



Asia-Pacific  
Water Forum



6<sup>TH</sup> ASIA-PACIFIC  
CLIMATE CHANGE  
ADAPTATION FORUM

## Workshop Report



Held within the Premises of the Asian Development Bank  
During the 6<sup>th</sup> Asian Pacific Climate Change Adaptation Forum  
Manila, Philippines

15-16 October 2018

[www.gwp.org](http://www.gwp.org)

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## Abbreviations and acronyms

ADB	Asian Development Bank	MIE	Multilateral Implementing Entity
AE	Accredited Entity	MSFA	Mongolia Sustainable Finance Association
AF	Adaptation Fund	NAMA	Nationally Appropriate Mitigation Actions
APAN	Asia Pacific Adaptation Network	NAPA	National Adaptation Programme of Action
BFL	Bhutan For Life	NDA	National Designated Authority
CFF	Climate Finance Fund	NDC	Nationally Determined Contributions
CRIWMP	Climate variability and Extreme events through an integrated approach to water management project	NEMA	National Environment Management Authority
CSA	Climate Smart Agriculture	NIE	National Implementing Entity
DAE	Direct Access Entity	NFV	National Financing Vehicle
DEA	Department of Environmental Affairs	NTNC	Shah National Trust for Nature Conservation
DWS	Department of Water and Sanitation	PFG	Project Formulation Grant
EA	Executing Agency	PPF	Project Preparation Facility
ESS	Environment and social safeguards	PSF	Private Sector Facility
GCF	Green Climate Fund	RGoB	Royal Government of Bhutan
GWP	Global Water Partnership	SAP	Simplified Access Process
IAE	International Access Entity	SIDS	Small Island Developing State
IIF	InsuResilience Investment Fund	SDGs	Sustainable Development Goals
IFI	International Financial Institutions	UNFCCC	<b>United Nations Framework Convention on Climate Change</b>
IPP	Independent Power Producer	WHYCOS	World Hydrological Cycle Observation Systems
IWRM	Integrated Water Resources Management	WMO	World Meteorological Organisation
JICA	Japanese International Cooperation Agency		
LDC	Least Developed Country		

### Executive Summary

A Technical Workshop on Project Preparation for Transformational Climate Resilient Water Project Concepts for the Green Climate Fund was organized in the margins of the 6<sup>th</sup> Asian Pacific Climate Change Adaptation Forum held within the Premises of the Asian Development Bank on the 15<sup>th</sup> and 16<sup>th</sup> of October 2018, in Manila, Philippines. It benefited from the participation of 80 participants – comprised of Green Climate Fund (GCF) National Designated Authorities (NDAs), GCF Direct Access Entities (DAEs), and decision makers in Water Ministries and agencies – from 18 countries across Central Asia & the Caucasus, South Asia, South East Asia and China, as well as from representatives of Country Water Partnerships in Asia.

The technical workshop was organised by the Global Water Partnership (GWP), in collaboration with the Asia Pacific Adaptation Network (APAN), Asia Pacific Water Forum, and Japan International Cooperation Agency (JICA), hosted by the Asian Development Bank (ADB), with technical inputs from the Green Climate Fund Secretariat, the World Meteorological Organization (WMO), and the Asian Institute of Technology.

Addressing a longtime expressed need, a partnership for climate resilient water project development in Asia for the GCF was set in motion at the end of the workshop. The workshop responded to countries' needs and expressed demand for support to strengthen the capacity of NDAs, DAEs, and Water Ministries and agencies to prepare climate resilient water projects that meet GCF investment criteria.

Participants engaged in hands-on learning on the GCF investment criteria, operational modalities and procedures for delivering climate finance through different GCF funding windows. They considered fit-for-purpose examples of project design and financing instruments available through the GCF and through other funds and financing mechanisms across Pan-Asia.

Countries shared their experiences and lessons in accessing GCF resources. Through interactive, hands-on exercises over two days, NDAs, DAEs, and water decision makers worked on 30 country-prioritized water project ideas to sharpen their climate rationale and paradigm shift potential. The workshop is the second one in a series of regional workshops, with the first one held in South Africa in September 2018 with 24 African countries and regional financial institutions.

Participants expressed a strong desire to continue collaborating after the workshop across countries and with partners to share experiences and support one another as they advanced their project ideas to GCF concept note stage.

Responding to this desire, partners of this workshop laid the foundation for the partnership for climate resilient water project development in Asia to provide a platform for countries to exchange knowledge and lessons as their experience in preparing, financing, and implementing water projects grows, particularly in the context of the GCF.

The partnership aims to provide a structured resource for Asian countries to continue accessing strategic and technical support to prioritize and prepare climate resilient water projects via a facilitated, flexible mechanism that enables peer to peer and demand-driven technical assistance with NDAs, DAEs, national water agencies in collaboration with technical partners. Co-organizers and participants of the workshop, and relevant entities beyond, are invited to join the partnership.

According to a 2016 UNFCCC survey of country climate action priorities, water is the most-cited pathway through which countries experience climate impacts and also the most-often prioritized

sector through which countries seek to build resilience in their economies, their populations' livelihoods, and their natural ecosystems. But when it comes to preparing and implementing adaptation projects, few of these water actions make it from priority lists to action on the ground. Barriers cited by countries include capacity limitations within countries, and weak coordination among in-country entities including Ministries of Water, Ministries of Planning, and Ministries of Finance. Limited understanding of GCF investment requirements, financing instruments, and inexperience in structuring project finance pose further barriers in accessing required resources.

The partnership will continue to build on the momentum of this workshop, with NDAs, DAEs, and ministries supporting one another to overcome barriers, drawing on the increasing expertise across the continent. Furthermore, recognizing that aspects of water projects that deliver development benefits that do not directly address climate impacts require co-financing from other sources such as government or private sector, the partnership will work with active and relevant existing financing partners for project preparation to appropriately structure financing for climate resilient GCF water projects across Pan-Asia.

For more information, please visit the workshop website:

<http://gwp.org/en/GCF-AsiaWorkshop>

## 1. Introductory Session

### 1.1 Welcome addresses

#### ***Dr Yumiko Yasuda, GWP Senior Network Specialist***

The Global Water Partnership (GWP) supports countries to develop capacity and interventions for climate change from the water sector angle. The goal is to integrate the water aspect into National Adaptation Plans (NAPs) and National Determined Contributions (NDCs) under the 2015 Paris Agreement, making finance flows consistent with a climate-resilient pathway. Recognized particularly after the last Convention of Parties (COP), the role of the Green Climate Fund (GCF) also looked for effective ways on how it should work with countries, as they face difficulties to access to funding, especially due to lack of capacity of agencies at the national level.

There is an awareness of GCF and the complexity surrounding the application process and proposal development. The aim of the workshop is to develop skills on how to develop GCF proposals using the water sector, but can be used to access funding in other areas. GWP has just conducted a similar successful workshop in Africa, bringing together various partners throughout the continent.

#### ***H.E. Watt Botkosal, Chair of GWP South East Asia***

This workshop is important as it brings Asian regions together, and it allows to gain new knowledge by learning together as well as to identify fundraising opportunities. This comes from a commitment to support countries and intergovernmental organizations through partners of Regional Water Partnerships (RWPs) and Country Water Partnerships (CWPS). This can be done through the development of multi-stakeholder platforms and the promotion and implementation of National policies that integrate IWRM, which has become a process and way of life.

#### ***Dr Nathaniel Santos, Chair of Philippines Water Partnership***

The Asia Pacific region is experiencing impacts of climate change - where the new norm is intensive rainfall, floods and droughts. Within this new norm, we all have to work to achieve SDG targets. There is a new urgency to adapt actions at all levels and we cannot continue as business as usual, thus requiring accelerated investment in the water sector. We are aware of the GCF, but need to learn how to access GCF funds in order to help build understanding of the mechanism.

#### ***Mr. Mozaharul Alam, Director of the Asia Pacific Adaptation Network (APAN)***

There is a need to bring everyone together to address the problem and be part of the solution. Leave no one behind, as per the Paris agreement message. Objective is to discuss the access and role of different actors aiming to access the finance. GWP continues to help countries with the provision of knowledge and information to access these funds. Take opportunity beyond two days, come and participate in the main APAN Forum, and create a network beyond this workshop.



### 1.2 About the Workshop

#### Objectives

The workshop responds to country demands for support to strengthen capacity to prepare high quality climate resilient water project proposals, appropriately structure project finance, and access the diverse set of available financing sources. By building country capacity to access GCF funds in water sector, the workshop is also intended to support countries to access other climate finance.

The workshop focuses on building capacity of, strengthening collaboration among, and sharing lessons across the GCF National Designated Authority (NDA), Direct Access Entities (DAEs) and potential DAEs, and water ministries or national water agencies within a country, and across country. Coordination among these national level mechanisms for successful preparation and participation in the workshop will serve as a useful example of similar cross-institutional coordination required to access other climate funds.

Specifically, the workshop aims to:

- Build participant understanding of the overall climate adaptation finance landscape in Asia, with the view to enable countries to identify potential funding sources for climate resilient water projects;
- Present the GCF, its mandate, investment criteria, and its operational modalities and procedures for delivering climate finance through different windows;
- Discuss GCF financing instruments, along with fit-for-purpose examples of climate rationale, project design, and financing instrument selection in the Asian context;
- Discuss approaches for articulating incremental costs of climate-proofing water projects;
- Review challenges and constraints, and explore solutions for DAEs to coordinate with NDAs, and water ministries, water-related sectors in preparation of GCF projects;
- Identify opportunities and follow-up activities for GCF Concept Note preparation

#### Expected Outcomes

- Enhanced understanding of climate adaptation finance landscape in Asia;
- Enhanced understanding of GCF impact criteria, operational modalities, procedures, and financing instruments;
- Clear understanding of requirements to prepare strong climate resilient water project concepts for GCF;
- Approaches and available resources understood for articulating climate rationale and estimating incremental costs of climate-proofing water investments;
- Enhanced understanding of the roles and responsibilities of all parties involved throughout the project cycle;
- Identification of potential GCF project concepts for each participating country;
- Discussion of follow-on support mechanism – Project Preparation Partnership for Climate Resilience Water Projects in Asia.

### Target Audience

The workshop targets participants from Asia, supporting project preparation and delivery by promoting exchange of experiences and strengthening capacity of:

- Water resource planners from water ministries and agencies
- GCF National Designated Authorities
- Current and potential GCF Direct Access Entities
- GWP Pan-Asia Program Managers, Regional Coordinators, and Country Water Partnerships.

### 1.3 Perspectives from partners and participants<sup>1</sup>:

#### Panel discussion

A panel composed of various representatives of NDAs, DAEs, and International Agencies<sup>2</sup> interacted to discuss about their perspectives concerning the access to GCF mechanisms. Here is a summary of the key recommendations coming from the panel discussion:

- Involving the private sector to ensure sustainable finance initiatives towards working sustainably;
- Reliable data and information systems are required to support collaboration on all levels;
- Create a multi-stakeholder platform and enabling environment to work together;
- Address capacity development gaps; Access to GCF difficult because of the lack of knowledge on how to access to the financing; this workshop is there to fill in this gap.



**Photo 1: Panel discussion facilitated by Dr Yumiko Yasuda (GWP)**

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<sup>1</sup> Facilitated by Yumiko Yasuda, Senior Network Specialist, GWP

<sup>2</sup> Naidalaa Badrakh, from the Mongolia Sustainable Finance Association (MSFA), Kyaw San from the Ministry of Environmental Conservation and Forestry, Myanmar NDA, Puti Faraniza from the PT Sarana Multi Infrastruktur, Indonesia DAE, Noor Syaifudin, Ministry of Finance from Indonesia NDA, Florida Chan, Japanese International Cooperation Agency (JICA) and Dominique Berod from the World Meteorological Organization (WMO)

### Participants expectations

In addition, participants expressed their workshop expectations and the key points highlighted were as follows:

- Share and learn from experiences to access GCF funding;
- Understand GCF processes, accreditation and finance mechanisms;
- Calculate costs related to climate resilience;
- Create good support network beyond workshop;
- Bring in the private sector to work sustainably.

### Portfolio of country prioritized water project ideas in Asia for the GCF: strengths & challenges<sup>3</sup>



Photo 2: Alex Simalabwi (GWP), Head of GWP Water, Climate and Development Program

Prior to the Workshop, participants from selected countries submitted 17 prioritized potential water project idea. The objective is to move and strengthen these ideas to concept note stage ready for GCF submission, but there was a significant gap between idea and actual potential for implementation. A review of project ideas was done by the GWP Climate Team and the following key recommendations were shared:

- The key element of Climate rationale was highlighted, along with the need of activities to be aligned with climate change interventions. There is a need for credible science and robust assessments of impact and disaster risks (IPCC). In the cases where such data is inadequate or nonexistent, it can be strengthened through participatory interviews in the form of indigenous knowledge. How have communities been progressively impacted over the years needs to be documented to support the argument of climate impact rationale.
- Proceed with caution when addressing both droughts and floods at the same time as it becomes difficult to make the story line clear at what risks you are addressing; therefore, ideal to present one specific risk; capitalize on coalition of partners to support each other to develop knowledge.

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<sup>3</sup> Facilitated by Alex Simalabwi (GWP)

- Additionality needs to be clear, with strong intervention rationale; Strong distinction between additional costs incurred due to climate change baseline development needs to be clear; integrating interventions into decision-making for long-term low-emission climate resilient development is necessary to ensure an influential trajectory; there is also a need to clarify impact potential and sustainable development potential.
- The six GCF Investment Criteria need are a must; needs of recipient – highlight country ownership; co-financing to show commitment and is required for the non-CC component of the proposal; paradigm shift potential should be strengthened.
- Check projects eligibility for either GCF project funding or GCF readiness.

## 2. Main characteristics of the GCF

### 2.1 Introduction to the GCF<sup>4</sup>

The Green Climate Fund has been given a unique role as the largest international fund dedicated exclusively to aid developing countries deal with climate change. The aim of all GCF activities is to support developing countries limit or reduce their greenhouse gas emissions, and adapt to climate change impacts.

GCF has a multi-layered approach to mobilize climate finance, working directly with the public and private sectors. It is important to note that developing countries are in the driving seat of GCF's targeting and disbursement of climate finance. **National Designated Authorities (NDAs)** for each developing country act as the country's interface with the Fund, and are involved closely in all of GCF's funding processes.

The GCF Programming Cycle has several opportunities for water sector partners through a number of mechanisms:

- GCF Country Programming - which is the basis for a country's vision and strategy on how to engage with and benefit from the GCF vis-a-vis other financing opportunities within the sector.
- Readiness - for strengthening of the NDA, capacity building and accreditation of Direct Access Entities, adaptation planning, project pipeline development.
- Project Preparation Facility (PPF) - to support preparation of major project proposals. The Project Preparation Facility (PPF) is a relatively new facility that is especially meant for Direct Access Entities to access grant financing to carry out studies and analyses needed to prepare project proposals for micro- to small-size projects. The PPF application has to be accompanied by a Concept Note and the NDA's no-objection letter.
- Full-fledged funding proposals.

#### Readiness funding

It is crucial that developing countries can effectively access and deploy resources from the Green Climate Fund. That is why the Fund provides early support for readiness and preparatory activities to enhance country ownership and access. This "country readiness" funding is a dedicated and cross-cutting programme that maximizes the effectiveness of the Fund by empowering developing countries. Activities supported through readiness are not one-off measures, but part of an ongoing process to strengthen a country's engagement with the Fund.

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<sup>4</sup> By Dr Jason Spensley (GCF Senior Specialist, Project Preparation and Adaptation Planning), complemented by information obtained from the GCF website: <https://www.greenclimate.fund/how-we-work/funding-projects>

All developing countries can access the GCF Readiness Programme, and the Fund aims for a floor of 50 percent of the readiness support allocation to particularly vulnerable countries, including least developed countries (LDCs), small island developing States (SIDS), and African States.

The Readiness Programme provides:

- Up to USD 1 million per country per year. Of this amount, NDAs or Focal Points may request up to USD 300,000 per year to help establish or strengthen a NDA or focal point to deliver on the Fund's requirements.
- Up to USD 3 million per country for the formulation of adaptation plans.

Within these specific funding caps, countries may submit multiple proposals over multiple years, to best meet the needs of the country over time. Multiple proposals may be implemented by direct access entities, international accredited entities and/or delivery partners, to best address comparative areas of expertise and opportunities. This applies to all readiness activities, including adaptation planning.

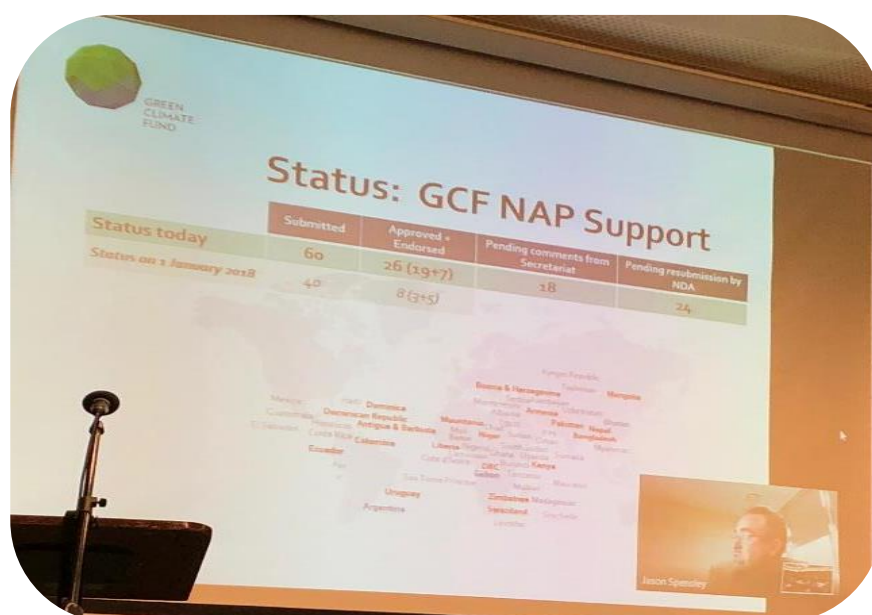


Photo 3: Jason Spensley from the GCF (via VC) providing an overview of NAP support portfolio

### Getting accredited

In deploying its resources, the Green Climate Fund will work through a wide range of institutions to finance projects and programmes. To access funding, these institutions will go through a process of “[accreditation](#),” designed to assess whether they are capable of strong financial management and of safeguarding funded projects and programmes against any unforeseen environmental or social harm.

During the accreditation process, an applicant entity's policies and procedures, track record, and demonstrated capacity to undertake projects or programmes of different financial instruments and environmental and social risk categories are assessed against the standards of the Green Climate Fund. The result of the accreditation process will specify the project or programme activity size; fiduciary

functions, which will shape how it operates using the Fund's resources (grants, loans, equity, and guarantees); and the highest category of environmental and social risk of its intended projects.

This approach recognises the role of a wide range of entities, which differ in the scope and nature of their activities, as well as their capacities in advancing the objectives of the Fund. The accreditation approach accommodates this diversity by matching the nature, scale, and risk of intended activities to the application of [fiduciary standards](#), [environmental and social safeguards](#), and [gender policy](#).

### Funding projects

In order to achieve maximum results, GCF seeks to catalyse funds, multiplying the effect of its initial financing by opening markets to new investments. The Fund creates new models for climate finance, channelling investment from both the public and private sectors. It aims to maximize the impact of public finance in a creative way, and to attract new sources of private finance to catalyse investment in mitigation and adaptation projects in the developing world.

GCF has established six criteria in its [Investment Framework](#) to guide its investment decisions:

- [impact potential](#): representing the potential to contribute to the achievement of the Fund's objectives and result area;
- [paradigm shift potential](#): representing long-term impact beyond a one-off investment;
- [sustainable development potential](#): representing wider economic, environmental, social (gender) co-benefit;
- [needs of the recipient](#): representing country ownership and capacity to implement (policies, climate strategies and institutions);
- [country ownership](#): representing economic soundness, cost-effectiveness and co-financing for mitigation;
- [efficiency and effectiveness](#): representing vulnerability and financing needs of beneficiary in targeted group.

Access to GCF resources to undertake climate change projects and programmes is possible for accredited entities that can submit funding proposals to the Fund at any time. An Accredited Entity (AE) may submit a [concept note](#) for feedback and recommendations from the Fund, in consultation with the National Designated Authority or Focal Point. The recommendation will clarify whether the concept is endorsed, not endorsed with a possibility of resubmission, or rejected.

