GREEN CLIMATE FUND

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Annual portfolio performance report (2021)

Summary

This annual portfolio performance report presents a review and analysis of the performance of the GCF portfolio of investments from funded activities, the Readiness and Preparatory Support Programme and the Project Preparation Facility under implementation as of 31 December 2021.

Table of Contents

List of Figures

List of Tables

Executive Summary

1. This is the fifth Annual Portfolio Performance Report to be presented to the GCF Board, but the sixth year since annual performance reports (APRs) were first submitted to GCF. This report provides an overview of the progress in implementation of, and the results achieved by, the portfolio of GCF funded activities, the Readiness and Preparatory Support Programme (Readiness Programme) grants, and the Project Preparation Facility (PPF) as of 31 December 2021. It also highlights implementation challenges encountered by accredited entities (AEs), delivery partners (DPs) and national designated authorities (NDAs), lessons from implementation, proposed actions for improving portfolio monitoring and performance management, as well as those taken to date.

Progress and results in 2021

Funded activities

2. As of 31 December 2021, there were 190 approved projects, of which 152 (80 per cent) were under implementation, showing a growth of 31 per cent from 116 projects (USD 4.9 billion in investments from GCF resources) in 2020 to 152 projects (USD 6.7 billion in investments from GCF resources) in 2021. Of these, 68 (45 per cent) were adaptation projects, 47 (31 per cent) were mitigation, while 37 (24 per cent) were cross cutting.[1]

3. The total amount of co-financing mobilized for the portfolio under implementation amounted to USD 15.6 billion, with the private sector leveraging the largest proportion of co-financing. As of 31 December 2021, co-financing of approximately USD 1.97 billion has been realized. In line with its focus on supporting the most vulnerable countries to cope with the effects of climate change, the GCF targeted 56 per cent of its portfolio of funded activities under implementation (USD 3.8 billion) towards least developed countries (LDCs), small island developing States (SIDS) and African States.

4. The total disbursements of GCF resources increased by 54 per cent (USD 811 million) from USD 1.5 billion in the year 2020 to USD 2.3 billion in year 2021. Disbursements to public sector projects accounted for 69 per cent (USD 1.6 billion), while private sector projects received 31 per cent (USD 0.7 billion) of the total disbursements during the year.

5. The portfolio under implementation demonstrated resilience as the cumulative expenditure grew by 65 per cent from USD 592 million in 2020 to USD 979 million in 2021. The expenditure rate exhibited an increase from 40 per cent in 2020 to 43 per cent in 2021, even as AEs reported that the pace of implementation of projects was constrained by coronavirus 19 (COVID-19) impacts, supply chain bottlenecks, and political challenges. In this respect, the Secretariat assessed that approximately 48 per cent of the portfolio under implementation encountered delays due to the COVID-19 pandemic. GCF received reflows and investment income of USD 21.7 million in the year 2021, bringing the aggregate amount to USD 46.6 million.

[1] While 152 projects were under implementation (i.e. projects with funded activity agreement effectiveness as of 31 December 2021), the financial analysis in this report was undertaken for the 145 projects that have received disbursements as of 31 December 2021. This means seven projects that were under implementation but did not receive first disbursement were excluded from the financial analysis. In addition, the portfolio progress and results analysis was undertaken for 131 projects that submitted APR 2021 by August 2022. This means that 1) six projects that were under implementation and received disbursements but did not submit APR 2021 as of August 2022; 2) seven projects that were considered 'under implementation' but did not receive first disbursement; and 3) eight projects which are part of the GCF REDD+results-based payment (RBPs) pilot programmes were excluded from the portfolio and results analysis.

6. As the projects under implementation mature, projects/programmes are reporting tangible results. Based on AE-self reporting, a total of 63.3 million tonnes of carbon dioxide equivalent (tCO2eq) was reported to have been mitigated, which represents eight per cent against the estimated 775 million tCO2eq of emissions reduction targeted by the end of project implementation and five per cent of the estimated 1.4 billion tCO2eq by the end of project lifetime. By end of 2021, a total number of 56.6 million direct and indirect beneficiaries had been reached through adaptation projects. This accounts for 22 per cent of the total target of 253 million beneficiaries from the GCF projects under implementation.

7. In terms of compliance with environmental and social safeguards (ESS), activities that were undertaken by AEs included the preparation of environmental social impact assessments/analyses; environmental and social management plans (ESMPs); indigenous peoples' plans; resettlement action plans; conduct of inception workshops; procurement of civil works; planning for construction; set-up of stakeholder engagement plans; recruitment of safeguards personnel and consultants; and the establishment of legal and implementation arrangements with governments and executing entities (EEs). Compliance with the Updated Gender Policy is high and the shift from gender sensitivity to responsiveness can be seen through stronger gender targets on gender mainstreaming, and more concrete actions on the ground.

8. Several projects/programmes reported good practices in their approach to protect indigenous peoples' social, cultural, and customary rights, as well as ensuring access to payments for environmental services and benefit-sharing mechanisms. Some environment and social management frameworks (ESMFs), ESMPs, resettlement plans, and biodiversity management plans have also encouraged addressing the needs and the priorities of indigenous peoples. Some projects highlighted their efforts to advance indigenous knowledge in the context of climate change adaptation and resilience through inter- and intra-generational practices.

Readiness and Preparatory Support Programme

9. The Readiness portfolio continued to grow in 2021 to support country driven initiatives by developing countries, to strengthen their institutional capacities, governance mechanisms and planning and programming frameworks for long-term transformational climate actions. The total number of approved Readiness grants increased by 169 grants over the period of 2019-2021 to reach a total of 553 approved grants by the end of 2021 benefiting 141 countries. The cumulative approved funding also increased from USD 305 million in 2020 to USD 391 million as of the end of 2021. Despite the Covid-19 pandemic, the growth of the portfolio was visible; with improved operational performance of the Secretariat, the portfolio saw an increase in the number of readiness proposals submitted by national designed authorities (NDAs) and focal points.

10. The number of projects under implementation increased from 353 grants in 2020 to 407 grants in 2021. Moreover, as of the end of 2021, 461 grants of the 553 readiness grants approved with total funding of USD 391 million had received disbursements amounting to USD 200 million. This translates into a 42 per cent increase in disbursement volume from USD 141 million in 2020.

11. An analysis of the results reported by existing 461 grants shows that good progress was made against five strategic objectives set in the Readiness Programme Strategy to support developing countries to get 'ready' to programme climate actions based on country driven approaches. Key highlights include development of 195 concept notes by developing countries and entities under Readiness support to advance GCF programming; support on the national adaptation plan (NAP) formulation processes via existing 77 Readiness grants; and the strengthened institutional capacity of developing countries including via establishment and

operationalization of systems to issue a no-objection letter for GCF programming under 95 Readiness grants.

12. The Readiness Assessment conducted in 2021 provided the Secretariat with important insights on what has worked and where more attention and focus is required going forward. These include the areas of results monitoring and data verification; management and reporting systems strengthening; rollout of the Readiness Results Reporting Monitoring Framework; technical assistance to DPs and NDAs; and finally, the capture and documentation of learning and innovations.

Project Preparation Facility

13. The PPF continued to be a source of support to AEs for funding proposal preparation. As of 31 December 2021, 48 PPF applications worth USD 30 million had been approved, of which USD 23 million has been disbursed. Thirty-three (33) PPF grants are under implementation and five of the grants with the highest amount of funding are being implemented by direct access entities (DAEs).

14. In terms of the regional distribution, Africa accounts for USD 11 million (46 per cent) of the total approved GCF funding for PPF grants, followed by Latin America and the Caribbean at USD 6 million (30 per cent) and Asia-Pacific at USD 6 million (24 per cent).

15. Regarding implementation, four grants closed in 2021 and another six are expected to close in 2022. A total of nine extension requests were received, with the main reason being the impact of the COVID-19 pandemic, which led to implementation delays. Challenges related to procuring and hiring qualified consultants also impacted implementation progress.

Implementation challenges

16. Similar to 2020, in 2021 several projects experienced COVID-19-related challenges, ranging from delays in field activities, procurement delays, supply chain issues, challenges with stakeholder engagement, cost overruns, reduction in co-financing, and limited travel due to restrictions, among other things. The SIDS were particularly affected as the countries experienced complete lockdowns, bringing the supply chain and international consultant engagements to a complete halt.

17. Other challenges reported by AEs in 2021 were: (i) operational, including limited technical and monitoring capacities, delays due to extreme weather events, and project design issues; (ii) financial, including inadequate co-financing and cost overruns partly due to underbudgeting at design; (iii) political, due to escalating political uncertainty and conflict in some countries/regions; (iv) ESS and gender, with issues ranging from limited ESS capacity to difficulty in ensuring adequate gender balance; and (v) integrity/compliance-related factors, which, while minimal, included delays in signing agreements with partners.

18. Additionally, the failure to realize projected co-financing or delays in the timelines for co-financing is increasingly being experienced amongst projects. Reasons for this vary and include the fact that in many cases, co-financing presented at the design stage is indicative or proposed and does not represent confirmed commitments. Government transitions resulting in changing priorities and co-financiers changing their priorities to respond to COVID-19 impacts have also affected co-financing. This has adverse impacts on expected results and the delivery time of activities. Contingency measures and the impact of the non-realization of co-financing need to be factored in results projections and decision-making.

19. The Readiness Programme delivery reported similar challenges, including difficulties in the recruitment of project staff and experts; country fragility, including changes in governments and shifts in government strategies and priorities; and the diversion of efforts by beneficiaries/participants to other obligations in responding to the pandemic. Due to these challenges, there was a significant increase in the number of extension requests in the Readiness portfolio.

20. To address the issues reported by the AEs and to mitigate the risks therein, the Secretariat continued to regularly engage with the AEs to proactively respond to challenges. The Secretariat granted time extensions to AEs for the submission of required reports, baseline assessments, compliance with covenants, and conditions precedent to disbursement. The Secretariat also held engagement meetings and workshops with various AEs to discuss and provide guidance on policy, operational and implementation issues.

21. As a response to the challenges experienced in the Readiness portfolio, the Secretariat continued to be flexible and continued with the adaptive management measures started in the wake of the COVID-19 pandemic in 2020. The mitigation actions include providing six months' blanket extension of the grant term/anticipated duration of Readiness activities; use of contingency amounts included in budgets to cover unforeseen costs relating to the COVID-19 pandemic; reallocation of up to 25 per cent of approved budgets; and increase in project management costs by 5 per cent, from a cap of 7.5 per cent to 12.5 per cent of the total activity budget approved.

Lessons learned

22. As the portfolio matures, several lessons continue to emerge from the implementation of funded activities, the Readiness Programme, and PPF, thereby enabling the Secretariat to glean important lessons that may inform the effective design, monitoring and adaptive management of public and private investments financed by GCF. These include the following for funded activities:

(a) **COVID-19:** The global impacts of COVID-19 on supply chains, including on commodity prices, have adversely impacted practically all the projects, especially those with construction activities and supply chain dynamics, leading to unprecedented increases in the unit costs of goods and services. This has led to significant cost escalations in many projects and programmes. Adaptive management measures may include considerations of reductions of the project scope, provision of additional project financing or reallocation amongst project categories/activities.

(b) **Programming cycle**: Long periods between proposal development, approval, and project start-up result in implementation delays. These delays at times lead to baselines and design assumptions that are no longer relevant due to changes in country context and field realities. The speeding up of the post approval processes has reduced this challenge, which was prevalent in the earlier approved proposals that had to wait for accreditation master agreement (AMA) negotiations in addition to funded activity agreement (FAA) negotiations. However, there is still room for improvement, especially at country and AE level, to address delays in project implementation.

(c) **Risk assessments:** Several of the risks categorized as having low probability during the design stage show the opposite trend during portfolio implementation. Many emerge as medium or high risks. A more realistic risk assessment informed by rigorous assessment of country and institutional contexts as well as lessons from implementation is critical to factor in the appropriate mitigant measures needed to effectively assure implementation and delivery of results on time and on budget.

(d) **Secretariat capacity and responsiveness constraints:** With the growing and maturing portfolio, there is a need to have a regular review and matching of human and systems resource capacity with the growth of the portfolio to ensure appropriate monitoring and responsiveness to the AE requirements (e.g. with Strategic Plan update). For example, disclosure and ESS clearance procedures for subprojects under programmes (or projects that have subprojects) is rapidly increasing. The increase versus the limited capacity of the Secretariat to keep up with this increase is likely to result in delays in approval and implementation of (sub)projects as well as gaps and compromised quality of reviews, which may pose further risks for GCF or beneficiaries. The Secretariat is exploring means of addressing this challenge, including through a combination of providing for i) an enhanced ESS capacity at the Secretariat and ii) the delegation of ESS responsibility and accountability to AEs and leaving the role of the Secretariat to carrying out ad-hoc checks for compliance.

(e) **Results management**: It is crucial to set up strong and transparent monitoring and reporting systems in funding proposals to generate credible results during implementation and avoid the need for future remediation activities. The three remediation exercises, namely the monitoring and evaluation gaps and the reassessment of mitigation and adaptation results in the portfolio will help the Secretariat improve the quality of results measurement.

23. For the Readiness Programme and PPF, the COVID-19 crisis has presented significant challenges, and the main lesson learned from the delivery of results is that DPs and NDAs require more support and capacity building for the development of project pipelines and for national adaptation plans. There is need to include contingency budgeting to strengthen learning and knowledge capture to help DPs and NDAs exchange lessons and knowledge on what is working. This should be complemented by concerted efforts in the improvement of systems management including enhancement of monitoring practices, South–South learning and sharing of good practices.

Proposed priorities for 2022 and 2023

24. The Secretariat will continue to build upon and consolidate on the 2021 priorities and initiatives. This will include supporting proactive portfolio monitoring and management, ensuring dynamic adaptive management processes, building stakeholders' capacities, and sharing knowledge and sensitizing AEs, DPs and NDAs on GCF requirements. The Secretariat will continue to actively engage and collaborate with AEs, dedicating increasing attention to monitoring individual projects given context-specific circumstances, processing adaptive management requests, and facilitating understanding and adherence to FAA conditions. The Secretariat will also take advantage of improved global travel conditions to conduct in-person site visits and ad-hoc checks as part of its efforts to strengthen project and programme implementation based on the portfolio performance risk assessments.

25. Given the maturing portfolio, knowledge management will be a key focus, and the Secretariat will pilot the establishment of formal learning loops to ensure evidence-based feedback and lessons from implementation are incorporated into programming for improved investment decisions. This will complement other knowledge management activities, including the development and update of guidance notes, case studies and other knowledge products. The Readiness Knowledge Bank will also be launched to highlight the Readiness results and share curated knowledge.

26. Following the adoption of the Evaluation Policy for the GCF in 2022, the Secretariat will continue working with the Independent Evaluation Unit (IEU) on the development and finalization of the evaluation standards and the evaluation guidelines. This will enable the Secretariat to further enhance the credibility of the evaluations conducted by AEs or the Secretariat and strengthen the knowledge management and learning function of GCF.

27. In conclusion, the Secretariat notes that continued consultation between GCF and stakeholders (AEs, DPs and NDAs) is critical for a robust and successful stakeholder engagement, project implementation and results achievement.

I. INTRODUCTION

1.1 Background

28. The Governing Instrument for the GCF, paragraph 23 (d) and (j), established the mandate for the Secretariat to carry out monitoring functions and prepare reports on the implementation performance of activities financed by GCF. It was subsequently codified into the GCF monitoring and accountability framework.[2] This Annual Portfolio Performance Report (APPR) presents an update on the progress made in the performance of funded activities under implementation as well as the progress achieved through the Readiness and Preparatory Support Programme (Readiness Programme) and Project Preparation Facility (PPF) support for the reporting period ending 31 December 2021. The report is informed by both qualitative and quantitative information on funded activities gathered from the annual performance reports (APRs), financial reporting and annual financial statements submitted by the accredited entities (AEs) as well as active monitoring and adaptive management performed by the Secretariat on implementation challenges and issues. For Readiness Programme and PPF support, the information for the reporting period is drawn from the technical and financial reports submitted by delivery partners (DPs) and national designated authorities (NDAs) as well as the assessment report of the results of the Readiness Programme conducted by an external firm contracted by the Secretariat.

1.2 Structure of the report

29. This chapter of the report will briefly summarize the actions taken during 2021 and to date to improve internal processes and procedures, as well as the measures taken to strengthen the monitoring and adaptive management of the GCF portfolio. Chapter II focuses on progress in portfolio implementation and presents some performance trends, including financial performance (e.g., disbursements), adaptation and mitigation results achieved under the funded activities portfolio, and compliance with the legal conditions and covenants relating to the environmental and social safeguards (ESS), gender and indigenous peoples' policies. The chapter also highlights changes undertaken as part of adaptive management and emerging lessons. Chapter III presents progress made in the implementation of the Readiness Programme and PPF support in 2021, while chapter IV highlights the implementation challenges and lessons learned from the implementation of funded activities, the Readiness Programme and PPF. Section V covers the priorities initiated in 2022 to strengthen portfolio implementation and performance and planned priorities for 2023 and beyond. Finally, the report also contains annexes that provide details on the coronavirus disease 19 (COVID-19) pandemic impact on the GCF portfolio of funded activities, the Readiness Programme and PPF, and the Secretariat's response measures, as well as the list of funded activities that have been extended in 2021.

1.3 Actions taken in 2021 and continued in 2022 to strengthen portfolio monitoring and results measurements

30. In 2021, the Secretariat continued to strengthen GCF's results management functions for funded activities, the Readiness Programme and PPF as elaborated below.

[2] Initial monitoring and accountability framework for accredited entities (decision B.11/10, annex I, para. 14).

Strengthening results management and reporting

Review and development of the GCF results management framework for funded activities and related guidance

31. Following the adoption of the integrated results management framework (IRMF) by the Board through decision B.29/01, the Secretariat undertook a series of sensitization activities towards the operationalization of the IRMF during the latter half of 2021. These included:

(a) Developing an initial draft of the Results Handbook containing practical guidance for AEs and executing entities (EEs) on how to apply and implement the IRMF. The handbook contains common definitions and measurement methodologies for each IRMF indicator to help AEs measure and report their targeted and/or actual results in a consistent manner. Ultimately, this will allow more credible and consistent aggregation of reported results at the portfolio level by the Secretariat;

(b) Revision of the GCF funding proposal template and development of an accompanying guidance note;

(c) Development of video training on designing a Theory of Change (TOC) in line with the IRMF; and

(d) The sensitization activities will continue throughout 2022, including an IRMF webinar series and the launch of a new funding window (mandated by decision B.29/01) providing dedicated support to direct access entities (DAEs) for the application of the IRMF in Q1 2022. The TOC video training modules are also planned to be finalized late in 2022, followed by the development of training modules on logical framework development.

Addressing the monitoring and evaluation gaps in the funded activities portfolio under implementation

32. While the IRMF applies to projects/programmes approved at or after the thirty-second meeting of the Board (B.32), the Secretariat continues to strengthen the climate results measurement capacity of the existing portfolio of projects/programmes. Informed by the IEU's independent review of the GCF results management framework (document GCF/B.22/07) and the Secretariat's ensuing risks-based assessment of the critical monitoring and evaluation (M&E) gaps in the GCF portfolio, the Board took note of the work done by the Secretariat and guided the Secretariat to proceed with the identified M&E gaps in two phases (decision B.28/02). Through decision B.BM-2021/17, the Board further approved the budget for Phase 1 of the remediation activities. The implementation of this phase started in October 2021 and focused on having discussions with 22 AEs to plan and agree on concrete remediation measures and inform the budget required to execute remediation activities to be presented to the Board.

33. Phase 1 was completed in Q2 of 2022, following which a workplan and budget for remediation activities that has been agreed with AEs was presented for approval by the Board.[3]

[3] The Board approved proposed remediation activities and budgets for 13 AEs covering 21 funded activities at the thirty-third meeting of the Board in 2022. The Secretariat has since launched a call for proposals to support the implementation of the remedial measures and capacity-building for target AEs under a phase two exercise.

Assessment of greenhouse gas emission reduction estimate and adaptation beneficiaries

34. The Secretariat also undertook a review of current reporting of climate impacts for projects/programmes under implementation, including:

Reassessment of the greenhouse gas emission reduction estimates in GCF funded activities

35. Building on progress made in 2020, in 2021 the Secretariat completed the reassessment of ex-ante greenhouse gas (GHG) emission reduction estimates for a total of 63 projects approved at and before the twenty-fourth meeting of the Board (B.24). The assessment was conducted vis-à-vis a set of uniform criteria based on best practices in GHG project accounting and mainly involved desk review of documents submitted by AEs as part of their funding proposal packages, while in some cases it also included follow-up interviews and discussions with AEs. The exercise resulted in an average reduction of 16 per cent in the ex-ante GHG emission reduction estimates, but at the same time served as a testimony of GCF's ability to assess ex-ante mitigation result estimates adequately and transparently.

36. Discussions have been held in 2022 with AEs that are willing to adopt the revised estimates. Once the new targets are agreed and confirmed by the relevant AEs, they will be reflected in the upcoming APRs for 2022 and reported to the Board via a portfolio status report. Additionally, the Secretariat plans to reassess the reported GHG emission reductions for funded activities under implementation, while reflecting the lessons learned from the reassessment of the ex-ante targets. Finally, this exercise is also expected to contribute to developing mitigation impact assessment guidance for AEs, as well as the Board paper on strengthening the climate rationale of GCF funded activities, and feed into the development of the draft GCF Results Handbook.

Analysis of adaptation beneficiary estimates

37. In 2021, in response to the recommendations provided by the IEU as part of the evaluation titled "Adaptation portfolio and approach", the Secretariat engaged an external firm to undertake a detailed assessment of how adaptation and cross-cutting projects and programmes measure results against GCF's adaptation indicator (number of beneficiaries reached). The initiative is expected to result in the development of a methodological approach for the estimation of (i) adaptation beneficiaries and their reassessment against the ex-ante targets; and (ii) reported results against this indicator of projects approved by the Board at and before B.29. The lessons learned will help devise actions to improve monitoring, reporting and evaluation of adaptation impacts of GCF interventions, while also informing the development of more standardized and credible estimates in the adaptation portfolio.

Digitizing portfolio monitoring systems

38. As part of its efficiency drive, the Secretariat launched the portfolio performance management system (PPMS), which enables AEs/DPs to submit various reports online, and for the Secretariat to review and clear these reports in a more efficient manner. The first phase focused on funded activities and included the launch of modules to facilitate the online submission of inception reports, financial information reports, audited financial statements, interim and final evaluation reports, as well as requests for waivers and extensions for report submissions. The introduction of the PPMS has led to increased transparency in work processes and effective communication among GCF stakeholders. The PPMS will be rolled out for the

Readiness Programme in 2022 to facilitate the submission of Readiness progress reports and disbursements requests. It will also facilitate real-time updating and sharing of portfolio performance and progress data.

Strengthening efficiency through improved tools and guidance

39. The Secretariat is enhancing its guidance, tools and systems for more efficient and effective management and implementation of its Readiness grants and PPF portfolios. These measures include: (i) simplification of Readiness grants reporting templates for NDAs/focal points and DPs; (ii) further standardization and streamlining of internal procedures and service standards to ensure consistency in the quality of reviews provided by the Secretariat; and (iii) commencement of the review and improvement to the internal standard operating procedure (SOP), which are currently ongoing.

Strengthening data management for decision-making and performance and risk management

40. The GCF aims to use data to inform and improve its investment decision-making, including portfolio performance and risk management. Accordingly, in January 2021, the Secretariat developed a data management strategy and roadmap, which has been endorsed by GCF management. It also established an inter-divisional Data Council to oversee the implementation of the data management strategy and roadmap.[4] The holistic data management strategy is expected to strengthen the efficiency and effectiveness of GCF knowledge and data management functions.

41. Some of the early wins of this strategy include increasing access to portfolio data among GCF stakeholders with the launch of the Open Data Library (ODL) in December 2021 for internal use by the Secretariat. The ODL is a platform that gives GCF stakeholders access to the GCF portfolio data for funded activities and the Readiness Programme. Building on lessons learned from the internal launch, the ODL was launched externally during Q3 of 2022.

II. PERFORMANCE REVIEW OF FUNDED ACTIVITIES IN 2021

42. This section presents the progress in implementation and results achievement, as well as compliance with the ESS, gender and indigenous peoples' policies by the AEs, and financial performance as of the end of December 2021. Emerging lessons learned that have been extracted during the monitoring and adaptive management of the projects under implementation over the past six years are also presented. The lessons learned will be considered by the Secretariat in improving both its upstream (policy and design) and downstream (monitoring and adaptive management) processes.

[4] Building on the work undertaken in 2021, the Data Council is finalizing its work programme in 2022, covering four priorities: (i) data governance; (ii) strategic data initiatives; (iii) data policy and systems interface; and (iv) increasing data literacy among the Secretariat staff and wider GCF stakeholders.

2.1 Operational performance and implementation progress

Operational performance

43. The growth in the number of projects under implementation continued steadily, increasing year on year. In 2021, an additional 36 additional projects/programmes commenced implementation, representing a 31 per cent increase from the 116 projects/programmes at the end of 2020. As of 31 December 2021, a total of 152 out of 190[5] approved projects/programmes (32 approved in 2021) were under implementation, for a total value of USD 22.3 billion, of which USD 6.7 billion was GCF financing while USD 15.5 billion was co-financing.[6]

44. Efforts by the Secretariat to improve the efficiency of its portfolio management functions to ensure that projects/programmes approved by the Board are implementation-ready resulted in a notable improvement in the processing time across the following stages under post approval: (i) from approval to signing or execution of the funded activities agreement (FAA); (ii) from FAA execution to FAA effectiveness; and (iii) from FAA effectiveness to first disbursement.

45. Consequently, and as shown in figure 1, the operational time for public sector projects was reduced from project approval to first disbursement by more than half on a year-over-year basis, to 10 median months for projects approved in 2021. This figure is down from 24 median months for 2020 (more than 7 times reduction in median months for 2015).

46. Private sector projects witnessed a reduction in processing time across all three stages to 18 median months for 2021 from approximately 24 months in 2020 (almost half the median months in 2015). The longer period between approval and effectiveness for private sector projects may be indicative of funding proposals with several issues (e.g., commercial, structuring and operational terms and conditions) deferred to the FAA stages.

47. During the years 2020 and 2021, approved projects under DAEs performed better vis-à-vis those under international access entities (IAEs) in moving across the stages, especially between the FAA effectiveness stage and first disbursement (see figure 2). This can be partly explained by the fact that DAEs tend to provide certificates of internal approvals before GCF Board approval, while IAEs tend to submit the certificates during the post-approval stage, which can result in process delays.[7]

48. A comprehensive analysis of the reasons for challenges impacting the stages of the project cycle was presented at B.33 and can be referred to in document GCF/B.33/Inf.10 titled Status of the GCF portfolio: Approved projects and fulfilment of conditions.

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[5] A full list of the approved funding proposals is available on the GCF website: [Approved projects | Green Climate Fund.]

