

GCF Insight #26

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THINKING

Designing projects for Small Island Developing States (SIDS)



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About *GCF insight*

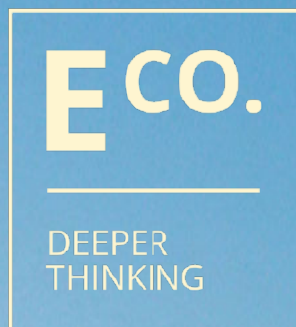
This survey and report is an initiative of E Co., and emerges from work we are doing to accelerate low-carbon climate-resilient development. E Co's team of consultants designed and administered the survey which was used to inform and prepare this report. E Co. has conducted this research independently and is not affiliated with the Green Climate Fund (GCF), the GCF Secretariat or donors. The views expressed in this report are those of the authors and do not represent those of the GCF. Nothing in the interviews or any information or material relating thereto shall be construed as implying any official endorsement of or responsibility on the part of the GCF.

E Co. provides support to the GCF, as well as many other funds and donors, across several service areas, including: market assessment, strategy formulation, policy development, fund support and training. However, we may be best known for our programme and project design services in response to the Fund's stringent criteria and processes.

About E Co.

For over 24 years, we've been supporting and guiding our clients to achieve low-carbon climate-resilient development. We do this by catalysing systemic transformation, helping our clients establish strong foundations for impact. We add value through our expertise in technical, financial, cultural, and local contexts. This allows us to tailor services to our clients' specific needs and ensure successful projects within complex local environments and financial systems.

We empower our public and private sector clients to secure financing for low-carbon, climate-resilient, and sustainable growth initiatives. We lower risk, increase predictability, and design for impact.



Acronyms

Alliance of Small Island States	AOSIS
Caribbean Community	CARICOM
Direct Access Entity	DAE
Ecosystem-based Adaptation	EbA
Exclusive Economic Zone	EEZ
Federated States of Micronesia	FSM
Food and Agriculture Organization	FAO
Green Climate Fund	GCF
Greenhouse gas	GHG
Indian Ocean Commission	IOC
Intergovernmental Panel on Climate Change	IPCC
Latin American and Caribbean	LAC
Micronesia Conservation Trust	MCT
National Adaptation Plan	NAP
Non-Timber Forest Products	NTFP
Representative Concentration Pathways	RPC
Readiness and Preparatory Support Programme	RPSP
Simplified Approval Process	SAP
Small Island Developing States	SIDS
Pacific Islands Forum	PIF
Project Preparation Facility	PPF

The climate context of Small Island Developing States (SIDS)

Some of the most vulnerable places in the world to climate change are Small Island Developing States (SIDS). While SIDS display a wide range of differences, such as location, cultural environment, language, geological complexity, size, and demographics, they share similar characteristics that can lead to their increased vulnerability. It's also often the case that SIDS find themselves underrepresented on the global stage, because of their size and the capacity issues they face.

What are SIDS?

There are currently 39 sovereign states and 18 dependent territories that are classified as SIDS. This group was first recognised as a distinct group of developing countries at the United Nations Conference on Environment and Development in June 1992, also known as the Rio Conference or Earth Summit. SIDS share many similar characteristics and challenges:

- Geographic remoteness;
- Dependence on international trade;
- Expensive infrastructure demands;
- Smaller populations that are steadily growing;
- Small economies;
- High susceptibility to natural disasters;
- Increased dependence on ecosystem services;
- Unique and often fragile environments.

SIDS are often classed by region, and are represented by several separate organisations, such as the Indian Ocean Commission (IOC), the Caribbean Community (CARICOM), and the Pacific Islands Forum (PIF). Many SIDS are also members of the Alliance of Small Island States, known as AOSIS.

The population of SIDS globally amounts to around 65 million people, less than 1% of the Earth's population.

The Exclusive Economic Zone (EEZ) is, on average, 28 times the size of a SIDS land mass. SIDS economies are often heavily dependent on the ocean.

SIDS rely on external markets for many goods due to the lack of internal resources they usually contend with. This can result in high costs for both imports and exports.

Climate challenges for SIDS

SIDS face many unique challenges, some of which are caused by or exacerbated by climate change. Geographic difficulties, economic hardships, and social vulnerabilities - SIDS are more vulnerable to these challenges than most other countries. While these countries and territories are amongst the smallest historical contributors to greenhouse gas (GHG) emissions, they are some of the most deeply affected by climate change impacts.

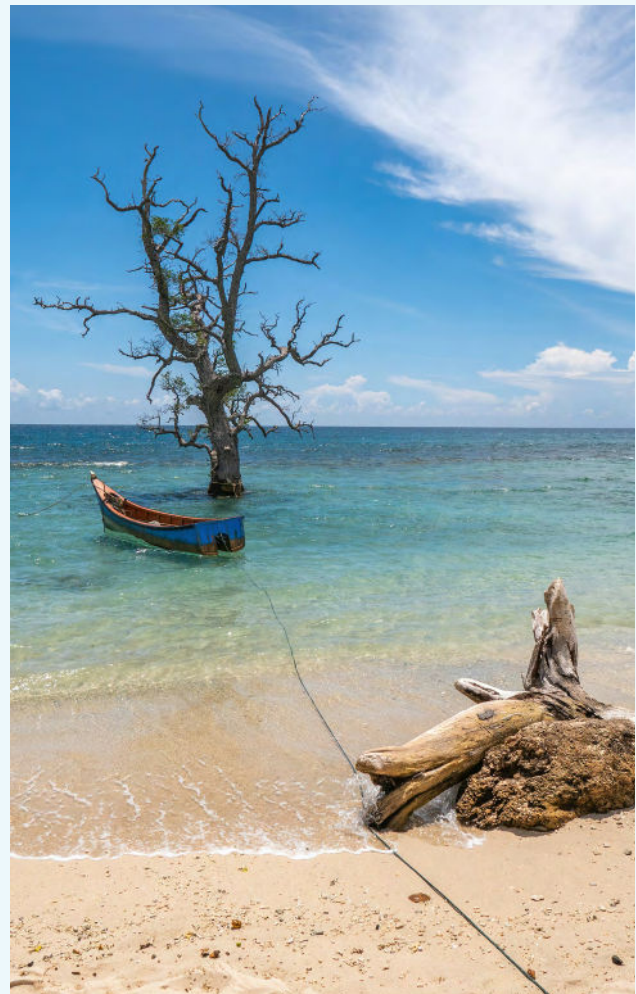
Climatic impact-drivers

Rising sea levels

Melting ice caps and the thermal expansion of seawater are affecting all SIDS, especially low-lying SIDS and atoll nations, such as Kiribati, Tuvalu, and the Maldives. Such impact leads to the loss of land and increased coastal erosion, often leading to the forced relocation of entire communities and economic disruption.