### Overview of approved and pipe lines GCF projects

A fundamental aspect of GCF project preparation is Environment and Social Sustainability (ESS) and gender consideration, which can be accessed through readiness facility. The GCF aims to move beyond equal participation and representation of women and men to active and effective participation of both genders to influence the design and implementation of the project. Stakeholder engagement is a critical part of the project design that provides opportunities to enrich the gender components of the project. The GCF places emphasis on having a Gender Specialist as part of the Project Design Team, on the collection of gender disaggregated data and on ensuring that gender action plans are based on gender analysis.

### 2.2 Discussion around the GCF

#### Key points discussed

1. An adaptation project becomes bankable and its financial soundness justified by demonstrating impact and strong articulation of climate rationale and ensuring figures support the project.
2. About 1/3 of projects are Multi-country point, especially in water sector. Many proposals are multi-country (some sub-regional and others are cross-regional). In these cases funding proposals require all NDA no objections.
3. The validation mechanism behind science is based on trust established with NDAs and accredited entities, that evidence is sound and legitimate. Readiness and PPF are used to gather and consolidate data that already exists.
4. Relationship between Paris Agreement and SDGs, are common goals we are all working towards, therefore GCF is crucial for achieving SDGs at large (not limited to SDG13).
5. Investment criteria which all proposal reviews are based on impact potential and adaptation; what are the climate impacts, hazards, exposure and vulnerabilities? There is also a need to prioritize interventions and integration to broader domestic and international policy.



Photo 5: Group discussions

#### Key messages for successful project proposal in order to access GCF funding

- Most support comes from blended financial mechanisms; equity, guarantees on loans
- Research and technical institutions have a key role in the development of projects;
- Use science and data to attract investment;
- Have experts conduct relevant assessments and continue technical support during implementation;
- Use readiness to build in country regulatory process and frameworks
- Climate rationale: crucial to have a sectoral perspective when developing projects.
- Under-performing aspects in GCF portfolio: Water and health; Navigation



### 3. GCF Investment Criteria and Project Cycle

Three case studies were presented during the workshop to share country experiences on the application of the GCF investment criteria in preparation of proposals for country projects of climate resilience.

#### 3.1 Bhutan For Life Project from the Gross National Happiness Commission<sup>5</sup>

Bhutan For Life (BTL) is an innovative Project Finance for Permanence (PFP) ensuring long-term financial stability. Its goal is to mobilize, in a single agreement, all the governmental, financial and other commitments. It provides a sustained flow of fund to manage Bhutan's protected areas and biological corridors, balancing the need for economic development with the need to protect natural resources. The GCF contribution is of USD 26.6 M, co-financing of US\$ 75.1 M from the Royal Government of Bhutan (RGoB), and USD 16.6 M from private & individual donors.

BFL initiative is spearheaded by the RGoB in close partnership with the WWF. The fund will be used to strengthen enforcement and management of protected areas, diversify eco-tourism activities and products. The project will employ an innovative financial model built around creation of a sinking fund to support improved management of the country's PAs while providing the time and resources to allow the Government to identify and secure long-term revenues sufficient to maintain these management improvements, while supporting the thousands of people living in the protected areas through job creation and community improvements.

#### 3.2 Utilizing GCF Readiness Support in Developing Project Proposals in Nepal<sup>6</sup>

The GCF readiness project in Nepal is focussing on strengthening national capacities to effectively and efficiently access, manage, deploy and monitor climate finance from the GCF, preparing robust investment frameworks and a pipeline of bankable proposals for adaptation and mitigation options, and accrediting and capacitating to access funds directly from the GCF; and o Engaging private sector meaningfully.

GCF readiness project a is 2 years project that recently started and is being used as follows:

- Analysing gap (e.g. policy, legal and institutional aspects including through stakeholder consultation;
- Enhancing capacity (NDA, AE, DAE, and multi-stakeholders);
- Strengthening institutions such as of the NDA and DAE;

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<sup>5</sup> Presented by Kinley Yangden, Bhutan GNHC

<sup>6</sup> Presented by Batu Krishna, Uprety Jalsrot Vikas Sanstha (JVS-GWP Nepal) Gyanendra Bikram Shah National Trust for Nature Conservation (NTNC)

- Generating, sharing and managing knowledge;
- Mobilising international and national expertise;
- Organising consultations at different levels (local, provincial and central levels, including with partners);
- Building and advancing coordination, collaboration, and partnership amongst NDA, DAE and multi-stakeholders;
- Supporting in developing concept note and full funding for proposal development.

### 3.3 Philippines: ensuring countries readiness for GCF<sup>7</sup>

Readiness activities of the NDA have been focusing on the following key areas:

- **National Coordinating Mechanism:** Institutional - CCC: NDA Focal Point & Internal Technical Committee - Inter-Agency Technical Working Group and Focal Persons; Screening, Evaluation Tool and No Objection Procedure; Nomination and Support to three Direct Access Entities; Land Bank of the Philippines, Development Bank of the Philippines, Foundation for Philippine Environment; GCF Immunities and Privileges.
- **Readiness Activities of the NDA:** Support to the Development of a Concept Note / Project Idea/Readiness Proposal; Submission of DAE: Strengthening the Resilience of the Most Vulnerable Coastal Communities to Climate Change in the Philippines' Eastern Seaboard, IFC no objection for Readiness Support to Enhance Pathways to Green Finance; Addressing the Indigenous People's issues and concerns on climate change; Inception Readiness Writeshop.
- **Capacity Building Activities:** South-South Exchange; Project Development and Appraisal Training for various Stakeholders.
- GCF Country Programming and GCF Concept Note preparation.

### 3.4 Discussion points on GCF Investment Criteria

#### Highlights of the discussion

1. Identify and highlight beneficiaries; for instance, ways in which the communities will benefit, and the need quantify the benefits. Policy formulation requires this as an effective support. How to localize NAPs, and in turn localizing climate change adaptation. This can be achieved through engaging all stakeholders to ensure it is a country-wide program and not tied to a specific ministry.
2. Ensure far reaching effects of project, and highlight its impact potential both in terms of adaptation and mitigation. Ensuring paradigm shift and not proceeding with business as usual. Aligning project with SDGs and ensuring country ownership.
3. In order to access to the readiness mechanism, the areas requiring support need to be highlighted, along with a strong understanding from the country perspective. Proposal reviewed by key resource persons from the country is important, and ideally a coalition between the various NDAs is established. Proposals need to be aligned with country programs, consisting of stakeholder consultations, providing a good idea of the needs that have to be addressed.

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<sup>7</sup> Josefina Ramos Head, Climate Finance System & Services Climate Change Commission of the Philippines

4. A successful paradigm shift will be able to support additional government proposals, by ensuring high impact of projects with far reaching effect, along with alignment with the SDGs and country ownership.

**Key messages which emerged as recommendations from the participants were as follows:**



- Innovative funding approach to ensuring long-term financial stability;
- Scalability and great impact; Supporting paradigm shift and contribute to and aligned with SDGs;
- Ensure strong country ownership and stakeholder consultations;
- Capacity development activities involving regional countries successful in accessing GCF funds;
- Identify areas where you need support; among which climate smart agriculture;
- Conscious of partners who can support the access to funding;
- Hard to determine human behavior but it is possible to influence future human behavior.

## 4. Climate Rationale

### 4.1 Climate Rationale for GCF Water Projects<sup>8</sup>

#### Climate rationale and additionality

The significance of climate rationale was highlighted yet again, with one of the key challenges being the common lack of available information for previous years. Climate Rationale assesses climate change impacts, risks and vulnerabilities, proving that climate change impacts occur due not only to a once off hazard or disaster, but due to exposure and vulnerability. It also points to the fact that the risk is an immediate result induced by climate change.

Climate disasters occur when extreme climatic events interact with vulnerable social, economic and environmental conditions leading to severe alterations in normal functioning of a community or a society. Climate events affect vulnerability by modifying resilience, coping capacity, and adaptive capacity. Disaster risk is the intersection of exposure, vulnerability and hazard/extreme events.

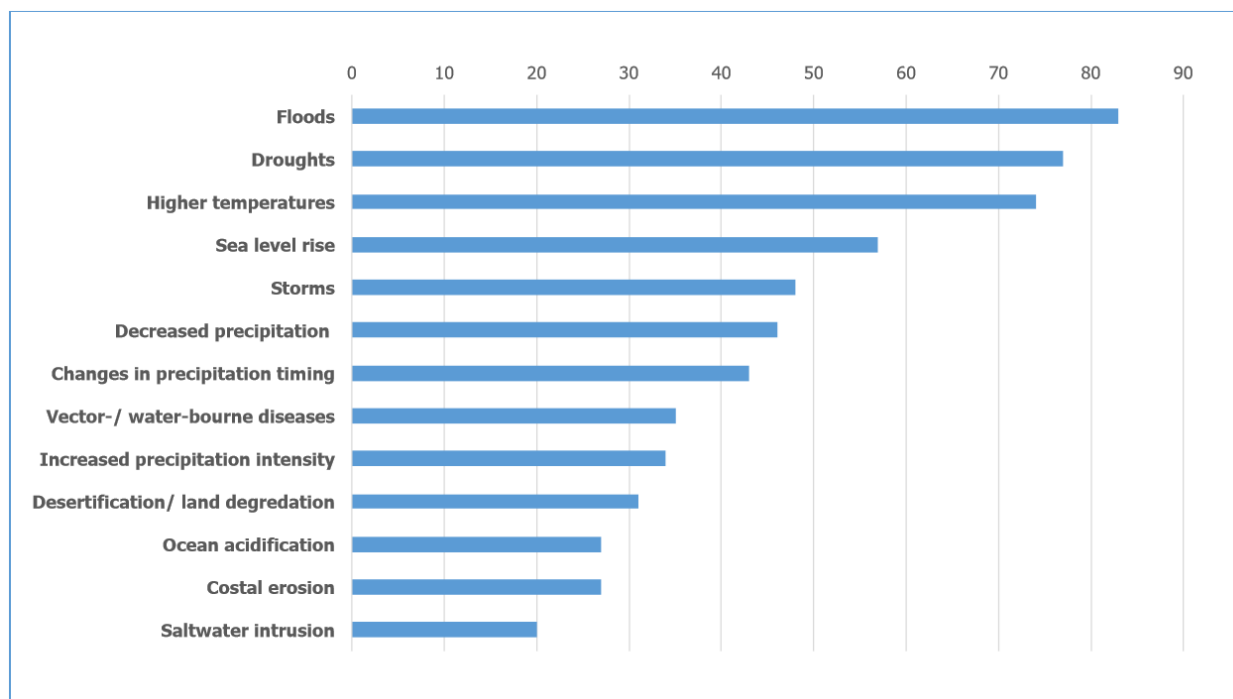


Figure 1: Main climate hazards identified in the NDC adaptation component UNFCCC, 2016; 137 countries

A climate rationale assesses climate change impacts, risks and vulnerabilities. It is the foundation of an impactful GCF project.

<sup>8</sup> Presented by Frederik Pische, Senior Programme Officer International Climate Hydrology, GWP seconded to WMO

**Climate rationale answers the following questions:**

- **What are the climate change induced risks and vulnerabilities?**
- **What is happening / will happen due to climate change?**
- **What is the additionality of the proposed interventions due to climate change?**

A strong climate rationale draws on credible science, provides evidence of climate change impacts and vulnerabilities, presents a set of optimal measures to address climate change risks, aims for simplicity in approach, methodology and presentation of data and results, and makes use of common standards for measuring achievements and impacts (ease of sharing and comparing results).

Additionality represents additional costs that are being incurred as a result of climate change. GCF covers additionality costs resulting from climate change, making climate rationale key to the approval of any project. There is a need to differentiate between baseline development and the additionality brought about by climate change impacts, as well as the need for logical argument between climate change and overall investments.

Placing climate change impacts at forefront through credible science is key to any proposal, followed by describing necessary solutions to address these risks through project intervention. This can be tricky especially when dealing with phenomenon which are long term and reoccurring such as El Niño/La Niña). However, in the case that it can be demonstrated that these trends are increasing in frequency and in strength, a case could be made based on intensities. Impacts may be made greater with as a result of climate change impacts. As some may be linked to normal baseline development, such as urban or economic development, it is key to present as much evidence based on reliable data which links impacts to climate change.

### **Discussion points**

1. A percentage of change caused by climate change impacts can be considered in a proposal, which brings in the concept of co-funding to cover additionality due to climate change. There is a need to build a logical argument around this concept based on data, providing evidence which points to the certain percentage of anything above normal baseline development that is happening due to climate change, which requires financial support.
2. Given that changes resulting from land use changes cannot be considered as they are development as opposed to climate related, in the case that there is a wetland used for agricultural land, which in turn releases high emissions, it is possible to apply under the mitigation component of GCF, where support is required to reduce emissions.
3. Climate rationale can be supported through the use of indigenous knowledge. This is an important source of information and historical records, especially in the absence of historical data.
4. There is a need to distinguish between development or baseline changes that are independent of climate change. This will depend on the exact risk that is being analyzed. There is no exact

science per se, and logical argument linking this risk to climate change must be made. It is key to construct a strong argument and back it up with credible science and trend analysis in order to look at changes and impacts over time. (IPCC 2013).

### **4.2 What resources can countries access to articulate climate rationale for water projects?<sup>9</sup>**

Water is a complex system: no good decision without good information. Due to the complexity of surrounding water, sound decisions require appropriate data and models, baseline data, which continues to be a challenge to gather. Main recommendations for successful project proposal are as follows:

- Demonstrated sustainability of achievements, scalability and substantial impact;
- Capacity development: need to have capacity to deal with current challenges and improve available data access to all relevant stakeholders;
- Identify all relevant and similar activities to leverage funds and find synergies. Link projects to avoid duplication and increase funding opportunities;
- Place climate change impacts at forefront through the backing of credible science;
- Climate rationale value chain and the need to have trustworthy data

Core value of WMO is to support the coordination at international and local level and the collaboration between different domains, to ensure that there is a coherence. The role of WMO is to create climate rationale value chain which requires trustworthy data, and users to identify the available services. Stakeholders need to have the capacity to use all existing data and have the ability to assess the accuracy, uncertainty and build the data into products (design flows, analysis, enhanced understanding of natural processes). Such information would allow decision makers and water managers with liability of scenarios.

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<sup>9</sup> Presented by Dominique Berot, Chief of Division of Basic Systems in Hydrology (WMO)

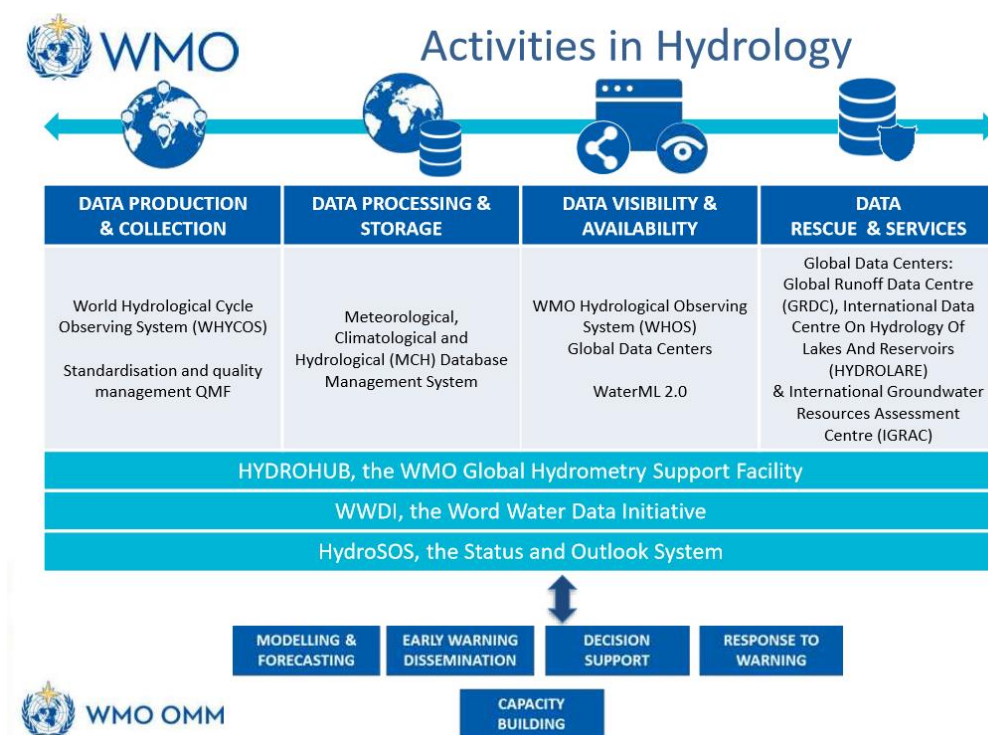


Figure 2: WMO useful access to information on water

### Discussion points

1. There is no standard amount of the project proposal which has to be dedicated to climate rationale or hard data. But there is however a need to invest sufficient time in collecting climate rationale and information.
2. Water has key and cross cutting impact on most SDGs, requiring the sharing of information, especially transboundary information, which then aims to create a loop that then feeds back information and data into existing projects.

### 4.3 Case study from NDA Sri Lanka<sup>10</sup>

This case study is about the approved GCF Project on “Strengthening the resilience of smallholder farmers in the Dry Zone to Climate variability and Extreme events through an integrated approach to water management project (CRIWMP)”.

Project objectives are to strengthen the resilience of smallholder farmers, particularly women, in the Dry Zone, to Climate variability and Extreme events through improved water management to enhance lives and livelihoods. The project is implemented within three natural boundaries, Mi- Oya,

<sup>10</sup> Presented by Eng. G.S.C Rodrigo Project Director, Climate Resilient Integrated Water Management Project (CRIWMP) Ministry of Mahaweli Development & Environment (Sri Lanka)

Yan Oya and Malwathu Oya river basins which covers a large part of the dry zone. These rivers are important when considering the vulnerability (of the community) to climate change, as the water yields in these rivers are unreliable.

770,500 (of which 51% female) men, women and children will be directly benefited from improved access to water for agriculture and drinking, and improved climate related advanced warning. At least another 1,179,874 (of which 51% female) living in the three river basins and adjacent districts will be indirectly benefited from improved services from Agrarian Service Centers and early warning systems on weather. Targeted beneficiaries were based on vulnerability criteria including: women headed households, young unemployed women in target villages, households with disability or kidney disease, conflict displaced/resettled, flood affected in the last five years, families with children/women displaying malnutrition (underweight/ anaemic).

### Project Output 1: Climate Smart Agriculture (CSA)

- Drought/flood tolerant crops
- Water conservation practices
- Perennial crops in home gardens to enrich the catchment
- Ecological farming to protect drinking water source
- Crop diversification
- Different livelihood options
- Farmer markets.

Project Output 2: Enhancing decentralized water supply and management solutions to provide access to safe drinking water to vulnerable communities.

Project Output 3: Strengthening climate and hydrological observing and forecasting systems to enhance water management and adaptive capacity of smallholder farmers to droughts and floods.

## 4.4 Group Discussion - Climate Rationale: Project Ideas

Six groups were established by region: Central Asia and the Caucasus, South Asia (1 and 2) and South-East Asia (1 and 2). Each group discussed three select project ideas from countries in their respective region and countries. Nine project ideas in total were reviewed.





Photo 6: Representatives of each group presenting their summaries, facilitated by Alex Simalabwi

Groups by Region	South East Asia 1	South East Asia 2	South East Asia 3	Central Asia & Caucasus	South Asia 1	South Asia 2
<b>Countries</b>	Malaysia Indonesia	Myanmar Lao PDR China	Vietnam Cambodia Philippines	Kyrgyzstan Mongolia Georgia Tajikistan	Sri Lanka Bhutan Nepal	India Pakistan Bangladesh
<b>Outcomes</b>	Public priorities need to be established and receive stakeholder inputs.  Need to have a mix of partners from top and bottom levels; Communities require government backing and support in order to obtain a paradigm shift.	Strengthening climate resilience through community management and empowerment;  Managing water sheds and wetlands for climate resilience; IWRM to adapt climate change	All available data in place however the argument of climate rationale needs to be made;  Need to trace the issues of climate rationale and intervention in order to address issues faced by farmer communities	There is huge pressure on environment and bio diversity leading to degradation of grasslands.  There is need to support forest management, restriction of life stock, reduce DDR and install sustainable institutions- Objective is to apply for mixed funding (GCF; Government; private)	Empowering Communities vulnerable to climate change induced impacts on water resources;  Implementing development activities in the name of climate change through climate rationale;  Localize adaptation efforts	Requirement of climate resilient technology for water supply;  Building sustainable water supply and food security in drought affected areas

### Key points coming from the discussion

- Projects primarily community level and national levels; one at regional. Require a blend of partners;
- Remains a challenge to obtain local level climate change data;
- Climate rationale is well understood, however evidence and credibility remain a challenge;
- Clear interest to learn from each other; constructive feedback and recommendations.