[6] Note that while 152 projects were under implementation, meaning whose FAA reached effectiveness stage as of 31 December 2021, the financial analysis in this report was undertaken for those 145 projects that have received disbursements as of 31 December 2021. This means that seven projects that were under implementation but did not receive first disbursement as of 31 December 2022 were excluded from the financial analysis. In addition, a portfolio progress and results analysis was undertaken for 139 projects which submitted APR 2021 by August 2022. This means that six projects that were under implementation and received disbursements but did not submit APR 2021 as of August 2022 as well as seven projects that were considered ‘under implementation’ but did not receive first disbursement were excluded from the analysis.

[7] As explained in B.33 status report, of the 29 requests for extensions, 14 per cent were related to the submission of the internal certificate.

Figure 1. Time taken for GCF board approval to FAA effectiveness and first disbursement (median months) by stage and sector over time (by approval year)

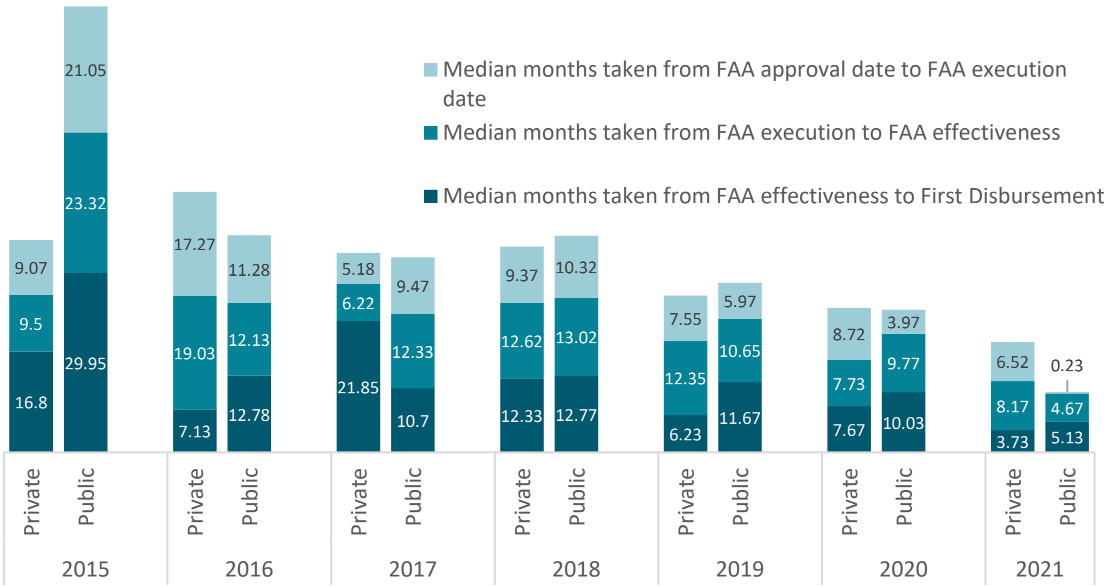
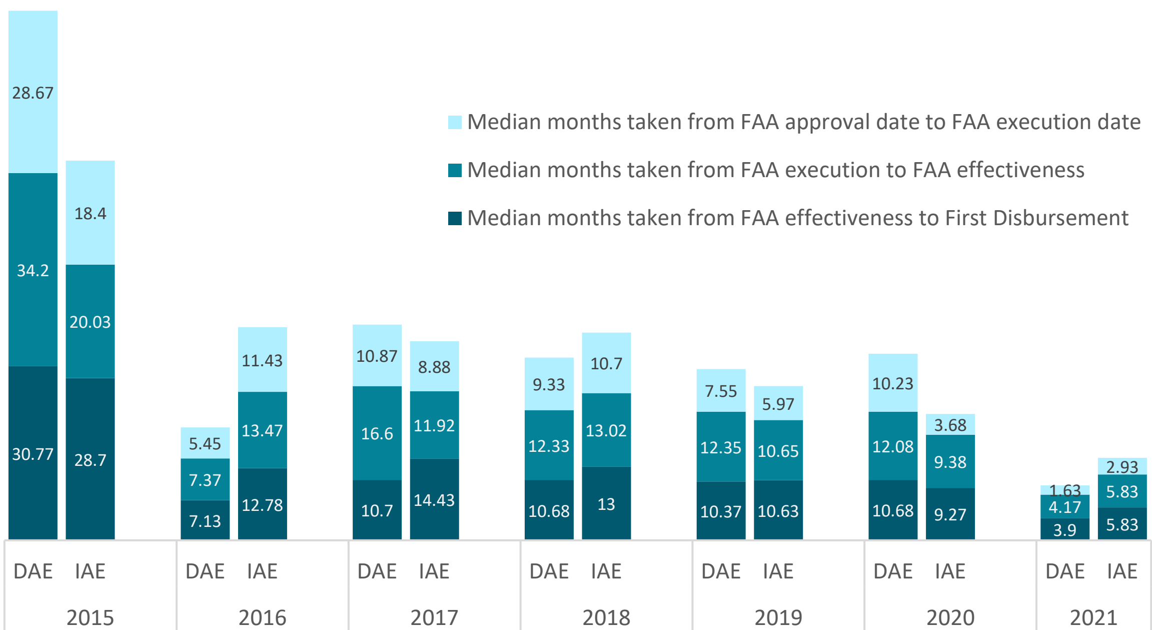


Figure 2. Time taken for GCF board approval to FAA effectiveness and first disbursement (median months) by entity type over time (by approval year)

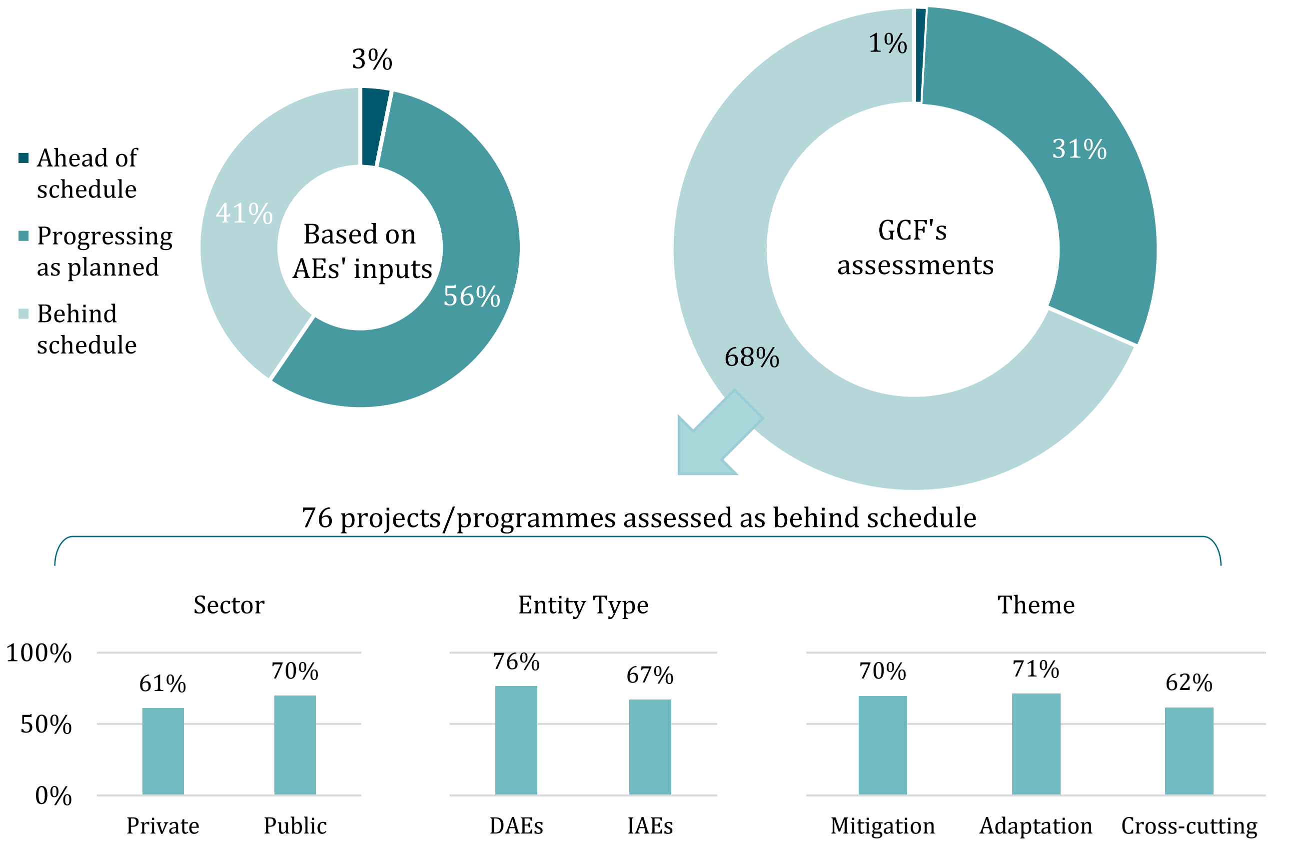


Implementation progress

49. Overall, the GCF Secretariat assesses that 31 per cent of the projects/programmes are on schedule, deviating from the 56 per cent indicated by AE's self-assessments (see figure 3 below). The gap between the two assessments stems from the use of different analytical approaches. AE's self-assessments were focused on individual activities. Meanwhile, the Secretariat's assessments went beyond the activity-level assessments used by AEs, and considered financial performance, implementation progress against gender action plans and environmental and social management plans, upcoming extension/restructuring requests and information from engagements with AEs.

50. Out of the projects/programmes assessed by the Secretariat to be behind schedule, the public sector portfolio and DAE portfolio have a higher share compared to the private sector and IAE-led portfolios. Both thematic areas are almost equally affected, with 70 per cent of mitigation projects/programmes and 71 per cent of adaptation projects/programmes being assessed as behind schedule. The proportion of cross-cutting projects/programmes assessed as delayed is slightly lower (62 per cent).

Figure 3. Summary of implementation progress assessed by accredited entities and the Secretariat (per cent of projects/programmes)



Notes: The top left chart shows a portfolio-level summary of implementation progress reported for 126 projects/programmes by AEs through their APR 2021s. The projects/programmes having no activities due for reporting *and/or completed activities are excluded. The top right chart and the subcharts below show the portfolio-level summary of the Secretariat's assessment based on the review of APR 2021s as well as evaluation reports submitted by AEs.*[9]

51. The Secretariat assessed that, as of December 2021, the total number of projects/programmes facing implementation delays against approved timelines or requiring close monitoring due to the impact of the COVID-19 pandemic stood at 66, accounting for 48 per cent of the portfolio under implementation.[10] Fifty-four per cent of projects /programmes were affected by travel restrictions leading to interruptions in field activities, while supply chain challenges affected eight per cent of projects and six per cent of projects reported cost increases related to goods and services. Another factor causing delays in progress was political upheavals or transitions in host countries, however this affected less than 10 per cent of the whole portfolio. Annex I of this document provides a detailed update of the pandemic's impact on the GCF portfolios. The Secretariat will continue to update the Board on the impact of the pandemic on the portfolio as we obtain more information from AEs as they assess the impacts and develop strategies to address the delays and other effects.

2.2 Progress on results

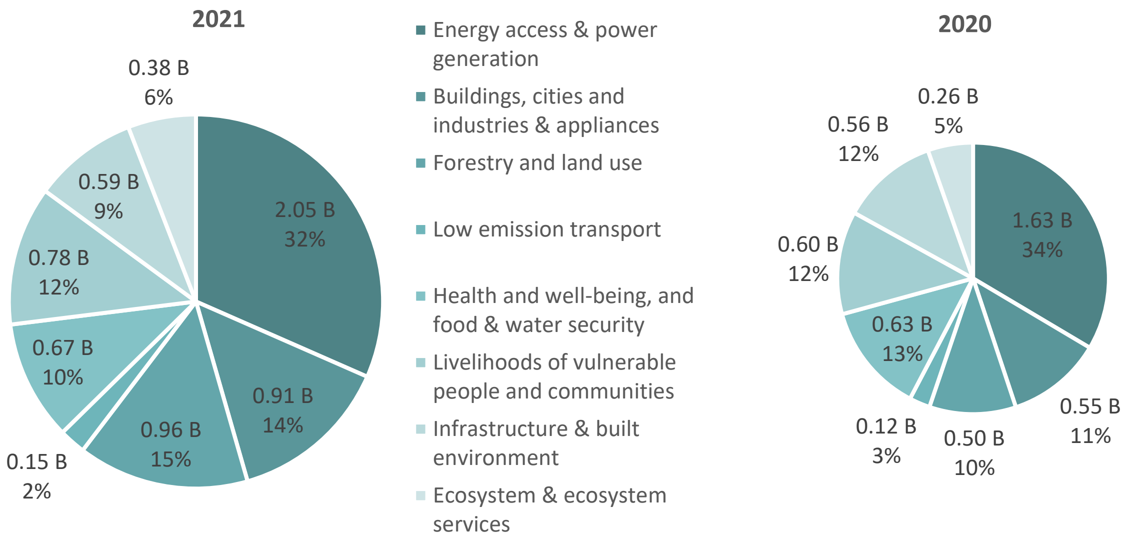
Portfolio composition by result area

52. The GCF continues to track results from its investments in the eight results areas. As shown in figure 4, the mitigation portfolio under implementation continued to be predominantly concentrated on energy access and power generation (32 per cent, or USD 2.05 billion of total GCF funding (USD 6.49 billion)), followed by forestry and land use (15 per cent, or USD 0.96 billion) and buildings, cities, industries and appliances (14 per cent, or USD 0.91 billion).[11] The increase in investments from 2020 to 2021 in these three results areas were USD 0.44 billion, USD 0.46 billion and USD 0.36 billion, respectively. The low-emission transport sector has the lowest investment share at 2 per cent of the total portfolio (USD 0.15 billion for 2021).

53. For the adaptation portfolio under implementation, the results area of livelihoods of vulnerable people and communities had the highest share (12 per cent, or USD 0.78 billion of total GCF funding), followed closely by health, wellbeing, food, and water security at 10 per cent (USD 0.67 billion) and infrastructure and built environment at 9 per cent (USD 0.59 billion). The smallest share was ecosystem and ecosystem services, amounting to 6 per cent (USD 0.38 billion) of the total funding.

[9] Note that the review of APR 2021 is ongoing as of September 2022. The figure will be subject to change following the finalization of the APR 2021 review process.
[10] The projects/programmes with the APR 2021 submission waived were excluded in this analysis.
[11] Note that while 152 projects were under implementation, meaning whose FAA reached effectiveness stage as of 31 December 2021, the figures under the portfolio composition by results area represent the breakdown for 145 projects that have received disbursements as of 31 December 2021. This means seven projects that were under implementation but did not receive first disbursement were excluded.

Figure 4 GCF funding under implementation result areas (in USD)



Abbreviation: B = billion.
Note: In blue shades: Mitigation result areas. *In green shades*: Adaptation result areas.

Impacts and achievement rate of the portfolio

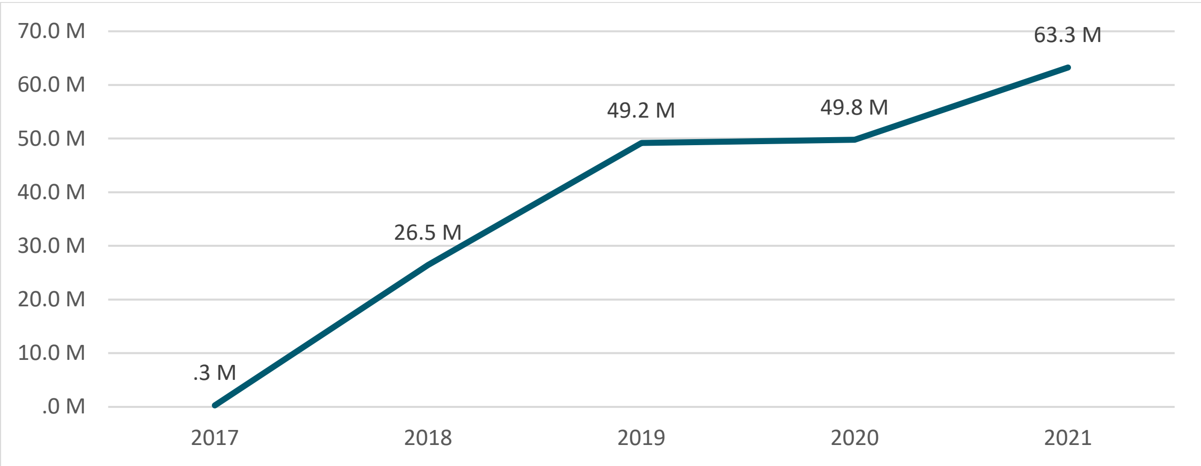
54. The analysis below is of data collated from 129[12] projects/programmes under implementation which submitted APRs in 2021, and two projects which were completed by the end of 2021.[13] As the projects under implementation mature, projects/programmes are reporting tangible climate results. From the 67 mitigation and or cross-cutting projects under implementation, a total of 63.3 million tonnes of carbon dioxide equivalent (tCO_2eq) was reported to have been achieved by 27 projects as of the end of 2021[14] (see figure 5). This is eight per cent of the estimated 775 million tCO_2eq of emissions reduction targeted by the end of project implementation and five per cent of the estimated 1.4 billion tCO_2eq reduction targeted over the lifetime of these projects.[15] While the achievement rate vis-à-vis the lifetime targets may be considered rather small, it should be noted that the actual reduction in GHG emissions is a gradual process over the project lifetime. This, depending on the project type, may be as long as 40 years or more. In many mitigation projects, emissions reductions occur towards the end of implementation or even after that, as in the case of projects linked to large infrastructure investments (e.g. wind or solar power plants). The average maturity rate (average percentage of

[12] The eight investments in the GCF REDD+ results-based payments (RBP) pilot programme are not included in this analysis.
[13] Note that while 152 projects were under implementation, meaning whose FAA reached effectiveness stage as of 31 December 2021, the impacts and achievement rate of the portfolio was analyzed for a total of 129 projects, including 129 projects which submitted their APR 2021s by August 2022 and two projects which were completed by the end of 2021. This means the projects that were excluded from the analysis under this section: 1) six projects that were under implementation and received disbursements but did not submit APR 2021 as of August 2022; 2) seven projects that were considered 'under implementation' but did not receive first disbursement; and 3) eight investments that are in the GCF REDD+ RBP pilot programme.
[14] Note that the review of APR 2021 is ongoing as of September 2022. The figure will be subject to change following the finalization of the APR2021 review process.
[15] Note the estimate from each project under implementation was aggregated to produce the portfolio level estimate.

how much time has elapsed vis-a-vis the total project duration) of those projects that reported the achieved reduction of 63.3 million tCO_2eq was 37 per cent.

55. The Secretariat has developed a model (which follows the project implementations' assumptions in Schedule 5 of each FAA) to enable GCF to estimate the expected annual emission reductions for each project and programme over their lifetime. As per the model, 36 projects are supposed to be reporting an aggregate emissions reduction of 46.1 million tCO_2eq. However, as mentioned in the preceding paragraph, by the end of 2021, 63.3 million tCO_2eq were reported by 27 projects. Hence, the overall portfolio reports 135 per cent of the estimated target per the model. The Secretariat is working closely with AEs to strengthen and verify result reporting in line with implementation delivery and implementation realities, and versus the initial model assumptions.

Figure 5 Cumulative mitigation impact results (ex-post results) in tCO_2eq by year

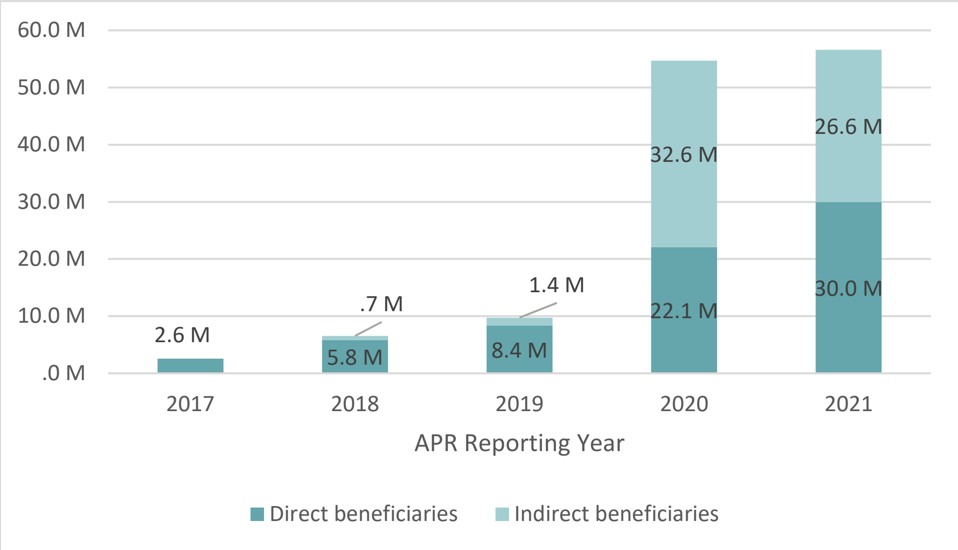


Abbreviations: tCO2eq.= tonnes of carbon dioxide equivalent, M = million.

56. These mitigation impact results exclude 99.7 million tCO_2eq attributable to the eight claims, totaling USD 496.7 million, under the GCF REDD+ Results-Based Payments (RBP) pilot programme. These RBPs were claimed by the participating countries for GHG Emission Reductions achieved in the past (between 2014-2018) which were not the result of GCF investments. Though GCF has applied its commitment authority to these claims, the results of these claims are not reported against the mitigation targets of the GCF portfolio.

57. As of December 2021, the 97 projects under implementation that include adaptation as a target area benefited 56.6 million people (30 million directly) (see figure 6). This achievement accounts for 22 per cent of the total target of 253 million beneficiaries from the GCF projects under implementation. Among those projects that reported the adaptation benefits, the average age (in percentage) – i.e., project implementation time elapsed vs. the total project duration – was 45 per cent.

Figure 6 Cumulative adaptation results (direct and indirect beneficiaries reached) by year



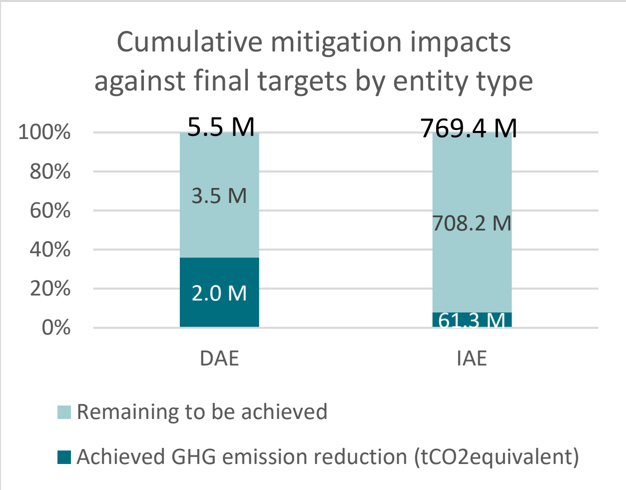
Abbreviations: M = million.

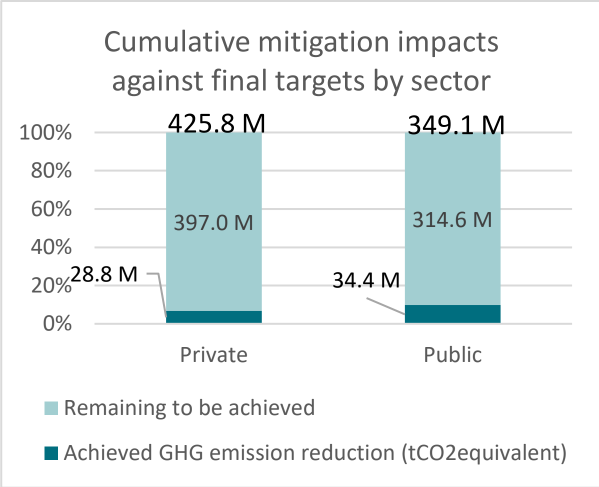
58. When the actual mitigation results achieved were compared and analyzed by parameters such as entity type and sector, some variations in performance were observed. For example, as shown in figure 7 (left side), DAEs are on average performing better than IAEs in achieving GHG emission reduction targets, as the DAE portfolio recorded a 36 per cent achievement rate against the final target of a 5.5 million tCO_2eq emission reduction. While on average, DAEs seem to be performing better, 62 per cent of the achieved emission reduction from DAEs was reported by one completed project. On the other hand, the average achievement rate of the IAE portfolio was eight per cent against the final target of a 769.4 million tCO_2eq emission reduction. Note that the actual reduction amount achieved for the DAE portfolio was smaller since the DAE mitigation portfolio under implementation is much smaller than the IAE portfolio; of the 67 mitigation and/or cross-cutting projects under implementation, the DAE portfolio consisted of 13 projects vis-à-vis 54 IAE projects.

59. The average mitigation achievement rate was similar for the private and public sectors, recording seven per cent and ten per cent achievement rates, respectively (see figure 7(right side)).[16]

[16] Note that of the 75 mitigation and or cross-cutting projects under implementation, the private sector portfolio consisted of 22 projects vis-à-vis 53 public sector projects.

Figure 7 Cumulative mitigation impacts and achievement rate against final targets by entity type and sector



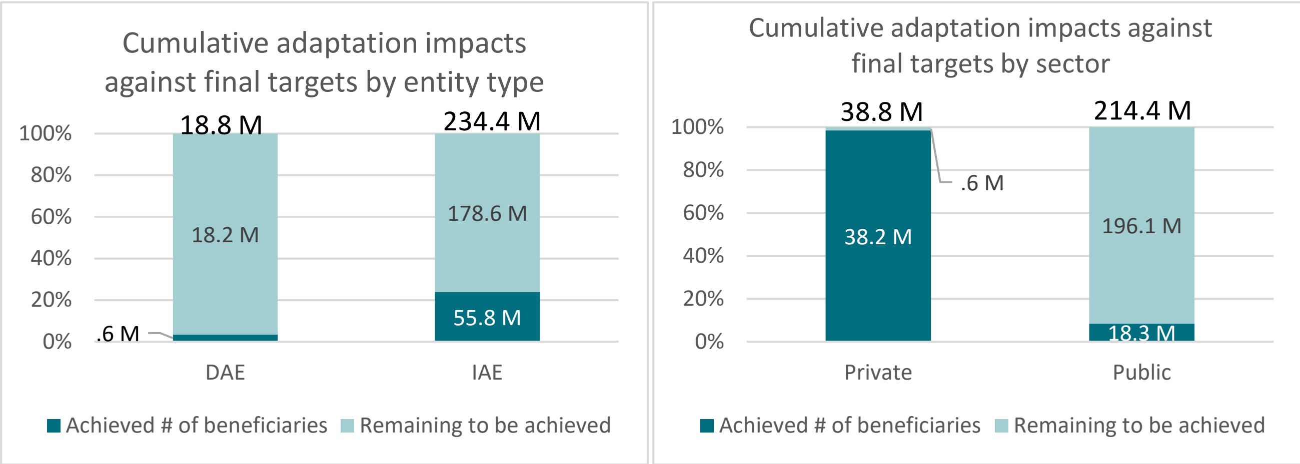


Abbreviations: DAE = direct access entity, IAE = international access entity, M = million.