Extreme weather events

Due to their locations, SIDS experience many instances of hurricanes, typhoons, and cyclones. The economic impact of such circumstances is disproportionately high for these island nations, whose infrastructures and economies are heavily tied to resilient tourist industries and agriculture. For example, in 2019, the Bahamas was hit by the most intense tropical cyclone on record, named Hurricane Dorian. It has





been estimated that this storm caused USD 2.5 billion in damages and a 25% decrease in the GDP of the Bahamas from 2019 to 2020 (World Bank, 2024).

Increased variability and changed precipitation patterns:

More frequent droughts or longer periods without rainfall reduce freshwater supply and prevent groundwater recharge. More episodes of intense rainfall also means that water cannot penetrate the surface level to recharge aquifers and the heavy rainfalls lead to the loss of topsoil and sedimentation in water, impacting ecosystems (in rivers and marine environments). On top of that, the absorptive capacity of the ground is reduced due to droughts.

Exposure

Threats to freshwater sources

Rising sea levels and storm events lead to saline intrusions within coastal freshwater aquifers, reducing local community access to potable water. According to UNESCO, 73% of SIDS face the risk of groundwater contamination often worsened by seawater intrusion and salinisation (UNESCO, 2016).

Food security issues

With their small size, vulnerability to storms, and vital dependence on stable weather patterns, coastal and marine ecosystems, and foreign imports, the threat of climate change poses serious risks to food security. With ocean acidification comes the loss of reefs and fisheries crucial to SIDS, heightening the importance of foreign food imports - bringing high vulnerability to price fluctuations within global markets.

Oceanic location

Many SIDS are found in an oceanic water body where weather patterns are more extreme and intensify rapidly.

Low-lying

Of the 52 SIDS globally, 35 are considered low-lying, meaning they have an elevation of less than 5m. Rising sea levels are particularly threatening to these low-lying countries.

Vulnerability

Small economies

SIDS have small economies that are highly dependent on products and services that are vulnerable to climate change. They have limited resources to invest in addressing climate change. Another issue is the loss of biodiversity and ecosystem services, which are particularly attractive to tourists and bring in large profits each year for many SIDS. For example, in Dominica, tourism accounts for roughly 25% of both GDP and employment levels (World Bank, 2020).

SIDS rely heavily on tourism for export revenues which provide much needed jobs and opportunities for development. In 2023, about 38% of export revenues in SIDS (excluding Singapore) came from international tourism, reaching up to 85% in some destinations (UNTWO, 2023).

Water access

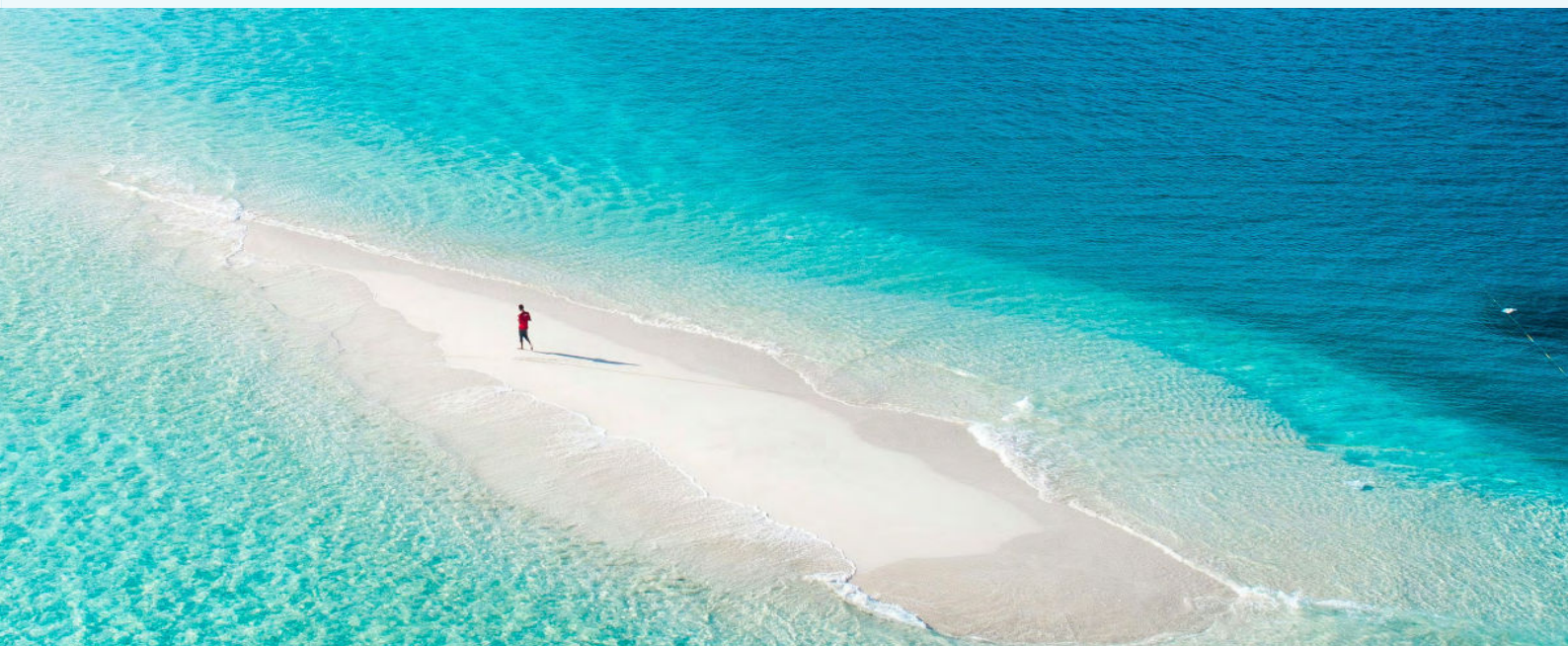
SIDS are already facing high levels of water insecurity, making them more susceptible to the effects of climate change in sector of water availability.

Dependent on weather patterns for rainfall

The stability and predictability of seasonal rainfall is paramount for functions such as agriculture and access to freshwater. Many SIDS are completely reliant on rain for freshwater.