## 4.5 Summary of key messages coming from the first day of the workshop<sup>11</sup>

### Key introductory messages

- Create a multi-stakeholder platform and enabling environment to work together;
- Address capacity development gaps;
- Strong climate rationale is a must;
- Six GCF Investment Criteria need to be followed;
- Paradigm shift potential should be strengthened;
- Check projects eligibility for either GCF project funding or GCF readiness.

### Participant introductions and workshop outcome expectations

- Share and learn from experiences to access GCF funding;
- Understand GCF processes;
- Accreditation and finance mechanisms;
- Calculation of costs related to climate resilience;
- Create good support network beyond workshop;
- • Bring in the private sector to work sustainably

### Introduction to the GCF

- Most support comes from blended financial mechanisms;
- Research and technical institutions have a key role in the development of projects;
- Use science and data to attract investment;
- Have experts conduct relevant assessments and continue technical support during implementation;
- Use readiness to build in country regulatory process and frameworks.

### Group Discussion - Climate Rationale: Project Ideas

- Projects primarily at community level and national levels; one at regional.
- Requires a blend of partners;
- Remains a challenge to obtain local level CC data;
- Aspects for climate rationale are well understood, however evidence and credibility remain a challenge;
- Clear interest to learn from each other.

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<sup>11</sup> Presented by Yasmina Rais El Fenni (UNDP Cap Net)

## 5. Designing & Financing Climate Resilience Water Projects

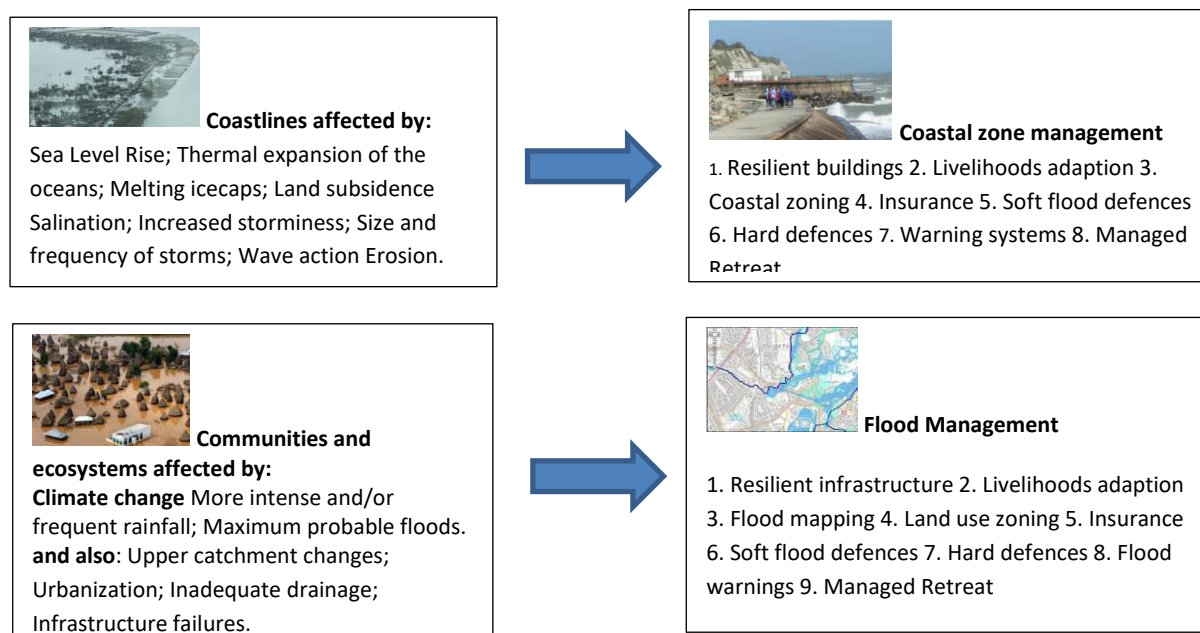
### 5.1 Climate Resilience across Water Sub-sectors<sup>12</sup>

Water is complex, along with its subsectors and approaches it goes beyond WASH. When it comes to building an argument around climate finance, there is a need to present the impacts.

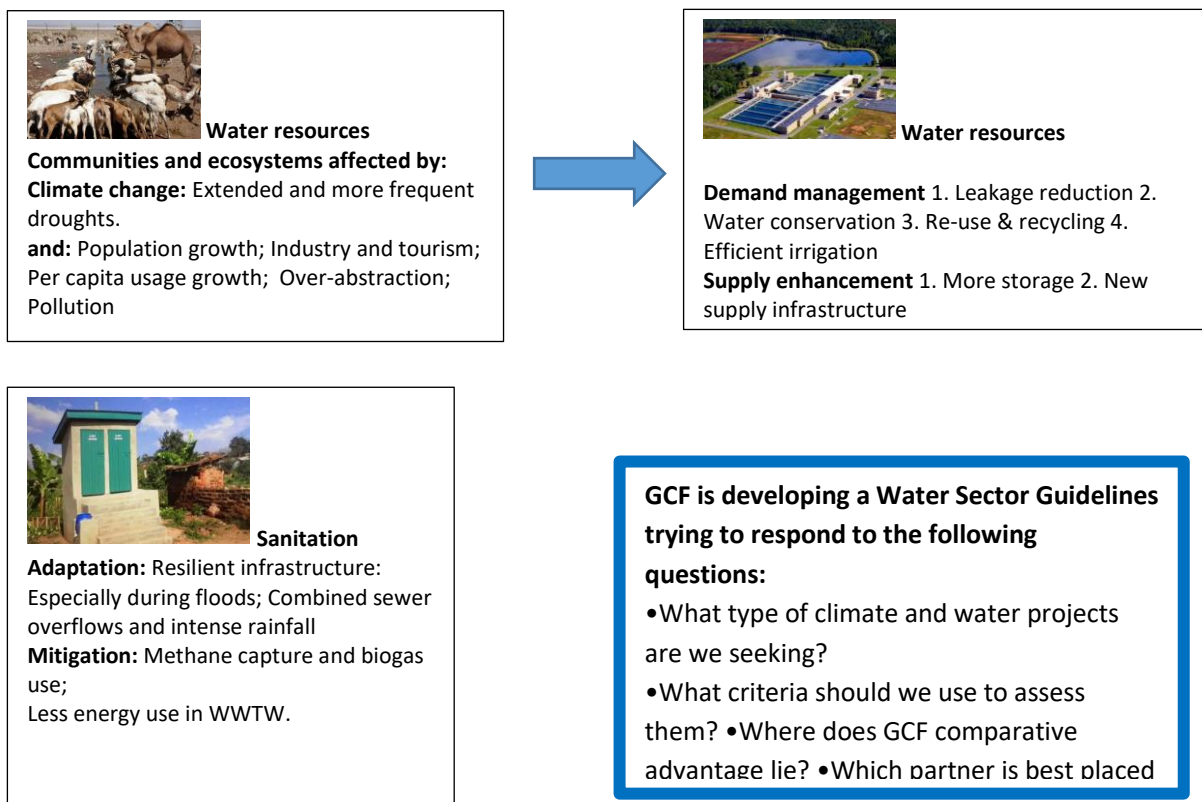
Subsector	# Approved projects	Total value approved (\$M)	# Pipeline projects
Coastal	5	141	9
Flood	3	153	7
Water supply	3	102	9
Drainage/sanitation/health	1	18	1
Irrigation	2	63	5
Hydropower	2	136	-
Ecosystems/wetlands	2	30	2
Drought	3	93	10

**Main water subsector projects approved by GCF and in the pipe line**

Examples of water sub-sectors climate related challenges and possible responses



<sup>12</sup> Prepared by Alastair Morrison (GCF) and presented by Alex Simalabwi (GWP)



**Key points and recommendations:**

- Establish the cost benefit ratio where costs should not outweigh the benefits
- Quantify additional/residual risks
- Appraisal analysis required to see costs of options: need to balance and look at options holistically
- Co-finance is required in WASH as considered human right and government responsibility
- Absent from portfolio: Water and health, and Navigation as an alternative means of transport
- Economic and social analysis required.

GCF financial mechanisms: GCF is an investment provider; accredited entity (international or national institutions that receives funding and enters in the agreement) providing oversight. Implementation is done by executing agency in partnership with NDA. The executing entity needs have sound operational track record, and a financial capacity assessment of delivery partner conducted. Procurement laws and regulations need to be in place.

GCF takes into consideration and weighs the cost benefit and needs as opposed to proposal efficiency, when considering LDCs and poorer countries are in the position with higher need but with less capacity. This is demonstrated in the availability of technical assistance/consultant for site visits to review and address comments by GCF through the readiness support. Governing instrument with

priorities as developing countries with Africa and SIDs to receive 50% funding. Readiness funds aim to support capacity building, PPF to provide support and resources to bridge the gaps for poorer countries. Also provide workshops and proactive measures to provide support. (\$1m for NDAs and \$3m for NAPs)

### 5.2 Discussion points

1. Accidental events that take place during implementation are covered by mandatory insurance, especially in terms of indemnity insurance when dealing with construction; importation of goods have duties paid; etc. unpredictable issues arise and are dealt with accordingly, thus insurance is required to be included in the project budget.
2. Additionality brought about by climate change impacts requires further investments. There is a need to show residual costs which in turn need to be borne by the co-funder. Co-financing needs to cover baseline costs required from non-climate change component, and ensure the project's sustainability.
3. Readiness funds are directed towards the softer issues such as capacity development, and sustainability is ensured through looking into the institutional issues. Example: "Ensuring climate resilience water supply in Comoros (IWRM)." Community watershed management and infrastructure (addressing flood and drought risk), addressing both hard and soft issues makes it more sustainable;
4. Accredited entity requires the capacity to manage the grant, reporting and track record; policies and social safeguards, and needs to demonstrate it has the capacity to be the eyes on the ground of the GCF. There is reporting department for frequent reporting and monitoring to justify impact of investment, and to report to the COP to demonstrate funds are being used to make a difference.

## 6. GCF Project Preparation Facility

### 6.1 What gets submitted? <sup>13</sup>

The Asian Institute of Technology (AIT) focusses on building capacity for climate finance by defining climate rationale by providing context and baseline, through vulnerabilities and impacts assessments, outlining adaptation needs, identifying the root causes and barriers, and defining the interventions that are foreseen.

The project description needs to outline the theory of change, and have a strong financial rationale, providing justifications for GCF funds: Why GCF? Why not the government or private sector? Furthermore, when drafting proposals, one should take advantage of published GCF concept notes.

AIT in its training program tries to address the following common questions: If a project is not in NDC, can it still be approved by the GCF Board? If climate change considerations are mainstreamed in national planning, how to justify that a project will not be funded by the government? How to justify the need for grant funding? How to select a right Accredited Entity? Climate change adaptation or development? What is theory of change? Is it different from logical framework analysis? Paradigm shift vs incremental change?

Lessons learnt from AIT include: clear understanding of the problem leads clear projects; lack of capacity is not always the absence of capacity; there are no silly questions – engage resource persons; cross-pollination of ideas is always welcome; learn from successful examples.

### 6.2 GCF Project Preparation Facility (PPF) 14

#### Main characteristics of the PPF

The Project Preparation Facility (PPF) supports Accredited Entities (AEs) in project and programme preparation. It is especially targeted to support direct access entities, and micro-to-small size category projects. A total of USD 40 million has been made available for the initial phase of the PPF, with each request subject to a cap of USD 1.5 million.

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<sup>13</sup> Presented by Lyan Villacorta from AIT

<sup>14</sup> Prepared by Jason Spensley (GCF) and presented by Anjali Lohani (GWP)

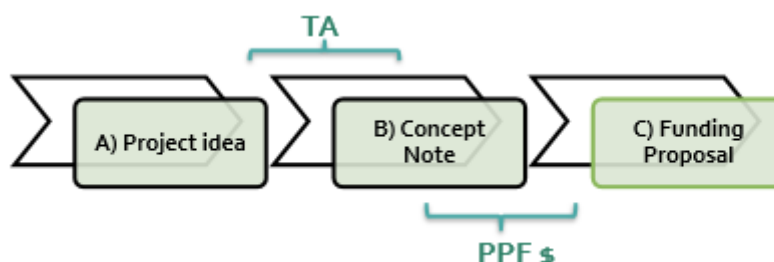


Figure 3: The PPF is a financial support mechanism imbedded inside the project preparation cycle

Support will be commensurate to the funding proposal being developed, and to the activities in the PPF application. If approved, support is granted in the form of grants and repayable grants, while equity may be considered for private sector projects. Funding proposals developed with the PPF should be submitted to the GCF Board within two years of the approval of a PPF request. There are many phases in project preparation, from early stages of project identification, concept development and establishing the enabling environment, to mid- and late-stage processes including project due diligence and project structuring. With each phase having different needs, it would be important to review the main outstanding requirements of project development as well as to assess the type of support the project/programme will require.

**PPF support is limited to covering the following activities:**

1. Pre-feasibility and feasibility studies, as well as project design;
2. Environmental, social and gender studies;
3. Risk assessments;
4. Identification of programme/project-level indicators;
5. Pre-contract services, including the revision of tender documents;
6. Advisory services and/or other services to financially structure a proposed activity;
7. Other project preparation activities, where necessary, provided that sufficient justification is available.

The PPF application must include a clear paragraph explaining how the underlying project fits in with the country's national priorities and ensures full country ownership. It is therefore highly recommended that the accredited entities consult with the respective national designated authority (NDA) or focal point on the project or programme concept at an early stage.

### Safeguards

#### *Indigenous people*

The GCF Indigenous Peoples Policy recognises that indigenous peoples often have identities and aspirations that are distinct from mainstream groups in national societies and are disadvantaged by traditional models of mitigation, adaptation and development. In many instances, they are among the most economically marginalised and vulnerable segments of the population. The economic, social and legal status of indigenous peoples frequently limit their capacity to defend their rights to, and interests in, land, territories and natural and cultural resources, and may restrict their ability to participate in and benefit from development initiatives and climate change actions.

In many cases, they do not receive equitable access to project benefits, or benefits are not devised or delivered in a form that is culturally appropriate, and they are not always adequately consulted about the design or implementation of activities that would profoundly affect their lives or communities.

The [Governing Instrument](#) for the GCF, as well as other policies, reflect the importance of fully and effectively engaging with indigenous peoples in the design, development and implementation of the strategies and activities to be financed by GCF, while respecting their rights.

### ***Gender mainstreaming***

The impacts of climate change affect women and men differently. Women are the hardest hit by dramatic shifts in climatic conditions. Women's mortality from climate-related disasters is higher than that of men. Compared to men, domestic burdens (e.g. collection of firewood and water) of women increase substantially with various manifestations of climate change.

Women, as well as men, significantly contribute to combating climate change as knowledgeable small-scale farmers and leaders of climate change adaptation and mitigation initiatives.

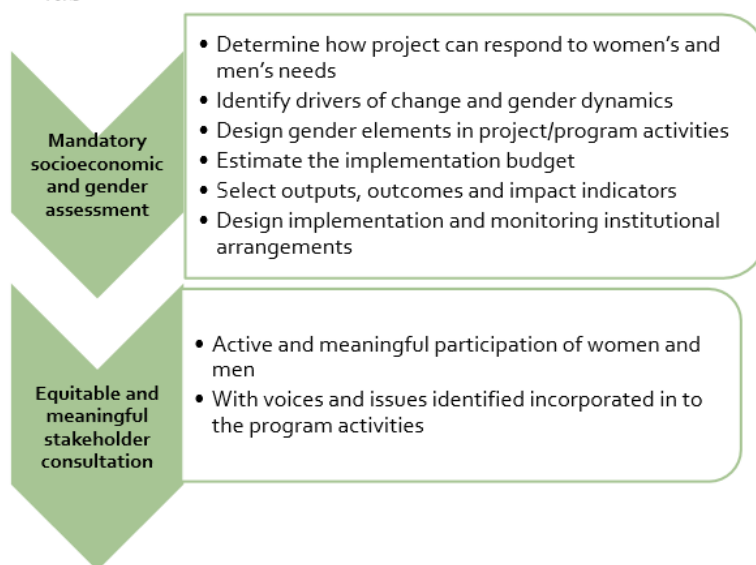
The Green Climate Fund is the first climate finance mechanism to mainstream gender perspectives from the outset of its operations as an essential decision-making element for the deployment of its resources. GCF has placed gender as a key element of its programming architecture, and its commitment to gender equality centres on gender-responsive climate action programmes and projects that benefit women and men.

Gender mainstreaming is central to the GCF's objectives and guiding principles, including through engaging women and men of all ages as stakeholders in the design, development and implementation of strategies and activities to be financed. The GCF Governing Instrument states that: "The Fund will strive to maximize the impact of its funding for adaptation and mitigation ... promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach."





## Gender requirements



Thus, gender equality considerations should be mainstreamed into the entire project cycle to enhance the efficacy of climate change mitigation and adaptation interventions, and ensure that gender co-benefits are obtained. This applies to all projects, not only those intended from the outset to center on women or to have a gender focus. Gender mainstreaming is fundamental to any project intervention and does not necessarily signify additional costs; in fact, mainstreaming gender makes climate interventions more effective and efficient.

### **Environmental and Social Sustainability (ESS)**

In carrying out its mandate of promoting a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, GCF will effectively and equitably manage environmental and social risks and impacts, and improve outcomes of all GCF-financed activities.



Figure 4: ESS in the context of the GCF

The GCF Environment and Social Policy is an essential element of this system, elaborating the commitment of GCF to integrate environmental and social issues into its decision-making and outcomes, and establishes the principles, requirements, and responsibilities to deliver on these commitments.

This is facilitated by a set of management processes and procedures that allow GCF to identify, analyse, avoid, minimise, and mitigate any potential adverse environmental and social impacts of its activities, to maximise environmental and social benefits, and to improve the environmental and social performance of GCF and its activities consistently over time.

This system of processes and procedures is an overarching framework for achieving improvements in environmental and social outcomes while addressing any unintended adverse impacts of all the GCF-financed activities. It provides an opportunity for GCF to incorporate environmental and social considerations into its decision-making and operations in ways that not only include safeguard measures of “do no harm”, but also identify opportunities to “do good” and improve environmental and social outcomes.

## 7. Preparing Concepts Notes

### 7.1 About the concept note

An Accredited Entity (AE) may submit a [concept note](#) for feedback and recommendations from the Fund, in consultation with the National Designated Authority or Focal Point. The recommendation will clarify whether the concept is endorsed, not endorsed with a possibility of resubmission, or rejected.

The Green Climate Fund is moving quickly to build a large and transformative project portfolio, with many projects already being implemented with the objective to adapt and/or mitigate to climate change. However, there is a need to simplify and streamline the approval of certain small-scale projects, particularly from direct access entities. In response, the GCF's Board has approved a new approach: the Simplified Approval Process Pilot Scheme (SAP), which is now operating.

#### What is the Simplified Approval Process?

Adopted during the 18th Board meeting in October 2017, the SAP intends to reduce the time and effort needed in the preparation, review, approval and disbursement procedures for proposals of certain activities, in particular small-scale activities. The simplifications are two-fold:

1. The application process is simpler, requiring fewer pages and easier form-filling. There are dedicated templates for Concept Notes and full Funding Proposals; and
2. The review and approval processes are streamlined.

These two simplifications should lead to a reduction in time and effort required to go from project conception to implementation. As SAP is currently in a Pilot phase, further improvements in the simplification will be added overtime.

### 7.2 What are the eligibility criteria?

Projects or programmes are eligible for the SAP if they meet three main eligibility criteria:

1. Ready for scaling up and having the potential for transformation, promoting a paradigm shift to low emission and climate-resilient development;
2. A request for financing to the GCF of up to USD 10 million of the total project budget; and
3. The environmental and social risks and impacts are classified as minimal to none.

