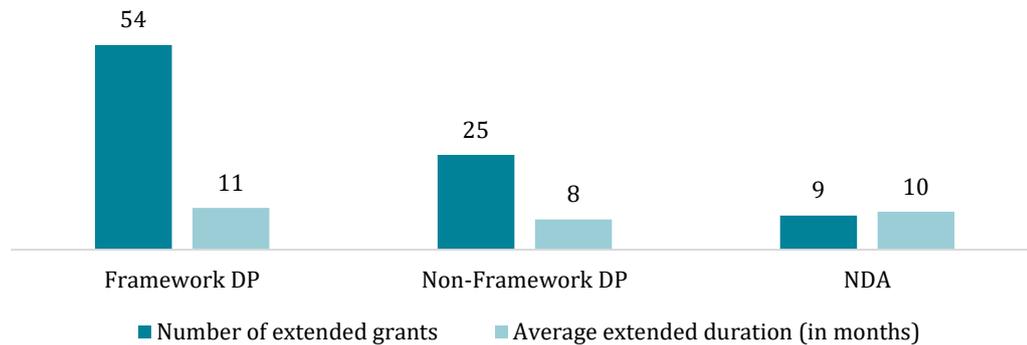
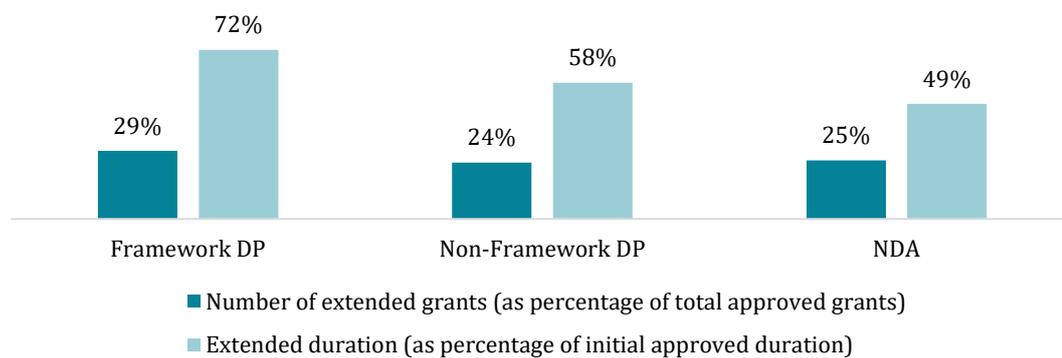


Figure 25b: Status of extension requests by implementing entity type (per cent)



*Abbreviations:* DP = delivery partner, NDA = national designated authority.

91. The average duration of the requested extensions of all grants is 10 months. Grants under framework agreements received the longest extended duration (11 months), followed by grants managed by the NDAs (10 months), while DPs without framework agreements recorded the lowest (8 months).

### 3.2 Performance review of Project Preparatory Facility Support

92. PPF supports AEs in project and programme preparation and is targeted specifically to support DAEs in the development of micro- to small-size category projects.

93. As of 31 December 2019, 27 PPF grants have been approved, totalling USD 18 million, of which 24 had received disbursements totalling USD 12 million (figure 27). Among the 24 PPF grants that had received disbursements, activities under 1 grant has been completed.

**Figure 26: Status of the Project Preparation Facility (GCF funding in million USD)**



*In parentheses:* Number of grants.

*Note:* The number of grants received disbursements include that of grants completed.

94. In terms of the regional breakdown of the funding approved, Africa accounts for the largest volume of PPFs with 46 per cent, followed by LAC at 29 per cent and Asia-Pacific at 25 per cent.

### 3.3 Implementation challenges

95. Delivery partners, NDAs and implementing partners have reported several challenges and issues during the reporting period. These include:

- (a) **Lack of understanding of GCF standard operating procedures:** While there has been some increase in the understanding of GCF's standard operating procedures (SOPs), there is still more room for improvement. Lack of standard procedures makes it difficult for the Secretariat to efficiently monitor and for DPs and NDAs to plan their time and resources for the implementation of readiness grants.
- (b) **Delays in procurement and recruitment of experts:** Delays in procurement processes across the RPSP have been observed due to the countries' heavy reliance on external consultants and service providers to deliver most of the technical studies required from readiness proposals. The long time required to procure the necessary expertise results in delayed implementation and delivery of final outputs.
- (c) **Inadequate local capacity:** As acknowledged consistently in the project progress reports, there is limited availability of local expertise to provide support to the readiness grants required at the country level. While the Secretariat has made concerted efforts to increase technical support for implementation, including a number of conferences and workshops, the lack of local expertise and capacity continues to impact the quality of reports and other deliverables.

## IV. Lessons learned from the 2019 performance review

### 4.1 Funded activities

96. A review of the challenges reported by AEs provides insights for GCF into the lessons learned that can be integrated into future project monitoring processes. A key challenge impacting project implementation is an underestimation of the time needed to fulfil certain activities during project design. This is particularly true for human resource and information-based activities such as hiring of staff and consultants, generation of baseline reports and due diligence. Therefore, AEs must provide contingency for variable timings of such activities in implementation timetables and undertake preparatory work for market surveys, procurement tenders and pre-qualification screenings as soon as possible with necessary quality control measures in place.