60. Similarly, the actual adaptation results were analyzed by entity type and sector. As shown in Figure 8. Cumulative adaptation impacts and achievement rate against final targets by entity type and sector(left side), the IAE portfolio is performing better than the DAE portfolio in delivering climate change adaptation benefits, recording a 24 per cent achievement rate (vis-à-vis 3 per cent achievement rate for the DAE portfolio). Note that the actual number of beneficiaries reached for the IAE portfolio was larger in line with the larger IAE adaptation portfolio under implementation compared to that of the DAE portfolio; of the 97 projects under implementation targeting adaptation results areas, the IAE portfolio consisted of 79 projects vis-à-vis 18 DAE projects. For both these portfolios, the results were driven by a few projects who reported strong performance.

61. In terms of progress by sector, Figure 8. Cumulative adaptation impacts and achievement rate against final targets by entity type and sector (right side) shows that private sector projects are outperforming the public sector projects with 98 percent achievement rate, or 38.2 million beneficiaries reached against a total target of 38.8 million (direct and indirect) beneficiaries. This high achievement rate for the private sector portfolio is influenced by one outlier project which reported results that significantly exceeded the initially targeted population in providing sustainable green energy sources. Meanwhile public sector projects are making steady progress, recording a nine per cent achievement rate.

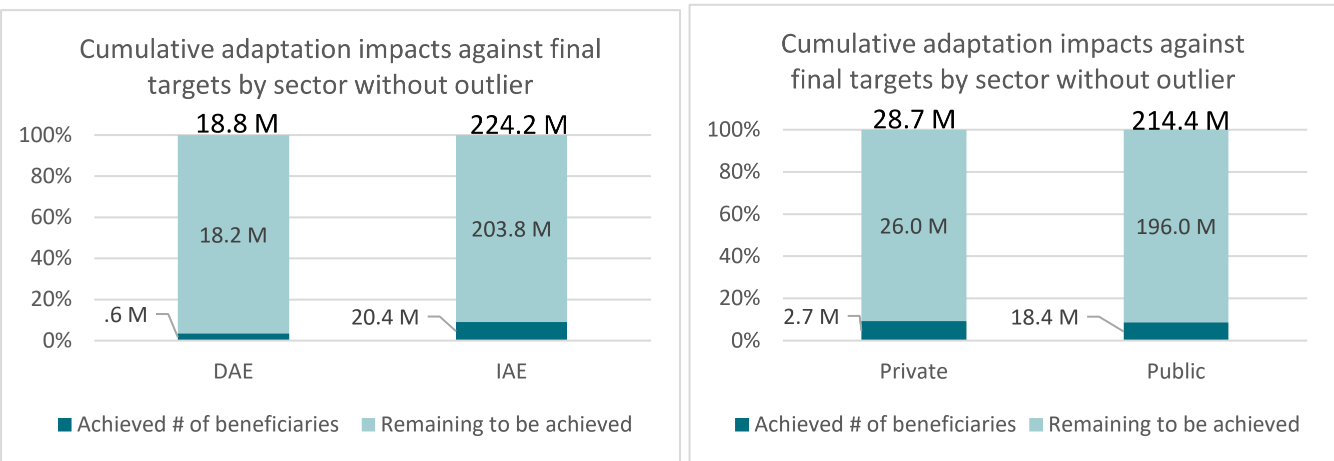
Figure 8. Cumulative adaptation impacts and achievement rate against final targets by entity type and sector



Abbreviations: DAE = direct access entity, IAE =international access entity, M = million.

62. If the outlier project is removed from the analysis, the actual adaptation results show a different picture. As shown in figure 9 (right side), the private sector portfolio and the public sector portfolio are achieving at a similar rate, recording a 9.3 per cent and an 8.6 per cent achievement rate respectively. In the same manner, without the outlier, the achievement rate for the IAE portfolio went down to nine per cent from 24 per cent while that of the DAE portfolio remained the same. The Secretariat will be engaging with the outlier project to further analyze and verify the reported results.

Figure 9 cumulative adaptation impacts against final targets by sector and entity type without outlier



Abbreviations: DAE = direct access entity, IAE =international access entity, M = million.

63. Since AEs' reporting of performance against the investment criteria is qualitative in nature and difficult to aggregate at the portfolio level, this report includes sample reporting for two projects: FP013 "Improving the resilience of vulnerable coastal communities to climate

change related impacts" in Viet Nam and FP017 "Climate action and Solar Energy Development Programme in the Tarapacá Region in Chile", as displayed in boxes 1 and 2 below.

Box 1. Improving the Resilience of Vulnerable Coastal Communities to Climate Change-Related Impacts in Viet Nam (FP013) – Adaptation

The context: With its 3,260 km of coastline, monsoon climate, and comparatively low elevation, Viet Nam and its people have a long-standing familiarity with the annual risk of typhoons, storms, floods, drought, landslides, and saltwater intrusion. Rapid economic growth, migration, and urbanization, however, have all been increasing the country's vulnerability to disasters, while climate change is intensifying the impact of climate-related hazards and sea level rise presents challenges that will stay for decades to come.

These trends place Viet Nam's coastal and low-lying delta areas at particular risk. 47 million – nearly half of its population – live in coastal provinces, around 11.8 million of whom are exposed to the threat of intense flooding.[1] Their homes are usually affected by typhoons, and many of the most vulnerable end up living in temporary and unsafe housing. At the same time, mangrove forests – which provide a vital buffer against storms, saltwater intrusion, and coastal erosion – have been significantly reduced in recent decades, while the absence of rigorous climate risk information places considerable limitations on climate-resilient planning and adaptation investments.

A suitable solution to addressing climate change and promoting sustainable development in these vulnerable coastal areas must find a balance between socio-economic growth and environmental protection.

The project: The GCF-funded project **Improving the Resilience of Vulnerable Coastal Communities to Climate Change-Related Impacts in Viet Nam** (2017-2023) employs a pro-poor participatory approach aiming to ensure that women and men benefit equally from investments in resilience-building, simultaneously working towards three complementary results: (i) building storm- and flood-resilient houses, (ii) restoring coastal mangroves, and (iii) enhancing access to climate and disaster data to support risk-informed planning in all 28 coastal provinces.

Each of the project's three components is critical to meeting its overall objective. Implemented separately, they would have a limited impact, but together they promote a transformational change by enabling the Government of Viet Nam to comprehensively tackle the complex issues at hand, resulting in an adaptation solution that will have significant long-term benefits for poor and marginalized coastal communities.

Impact potential: Since 2017, the project has brought considerable economic, social, and environmental benefits to the people and areas it supports. As of the end of December 2021, the project had completed its targets of 4,000 resilient houses and 4,000 hectares of mangroves, while its community-based climate change and disaster risk management training courses had already reached more than 46,000 people (approx. 48% women). The courses included specific requirements to involve representatives from vulnerable groups, including those with disabilities, minority groups, youth, and the elderly. Overall, nearly **80,000 people** have benefited to date, and the project's achievements have been highlighted not only in national media, but also on global platforms such as UNDP Climate and the World Economic Forum.

Project-supported activities continue to contribute many benefits, including increasing access to safe housing for high-risk, low-income households, reducing injury and loss of life due to extreme climate-related hazards, strengthening inclusive planning, improving two-way communications as part of annual socio-economic planning, and enhancing community engagement to protect natural heritage through nature-based solutions.

Paradigm shift potential: The project is on track towards achieving its two complementary transformative effects: 1) increasing community participation and strengthening synergies between ongoing government programmes to enhance their effectiveness and sustainability, and 2) increasing the quality and access to data that can support more accurate risk management and contribute to a more conducive environment for risk transfer product development in Viet Nam.

The overall design of the project underscores the engagement of coastal communities, as their commitment is critical to ensuring long-term resilience. Following a new ministerial policy document supported by the project, seven provinces have integrated climate risk information into their new Socio-Economic Development Plans (SEDP) for 2021-2025. This new set of risk-informed SEDPs are expected to prevent the creation of new risk through private and public investments, contributing to reducing the socio-economic impact of disasters and leading towards sustainable development at the sub-national level.

Building on its work expanding access to risk data, UNDP is engaged with the Ministry of Finance to develop disaster and climate risk financing and risk transfer solutions. Viet Nam has been selected as one of the pilot countries in the framework of UNDP's global Insurance and Risk Financing Facility, which has led to the allocation of additional resources to collaborate with private sector partners in developing specific disaster risk insurance products for coastal cities.

Sustainable Development potential: The sustainability of the project is a key priority. Its objectives are closely aligned with the priorities and legal mandates of their respective focal ministries, creating greater incentives for partners to ensure that project activities contribute to longer-term sustainable development and can be sustained beyond the project timeframe.

The project has provided considerable technical support to government programmes and policies, including both Viet Nam's new Climate Change Strategy to 2050 and a national programme on coastal forest protection, which has provided an opportunity to integrate its lessons learned into the country's longer-term climate change policies.

Following the success of the project's community-based interventions, the government has decided to expand risk management and awareness-raising activities to all 28 coastal provinces with project support. The project also supported the development of the government's new nationwide 10-year community-based disaster risk management (CBDRM) programme covering the 2021-2030 period endorsed by the Prime Minister.

Sustainable Development Spotlight: Resilient Houses: The project has received significant praise especially for the success of its **resilient houses**. The voices of beneficiaries have been placed at the forefront of all efforts, and risk profiles and cultural aspects have been meticulously integrated into design, planning, and construction processes to ensure that the resilient houses are tailored to the needs of their owners and locations. During a series of record-level floods and storms in the autumn of 2020, the houses proved extremely effective, saving lives and livelihoods while drawing considerable attention from both the media and high-level government officials.

Since then, the project has mobilized funding from other development partners to construct additional houses in especially disaster-prone areas of Quang Binh and Quang Ngai provinces and provided resilient house repairs to more than 3,300 homes damaged in the 2020 storm season. Moreover, it has successfully secured financing from the Korea International Cooperation Agency (KOICA) to build not only an additional 400 resilient houses, but also 50 resilient commune health stations in Quang Ngai, Thua Thien–Hue, and Binh Dinh provinces, expanding the impact and lessons of the model beyond residential housing into other sectors. Lastly, thanks to savings from its mangrove restoration component, the project will be able to support the construction of another 1,050 resilient houses using its own resources by the end of June 2023.

Principles drawn from project results are presently being incorporated into the Ministry of Construction's new national housing programme for 2022-2025, and the models have already been highlighted at the international level as a best practice worthy of replication in other high-risk coastal regions.

Photos (left to right):
An emergency worker in a boat hands supplies to an elderly recipient of one of the project's resilient houses during record-setting floods in Thua Thien–Hue province in November 2020. (Photo: UNDP Viet Nam)
Overhead shot of one of the project's mangrove forests in Quang Ngai province. (Photo: Ngoc Duong / UNDP Viet Nam)
A woman who has received sustainable livelihood support through the project's mangrove activities in Nam Dinh province holds up one of her crabs to the camera. (Photo: Ngoc Duong / UNDP Viet Nam)

Box 2. Climate and Solar Energy Development Programme in the Tarapacá Region in Chile – Mitigation





The context: The Atacama Desert is one of the driest deserts in the world and with a vast area of the highest levels of solar radiation worldwide. Its' attractive characteristics have high potential to provide not only clean energy to the main electrical system of the country, but also the development of the economy in the area through the participation of the local communities. Following a variety of developments for grid reinforcement and interconnection, including the preliminary lower voltage interconnection of the two grids in November 2017, the interconnection of the SIC and SING via a 500 kV transmission line was completed in 2019, resulting in a single grid called the SEN (National Electric System, for its name in Spanish). In 2018 the electricity from solar photovoltaic plants increased to 7%, but the SEN still included over 54% of total energy generation from thermal sources, namely coal and natural gas.

The project: The **Climate Action and Solar Energy Development Programme in the Tarapacá Region in Chile (Atacama Solar Project)** was designed from 2015 to 2016. At the time of the design of the solar plant, the country was still heavily dependent on fossil fuels, which were mostly imported, and hydrological sources, which were becoming less reliable. In 2016, the national electricity system had two large interconnected systems: the Interconnected Central System (SIC) and the Norte Grande Interconnected System (SING); 3% of the electric energy came from solar photovoltaic plants.

The project was presented to the GCF by CAF – Development Bank of Latin America and was approved in June 2016. The objective was to contribute to a shift toward low-emission sustainable development pathways in the energy sector of Chile, with a specific objective of reducing emissions from power generation by around 184,872 tCO_2 per year, and of developing and connecting large-scale clean energy power generation to achieve Chile's goal of 20 percent of power generation from renewable sources by 2025.

The Atacama Solar Project had the goal of diversifying the power generation mix in the SING, thereby reducing the emissions intensity of energy in this region, through the construction of the 150 MW PV plant and the 45.5 km transmission line to connect it to the Lagunas Substation. The project was completed in 2021 and encompassed implementation of three components. Component 1 was the development, construction, commissioning, and commencement of commercial operations of a large-scale solar park (150 MW installed capacity) in the Atacama Desert of Chile. By the end of 2020 the construction was completed, and the Commercial Operation Date was June 9, 2021. The solar park has generated and delivered to the Chilean grid an average of 37,220 MWh per month. Component 2 was the modelling, development, construction, and connection of the Atacama Solar PV plant via a 45.5 km transmission line to the Lagunas Substation. The associated construction was completed in 2020. Component 3 was aimed at Stakeholder Engagement, including improving women's participation in the project, developing, and implementing local Capacity Building Approach.

Performance against investment Criteria: At completion in 2021, the Project reported good performance against the GCF investment criteria, notably as per the following:

Impact potential: The Atacama Solar Project has an installed capacity of 150 MW with an annual energy generation of 470 GWh, both greater than initially planned (these increases did not occupy larger areas nor cause more environmental impacts). The average emission factor for 2021 of the SEN is 0.4087 tCO_2/MWh. The achieved mitigation impact is 182,548 tCO_2e/year of tCO_2 equivalent, and lifetime emission reductions of 4,277,718 tCO_2e (25-year life and assuming a 0.98% annual efficiency deterioration).

The **paradigm shift** to which the Atacama Solar Project has contributed, is now visible in the energy sector of Chile. At the time of funding in 2016, only 186 MW of solar power capacity existed in the whole area of the northern interconnected system. As one of the first photovoltaic projects in the region, the Project was a pioneer in technology and installed capacity and was promoted extensively as an example by the national government through national platforms. Sebastian Piñera, president of Chile, participated in the inauguration of the solar plant.

The grid interconnection potential has been realized as the united SEN (National Electric System) national grid, and the increasing number of projects from Non-Conventional Renewable Sources in the northern part of the country, including the Project, has allowed the reduction of coal fired power plants nationally. The country has scaled up solar photovoltaic projects and in 2021 had 3,720 MW of solar plants in construction phase, with an investment of USD 3,526 million, including 992 MW of solar energy in the Atacama Region, as compared to only 66.9 MW of thermal energy capacity under construction in the same region.

The Project has contributed to achieving Chile's expanded goal to aim for 60 percent of its power generation to come from clean sources by 2035 up from its original target of 20 percent renewable electricity generation by 2025, since the country had already met this original target in 2020. The positive national progress in the sector led the government of Chile to announce, at COP26, that it would move its target to end coal fired power generation forward ten years to 2030, instead of the original plan for 2040.

The Project's **Gender Action Plan** reflected the project context and conditions and aimed to improve the working and educational opportunities of women in the energy sector through the inclusion of women in the Project. Notable outcomes were the inclusion of women in the workforce of the Project at levels above the national average for the sector; implementation of a non-discrimination policy that resulted in zero gender discrimination grievances or complaints during the Project duration; awareness raising of the role of women in energy projects; and capacity building and training that resulted in several local women acquiring new skills and knowledge relevant for the Project and solar photovoltaic plants, in general.

2.3 Environmental and social safeguards, gender, and indigenous peoples

Portfolio's environmental and social risk categorization

64. Consistent with the overall GCF ESS policy, projects/programmes under implementation fall under three ESS categories: minimal or no adverse environmental and/or social risks and impacts (category C/low level of intermediation (I-3)); having limited adverse environmental and/or social risks and impacts (category B/medium level of intermediation (I-2)); and having significant adverse environmental and/or social risks and impacts (category A/high level of intermediation (I-1)). The approved portfolio has over 75 per cent of projects/programmes assigned as B or I-2 category as is shown in figure 10 below.

Status of AE compliance with ESS and gender-related requirements in legal agreements

65. APRs reported on the implementation of environment and social management frameworks (ESMFs)/environmental and social management systems (ESMS) and environmental and social management plans (ESMPs), and compliance with conditions and covenants in FAAs (for projects and programmes with activities already underway) relating to ESS, gender, and indigenous peoples. ESS activities that were undertaken by AEs in 2021 included the preparation of environmental and social impact assessments/analyses; ESMPs; indigenous peoples' plans; resettlement action plans; conduct of inception workshops; procurement of civil works; planning for construction; set-up of stakeholder engagement plans; recruitment of safeguards personnel and consultants; and the establishment of legal and implementation arrangements with governments and EEs.

66. In line with GCF's requirements to institutionalize the AE-specific grievance redress mechanisms (GRMs), 108 projects/programmes reported the establishment and operationalization of GRMs by end of 2021. This includes bringing the contact details, accessibility, and basic procedures of such mechanisms to the attention of EEs, people, and project beneficiaries.

Overall trend of the environmental, social and gender actions plans developed and implemented

67. Many projects that were submitting their first APRs in 2021 reported establishing project steering committees, project management units and project implementation units.

68. Fifty-eight projects reported that stakeholder engagements were affected by restrictions on movement and gatherings owing to the ongoing COVID-19 pandemic during the year 2021. Nevertheless, 22 projects reported on their engagement with indigenous peoples and their knowledge, while several projects/programmes outlined their work on indigenous peoples planning and framework development. Other projects/programmes shared information about their consultations with indigenous peoples and local communities, as well as the seeking of free, prior, and informed consent. Other good practices included work to protect indigenous peoples' social, cultural, and customary rights, as well as ensuring access to payments for environmental services and benefit-sharing mechanisms. Some ESMFs, ESMPs, resettlement plans and biodiversity management plans also encouraged the needs and priorities of indigenous peoples. Some projects highlighted their efforts to advance indigenous knowledge in the context of climate change adaptation and resilience through inter- and intra-generational practices.

69. All projects and programmes under implementation that were endorsed by the Board since the adoption of the updated Gender Policy at the end of 2019 have conducted gender assessments and developed gender action plans in accordance with the GCF's gender policy and action plan. Several AEs have also refined and improved existing gender action plans in response to GCF feedback.

70. Gender-focused activities under the portfolio included training and awareness-raising activities; promoting the voices of women and girls; building agency, including ensuring their participation in consultations; equitable, relevant and timely access to information; the provision of employment opportunities; access to resilient housing and clean energy; and targeted action to support women-led/women-owned green entrepreneurs. The shift from gender sensitivity to gender responsiveness can be seen through stronger gender targets for gender mainstreaming, and more concrete actions on the ground. Compliance with the updated Gender Policy is high. The progress in compliance on gender does not automatically translate into action through implementation. This is taking time. Country circumstances dictate and inform implementation; capacity gaps are inherent and attested through assessments, and there are expectations that implementation will also face challenges, despite the identification of favourable actions towards gender responsiveness. There is still a great deal of focus on capacity-building, awareness-raising and representation in consultative processes. Guidance is being given to ensure the monitoring and reporting on qualitative changes (changes in attitudes, practices) and to also focus on enhancing women's skills as leaders and women's contributions to technical fields in various sectors.

Emerging ESS issues and challenges

71. AEs are obligated to inform EEs, people, and project beneficiaries about GCF's Independent Redress Mechanism and the AE's own GRM. In the APRs, AEs are requested to provide detailed information on the steps taken by the AE to fulfil this obligation during the reporting period in the project target area to the public, including the dissemination of information through meetings, brochures, hotlines, and other means. Two IAE AEs did not provide such information as part of their APRs, as they did not perceive this as a requirement per the AMA/FAA.

72. The increase in the volume of Secretariat workload related to the growing GCF portfolio under implementation has created an increasing challenge in relation to capacity. Specifically, required disclosure and ESS clearance procedures for subprojects for programmes (or projects that have subprojects) is becoming increasingly demanding. As the size of the GCF portfolio grows, and more programmes are added, there has been a steep increase in workload pressure on the Secretariat's ESS review capacity for subproject ESS compliance and disclosure reviews, restructuring reviews, as well as APR reviews, in addition to the upstream reviews of projects seeking Board approval.

73. The capacity-straining impact of this workload is likely to result in delays in approval and implementation of (sub)projects as well as gaps in and compromised quality of reviews, which may pose further risks for GCF or beneficiaries. This is especially relevant considering that reviews to date revealed that a number of subprojects were not fully in line with the overall ESS framework and/or the ESS category and required an enhanced level of due diligence. The Secretariat is exploring means of addressing this challenge, including through a combination of providing for an enhanced ESS capacity at the Secretariat and the delegation of ESS responsibility and accountability to AEs with the Secretariat carrying out ad-hoc checks for compliance.

Figure 10 Number of approved projects/programmes by environmental and/or social risks and impacts category and approval year

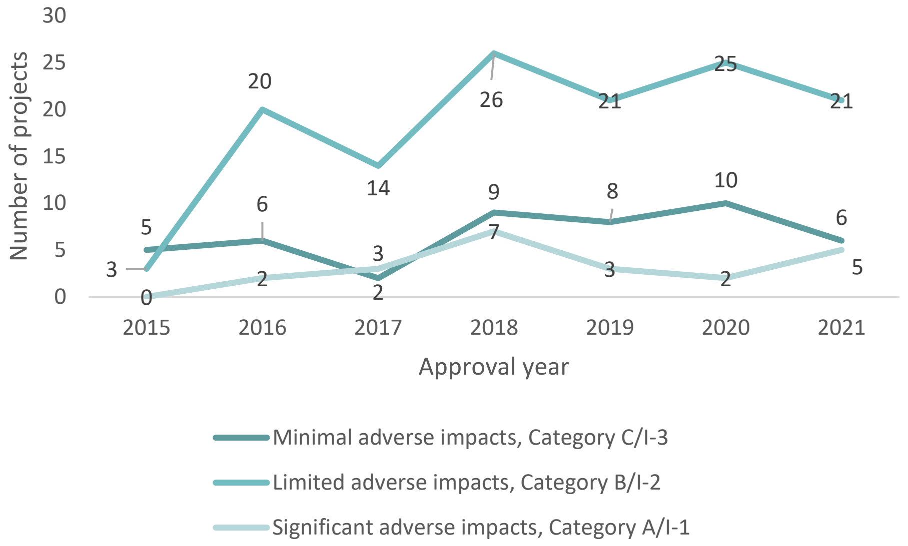
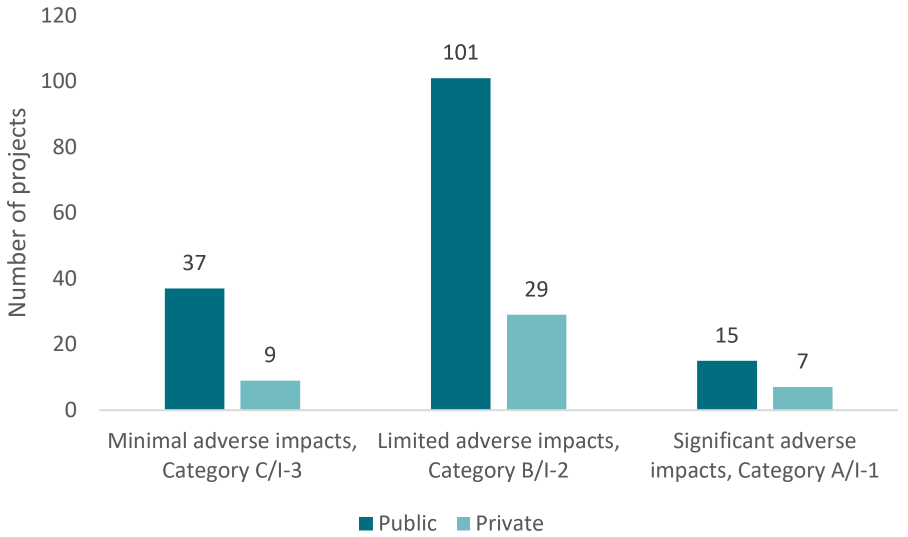


Figure 11 Project categorization of environmental and/or social risks and impacts by sector (cumulative number of approved projects/programmes)



2.4 Adaptive Management under the GCF Policy on Restructuring and Cancellation

Minor change requests in 2021

74. During 2021, there were a total of 36 minor change requests, of which 11 (30.6 per cent) were received from DAEs while 25 (69.4 per cent) came from IAEs. Of the affected projects, 8 (22.2 per cent) were mitigation projects, 18 (50.0 per cent) were adaptation projects, and 10 (27.8 per cent) were cross-cutting projects. The types of changes received can be largely categorized into: (a) project scope, which mostly related to adjustments in the activities/sub-activities or changes in target values in the logical framework to align with changes in country/project contexts (3 changes, of which DAEs had 1 and IAEs had 2); (b) financial, commonly pertaining to budget reallocation across and/or within project components or activities, changes in proportionality or quantum of co-financing from partnering entities, or changes in disbursement tranches from indicative disbursement schedules (e.g. for partial disbursement of tranches to keep the minimal levels of operational function pending restructuring outcomes(13 changes, of which DAEs had 6 and IAEs had 7); and (c) time-extension requests e.g. for extension of project completion dates or for reporting deadlines (20 changes, of which DAEs had 4 and IAEs had 16).

75. The drivers for the minor change requests can be broadly classified as either exogenous or endogenous to the projects. In terms of exogenous drivers, COVID-19 was the most common and impactful factor affecting all aspects of projects. Restrictions on international and local travel and public gatherings/meetings had a significant toll on project activities and implementation progress. The pandemic also led to supply chain disruptions, resulting in delays in procurement, price hikes in goods and services, liquidity and solvency issues in companies and financial institutions participating in projects, and an overall reduction in incomes and livelihoods of beneficiaries.

76. Other exogenous factors included the impacts of changes of host governments on project management units which were revamped and institutional changes (e.g. ministries being restructured) affecting project implementation arrangements. Changes in local market conditions as well as the introduction of regulatory frameworks and standards relevant to project activities also triggered change requests. Endogenous factors pertained mainly to delays in staff recruitment and/or obtaining required institutional approvals, and delays in review of documentation. In some instances, change requests presented by the AEs included changes to the total number of direct and indirect beneficiaries, co-financing challenges, new EEs, and variations in project activities due to higher costs versus original estimates.