SAP can support a number of activities. A few examples are: • Early warning and other monitoring systems • Household-level facilities such as rainwater harvesting and small-scale renewable energy • Small-scale rural and urban community-based projects such as village water supply and drainage, and climate resilient agriculture.

### **Concept Note form**

The form for the development of a concept note can be found through the following link:

<https://www.gwp.org/globalassets/global/gwp-saf-files/gcf-asia/day2/6.-document-9-worksheet-for-group-discussion-on-gcf-concept-note-preparation.pdf>

### **Group Discussions**

Preparing Concept Notes provided an opportunity for hands-on exercise divided by country teams – NDAs, DAEs, Water Ministries – prepare project concept notes for country-prioritized project ideas.

The group discussion required country teams to take project discussed and use template (document 9) to articulate climate rationale, providing an opportunity to improve the concept based on workshop discussion and see how to advance investment criteria.

## 8. Fit for Purpose Financing

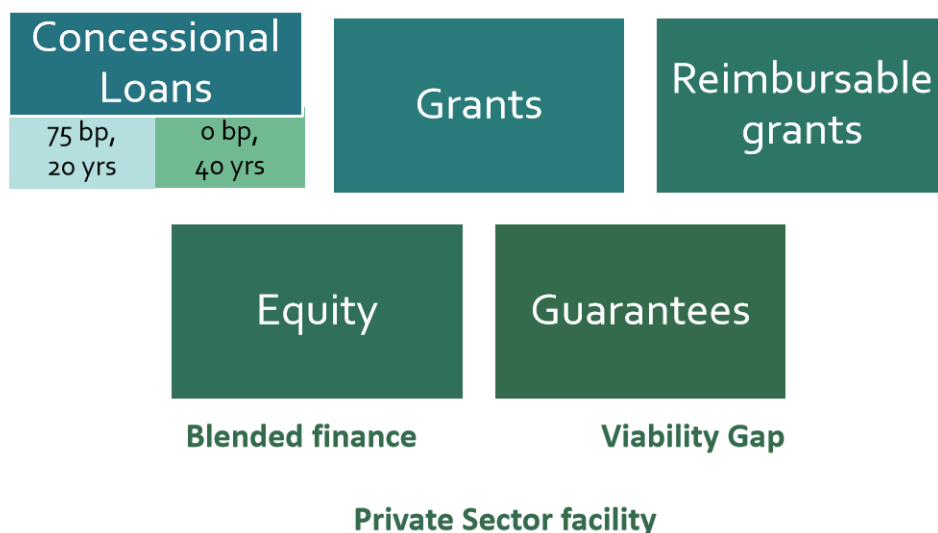
### 8.1 Presentation on the range of financing instruments offered by the GCF<sup>15</sup>

#### The range of financial instruments

The Fund seeks to engage across public and private sectors to unlock high impact and paradigm shifting climate investments. GCF offers a range of flexible financial instruments, enabling it to respond to specific investment contexts and market barriers.



### The right financial instrument?



Co-financing is encouraged, and potential sources of finance could come from the following various sources: Government budget; Bilateral donors – AFD, GIZ, China; Multilaterals and IFIs – AfDB; World Bank; Institutional investors; Commercial banks (including AEs such as FDB, Xacbank, HSBC); User fees, transfers, taxes and tariffs; Industry beneficiaries; Insurers; Corporate Social Responsibility; Private Foundations.

<sup>15</sup> Presented by Alex Simalabwi on behalf of GCF

### Discussion points

1. When dealing with situations of climate change resilience component as single project, or potentially integrate it into already existing project, the aim is to combine them as an integrated project, should they both be at the design stage.
2. Articulate baseline development work and additionality work, and package it as a co-funded GCF proposals. If project already underway, see opportunity to address climate change additionality. Articulation that activities happen in parallel, should approach the GCF for support in addressing key gaps.

## 8.2 Introduction to GCF's Private Sector Facility<sup>16</sup>

The Green Climate Fund (GCF) is committed to unleash the potential of the private sector for clean energy and climate resilience projects in developing countries. We do so by leveraging GCF's own resources with the private sector. GCF has a Private Sector Facility (PSF), with the primary mission to engage both the local and global private sector to support climate change mitigation and adaptation projects in developing countries.

Through active engagement with its partners, PSF can act as a catalyst for funding high impact, transformative and innovative climate projects and activities in developing countries. PSF aims to change the current paradigm by de-risking the delivery of private capital and scaling up private sector investment flows for low carbon and climate resilient development.

What does the PSF do?

- It aims to promote private sector climate action in developing countries
- It tailors lifecycle, concessional financing to de-risk high impact projects
- It provides expertise to help assess the potential benefits of project ideas
- It engages with pension funds, corporates, local and regional banks and FIs
- It leverages GCF's own resources with those of the private sector

In addition, GCF provides debt, equity, guarantees, and grants to:

- De-risk investments
- Drive systemic transformation
- Scale small projects and bundle them into larger portfolios
- Support capacity building
- Develop public-private climate-resilient infrastructure
- Encourage innovation

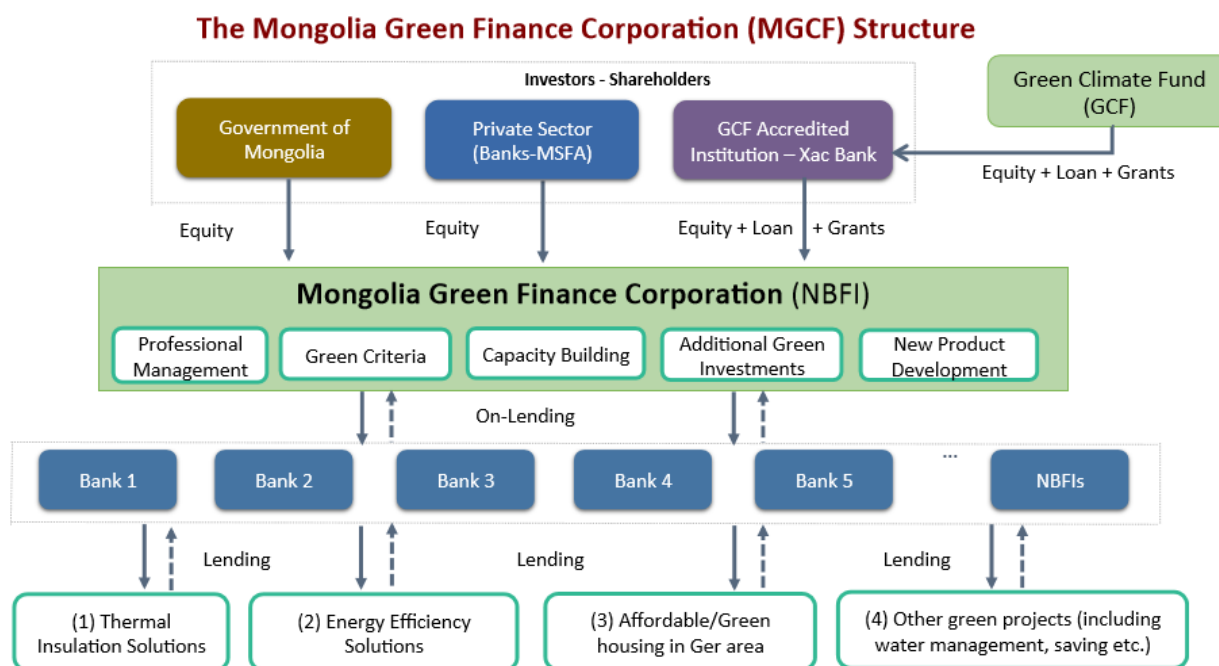
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<sup>16</sup> Prepared by Tony Clamp, GCF Deputy Director PSF and presented by Alex Simalabwi (GWP)

### 8.3 Mongolia Sustainable Finance Association and its role in structuring a GCF proposal for the Green Finance Corporation Project as a PPP<sup>17</sup>

The Mongolia Green Finance Corporation (MGFC) is a joint public and private sector effort for creating a national financing vehicle (NFV) to overcome challenges and constraints for climate change mitigation. The MGFC Funding Proposal has been developed under GCF Readiness Program and submitted to the GCF in March 2018.

The establishment of the MGFC as an independent professional financial institution requires clear governance arrangements, responsible management and staff, and institutional capacity, and PPF was submitted in that purpose. This PPF application is for ensuring that the establishment of the MGFC is achieved efficiently, effectively, and to the highest international standards. PPF activities include international consultancy for institutional establishment of the MGFC, including governance arrangement and corporate structure; documenting policies and procedures; and reporting of MGFC-financed activities. As such, PPF activities are divided into three categories: (i) Establishment and Preparation; (ii) Technical support and starting operations; and (iii) Operational Readiness.



<sup>17</sup> Presented by Naidalaa Nadrakh, CEO and Board Member, Mongolian Sustainable Finance Association (MSFA),  
MGFC Project Team Leader

## 8.4 Overview of climate finance landscape in Asia<sup>18</sup>

According to the Asian Development Bank, adaptation cost estimates for Asia and the Pacific are in the order of \$40 billion per year between now and 2050. Multilateral development banks have mobilized \$2.5 billion earmarked for Asia and the Pacific. GCF Climate and water sector: 41 projects pipeline representing \$1.5bn GCF finance. Massive financing is required to combat climate change, the key will be: using limited public-sector funds to leverage significant amounts of private capital (blended finance).

A global stock-take of current climate finance sources indicates that today there are: 50 international public funds, 60 carbon markets, 6,000 private equity funds, and 99 multilateral and bilateral climate funds in operation.

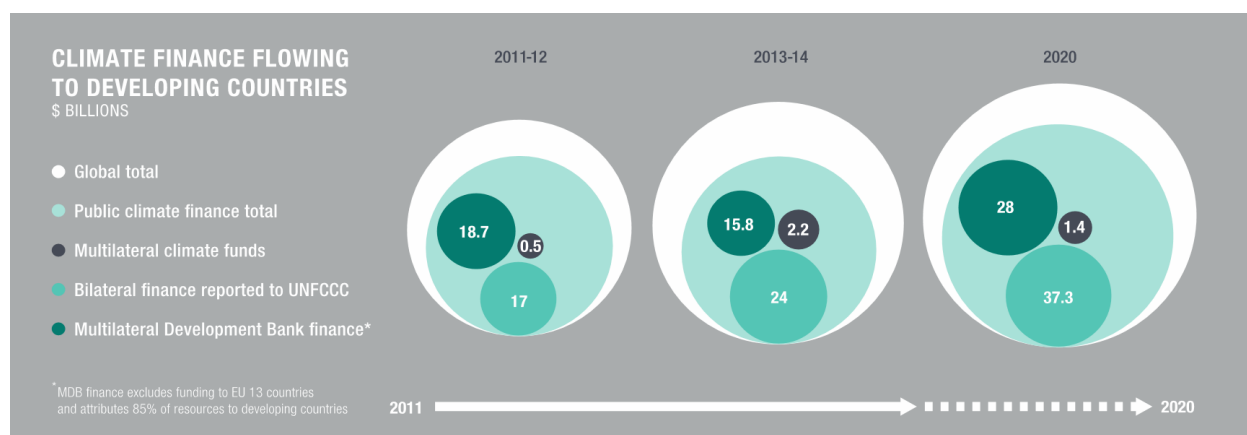


Figure 5: Public finance still leads the way

Climate funds largely offer grants and concessional loans, but the use of guarantees and equity investment is increasing.

The Green Bond concept which is rapidly growing, was developed in 2007/2008 by SEB of Sweden and the World Bank as a response to increased investor demand for engagement in climate-related opportunities. It is an investment vehicle that integrates the fiduciary element of fixed Income products with climate mitigation and adaptation awareness, giving mainstream investors access to climate-related investment opportunities.

Singapore is an example of a rapidly growing green finance hub in Asia. Singapore has a high rated (AAA) and stable credit profile, fiscal strength, competitive economy, and robust institutions. The banking sector is represented by 444 banks from all major regions. It also hosts 815 institutional investment funds and 361 re/insurers.

With one of the most developed and open capital markets in Asia, Singapore’s bond market attracts a diverse range of issuers, with over US\$221 billion in total local currency bonds outstanding, and an

<sup>18</sup> Presented by Francois Brikké (GWP) on the basis of data provided by Dr Changhua Wu, Vice Chair Asia Pacific Water Forum



additional US\$53 billion of bonds. Singapore’s location in Asia allows the financial sector to service the needs of the region.

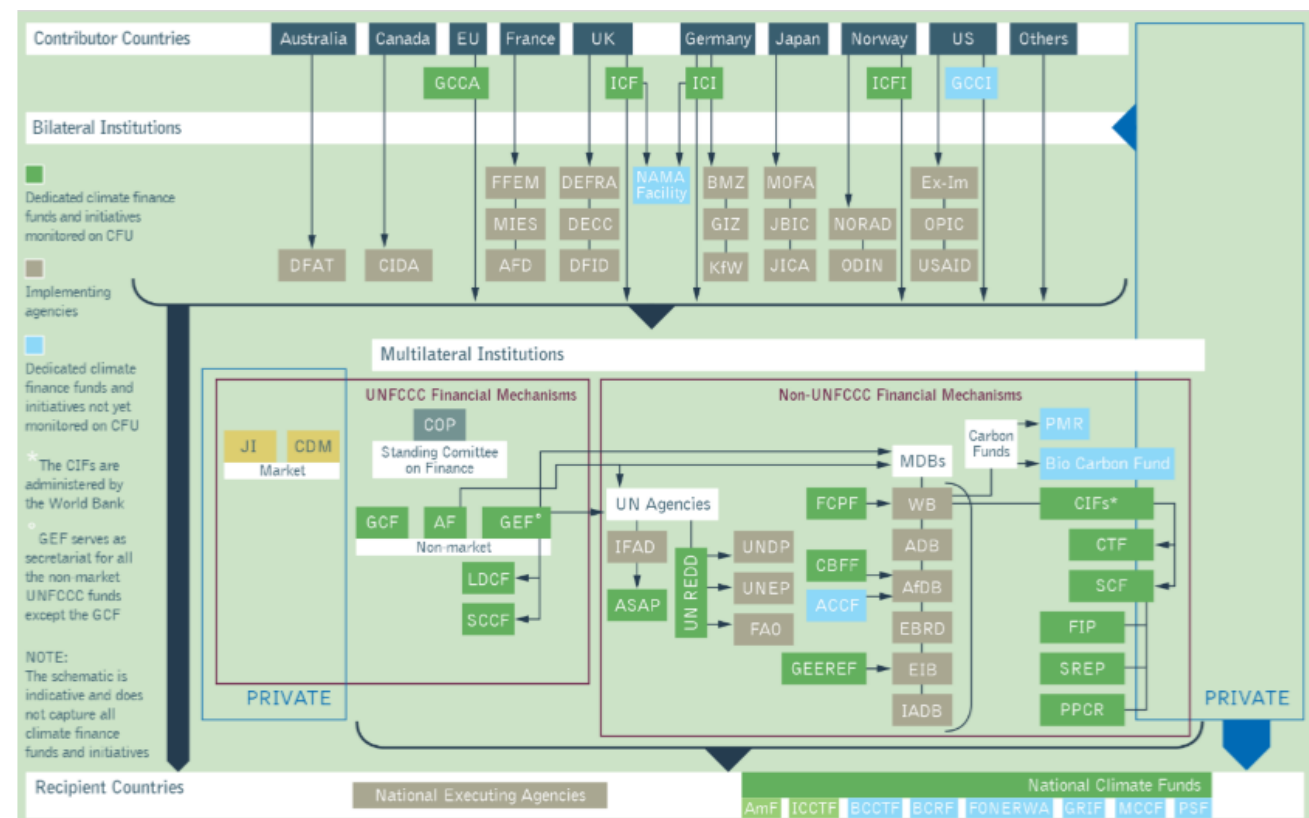


Figure 6: This table shows the main various financial flows that are available today for climate finance

As shown in the table, there is a variety of possibilities to access to climate related funding, and the format proposed by the GCF for the preparation of projects provides a rigorous process and guideline that can be followed by other sources of funds.

### 8.5 Leveraging private finance through the Philippines Water Revolving Fund<sup>19</sup>

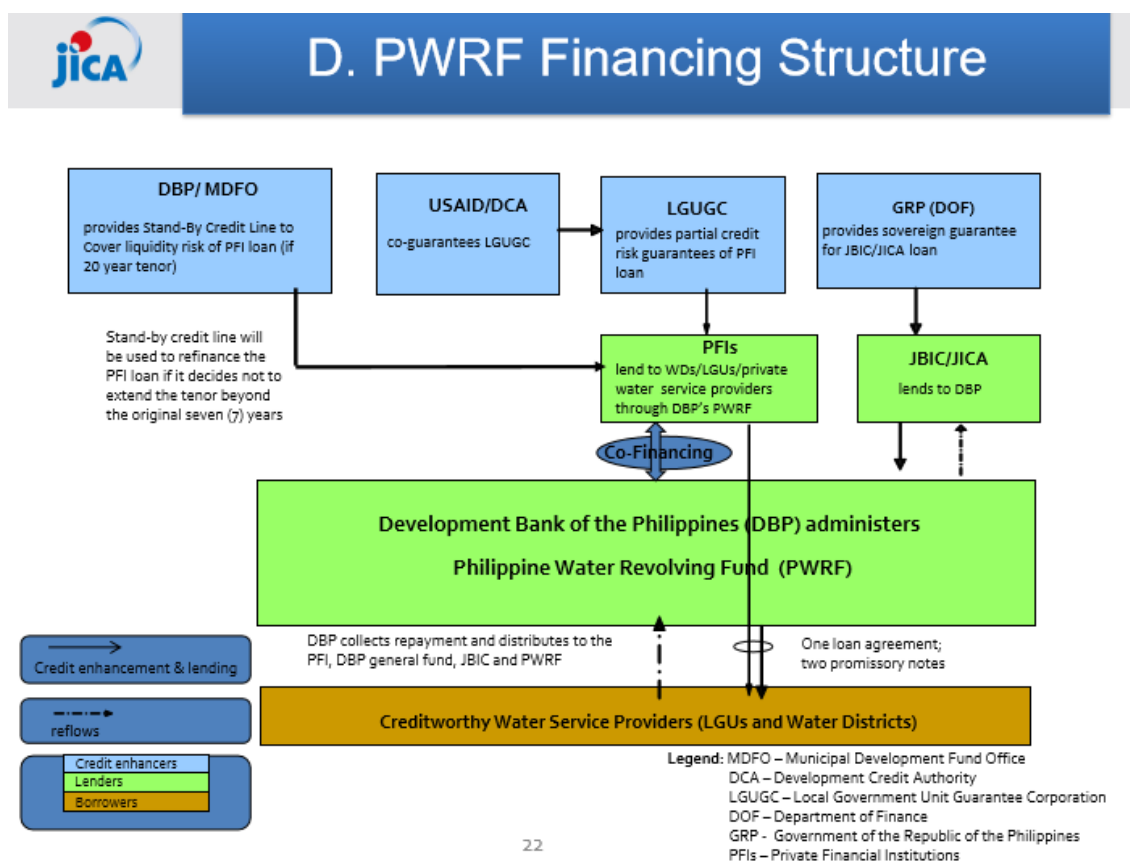
The Philippine Water Revolving Fund (PWRF) was created in 2004 with the following objectives:

- Leverage official development assistance (ODA) funds with funding from private financing institutions (PFIs);
- Develop an innovative financing mechanism acceptable to PFIs but at the same time affordable through blending of funds to water supply & sanitation (WSS) service providers;
- Develop financing mechanism with revolving capacity.

The key features of this revolving fund is that it is a blended ODA & private financing to lower rates & introduce PFIs to WSS sector, a liquidity cover to PFIs to address mismatch in tenor, credit risk

<sup>19</sup> Presented by Flery Chan, JICA Section Chief Environment and Social Development Section Human Security Group

enhancement provided by a local guarantee agency (LGU Guarantee Corporation), backed by a Development Credit Authority (DCA) co-guarantee through USAID, and a ring-fenced revolving account from the principal repayments of sub-borrowers to ensure sustainability.



22

## 8.6 Adaptation Fund. Project preparation for integrated flood management in the transboundary Volta River Basin<sup>20</sup>

### Introduction on the Adaptation Fund

The Adaptation Fund (AF) was established under the Kyoto Protocol of the UN Framework Convention on Climate Change, and since 2010 has committed US\$ 512 million to climate adaptation and resilience activities. The Adaptation Fund finances projects and programmes that help vulnerable communities in developing countries adapt to climate change. Initiatives are based on country needs, views and priorities.