97. The dynamic nature and volatility of developing markets in which GCF projects are situated presents a challenge with regard to budget management for AEs. This often manifests through increases in inflation, and therefore costing, and can be further compounded by issues related to delays in co-financiers' disbursements. There is therefore a need to have realistic budgets and co-financing sources that factor in contingency and alternative means of delivering the same impact in case resources do not materialise or costs escalate.

98. Streamlining the disbursement process on GCF side through an automated platform could decrease delays in funding being provided to AEs, particularly as the portfolio continues to grow. Furthermore, sensitising AEs on planning and preparing for disbursements in a timely manner, based on lessons learned from GCF projects, may enable them to plan ahead when engaging with their own project co-financiers for disbursements or in-kind financing.

99. Procurement of expertise available within the localities that AEs operate rather than from external sources is helpful for successful implementation of projects, as international sourcing often leads to drawn out tendering processes and insufficient services. However, since some contexts rely on foreign expertise, proper planning and assessment of AE and executing entity capacities to execute procurement modalities are critical in such instances. A review of capacities of executing entities and project partners during the project launch could enable mitigation of implementation delays, particularly for those projects that have a protracted period between funding proposal approval and effectiveness date.

100. Procurement is a major bottleneck particularly for SIDS, especially for heavy equipment, specialized equipment, and highly specific skills. Virtually all projects in SIDS reported delays due to challenges in procuring these resources. Hence, there is a need for proper planning to allow for additional time for the projects in such countries to allow for adequate procurement processing.

101. The risk of transitions in governments and the bureaucratic delays place a heavy toll on project operational progress and affect the overall duration of a project. Hence, there is need to plan for measures and contingencies to allow for the changes in governance of countries. Also important is proactive AE engagement and communication with governments to bring new officials up to speed on the projects.

102. The importance of AEs having robust M&E processes in place prior to implementation of project activities cannot be overemphasized to avoid future issues in this area. This may afford GCF an opportunity to provide lessons learned on best practices regarding the practical implementation and use of M&E tools for active projects.

103. The DAEs require comparatively more engagements and trainings to enhance their capacity to implement approved projects to ensure GCF investment implementation is effective,

efficient, and transparently monitored and reported. There is need to enhance the capacities of these entities in the form of training on GCF processes, policies, and procedures, including Board-approved compliance policies.

104. As the portfolio grows and matures, the number and variety of issues requiring timely GCF guidance and response will increase. It is also expected that funded activities with implementation issues requiring corrective actions might likely escalate and this would require dedicated resources to review and work on, likely restructuring as regards minor and major changes to the project. There is therefore an urgent need to strengthen Office of Portfolio Management's capacity to execute in this regard and assure adequate monitoring and reporting on implementation and results by AEs, as well as undertake timely interventions and decisions related to problematic projects.

## 4.2 Readiness Programme and Project Preparatory Facility

105. Key issues and challenges encountered during the course of the implementation of RPSP and PPF have revealed several lessons including:

106. **Changes in governance and operating environment:** Where there are constant changes in NDA and local stakeholders, this affects the pace and efficiency of implementation at the local level. Readiness grants implemented by NDAs are typically public sector-driven, relying on bureaucracies for clearances and approvals, often at the highest level. There is a need for these grants to build in measures to manage these changes and transitions in focal points and signatories.

107. **Establishment of standard operating procedures:** The importance of having SOPs cannot be overemphasized. Due to the lack of SOPs, the review of submitted reports have been cumbersome which leads to inefficient processes and delays in reviews and responses to implementing partners. The Secretariat-wide initiative to improve on internal processes, such as through the development of the Operations Manual and the Standard Operating Procedures established for RPSP, will improve operational efficiencies, and allow the Secretariat to strengthen their portfolio management functions. However, procedural guidelines with the revised and simplified templates will need to be developed to address the remaining issues.

108. **Continuous engagement with partners:** Dedicated engagement and constant dialogue with stakeholders is critical for the success of the RPSP. Discussions between DPs, NDAs, and the Secretariat provide opportunities to clarify requirements for proposal submissions and reporting, in addition to addressing implementation bottlenecks. This feeds into the learning loop that generates improvement in operations for both partners. For example, recent dialogues have facilitated planned grant activities, supported compliance with legal requirements, provided clarity on required corrective actions and improved quality in reporting.

109. **Need to build local capacities on the ground:** The Secretariat recognises the importance of building the capacities of national and local authorities as this is closely linked to the pace of implementation of grant activities. There is a limited number of local experts with technical expertise and enough understanding of GCF procedures and processes. Technical support is needed to build both institutional and individual technical capacities in developing proposals, designing monitoring systems and engaging with the private sector. The support will need to be extended to the other stakeholders like the civil society, private sector entities and other local actors when supporting countries.

110. **Sufficient staffing at GCF Secretariat:** With the successful replenishment of GCF-1 that will enable more predictable funding for RPSP, the Secretariat will need to ramp up its capacity to deploy resources as well as adaptive management measures through improvements in

systems as well as human resources. This would improve response time in reviewing proposals, reports and providing guidance and support to partners.

## V. Priorities going forward

### 5.1 Funded activities

111. This section highlights the proposed actions and plans for next year in terms of tackling issues and challenges identified in section 2 and lessons learned in section 4, especially within the context of COVID-19 impact and ongoing adaptive measures.