Major change requests in 2021

77. During 2021, the Secretariat assessed three private sector and two public sector projects under implementation for changes that are likely to be determined as major under the Policy on Restructuring and Cancellation. The type of requested changes varies from project to project and includes variation in project scope; modification of components and/or activities; budget shortfalls; implementation delays; ESS issues, including reclassification of project ESS categorization; and revision of financial terms, such as hedging arrangements, commitment fees and interest grace periods. The review of one funding proposal was concluded, while the review of four is ongoing, with close consultation between the Secretariat and the respective AEs.

78. Several key lessons are emerging from the project restructuring process, including the following:

(a) **Infrastructure/civil works:** (i) When civil work interventions are to be financed by GCF resources, the project budget should clearly reflect the detailed cost of the civil work intervention(s). For mitigation projects, there are internationally recognized building benchmarks and technology awareness enabling the structure of precise budgets. Where specific market failures occur, it needs to be duly justified, analyzed and quantified. In the case of projects which need to consider uncertainty resulting from climate change (adaptation to more frequent climate hazards), a site-specific vulnerability analysis should lead to activities and consequently inform technical specification for civil works and subsequent budgeting. At this stage, it would be necessary to duly justify if an additional buffer in the budget is necessary (beyond the typical buffer of between 7–10 per cent for unforeseen costs). Consequently, precise budgets for civil works should be provided to avoid the underestimation of the budget and risks related to infrastructure integrity and adequacy; (ii) Disbursement of GCF funds required for the civil works interventions should preferably occur upon final completion and satisfactory approval of all required environmental and social studies to avoid, to the extent possible, situations where adverse ESS are only realized once the investment has advanced; (iii) Detailed technical feasibility studies leading to civil works specification and detailed budgeting should be part of the funding proposal package. The use of the PPF modality should be explored in case the AE needs funding for the studies; (iv) For programmes with several projects to be financed within the funding proposal package, a market study should be developed to understand all market failures pertaining to built infrastructure and related technology transfer. This is the first step to understanding the kind of infrastructure and costs that would be necessary. Secondly, feasibility studies for exemplary projects should be provided (can be examples of existing projects) to define the scope of civil works and assumptions for individual project budgets to be translated into civil works budgeting in the funding proposal package; and (v)Programme oversight needs to demonstrate that the AE will follow proper due diligence for each project preparation, approval and implementation stage. Such oversight should be commensurate with the GCF approach to single projects as presented above, including consistent technical oversight (i.e., supervision and/or inspection) to ensure design cohesion across the different civil work interventions as well as across all project activities.

(b) **Financing terms**. Greater flexibility in (the wording and implementation of) financial terms and conditions could better position AEs implementing projects/programmes in the private sector employing GCF reimbursable funds, to respond to (commercial/operational) changes in the dynamic market conditions in which they operate;

(c) **Budget**. Ideally, the allocation of 'unforeseen/contingency costs' in a budget where GCF non-reimbursable funds are to be used should include the nomination of a reasonable allowable percentage increase, as well as a clear definition of the eligible activities (e.g. to meet unexpected increase in costs related to defined civil work interventions for projects with civil works, etc);

(d) **Institutional arrangements.** A post-approval change in an EE, particularly involving non-reimbursable funds, should be considered a Major Change by default, pending clear demonstration that such change will have no material effect on technical resources and/or financial management during implementation;

(e) **Beneficiary computation.** The computation of final beneficiaries from adaptation projects financed with GCF non-reimbursable funds should be aligned with the activities that require the largest portion of GCF non-reimbursable funds to avoid situations in which reductions in the number of people benefiting from long-term measures (e.g. flood protective infrastructure or early warning systems) are compensated only by increasing the number of beneficiaries from one-off interventions and/or soft investments such as community mobilization, training, etc.; and

(f) **Risk analysis.** Change requests by AEs should ideally include a complete risk analysis/risk register as well as a description of all actions that have been, or will be, taken to mitigate all identified risk before presentation to the Secretariat. The Secretariat will seek to develop and provide AEs with a template for this purpose.

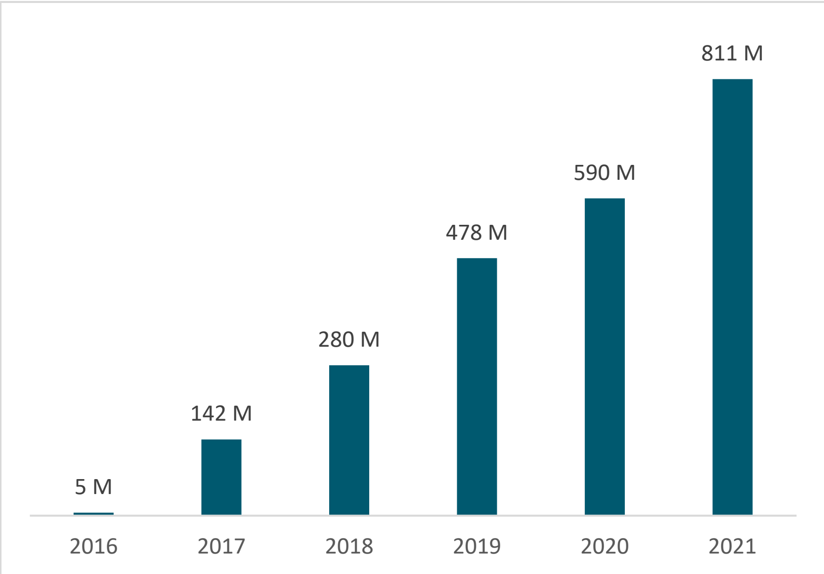
2.5 Financial performance, disbursement, and fund utilization

79. As the projects under implementation mature, their financial performance is more visible as elaborated below.[17]

Disbursements

80. The total disbursements of GCF resources increased by 54 per cent (USD 811 million), from USD 1.5 billion in year 2020 to USD 2.3 billion in year 2021 in line with the continued growth of the portfolio (see figure 12)

Figure 12 Growth in GCF disbursements from 2016–2021 (in USD)

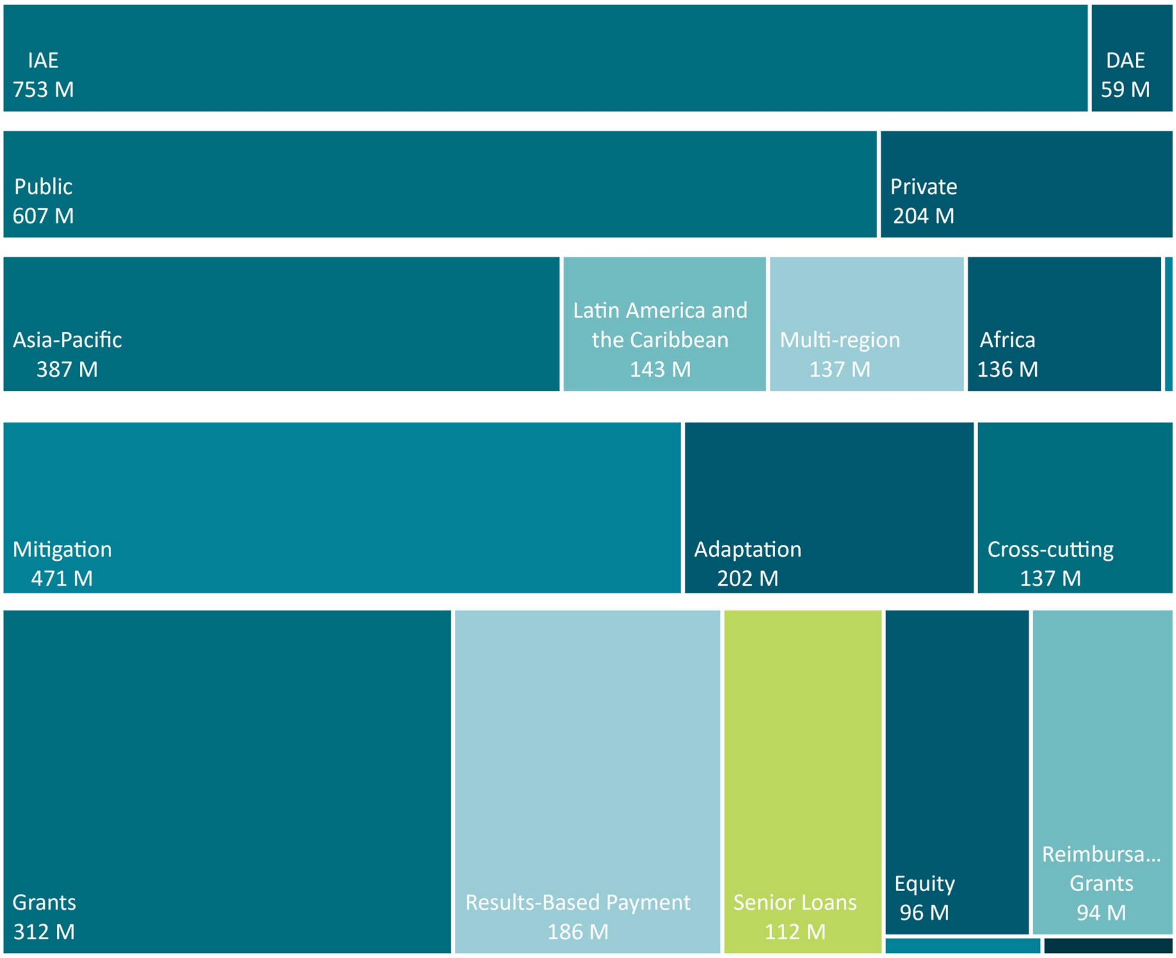


Abbreviation: M = million.

81. A split of the disbursements for year 2021 is shown in Figure 13. 2021 disbursements breakdown by entity, sector, region, theme and financial instrument below:

[17] Note that the financial analysis under this section was undertaken for 145 projects that were under implementation and received disbursements as of 31 December 2021. This means that seven projects that were under implementation (and whose FAA reached effectiveness stage as of 31 December 2021) but did not receive first disbursement then are excluded from the analysis.

Figure 13. 2021 disbursements breakdown by entity, sector, region, theme and financial instrument



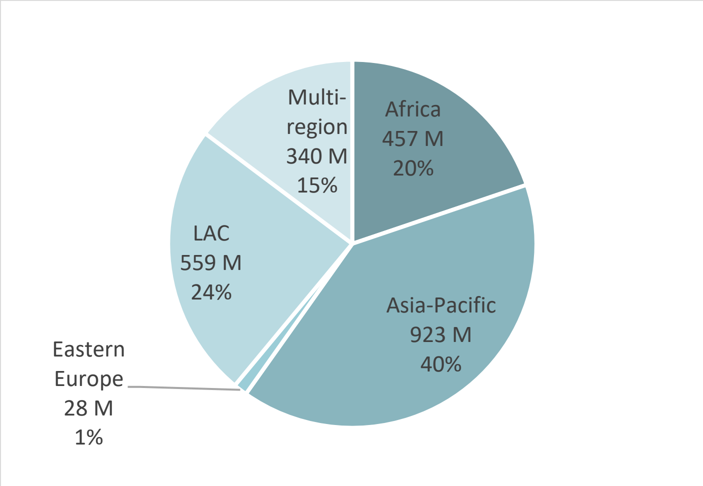
Abbreviation: M = million, DAE = direct access entity, IAE = international access entity.

82. In line with the composition of the GCF portfolio under implementation, where public sector projects/programmes account for 67 per cent of the portfolio by volume, disbursements to public sector projects accounted for 69 per cent (USD 1.6 billion) of the total funds disbursed as at the end of 2021. Private sector projects cumulatively received 31 per cent (USD 0.7 billion) of total disbursements during the year.

83. The 89:11 ratio of portfolio under implementation split in volume terms between IAEs and DAEs was reflected in the disbursements. Cumulative disbursements to projects under IAEs were USD 2.1 billion, while DAE-managed projects received disbursements of USD 0.3 billion.

84. In terms of geographical distribution, disbursements to projects in the Asia-Pacific region remain the highest, accounting for 40 per cent of the total disbursements, up from 36 per cent in the previous year. This increase was driven by two projects, which received a combined USD 204 million, driving up the region's disbursement share. Projects in the Latin America and Caribbean (LAC) region received disbursements of USD 143 million and cumulatively represents 24 per cent of the total disbursements, whereas projects in Africa received disbursements of USD 136 million during the year and hold 20 per cent of the total disbursements as of end 2021.

Figure 14 GCF disbursements by region (in USD) [18]



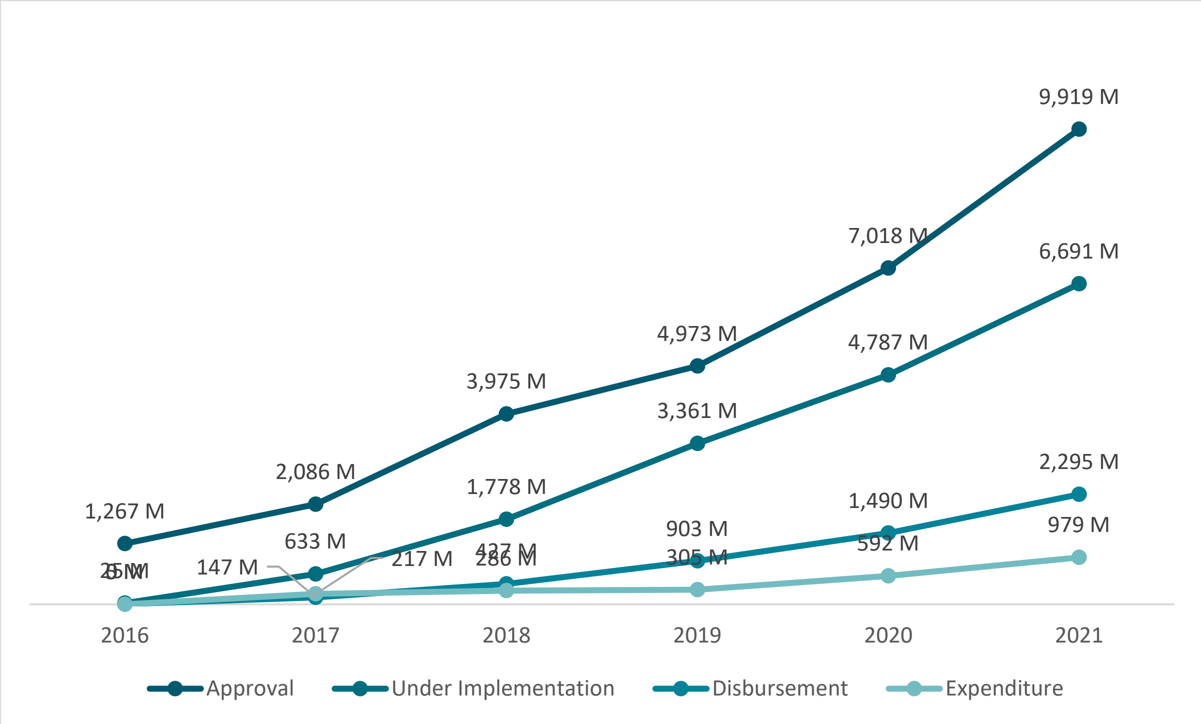
Abbreviations: LAC = Latin America and Caribbean; M = million

Expenditure

85. The portfolio under implementation demonstrated resilience as the cumulative expenditure grew by 65 per cent from USD 592 million in 2020 to USD 979 million in 2021 (see figure 15). The expenditure rate[19] exhibited an increase from 40 per cent in 2020 to 43 per cent in 2021, even as AEs reported that the pace of implementation of projects was constrained by COVID-19 impacts, supply chain bottlenecks and political challenges. For projects just commencing implementation, project kick-off activities were particularly hampered by COVID-19 restrictions on travel and the execution of field activities, as evidenced by 21 projects that reported a less than 5 per cent expenditure rate. Aside from these 21 projects in the early stages of implementation, the portfolio recorded a steady average expenditure rate of 58 per cent.

[18] The Secretariat does not require the AEs to report on the country allocation of disbursed GCF funds. Hence disbursements to four multi-regional projects are aggregated in a separate field.
[19] Expenditure rate is computed as cumulative expenditure divided by cumulative amount disbursed.

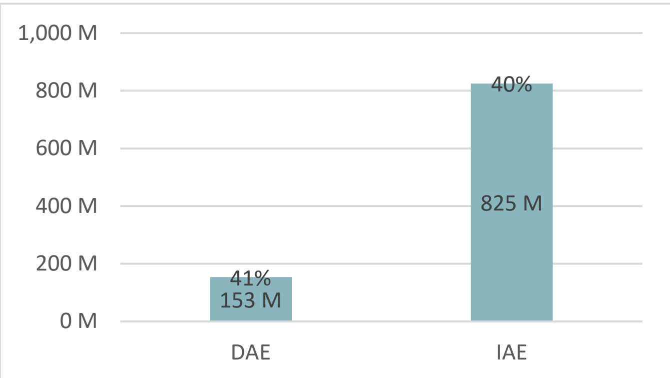
Figure 15: Cumulative trend of GCF funding under implementation, disbursement, and expenditure (in USD)



Abbreviations: M = million

86. A wide gap exists, in volume terms, between total project expenditure by IAEs (USD 825 million, or 84 per cent) and by DAEs (USD 153 million, or 16 per cent), which is in tandem with the size of the respective approved portfolio under implementation (see Figure 16 Total Expenditure Amount and Expenditure Rate by Entity Type). However, DAEs and IAEs exhibited fairly even expenditure rates of approximately 41 per cent and 40 per cent, respectively.

Figure 16 Total Expenditure Amount and Expenditure Rate by Entity Type

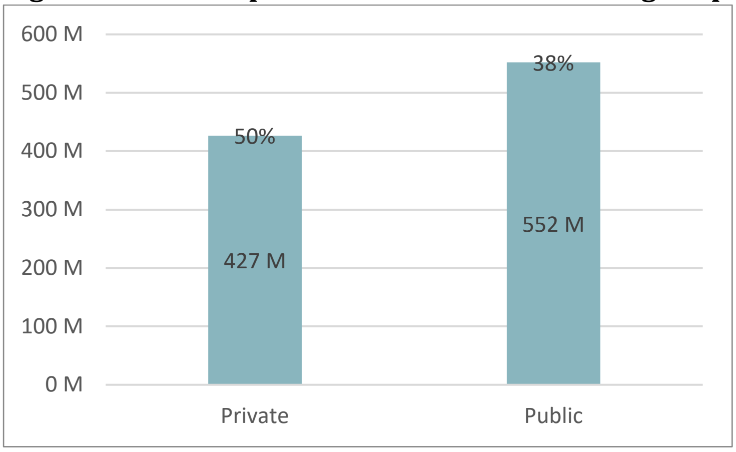


Abbreviations: M = million, DAE = direct access entity, IAE =international access entity.

87. The public sector accounts for USD 552 million (56 per cent) of the total expenditure in the portfolio compared to USD 427 million (44 per cent) for the private sector (see figure 17). Relative to the disbursements to each sector, the private sector projects/programmes exhibited

a higher cumulative expenditure rate of 50 per cent compared to 38 per cent for the public sector. The higher expenditure rate for the private sector can be partly explained by the fact that private sector projects typically employ financial instruments of equity and loans and request GCF funds at the point when the AEs have a ready pipeline of specific subprojects to be financed. This is evidenced by the observed expenditure rate of over 75 per cent for private sector projects financed via equity, and an average expenditure rate of 60 per cent for the private sector loan portfolio. The public sector expenditure is largely by way of grants channelled through government entities, which tend to be less agile compared to the private sector.

Figure 17 Total Expenditure Amount and Average Expenditure Rate by Sector

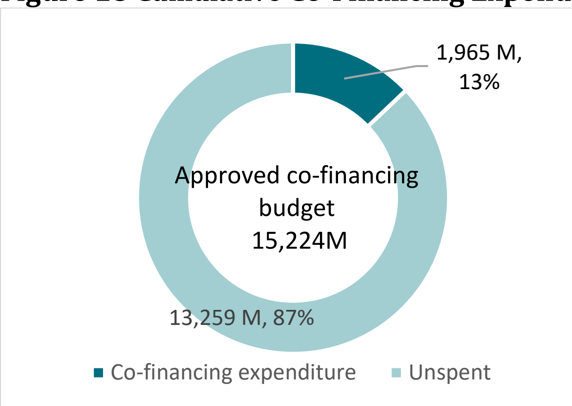


Abbreviations: M = million

Co-financing expenditure

88. The GCF projects/programmes under implementation representing a GCF investment of USD 6.5 billion are expected to mobilize co-financing of USD 15.2 billion with a co-financing ratio of 2.3:1.[20] As of 31 December 2021, co-financing of approximately USD 2 billion has been realized, representing 13 per cent of total budgeted co-financing (see figure 18).

Figure 18 Cumulative Co-Financing Expenditure against Approved Co-Financing budget

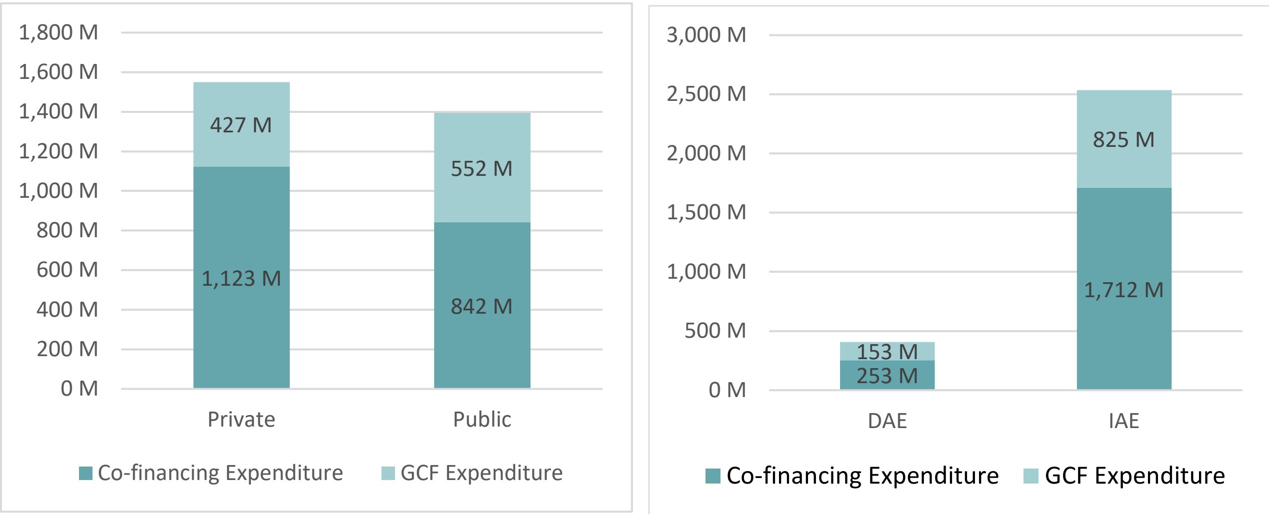


Abbreviation: M=million

[20] Note that the financial analysis under this section was undertaken for 145 projects that were under implementation and received disbursements as of 31 December 2021. This means that seven projects that were under implementation (and whose FAA reached effectiveness stage as of 31 December 2021) but did not receive first disbursement then are excluded from the analysis.

89. In terms of mobilization, the private sector has been more robust in realizing co-financing, with USD 1.1 billion cumulatively realized as of year 2021 from 17 projects representing 57 per cent of the total realized co-financing (see figure 19, left side). The co-financing from the private sector has primarily been in the form of loans. The public sector has contributed USD 0.8 billion in realized co-financing across 90 projects, predominantly by way of grants. The private sector has exhibited a realized co-financing ratio of 2.6:1, contrasted with the ratio of 1.5:1 observed for the public sector projects.

Figure 19 Cumulative Co-Financing Expenditure vs GCF Expenditure



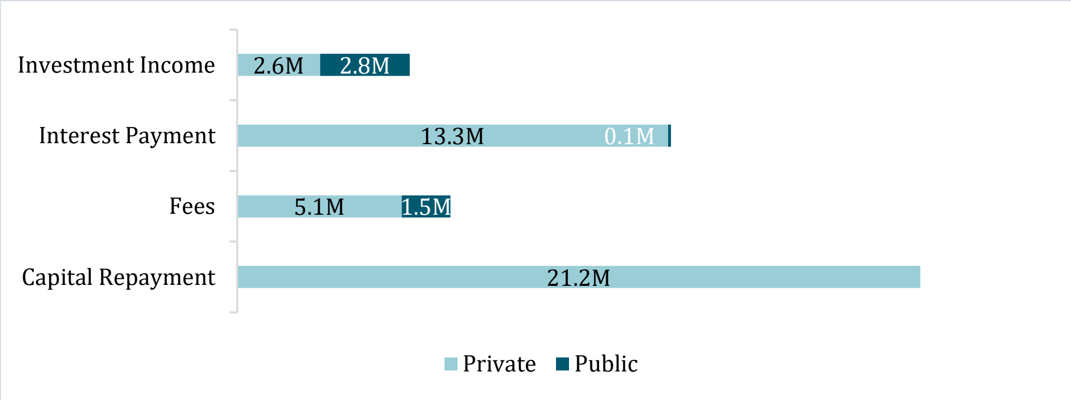
Abbreviations: DAE = direct access entity; IAE = International accredited entity; M = million

90. In terms of access modality, IAEs have harnessed realized co-financing of USD 1.7 billion (87 per cent) cumulatively compared to USD 253 million (13 per cent) from DAEs (see figure 19, right side), principally attributed to the size of the projects. Relative to the corresponding GCF expenditure, the realized co-financing ratio for IAEs is approximately 2:1 compared to a ratio of 1.6:1 for DAEs. It is worth noting that year-on-year, the realized co-financing from the DAEs grew almost threefold from USD 0.6 billion in 2020, largely attributable to co-financing disbursements relating to three loan projects. Over the same period, IAEs grew by 78 per cent, similarly driven by the loan portfolio as evidenced by realized co-financing from five large projects that accounted for 60 per cent of the increase in the year.