Limited resource access

SIDS have limited resources and infrastructure to adapt to climate change, making them more vulnerable to its impacts.



Representative Concentration Pathways (RCP): Palau, the Federated States of Micronesia (FSM), and the Republic of the Marshall Islands (RMI)

Let's take a look at these impacts in a real-life setting.

The combined ocean and land area of these three nations spans over 3 million km² of the tropical North Pacific Ocean. Despite covering a large area, these Micronesian islands have small land areas and rely heavily on coastal and marine ecosystems.

The Intergovernmental Panel on Climate Change (IPCC) Working Group II report *Impacts, Adaptation and Vulnerability* (2022) highlights that protecting biodiversity and ecosystems is crucial for climate-resilient development, noting significant impacts from climate change on the environment, society, and economies of FSM, Palau, and RMI. The IPCC Special Report on the Oceans and Cryosphere (2019) identifies major climate threats for Micronesian countries, including sea-level rise, ocean warming, acidification, deoxygenation, increased floods and droughts, and intensifying tropical cyclones.

In our work at E Co., we use the IPCC Representative Concentration Pathways (RCP) to map potential trajectories for these countries based on future GHG concentration pathways, and the predicted impacts. There are two RCP scenarios which we commonly use in climate finance project development, namely:

RCP 4.5: This scenario is considered an intermediate pathway, representing stabilisation of GHG emissions by the end of the century. It assumes global emissions peak around 2040, then decline gradually. This pathway would likely lead to global warming of around 1.8°C by 2100, exceeding the 1.5°C target but potentially staying below the 2°C threshold. Most climate modelling for the GCF uses this scenario.

RCP 8.5: This is the most pessimistic scenario, representing a very high emissions pathway with no mitigation efforts. It assumes continued high GHG emissions throughout the 21st century, leading to a significant increase in radiative forcing. This pathway would likely result in global warming of around 3.7°C or higher by 2100, with severe and potentially catastrophic impacts on the climate system and human society. This scenario is sometimes used as a reference, but is not used for the main analysis.

You can see an example of our work in these countries later on in this report.

Developing projects and programmes for SIDS

Ensuring a project or programme is fully fit-for-purpose entails getting to grips with historical trends, current scenarios, and ambitions for a specific location. A project developer must consult the climate drivers and climate risks, and how they relate to the sectors, industries, and communities that exist in that location - amongst many other considerations.

In a GCF Concept Note, we include a ‘climate rationale’ which illustrates the links between climate change and climate impacts, and climate action and the benefits for a society. It’s based on the best available climate data. Based on these RCP scenarios and the current climate data, here’s a snapshot of the risks, impacts, and benefits included in a climate rationale focusing on RMI, FSM, and Palau.

“Building a solid climate rationale for the project ensures that the activities of the project are responding to and bulwarking against the most pressing climate impacts for that context (geographic, sectoral, socioeconomic)”

Victoria Verdesoto Phothirath,
Senior analyst



Climate risks	Evidence of impacts	Adaptation benefits
Sea-level rise and coastal protection		
Temperature: High confidence in the increase in annual mean ambient temperatures (0.5-1.5°C rise under an RCP 4.5 scenario by 2060) and extreme day temperatures in the Pacific region (Australian Bureau of Meteorology and CSIRO, 2011).	Heightened atmospheric temperatures will have an impact on ecosystem function, changes in species distribution and abundance / community composition, and increased incidence of exotic / invasive species. The effect of ocean acidification and the risk of coral bleaching will compound this impact (Federated States of Micronesia, 2018).	Adaptation interventions under this theme will protect atolls / islands from the impacts of storms and sea-level rise.
Ocean acidification: Increase in ocean acidification will pose a risk to coral reefs and fish habitats. There is medium confidence that under future climate scenarios, small islands will experience severe coral bleaching (SMHI, 2024).	Acidification causes coral bleaching and reef habitat degradation, increasing stress on ecosystem function, changes in species distribution and community composition. Damage to reefs also affects their buffering function regarding storm surges and waves (SMHI, 2024).	Temperature tolerant seagrass species may reduce the incidence of coral bleaching, as they are important for carbon storage. They also increase the resilience of the services provided by reefs (habitat for fish, increased tourism).

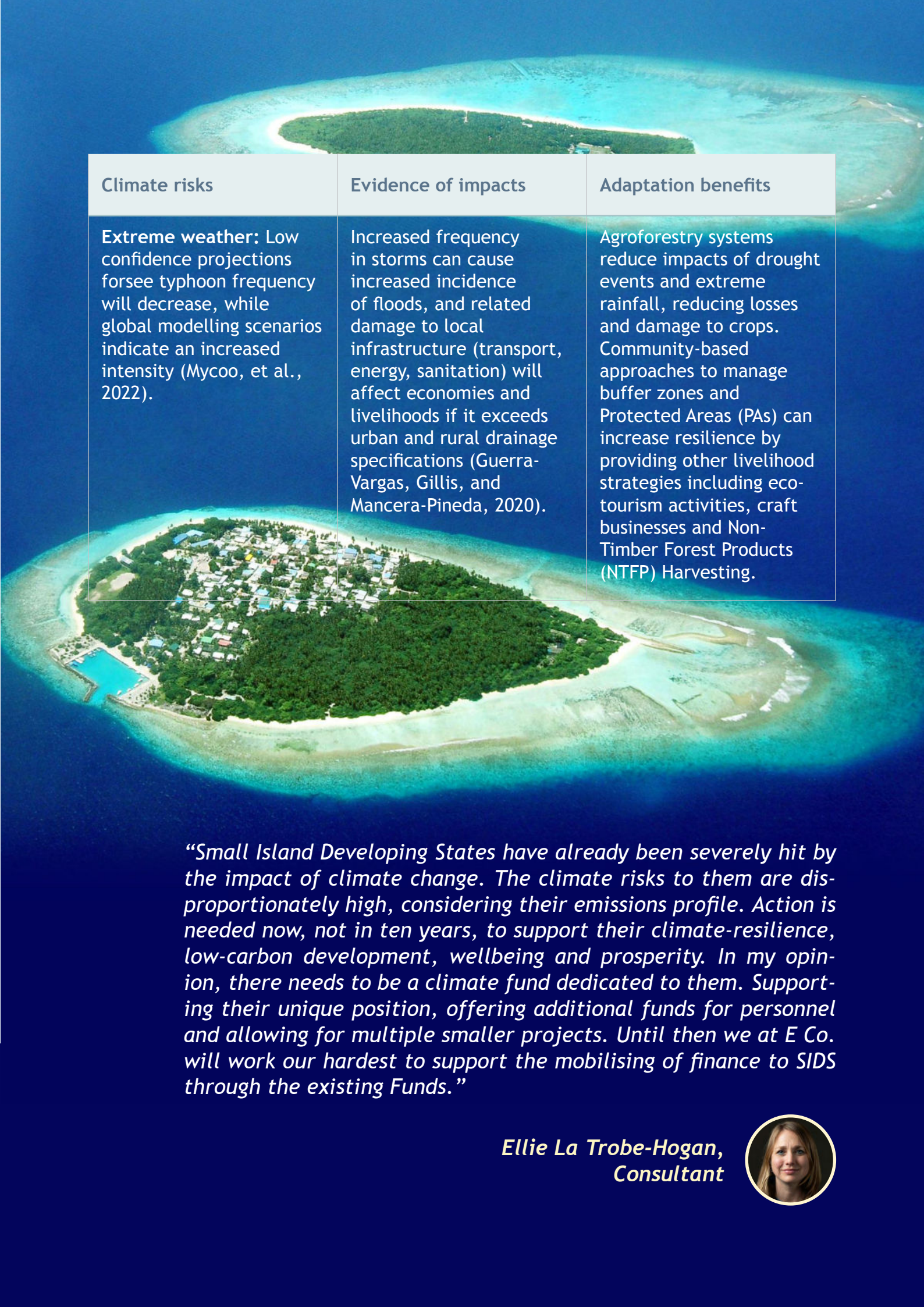
“One of the challenges for SIDS when approaching this work is the lack of readily available data, and often the regional data models that are available are not sufficiently granular (i.e too low spatial resolution) for small islands. The lack of readily available data can be dealt with by making informed assumptions based on the regionally available data, or by integrating data collection as a part of the project design activities (for future projects/interventions).”