112. With the successful GCF-1 replenishment, the operational focus will be shifting from approvals to quality of implementation and results. Anticipating an intensification of portfolio and results management activities with the increasing volume of portfolio under implementation, the Secretariat will be building on the forward-looking initiatives that were highlighted in its 2020 work programme, including the use of dynamic adaptive management techniques in the management of the GCF portfolio, and further operationalization of a digital workplace. The widespread impacts of COVID-19 demand an even higher need for continuous and proactive evaluation of the portfolio.

#### **Accelerating implementation and managing for results**

113. The Secretariat will continue the ongoing efforts on finalizing the PPMS to aid monitoring of results and performance-based reporting. As indicated in actions taken in 2019, the PPMS and the operational performance flags will be rolled out in 2021 for the monitoring and management of funded activities. Once the PPMS is fully rolled out, it will be extended to include RPSP and PPF operations. The Secretariat is planning to improve transparency and access to portfolio information by leveraging tools such as the Project Review and Tracking Platform, PPMS and collaborative tools to deliver efficient reviews, development, and improvement of reporting dashboards as well as development of an open data library.

#### **Building stakeholders capacities**

114. The Secretariat will continue to provide increased support to DAEs to enable them to better meet project reporting requirements and facilitate effective implementation, consistent with agreed or amended project parameters. This would involve training and capacity-building initiatives to strengthen these AEs with respect to the Fund's learning and knowledge management objectives in 2021. Support will be provided to DAEs, especially those covering SIDS and Africa, in order to improve their technical capacity on reporting of progress and results on greenhouse gas emissions. These consultations and trainings will be jointly held with executing entities in countries where needed.

115. To further improve on the quality of funding proposals submitted to the Fund, the Secretariat intends to start supporting AEs in the development of theories of change and logical frameworks to allow more efficient and effective reporting of results. A series of trainings, webinars, and clinics for internal and external stakeholders to strengthen implementation capacity and effective reporting will be undertaken in 2021 in addition to guidance on using multiple data sources for M&E.

## Portfolio risk monitoring

116. As the portfolio grows and matures, the number and variety of issues requiring timely GCF guidance and response is expected to increase. Based on the performance risks and early warning systems that will be operationalized in 2021 as well as the random sampling of portfolio on an annual basis, the Secretariat will begin site visits and checks as part of its efforts to strengthen and improve portfolio implementation. The Secretariat intends to start operationalizing the procedure for ad-hoc checks of GCF funded activities in the coming year. Efforts are being made to secure fund agents<sup>19</sup> that would support the Secretariat in this regard.

117. To keep learning from portfolio implementation experience, the Secretariat will start harvesting information from its funded activities and RPSP activities and feeding these lessons back to GCF stakeholders (both internal and external) to enable more focused and informed programming.

## Policy on restructuring and cancellations

118. The Secretariat presented the draft policy guidelines on programmatic approaches during the twenty-fourth meeting of the Board. It is hoped that the approval of the approach at the twenty-seventh Board meeting will pave the way for informed guidance to various stakeholders on programme-level reporting requirements and will aid the timely review and processing of funded activities requiring corrective actions. A procedure on the policy on restructuring and cancellations will be developed to provide guidance to the Secretariat on how different requests should be processed in the coming year.

## COVID-19 impact and ongoing adaptive measures

119. While the full effects of COVID-19 are difficult to assess at the moment, the Secretariat will continue to monitor the situation and seek ways to lessen the impact of the pandemic by providing support to partners. To date, COVID-19 has primarily impacted project implementation timelines and disbursement schedules, due to the challenges of carrying out many critical project activities. Although the severity and full impact of the global COVID-19 pandemic on the GCF portfolio is not yet known, the Secretariat is closely monitoring projects and supporting adaptive management actions to address these challenges and to mitigate the impact on project implementation.

120. Some of the adaptive measures already taken at the Secretariat level include more frequent communication with AEs and other stakeholders through virtual discussions, fast-tracking pre-implementation measures and operational procedures and reviewing disbursement schedules. At the AE and project level, adaptive measures include extensions and waivers<sup>20</sup> for reports, assessments and certain covenants and conditions, the use of contingency budgets for the purchase of personal protective equipment and costs associated with remote work and extensions of project duration.

121. The Secretariat will continue to strive to provide timely, flexible, and responsive support to its partners in the context of COVID-19. Also, the Secretariat will continue to carefully review the measures as well as provide quarterly updates and appraise the Board on the measures

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<sup>19</sup> A Fund Agent means a third party retained by the Fund to perform certain functions or activities on behalf of the Fund, as set forth in relevant AMA Clause. This includes but not limited to a) conducting periodic reviews, ad hoc checks, or evaluations permitted under the FAA; and b) verifying the status of a Funded Activity, use of GCF Proceeds and other GCF Funds, and compliance with the terms and conditions of the AMA or relevant FAA.

<sup>20</sup> Extensions are those relating to submission of inception reports and baseline assessments as well as other conditions precedent documents whilst waiver requests have related more to reduction or removal of expenditure thresholds to allow for flexibility in processing subsequent disbursements.

being put in place and, where required, seek the Board's approval. Annex I provides more detailed information on the preliminary analysis of the impact of COVID-19 on the funded activities portfolio.