Reflows and investment income

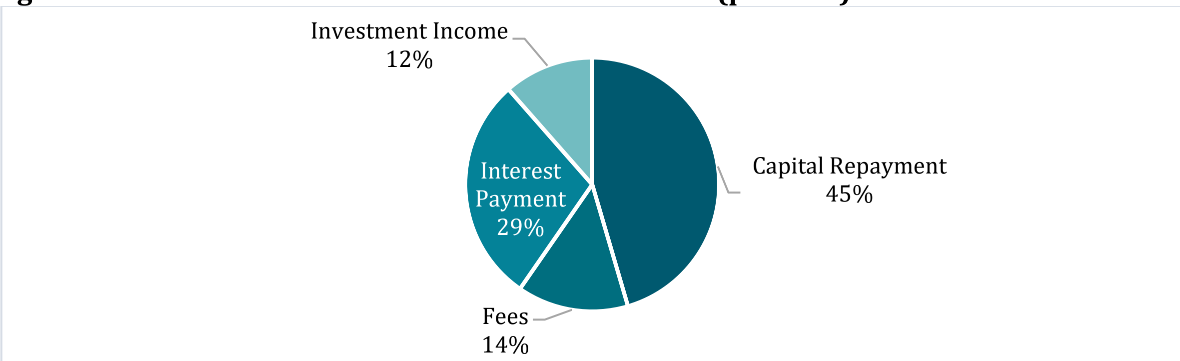
91. GCF received reflows and investment income of around USD 21.7 million in the year 2021, bringing the aggregate amount to USD 46.6 million. This consists mainly of loan repayments totalling USD 41.2 million (89 per cent), and investment income totalling USD 5.3 million (11 per cent). The loan portfolio is dominated by projects from the private sector, and this is reflected in the reflows, with the private sector contributing 96 per cent of the total reflows. No loan defaults have been reported during the reporting period. The investment income component is earned on funds disbursed by GCF but retained in projects' bank accounts pending expenditure. The split of the reflows and investment income as at the end of 2021 is shown in figures 20 and 21 below.

Figure 20 Annual reflows and investment income received (in USD)



Abbreviation: M = million.

Figure 21 Cumulative reflows and investment income (per cent)



III. PERFORMANCE REVIEW OF THE READINESS AND PREPARATORY SUPPORT PROGRAMME AND THE PROJECT PREPARATION FACILITY

3.1 Readiness and Preparatory Support Programme

92. The Readiness Programme supports country driven initiatives by developing countries to strengthen their institutional capacities, governance mechanisms and planning and programming frameworks for long-term transformational climate actions. The Readiness Programme Strategy for 2019-2021 approved at the twenty-second meeting of the Board (B.22/11) moved away from the previous input-based approaches – enshrined as "indicative activities" in decisions B.08/11 and B.13/32 and set out GCF's longer-term approach to readiness support towards outcome-based objectives. With the ambitious vision that by 2025 all GCF recipient countries would have the necessary enabling environment such as increased institutional capacity and robust country strategies to implement actions in line with national climate change priorities and GCF results areas, the strategy contains five objectives supporting this vision which are: (1) capacity-building for climate finance coordination; (2) strategies for climate finance implementation; (3) national adaptation plans and or adaptation planning

processes; (4) paradigm shifting pipeline development; and (5) knowledge-sharing and learning.

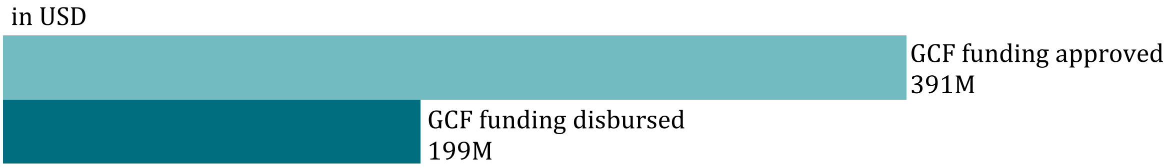
93. These five objectives are largely grouped into two broad categories including national adaptation plan (NAP) support under objective (3) which aims to support developing countries to identify country-specific adaptation needs and implement strategies to address those adaptation needs; and non-NAP support covering the other four objectives.

94. Since its adoption in 2019, the Readiness Programme Strategy has proven to be a robust framework for building the GCF portfolio of readiness support with 169 grants approved over the period of 2019-2021 to reach a total of 553 approved grants across 141 countries by the end of 2021[20]. In terms of cumulative approved funding, the amount increased from USD 226 million in 2019, to USD 305 million in 2020, to USD 391 million as of the end of 2021 (figure 22). Despite the Covid-19 pandemic, the growth of the portfolio was visible, and supported by improved operational performance of the Secretariat, saw an increase in the number of readiness proposals submitted by national designed authorities (NDAs) and focal points.

95. Of the 553 readiness grants including technical assistance approved with total funding of USD 391 million, 461 grants had received disbursements as of the end of 2021 amounting to USD 199 million (see figure 22). This translates into a 42 per cent increase in disbursement volume from USD 141 million in 2020. Similarly, the number of projects under implementation increased from 353 grants in 2020 to 407 grants in 2021. However, the percentage of grants under implementation vis-à-vis the total number of approved grants decreased slightly from 78 per cent in 2020 to 76 per cent in 2021.

Figure 22 Key information on the Readiness and Preparatory Support Programme

553	461	172	66	407	9
Grants approved	Grants received disbursements	Grants Submitted completion reports and/or final deliverables	Grants completed and closed	Grants Under implementation	Grants cancelled



Abbreviation: M = million.

96. Table 1 below provides a breakdown of the implementation status of readiness grants by type of institutions implementing readiness activities as of 31 December 2021. Notably, IAEs manage the largest number of grants (220 grants or 40 per cent), followed by non-accredited

[20] The total number of grants here (i.e. 553) includes technical assistance grants approved by the end of 2021. Note numbers presented in this section may be subject to change and will be updated as necessary at each Board meeting.

delivery partners (DPs) (216 grants or 39 per cent), national and regional DAEs (83 grants or 15 per cent) and NDAs and focal points (34 grants, 6 per cent).

97. The implementation performance varied by type of entities implementing readiness grant activities. For example, the grants managed by DAEs recorded the highest disbursement rate (58 per cent for both national and regional DAEs; 66 per cent for national DAEs and 54 per cent for regional DAEs respectively) as well as the highest expenditure rate (at 86 per cent for national DAEs).

Table 1: Approval, disbursement, and expenditure by implementing entities

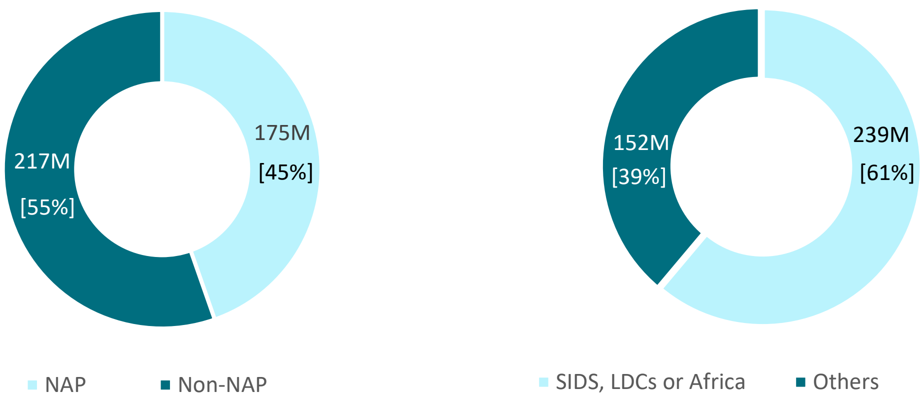
Implementing Entity	Number of Grants	Amount Approved (USD)	Amount Disbursed (USD)	Disbursement Rate (per cent)	Expenditure Rate (per cent)
International AE	220	216 M	122 M	57	77
National AE (DAE)	31	19 M	12 M	66	86
Regional AE (DAE)	52	34 M	18 M	54	74
Non-accredited DP	216	109 M	40 M	37	53
NDA/FP	34	14 M	7 M	53	60
Overall	**553**	**391 M**	**199M**	**51**	**71**

Abbreviations: AE = accredited entity, DAE = direct access entity, DP = delivery partner, FP = focal point, M = millions, NDA = national designated authority.

98. GCF aims to have at least 50 per cent of the Readiness support go to particularly vulnerable countries, including Least Developed Countries (LDCs), Small Island Developing States (SIDS) and African States. As of the end of 2021, the GCF overachieved this target as out of the 141 countries receiving Readiness support, 94 countries (66.7 per cent) were from LDCs, SIDS and or African states. In financial terms, this accounts for USD 239 million or 61 per cent of the total funding of 391 million (figure 23 (right side)).

99. The number of countries benefitting from NAP support reached 72 in 2021 from 57 in 2020 representing an increase of 26 per cent. In terms of the breakdown of the total approved funding by NAP and non-NAP interventions, the cumulative support for NAP reached USD 175 million or 45 per cent of the total funding. (figure 23 (left side)).

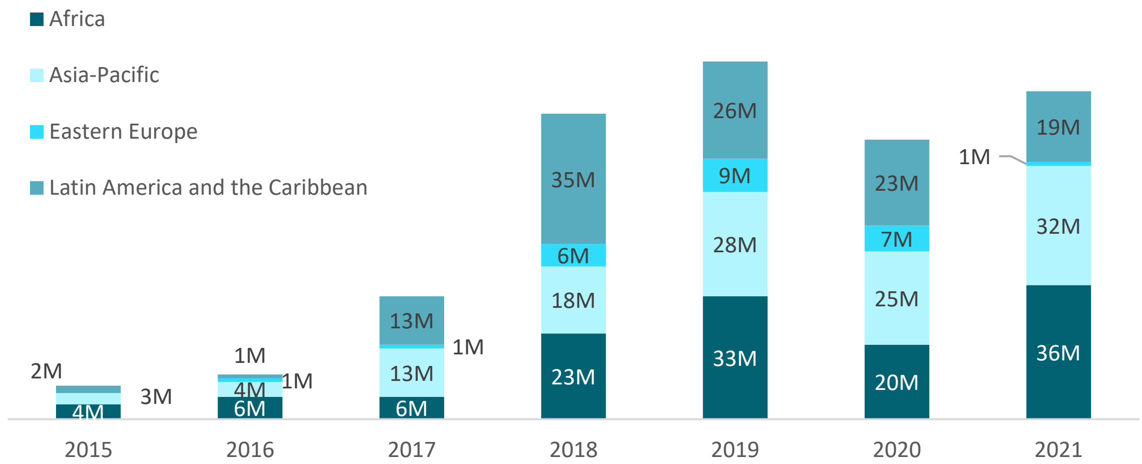
Figure 23 NAP and non-NAP Readiness and Preparatory Support Programmes (in USD)



Abbreviations: LDC = least developed country, M = million, NAP = national adaptation plan, SIDS = small island developing State.

100. With regard to the regional distribution, as referred in figure 24, the Readiness support including NAP and non-NAP interventions is evenly distributed across regions with the exception of Eastern Europe. As of the end of 2021, Africa has received a share of USD 127 million (32 per cent), followed by Asia-Pacific at 123 million (31 per cent), Latin America and the Caribbean countries at USD 118 million (30 per cent), and Eastern Europe at USD 25 million (6 per cent). The funding to Africa recorded a 38 per cent increase from 2020 (USD 92 million). Similarly, the funding to Asia Pacific and Latin America and the Caribbean regions recorded an increase of 35 per cent (from USD 91 million) and 19 per cent (from USD 99 million) respectively.

Figure 24 Trend in regional distribution of the Readiness Programme funding (NAP and non-NAP activities) (in USD) from 2015 to 2021

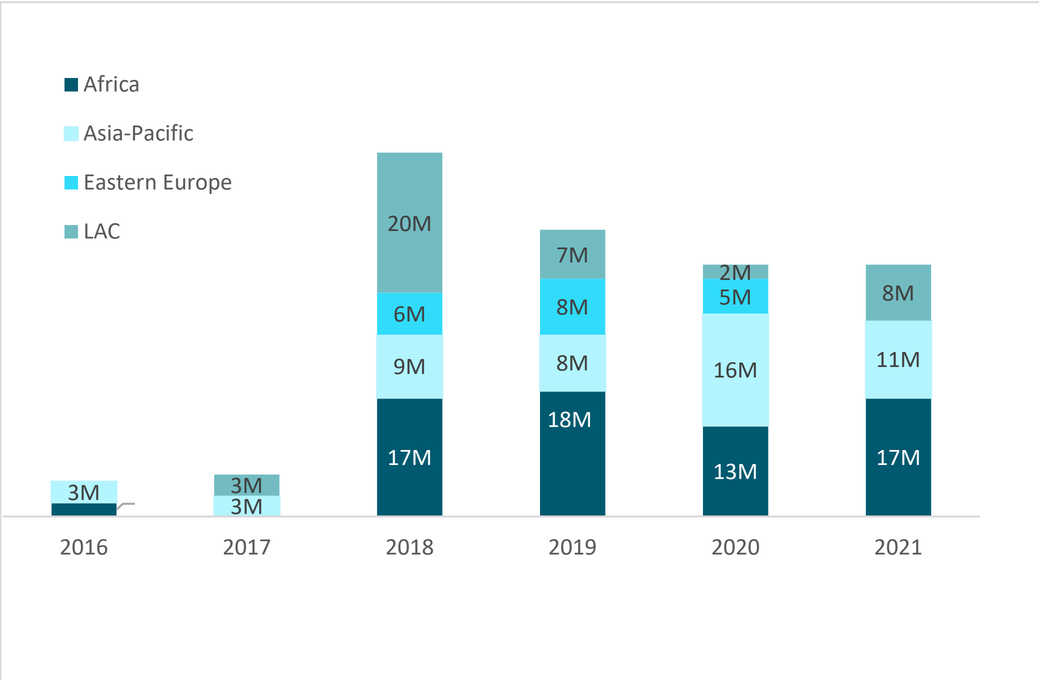


Abbreviations: M = million

101. As shown in figure 25, NAP funding through the GCF Readiness Programme has spread across all regions and groups (LDCs and SIDS) cumulatively over the years with the support to Africa recording the highest share (USD 67 million or 38 per cent), followed by Asia-Pacific (USD 50 million, 28 per cent), Latin America and the Caribbean (USD 40 million, 23 per cent), and Eastern Europe (USD 19 million, 11 per cent). This is in line with the support needed for formulation of NAPs in Africa since many countries in the region are still in the process of starting the NAP formulations.

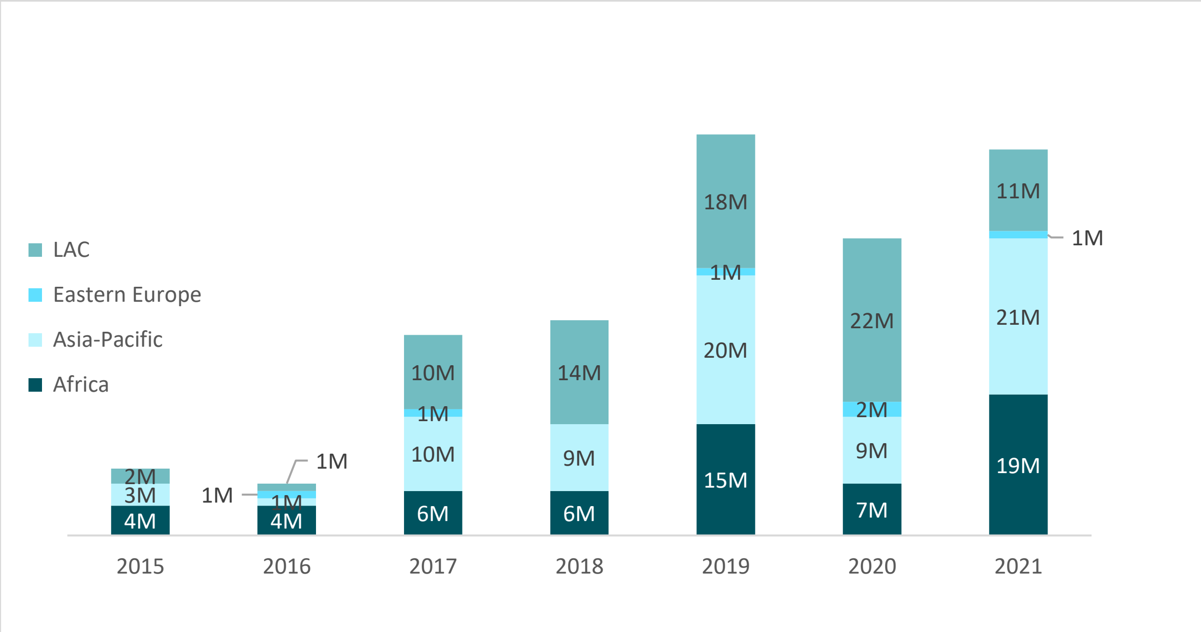
102. In terms of non-NAP support, Latin America and the Caribbean and Asia Pacific regions are receiving the highest funding support, recording USD 78 million (36 per cent) and USD 73 million (33 per cent) respectively (figure 26).

Figure 25 Trend in regional distribution for NAP activities (in USD) from 2016 to 2021



Abbreviations: LAC = Latin America and Caribbean, M = million, NAP = national adaptation plan.

Figure 26 Trend in regional distribution for non-NAP activities (in USD) from 2015 to 2021



Abbreviations: LAC = Latin America and Caribbean, M = million, NAP = national adaptation plan.

Results Management Framework for the Readiness and Preparatory Support Programme

103. As the Readiness portfolio grows, so does the need to monitor and measure its results. Based on lessons learned from the implementation of the Readiness programme, the Secretariat, in 2021, developed the readiness results management framework (RRMF) to track and measure the portfolio results against the five objectives supporting the implementation of the Readiness strategy[21].

Readiness key results and achievements

104. The GCF mapped the portfolio results from the existing 461 Readiness grants (out of 553 approved) that had received disbursements by the end of 2021 against the five strategic objectives. The analysis is based on a review of the targets specified in the approved Readiness grant proposals as well as output level results reported in the interim progress reports and completion reports from NDAs and DPs.

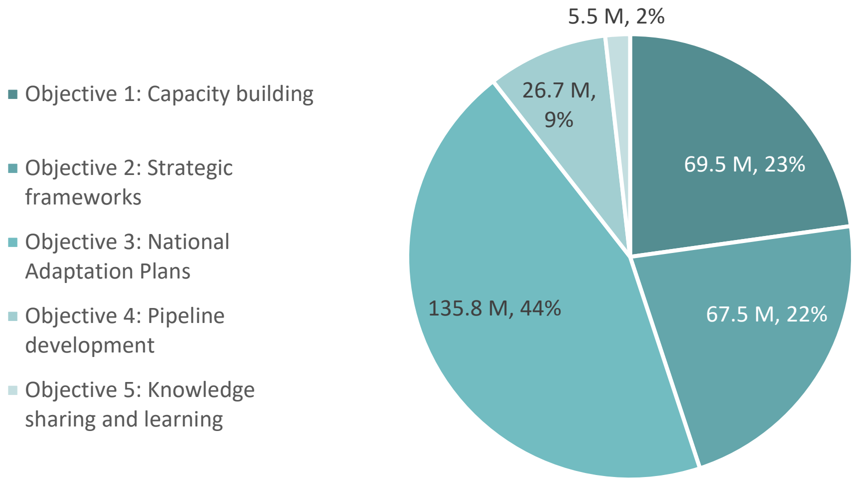
105. Figure 27 below presents an estimated distribution of approved Readiness funding across the five objectives for the existing 461 grants. As shown, the highest concentration of funding for the Readiness grants was on objective 3: NAP support (USD 135.8 million or 44 per cent) followed by objective 1: capacity building for climate finance coordination (USD 69.5 million or 23 per

[21] The roll-out and preparatory work for the operationalization of the RRMF for the new funding proposals including a) development of the RRMF Results Handbook and RRMF training materials; b) revision of the Readiness Proposal template and the Readiness Guidebook; and c) digitization of the RRMF based reporting via an online PPMS platform will be implemented as from 2022.

cent), objective 2 (development of strategic frameworks for climate finance implementation), objective 4 (pipeline development), and objective 5 (knowledge sharing and learning).

106. The preliminary analysis informs that overall, the Readiness Programme is making good progress in supporting developing countries to get 'ready' to develop and programme climate actions based on country driven approaches. The figure below provides more details on the key results and progress achieved against each objective.

Figure 27 Estimated distribution of approved Readiness funding across the five strategic objectives for the existing 461 Readiness grants



Abbreviations: M = million

Strategic objective 1: Capacity building for climate finance coordination

107. Under objective 1, the Readiness programme aims to strengthen developing countries' institutional capacity and coordination mechanisms for climate actions through support to NDAs/focal points as well as other stakeholders such as DAEs, executing entities, and civil society and private sector stakeholders to engage in the GCF programming process. Under this objective, major progress was made in establishing and enhancing coordination mechanisms under the strengthened capacity of NDAs /focal points to ensure projects/programmes to be developed are consistent with country-driven approaches. For instance, of 138 Readiness grants that planned to define and operationalize processes for issuing a no-objection letter for GCF projects/programmes under the purview of NDAs, 69 per cent or 95 grants have reported that processes have been defined, established and or operationalized.

108. Progress was also made in providing capacity support to DAEs including candidate DAEs with a view to having DAEs effectively implement GCF-funded activities under the vision of country ownership. For instance, of 71 Readiness grants that planned to identify candidate entities for direct access, 39 grants (60 per cent) were able to nominate 56 candidate entities for direct access with a nomination letter. In addition, of 35 Readiness grants which aimed at strengthening DAEs to close capacity gaps for accreditation, 51 nominated DAEs were supported and 12 DAEs supported to strengthen capacities. In terms of regional distribution, the Asia-Pacific region received more DAEs support (53 per cent of all supported DAEs), followed by LAC (25 per cent) and Africa (18 per cent). Of the benefiting DAEs, 27 per cent are from LDCs and 24 per cent

are from SIDS and 10 out of 25 countries (40 per cent) were from both SIDS and LDCs, excluding Africa.

109. Efforts were made to engage with and build the capacity of relevant country stakeholders such as executing entities, civil society organisations and private sector entities for the implementation of GCF funded activities. Of 81 Readiness grants, 33 reported strengthening information-sharing among these stakeholders which in turn allowed them to receive access and flow of information on climate change related activities in the countries.

Strategic objective 2: Strategies for climate finance implementation

110. Objective 2 aims to support GCF recipient countries to systemically develop and implement ambitious strategies to inform GCF funded activities based on a sound analysis of emissions reduction potential and climate vulnerability and in complementarity with other climate financiers. Accordingly, Readiness support activities under this objective range from development of quality country programmes to guide GCF investments; development of strategic frameworks to address policy gaps within the recipient countries including support to nationally determined contributions (NDCs); supporting AEs in the development of entity work programmes (EWPs) to inform GCF funded activities; and the development of strategies to mobilise climate finance and foster private sector investments.

111. Overall, the portfolio also shows some progress against this objective. For example, of 160 Readiness grants which planned to develop country programmes (CPs), 88 reported on developing a CP which highlights country priorities.

112. In addition, 118 trainings have been conducted for relevant country stakeholders. In terms of activities to foster private financing, 48 out of 96 Readiness grants (50 percent) planned were able to conduct studies and develop strategies to foster private financing and 7 out of 48 grants were able to develop roadmaps. For example, these studies can include review of policies and regulations to remove barriers to private sector investments.

113. However, slow progress was witnessed on addressing policy gaps to enhance enabling environments for GCF programming. For instance, only two out of 12 planned Readiness grants were able to provide support to the countries in updating/revising their NDCs. In addition, out of the total 83 grants planned, only 34 per cent or 28 grants were able to develop and or operationalize systems for measurement, reporting and verification (MRV) to track internal and external climate finance flows. It is notable that strong MRV capacity in countries is considered crucial for programming and implementing climate actions including GCF investments as it allows the countries to effectively coordinate climate actions across multiple actors.

114. Objective 2 also supports countries to undertake studies and research to programme climate actions based on evidence. Out of 112 grants with the planned studies, 33 per cent or 37 grants conducted studies such as vulnerability assessments and carbon reduction potential studies needed for the development of GCF funding proposals.

Strategic objective 3: National adaptation plans and/or adaptation planning processes

115. This objective supports the national adaptation plan (NAP) process to enable developing countries to formulate and implement NAPs as a mean of identifying medium to long-term climate change adaptation needs and developing and implementing strategies and programmes to address those needs. As of the end of 2021, the portfolio was making steady progress in achieving this objective with 77 existing grants already supporting the NAP formulation processes.

116. Of these 77 existing NAP grants, 59 grants according to their grant proposals planned to develop national or sub-national /sectoral adaptation plans. And of those 59 grants, 11 grants successfully developed or updated the plans, thereby allowing the national or sub-national governments to identify specific adaptation needs at their levels and develop and implement strategies to address the identified adaptation needs. Moreover, 26 of 71 grants (36 per cent) completed capacity-building and technical assistance initiatives for climate change adaptation, and 18 grants developed stakeholder engagement frameworks and agreements. Similarly, of 59 grants planned to establish inter-and intra-institutional coordination mechanisms, 30 have reported to have developed or strengthened the mechanisms, thereby allowing the country level stakeholders to effectively coordinate, implement, monitor, and report on adaptation planning and investments.

117. In terms of engaging private sector in adaptation planning and programming, the portfolio saw some progress. Out of 36 grants planned, nine have developed strategies to foster private investment in adaptation solutions. Of 20 grants that planned to develop knowledge products to inform the private sector on adaptation options and GCF finance, seven developed knowledge products or tools. Of 21 grants that planned to provide capacity-building to the private sector, six reported to have completed sensitizing the private sector, including via awareness-raising campaigns/workshops/outreach programmes and the provision of technical assistance.

118. Readiness support on increasing adaptation finance is ongoing. Of 50 grants that planned to 137 develop concept notes (CNs) for NAPs priority actions as per GCF template and results areas, 14 grants successfully developed CNs by the end of 2021, allowing them to engage further with climate finance stakeholders for adaptation programming. In addition, out of 45 grants that planned to establish mechanisms to identify and prioritize climate change adaptation ideas and options, 12 grants were able to establish the mechanisms based on objective criteria as indicated in the Readiness Programme. For example, the mechanism should allow countries to prioritize adaptation solutions/technologies to be deployed to address specific prioritized adaptation impacts in these countries. Also, seven out of 28 grants that planned were able to develop national systems for tracking national and international adaptation financial flows.

Strategic objective 4: Paradigm shifting pipeline development

119. This objective bolsters the development of transformational pipelines by country stakeholders to prepare concept notes with ultimate aim of developing funding proposals with high climate impact potential to the GCF. The concept notes and funding proposals are also expected to fulfill policy requirements such as the ESS, Environmental and Social Policy, Gender Policy and Indigenous Peoples Policy.

120. Some progress has been made against this objective:195 concept notes have been developed by countries and entities under the Readiness support as of the end of 2021 for GCF programming with priority sectors such as energy efficiency, low-emission transport, energy generation and access, cities, buildings and urban systems, water security, ecosystems and ecosystem services, agriculture and food security, forest and land use, and health and wellbeing. In addition, as a result of Readiness support, 12 grants managed by countries and entities requiring capacity support successfully moved to seeking additional technical and financial support via GCF's PPF window for the preparation of GCF funding proposals. As of the end of 2021, 14 funding proposals have been submitted to the GCF, of which 4 were from DAEs.

121. In line with the priority focus of the Readiness Programme, some progress was made towards supporting vulnerable countries such as LDCs, SIDS, and African states in developing concept notes and funding proposals. This is critical towards ability to access climate finance from

various sources including from the GCF. Of the 79 grants that received support to identify priority pipeline project ideas, 37 grants reported to have identified the priority projects ideas based on risk assessments at the initial stage. In terms of grouping, 25 (68 per cent) of the grants are in SIDS, LDCs and African States.