Hélène Robert,
Senior consultant



For more information, head to Grant's insight on page 28

Climate risks	Evidence of impacts	Adaptation benefits
Resilience and livelihoods		
Rainfall: Increase (2% under an RCP 4.5 scenario for 2040-2060 period) in average annual rainfall (Australian Bureau of Meteorology and CSIRO, 2014).	Change in the rainfall patterns poses increased stress on agricultural crops and forestry, affecting overall productivity and impacting local economies (Australian Bureau of Meteorology and CSIRO, 2014).	Adaptation interventions under this theme will protect atolls / islands from the impacts of storms and sea-level rise.



Climate risks	Evidence of impacts	Adaptation benefits
Extreme weather: Low confidence projections foresee typhoon frequency will decrease, while global modelling scenarios indicate an increased intensity (Mycoo, et al., 2022).	Increased frequency in storms can cause increased incidence of floods, and related damage to local infrastructure (transport, energy, sanitation) will affect economies and livelihoods if it exceeds urban and rural drainage specifications (Guerra-Vargas, Gillis, and Mancera-Pineda, 2020).	Agroforestry systems reduce impacts of drought events and extreme rainfall, reducing losses and damage to crops. Community-based approaches to manage buffer zones and Protected Areas (PAs) can increase resilience by providing other livelihood strategies including eco-tourism activities, craft businesses and Non-Timber Forest Products (NTFP) Harvesting.

“Small Island Developing States have already been severely hit by the impact of climate change. The climate risks to them are disproportionately high, considering their emissions profile. Action is needed now, not in ten years, to support their climate-resilience, low-carbon development, wellbeing and prosperity. In my opinion, there needs to be a climate fund dedicated to them. Supporting their unique position, offering additional funds for personnel and allowing for multiple smaller projects. Until then we at E Co. will work our hardest to support the mobilising of finance to SIDS through the existing Funds.”

Ellie La Trobe-Hogan,
Consultant



SIDS and GCF support

Using the GCF's Open Data Library, we are able to see how much monetary support SIDS have received since the creation of the GCF. At the time of writing:

GCF portfolio

- In 2023, the GCF approved projects which aimed to provide funds to 14 Small Island Developing States.
- Out of their total number of approved projects, the GCF has funded 64 projects that included SIDS - 25% of their total project portfolio.
- Of the USD 13.9 billion in total GCF funding within all approved projects, 12% has been allocated to SIDS.
- Of all the SIDS countries that have received funding, USD 174.48 million has been allocated to Readiness, and USD 1.6 billion to funded activities.
- USD 2.8 billion has been allocated to SIDS in the form of co-financing.
- Of the 39 SIDS that have been included in approved projects, there have been 225 approved Readiness grants and 107 funded activities.

Countries

- The GCF lists Bahrain as the SIDS with the historically smallest amount of GCF support (USD 2.32 million). However, the status of Bahrain as a SIDS is contested. The next smallest receiver of GCF support is Niue, which has received USD 1.34 million in Readiness support and USD 9.48 million in funded activity support.
- The SIDS with the historically largest amount of support is the Solomon Islands, with USD 110.97 million in funded activity support.
- Mauritius and Barbados have the largest number of GCF-funded activities (six each).
- Saint Lucia has received the largest number of Readiness grants (17).

Readiness grants

- Readiness grants for SIDS account for just under 27% of the total grants disbursed by the GCF. At the time of writing, just over half the funds promised in Readiness grants have been disbursed, representing 188 of 214 allocated grants.
- 28 National Adaptation Plan (NAP) support grants have been allocated.
- 25 Direct Access Entities (DAE) support grants have been allocated.

What is Readiness?

In GCF terms, Readiness is the support given to country-driven initiatives that work to strengthen ‘institutional capacities, governance mechanisms, and planning and programming frameworks towards a transformational long-term climate action agenda.’ (GCF, 2023).

The GCF runs the Readiness and Preparatory Support Programme, providing grants and technical assistance to applicants, who are usually made up of focal points, National Designated Authorities, and Direct Access Entities. Readiness is solely available to all developing country Parties to the UNFCCC.

Funded activities

- The largest funded activity that included SIDS amounted to USD 260.02 million and was approved at B.21. However, it only included two SIDS countries (Madagascar and Mauritius), being one of the GCF's multi-country projects.
- The largest SIDS project amounted to USD 86 million, and was approved at B.16.
- 56% of funded activities are Adaptation themed, 17% are Mitigation, and 23% are Cross-cutting.
- A minority of funded activities (25%) are private sector projects.