## 5.2 Readiness Programme and Project Preparatory Facility

122. The successful GCF-1 replenishment outcome provides a basis for securing sufficient and more predictable resourcing for RPSP over the coming years geared towards the needs and demands of developing countries.

123. RPSP actions will target barriers to accessing resources and implementing projects, addressing both external factors as well as internal issues within the Secretariat.

### **Disseminating standard operating procedures and policies for RPSP**

124. With the development of a new RPSP Guidebook in March 2020, an Administrative Instruction and SOPs were developed for RPSP. The Secretariat will translate and release the guidebook in languages other than English. Further outreach to NDAs and DPs will be conducted via webinars, including in languages other than English. The Administrative Instruction and SOPs include cross-divisional and inter-divisional policies to guide the review of readiness proposals, expedite feedback to NDAs and DPs, and clarify the entire readiness grant cycle from proposal development, submission, review and approval to implementation and completion. A Readiness Results Management Framework will also be developed as part of the updated readiness strategy and budget to better define the key outcomes and results anticipated under the revised workplan for 2020-2021.

### **Improving adaptive management of grants under implementation**

125. To further guide and support the implementation of readiness grants by NDAs and DPs, standardized policies on issues such as NCE, timing of reporting, cancellation, restructuring, change of DP during implementation, and refunding GCF after completion will be developed in the coming months. Templates for communicating these changes will reduce administrative demands for NDAs and DPs.

126. Building on its adaptive portfolio management practices, the Secretariat intends to extend the development of the proposed PPMS to RPSP which will aid in tracking the submission of implementation progress reports and requests as well as deliverables.

### **Capacity-building and training**

127. Due to the impacts of COVID-19, structured programming dialogues, the global NDA conference, and trainings for NDAs and DAEs will likely be postponed or replaced by virtual dialogues, meetings, and online trainings. Building on the NDA training series in 2019, the Secretariat will develop a standard online training package and provide online or in-person standard trainings to enhance the capacity of NDAs to engage with GCF. These training materials will be available in English, French, Spanish, Arabic and Russian.

### **COVID-19 impact and ongoing adaptive management measures**

128. Under its programmatic response to COVID-19, the Secretariat identified the value that the RPSP can provide to developing countries in their long-term planning and response to the pandemic. Dedicated attention has been placed to how countries can be supported to craft priority green resilient stimulus measures and explore new types of financing structures to

capitalize them. GCF is also looking into how it can help governments to engage with creditors, design debt swaps for climate action, and identify appropriate climate investments. Options are also under discussion and development for the rapid deployment of RPSP resources for such initiatives upon countries' requests, through standardized packages that could be requested and adjusted based on national and regional circumstances.

## Annex I: Implementation challenges related to COVID-19

1. Though the coronavirus disease (COVID-19) became an issue of concern in 2020 i.e. post December 2019, which is the cut-off date for the information in this report, this brief provides an indication of the impact of the pandemic on portfolio operations and what the trend might be in next year's reporting.
2. After the first cases of COVID-19 were documented at the end of 2019, the global pandemic continues to impact population, economic activities and operations worldwide including the implementation of GCF portfolio. Since the pandemic is still ongoing, its full impact on the portfolio remains to be determined. Nevertheless, the Secretariat is in frequent communication with accredited entities (AEs) to monitor COVID-19 impacts and support adaptive management.
3. Since the start of the pandemic, there has been a higher than usual number of extension and waiver requests relating to the submission of Funded Activity Agreements (FAA)-related conditions precedent to disbursements, baseline assessments, and inception reports, averaging three months in length. Many of the AEs had indicated the possibility of extension of project durations. Due to the impact of the pandemic on project implementation, and as a result of project extensions, requests for disbursement have been affected, resulting in a decline in the disbursement projection figures. While the 2020 Work Programme initially set a target of USD 1.5–1.8 billion in cumulative disbursements, this amount has been revised downwards and is now forecast to reach USD 1.4–1.5 billion by the end of 2020.
4. In a recent survey of AEs, 79 out of 93 projects report being impacted in some way by COVID-19. While 75 per cent of projects in LDCs report being affected, this is lower than projects in non-LDC countries, where 82 per cent of projects have been impacted. SIDS have been heavily impacted, with 91 per cent of all projects in these countries reporting challenges due to COVID-19. While many SIDS have reported few or no cases of COVID-19, travel restrictions have serious impacts on the ability to carry out project activities – particularly in more remote and isolated islands. Impacts have been roughly equally distributed across projects, regardless of size.
5. Despite their greater risk and complexity, ESS category A projects and Intermediation 1 projects are the least likely to report being impacted by COVID-19, although all the projects that have not reported impacts are yet to start construction. For category B projects, 79 per cent report being impacted, while 87 per cent of category C projects were impacted.
6. Mitigation projects are less likely to report impacts (71 per cent) than adaptation-focused projects (78 per cent) or cross-cutting projects (91 per cent). Across GCF results areas, projects contributing to the buildings, cities, industries, and appliances results area (93 per cent) and/or the infrastructure and built environment results area (93 per cent) are much more likely to report being impacted by COVID-19. This is likely due to their higher proportion of construction activities, which are more likely to be affected by travel restrictions and delays in imported raw materials. To provide a more nuanced understanding on how the pandemic is impacting the portfolio, AEs are reporting impacts across six categories: activities, supply chain, liquidity and solvency, cost increases, financing, and other issues. To date, most of the impacts have been concentrated in the first two categories of activities and supply chain. This is due to strict social distancing measures put in place in many countries, which has significantly delayed project implementation. As economic conditions worsen, projects are likely to see impacts across the other categories as well.
7. To date, field activities have been the category most heavily impacted by the pandemic. Of the 79 projects reporting impacts from COVID-19, 86 per cent have experienced delays or other challenges related to implementing project activities. Restrictions or outright bans on