122. In addition, of the 54 grants targeting completion of 114 prefeasibility studies, 10 grants reported to have completed 23 studies. Similarly, of 34 grants that planned to conduct assessments and studies for the development of quality funding proposals, 26 grants reported that they successfully conducted these studies to inform GCF programming. Of these 23 studies, 7 out of 10 grants (70 per cent) were from the SIDS, LDCs and African States.

Strategic objective 5: Knowledge-sharing and learning

123. Under this objective, the Readiness Programme aims to strengthen awareness of key climate actors in these countries to enable sharing of best practices, methodologies, and knowledge products for future development of transformational climate action concepts and projects. It also fosters collaborations at subnational, national, and regional levels to encourage dissemination of frameworks and information systems.

124. As the Readiness portfolio matures, more knowledge and lessons are being gathered by NDAs, DAEs and DPs, and the knowledge is increasingly being organized and compiled into useful resources. As of the end of 2021, 89 grants had developed a total of 133 knowledge products and management methodologies containing information on low emissions climate resilient development. In addition, 12 out of the 26 grants managed by NDAs, DAEs and DPs that planned to establish a strategy or process to identify best practices, lessons learned and/or promote knowledge management reported that they were successfully able to do so including the establishment of 11 knowledge management platforms. In this instance, none of the DAEs have been able to establish platform, processes, or systems to identify best practices, lessons learned, and knowledge management.

Key lessons from the delivery of results

125. The COVID-19 crisis has presented significant challenges, among other things, for the implementation of Readiness grants as reported in the lessons learned chapter (chapter 4) of this report. However, the main lesson learned from the delivery of results from objective 1 is that DAEs require more support in general as reported by the Readiness Assessment study conducted in 2021. Three of the four outputs under objective 1 that have the lowest achievement rates are related to DAE support. Similarly, in objective 5, DAEs have a much lower achievement rate for producing knowledge products and developing systems and platforms for knowledge management than NDAs and DPs do.

126. A critical enabling factor for climate programming reported by countries is the presence of a strong supporting body or institutional coordination mechanism at the design stage that helps the NDAs plan adaptation and low-emission climate-resilient investments and project pipelines.

127. Successful strategies reported by countries to enhance the delivery of results include:

(a) Agile recruitment and procurement strategies such as building a roster of experts;

(b) Deployment of strategies for effective coordination between DPs and NDAs, such as weekly monitoring meetings or the designation of a dedicated secretariat/team that liaises with GCF;

(c) Promoting consultation processes and ensuring the active involvement of stakeholders for country ownership and buy-in;

(d) Peer-to-peer learning and regional workshops as effective tools to reinforce the understanding of NDAs and other stakeholders on GCF processes, mechanisms, and to advance in-country processes;

(e) Functional Networking platforms for raising awareness, building capacity, and engaging with the media.

128. As the support provided by the Secretariat has been reported as highly valued by NDAs and DPs, the need for continued collaboration with GCF is essential to ensure alignment of country needs with GCF strategic objectives, processes, and technical requirements.

Project Preparation Facility

129. Based on the recognition that developing countries do face capacity constraints in developing climate finance proposals, the Project Preparation Facility (PPF) continued to provide AEs with financial and technical assistance for the preparation of project and programme funding proposals. As at the end of 2021, 48 PPF applications worth USD 30 million had been approved with 33 under implementation, and 23 million disbursed as shown in Table 2[22].

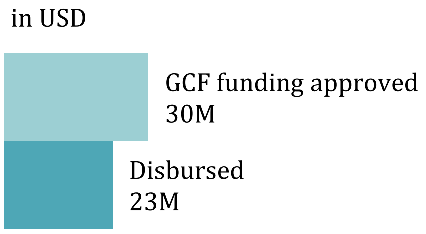
130. Of the 48 applications, 69 per cent or 33 applications were from DAEs, of which 17 were to prepare projects and programmes that were included in the Country Programmes and Entity Work Plans (EWPs) officially submitted to GCF. Moreover, of the 48 applications, 10 were focused on adaptation, 18 were on mitigation, and 20 on cross-cutting areas. In terms of sector disaggregation, 38 applications (79 per cent) were of public sector projects while the rest (21 per cent or 10 applications) were of private sector projects.

131. As a result of the PPF support, while 21 funding proposals have been developed, 12 have already reached Secretariat final review stage for Board approval or have been approved by the GCF Board.

Table 2 Key information on the Project Preparation Facility

48 PPF applications approved	41 Grants received disbursements	20 Grants submitted completion reports	6 Grants completed and closed	33 Grants under implementation

[22] In 2021, a new modality was introduced in PPF that allows the Secretariat to provide project preparation services directly to AEs through a roster of independent consultancy firms. This ensures fast and quality delivery of project preparation support to AEs, with GCF taking on the procurement and management of PPF grants, thereby reducing transactions for the AEs. In light of this, the term "grant" will change to "application" for PPF to refer to the different modalities in the PPF portfolio. "PPF application" will replace "PPF grants" [Ed note: is that what is meant?"] in the status update of all PPF modalities going forward.

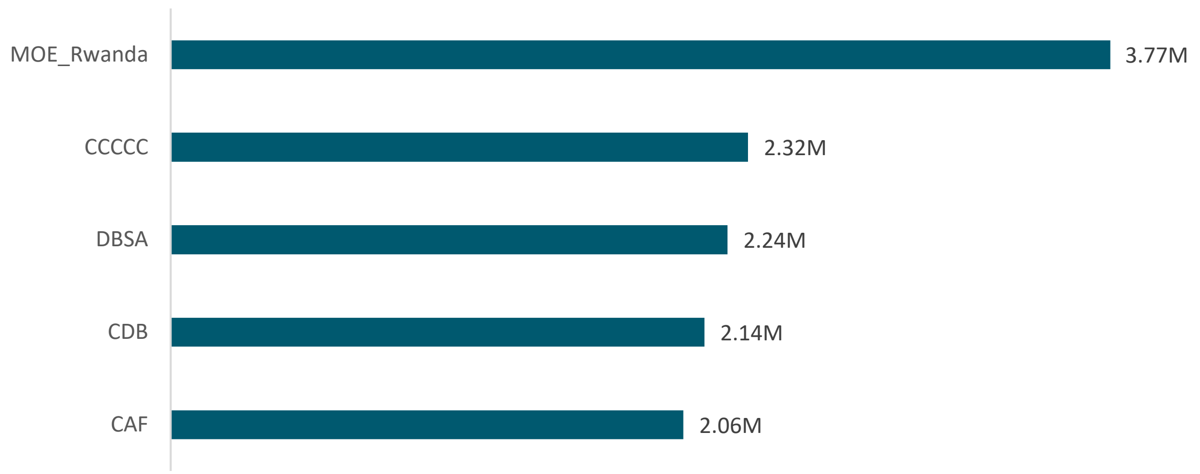


Abbreviations: M = million

132. As shown in figure 28 below, the top five AEs receiving the largest funding within the PPF portfolio were the Ministry of Environment of Rwanda at USD 3.8 million (30 per cent), the Caribbean Community Climate Change Centre (CCCCC) at USD 2.3 million (19 per cent), the Development Bank of Southern Africa (DBSA) at USD 2.2 million (18 per cent), the Caribbean Development Bank (CDB) at USD 2.1 million (17 per cent), and the *Corporación Andina de Fomento (CAF) – Banco de Desarrollo de América Latina* (Andean Development Corporation - Development Bank of Latin America) at USD 2.1 million (16 per cent).

133. In terms of regional distribution, Africa had received the highest amount of support at USD 11 million (46 per cent) of the total approved GCF funding for PPF grants, followed by Latin America and the Caribbean at USD 6 million (30 per cent) and Asia-Pacific at USD 6 million (24 per cent).[23]

Figure 28 Top five AEs in approved funding for Project Preparation Facility (in USD)



Abbreviations: M = million

134. In terms of implementation maturity, the PPF portfolio is maturing at a steady pace with four applications closing in 2021 and another six expected to close in 2022. However, 2021 also saw an increased number of no-cost extensions due to the impact of the COVID-19 pandemic including, delays in implementation and challenges related to procuring and hiring qualified consultants and professional service providers. In 2021, a total of nine extension requests were

[23] The values of approved funding may not add up to the exact total because of the rounding up of large figures.

received, of which six PPF applications were extended, and three of which are being implemented by national AEs, two by regional AEs, and one by an international AE.

135. Table 3 below provides a cumulative overview of the number of PPF applications for which the Secretariat received a request for no-cost extension by type of implementing entity and the corresponding percentage increase to the duration of the grant.

Table 3: Overview of no-cost extensions by implementing entity for Project Preparation Facility grants

Implementing Entity	Number of extended grants	Per cent of the extended grants	Average extension (months)	Extended duration to the initial duration per cent
International AE	5	38 %	9	58 %
National AE	10	71 %	8	69 %
Regional AE	8	50 %	9	61 %
Total/Average	**23**	**51 %**	9	**63 %**

Abbreviations: AE = accredited entity

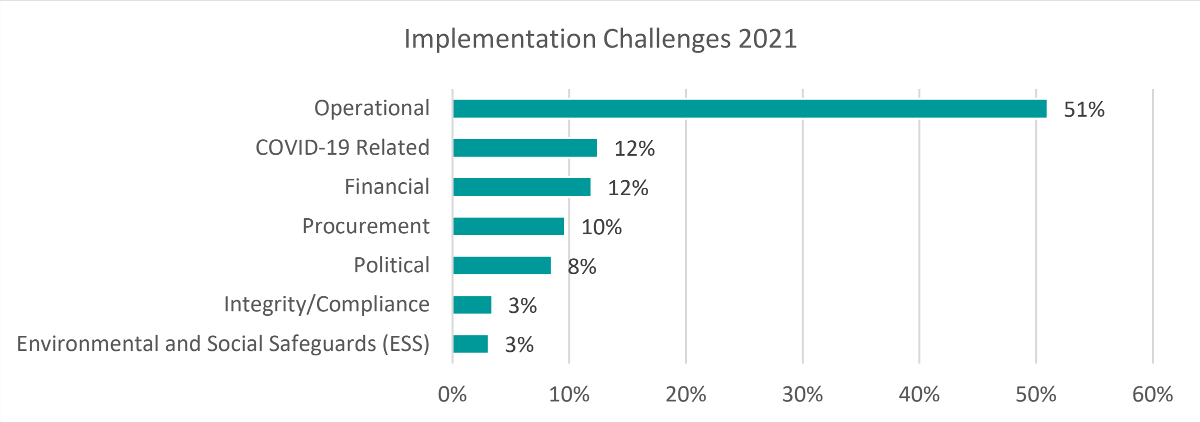
IV. IMPLEMENTATION CHALLENGES AND LESSONS LEARNED

4.1 Implementation challenges for funded activities

136. In 2021, several projects reported COVID-19-related challenges, ranging from delays in field activities, procurement delays, supply chain issues, challenges with stakeholder engagement, cost overruns, reductions in co-financing, and lack of capacity due to travel restrictions affecting experts, among others. SIDS were particularly affected as the countries experienced complete lockdown, bringing the supply chain and international consultant engagements to a complete halt.

137. The absolute number of challenges reported by the AEs in 2021 was 463, an increase from 2020 (362), and a significant rise from 2019 (197). Only high and medium-impact challenges (totaling 354) reported by AEs have been further analyzed in this section, and they relate to: (i) operational; (ii) financial; (iii) procurement; (iv) political; (v) ESS and gender; and (vi) integrity/ compliance-related factors. The distribution of these challenges is shown in figure 29 and the details are elaborated thereafter.

Figure 29 Type of implementation challenges reported by AEs in 2021 (%)



(a) **Operational**: Operational challenges accounted for a majority (51 per cent) of the reported challenges, with AEs reporting multiple operational challenges against each project. Apart from COVID-19-influenced challenges, other issues included limited technical and monitoring capacity (in Project /Programme Management Units and/or with project partners), delays due to extreme weather events, disagreements or confusion with fund transfer mechanisms, and project design issues, among other;

(b) **Financial:** Financial challenges made up 12 per cent of the total challenges reported as projects reflected COVID-19 impacts. Inadequate co-financing was one of the common challenges that AEs reported, with several reporting budget reprioritization by governments directing resources towards sectors such as public health, with potential implications on the realization of expected project impacts. Given this impact, the amount of co-financing would benefit from closer scrutiny at the design stage as it can significantly influence a project's success. Other issues reported included overrun in costs against the original budget partly due to COVID-19, and in other instances due to underbudgeting at the design stage, where activites such as coordination costs and baseline studies were not included in the funding proposal budget. A few AEs reported difficulty in meeting their 70 per cent financial expenditure threshold to trigger subsequent disbursements, hence leading to variance between planned and actual disbursements;

(c) **Procurement:** Ten per cent of the challenges were related to procurement as projects experienced delays in the procurement and contracting processes, cost overruns from the original budget, and difficulty in securing suitable consultancies with the required profiles and experience;

(d) **Political**: Eight per cent of the challenges were of a political nature. Of these, 42 per cent were from AEs who reported challenges due to escalating political uncertainty and conflict in their region(s), administrative uncertainties, volatile and critical security situations, and social unrest. Other challenges included changes in political priorities with the formation of new governments, coordination challenges with government partners, and changes in government policies that affected the project implementation or original design;

(e) **ESS and gender:** The proportion of ESS and gender-related challenges reported was only four per cent and ranged from the limited participation of women, difficulty in ensuring proper gender balance within the projects, absence of adequate baselines, lack of proper waste disposal plans, limited ESS capacity leading to delayed ESMPs, among other things; and

(f) **Integrity/compliance** challenges: While these were a minimal (3 per cent of the total), they have potentially high impact (including legal). Significant challenges under this category included delay in the signing of agreements and memorandums of understanding with the government partners, conflicting classification of forests within the country, and absence of legal mechanisms to transfer funds, among other things.

Support provided by Secretariat to address challenges and mitigate risk: funded activities

138. To address the challenges reported by the AEs and to mitigate the risks, the Secretariat continues to regularly engage with the AEs to proactively respond to challenges reported during project implementation, especially where it relates to change requests. The Secretariat has also held engagement meetings and workshops with various AEs to discuss and provide guidance on policy and operational/implementation issues. The Secretariat responded to 80 per cent of the minor changes requested by AEs in less than 33 days. Considering the increasing number of challenges over the years, especially with the added implications of the COVID-19 pandemic, the Secretariat will continue to apply adaptive management measures to facilitate timely implementation while also considering and processing no cost extensions where needed. Projects that were extended in 2021 are presented in annex II.

Implementation challenges under the Readiness and Preparatory Support Programme

139. Delivery partners and NDAs continue to face recurring and persistent challenges affecting project implementation. Similar to what had been reported in the 2019 and 2020 APPRs, challenges reported include the following:

(a) Recruitment of project staff and experts: the complexity of project activities, lack of availability of suitable consultants to carry out the required work, and difficulties in coordination of the projects;

(b) Elections, political instability, change of governments, and government reforms which include conflicts between official campaigns and planned activities in some locations; delays in recruitment because of changes in the staff of government agencies; changes in the strategy and priorities contrary to approved Readiness proposals; and adjustment to the new government's strategy and priorities;

(c) COVID-19 impacts: resulted in serious implementation difficulties, and this forced limitations in engaging with stakeholders (local, subnational and national). Some NDAs/DPs took remedial steps such as intensifying telephone/email communication and organizing online training sessions/workshops;

(d) Other impacts of the pandemic were the redirection of efforts by beneficiaries/participants to other obligations in responding to the pandemic (especially in the local communities) and some beneficiaries /participants not being available for the Readiness activities;

In order to mitigate these challenges, the DPs and NDAs have developed some strategies as follows:

- Promoting consultation processes and ensuring the active involvement of stakeholders for country ownership and buy-in;
- Strategies for effective coordination between DPs and NDAs such as weekly monitoring meetings or the designation of a dedicated secretariat/team that liaises with the GCF; and
- For sectoral NAPs, integrating the NAP team with the corresponding sectoral ministry;
- Peer-to-peer learning and regional workshops as effective tools to reinforce the understanding of NDAs and other stakeholders on GCF processes and mechanisms and to advance in-country processes;
- Mainstreaming the gender perspective by including a gender expert in the Readiness project team;
- Networking platforms for raising awareness, building capacity, and engaging with the media; and
- Building rosters of experts as recruitment and procurement strategies.

Adaptive management under the Readiness and Preparatory Support Programme

140. Due to the aforementioned challenges, there was a significant increase in the number of extension requests in the Readiness portfolio. While this has been a common trend since the inception of Readiness grants in 2015, compared to a total of 89 grants extended between 2015 and 2019, a total of 215 grants had been extended during the pandemic (2020 -2021).

141. As a response to the challenges experienced in the Readiness portfolio, the Secretariat has continued to be flexible in providing adaptive management measures and mitigation actions. After the initial climate-resilient recovery (CRR) measures instituted in 2020[24], the Secretariat continued with the proactive response to mitigate the COVID-19 pandemic impact.

142. Moreover, and building on the Readiness assessment findings and key results in 2021, the Secretariat is enhancing the monitoring tools and management systems for more efficient and effective management and implementation. These include the simplification of reporting templates and the standardization of procedural documents to streamline and reduce timelines in processing the review of the reports, the disbursements, and the requests for grant amendments the GCF receives on a regular basis. Both the standard operating procedure (SOP) and the Readiness guidebook are being revised to ensure that they are fit-for-purpose. Concurrently, the Secretariat is preparing to roll out the RRMF and the PPMS in efforts to upgrade results monitoring and reporting as well as digitize data management and information systems.

4.2 Lessons learned from the 2021 Portfolio Performance Review

143. As the portfolio matures, several lessons continue to emerge from the implementation of funded activities, the Readiness Programme and PPF. This section provides a summary of the lessons learned and actions that may be required from the Secretariat as it seeks to improve its systems, processes, investment programming decisions and overall impacts of the GCF portfolio. The lessons learned are expected to guide AEs, DPs, NDAs and implementing partners in

[24] The CRR allow for a six months' blanket extension of the grant term/anticipated duration of Readiness activities for specific grants that had been approved by GCF prior to the pandemic. Other measures include: (a) the use of the approved contingency amount included in the budgets to cover unforeseen costs relating to the COVID-19 pandemic; (b) reallocation of the approved budget among the budget line items in a variation of up to 25 per cent from one budget category to another (normally 20 percent); and (c) increase in project management costs by 5 per cent, from a cap of 7.5 per cent to 12.5 per cent of the total activity budget approved.

addressing challenges encountered during the design and implementation of GCF portfolio activities.

Lessons learned for funded activities

Category	Challenges and/or emerging lessons.
Portfolio related	
Programming cycle	Long periods between proposal development, approval, and project start-up result in implementation delays. These delays at times lead to baselines and design assumptions that are no longer relevant due to changes in country context and field realities. The speeding up of post approval processes has reduced this challenge which was prevalent in the earlier approved proposals that had to wait for AMA negotiations in addition to FAA negotiations. However, there is still room for improvement especially at country and AE levels to address delays beyond the Secretariat control.
Risk rating at design	Several of the risks that had emerged as low probability risks during the design stage show the opposite trend during portfolio implementation, with many now assessed as medium or high risks. A more realistic risk assessment informed by rigorous assessment of country and institutional contexts as well as lessons from implementation is critical to factor in appropriate mitigant measures needed to effectively assure implementation and delivery of results on time and on budget.
FAA conditions	In several instances, AEs are not fully cognizant of, or have different understanding of agreed to conditions included in the respective FAAs, e.g., conditions precedent to disbursements, threshold requirements for expenditure and ESS requirements. This leads to extensive consultation between the Secretariat and AEs, and in some cases requests to amend FAAs due to oversights or misunderstanding. Clear explanation of key clauses and uniform interpretation of clauses will need to be integrated in both negotiations and commencement of implementation to assure clarity of expectations.
Co-Financing	Non- materialization on co-financing or delays on the timelines for co-financing is increasing being experienced. Reasons vary and include the fact that in many cases co-financing presented at design stage is indicative/proposed co-financing, not confirmed commitments, government transitions resulting in changing priorities, and co-financiers changing their priorities to attend the COVID-19 impacts. This also has adverse impacts on expected results and delivery of activities on time. Contingency measures and the impact of non-realization of co-financing needs to be factored in results projections and decision making.
Budget changes and Cost overruns	Some projects have presented budget shortfalls once project implementation commences, especially projects that include civil works. Reasons for the shortfalls include underestimation of costs during the design phase, which requires updating during implementation when detailed designs are undertaken. Realistic budgetary estimates would need to be undertaken at the design stage taking cognizance of the local context. Where possible, contingency funds should be embedded in project budgets to allow for adequate resources and minimize cost overrun, and possible revisions in financing and concessionality to allow the AEs to cope with the dampening market demand. The Secretariat would also need to engage with the AEs on flexibility in its financing assumptions that might allow for cost extensions. Other reasons cost increases and escalations have been due to the COVID-19 pandemic

	impact arising from personnel contract extensions, soaring prices of construction materials and supply chain disruptions and inflation.
Change requests from AEs	In order to avoid delays and to speed up the processing of change requests / restructuring proposals, AEs should provide the Secretariat with complete analysis and overview of all proposed changes, for comprehensive analysis, as well as all necessary documentation.
External Factors	
Political	Some states had witnessed fragility and changes in governments, elections that had led to shifts in government priorities. At times, some laws affect projects that require approval at the parliamentary level which causes delays. It is critical for continued consultations and engagements between the AEs and the government focal points to reduce disruptions to projects during political transitions.
COVID related	The global impacts of COVID-19 on supply chains, material costs, and national economies have all adversely impacted practically all the projects, especially those with construction activities and supply chain dynamics, leading to unprecedented increase in unit costs of goods and services. This has led to significant cost escalations in many projects and programmes. Mitigation measures applied by AEs may include considerations of reduction of the project scope, provision of additional project financing or reallocation amongst project categories/activities. Procurement of goods and services not available in the local market has been challenging, leading to delays in implementation. Strategies employed by AEs to address these challenges have included use of virtual approaches for activities not requiring direct intervention e.g., meetings and training. In some cases, certain procurements bids have been re-issued or extended either due to lack of bidders or the quality of bidders relative to the requirements. Severe restrictions on field data collection to conduct due diligence leading to delays in preparing and completing quality reports and studies such as topographic surveys, feasibility studies, detailed engineering design for various irrigation and road subprojects, and social and environmental safeguards reports. Restrictions for field travel, limited face-to-face meetings, few consultations and training and very limited travel abroad or access of experts and consultants further impacted project implementation. Solutions have included remote supervision and support from country-based consultants to provide support to the project. Measures adopted by AEs include remote monitoring and implementation support, use of country-based and/or national consultants and contractors to provide goods and services including support to projects
Results management and M&E	Results management is at the core of GCF operations, The three remediation exercises that have been ongoing during 2021, namely M&E Gaps, and reassessment of mitigation and adaptation results in the portfolio demonstrated that it is crucial to set up strong and transparent monitoring and reporting systems in funding proposals to generate credible results during implementation and avoid the need for future remediation activities.
Internal (Secretariat related)	

Capacity and responsiveness constraints in adaptive management	With the growing and maturing portfolio, there is a need to have a regular review and matching of human and systems resource capacity with the growth of the portfolio to ensure appropriate monitoring and responsiveness to the AE requirements. e.g., with the strategic plan updates. Concurrent with this should be a review of policies and processes to ensure alignment between accountability and authority with the various levels of responsibility (at country, AE and Secretariat level) and fitness for purpose e.g.. to private sector realities. This would ensure that decisions can be made at AE level as appropriate in line with accreditation assessment and categories and remove redundancy in the processes while enhancing accountability.

Emerging lessons from the private sector portfolio

144. With many of the private sector projects under implementation starting to enter maturity, important lessons are being gleaned that may inform the future designs, monitoring, and adaptive management of private sector investments financed by GCF. The Secretariat has noted the following issues as frequently occurring in private sector projects:

(a) **Operational frameworks**. There may be a need for a review of the GCF policies and procedures to cater for the operating realities and modalities of private sector entities. The misalignment and gaps in existing policies results in additional workload for the Secretariat to prevent and/or address AEs' compliance challenges associated with the relevant GCF policies;

(b) **Terms and conditions.** There is a need for greater flexibility of financial terms and conditions, especially relating to the commercial aspects. Private sector institutions expect to be able to respond actively and in a timely manner to changing market conditions by amending the agreed financial parameters of the on-lent reimbursable funds. This results in frequent submissions of a relatively high number of amendment and change requests, which many times are submitted piecemeal rather than all at once due to the fluid nature of the operating environment, thereby resulting in additional workload for the Secretariat;

(c) **Response timelines.** Private sector projects, especially those co-financed by private sector entities, expect much shorter interaction timelines for response to queries, required approvals and change requests as they operate in a much more dynamic and time-sensitive environment. Also, with relatively homogenous legal agreements applicable to both public and private sector projects, the private sector projects have to comply with FAA terms and conditions that may constrain their operational agility. The Secretariat continues to upgrade its policies, procedures and systems to be able to efficiently respond to the needs of the private sector portfolio. However, capacity constraints across divisions as well as internal monitoring processes and systems that are largely manually driven, lead to delay in the timely response to change requests. There is a need for investment in continued automation of the Secretariat processes and procedures, as well as regular review and an increase in the headcount of staff across divisions in line with growth of portfolio to allow for faster response to AEs;

(d) **Addition of eligible countries**: While the GCF-approved funding proposals come with a clearly defined list of eligible countries, private sector AEs often request the addition of more countries depending on their assessment of market opportunities and investment appetite. However, these are marked with delays in obtaining no-objection letters (NOLs) from potential target countries prior to Board approval. Considering the process required for assessment of change requests as well as the need to seek approval from the Board, these types of requests increase the workload for the Secretariat. Potential delegation of authority to the Secretariat to approve inclusion of potential target countries identified in Board-approved proposals pending submission of NOLs for Secretariat clearance might ease this challenge;

(e) **Safeguards requirements.** (a)The implementation and monitoring of environmental and social safeguards mechanisms in compliance with GCF requirements is challenging for private sector entities, as is streamlining those aspects into their processes, possibly due to variances with their operational modalities, especially as they relate to disclosure processes and in some instances subproject documentation. Private sector entities oftentimes find it difficult to comply with both the formal requirements of the disclosure process as well as with the required level of detail in public disclosures related to their undertakings. This is particularly evident for projects involving equity funds, in which transactions are typically kept highly confidential until closing, which is sometimes incompatible with GCF's expectation to publicly disclose environmental and social assessments prior to the investment decision being taken; (b) Secondly, as the portfolio of private sector projects grows, the volume of subprojects requiring GCF review and clearance of ESS documents prior to disclosure and approval at AE level currently exceeds and is likely to continue exceeding Secretariat capacity, thus resulting in approval delays for commercial and time-sensitive projects, as well as creates liabilities for GCF in instances where the Secretariat review may be compromised by work overload. In order to address this challenge, a review of the existing procedures for subproject-related ESS clearances should be undertaken, coupled with capacity-building to allow the AEs to take ownership of the process.