The Fund is financed in part by government and private donors. The World Bank serves as trustee of the Adaptation Fund on an interim basis. The concrete adaptation project and programme proposals are submitted by Multilateral Implementing Entity (MIE), Regional Implementing Entity (RIE), National Implementing Entity (NIE).

<sup>20</sup> Presented by Frederik Pischke (WMO – GWP) on the basis of material from the Associated Program on Flood Management (APFM)

The project proposals are submitted for an individual country or regional projects through the NIE, RIE or MIE. The project proposals should follow the guidelines and principles of AF environmental, social and gender policies. There are three steps for the project proposal submission or IE can also submit Project Concept note or full Project Proposal directly. Projects can be submitted twice in a year (January and August). The AF Board meetings are held every March and October to endorse the submitted project. The NIE, RIE and MIE can receive maximum of 100,000 USD (\$) as Project Formulation Grant (PFG) from AF (20,000 USD(\$)) after the endorsement of pre-concept and 80,000 USD (\$) after the endorsement of concept note.

### **Why WMO applied to AF instead of GCF?**

The AF commonly provides small size (1M-15 M USD) project funding. The Volta project is a regional project and WMO as an accredited MIE was eligible to submit a regional proposal to Adaptation Fund. The AF support thematic areas such as DRR, water resources management along with the climate variabilities and adaptation measures.

In 2017, AF approved a WMO regional project (ACREI) in Ethiopia, Kenya and Uganda. At that time, GWP provided a Multi-Stakeholder Platform, knowledge and relationships at the regional and country level. The Project preparation support was done through the AF project formulation grant. Submitting project through AF is simpler (information and content needed) and time required is less than with an application through the GCF.

### **Components of the Volta Project**

- *Expected outcomes for component 1 on risk informed decision making from local to regional level:* 1.1 Improved knowledge of risks, climate change impacts and risk management capacities through knowledge sharing and participatory mechanisms; 1.2. Bridging the gap towards integration of knowledge into future scenarios (economic, urban, climate, environment etc.); 1.3. Risk management strategies in short, medium and long-term to be integrated into development plans (economic, social, environmental aspects)
- *Expected outcomes of component 2 on the development of integrated risk reduction and adaptation measures, incl. Early Warning System:* 2.1. Improved flood and drought forecasting instruments and EWS and coordination at the transboundary level to reduce disaster risks in vulnerable communities 2.2. Demonstration of the added value of the E2E EWS VoltAlarm through a series of pilot testing during rain and dry seasons 2.3. Strengthened awareness of vulnerable people on hydro-meteorological risks, prevention, preparedness, and response strategies through education programs using participative solutions
- *Expected outcomes of component 3 on policy coordination and community capacity building at transboundary, national and local level:* 3.1. Decision support and policy development for strengthening resilience at the local, national and transboundary levels of the Volta Basin 3.2. Strengthened capacities of actors and decision makers at national and transboundary level on long term risk management policies, plans and strategies 3.3. A collaborative process is developed to ensure those instruments and strategies are accepted by the local organization and communities and adapted to the local context.

### **8.7 Blue Orchard. Impact investing, climate insurance, blending finance for improved resilience in Asia<sup>21</sup>**

The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions was launched at the 2017 UN Climate Conference in Bonn. Since its launch, more than 40 members have joined the Partnership. The Partnership aims to strengthen the resilience of developing countries and protect the lives and livelihoods of poor and vulnerable people against the impacts of disasters.

The central objective of the Partnership is to enable more timely and reliable post-disaster response and to better prepare for climate and disaster risk through the use of climate and disaster risk finance and insurance solutions, reducing humanitarian impacts, helping poor and vulnerable people recover more quickly, increasing local adaptive capacity and strengthening local resilience. These complements ongoing efforts in countries to avert, minimize and address climate and disaster risks.

Disaster risk financing tools such as insurance can strengthen rapid response to and recovery from climate and disaster shocks. They protect governments and individuals against risks arising from extreme weather events that are increasing in both frequency and intensity as a consequence of climate change. Taking an ex-ante approach to disaster risk management, including the process of design and implementation of financing and insurance strategies can encourage countries to better understand, own and manage the risks they face.



Climate risk insurance and disaster risk finance allow for rapid emergency assistance and reconstruction, as they can very quickly disburse cash to the policy holder. This saves lives, protects livelihoods and assets and safeguards development gains. Furthermore, climate risk insurance instruments help to close a global equity gap. When an insured event occurs, the provision of assistance is no longer an act of charity but gives the people affected agency.

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<sup>21</sup> Presented by Pierrick Balmain from Blue Orchard Singapore (by VC)

### KfW on behalf of the German government is the initiator of IIF, showing strong financial commitment

#### Role of BMZ and KfW in initiating and sponsoring the InsuResilience Investment Fund (IIF)

Initiators	 	<ul style="list-style-type: none"> <li>Set up in December 2013 by KfW on behalf of the German Ministry for Economic Cooperation and Development (BMZ).</li> <li>Commencement of commercial activities in January 2015, under the German G7 presidency.</li> </ul>		
Mandate	<ul style="list-style-type: none"> <li>Facilitating the adaptation to climate change by improving access to and use of climate insurance solutions in developing countries.</li> <li>Improving the resilience of poor and vulnerable households as well as micro, small and medium enterprises (MSME) to weather events.</li> <li>Financing of qualified corporates along the value chain of insurance (e.g. insurers, brokers, aggregators) with main operations in Official Development Assistance (ODA) recipient countries</li> </ul>			
Financial commitment	Seeding	Technical Assistance facility for investees	Premium Support facility for investees	USD 64.3mm of 1 <sup>st</sup> loss protection for private investors

Developing effective disaster risk finance solutions requires ‘risk layering’ to identify which mechanisms are best suited for the different kinds of climate and disaster risks. This includes (1) a coordinated plan for post-disaster action agreed in advance, (2) a fast, evidence-based decision-making process, and (3) pre-planned financing to ensure that the plan can be implemented.

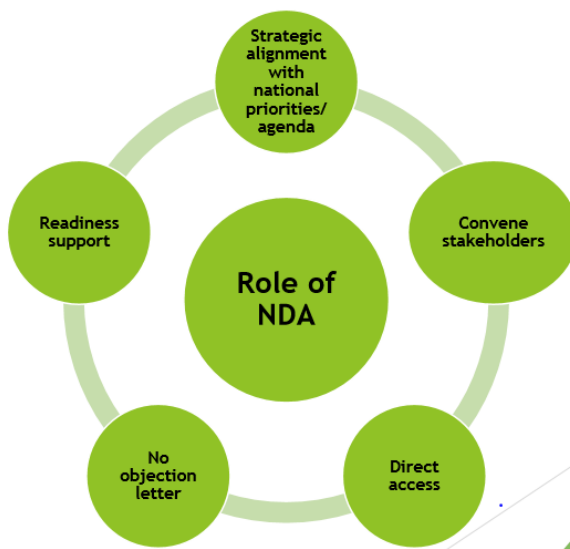
Building on this approach, climate risk insurance and disaster risk finance are most effective when embedded in a country’s comprehensive risk management strategy, aiming to avoid negative impacts as far as possible in the first place. This risk management strategy also needs to be factored into the budget line of a state with the help of risk financing tools, enabling governments to react quickly and effectively according to predetermined criteria in the event of disaster.

Climate risk insurance as one instrument of financial risk transfer can be provided as direct or indirect insurance. In the case of direct insurance, individuals or small companies insure themselves – for example against crop failures. In the event of damage caused by extreme weather they receive direct pay-outs through their insurance. In the case of indirect insurance, governments insure themselves against climate risks, either individually or together with other countries in so-called risk pools. In the event of damage, they quickly receive pay-outs that are disbursed to benefit the affected population, particularly the poor and vulnerable parts.

## 9. In-country Coordination for Improved Concept Notes and Proposals

### 9.1 Developing high quality GCF concept notes and project proposals<sup>22</sup>

An NDA plays an essential role of liaison between GCF and the country. Its main role is shown in the following drawing:



Key messages to consider when submitting GCF proposals:

1. Country ownership
2. Align with national development agenda
3. Meet the needs of the stakeholders & constantly engaged with them
4. No one left behind – consultations/ top down & bottom-up
5. Transformation agenda/paradigm shift – economic, social, increase resilience, reducing impacts, vulnerabilities
6. Contributes to international agenda (SDGs, Paris Agreement)

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<sup>22</sup> Ridzwan Ali from the Malaysia Ministry of Energy, Sci & Tech, Env & Climate Change Malaysia NDA

## 10. Conclusion

### 10.1 Overview of achieved outcomes<sup>23</sup>

#### *Improved understanding of climate rationale*

GCF's mandate, coming from the Paris Agreement, is to respond to climate change by investing in low-emission and climate-resilient development. GCF was established to limit or reduce greenhouse gas (GHG) emissions in developing countries, and to help vulnerable societies adapt to the unavoidable impacts of climate change.

The articulation of strong "climate rationale" is a critical starting point to articulate how a proposed intervention specifically addresses climate change risks! Weak climate rationale is one of the most common reasons water concepts are rejected. In the water sector, especially in LDCs, data gaps and lacking analytical capacity are big challenges. The workshop has however highlighted that there is a wealth of resources available. Indigenous knowledge, in its many forms, can corroborate, and provide additional perspectives to scientific analysis.

There is also a need for better in-country coordination with hydrological and meteorological services, researchers, universities; partners such as WMO available to support. Range of adaptation options are available – consider water-sub sectors. The proposed solutions need to be evaluated against a range of alternatives; complementarities should be considered.

#### *Improved understanding of the GCF investment criteria*

Need to pay attention to impact potential (Project's potential to contribute to the Fund's objective and 8 result areas) and mitigation impact (contribution to the shift to low-emission sustainable development pathways), with the following indicators: CO2 emissions reduced; access to low-emission energy increased; energy intensity in buildings, cities ...

Adaptation impact – contribution to increased climate-resilient sustainable development has the following indicators: Direct & indirect beneficiaries; reduction in vulnerability by enhancing adaptive capacity; avoided deaths and number of people affected by natural disasters; increase in generation and use of climate information in decision making ...

Paradigm shift potential – Project's potential to catalyze impact beyond one-off investment and Robust theory of change for replication and scale-up are important criteria as well. Activities could include: Reforms in policies and regulatory frameworks; Knowledge generation, curation, access, adoption; Innovation.

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<sup>23</sup> Presented by Anjali Lohani (GWP)

### ***Improved understanding of roles of different players in the project prep cycle – many lessons for us!***

Several key actors in the process: NDA, Accredited Entity, project promoter, executing entities, MoF, MoPlanning, line ministries, private sector, project preparation facilities, GCF.

Some success factors have been observed from case studies, such as NDA approval/support sought for project ideas well before concept development; NDA draws on readiness funds to build country programming, pipeline development, building needed information systems, strengthening capacities with DAE builds on these and submits strong climate resilience water project proposals – through streamlined windows such as the Simplified Approval Process window; Project embedded in country climate change strategy; PPF funds revealed mitigation benefits of this project originally conceptualized for adaptation – increased impact potential of project!; Involvement of MoF in early stages critical to secure govt co-financing, capitalizing on high rate of returns established by PPF-supported analysis; Multi-stakeholder platforms critical for stakeholder consultations.

### ***Lack of financial resources is perhaps not the most acute problem...***

There is a variety of entry points into the GCF, depending on country readiness...

- Best case, if ready: Option 1. Submit full project proposals, via regular investment window or Simplified Approval Process
- If full proposals not developed: Option 2. Access PPF funds for taking concept to proposal
- If no concepts ready yet: Option 3. Readiness support for NDA strengthening, pipeline development, climate information strengthening, accreditation of DAEs; Upstream TA available for DAEs for design of concept notes and PPF applications. Required: Project idea with high climate impact potential; NDA agreement; No forms! Send email request to secretariat [ppf@gcfund.org](mailto:ppf@gcfund.org)
- If at the very start: Option 4. Support for GCF country programming

### ***Readiness***

Delivery Partner: Institutions selected by the NDA to implement Readiness activities. Delivery Partners provide services such as: development of readiness request proposals; implementation and supervision; fiduciary management; progress reporting; and project completion and evaluation. Delivery Partners may be AEs or other non-accredited institutions who meet the financial management capacities requirements of the GCF.

### ***Project Preparation Facility: (optional) support for taking Concept Note to Full Proposal***

Strongly target DAEs; in countries with no DAEs, international AEs may be considered, through grants, repayable grants, equity (typical 250-600k, ceiling 1.5M).

The strongest barrier: concept note quality – adherence to GCF investment criteria, is required: NDA no-objection to PPF proposal; full project proposal prepared with PPF support must be submitted to GCF. Possible fast track: through the decision by the Executive Director, not Board. • Coming soon: pre-procured PPF services that AEs can use, will accelerate project development. Timeline for PPF proposal approval: shortest from concept note approval to PPF approval is six weeks; in post-



concept note stage, goal is for feedback on PPF proposal to be given back to DAE within a month of proposal submission; once addressed, target is ED decision within four weeks.

In practice, PPF conversation happens in parallel to communications on concept note – expect heavier feedback on concept notes that are targeting subsequent PPF support. Some concept notes merit PPF support more than others (those that need in-depth feasibility studies/complex ESMP), eg. PPF not suited for Simplified Approval Process (SAP) projects.

### ***A variety of financing instruments***

GCF an enabler, helping countries to overcome financing barriers – high risk appetite. Need to seek the right level of concessionality, so as not to displace investments that would otherwise have occurred, including private sector investment, avoid crowding out commercial financing.

Possibility to explore sources of co-finance (a wide range available in the Asian financing landscape) and outline why GCF/why not others in proposal.

### ***Private Sector Facility***

Tailor lifecycle, concessional financing (enabling projects that would otherwise not be viable), no prescribed interest rate: De-risk high impact projects; Leverage GCF's own resources with that from the private sector; public finance also included in blending.

40% of current GCF committed financing is in private sector involved projects: \$1.4B. Most of PSF support is through concessional loans, equity – concessionality as appropriate, to address additionality • Examples: India (NABARD), Zambia (AfDB, local banks, local pension fund), Mongolia (XacBank)

## **10.2 Summary observations**

- Many of the proposed projects are not really eligible for project funding but rather for GCF Readiness funds. A few of the projects also appear completely unrelated to the water sector. This is obviously not a problem for GCF, but the workshops focus is largely water related.
- In many of the proposed projects, the additionality of the project is not clear. Additionality refers to the additional costs that are being incurred as a result of climate change. For example, if climate change is expected to result in sea level rise that is 1 meter above the historical average, and if coastal defenses need to be raised, GCF would want to finance the raising of these coastal defenses by 1 meter. The remaining construction costs would be deemed baseline development.
- Many of the projects do a good job in linking the intervention rationale to the climate change impacts. However, it should be noted that this needs to be described explicitly. A clear Theory of Change must come out of the project description.
- Most of the projects will benefit from thinking through the paradigm shift potential. A relatively simple exercise is to think about how many times the project can be replicated (without GCF funds). What additional activities are required to ensure such replication? A

clear upscaling/mainstreaming strategy is critical and should be thought through during further concept development.

- Some projects are focused solely on research/capacity development. The impacts of these are difficult to measure. We would recommend bundling such activities with suitable activities focussed on implementing on-the-ground solutions.
- All the projects appear to be in the ideation phase. Going forward, it will be useful to think through what kind of activities and interventions will be required – in detail. The output and activity statements should allow the project developer to readily compile a budget. Further, the cost effectiveness of the interventions should be quantified. For example, in a flood management project: what will the value of protected assets be? How much will the interventions reduce damages? A cost-benefit analysis of avoided damages/losses should be conducted at the minimum.

Preliminary assessment for water project ideas against GCF Investment criteria.

**Note that some concepts were changed due to discussions and lessons learned during workshop.**

**These outcomes are highlighted below:**

### 10.3 Next steps

Some country project ideas have ingredients necessary for a good GCF concept note; others might be more suited to readiness window. Next steps include:

- Facilitate discussions among key stakeholders – NDA, country project sponsor, potential GCF accredited entity, water ministry – to confirm ownership of project.
- Strengthen articulation of climate rationale and contribution to GCF investment criteria in concept note format, drawing on learnings from the workshop, and utilizing resources from the Partnership for Climate Resilient Water Project Development in Asia
- Partnership for Climate Resilient Water Project Development in Asia will continue to offer facilitated peer-to-peer and demand driven technical assistance and knowledge sharing among NDAs, DAEs, Water Ministries and national water agencies, in collaboration with technical partners.
- As you advance your water project ideas to concept note stage, direct any opportunities for peer-to-peer exchange or requests for support to the Partnership to: [fany.wedahuditama@gwpsea.org](mailto:fany.wedahuditama@gwpsea.org)

### 10.4 Final evaluation

The results from the evaluation can be found in the Annex 4 below.

## Annexes

### **Annex 1: GCF Project Ideas- Asia Technical Workshop on Project Preparation: Transformational Climate Resilience Water Project Concepts**

Country	Project Title	Climate Rationale	GCF 6 Investment Criteria						Comments
			E.1. Impact Potential Potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas	E.2. Paradigm Shift Potential Degree to which the proposed activity can catalyze impact beyond a one-off project/programme investment	E.3. Sustainable Development Potential Wider benefits and priorities	E.4. Needs of the Recipient Vulnerability and financing needs of the beneficiary country and population	E.5. Country Ownership Beneficiary country(ies) ownership of, and capacity to implement, a funded project or programme	E.6. Efficiency and Effectiveness Economic and, if appropriate, financial soundness of the project/programme	
Cambodia	Integrated flood and drought management in the Mekong and Tonle Sap floodplains of Cambodia by enhancing interconnection between the Mekong flow and flood storage of the Tonle Sap Lake	The start of a climate rationale is presented. However, The climate change description is still broad. Additionally, the climate impacts are not presented. How will climate change impact the Tonle Sap, it's people and the environment? Recommend additional climate impact studies, including regional downscaling of GCMs (if not available already) and a vulnerability analysis highlighting how the hydrometeorological changes will affect the area.	This project has the potential to achieve significant impact. For the development of a full proposal, the following should be considered: 3/4 of the population are quoted as beneficiaries. However, there is little information on what the project will actually do. The project document will have to detail how the desired objectives will be achieved. The objectives are quite broad. It would be beneficial to the project to focus the objective statements and	From the current project description, it is difficult to discern what type of paradigm shift the project will create. What is the baseline (in terms of policies, regulations and general practices) and what are the gaps? Why are the project interventions necessary and what type of 'improved state' will they achieve? How will the project be replicable? What type of knowledge will be generated through the project and how will it be shared? What type of capacity (institutional and technical) will be developed through the project and who will benefit from such increased capacity?	The Sustainable Development Potential of the project is significant. Improved management of the Tonle Sap is likely to provide environmental, social and economic co-benefits. The project would benefit from a more detailed analysis of the types of benefits to be generated, including an analysis of the beneficiaries. Such an analysis will need to be complemented by a Gender	Cambodia is an LDC and their financial and adaptation needs are presented in the NDC. This information will need to be elaborated on and made project-specific. Is there going to be a health aspect to this project (i.e. reduction of vector/water-borne diseases)?	The capacity of the Executing Entity needs to be clearly described and a capacity assessment may be required. To what degree will other partners (E.g. Ministry of Environment) be involved in such a complex and multi-disciplinary project?	The project will need to be developed further and project-specific interventions need to be assessed for cost-effectiveness. If quantitative analyses are not feasible, the project will have to demonstrate clearly why a qualitative cost-benefit analysis is the most viable option.	The next step for project developers should be to try and develop tangible Outputs for the proposed project.  Careful when addressing floods and droughts together – as rationale and response measures hard to combine; Transboundary basin: how do such interventions; consider