SIDS and the GCF:

An executive summary of our survey

Report methodology

Methodology: The background research of this report is built from the findings of a stakeholder survey conducted in June 2024, receiving 61 responses from a variety of professional backgrounds. Respondents represent a wide section of our industry and the stakeholders we do business with. The report itself consists of stakeholder interviews, experiential data, and literature reviews. We have used a mixed-method approach to gather and analyse data.

Scope: The scope of this twenty-sixth *GCF insight* report is to understand the unique circumstances that affect SIDS and how these are or are not being addressed through GCF finance and the GCF project modality. We are providing a view of the experiences of SIDS representatives in their search for funding and project development support.

This report is based upon the thoughts, experiences, and opinions of a unique set of stakeholders, each with their own views and challenges when collaborating with the GCF in the development of projects and programmes that benefit Small Island Developing States.

Limitations: We anticipated a smaller sample size based on the perceived smaller size of resources tackling and communicating the challenges of SIDS, which was realised in our results. However, we noted the average written response time was more than doubled compared to previous reports, with far more extensive answers than expected. Amongst the wide range of responses, some represented a very dominant view and others included little to no data.

We have tried to offset any limitations within the survey component by sourcing the most recent external data pertaining to the subject matter. Similarly, everyone's experience collaborating or receiving support from the Green Climate Fund will be different. This report is meant to show an aggregate view that universalises specific experiences into wider conclusions and should be taken as such.

Let's parse through the immediate data captured by our survey.



"What role do you often play in the GCF project development process?"



"Do you represent a Small Island Developing State?"

Yes - 50.8%

No - 49.2%

Whether in representation or through project or programme support, our respondents covered all of the major SIDS regions i.e. the Caribbean, Pacific SIDS, Indian Ocean SIDS, and African SIDS.

“What do you feel are the most important issues specifically facing SIDS in designing GCF funded-projects?”

Rank them, with ‘1’ being the most important.

#1	Limited local design capacity	#2.79 average
#2	Limited number of personnel in government	#3.43 average
#3	Low absorption capacity	#3.49 average
#4	High cost of development and implementation of projects	#3.64 average
#5	The GCF deems projects too small to be funded	#4.46 average
#6	Private sector is deemed too small in target countries	#4.48 average
#7	Surveying fatigue	#6.28 average
#8	Other	#7.44 average

From the point of view of our survey respondents, **limited local design capacity, limited number of personnel, and low absorption capacity** were the top three ranked issues SIDS face when designing GCF projects.

The results of our survey boiled down to recommendations on improving GCF Readiness, project development, and project implementation, through:

- Addressing capacity issues in project and Readiness application development, through increasing technical guidance and on-the-ground support;
- Addressing financial issues in terms of grant size, adaptation budgets, and disbursement issues;
- Addressing knowledge gaps;
- Including an increased number of SIDS experts in internal GCF review teams.

However, this list is not exhaustive.

GCF Readiness for SIDS



“Have you been involved in any SIDS-focused GCF Readiness work?”

Yes - 44.3%

No - 55.7%

The GCF works under the mandate that ‘all developing countries will have access to Readiness support and that the Fund will aim for a floor of 50% of the Readiness support allocation to particularly vulnerable countries, including Small Island Developing States, least developed countries and African States’. As of February 2023, 38 SIDS were receiving Readiness support worth USD 122 million, spread within 174 Readiness grants (GCF, 2014).

Capacity issues

Survey respondents particularly noted issues regarding capacity when working towards GCF Readiness grants. They spoke of ‘human resource constraints’ and the need for more access to experienced staff who knew the particular needs of SIDS.

Respondents noted that the issue of capacity particularly became a problem during the GCF Readiness application process. They targeted the Readiness and Preparatory Support Programme (RPSP) and the Project Preparation Facility (PPF), with one respondent stating that these functions “are not sufficiently tailored to the human resource limitations.”

On this, DAE respondents noted that in some circumstances, they had to subsidise the delivery of GCF Readiness projects due to the low administrative fees and high transaction costs associated with the delivery of such projects. Several survey respondents noted that these two access modalities are not functioning in a manner that actively address SIDS capacity and structural constraints.

According to one respondent, the “GCF Readiness programme is not currently systematically and efficiently bridging the gap between the capacities strengthened through accreditation and the capacities needed to prepare and implement a GCF-funded project.”

Financial issues

An issue that is intimately linked to capacity constraints is that of budget. In many cases, a SIDS may have a national budget that is smaller than that of a town in a larger country, but they are required to apply for Readiness by submitting the same administrative and technical requirements that countries with larger budgets more easily pass through.

Respondents stated that the GCF approach for Readiness grants needed to be more flexible, faster, and that at the moment, they encourage larger, more complex grant applications - the kind that are too large for SIDS to pursue.

In terms of flexibility, survey respondents called for the GCF to be open to establishing smaller grants for SIDS that would require less capacity, smaller time contributions, and be much faster to access. One unique idea proposed in relation to this centred on clustering SIDS projects within partnerships, creating larger projects with more internal capacity that would meet the GCF's stringent application criteria more easily.

Knowledge gaps

One key issue that causes tension in the Readiness grant application process is that of gaps in knowledge. Not only do SIDS deal with a lack of readily available climate data within their areas, but their lack of capacity can often lead to a lack of readily available GCF experience within their teams. One respondent noted that the GCF should present a "Willingness to acknowledge and adapt around limited data within the SIDS and working with SIDS dynamics, especially considering economies of scale and limited capacity for development".

Survey respondents called for the GCF to offer greater access to regional advisors who had specific experience and expertise in developing GCF Readiness applications. A particular focus for this would be on the development of Concept Notes, which often prove difficult for smaller teams.



GCF Readiness for SIDS

“RPSP and the PPF are not sufficiently tailored to the human resource limitations. In instances, DAEs end up subsidizing the delivery of GCF Readiness projects because of the low administrative fees and the high transaction costs associated with the delivery of Readiness projects. In short, the access modalities are not functioning in a manner that address SIDS capacity and structural constraints nor are there incentives that necessarily encourage engagement with the scale of projects typical in SIDS.”

Stakeholder,
Belize, Guyana, Grenada, Jamaica, St Lucia, SVG

“I appreciate the change to a programmatic approach (multi-year), that is particularly relevant for Vanuatu and other PSIDS as it takes a relatively long time to get our pipeline from CNs to FPs to implementation and the year-to-year approach didn’t work [particularly] well for forecasting and planning purposes. Allowing more entities to qualify as Delivery Partners is also interesting and we’re hopeful that more local actors will be eligible, including our local CSOs and private sector firms.”