foreign visitors, as well as internal travel restrictions, have been a serious barrier to project supervision, international technical assistance, stakeholder consultations and events. In addition, bans on large gatherings have made in-person training and workshops difficult in many countries. Even in countries with less strict procedures, worker safety precautions are slowing the pace of project activities. To adapt to this challenge, projects are identifying ways to conduct workshops and other events virtually when possible or to hold a series of smaller events. Whenever possible, projects are also working with local consultants or international consultants who have remained in the country. Depending on the duration of lockdown requirements, field activities are likely to be impacted for the next several months at the least. For projects in early stages of implementation, this will potentially result in compounded delays in the future, as critical consultation, planning, and design activities are postponed. This has affected regional workshops and online consultations earlier scheduled for the conduct of baseline assessments and inception workshops. Hence, this has led to increase in the number of extension requests for the submission of the inception reports and baseline assessments.

**Impact of COVID-19 on a small island developing State: Sustainable and Climate Resilient Connectivity for Nauru (FP052)**

*The world's smallest island country, Nauru is extremely vulnerable to the impacts of climate change. Isolated in the Pacific Ocean, Nauru is dependent on its port, which is expected to become increasingly unusable for more of the year due to sea level rise and climate-related weather events. GCF is supporting the construction of a climate-resilient port capable of operating year-round (FP052 - Sustainable and Climate Resilient Connectivity for Nauru).*

*Many SIDS have reported few cases of COVID-19, but as a precautionary measure are restricting travel and entry restrictions on human resources and materials, resulting in disruptions to flights and shipping vessels. In Nauru, officials suspended all flights into the country except for a single weekly flight and instituted a 14-day quarantine for all arriving passengers. As a result, activities have been delayed since the construction company was unable to bring staff into Nauru and the supervision consultant withdrew its international staff.*

*Many SIDS are also isolated, and supply chain challenges can have serious impacts. In Nauru, imports of cement and other raw materials have not yet arrived and the construction company has run out of materials required to make concrete; and consequently port construction activities have been delayed for several weeks, ultimately leading to, delaying construction of the port by at least a year. COVID-19 is also having a severe economic impact on many SIDS.*

*While COVID-19 has delayed the construction of the port, close coordination between the Government of Nauru, the contractor, the supervision consultant, ADB and GCF has helped reduce the impact particularly to prevent a flood of time and cost claims for the delays. By agreeing to a partial suspension of construction activities, some work is still able to continue and compensation payments to the contractor were minimized. Additionally, by determining the cost implications early, the Government of Nauru has been able to plan more effectively and determine how much additional support will be needed to complete the port.*

8. Challenges in obtaining project inputs are the second-largest category of COVID-19 impacts, with 57 per cent of affected projects reporting supply chain issues. In addition to project delays related to the import or procurement of inputs such as seeds, construction materials or other equipment, projects report delays on procurement tender submissions and other related issues. In countries that are relaxing lockdown requirements, projects noted a decline in delays as global and local supply chains adapt to the COVID-19 environment.

9. Currently, challenges related to liquidity and solvency have been the least common issue facing affected projects, with only 22 per cent reporting impacts. However, this may increase in the future as the economic impacts of COVID-19 are fully felt. Under this category, financial intermediation projects report issues related to subprojects – with declining revenues, many of them are facing cash flow issues and even potential bankruptcy. If the number of subprojects experiencing these challenges continues to increase, the overall viability of the project could be at risk. Diligent risk management procedures will be needed to address this challenge. Overall, 34 per cent of affected projects report issues related to cost increases due to COVID-19. Higher

costs may be driven by payroll and shipping increases, as well as the need to invest in sanitizers and personal protective equipment. Issues in securing co-financing and other challenges are impacting 36 per cent of projects affected by COVID-19. Many donors are refocusing funding towards COVID-19 response and economic recovery efforts. Many governments are doing likewise, while also seeing a decline in tax revenues.

10. Under the RPSP, in terms of support to countries under COVID-19, the Secretariat is implementing several measures to streamline processes, increase speed of response and support to DPs and NDAs in their efforts to adapt the implementation of grants to the current challenging realities. Under its programmatic response to the COVID-19 pandemic, the Secretariat has provided added flexibilities in budget reallocations across approved Readiness components, granting no-cost extensions, with the measures expected to facilitate more proactive and efficient responses to the NDAs and DPs.

11. As part of the proactive adaptive management, in recognition of the potential impact of the COVID-19 pandemic in 2020, the Secretariat has granted an additional six months to the implementation period of the eligible grants under the Readiness Programme. This measure allows for flexibilities for the countries to cope with any delays and challenges in achieving intended results from the Readiness Programme. As of 31 August 2020, 105 countries (177 grants) have benefited from the COVID-19 no-cost extension measure. In the progress reports, the DPs and the countries have noted that, despite this measure, there are still uncertainties in the delivery of the revised project schedule. The Secretariat will continue to carefully monitor the evolution of the situation to provide adequate support.