		Too much focus is placed on the business-as-usual impacts of hydropower etc. A careful analysis of additionality is required - i.e. identify what losses are being caused/will be caused as a result of climate change and what losses are being caused by unsustainable development practices.	make them regionally specific. This is a big project and there is a strong risk of the project trying to do too much. We recommend applying Theory of Change thinking to the current objectives.	Paradigm shift: increase awareness and change thinking and behaviors;	Assessment. While the proposed project is likely to be low-risk, a project-specific ESIA will be required.				regional cooperation
<b>Indonesia</b>	Mitigation and Adaptation Investment Roadmap on Water Related Hazards	The climate rationale is presented but not supported by appropriate evidence.	The impact potential of this project cannot be determined. The proposed project will require further development. Who are the beneficiaries? How many will be women? If assets are being protected and	The proposed project suggests that policies/plans/strategies will be strengthened. What are the gaps for climate change management in the policy/regulatory environment in Indonesia?	Project interventions will need to be identified before co-benefits can be assessed.	The adaptation and mitigation needs of Indonesia need to be more strongly presented and supported with relevant evidence.	The capacity of the Executing Entity to deliver needs to be described. Is a Capacity Assessment required?	There is too little information available to assess how cost-effective the proposed project might be.	Very little detail is available on what the proposed project is intending to do. This makes an assessment against investment criteria challenging. What will GCF money actually be spent on?
<b>Indonesia</b>	Integration of water-related hazards resilience in	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	It appears as if the activities proposed are part of a GCF

	NAP development								Readiness process. In this case, these activities should be funded through the appropriate readiness funding from GCF.
<b>Malaysia</b>	Community empowerment for flood disaster management in Malaysia	There is no climate change rationale presented. What are the impacts of climate change on disasters in Malaysia? What are the expected losses and who will experience these losses? The project makes mention of disaster risk reduction and the Sendai framework but a GCF project requires a clearly articulated climate rationale to clarify that the interventions are responsive to climate change. This can be articulated by presenting the impacts of climate change and how the identified interventions will	Further project development is required. What communities will be targeted? How many beneficiaries will there be and what percentage of those will be women?	The structure of the project lends itself to a good paradigm shift potential. In further project development, developers should consider an upscaling and replication strategy for scaling project interventions. It would be useful to consider what policies, strategies or laws may need to be amended during the project. Lastly, is there potentially an innovative way in which knowledge can be shared amongst communities, public entities and with the public?	The project is likely to have significant sustainable development potential. It is recommended to clarify exactly how the project will contribute to the Sendai framework and the SDGs. Social, environmental, economic and gender benefits should be clearly described.	The financial needs of Malaysia will have to be carefully articulated. As a middle-income country with a strong economy, strong evidence will need to be presented as to why Malaysia could not finance this project through the state budget. A detailed vulnerability analysis should assist in clearly	The Executing Entity hasn't been identified yet. Once they are, a capacity assessment is likely to be required to ensure that the entity has the necessary capacity to execute a GCF project.	How will cost-effectiveness be presented in the proposed project? Can the project claim avoided financial losses, or will the main benefits be reduced loss of life? A cost-benefit analysis should be undertaken	

		address these impacts.				articulating the adaptation needs.			
<b>Myanmar</b> (see changes in bold)	Development of climate resilience with regard to community based flood, drought, and irrigation management for food security  <b>Improved project idea concentrating on flood resilient to agriculture development</b>	The climate change impacts will need to be presented clearly. It appears that the project will be addressing the impacts of floods and droughts in the agricultural sector. What have the losses been as a result of climate change and what are they expected to be in the future?  <b>Climate rationale: focus on changing patterns and intensity of rainfall Regional study: most vulnerable and affected area (dry zone: where flood and drought impacts);</b>	The impact potential is not clear. Who will the beneficiaries of the project be? How will they benefit (i.e. reduced losses, increased productivity)? How many men and women will benefit?  Main intervention: early warning system and associated floor planning Watershed management and restoration to maintain ecosystem to reduce flood risks; Aligned with NAPA;	The project should consider scalability and replicability of interventions during the project development. Also, consider how to create changes to the enabling environment and improvements to knowledge management through the project.  <b>Replicability: where knowledge can be used for flood resilience and use them to other areas in the country facing similar problems</b>	What will be the environmental, social and economic co-benefits of the project? Who will these benefits accrue to? How will the project provide gender equity benefits?	Myanmar is an LDC, but the project proposal will still have to illustrate the financial needs of Myanmar. Additionally, the adaptation needs have to be clearly presented.	The proposal will need to demonstrate the capacity of the Ministry of Agriculture to deliver on the project.	An economic assessment of project interventions will be required to assess the extent of avoided losses from climate change as a result of the project. Since this is an agriculture oriented project, such an analysis should be feasible and will be expected by GCF.	Recommend to tighten the focus of the proposed project. A number of objectives are listed which frequently serve to 'dilute' the climate rationale. Mitigation benefits, in particular, should be listed as co-benefits. There is also some confusion in the title, as irrigation management is linked to drought management.
<b>Vietnam</b>	Enhancing community participation in small reservoir management to cope with floods in Vietnam	A climate rationale is presented but this could be narrowed down further. The project appears to focus on flooding, so the figures should be presented in that	Further project development will need to indicate where the project interventions will take place and how many people will	The project design caters for a paradigm shift. The project interventions are likely to be scalable throughout the country and into Laos, Cambodia and Thailand	The quoted benefits will need to be elaborated on. In addition, the project could benefit from strengthening gender benefits.	This will need to be developed further. Why does Vietnam need these funds from GCF and why	A capacity assessment of the relevant Ministry will be required.	The interventions will have to be evaluated for their cost-effectiveness. How much damage from flooding will be avoided as a result of the project	Is Integrated Flood Management being practiced in Vietnam? How will these interventions

		light. We would recommend starting the first paragraph with: "Climate change is increasing the (frequency/intensity?) of floods in Vietnam. These floods are causing ..."	benefit (gender-disaggregated).	as well. What actions can be taken to further facilitate this paradigm shift? We would recommend developing an upscaling and replication strategy during project development.		can these activities not be funded from the state budget?		interventions? This will likely require some hydrological modelling to model flood reduction as well as an economic analysis. Also, the choice of interventions will need to be supported by an options analysis - i.e. why is reservoir management the optimal use of GCF funds to reduce the impacts of floods in Vietnam?	fit into the overall flood management across the country? Perhaps the project scope could be expanded to include other (hard and soft) flood mitigation measures. This relates to the options analysis mentioned under cost-effectiveness.
<b>Bhutan</b>	Climate resilient technology for water supply	<i>The project cites multiple drivers of water stress. To adequately develop the climate rationale, the additionality of the project must be clarified. I.e. how much of the experienced losses can be attributed to the impacts of climate change? GCF will fund the additional costs.</i>	There is a misunderstanding around the term 'indirect beneficiaries'. Indirect beneficiaries are those that will not benefit directly from the project interventions but will benefit from improved management practices, strengthened enabling environment, etc.	The paradigm shift potential is not immediately clear. What is the altered state of development that will be created by this project? How will the project create an enabling environment for project interventions to be implemented autonomously in future.	The interventions should generate a number of social, environmental and economic co-benefits that should be cited clearly, including gender benefits.	Bhutan is shown to be climate-vulnerable and is an LDC. The financial and adaptation needs should be readily presentable.	Capacity assessments of the project partners should be completed	A cost-benefit analysis of interventions will need to be completed. How much damage is being avoided as a result of the interventions? How will this be calculated?	



			The types of beneficiaries have been identified; further project development will have to identify how many beneficiaries will benefit (gender-disaggregated).						
<b>Bhutan</b>	Water resources management in the context of climate change	<i>Same text used as above. Additionality may be more challenging to cite in an IWRM project, so this will require some analysis</i>	Same as above	Same as above. The baseline needs to be clarified to fully understand the transformative nature of the project. Is IWRM currently not being practiced? Why? What are the barriers preventing the uptake of IWRM?	Same as above.	Same as above	Same as above	Same as above	Much of the text is the same as the project above. Perhaps it may make sense to merge the IWRM project and the water supply project? Potentially, a particularly vulnerable catchment could be targeted for an integrated water management approach? The lessons learned could then be upscaled nationally.
<b>India</b>	Rejuvenation of traditional	<i>The climate rationale is presented well.</i>	Once the project area is defined, the	The proposed project should establish an	Some sustainable development co-	Clear evidence will need to be	Is a State department the	A cost-benefit analysis of	The proposed project is cited

	water bodies in Bundelkhand region of India – Chandela and Bundela tanks	<i>Further evidence and future predictions will need to be presented in a full proposal.</i>	impacts should be readily describable. We would note that the offset of GHG emissions should not be quoted as a core indicator in this project, as the focus seems to be mostly adaptation. GHG offset can be cited as a co-benefit.	upscaling strategy during the development of a full proposal, including a clarification of the replication potential.	benefits are cited, but it is not clear how these will be achieved.	presented as to why India will not be able to currently fund the adaptation activities themselves. The rationale of government currently not being prepared to take on the risk of project activities without demonstration could be used to motivate for this.	appropriate Executing Entity? There may be some concern about how the project will scale nationally if the developed capacity is held within a state department. Capacity assessments of the EE will be required.	interventions will need to be completed. What benefits will the rejuvenated ponds generate, over what period? An operations and maintenance plan, including budget, should be included in the project.	as an 'action research project'. We note that this type of activity is generally not particularly favourable for GCF, who would prefer large-using proven technologies. We see two possibilities: i) to develop the project further using PPF funding after the submission of a Concept Note; ii) to submit the project to an alternative fund (e.g. AF) to conduct the necessary action research and then apply for a separate GCF project for upscaling interventions.
<b>Pakistan</b>	Integrated Water	<i>Climate impacts are identified but these</i>	The beneficiaries and specific impacts	The paradigm shift potential is not	Further development of	Clear evidence will need to be	A capacity assessment of	The proposed interventions will	

	Management for Adaptation to Climate Change: Creating a Better Future for Pakistan	<i>will need to be evidenced further. The project development process will need to include an analysis of potential climate impacts</i>	have not been identified yet. A vulnerability analysis will help with this.	immediately clear. What is the altered state of development that will be created by this project? How will the project create an enabling environment for project interventions to be implemented autonomously in future.	the proposal will have to highlight how the interventions will 'depollute' aquifers and generate social, environmental and economic co-benefits.	presented as to why Pakistan will not be able to currently fund the adaptation activities themselves.	the relevant Ministry will be required.	need to undergo a cost-benefit analysis to demonstrate the cost-effectiveness of the project. In addition, an options analysis on the types of interventions should be conducted.	
<b>Pakistan</b>	Assessment of water demand in Pakistan under globally changing climate	<i>Please see comments column</i>	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	This reads like a component of a project rather than a project unto itself. Perhaps this could be included in the project above to strengthen
<b>Sri Lanka</b>	Climate-smart agriculture to cope with climate change impacts in medium irrigation system	<i>The climate impacts require more focus. What are the climatic changes that are resulting in the reduction in agricultural productivity? What part of that is attributable to climate change and how much of the experienced declines are as a result of baseline problem?</i>	The impact potential should be identifiable. Will all 34,000 hectares benefit? Can the beneficiaries be identified and disaggregated by gender?	The project description does not indicate why the best practices established in minor and major size projects cannot be replicated for medium size projects. What are the barriers, and how will the GCF project remove these barriers? GCF wants to finance transformative projects.	The project is expected to generate significant co-benefits that will need to be described in detail.	Both the adaptation and financial needs of Sri Lanka will need to be described in more detail.	The implementation arrangements are not clear from first glance. The Department of Irrigation is cited as the Implementing Entity (Accredited Entity in GCF terminology) - this is likely a confusion in	A cost-benefit analysis and options analysis will have to be conducted on the project interventions.	This is likely to be an agricultural project rather than a water sector project.

							the terminology. A capacity assessment of the Executing Entity will need to be conducted		
<b>Sri Lanka</b>	Climate Resilient River Environment and Basin Protection of Maha Oya River Basin	<i>Climate change is not mentioned in the project description. This sounds like a business-as-usual project addressing baseline development and degradation. The climate rationale and additionality of the proposed project need to be identified.</i>	How will the project beneficiaries and the project impacts be determined (# beneficiaries, # ha restored)?	How will the proposed project build on the CRIP to generate a truly transformative project? How will the project be scaled to other basins?	The project is expected to generate significant co-benefits that will need to be described in detail.	Both the adaptation and financial needs of Sri Lanka will need to be described in more detail.	A capacity assessment of the EEs will be required. How will the implementation arrangements work, given the number of stakeholders involved in project execution?	A cost-benefit analysis and options analysis will have to be conducted on the project interventions.	The project will need overall reframing before it can be presented to GCF. Also, given that many of the drivers of the existing challenges are not climate change related, project developers should attempt to secure co-financing to address the baseline problems.
<b>Sri Lanka</b>	Ensuing water security for livelihood of irrigated farmers projected to be	<i>This climate rationale indicates that most of the problems are as a result of mismanagement and not climate change.</i>	The impact potential should be readily identifiable. Gender-disaggregated data will be required.	The paradigm shift potential is not immediately clear. How will the project create an enabling environment for project	The environmental, social and economic co-benefits of the project will need	Both the adaptation and financial needs of Sri Lanka will need to be	A capacity assessment of the EEs will be required.	A cost-benefit analysis and options analysis will have to be conducted on the project interventions.	As above

	most affected by climate change	<i>The additionality of the proposed project will need to be established and the climate rationale rephrased.</i>		interventions to be implemented autonomously in future.	to be explicitly explained. Additionally, the project proposal should highlight how the project will be gender responsive.	described in more detail.			
<b>Sri Lanka</b>	Awareness and Implementation of Climate Resilient Water Safety Plans Ensuring Resilient Drinking Water Supply Schemes	<i>The climate rationale does not clarify what climatic impacts the districts are exposed to. A more detailed climate analysis will need to be conducted. What is the additionality (e.g. how is a CRWSP different from a WSP)?</i>	The impact potential should be readily identifiable. Gender-disaggregated data will be required.	The paradigm shift potential is not immediately clear. How will the project create an enabling environment for project interventions to be implemented autonomously in future.	The environmental, social and economic co-benefits of the project will need to be explicitly explained. Additionally, the project proposal should highlight how the project will be gender responsive.	Both the adaptation and financial needs of Sri Lanka will need to be described in more detail.	A capacity assessment of the EEs will be required.	A cost-benefit analysis and options analysis will have to be conducted on the project interventions. This will likely focus on avoided losses as a result of improved DRR.	We would note that GCF is unlikely to support a study on climate impacts as part of a project. This analysis should be completed during the project preparation phase.
<b>Nepal</b>	Empowering communities vulnerable to climate change-induced impacts on water resources	<i>A more detailed analysis of climate impacts relevant to the project area is recommended. We note that the impacts of climate change vary spatially across Nepal. Department of Hydrology and Meteorology has conducted downscaling exercises for 2018 which could provide valuable</i>	The proposed project will need to select a geographical location to identify the impact potential.	The paradigm shift potential needs to be clarified. There have been a number of watershed restoration/water management projects in Nepal. What are the remaining gaps and why have these projects not scaled? What will make the proposed project different?	The sustainable development potential of the project is likely to be significant. These co-benefits need to be stated explicitly.	Nepal is an LDC and one of the most climate vulnerable countries.	We note that an EE does not seem to have been selected.	A cost-benefit analysis will have to be conducted once the project interventions are identified.	We recommend investigating linkages with the existing GEF-funded UNDP watershed conservation project that is being implemented by MoFE. What is the value-add of

		<i>information for the climate rationale of the proposed project.</i>							the proposed GCF project?  <b>Outcome:</b> Adequate climate rationale to be conducted once interventions identified.
<b>Nepal</b>	Conduct studies on loss and damage associated with climate change on water resources sector	<i>Please see comments column</i>	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	This does not appear to be a GCF project but rather an activity that should be covered under readiness funding.
<b>Nepal</b>	Supporting South Asian GWP countries in addressing impacts of climate change on water resource sector through NAP process	<i>Please see comments column</i>	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Please see comments column	Similar to the above. We do not recommend attempting to secure project funding to finance readiness activities through GCF. There may be a possibility to source funding for such activities through GEF

									or AF funding. A precedent for this exists where a country has successfully submitted a PIF for a NAP process.
<b>Bangladesh</b>	Design and Implement Climate Resilient and Eco-friendly Water Management Infrastructures in selected coastal areas.	<i>No text has been presented for this project. We assume the climate rationale is likely to focus on saltwater intrusion, which would make a valid climate rationale.</i>	N/A	We recommend evaluating the projects transformative potential carefully - how will this project succeed in scaling where other projects have failed.	N/A	Bangladesh's adaptation and financial needs are clearly described in international literature.	N/A	N/A	
<b>Bangladesh</b>	Climate resilient Agriculture in the selected Haor (Natural low lying natural water bodies) Basins in Bangladesh	<i>No text has been presented for this project.</i>	N/A	We recommend evaluating the projects tranformative potential carefully - how will this project succeed in scaling where other projects have failed.	N/A	Bangladesh's adaptation and financial needs are clearly described in international literature.	N/A	N/A	
<b>Bangladesh</b>	Building sustainable water supply and food security under climate change scenario in drought prone areas	<i>Drought seems to be the climate impact that has been identified. The additionality of the proposed project will need to be carefully evaluated.</i>	N/A	We recommend evaluating the projects transformative potential carefully - how will this project succeed in scaling where other projects have failed.	N/A	Bangladesh's adaptation and financial needs are clearly described in international literature.	N/A	N/A	

						Data gap needs to be articulated and linked to CC impacts; improving climate rationale. Challenge is to create motivation to work with technologies			
<b>Mongolia</b>	Mongolia Green Finance Corporation	<i>The climate rationale has been well-described. We expect that there will be sufficient information available for a detailed feasibility study.</i>	The impact potential of the proposed project is very well defined.	Both the paradigm shift and the Theory of Change have been well thought out. We would recommend additionally investigating: i) how the policy and regulatory environment could be influenced to support project activities; and ii) how knowledge management and awareness around green technologies could be improved.	Apart from reduced GHG emissions, what other social and environmental co-benefits could be created through the project?	The financial needs are well-articulated, with limited access to finance identified.	Capacity assessments of the project partners should be completed.	Since this project is partially loan and equity financed, a financial model will be required. This model should clearly demonstrate how the concessionality will accrue to the project beneficiaries and why the grant portion of the overall finance is required.	This is a project far along in the development cycle, but a link to the water sector is not readily apparent. Overall, this project looks excellent. If they don't need PPF, they could probably jump straight into project development. It doesn't appear to have a water sector link though.
<b>Mongolia</b>	Sustainable adaptation for		Climate rationale is based on the nomadic	Soil improvement needed;	Recommendation for climate hazards and				Need to be concrete when identifying



	climate disasters		community affected; increased temperatures and grasslands degradation;	Risk management system development; cyclone technologies	increase capacities SDG 13, 3, 6 and 17: cover 3% of total population				climate risks – mobilize private sector capacities.  Animal population causing huge pressure on land which needs to be addressed for sustainability;
<b>China</b>	IWRM to adapt to climate change in riverbasins of China	Decreasing precipitation inland	Serious impact on agriculture and drinking water supplies	Provide suggestions to adapt to climate change through IWRM approaches, in order to find improved solutions for allocation and saving.		The needs emerge as the additional impact of climate change require the development of early warning systems, as well as improved coordination between water and other authorities	Readiness: improving institutional coordination, information systems to prepare for larger intervention project	Scaling up efforts which can then be duplicated essentially when finding successful ways in which to integrate IWRM and climate change adaptation.	
<b>Kyrgyzstan</b>	<b>Adaptation to climate change impacts on pasture disasters</b>	Many sources have disappeared used for livestock. More than 60% of pasture territory subjected to degradation			Environmental, social and economic risks identified requiring solutions for improved				

		Impact of CC is impacting the traditional way of pastures			Access to water for agriculture, water supply and project management. Improved pasture management, improved water availability; promoting CC adaptation in grazing;				
<b>Georgia</b>	Reduction of vulnerability of rural population to CC risks			Climate change impacts have resulted in glacier melting which in turn leads to stream flow reduction and groundwater reduction table and frequent droughts. Mountainous ecosystems: less water availability for the population as the main sources of water supply	Vulnerability is the loss of livelihoods; Food security and agriculture (crop production and cattle)	Need climate data (temperature and precipitation is available but need satellite images, assess changes in groundwater) Social and economic impact on data missing	Demand and supply management through developing capacity to improve community awareness for water usage and develop infrastructure for rainwater harvesting, storage, alternative source of water i.e. rivers; Protections and preservation of protected areas;		