Consultant,
Vanuatu

“The Readiness Programme is in need of national delivery partners and regional delivery partners that aim to achieve the countries’ long-term strategies and national adaptation plans. The GCF tends to push countries to use international delivery partners which often isn’t what the country needs.”

Direct Access Entity,
Cook Islands, Kiribati, Niue, Fiji

“No capacity for learning by doing - I would have pilot accreditation with appropriate standards for SIDS and LDCs - and then with supported GCF projects and gain experience through experience. Setting promise of finance over such high institutional barriers is slow compared to the urgency of climate change, or too long and demanding for small / febrile governments.”

Consultant,
Fiji

GCF project development



“Have you been involved in any SIDS GCF project development processes?”

Yes - 52.5%

No - 47.5%

The survey respondents’ experience in this area was notably varied; project preparation in Guyana, low-emission transport in Kiribati, small-holder farmer resilience in Haiti, integrated coastal zone management in Dominica - and many many more.

Respondents portrayed mixed attitudes towards the GCF project development process for SIDS. They stated which functions worked well during the process:

Readiness support provided TA and capacity development for project development to be possible	54.8%
GCF task manager guidance	45.2%
PPF Service	38.7%
Simplified Approval Process (SAP) structure	25.8%
Other	19.4%

Of the ‘Other’ responses, it was also noted that international consultants working on project development and local project coordinators were cited as positive aspects of project development.

However, the main challenges that respondents presented were:

- The burden of project preparation for smaller teams;
- The lack of insight on requirements;

- Lengthy review timelines;
- The funding access modality not reflecting the difficulty for SIDS to meet funding criteria.

Simplifying the project approval and development process

Applying for finance through the SAP is one the route for SIDS recommended by the GCF, yet only 25% of those who answered stated it works well. In the detailed responses, many called for the simplification and improvement of the application process:

- Streamlining of “documentation requirements to reduce the administrative burden on applicants.”
- Providing “clear, step-by-step guidelines and templates tailored specifically for SIDS.”
- Simplification of the requirements of a climate rationale - the “lack of available data and access to high-quality data remain a major barrier and countries struggle to meet the climate rationale which delays proposal development and necessitates the reliance of a Project Preparation Grant to fund the feasibility studies and/or data collection, which further delays the approval of the projects and programmes.”

“E Co. is leading an assignment on the policy review for Nature-based Solutions in Kiribati, RMI and Tuvalu. One important lesson learnt during this assignment is that too often GCF, GEF, UN and other international climate change projects are being developed wholly by a set of international consultants, with no or little involvement of local communities. As a result, once started, things can go wrong and projects get delayed or halted altogether or, if implemented, do not lead to significant positive impacts for SIDS. The importance of the involvement of the local communities in the design of climate change projects from the very early stages cannot be underestimated. At E Co. we always embed local SIDS consultants in the projects we develop, and we fully collaborate with the local communities on project design. This ensures that there is a buy-in and understanding from local communities and leads to successful project implementation.”

Irina Hauler,
Senior consultant



“In E Co’s experience, the GCF’s climate rationale requirements can be substantially met using publicly available tools such as the Data Access Platform on the GCF-WMO Climate Information Portal, and regional studies. Furthermore, the GCF has indicated a willingness to include other forms of data including community stories and experiences.”

**Dr Grant Ballard-Tremeer,
E Co. Founder & Visionary**



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Respondents also noted issues with Concept Note development and the overlaps in the Funding Proposal and Annex templates. On the former, respondents noted the burden of Concept Note development in small teams, stating that the GCF should recognise the special circumstances of SIDS (and LDCs) by not applying global norms to technical and institutional requirements.

On the latter, respondents commented on the “huge overlap” between the Funding Proposal and Annexes, stating this adds “consistency errors and is painful for AEs to keep on top of through the review period.” This is exacerbated by a review period that survey respondents saw as “too extensive”, with too many comments and an unfortunate lack of focus on the material aspects of project design.

Several potential solutions for this were proposed which could work in tandem - including “more SIDS experts in internal GCF review teams”, “more guidance with examples of what works”, and “in-person training and capacity development”.

A reformed GCF modality

When discussing the entire GCF modality, survey respondents had multiple recommendations. First of all, frustrations were raised with a perceived lack of success on the GCF’s part in developing a modality that reflects the weakness of SIDS in meeting funding criteria and creating bankable projects. One respondent wrote that the GCF needed:

Increased flexibility in funding requirements through: i) Adapt funding criteria to reflect the unique contexts and constraints of SIDS, including smaller project sizes and shorter timeframes, and (ii) Allow for phased funding that enables SIDS to start with smaller grants and scale up as project capacities increase.

Furthermore, our survey revealed an issue with how the GCF actually engages with a SIDS, with respondents stating that there needed to be more engagement at the sub-national and local levels. The argument presented was that simply engaging with centralised government was hampering the development of projects, and a meaningful and active inclusion of local actors was needed.

Several survey respondents noted the need for a ‘regional presence’ that allows for a more accessible regional level of engagement and approval. Several respondents stated the following:

- “Prioritization of SIDS applications to the board and establish presence in the region so that they know the realities of developing projects in the Pacific.”
- “The GCF could also benefit from increasing its regional presence in these locations - maybe the development of localised hubs that can support on funding access.”
- “The centralized form of government system is hampering development and engagement of locals for meaningful and active participation because locals own the land and will impact well on investment if engaged well. In addition, policies at the top level do not trickle down to the locals. This is a gap and challenge I foresee that needs to be addressed.”
- “The talk of a new “regional presence” (office/rep) that allows for a more approachable / accessible regional-level of approval in lieu perhaps of the full secretariat in South Korea providing approval for certain proposals (e.g., SAP and SIDS).”

Adaptation budgets

A smaller but nonetheless important issue raised was that of allocation of GCF funds to projects in SIDS. Respondents stated that the GCF did not have a large enough focus on serving SIDS through adaptation financing. At this point, there has been USD 1.3 billion approved in adaptation projects that include or solely target SIDS (GCF, 2023), however this can always be improved. One respondent noted that the GCF should provide reforms to the project development process that help in expanding the capital base and attracting increased support from multilateral development banks.

Additionally, comments also noted that the GCF must account for the geographies of SIDS when approving and allocating finance, noting that adaptation budgets must be flexible and accurately account for a nation that may be spread across several islands with large ocean distances between them.