12. Despite its adverse impacts, COVID-19 pandemic presents a window of opportunity to catalyse new climate resilient recovery efforts. GCF is now providing support to the climate resilient recovery efforts by developing countries through the RPSP. Countries are able to access resources through three options: (i) A new standardized rapid readiness grant (up to USD 300,000); (ii) adaptive management of the existing Readiness grants, including additional budget allocation up to USD 50,000; and (iii) Technical support via GCF rostered experts/firms. Option 2 (excluding grants for Adaptation Planning) is in addition to the flexible and adaptive management of existing grants that GCF had provided earlier in May 2020. This option is to be used for a list of eligible activities with a focus on climate-resilient recovery measures. The aim of the additional resources is to help countries to develop climate-resilient recovery strategies and incorporate them into existing climate strategies and investment plans that would contribute to both pandemic recovery and climate ambition. Proposals to access the options must be submitted by DPs/NDA through an expression of interest to the Secretariat by 28 February 2021.

## Annex II: Funded activities that submitted annual performance reports in 2019<sup>1</sup>

FP reference	Country	Project name	AE	Theme	Region	Access modality	Sector
FP001	Peru	Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru	Peruvian Trust Fund for National Parks and Protected Areas	Cross-cutting	Latin America and the Caribbean	DAE	Public
FP002	Malawi	Scaling up the use of Modernized Climate information and Early Warning Systems in Malawi	United Nations Development Programme	Adaptation	Africa	IAE	Public
FP004	Bangladesh	Climate Resilient Infrastructure Mainstreaming (CRIM)	Kreditanstalt für Wiederaufbau	Adaptation	Asia-Pacific	IAE	Public
FP005	Kenya, Rwanda	KawiSafi Ventures Fund	Acumen Fund, Inc.	Cross-cutting	Africa	DAE	Private
FP007	Maldives	Supporting vulnerable communities in Maldives to manage climate change-induced water shortages	United Nations Development Programme	Adaptation	Asia-Pacific	IAE	Public
FP008	Fiji	Fiji Urban Water Supply and Wastewater Management Project	Asian Development Bank	Adaptation	Asia-Pacific	IAE	Public
FP009	El Salvador	Energy Savings Insurance (ESI) for private energy efficiency investments by Small and Medium-Sized Enterprises (SMEs)	Inter-American Development Bank	Mitigation	Latin America and the Caribbean	IAE	Public
FP010	Armenia	De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits	United Nations Development Programme	Mitigation	Eastern Europe	IAE	Public
FP011	Gambia	Large-scale Ecosystem-based Adaptation in The Gambia: developing a climate-resilient, natural resource-based economy	United Nations Environment Programme	Adaptation	Africa	IAE	Public
FP013	Viet Nam	Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam	United Nations Development Programme	Cross-cutting	Asia-Pacific	IAE	Public
FP015	Tuvalu	Tuvalu Coastal Adaptation Project (TCAP)	United Nations Development Programme	Adaptation	Asia-Pacific	IAE	Public
FP016	Sri Lanka	Strengthening the resilience of smallholder farmers in the Dry Zone	United Nations Development Programme	Adaptation	Asia-Pacific	IAE	Public

<sup>1</sup> DAE = Direct Access Entity; FP = Funding Proposal; IAE = International Access Entity; SAP = Simplified Approval Process.

FP reference	Country	Project name	AE	Theme	Region	Access modality	Sector
		to climate variability and extreme events through an integrated approach to water management					
FP017	Chile	Climate action and solar energy development programme in the Tarapacá Region in Chile	Corporación Andina de Fomento	Mitigation	Latin America and the Caribbean	DAE	Private
FP018	Pakistan	Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan	United Nations Development Programme	Adaptation	Asia-Pacific	IAE	Public
FP019	Ecuador	Priming Financial and Land Use Planning Instruments to Reduce Emissions from Deforestations	United Nations Development Programme	Mitigation	Latin America and the Caribbean	IAE	Public
FP020	Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent, and the Grenadines	Sustainable Energy Facility for the Eastern Caribbean	Inter-American Development Bank	Mitigation	Latin America and the Caribbean	IAE	Public
FP021	Senegal	Senegal Integrated Urban Flood Management Project	Agence Française de Développement	Adaptation	Africa	IAE	Public
FP022	Morocco	Development of arganiculture orchards in degraded environment (DARED)	Agency for Agricultural Development of Morocco	Cross-cutting	Africa	DAE	Public
FP023	Namibia	Climate Resilient Agriculture in three of the Vulnerable Extreme northern crop growing regions (CRAVE)	Environmental Investment Fund	Adaptation	Africa	DAE	Public
FP024	Namibia	Empower to Adapt: Creating Climate-Change Resilient Livelihoods through Community-Based Natural Resource Management (CBNRM) in Namibia	Environmental Investment Fund	Adaptation	Africa	DAE	Public
FP025	Armenia, Egypt, Georgia, Jordan, Moldova, Mongolia, Morocco, Serbia, Tajikistan, Tunisia	Scaling up private sector climate finance through local financial institutions (GCF-EBRD SEFF co-financing Programme)	European Bank for Reconstruction and Development	Cross-cutting	Africa, Eastern Europe (Multiregional)	IAE	Private
FP026	Madagascar	Sustainable Landscapes in Eastern Madagascar	Conservation International Foundation	Cross-cutting	Africa	IAE	Private