## Annex 2 Workshop Programme



### Technical Workshop on Project Preparation for Transformational Climate Resilience Water Project Concepts in Asia

October 15-16, Manila  
Multifunction Room 2 / Lecture Theatre, Asian Development Bank HQ,  
8 ADB Avenue, Mandaluyong City 1550, Metro Manila, Philippines

Time/Room	Topic	Presenter/ Facilitator
<b>15 October, Monday – Financing Climate Resilience Water Projects &amp; GCF 101</b>		
08:00-08:30	Registration & Coffee	GWP Philippines
<b>Multifunction Room 2</b>	<b>Session 1: Welcome &amp; Workshop Rationale</b>	<b>Watt Botkosal</b> GWP South East Asia Chairman
08:30-08:40	Welcome from Hosts: Philippine Water Partnership	<b>Nathaniel Santos</b> GWP Philippines
08:40-09:25	Perspectives from Partners <ul style="list-style-type: none"> <li>• Naidalaa Badrakh, Mongolia Sustainable Finance Association (MSFA)</li> <li>• Kyaw San, Ministry of Environmental Conservation and Forestry, Myanmar NDA</li> <li>• Puti Faraniza, PT Sarana Multi Infrastruktur, Indonesia DAE</li> <li>• Noor Syaifudin, Ministry of Finance, Indonesia NDA</li> <li>• Flerida Chan, JICA</li> <li>• Dominique Berod, WMO</li> <li>• Yumiko Yasuda, GWP</li> </ul>	Moderator: <b>Alex Simalabwi</b> Head GWP Water, Climate & Development Programme
09:25-09:30	Opening by Hosts: Asia Pacific Adaptation Network	<b>Mozaharul Alam</b> APAN
<b>09:30–09:45</b>	<b>Portfolio of country prioritized water project ideas in Asia for the GCF: strengths &amp; challenges</b>	<b>Alex Simalabwi</b> GWP
09:45-10:30	Preparing climate resilient water projects, accessing project finance, programming for the GCF: Experiences and workshop expectations <i>This session is intended to be interactive, with participants introducing themselves, sharing their experiences and raising their challenges</i>	ALL Moderator: <b>Alex Simalabwi</b>
10:30-11:00	Coffee & Group Photo	
<b>Multifunction Room 2</b>	<b>Session 2: GCF Introduction</b>	<b>Yumiko Yasuda</b> GWP
11:00-11:45	Introduction to the GCF: <i>what it is and is not able to support, overview of funding windows</i> <ul style="list-style-type: none"> <li>• GCF mandate, Investment Criteria, Project Cycle</li> <li>• GCF funding windows and financing mechanisms               <ul style="list-style-type: none"> <li>○ Readiness and Preparatory Support</li> <li>○ Project Preparation Grants</li> </ul> </li> </ul>	<b>Jason Spensley</b> GCF (by VC)

[www.gwp.org](http://www.gwp.org)

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	<ul style="list-style-type: none"> <li>o Readiness and Preparatory Support</li> <li>o Project Preparation Grants</li> <li>o Programme and Project Finance</li> <li>o Private Sector Facility</li> <li>o Simplified Approval Process Pilot Scheme (SAP)</li> </ul> <ul style="list-style-type: none"> <li>• Environmental and social safeguards (ESS)</li> <li>• Gender mainstreaming</li> </ul>	
11:45-12:00	<b>Interactive discussion on GCF</b>	ALL
Multifunction Room 2	<b>Session 3: GCF Investment Criteria &amp; Project Cycle</b>	Christopher Ilagan GWP Philippines
12:00-12:10	<b>Case Study 1: Bhutan NDA – Gross National Happiness Commission.</b> How GCF investment criteria was applied to approved project 'Bhutan for Life' – experiences and lessons	Kinley Yangden Bhutan GNHC
12:10-12:20	<b>Case Study 2: GWP Nepal.</b> How did Nepal access GCF readiness support? How is adaptation planning and NDA strengthening helping Nepal prepare proposals for GCF projects that meet that GCF investment criteria?	Batu Krishna Uprety GWP Nepal
12:20-12:30	<b>Case Study 3: Philippines NDA.</b> Ensuring country readiness for GCF: How is the Philippines NDA coordinating among DAEs, Delivery Partners, executing entities, across sectors, and with Ministries of Planning and Finance?	Josefina Ramos Philippines NDA
12:30-13:00	<b>Interactive Discussion on GCF Investment Criteria</b>	ALL
13:00-14:00	Lunch	
Multifunction Room 2	<b>Session 4: Climate Rationale</b>	Alex Simalabwi GWP
14:00-14:45	What is a climate rationale? Discussion of GCF's required justification to ensure its projects tackle GHG induced climate change impacts on the most vulnerable communities, in the most technically and financially efficient ways <ul style="list-style-type: none"> <li>• Climate impact projections</li> <li>• Identifying vulnerabilities</li> <li>• Assessing responses to reduce climate risk</li> <li>• Attributing development vs. climate adaptation benefits</li> <li>• Case studies – climate rationale in successful project proposals</li> <li>• Relevant data sources, analytical methods and tools</li> </ul>	Frederik Pischke GWP/WMO
14:45-15:15	What resources can countries access to articulate climate rationale for water projects? <ul style="list-style-type: none"> <li>• WMO services</li> </ul>	Dominique Berod WMO
15:15-15:30	<b>Case Study 4: Sri Lanka NDA.</b> Climate Rationale in approved GCF Project in Sri Lanka: Strengthening the resilience of smallholder farmers in the Dry Zone to climate variability and extreme events through an integrated approach to water management	G S Chanke Rodrigo Ministry of Mahaweli Development & Environment - Sri Lanka NDA
15:30-16:00	<b>Interactive Discussion on Climate Rationale for GCF Water Projects: challenges faced by countries in articulating climate rationale along with potential solutions and resources</b>	ALL Moderator: Alex Simalabwi, GWP

16:00-16:15	Briefing on group discussions & Coffee	
16:15-17:30	<b>Group Discussion - Climate Rationale: Project Ideas</b> Three groups will be established by region: <ul style="list-style-type: none"> <li>• Central Asia and the Caucasus</li> <li>• South Asia</li> <li>• South-East Asia</li> </ul> Each Group will discuss three select project ideas from countries in their respective region; respective countries will present selected projects in their groups. 9 project ideas in total will be reviewed.	ALL Moderator: Frederik Pischke, GWP/WMO
17:30-18:30	Report back from regional groups: Project ideas reviewed and lessons learned on climate rationale	Group Rapporteurs
18:30	End of Day 1	
<b>16 October, Tuesday – Designing &amp; Financing Climate Resilience Water Projects</b>		
Lecture Theatre	<b>Session 5: Climate Resilience across Water Sub-sectors</b>	Francois Brikke GWP
08:00-08:15	Recap of Day 1	Yasmina Rais El Fenni CAPNET
08:15-08:45	Approaches for building resilience across water-subsectors, including prioritizing and sequencing project options will be introduced. <ul style="list-style-type: none"> <li>• Adaptation: Water resources, Irrigation, Water supply, sanitation, and drainage, Coastal defence and coastal zone management, Flood management, Water-borne diseases</li> <li>• Mitigation: Navigation, Hydropower, Renewable energy, Water recycling</li> <li>• Cross-cutting projects: Leakage reduction</li> </ul>	Alex Simalabwi GWP
08:45-09:15	Successful GCF project proposals across water-subsectors – lessons learned	Alex Simalabwi GWP
09:15-09:45	<b>Interactive discussion on options for water actions that build resilience</b>	ALL
09:45-10:00	Coffee	
Lecture Theatre	<b>Session 6: GCF Project Preparation Facility</b>	Yumiko Yasuda GWP
10:00-10:20	What gets submitted? Walk through concept note and full funding proposal for a successful project – pitfalls and tips	Lyan Villacorta AIT
10:20-10:45	Introduction to the GCF Project Preparation Facility: support to take project from concept note to full funding proposal. Sharing case studies of successful PPF proposals to the GCF and highlighting in particular, capacity and coordination challenges and solutions.	Anjali Lohani GWP
10:45-11:00	Supporting countries in preparing concept notes and project proposals – experiences and lessons	Lyan Villacorta AIT
11:00-11:30	<b>Interactive discussion on GCF PPF</b>	
11:30-11:45	Briefing on group discussions & switch rooms to Multifunction Room 2	
Multifunction Room 2	<b>Session 7: Preparing Concepts Notes</b>	Alex Simalabwi GWP
11:45-13:00	<b>Group Discussions: Preparing Concept Notes</b>	ALL

	Group hands-on exercise where country teams – NDAs, DAEs, Water Ministries – prepare project concept notes for country-prioritized project ideas.	
13:00-13:45	Lunch	
13:45-15:00	Report back from country groups: Project ideas reviewed and lessons learned on concept note preparation	Country reps
Multifunction Room 2	Session 8: Fit-for-purpose Financing	Noor Syaifudin Indonesia Ministry of Finance, Indonesia NDA
15:00-15:15	Presentation on the range of financing instruments offered by the GCF, along with examples of fit-for-purpose pairing of project design and financing instruments <ul style="list-style-type: none"> <li>Grants, Loans, Guarantees &amp; Equity</li> </ul>	Alex Simalabwi, GWP
15:15-15:30	Introduction to GCF's Private Sector Facility	Tony Clamp GCF – the VC
15:30-15:45	<b>Case study 6: Mongolia.</b> Mongolia Sustainable Finance Association and its role in structuring a GCF proposal for the Green Finance Corporation Project as a PPP.	Naidalaa Badrakh MSFA
15:45-16:00	<b>Interactive discussion on GCF financing instruments, PSF</b>	ALL
16:00-16:15	Coffee	
16:15-16:30	Co-financing GCF, and beyond: Overview of the climate finance landscape in Asia	Francois Brikke GWP
16:30-16:40	<b>Case study 7: JICA.</b> PPPs for climate resilience water projects – Leveraging private finance through the Philippines Water Revolving Fund	Flerida Chan JICA
16:40-16:50	<b>Case study 8: Adaptation Fund.</b> Project preparation for integrated flood management in the transboundary Volta River Basin.	Frederik Pischke GWP/WMO
16:50-17:00	<b>Case study 10: Blue Orchard.</b> Impact investing, climate insurance, blending finance for improved resilience in Asia – experiences and opportunities	Pierrick Balmain Blue Orchard Singapore (by VC)
17:00-17:30	<b>Interactive discussion on financing</b>	
Multifunction Room 2	Session 9: In-country Coordination for Improved Concept Notes and Proposals	
17:30-17:50	To develop high quality GCF concept notes and project proposals, how will countries enhance coordination among NDA, DAEs, Delivery Partners, executing entities, across sectors, and with Ministries of Planning and Finance? Presentation and interactive discussion.	Ridzwan Ali Malaysia Ministry of Energy, Sci & Tech, Env & Climate Change Malaysia NDA
Multifunction Room 2	Session 10: Next Steps & Closing	
17:50-18:00	Summary of workshop outcomes	Anjali Lohani GWP
18:00-18:30	Next Steps: A panel discussion by countries <b>Towards a Project Preparation Partnership for Climate Resilience Water Projects in Asia</b>	GWP & Partners Moderator: Alex Simalabwi, GWP
18:30	Official Close	Sevillo David, Jr. GWP Philippines, National Water Resources Board

## Annex 3 Participants list

Country	Name of organization	Type of participant	Name of individual (or organization)	Affiliation/title
Bangladesh	Palli Karma-Sahayak Foundation	DAE	Mr. Fazle Rabbi Sadeque Ahmed	Director (Environment and Climate Change)
	Bangladesh Water Development Board	Ministry	Md. Abu Baker Siddique Bhuayan	Executive Engineer
	Center for Environmental and Geographic Information systems (CEGIS)	CWP	Md Waji Ullah	Executive Director
Bhutan	Gross National Happiness Commission (GNHC)	NDA	Thinley Namgyel	Secretary
	Bhutan Trust Fund for Environmental Conservation	DAE	Mr Ugyen Lhendup	Chief Programme Officer
	Bhutan Centre for Environment and Development		Dr Lam Dorji	Regional Chair
	Bhutan Water Partnership	CWP	Chukey Wangchuk	Chair
Cambodia	Ministry of Water Resources and Meteorology	Ministry	Mr. El Reasai	Technical Officer
	Cambodia WP	CWP	Dr. Solieng	Chairwoman
	GWP SEA	RWP	H.E Mr. Watt Botkosol	GWP SEA Chairman
China	CWP China	CWP	You Jinjun	
	CWP China	CWP	You Jinjun	
Georgia	Georgia CWP	CACENA Expert	KOBULIA Irakli	CACENA Expert
India	India Water Partnership	CWP	Mr Avinash Chandra Tyagi	Regional Council Member
Indonesia	Fiscal Policy Agency, Ministry of Finance	NDA	Noor Syaifudin	Head of Other Climate Financing Center of Climate Change Financing and Multilateral Policy
	PT. SMI	DAE	Puti Faraniza	Staff of Sustainable Finance Division
	Ministry of Public Works and Housing	Ministry	Ir. Birendrajana	Deputy Director
	Indonesia Water Partnership	CWP	Dr. Sutardi	Vice Chair
	GWP SEA	RWP	Fany Wedahuditama	Regional Coordinator
Kyrgyz	CACENA Secretariat	RWP	DZHAILOOBAEV Abdybai	Regional Coordinator
	Ministry of Economy of KG	CACENA Youth Leader	DZHAILOOBAEVA Aiperi	CACENA Youth Leader

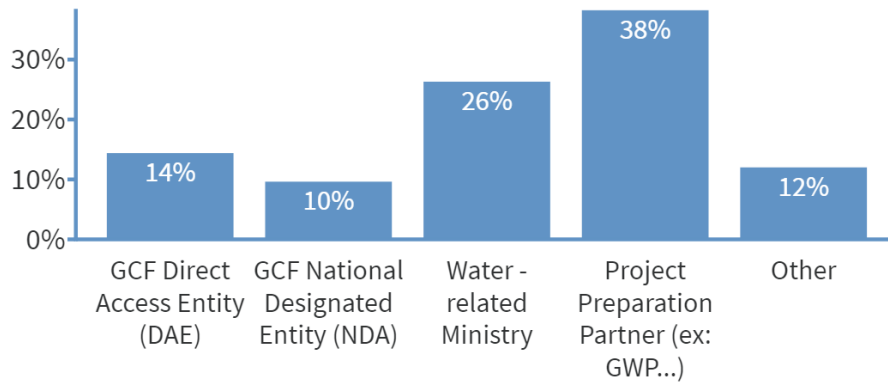
	State Agency for Environment Protection and Forestry		Aizada Kiyazova	Leading Specialist of Ecological Strategy and Policy Department
<b>Lao</b>	Ministry of Natural Resources and environment	Ministry	Sengphasouk Xayavong	Deputy Director of Department of Water Resources
	National University of Laos	Delivery Partner	Mr. Bea PHEAXAY	Vice Dean of Faculty of Environmental Sciences
	Ministry of Natural Resources and Environment	Ministry	Sengphasouk Xayavong	Deputy Director of Department of Water Resources
	Lao WP	CWP	Dr. KingKham Manivong	Chair/DG of Department of Water Resources
	Ministry of Natural Resources and Environment	NDA	Ms. Khamsoulida	Director of Management and Coordination Division, Department of Disaster Management and Climate Change
<b>Malaysia</b>	Ministry of Energy, Science Technology, Environment and Climate Change	NDA	Mr. Ridzwan Ali	Senior Assistant Secretary Climate Change Policy & Negotiations Unit
	University of Putra Malaysia	Delivery Partner	Dr. Zelina Zaiton Ibrahim	Vice Chair
	Ministry of Water, Land and Natural Resources	Ministry	Mr. Ganesan Balakrishnan	District Engineer
	Malaysia Country Water Partnership	CWP	Dato' Hanapi	Chairman
<b>Mongolia</b>	XacBank (Mongolia)	DAE		
	Mongolian Sustainable Finance Association	CWP Mongolia	BADRAKH Naidalaa	
	CWP Mongolia		Basandorj Davaa	Chairman
<b>Myanmar</b>	Ministry of Environmental Conservation and Forestry	NDA	Mr. Kyaw San	Officer of Environmental Conservation Department
	Ministry of Agriculture, Livestock and Irrigation	Ministry	Mr. Zaw Zaw Latt	Assistant Director
	Myanmar WP	CWP	Mrs. Hla Oo New	Alternate SC Member
<b>Nepal</b>	National Trust for Nature Conservation	DAE	Gyanendra Bikram Shah	Accounts Officer
	GWP Nepal / Jalsrot Vikas Sanstha ( JVS ) Nepal	CWP, case study presenter	Batu Krishna Uprety	Former Joint - Secretary and Head Climate Change Management Division. Ministry of Environment (then)
<b>Pakistan</b>	National Rural Support Programme	DAE	Mr Ghaffar Paras	Deputy Programme Manager
	Ministry of Water Resources (MoWR)	Ministry	Mr Ahmed Kamal	Chief Engineering Adviser / Chairman Federal Flood Commission



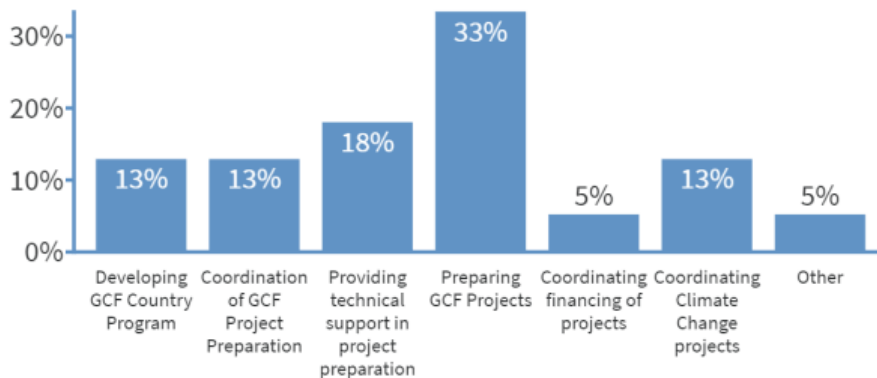
<b>Philippines</b>	JICA	Resource person	Fleria Chan	Senior Program Officer/Chief, Poverty Reduction Section
	+1 JICA			
<b>South Africa</b>	GWP South Africa	Resource person	Alex Simbalawi	
<b>Sri Lanka</b>	GWP SAS	RWP	Lal	Regional Coordinator
	Ministry of Mahaweli Development and Environment (MMDE)	NDA	Mr R. A. Sunimal Chandrasiri	Project Director
	Ministry of Mahaweli Development and Environment (MMDE)	NDA, case study presenter	G S Chanke Rodrigo	Project Director
	Irrigation Department, Baudhaloka Mawatha, Colombo 7	DAE	B. A. M. S. Beligaswatte	Chief Engineer
	National Water Supply and Drainage Board	Ministry	R. A. Sumudu Priyanga	Chief Engineer
	Sri Lanka Water Partnership	CWP	Ranjith Ratnayake	Country Coordinator
<b>Sweden</b>	GWPO	Resource person	Anjali Lohani	
	GWPO	Resource person	Yumiko Yasuda	Senior Network Officer
	GWPO	Resource person	Francois Brikke	
<b>Switzerland</b>	GWPO	Resource person	Frederik Pischke	Senior Network and Programme Officer
	WMO	Resource/DAE	Dominique Berod	Chief, Basic Systems in Hydrology
<b>Tajikistan</b>	CWP Tajikistan	CWP_TJ Expert	OBIDOV Kamol	CWP_TJ Expert
<b>Thailand</b>	AIT, Regional Resource Centre for Asia and the Pacific	Resource person	Lyan B. Villacorta	Senior Programm Officer, Climate Cluster
	CapNet	Resource person	Yasmina Rais El Fenni	Capacity Development analyst
	SEI	Resource person	Albert Salamanca	Senior Research Fellow. Cluster Lead: Climate Change, Disasters and Development; Co-lead: Transforming Development and Disaster Risk Initiative
<b>Vietnam</b>	Institute of Water Development and Partnership	Delivery Partner	Prof. Dr. Hoang Thai Dai	Director
	Ministry of Agriculture and Rural Development	Ministry	Ms. Pham Thi Dung	Standing Officer of Climate Change
	Viet Nam WP	CWP	Ms. Nguyen Thi Nguyet	SC Member of VNWP

## Annex 4: Final Evaluation

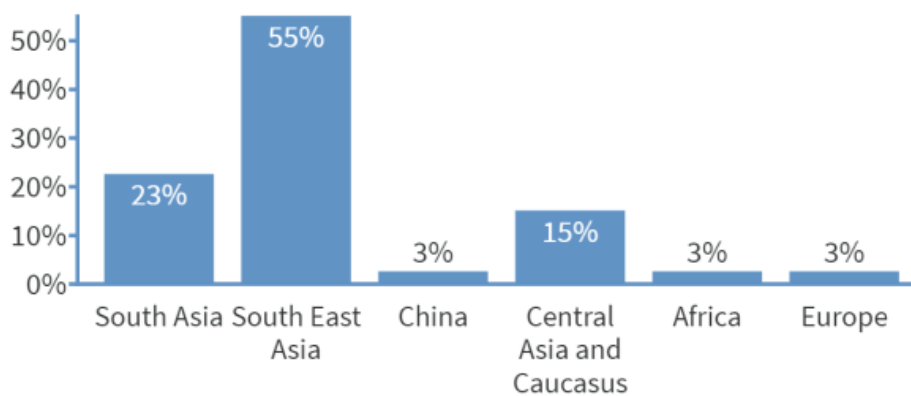
### 1. Please select the type of entity you work for:



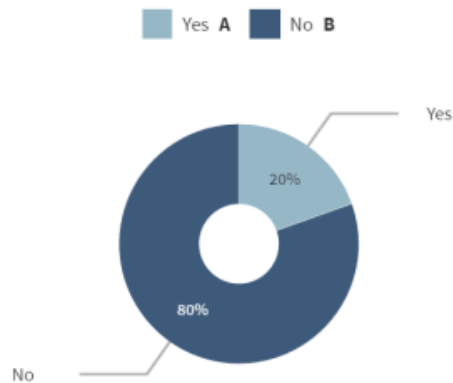
### 2. What is the interest of your organization ?