To learn more about adaptation financing, explore [*the twenty-third edition of GCF insight.*](#)



GCF project development

“The applications are far too long [...] There is a huge amount of overlap in the templates and across the FP and Annexes which increases the length. It also adds to consistency errors and is painful for AEs to keep on top of through review period. GCF review is too extensive and doesn’t focus on material aspects of project design. There is a lot of noise in the comments, where consultants are making comments for the sake of comments. This needs to be streamlined.”

Direct Access Entity, Fiji, Vanuatu, Samoa, Tonga, Tuvalu, Palau, PNG, Solomon Islands, Tonga, FSM, Cook Islands, Nauru

“Provide consistent and accurate advice on project reviews. The GCF Board could also look at the SAP modality and make some improvements. SAP is a modality that could be fit for purpose for SIDS, but it is not simplified. The GCF requires data for climate rationale, and for SIDS a lot of this data is not up to date, so it is costly for the countries to go and collect the necessary climate rationale data to validate that these SIDS are indeed being impacted by climate change.”

Direct Access Entity, Cook Islands, Kiribati, Niue, Fiji

“Reduction in the burden of preparation for small countries with small institutions. Even when these are supplemented by external consultants, the process of grant preparation is heavy.”

International Accredited Entity, Jamaica, Guyana, Suriname, Trinidad and Tobago, Belize, Bahamas

“Approval process, so many layers, at the end only the consultants benefit”

Implementing entity, Cook Islands, Tonga, Fiji, Nauru, PNG, Vanuatu, Solomon Islands

“A clear outline of requirements for process that does not keep changing. A reduction in timeline from preparation to implementation. A willingness to build capacity in the country, in government institutions rather than outsourcing all activity.”

*International Development Partner,
Jamaica, Belize, St. Lucia*

“Make evaluation and appraisal process efficient!”

*Consultant,
Solomon Islands, Fiji, FSM, Palau, Cook Islands, Papua New Guinea*

“For SIDs specifically, the GCF bench marks on costings etc do not accurately reflect the reality in the region. e.g. costs for RETs are 6x higher in the region than Africa. GCF finance needs to be less restrictive as projects are currently under budget. Similarly with staff costs. Staff costs are normally higher than other regions as we need to attract strong candidates from other regions as the pool in the Pacific is low.”

*Direct Access Entity, Fiji, Vanuatu,
Samoa, Tonga, Tuvalu, Palau, PNG, Solomon Islands, Tonga, FSM, Cook Islands, Nauru*

“ [...] its very hard to access, so many requirements, by the time we satisfy their requirements, it's almost time up”

*International Accredited Entity / Direct beneficiary / Private sector organisation /
Stakeholder, Fiji, Tonga, Vanuatu, Solomon Islands, Kiribati, Tuvalu, RMI*

Case study:

Name of project: Developing Climate Resilient Integrated Coastal Zone Management (ICZM) in Dominica

Client: UN Environment (UNEP)
Funding body: Green Climate Fund
Type of assignment: Project formulation
Region: LAC
Countries: Commonwealth of Dominica



The Commonwealth of Dominica is a Small Island Developing State in the eastern Caribbean. As a result of the country's steep topography, approximately 70% of the population lives in the low-lying coastal zone, where most of the economic activity is located. Due to its geography and location, Dominica is highly exposed to extreme weather events, such as hurricanes, which are expected to become more intense with projected climate scenarios. Given the high exposure and vulnerability of the country, climate change and increasingly intense hurricanes will have a great impact on communities, by damaging the economy, infrastructure, and ecosystems.

Project aims: This project aims to strengthen national and local adaptation planning processes, implement coastal protection EbA, and strengthen the private sector investment in the upscaling of climate-adaptive practices in the country.



It addresses the vulnerability of the highly exposed coastal zone and communities of Dominica by:

- Strengthening national and local adaptation planning processes;
- Implementing coastal protection Ecosystem-based Adaptation and
- Strengthening private sector investment in upscaling climate-adaptive practices in the country to support early recovery from hurricane events.

The project targets Dominica's west coast and is expected to reduce the target communities' vulnerability and promote adaptation benefits, as well as a mitigation impact as a co-benefit.

The project will include, but is not limited to, the following:

- Enhanced information on the linkages between climate and non-climate drivers and their impacts.
- A feasibility assessment, including mapping, scoping, and detailed designs for an integrated green and grey coastal protection strategy for selected areas of Dominica's coastline.
- Market assessments of the insurance sector and adaptation innovation.
- An assessment of good practices that could be scaled up for adaptation benefits.
- An economic appraisal of the intervention plan.

Additionally, the project will develop comprehensive plans for both stakeholder engagement, Indigenous Peoples, and gender inclusions.

Our role: E Co consulting team is supporting UN Environment Program and the Government of Dominica to secure finance from the GCF for the implementation of this project.

In June 2024, the E Co. team travelled to Dominica to participate in the project's inception process. The agenda for the trip included several bilateral meetings with key government authorities, including Dominica's National Designated Authority representative and GCF operational focal point, and other representatives of key government stakeholders, such as the Ministry of Agriculture, Fisheries, Blue and Green Economy.

The team also had the opportunity to visit some of the potential project locations and speak to members of the communities to better understand their situation and primary needs to become more climate resilient. The team also conducted the National Inception Workshop in the capital Roseau, where more than fifty people participated and contributed by giving

their inputs to topics such as the project's baseline, potential locations, and activities. The project design phase is expected to last for a year and a final Funding Proposal, with all mandatory annexes, will be presented to the GCF in 2025.

We supported this assignment through:

The development of a full feasibility study for the project, including:

- A climate analysis showing the clear climate change-related problem to be addressed;
- Analysis of the contribution of non-climate drivers causing vulnerability to climate change and an analysis of how climate change interacts with those drivers including projections over the next 20-40 years;
- Social and economic context; institutional and policy context for the interventions and an analysis of the key gaps and scope for strengthening the country's regulatory framework to support the upscaling of the project approach;
- Assessment of data availability and system strength to produce critical data for climate information services and early warning systems.

The development of a financial and economic appraisal;

The preparation of an Environmental and Social Management Framework or Plan and completion of the UNEP internal Environmental, Social and Economic Review Note, liaising with the Environmental and Social officer in UNEP;

The inclusion of a Gender Assessment and Action Plan and recommendations for indicators, targets, outputs and means of verification for integration into the main project results framework;

Preparation of the final GCF Funding Proposal and annexes guided by UNEP to the standard required by UNEP and GCF, and in accordance with the requirements set out in the GCF Investment Criteria Framework and the Performance Management Framework.