FP reference	Country	Project name	AE	Theme	Region	Access modality	Sector
FP028	Mongolia	MSME <sup>2</sup> Business Loan Program for GHG <sup>3</sup> Emission Reduction	XacBank LLC	Mitigation	Asia-Pacific	DAE	Private
FP033	Mauritius	Accelerating the transformational shift to a low-carbon economy in the Republic of Mauritius	United Nations Development Programme	Mitigation	Africa	IAE	Public
FP034	Uganda	Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda	United Nations Development Programme	Adaptation	Africa	IAE	Public
FP035	Vanuatu	Climate Information Services for Resilient Development Planning in Vanuatu (Van-CIS-RDP)	Secretariat of the Pacific Regional Environment Programme	Adaptation	Asia-Pacific	DAE	Public
FP036	Cook Islands, Republic of the Marshall Islands, Micronesia (Federated States of), Nauru, Papua New Guinea, Samoa, Tonga	Pacific Islands Renewable Energy Investment Program	Asian Development Bank	Cross-cutting	Asia-Pacific	IAE	Public
FP037	Samoa	Integrated Flood Management to Enhance Climate Resilience of the Vaisigano River Catchment in Samoa	United Nations Development Programme	Adaptation	Asia-Pacific	IAE	Public
FP039	Egypt	GCF-EBRD Egypt Renewable Energy Financing Framework	European Bank for Reconstruction and Development	Mitigation	Africa	IAE	Private
FP040	Tajikistan	Tajikistan: Scaling Up Hydropower Sector Climate Resilience	European Bank for Reconstruction and Development	Adaptation	Central Asia	IAE	Public
FP041	United Republic of Tanzania	Simiyu Climate Resilient Project	Kreditanstalt für Wiederaufbau	Adaptation	Africa	IAE	Public
FP042	Morocco	Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco	Agence Française de Développement	Adaptation	Africa	IAE	Public
FP043	Morocco	The Saïss Water Conservation Project	European Bank for Reconstruction and Development	Adaptation	Africa	IAE	Public

<sup>2</sup> Micro, Small and Medium-Sized Enterprises (MSMEs)

<sup>3</sup> Greenhouse Gas

FP reference	Country	Project name	AE	Theme	Region	Access modality	Sector
FP044	Solomon Islands	Tina River Hydropower Development Project	International Bank for Reconstruction and Development and International Development Association	Cross-cutting	Asia-Pacific	IAE	Public
FP045	India	Ground Water Recharge and Solar Micro Irrigation to Ensure Food Security and Enhance Resilience in Vulnerable Tribal Areas of Odisha	National Bank for Agriculture and Rural Development	Adaptation	Asia-Pacific	DAE	Public
FP046	Mongolia	Renewable Energy Program #1 - Solar	XacBank LLC	Mitigation	Asia-Pacific	DAE	Private
FP047	Kazakhstan	GCF-EBRD Kazakhstan Renewables Framework	European Bank for Reconstruction and Development	Mitigation	Central Asia	IAE	Private
FP048	Guatemala, Mexico	Low Emissions and Climate Resilient Agriculture Risk Sharing Facility	Inter-American Development Bank	Cross-cutting	Latin America and the Caribbean	IAE	Private
FP050	Bhutan	Bhutan for life	World Wildlife Fund, Inc.	Cross-cutting	Asia-Pacific	IAE	Public
FP051	Bosnia and Herzegovina	Scaling-up Investment in Low-Carbon Public Buildings	United Nations Development Programme	Mitigation	Eastern Europe	IAE	Public
FP052	Nauru	Sustainable and Climate Resilient Connectivity for Nauru	Asian Development Bank	Cross-cutting	Asia-Pacific	IAE	Public
FP053	Egypt	Enhancing climate change adaptation in the North coast and Nile Delta Regions in Egypt	United Nations Development Programme	Adaptation	Africa	IAE	Public
FP056	Colombia	Scaling up climate resilient water management practices for vulnerable communities in La Mojana	United Nations Development Programme	Adaptation	Latin America and the Caribbean	IAE	Public
FP058	Ethiopia	Responding to the increasing risk of drought: building gender-responsive resilience of the most vulnerable communities	Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia	Adaptation	Africa	DAE	Public
FP059	Grenada	Climate Resilient Water Sector in Grenada (G-CREWS)-	Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH	Adaptation	Latin America and the Caribbean	IAE	Public