Emerging lessons from Readiness grants

145. The global COVID-19 crisis has presented significant challenges to the GCF, NDAs and DPs in the implementation of Readiness grants. The Secretariat is responding to these challenges by supporting countries through proactive adaptive management, including no-cost extensions and other flexible operational arrangements. The analysis of the results to date, the feedback from NDAs and DPs, and the challenges listed in this report have helped the Secretariat draw the following lessons learned:

146. New Readiness proposals should account for more realistic timelines and implementation plans, taking into consideration the post-COVID impacts in countries.

147. More support is needed in building the capacities of DAEs in understanding GCF funding mechanisms, processes and the GCF results framework that would allow for the development of good quality funding proposals. For this, the Secretariat is aiming to use the new funding window for DAE support.

148. A strong supporting body or institutional coordination mechanism that helps the NDA to make informed decisions is critical for countries at the design stage to allow for increasing adaptation and low-carbon, resilient investments.

149. DPs and NDAs need to understand the critical importance of including sustainability plans and strong communication components in the Readiness proposals.

Lessons learned for Readiness Programme and PPF

Issue/Challenge	Actions by DP/NDA	Lessons learned
Implementation delays	Establishment of a Roster of Consultants / Experts at the regional and national levels for recruitment and identifying consultants. -Awareness and capacity building workshops conducted to enhance implementing partners and government officials on development of realistic work plans.	-Provision of benchmarks on reasonable project timelines, e.g., as part of the Readiness Guidebook revision, based on experience in different contexts can help reduce implementation delays. -The Secretariat is reducing timelines in internal processes and has revised the Standard Operating Procedures (SOP) for Readiness to include simplification of processes. These will contribute significantly to reducing processing delays which may impact implementation pace.
Weak stakeholder engagement	-With the COVID-19 pandemic, innovative actions taken include online and virtual meetings, intensifying phone/email communication and organizing online trainings, and workshops.	-Continued engagement and consultation between DPs and NDAs is critical for a robust and successful stakeholder engagement and project implementation even in rapidly evolving circumstances. - Flexibility and innovativeness will go a long way in mitigating unexpected changes in operating environments that might constrain stakeholder engagement.
Weak dissemination and sharing of knowledge management	-Extension of participatory processes (e.g. peer-to-peer learning, knowledge exchanges) were introduced to create and strengthen the linkages across project design, implementation, and knowledge creation.	-It is important to harness, extract, and codify information and learnings from project implementation to influence future investments decision making. The Knowledge Bank developed by the Secretariat is an initiative that contributes to the knowledge base, learning and documentation concurrently with events, such as structured dialogues, regional workshops, and webinars. These will help the Secretariat and the different stakeholders better address technical and managerial issues and at the same time deliver against the strategic objective 5 of the Readiness Programme.
Political transitions, change of government and government reforms	-Amendments and change requests are submitted to accommodate for the changes in government priorities.	The Secretariat should consider longer time duration of Readiness Programme supported projects concurrently with a more realistic design and planning by NDAs

	- Efforts are also made to brief new government officials for a better understanding of the project requirements	

Abbreviations: AE = accredited entity, DP = delivery partner, NDA = national designated authority, PPF = project preparation facility.

V. PRIORITIES GOING FORWARD

5.1 Funded activities

150. With most of the portfolio under implementation, the Secretariat will continue to build upon and consolidate 2021 priorities and initiatives to support proactive portfolio monitoring and management, ensure dynamic adaptive management processes, build stakeholders' capacities, and share knowledge and sensitize AEs, DPs, and NDAs on GCF requirements. With the increased human resources in the Division of Portfolio Management as well as the upgrade in monitoring systems, the division will strive to optimally monitor the portfolio, using proactive adaptive management measures and data analytics to help track performance and risks. The Secretariat will take advantage of improved global travel conditions to conduct in-person site visits and ad hoc checks as part of its efforts to strengthen portfolio implementation based on the portfolio performance risks assessed through early warning systems. The following paragraphs explain the priorities.

Streamlining of legal agreements standardization

151. Building on the Secretariat's efforts to speed up negotiation and signature of FAAs and related post-approval processes, the Secretariat will continue its efforts to simplify and standardize legal agreements, accelerate, and reduce the time taken to conclude, execute and make effective legal agreements after Board approval. The Secretariat will also continue advancing automation of systems for disbursements and financial management.

Adoption of proactive portfolio management and adaptive management approach

152. The impact of COVID-19 on the portfolio has continued to slow down implementation during the reporting period. The Secretariat will continue to actively liaise with AEs, dedicating increasing attention to monitoring individual project circumstances, processing adaptive management requests, and facilitating adherence to project implementation timelines and timely disbursements. The adaptive portfolio management measures put in place to address implementation challenges posed by the COVID-19 pandemic will continue to be implemented, including allowing budget reallocations to allow for more flexibilities in the use of GCF proceeds, extensions of project timeline and durations (closing and completion dates) and providing flexibility for disbursement schedules to allow continued implementation while allowing more time to comply with conditions that need to be met prior to commencement of certain activities.

Expanding systems to support implementation, disbursement and implement optimized portfolio management processes

153. Portfolio management systems will continue to be strengthened through additional automated modules. The Secretariat will introduce an internal risk and performance assessment module as part of the PPMS, which will provide a good way to manage the collection of project risk and performance data across interdivisional teams in order to facilitate the analysis and reporting of implementation risks and performance. This will be used to complement Secretariat-wide initiatives to strengthen GCF risk management and project integrity risk systems, including the development of the next-generation Risk Management Framework 2.0. This would include a review of the current risk register, risk appetite statement and risk dashboard.

154. The Secretariat plans on further expanding the PPMS to cover other implementation processes such as the management of disbursements, reflows, and restructuring requests. This is to improve efficiency in processing disbursements and tracking disbursement performance of funded activities as well as a more systematic archiving/management, review, analysis of disbursement requests/flows, and rating of the funded activities' performance.

Strengthen engagements with stakeholders for improved results performance

155. To complement the implementation of DAE action plans for monitoring progress and results, the Secretariat will continue to engage with AEs, including those already identified with the ability to work in currently underserved areas in the GCF portfolio in order to build the capacities of the DAEs and/or support/build their technical capacities. The Secretariat will build on 2021 efforts, including training and capacity-building initiatives, webinars, and clinics, jointly with AEs and EEs in countries/regions as appropriate. The Secretariat will continue developing online training modules for DAEs on GCF project development and implementation, including disclosure checklists on environmental and social impact assessments, guidance notes on M&E, and gender. Modules will also include guides on how to develop simplified approval process (SAP) concept notes, funding proposals, and enhanced direct access proposals in addition to promoting peer-to-peer learning on the quality of annual progress reporting and best practices and implementation approaches.

Enhanced monitoring and evaluation of project results and knowledge generation

156. Following the Board's approval of the IRMF in mid-2021, the Secretariat will continue focusing in 2022 on its implementation, including through results handbook finalization, development of video trainings and supplementary guidance notes, and other initiatives to support AEs in applying the new results architecture. The maturing of GCF's results management approaches and increasing repository of project reporting and evaluations will provide rich material from which to extract knowledge and lessons learned. In 2022–2023, the Secretariat will pilot the establishment of formal learning loops to feedback evidence-based lessons from implementation into programming for improved investment decisions. This effort will complement other knowledge management activities, including the development and updating of guidance notes, case studies and other knowledge products.

157. Following the adoption of the Evaluation Policy for the GCF, in 2022 the Secretariat will continue working with the IEU on the development and finalization of the evaluation standards and the evaluation guidelines. This will allow for the further enhancement of the credibility of the evaluations conducted by AEs or the Secretariat and strengthen the knowledge management and learning function of GCF.

5.2 Readiness Programme and Project Preparation Facility

158. In 2021, the Secretariat observed a growing number of requests for extensions or amendments being submitted by delivery partners and NDAs, resulting from misalignment between implementation realities and initial designs and workplans as well as Readiness Programme procedures.

159. In the reporting period, the Secretariat also continued its work on the development of the RRMF and finalized the draft version in December 2021. This complemented ongoing work to streamline readiness approval and implementation processes.

160. The Secretariat expects the RRMF to be adopted in 2022, following which it will enter a period of sensitization with NDAs and DPs and operationalization. In preparation for that, in 2022–2023 the Secretariat will be focusing on the following:

(a) Development of the RRMF results handbook, RRMF training materials, and the provision of training to NDAs and DPs;

(b) Development of a new Readiness Guidebook and revision of the Readiness Proposal template; and

(c) Development of reporting templates aligned with the RRMF and disbursement modules in tandem with the PPMS development for funded activities.

(d) The PPMS would be rolled out for the reports' and disbursement modules in 2022. Alongside this, a user guide for DPs and NDAs will be developed.

(e) The development of additional modules is also envisaged in 2023 to allow for continued enhancement of operational efficiency, streamlining of the project implementation procedures, and supporting the knowledge management of the Readiness Programme with the PPMS.

Readiness Knowledge Bank for sharing knowledge and the Readiness results

161. The Secretariat will launch the Readiness Knowledge Bank to highlight the Readiness results and share curated knowledge products about the Readiness Programme. This would allow users to access information by using key words to search for elements such as projects, sector coverage, etc. In 2022, the Readiness database for the grants under implementation will be launched as part of the Open Data Library to the public. Taking a phased approach, the next step would be to launch access to the success stories of the Readiness stakeholders (tools, guidelines, studies and policies).

Annex I: Impact of the coronavirus disease 19 pandemic on GCF portfolio and adaptive management measures

Introduction

1. Since early 2020, the coronavirus disease 19 (COVID-19) pandemic has caused unprecedented implementation challenges and slowdown in GCF funded activities and the Readiness and Preparatory Support Programme (Readiness Programme). Hence, the GCF Secretariat has been engaging with accredited entities (AEs) and delivery partners (DPs) to closely monitor the pandemic's impact on project/programme implementation and delivery of results, institute a series of adaptive management measures in response to evolving situations on the ground and assist partner countries in undertaking green resilient recovery.

2. In line with this continued effort by the Secretariat, this annex provides an update on (i) the ongoing implementation challenges in the existing GCF portfolios, funded activities and Readiness attributed to the pandemic; and (ii) continued adaptive management measures being taken by the Secretariat to mitigate the pandemic impact and GCF response to country needs. In conclusion, this annex provides the ways forward in 2022 and beyond. All the information in this annex is based on an analysis of 2021 annual performance reports (APRs) and consultations with AEs and DPs. Excluded in the analysis are the projects/programmes that received waivers for the APR submission either because they were at early implementation stages or were yet to receive any disbursements from GCF. The figures may be subject to slight change due to a few APRs' data pending confirmation or revision by AEs.

Implementation challenges caused by the pandemic

Funded activities

3. As shown in figure 1 below, the number of projects/programmes to which the Secretariat assigned internal flags for close monitoring of implementation challenges or delays increased from a low of 41 in mid-2020 to 91 in December 2020 following the onset of the pandemic. However, due to the adaptive management being taken by the Secretariat during the second half of 2020 and the entire year of 2021, along with the gradual easing of pandemic restrictions worldwide, the trend between 2020 and 2021 has eased downward.

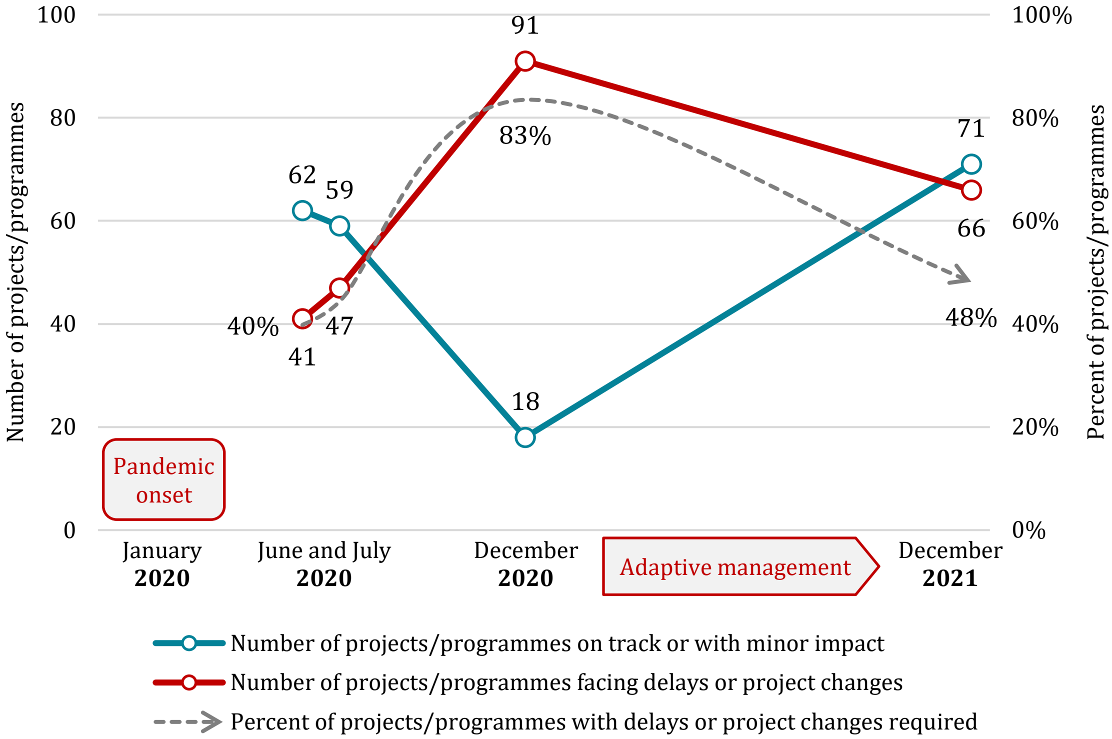
4. The Secretariat assesses that, as of December 2021, the total number of projects/programmes facing implementation challenges or delays against approved timelines due to the pandemic stood at 66 despite the growing portfolio between 2020 and 2021. The number of projects with implementation challenges were 48 per cent of the 137 projects/programmes under implementation as of 31 December 2021. [1] However, the projects/programmes that received a waiver for the APR submission as they were either at early implementation stages or have not yet received any disbursements from GCF were excluded in this analysis. The number of projects/programmes on track or with a minor impact on their implementation increased between 2020 and 2021.

5. This positive change in the trend has been derived mainly from proactive consultation and engagements with AEs, which identified early warning signals and enabled actions taken. The

[1] The total number of projects/programmes as of December 2021 stood at 152. However, this analysis of the pandemic impact on the GCF portfolio only covers the projects/programmes which were under implementation as of December 2021 but have received a waiver for APR submission due to no progress or disbursement made as in an early stage of implementation

provision of necessary extensions for implementation durations and project changes as part of the adaptive management with a view to mitigating the impact of pandemic impact also contributed to the positive trend. An inflow of new projects to the implementation phase with timelines adjusted in advance also helped the change in the trend.

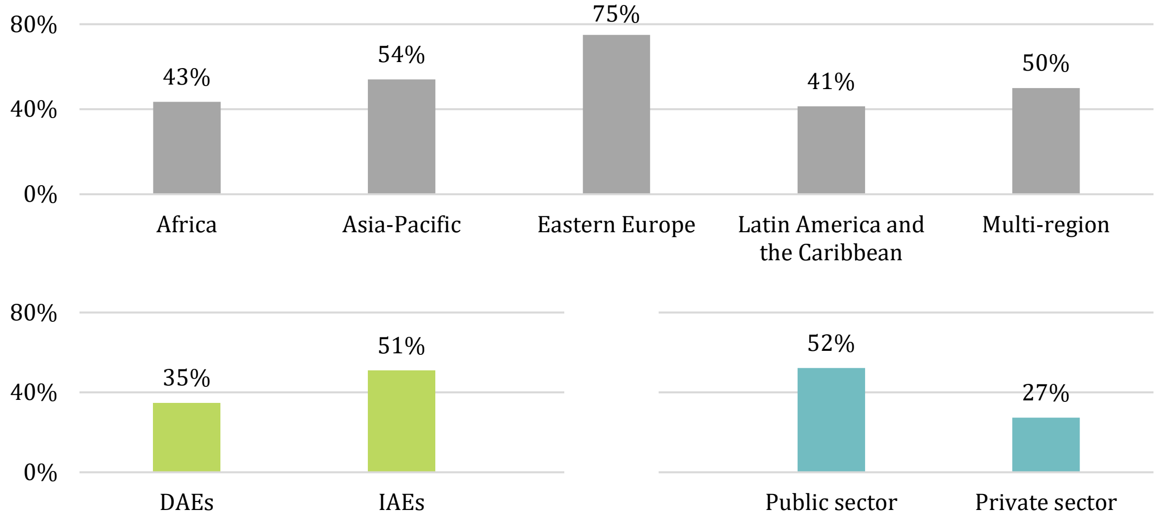
Figure 1: Overview of the pandemic impact on funded activities under implementation since the pandemic onset



Note: The Secretariat has conducted two initial analyses on the pandemic impact in June and July 2020, respectively. The projects/programmes under implementation were scoped in the two analyses, whose number were 103 and 106 as of June and July 2020 respectively. After the initial analyses, the Secretariat further analyzed implementation progresses and challenges generated by the pandemic through the review of APRs for the years 2020 and 2021 and consultations with AEs. Meanwhile, taking into account project/programme entering into effectiveness over time, the numbers of projects/programmes under implementation stood at 109 and 137 as of end December 2020 and December 2021 respectively.

6. Figure 2 below provides information on projects/programmes with delays or required changes due to the pandemic as of December 2021, disaggregated by geographical region, entity type (direct access entities (DAEs) or international access entities (IAEs)), and sector. Quantitative analysis shows that the pandemic has impacted a higher share of IAE projects/programmes than DAE projects/programmes. Public sector projects/programmes are more affected than private sector proportionally.

Figure 2: Breakdown of the pandemic impact on funded activities under implementation as of December 2021 (in percentages of project/programmes with delays or changes required)



7. Geared towards further informing a menu of targeted response mitigative measures more systematically, the Secretariat continued to use the following taxonomy to categorize the pandemic-related challenges:

(a) Activities in the field;

(b) Supply chain;

(c) Liquidity and solvency risks;

(d) Cost increases of projects/programmes;

(e) Financing and concessionality; and

(f) Other.

8. Out of the six types of challenges, the disruption to activities in the field has continued to have the most impacts on the GCF funded activities in 2021, just like 2020. Whilst 84 per cent of the projects/programmes under implementation as of December 2020 had experienced disruptions to activities in the field, the proportion has substantially decreased from 54 per cent as of December 2021. The disruptions are still rooted primarily in limited access to project/programme areas due to travel restrictions and lockdowns imposed by national governments. However, out of the six types of challenges, the disruption to activities in the field has continued to have the most impact on the GCF funded activities in 2021.

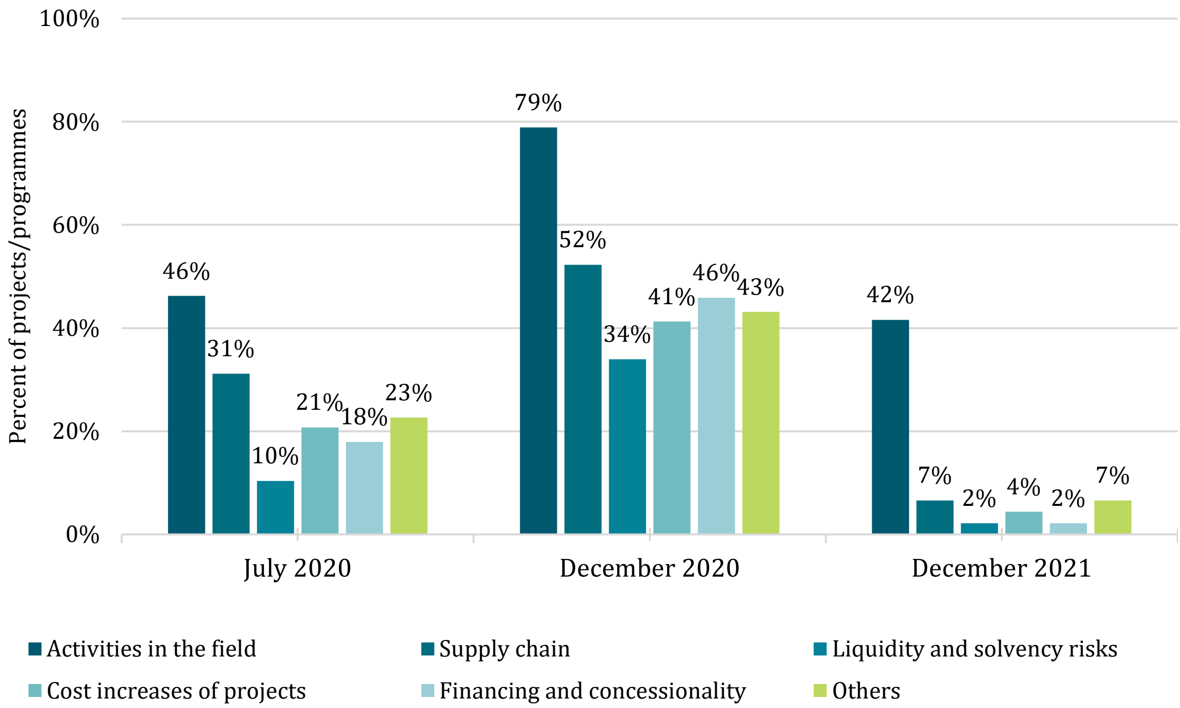
9. The impact of other types of challenges namely, supply chain, solvency risks, cost escalations, financing and concessionality, and other, has declined in relation in 2021 as compared to 2020 when the pandemic started spreading globally. Between 34–52 per cent of projects/programmes under implementation as of December 2020 reported the adverse impact of the pandemic on their project/programme implementation under those challenge types. However, only 2–7 per cent reported facing those challenges as of December 2021. Figure 3 below summarizes the trends.

10. Challenges from the supply chain disruptions include limited access to equipment and markets, as well as delays in procurement and the import of materials and equipment due to a halt in production and/or lack of raw material and supplies. Only 3 per cent of projects/programmes as of December 2021 have reported that the pandemic has impacted their

liquidity and solvency, thus distorting their abilities to meet contractual obligations, resulting from market/supply challenges as well as cost inflation and local currency fluctuations.

11. About 6 per cent of projects/programmes have experienced cost escalations due to extensions of staff contracts and the additional materials and equipment required as part of security and safety measures, while 3 per cent are seeking opportunities for revisions in terms of financing and concessionality to cope with dampening demand and reduced purchasing power in their target markets.

Figure 3: Percent of the projects/programmes under implementation that faced challenges per taxonomy since July 2022 to December 2021



Summary of key implementation challenges reported per taxonomy					
48% of the projects/programmes facing implementation challenges posed by the pandemic (66 of 137 projects/programmes under implementation as of 31 December 2021)					
42% Activities in the field	7% Supply chain	2% Liquidity and solvency risks	4% Cost increases of projects	2% Financing and concessionality	7% Others
- Delays in travel, planned training, workshops, conferences,	- Delays in procurement and importation of materials and	- Liquidity, market, and credit risk of subprojects.	- Likely cost increases or budget reallocations due to	- Possible amendments to co-financing availability, financing for	- Communication (internet) challenges.

events and awareness-raising events.Limited access to project sites especially outer islands. - Postponed field missions for collecting, validating information, and conducting consultations with local stakeholders. - Measures required to ensure the security and safety of workers. - Delays in pilot projects, feasibility, baseline studies. - Limitations in ability to supervise activities.	equipment due to a halt in production or lack of raw material and supplies. - Logistic disruptions or challenges from accessing markets, leading to loss of business opportunities. - Need for extensions of tender submission dates.	Limitations on marketing process and income difficulties. - Inflation expected due to unstable markets. - Limited ability to deploy longer-term debt for capital expenditure investments. - Lower total amount of disbursements from risk mitigation measures and decreased loan demand. - Negative impact on revenue of user-payment projects due to reduced demand.	personnel contract extension, security and safety issues, office rentals, shipping, travel, needs for sanitizers, workshops, communication modalities in the field, remote-working arrangement, and limited supply vis-à-vis demand due to pandemic.	project management costs, and disbursement schedules. - Contractors facing challenges in acquiring loans from financial institutions and commercial banks. - Increased risk aversion and demand for countercyclical financing. -Increasing uncertainty causing postponement or cancellation of investment decisions. - Likely extension for closing date and completion date.	- Delays in securing customs and other government clearances or any minor activities. - Delays in fulfilling conditions precedent by original deadlines or in preparatory activities like baseline assessments and inception reports. - Staff attrition.

Note: AEs were allowed to report multiple challenge types per project. The total number of 137 projects/programmes above indicates the total number of projects/programmes under implementation as of 31 December 2021, excluding the projects/programmes that received a waiver for the APR submission.

Readiness and Preparatory Support Programme

12. Serious implementation difficulties due to the COVID-19 pandemic were reported by countries. According to the survey conducted in 2021 on Readiness 1.0 grants, 60 per cent of the respondents in 135 countries selected the COVID-19 pandemic as one of the major challenges faced in implementing Readiness activities, particularly placing significant limitations on the engagement of stakeholders at local, subnational, and national levels. Compounding effects have been observed across the implementation aspects of the Readiness portfolio. One challenge was that due to the pandemic, some targeted beneficiaries/stakeholders consultations had to be cancelled or rescheduled, whilst there were disruptions to project activities due to changes in government priorities and shifts of obligations to mitigate the COVID-19 situation (especially in the local communities). To cope with these challenges, some countries/DPs took remedial steps such as intensifying phone/email communication and organizing online trainings/workshops. In

other instances, the delivery partners focused on ensuring the participation of at least the main participants/representatives who can then transfer knowledge/information to other beneficiaries/group.

13. Other implementation challenges related to delays faced by some grants and the inability to carry out planned project activities after the procurement of consultants or agreements were signed with implementing partners. As such, there was need for extensions of project timeframes and durations. Disruptions to communications affected both online and offline meetings and contributed to delays in the approval of work plans and decision-making processes, for example, of the project steering committee and the project team. For the projects that had just become effective during early 2020 and 2021, procurement and recruitment of experts suffered setbacks due to various reasons derived from the pandemic situation, such as a less bidding and fewer candidates and postponement or cancellation of hiring contracts.

14. Other challenges identified amongst various project activities in the Readiness Programme and PPF were the difficulties in the stakeholder engagement and participatory processes due to the travel restrictions and lockdowns related to COVID-19 in 2021. While notable efforts have been made by DPs and NDAs to resume stakeholder consultations in virtual settings with more time allocated, some countries could not benefit from such measures due to their specific barriers, such as lack of access to and familiarity with the internet and IT equipment.