### 3. In which region are you based ?



#### 4. Have you participated in any GCF Project Preparation Workshop ?



#### 5. If yes, what workshop ?

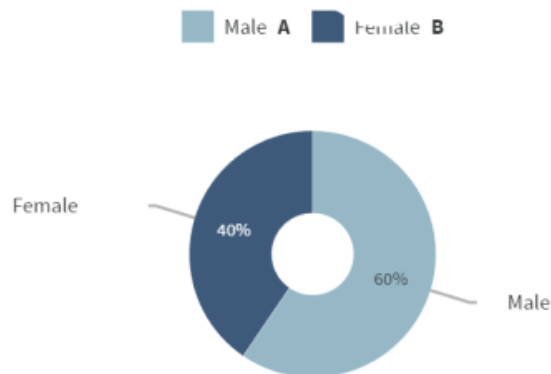
“GCF Pipeline workshop in Korea 2015”

“AIT Workshop-Bangkok”

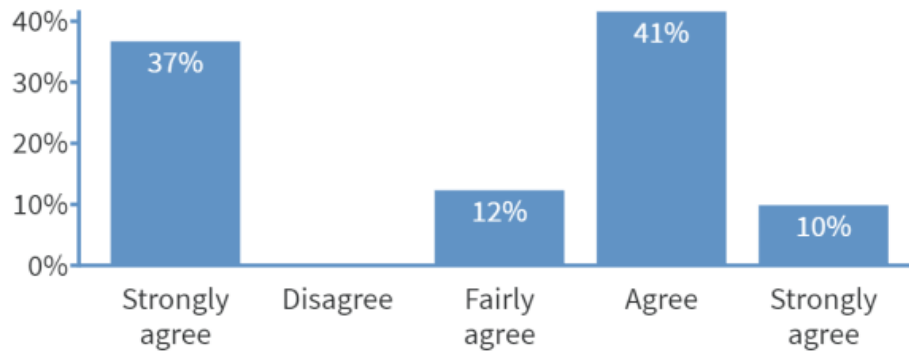
“Ho Chi Minh GWP SEA WACDEP”

“Cambodian Workshop on GCF Fundraising”

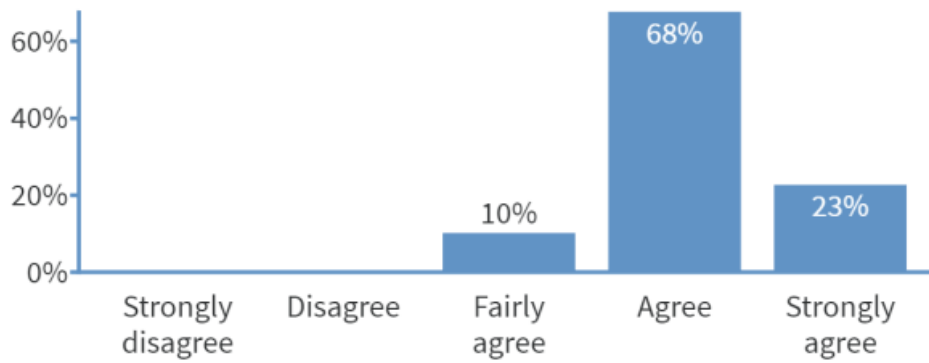
#### 6. Kindly indicate if you are a:



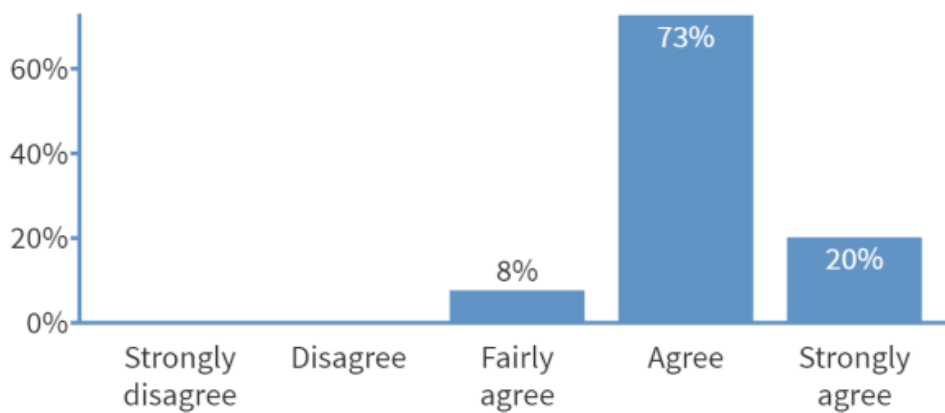
**7. I have a better understanding of what GCF is, its funding windows and financing mechanism**



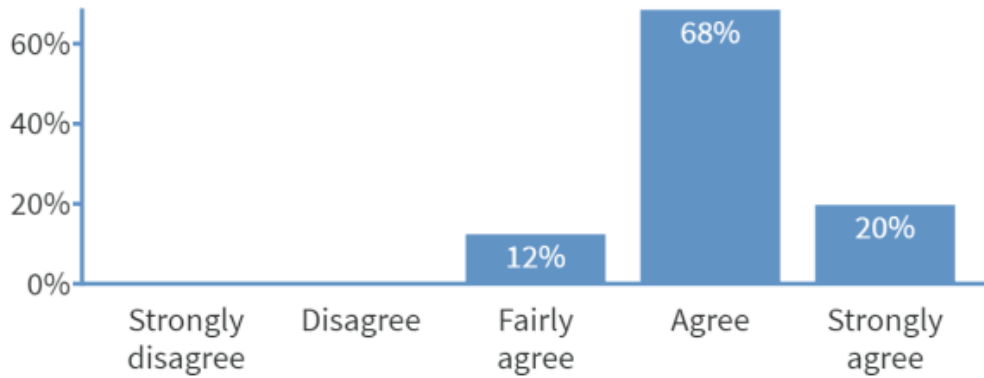
**8. I have a better understanding of GCF's investment criteria and project cycle**



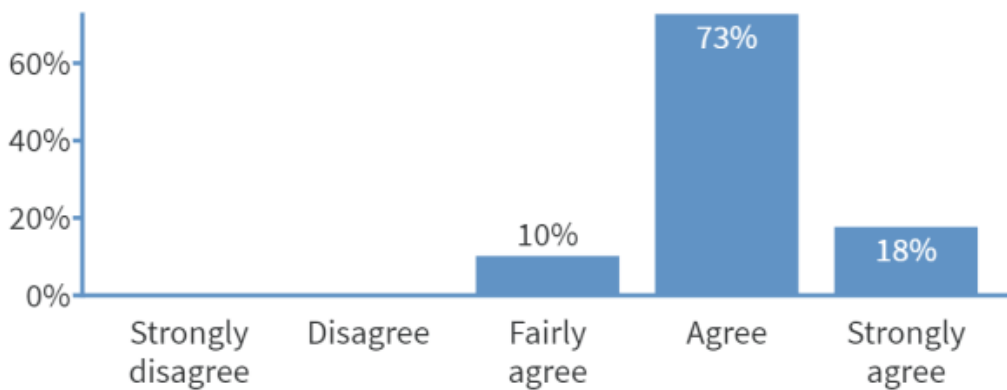
**9. I have a better understanding of GCF's Climate rationale**



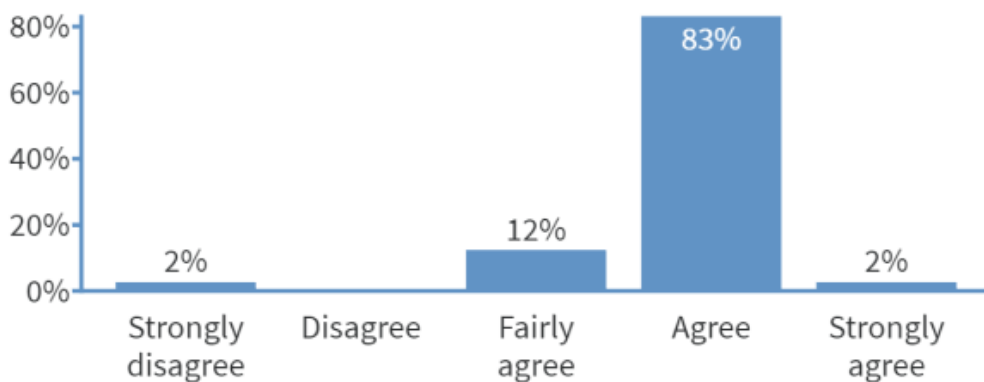
**10. I have a better understanding of climate change impacts on water resources**



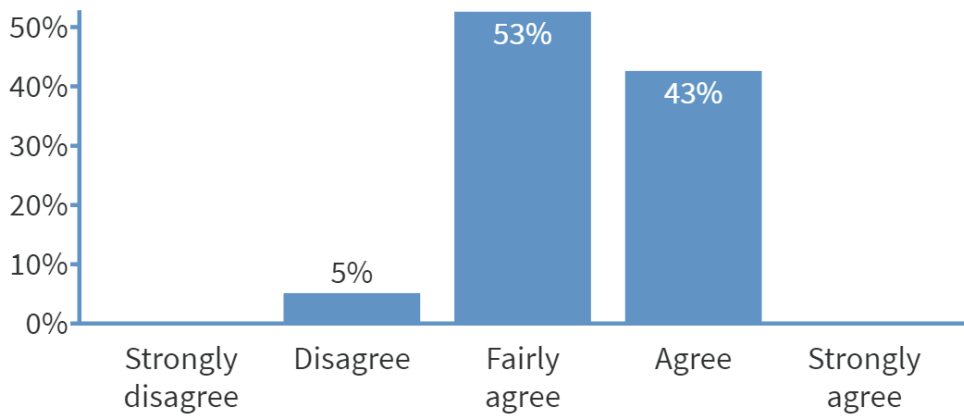
**11. I have a better understanding of the steps in preparing GCF project preparation concept notes / proposals**



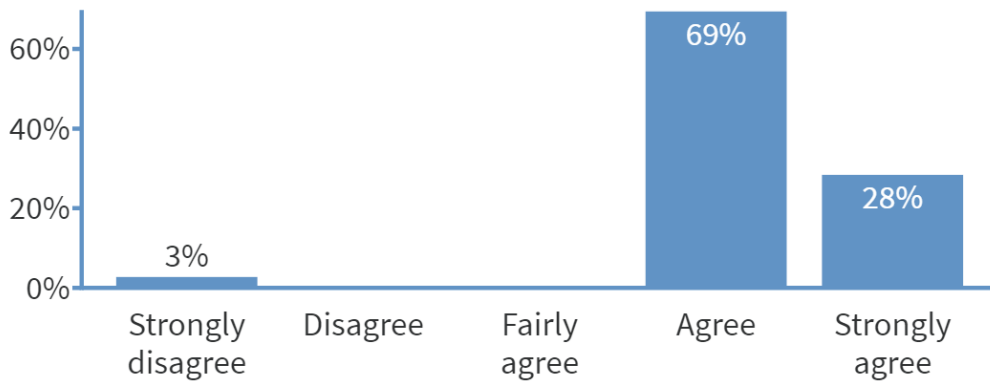
**12. I have a better understanding about GCF financing instruments (loans, grants, guarantees and equities)**



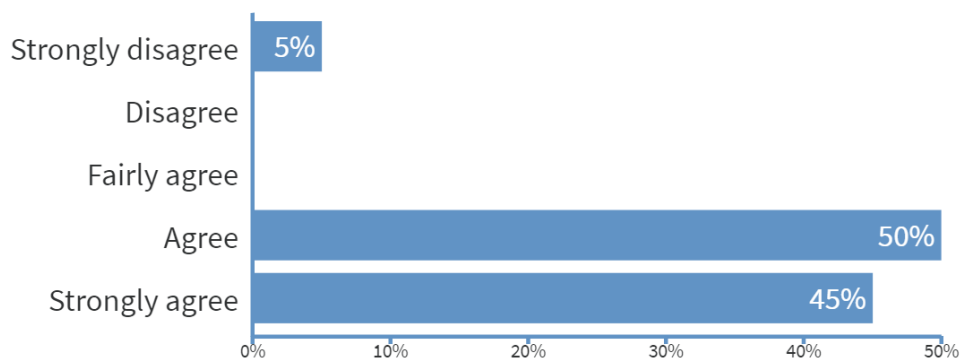
**13. I have a better understanding of private sector facility**



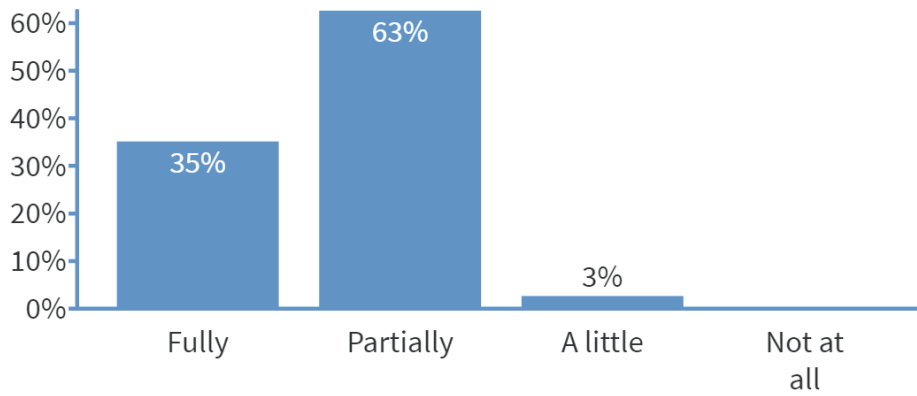
**14. I have a better understanding about the importance of coordination at country level in preparing GCF projects**



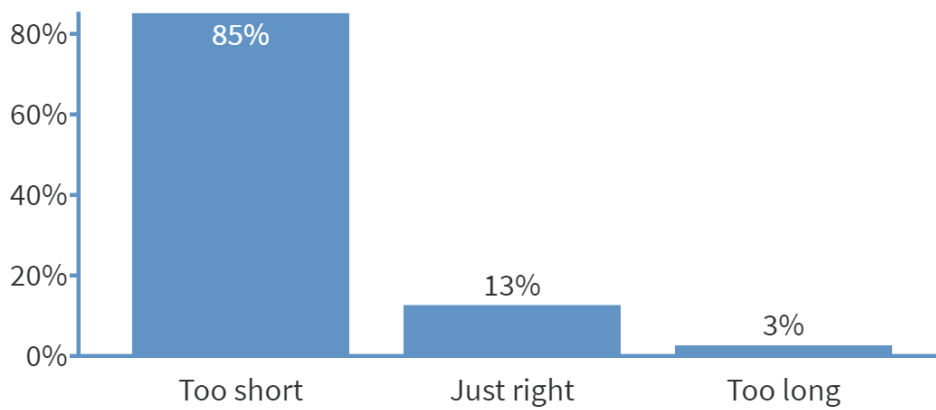
**15. I have fully appreciated the need for creating partnership of stakeholders for preparing GCF Projects**



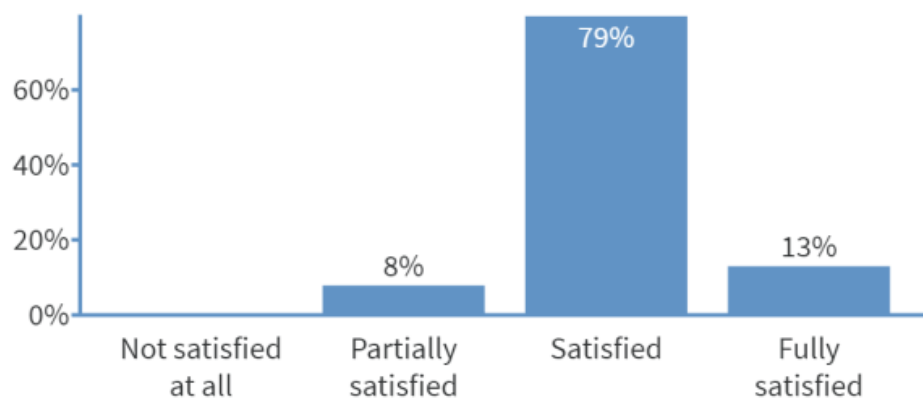
**16. Do you think the workshop has met its objectives ?**



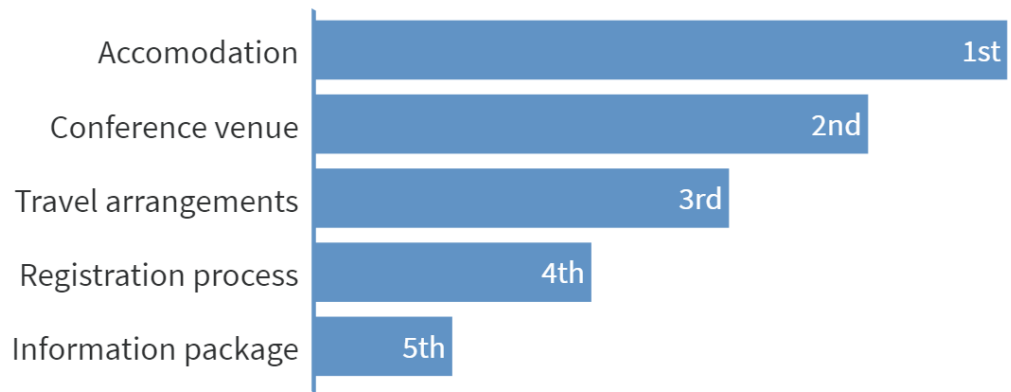
**17. What do you think about the duration of the workshop ?**



**18. Overall, are you satisfied with the organization of the Workshop ?**



**19. Rank from best (top) to least (bottom) in terms of satisfaction**



**20. What would be your top two "take away" messages after attending this Workshop ?**

- |  |                                  |
|--|----------------------------------|
| “Importance of GCF fund to prevent climate impact” | “Climate Rationale”              |
| “Climate Rationale”                                | “We need to work with NDA”       |
| “Mongolian Experience”                             | “Heavy meeting”                  |
| “GCF CONCEPT NOTE”                                 | “Need integrated proposal”       |
| “Concept Note”                                     | “Climate Rationale”              |
| “Preparation of concept paper”                     | “Work together-better potential” |
| “Financial landscape”                              | “Data”                           |
| “Importance of stakeholder consultation”           | “Work with others”               |
| “Climate Rationale”                                | “Climate rationale”              |
| “Climate Rational and networking”                  | “GCF proposal writing”           |
| “Partnership gained”                               | “Engage all stakeholders”        |
|  | “networking”                     |





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The Global Water Partnership's vision is for a water secure world. Our mission is to advance governance and management of water resources for sustainable and equitable development.