FP reference	Country	Project name	AE	Theme	Region	Access modality	Sector
FP060	Barbados	Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados)	Caribbean Community Climate Change Center	Cross-cutting	Latin America and the Caribbean	DAE	Public
FP061	Antigua and Barbuda, Dominica, Grenada	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	Department of Environment, Ministry of Health and Environment, Government of Antigua and Barbuda	Adaptation	Latin America and the Caribbean	DAE	Public
FP063	Paraguay	Promoting private sector investments in energy efficiency in the industrial sector and in Paraguay	Inter-American Development Bank	Mitigation	Latin America and the Caribbean	IAE	Public
FP064	Argentina	Promoting risk mitigation instruments and finance for renewable energy and energy efficiency investments	Inter-American Development Bank	Mitigation	Latin America and the Caribbean	IAE	Public
FP066	Republic of the Marshall Islands	Pacific Resilience Project Phase II for the Republic of Marshall Islands	International Bank for Reconstruction and Development and International Development Association	Adaptation	Asia-Pacific	IAE	Public
FP068	Georgia	Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia	United Nations Development Programme	Adaptation	Eastern Europe	IAE	Public
FP069	Bangladesh	Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity	United Nations Development Programme	Adaptation	Asia-Pacific	IAE	Public
FP070	Bangladesh	Global Clean Cooking Program – Bangladesh	International Bank for Reconstruction and Development and International Development Association	Cross-cutting	Asia-Pacific	IAE	Public
FP072	Zambia	Strengthening climate resilience of agricultural livelihoods in Agro-Ecological Regions I and II in Zambia	United Nations Development Programme	Adaptation	Africa	IAE	Public

FP reference	Country	Project name	AE	Theme	Region	Access modality	Sector
FP073	Rwanda	Strengthening Climate Resilience of Rural Communities in Northern Rwanda	Ministry of Environment (formerly Ministry of Natural Resources of Rwanda)	Cross-cutting	Africa	DAE	Public
FP075	Tajikistan	Institutional Development of the State Agency for Hydrometeorology of Tajikistan	Asian Development Bank	Adaptation	Central Asia	IAE	Public
FP076	Cambodia	Climate-Friendly Agribusiness Value Chains Sector Project	Asian Development Bank	Cross-cutting	Asia-Pacific	IAE	Public
FP077	Mongolia	Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Project (AHURP)	Asian Development Bank	Cross-cutting	Asia-Pacific	IAE	Public
FP078	Ghana, Kenya, Nigeria, Uganda	Acumen Resilient Agriculture Fund (ARAF)	Acumen Fund, Inc.	Adaptation	Africa	DAE	Private
FP081	India	Line of Credit for Solar rooftop segment for commercial, industrial and residential housing sectors	National Bank for Agriculture and Rural Development	Mitigation	Asia-Pacific	DAE	Private
FP084	India	Enhancing climate resilience of India's coastal communities	United Nations Development Programme	Cross-cutting	Asia-Pacific	IAE	Public
FP086	Albania, Armenia, Georgia, Jordan, Moldova, Mongolia, North Macedonia, Serbia, Tunisia	Green Cities Facility	European Bank for Reconstruction and Development	Cross-cutting	Africa, Asia-Pacific, Eastern Europe (Multiregional)	IAE	Public
FP089	El Salvador	Upscaling climate resilience measures in the dry corridor agroecosystems of El Salvador (RECLIMA)	Food and Agriculture Organization of the United Nations	Cross-cutting	Latin America and the Caribbean	IAE	Public
FP090	Tonga	Tonga Renewable Energy Project under the Pacific Islands Renewable Energy Investment Program	Asian Development Bank	Mitigation	Asia-Pacific	IAE	Public
FP094	Comoros	Ensuring climate resilient water supplies in the Comoros Islands	United Nations Development Programme	Adaptation	Africa	IAE	Public
FP095	Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ecuador, Egypt, Kenya, Madagascar, Mauritius, Morocco, Namibia, Nigeria, Senegal, South	Transforming Financial Systems for Climate	Agence Française de Développement	Cross-cutting	Africa, Latin America and the Caribbean (Multiregional)	IAE	Private

FP reference	Country	Project name	AE	Theme	Region	Access modality	Sector
	Africa, United Republic of Tanzania, Togo, Uganda						
FP097	Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama	Productive Investment Initiative for Adaptation to Climate Change (CAMBio II)	Central American Bank for Economic Integration	Adaptation	Latin America and the Caribbean	DAE	Private
FP098	Eswatini, Lesotho, Namibia, South Africa	DBSA Climate Finance Facility	Development Bank of Southern Africa	Cross-cutting	Africa	DAE	Private
FP099	Burundi, Cameroon, Djibouti, Indonesia, Kenya, Madagascar, Malawi, Mongolia, Morocco, Nigeria, Uganda	Climate Investor One	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden	Mitigation	Africa, Asia-Pacific (Multiregional)	IAE	Private
FP107	Bhutan	Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan	United Nations Development Programme	Adaptation	Asia-Pacific	IAE	Public
SAP001	Namibia	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	Environmental Investment Fund	Adaptation	Africa	DAE	Public
SAP003	Bahrain	Enhancing climate resilience of the water sector in Bahrain	United Nations Environment Programme	Adaptation	Asia-Pacific	IAE	Public
SAP004	Mongolia	Energy Efficient Consumption Loan Programme	XacBank LLC	Mitigation	Asia-Pacific	DAE	Private
SAP005	Benin	Enhanced climate resilience of rural communities in central and north Benin through the implementation of ecosystem-based adaptation (EbA) in forest and agricultural landscapes	United Nations Environment Programme	Adaptation	Africa	IAE	Public
SAP006	Namibia	Building resilience of communities living in landscapes threatened under climate change through an ecosystems-based adaptation approach	Environmental Investment Fund	Adaptation	Africa	DAE	Public