Adaptive management measures being taken by the Secretariat

Funded activities

15. Closely monitoring developments of projects/programmes which might require project changes due to the pandemic impact, the Secretariat has facilitated proactive and adaptive management actions to mitigate the impact of the pandemic on the flagged projects/programmes and address the associated challenges in a timely, responsive and flexible manner.

16. The Secretariat has engaged with stakeholders more frequently and has streamlined operational procedures to facilitate projects to start implementation or to engage in discussions with stakeholders, including NDAs and local counterparts. The Secretariat has also granted additional flexibility in disbursement schedules and closing/completion dates to facilitate continuation of implementation activities while allowing more time for AEs to comply with conditions that need to be met prior to commencement of execution of certain activities.

17. The Secretariat received a higher than usual number of extension and waiver requests relating to the submission of funded activity agreement conditions prior to disbursements, baseline assessments and inception reports. As per GCF policies, time extensions were granted to AEs for the submission of required reports including baseline assessments and compliance documentation, other FAA covenants, and conditions precedent to disbursement due to disruptions and delays in implementation of activities.

Readiness and Preparatory Support Programme

18. Climate resilient recovery (CRR) measures for the Readiness Programme were announced by the Secretariat in Q3 of 2020 as a programmatic response to the COVID-19 pandemic. The CRR measures provided fast-tracked support to mitigate the pandemic efforts by developing countries through the Readiness modality. Proposals by DPs and NDAs to access the three options of the CRR measures were available up to February 2021, and the outcomes of the CRR options are as follows:

19. Option 1 is rapid Readiness that can support countries to craft green, climate-resilient recovery measures, explore a new financial structuring with no additional debt burdens, and integrate nationally determined contributions (NDCs) into a recovery package.

20. Option 2 is adaptive management of the Readiness grants under implementation (except adaptation planning grants), including additional budget allocation up to USD 50,000.

21. Other temporary measures to support project implementation through the extension period included: (a) use of the approved contingency amounts included in the budgets to cover unforeseen costs relating to the COVID-19 pandemic; (b) reallocation of approved budget among the budget line items in a variation of up to 25 per cent from one budget category to another (normally 20 per cent); and (c) increase in project management costs by 5 per cent, from a cap of 7.5 per cent to 12.5 per cent of the total activity budget approved.

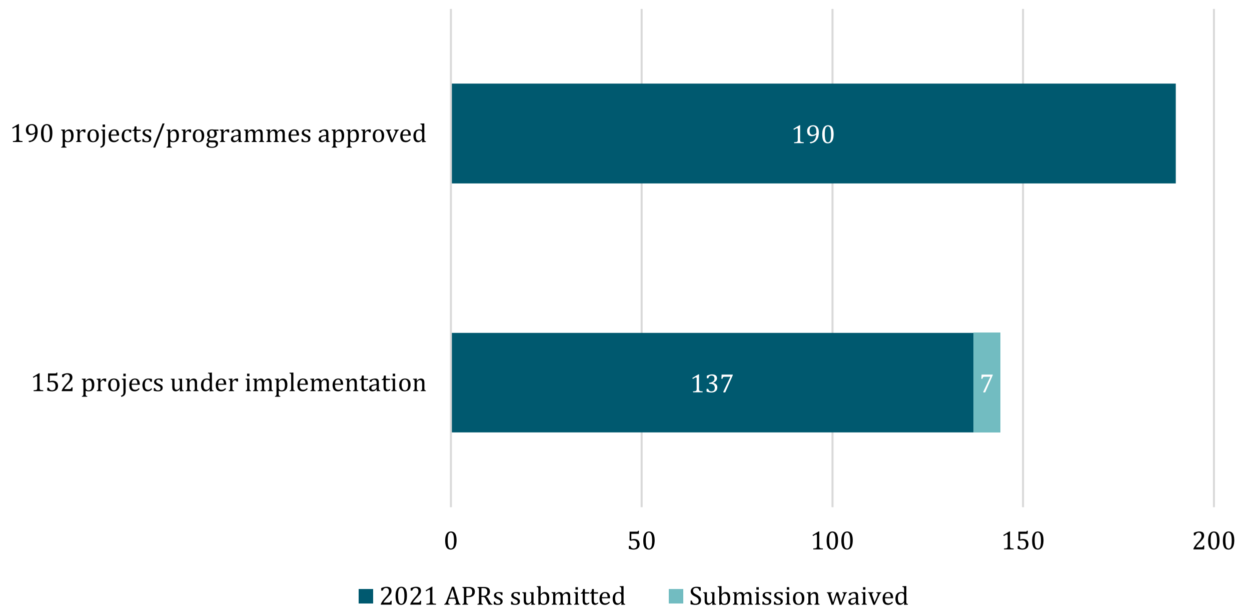
22. The Secretariat granted additional extensions for such projects to allow sufficient time for countries to achieve the targeted outputs.

Annex II: List of projects with extension of closing and completion dates in 2021

REF. NO.	AE NAME	Project Name	Date changed	Original Closing and Completion Date	Current Closing and Completion Date
FP001	Profonanpe	Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru	Closing and Completion Date	2021/03/10 - 2022/03/10	2022/12/31 - 2023/12/31
FP013	UNDP	Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam	Closing and Completion Date	2021/07/11 - 2022/07/11	2022/07/11 - 2023/07/11
FP018	UNDP	Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan	Closing and Completion Date	2020/03/14 - 2022/07/11	2021/06/14 - 2024/01/11
FP019	UNDP	Priming Financial and Land Use Planning Instruments to Reduce Emissions from Deforestations	Closing Date	2021/05/22	2022/11/22
FP023	EIF	Sustainable and Climate Resilient Connectivity for Nauru	Closing and Completion Date	2021/03/14 - 2022/03/14	2022/09/14 - 2023/09/14
FP024	EIF	Climate Resilient Agriculture in three of the Vulnerable Extreme northern crop-growing regions (CRAVE)	Closing and Completion Date	2021/05/01 - 2022/05/01	2022/05/01 - 2022/11/01
FP035	SPREP	Climate Information Services for Resilient Development Planning in Vanuatu (Van-CIS-RDP)	Closing and Completion Date	2022/01/10 - 2022/04/10	2023/12/31 - 2024/03/31
FP052	ADB	Sustainable and Climate Resilient Connectivity for Nauru	Closing Date	2020/03/14	2021/06/14
FP064	IADB	Promoting Risk Mitigation Instruments and Finance for Renewable Energy and Energy Investments	Closing and Completion Date	2024/07/22 - 2025/01/22	2026/07/22 - 2027/01/22
FP103	GIZ	Promotion of Climate-Friendly Cooking: Kenya and Senegal	Closing and Completion Date	2021/09/26 - 2022/03/26	2022/03/25 - 2022/09/25

Annex III: List of projects/programmes which have submitted the 2021 annual performance reports

Submission status of the 2021 annual performance reports (APRs)



List of projects/programmes which have submitted the 2021 annual performance reports

Reference number	Project name	Accredited entity	Country	GCF funding (USD eq, million)	2021 APR submission status
FP001	Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru	Profonanpe	Peru	6.2	Submitted
FP002	Scaling up the use of Modernized Climate information and Early Warning Systems in Malawi	UNDP	Malawi	12.3	Submitted
FP003	Increasing the resilience of ecosystems and communities through the restoration of the productive bases of salinized lands	CSE	Senegal	7.6	Submitted
FP004	Climate Resilient Infrastructure Mainstreaming (CRIM)	KfW	Bangladesh	40.0	Submitted
FP005	KawiSafi Ventures Fund	Acumen	Multiple countries	25.0	Submitted
FP007	Supporting vulnerable communities in Maldives to manage climate change-induced water shortages	UNDP	Maldives	23.6	Submitted
FP008	Fiji Urban Water Supply and Wastewater Management Project	ADB	Fiji	31.0	Submitted
FP009	Energy Savings Insurance (ESI) for private energy efficiency investments	IDB	El Salvador	21.7	Submitted

Reference number	Project name	Accredited entity	Country	GCF funding (USD eq, million)	2021 APR submission status
	by Small and Medium-Sized Enterprises (SMEs)				
FP010	De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits	UNDP	Armenia	20.0	Submitted
FP011	Large-scale Ecosystem-based Adaptation in The Gambia: developing a climate-resilient, natural resource-based economy	UNEP	Gambia	20.5	Submitted
FP012	Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project	WorldBank	Mali	22.8	Submitted
FP013	Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam	UNDP	Viet Nam	29.5	Submitted
FP014	Climate Adaptation and Mitigation Program For the Aral Sea Basin (CAMP4ASB)	WorldBank	Multiple countries	19.0	Submitted
FP015	Tuvalu Coastal Adaptation Project (TCAP)	UNDP	Tuvalu	36.0	Submitted
FP016	Strengthening the resilience of smallholder farmers in the Dry Zone to climate variability and extreme events through an integrated approach to water management	UNDP	Sri Lanka	38.1	Submitted
FP017	Climate action and solar energy development programme in the Tarapacá Region in Chile	CAF	Chile	39.0	Submission waived or extended
FP018	Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan	UNDP	Pakistan	37.0	Submitted
FP019	Priming Financial and Land Use Planning Instruments to Reduce Emissions from Deforestations	UNDP	Ecuador	41.2	Submitted
FP020	Sustainable Energy Facility for the Eastern Caribbean	IDB	Multiple countries	80.0	Submitted
FP021	Senegal Integrated Urban Flood Management Project	AFD	Senegal	15.5	Submitted
FP022	Development of arganiculture orchards in degraded environment (DARED)	ADA_Morocco	Morocco	39.3	Submitted
FP023	Climate Resilient Agriculture in three of the Vulnerable Extreme northern crop growing regions (CRAVE)	EIF	Namibia	9.5	Submitted
FP024	Enpower to Adapt: Creating Climate-Change Resilient Livelihoods through Community-Based Natural Resource Management (CBNRM) in Namibia	EIF	Namibia	10.0	Submitted
FP025	GCF-EBRD SEFF Co-financing Programme	EBRD	Multiple countries	378.0	Submitted
FP026	Sustainable Landscapes in Eastern Madagascar	CI	Madagascar	18.5	Submitted

Reference number	Project name	Accredited entity	Country	GCF funding (USD eq, million)	2021 APR submission status
FP028	MSME Business Loan Program for GHG Emission Reduction	XacBank	Mongolia	20.0	Submitted
FP033	Accelerating the transformational shift to a low-carbon economy in the Republic of Mauritius	UNDP	Mauritius	28.2	Submitted
FP034	Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda	UNDP	Uganda	24.1	Submitted
FP035	Climate Information Services for Resilient Development Planning in Vanuatu (Van-CIS-RDP)	SPREP	Vanuatu	18.1	Submitted
FP036	Pacific Islands Renewable Energy Investment Program	ADB	Multiple countries	17.0	Submitted
FP037	Integrated Flood Management to Enhance Climate Resilience of the Vaisigano River Catchment in Samoa	UNDP	Samoa	57.7	Submitted
FP039	GCF-EBRD Egypt Renewable Energy Financing Framework	EBRD	Egypt	154.7	Submitted
FP040	Tajikistan: Scaling Up Hydropower Sector Climate Resilience	EBRD	Tajikistan	50.0	Submitted
FP041	Simiyu Climate Resilient Project	KfW	Tanzania	106.4	Submitted
FP042	Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco	AFD	Morocco	20.7	Submitted
FP043	The Saïss Water Conservation Project	EBRD	Morocco	33.1	Submitted
FP044	Tina River Hydropower Development Project	WorldBank	Solomon Islands	86.0	Submitted
FP045	Ground Water Recharge and Solar Micro Irrigation to Ensure Food Security and Enhance Resilience in Vulnerable Tribal Areas of Odisha	NABARD	India	34.4	Submitted
FP046	Renewable Energy Program #1 - Solar	XacBank	Mongolia	8.7	submission waived or extended
FP047	GCF-EBRD Kazakhstan Renewables Framework	EBRD	Kazakhstan	110.0	Submitted
FP048	Low Emissions and Climate Resilient Agriculture Risk Sharing Facility	IDB	Multiple countries	20.0	Submitted
FP049	Building the climate resilience of food insecure smallholder farmers through integrated management of climate risk (R4)	WFP	Senegal	10.0	Submitted
FP050	Bhutan for life	WWF	Bhutan	26.6	Submitted
FP051	Scaling-up Investment in Low-Carbon Public Buildings	UNDP	Bosnia and Herzegovin a	17.3	Submitted
FP052	Sustainable and Climate Resilient Connectivity for Nauru	ADB	Nauru	26.9	Submitted
FP053	Enhancing climate change adaptation in the North coast and Nile Delta Regions in Egypt	UNDP	Egypt	31.4	Submitted

Reference number	Project name	Accredited entity	Country	GCF funding (USD eq, million)	2021 APR submission status
FP056	Scaling up climate resilient water management practices for vulnerable communities in La Mojana	UNDP	Colombia	38.5	Submitted
FP058	Responding to the increasing risk of drought: building gender-responsive resilience of the most vulnerable communities	MoFEC	Ethiopia	45.0	Submitted
FP059	Climate Resilient Water Sector in Grenada (G-CREWS)	GIZ	Grenada	36.6	Submitted
FP060	Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados)	CCCCC	Barbados	27.6	Submitted
FP061	Integrated physical adaptation and community resilience through an enhanced direct access pilot in the public, private, and civil society sectors of three Eastern Caribbean small island developing states	DOE_ATG	Multiple countries	20.0	Submitted
FP062	Poverty, Reforestation, Energy and Climate Change Project (PROEZA)	FAO	Paraguay	25.1	Submitted
FP063	Promoting private sector investments in energy efficiency in the industrial sector and in Paraguay	IDB	Paraguay	23.0	Submitted
FP064	Promoting risk mitigation instruments and finance for renewable energy and energy efficiency investments	IDB	Argentina	103.0	Submitted
FP066	Pacific Resilience Project Phase II for RMI	WorldBank	Marshall Islands	25.0	Submitted
FP067	Building climate resilience of vulnerable and food insecure communities through capacity strengthening and livelihood diversification in mountainous regions of Tajikistan	WFP	Tajikistan	9.3	Submitted
FP068	Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia	UNDP	Georgia	27.1	Submitted
FP069	Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity	UNDP	Bangladesh	25.0	Submitted
FP070	Global Clean Cooking Program – Bangladesh	WorldBank	Bangladesh	20.0	Submitted
FP071	Scaling Up Energy Efficiency for Industrial Enterprises in Vietnam	WorldBank	Viet Nam	86.3	Submitted
FP072	Strengthening climate resilience of agricultural livelihoods in Agro-Ecological Regions I and II in Zambia	UNDP	Zambia	32.0	Submitted
FP073	Strengthening Climate Resilience of Rural Communities in Northern Rwanda	MOE_Rwanda	Rwanda	32.8	Submitted
FP074	Africa Hydromet Program – Strengthening Climate Resilience in	WorldBank	Burkina Faso	22.5	Submitted

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	Sub-Saharan Africa: Burkina Faso Country Project				
FP075	Institutional Development of the State Agency for Hydrometeorology of Tajikistan	ADB	Tajikistan	5.0	Submitted
FP076	Climate-Friendly Agribusiness Value Chains Sector Project	ADB	Cambodia	40.0	Submitted
FP077	Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Project (AHURP)	ADB	Mongolia	145.0	Submitted
FP078	Acumen Resilient Agriculture Fund (ARAF)	Acumen	Multiple countries	26.0	Submitted
FP080	Zambia Renewable Energy Financing Framework	AfDB	Zambia	52.5	Submitted
FP081	Line of Credit for Solar rooftop segment for commercial, industrial and residential housing sectors	NABARD	India	100.0	Submitted
FP083	Indonesia Geothermal Resource Risk Mitigation Project	WorldBank	Indonesia	100.0	Submitted
FP084	Enhancing climate resilience of India’s coastal communities	UNDP	India	43.4	Submitted
FP085	Green BRT Karachi	ADB	Pakistan	49.0	Submitted
FP086	Green Cities Facility	EBRD	Multiple countries	90.2	Submitted
FP087	Building livelihood resilience to climate change in the upper basins of Guatemala’s highlands	IUCN	Guatemala	22.0	Submitted
FP089	Upscaling climate resilience measures in the dry corridor agroecosystems of El Salvador (RECLIMA)	FAO	El Salvador	35.8	Submitted
FP090	Tonga Renewable Energy Project under the Pacific Islands Renewable Energy Investment Program	ADB	Tonga	29.9	Submitted
FP091	South Tarawa Water Supply Project	ADB	Kiribati	28.6	Submitted
FP093	Yeleen Rural Electrification Project in Burkina Faso	AfDB	Burkina Faso	25.2	Submitted
FP094	Ensuring climate resilient water supplies in the Comoros Islands	UNDP	Comoros (the)	41.9	Submitted
FP095	Transforming Financial Systems for Climate	AFD	Multiple countries	248.7	Submitted
FP097	Productive Investment Initiative for Adaptation to Climate Change (CAMBio II)	CABEI	Multiple countries	15.5	Submitted
FP098	DBSA Climate Finance Facility	DBSA	Multiple countries	55.6	Submitted
FP099	Climate Investor One	FMO	Multiple countries	100.0	Submitted
FP100	REDD-PLUS results-based payments for results achieved by Brazil in the Amazon biome in 2014 and 2015	UNDP	Brazil	96.5	Submitted
FP101	Resilient Rural Belize (Be-Resilient)	IFAD	Belize	8.0	Submitted

Reference number	Project name	Accredited entity	Country	GCF funding (USD eq, million)	2021 APR submission status
FP102	Mali solar rural electrification project	BOAD	Mali	26.9	submission waived or extended
FP103	Promotion of Climate-Friendly Cooking: Kenya and Senegal	GIZ	Multiple countries	17.1	Submitted
FP105	BOAD Climate Finance Facility to Scale Up Solar Energy Investments in Francophone West Africa LDCs	BOAD	Multiple countries	63.2	Submitted
FP106	Embedded Generation Investment Programme (EGIP)	DBSA	South Africa	100.0	Submitted
FP107	Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan	UNDP	Bhutan	25.3	Submitted
FP108	Transforming the Indus Basin with Climate Resilient Agriculture and Water Management	FAO	Pakistan	35.0	Submitted
FP109	Safeguarding rural communities and their physical and economic assets from climate induced disasters in Timor-Leste	UNDP	Timor-Leste	22.4	Submitted
FP110	Ecuador REDD-plus RBP for results period 2014	UNDP	Ecuador	18.6	Submitted
FP111	Promoting climate-resilient forest restoration and silviculture for the sustainability of water-related ecosystem services	IDB	Honduras	35.0	Submitted
FP112	Addressing Climate Vulnerability in the Water Sector (ACWA) in the Marshall Islands	UNDP	Marshall Islands	18.6	Submitted
FP113	TWENDE: Towards Ending Drought Emergencies: Ecosystem Based Adaptation in Kenya's Arid and Semi-Arid Rangelands	IUCN	Kenya	23.2	Submitted
FP115	Espejo de Tarapacá	MUFG_Bank	Chile	60.0	Submitted
FP117	Implementation of the Lao PDR Emission Reductions Programme through improved governance and sustainable forest landscape management	GIZ	Lao People's Democratic Republic (the)	15.7	Submitted
FP118	Building a Resilient Churia Region in Nepal (BRCRN)	FAO	Nepal	39.3	Submitted
FP119	Water Banking and Adaptation of Agriculture to Climate Change in Northern Gaza	AFD	State of Palestine	24.6	Submitted
FP120	Chile REDD-plus results-based payments for results period 2014-2016	FAO	Chile	63.6	Submitted
FP121	REDD+ Results-based payments in Paraguay for the period 2015-2017	UNEP	Paraguay	50.0	Submitted
FP122	Blue Action Fund (BAF): GCF Ecosystem Based Adaptation Programme in the Western Indian Ocean	KfW	Multiple countries	31.1	Submitted

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FP124	Strengthening Climate Resilience of Subsistence Farmers and Agricultural Plantation Communities residing in the vulnerable river basins, watershed areas and downstream of the Knuckles Mountain Range Catchment of Sri Lanka	IUCN	Sri Lanka	39.8	submission waived or extended
FP125	Strengthening the resilience of smallholder agriculture to climate change-induced water insecurity in the Central Highlands and South-Central Coast regions of Vietnam	UNDP	Viet Nam	30.2	Submitted
FP126	Increased climate resilience of rural households and communities through the rehabilitation of production landscapes in selected localities of the Republic of Cuba (IRES)	FAO	Cuba	38.2	Submitted
FP127	Building Climate Resilience of Vulnerable Agricultural Livelihoods in Southern Zimbabwe	UNDP	Zimbabwe	26.6	Submitted
FP128	Arbaro Fund – Sustainable Forestry Fund	MUFG_Bank	Multiple countries	25.0	Submitted
FP129	Afghanistan Rural Energy Market Transformation Initiative – Strengthening Resilience of Livelihoods Through Sustainable Energy Access	UNDP	Afghanistan	17.2	Submitted
FP130	Indonesia REDD-plus RBP for results period 2014-2016	UNDP	Indonesia	103.8	Submitted
FP131	Improving Climate Resilience of Vulnerable Communities and Ecosystems in the Gandaki River Basin, Nepal	IUCN	Nepal	27.4	submission waived or extended
FP132	Enabling Implementation of Forest Sector Reform in Georgia to Reduce GHG Emissions from Forest Degradation	GIZ	Georgia	34.0	submission waived or extended
FP133	Resilience to hurricanes in the building sector in Antigua and Barbuda	DOE_ATG	Antigua and Barbuda	32.7	Submitted
FP134	Colombia REDD+ Results-based Payments for results period 2015-2016	FAO	Colombia	28.2	Submitted
FP135	Ecosystem-based Adaptation in the Indian Ocean – EBA IO	AFD	Multiple countries	38.0	Submitted
FP136	Resilient Landscapes and Livelihoods Project	WorldBank	Ethiopia	165.2	Submitted
FP137	Ghana Shea Landscape Emission Reductions Project	UNDP	Ghana	30.1	Submitted
FP139	Building resilience in the face of climate change within traditional rain fed agricultural and pastoral systems in Sudan	UNDP	Sudan	25.6	Submitted
FP140	High Impact Programme for the Corporate Sector	EBRD	Multiple countries	258.0	Submitted

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FP141	Improving Adaptive Capacity and Risk Management of Rural communities in Mongolia	UNDP	Mongolia	23.1	Submitted
FP142	Argentina REDD-plus RBP for results period 2014-2016	FAO	Argentina	82.0	Submitted
FP144	Costa Rica REDD-plus Results-Based Payments for 2014 and 2015	UNDP	Costa Rica	54.1	Submitted
FP146	Bio-CLIMA: Integrated climate action to reduce deforestation and strengthen resilience in BOSAWÁS and Rio San Juan Biospheres	CABEI	Nicaragua	64.1	submission waived or extended
FP147	Enhancing Climate Information and Knowledge Services for resilience in 5 island countries of the Pacific Ocean	UNEP	Multiple countries	47.4	Submitted
FP148	Participation in Energy Access Relief Facility ("EARF")	Acumen	Multiple countries	30.0	submission waived or extended
FP151	Global Subnational Climate Fund (SnCF Global) – Technical Assistance (TA) Facility	IUCN	Multiple countries	18.5	Submitted
FP152	Global Subnational Climate Fund (SnCF Global) – Equity	PCA	Multiple countries	150.0	submission waived or extended
FP157	Coastal Resilience to Climate Change in Cuba through Ecosystem Based Adaptation - "MI COSTA"	UNDP	Cuba	23.9	Submitted
FP158	Ecosystem-Based Adaptation and Mitigation in Botswana's Communal Rangelands	CI	Botswana	36.8	submission waived or extended
FP159	PREFOREST CONGO - Project to reduce greenhouse gas emissions from forests in five departments in the Republic of Congo	FAO	Congo	29.0	Submitted
FP160	Monrovia Metropolitan Climate Resilience Project	UNDP	Liberia	17.3	Submitted
FP163	Sustainable Renewables Risk Mitigation Initiative (SRMI) Facility	WorldBank	Multiple countries	280.0	Submitted
FP164	Green Growth Equity Fund	FMO	India	137.0	Submitted
FP167	Transforming Eastern Province through Adaptation	IUCN	Rwanda	33.8	submission waived or extended
FP169	Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia	SPC	Micronesia (Federated States of)	16.6	submission waived or extended
SAP001	Improving rangeland and ecosystem management practices of smallholder farmers under conditions of climate change in Sesfontein, Fransfontein, and Warmquelle areas of the Republic of Namibia	EIF	Namibia	9.3	Submitted

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SAP002	Climate services and diversification of climate sensitive livelihoods to empower food insecure and vulnerable communities in the Kyrgyz Republic.	WFP	Kyrgyzstan	8.6	submission waived or extended
SAP003	Enhancing climate resilience of the water sector in Bahrain	UNEP	Bahrain	2.3	Submitted
SAP004	Energy Efficient Consumption Loan Programme	XacBank	Mongolia	10.0	Submitted
SAP005	Enhanced climate resilience of rural communities in central and north Benin through the implementation of ecosystem-based adaptation (EbA) in forest and agricultural landscapes	UNEP	Benin	9.0	Submitted
SAP006	Building resilience of communities living in landscapes threatened under climate change through an ecosystems-based adaptation approach	EIF	Namibia	8.9	Submitted
SAP007	Integrated Climate Risk Management for Food Security and Livelihoods in Zimbabwe focusing on Masvingo and Rushinga Districts	WFP	Zimbabwe	8.9	Submitted
SAP008	Extended Community Climate Change Project-Flood (ECCCP-Flood)	PKSF	Bangladesh	9.7	Submitted
SAP009	Building resilience of urban populations with ecosystem-based solutions in Lao PDR	UNEP	Lao People's Democratic Republic (the)	10.0	Submitted
SAP011	Climate-resilient food security for women and men smallholders in Mozambique through integrated risk management	WFP	Mozambique	9.3	Submitted
SAP012	Inclusive Green Financing for Climate Resilient and Low Emission Smallholder Agriculture	IFAD	Niger (the)	8.8	submission waived or extended
SAP014	Forest resilience of Armenia, enhancing adaptation and rural green growth via mitigation	FAO	Armenia	10.0	Submitted
SAP015	Promoting zero-deforestation cocoa production for reducing emissions in Côte d'Ivoire (PROMIRE)	FAO	Cote d'Ivoire	10.0	Submitted
SAP019	Gums for Adaptation and Mitigation in Sudan (GAMS): Enhancing adaptive capacity of local communities and restoring carbon sink potential of the Gum Arabic belt, expanding Africa's Great Green Wall	FAO	Sudan	10.0	Submitted
SAP020	Climate resilient food security for farming households across the Federated States of Micronesia (FSM)	MCT	Micronesia (Federated States of)	8.6	submission waived or extended
SAP022	Enhancing Multi-Hazard Early Warning System to increase resilience of	UNDP	Uzbekistan	10.0	Submitted

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	Uzbekistan communities to climate change induced hazards				
SAP023	River Restoration for Climate Change Adaptation (RIOS)	FMCN	Mexico	9.0	Submitted

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