“Strong stakeholder engagement is crucial for a project’s success. Close collaboration with government institutions, local communities and private sector actors, over the course of the design process, helps to ensure that the project will more effectively address specific barriers. It also better creates pathways for local ownership, which significantly contributes to the sustainability of the project’s impact and results.”

Luisa Freitas,
Consultant



GCF project implementation



“Have you been involved in any SIDS GCF projects in the implementation phase?”

Yes - 31.1%

No - 68.9%

Only a third of respondents to our survey stated they had been involved with GCF project implementation. When asked how they would rate the level of support provided by the GCF, responses were mixed:

Good	44.4%
Neutral	38.9%
Excellent	11.1%
Very poor	5.6%
Poor	0%

The questions within this section of the survey revealed respondents found challenges in the GCF’s fund disbursement process, the implementation infrastructure, and the funding process itself.

Improving disbursement

Fund disbursement for SIDS is usually an urgent need. According to survey respondents, “disbursements have been delayed due to overly bureaucratic conditions from GCF,” such as the need for legal opinions. Responses called for the GCF to reduce the burden of

“paperwork” and reduce the amount of time it takes for implementing teams to receive funding.

The GCF has been improving the time for fund disbursement. In 2019, the average time from approval to disbursement was 19 months, which had fallen to 11 months by 2022 (GCF, 2023). While this is positive, this still may be too long a period for SIDS, who do not have the resources or capacity to deal with a year-long wait.

Creating the right implementation

‘infrastructure’

The previous issue is exacerbated by what one respondent noted as the difficulty in finding the right ‘infrastructure’ that would effectively move funds into the target communities.

“It seems that the GCF has stringent requirements (and some AEs too) to ensure accountability and transparency,” one respondent wrote, “but the island and/or local communities might not have that infrastructure in place that meets the requirements of the GCF/AEs.”

Improving the funding process

These issues are smaller parts of what several respondents see as a complex funding process that doesn’t reflect the challenges that SIDS face - an issue we have noted in previous chapters. A funding process that SIDS find equitable should provide them with the support they need to combat countries who have the capacity to build funding applications quickly.

When SIDS lose out on funding, they lose the opportunities for additional funding that could help them break free of that cycle, where they find themselves too constrained to apply and are left to deal with compounding problems.

GCF project development

“Takes too long in some instances. Need to fund more TA and feasibility studies that are linked to proposals. During implementation, GCF needs to also invest in the resourcing of PMU’s that are going to implement the projects particularly in governments.”

*NGO/Think tank,
Pacific and the Caribbean*

“Often, the time between approval and disbursement is too long and doesn’t reflect the urgency of SIDS vulnerability.”

*Capacity-building initiative, Fiji, Tonga,
Tuvalu, Vanuatu, Samoa, Kiribati, Solomon Islands, Papua New Guinea, St. Lucia*

“There is very limited thematic specialization and experts (including on community-based approaches and gender) in ministry / department / unit / NGOs to support climate finance project management and implementation. Implementing entities in the country have limited project management / procurement/ reporting and monitoring tools and data support systems in place. Procurement process is arduous / often require several notices / rounds.”

*Stakeholder,
Belize, Guyana, Grenada, Jamaica, St Lucia, SVG*

“ [A project in Vanuatu] had significant issues related to design. So much that it was at one point more than 1,100 days behind implementation, requiring significant ‘adaptive management’ to be taken, including a re-design of several aspects of the budget, procurement plan, implementation plan, etc. It is my understanding that it is now on track and was provided with several no-cost extensions. I believe this is related to capacity issues within the local government team as well as the regional DAE not having a large HR presence in the country of implementation itself.”

**Consultant,
Vanuatu**

“GCF provides a fantastic opportunity for SIDS but it is too slow to be meaningful for these countries that are on the frontline of climate change. Over five years of design, a design becomes redundant as the threat to communities has evolved or escalated to the point the original approach is not effective. Please note, it is an active recommendation to countries to consider alternative funding sources before committing to GCF. This is the approach of multiple AEs in the region.”

**Direct Access Entity, Fiji, Vanuatu,
Samoa, Tonga, Tuvalu, Palau, PNG, Solomon Islands, Tonga, FSM, Cook Islands, Nauru**



Case study:

Name of project: Ecosystem-based Adaptation

(EbA) for Reducing Community Vulnerability

to Climate Change in Northern Pacific Small Island

Developing States (SIDS)

Client: Micronesia Conservation Trust (MCT)

Funding body: Green Climate Fund

Type of assignment: Project formulation

Region: Oceania / Northern Pacific

Countries: Federated States of Micronesia (FSM), Republic of Palau, Republic of Marshall Islands (RMI)

Climate change and other human-induced degradation are affecting natural ecosystems and protected areas upon which communities in the FSM, Palau, and RMI rely on as a buffer against future climate change impacts. These ecosystems are also used for protection against the climate change impacts that affect subsistence and community livelihoods. Limited resources for ecosystem management, as well as limited knowledge sharing regarding protected areas management among local communities, states, and countries hinder the potential for regional cooperation and future scaling up of effective ecosystem-based adaptation in the region.

Project aims: The main objective of this project was to provide preparation services to the MCT for a full GCF Funding Proposal. The proposed programme, Ecosystem-based Adaptation (EbA) for Reducing Community Vulnerability to Climate Change in Northern Pacific Small Island Developing States (SIDS), aimed to:

- Enhance the technical capabilities of NGOs and local authorities to address climate change threats.
- Establish a Small Grants Facility to fund local adaptation projects within protected areas and natural habitats.
- Develop a programme to sustain coalitions for knowledge management, regional cooperation, and capturing lessons from sub-projects. This includes creating a sustainable financing mechanism to upscale and replicate successful grant outcomes and build on the Micronesia Challenge Business Plan.

By achieving these goals, the programme aimed to address key barriers in reducing climate change impacts on natural systems in the target countries: limited awareness and capacity of local communities, insufficient community-level financing for localised projects, and scarce resources for regional cooperation and knowledge sharing on ecosystem-based adaptation.

The proposed EDA programme will build on successful regional projects, such as the Micronesia Challenge, the Pacific Ridge to Reef (R2R) Programme, and the Adaptation Fund project in the Federated States of Micronesia. It aims to adopt a region-wide approach to resilience-building, reducing the vulnerability of natural ecosystems and the communities dependent on them to climate change stressors.

Our role: E Co's team was responsible for supporting MCT in the development of the Funding Proposal and its mandatory annexes. The PPF support service conducted the following activities, which helped to identify and assess existing conditions, gather available information and fill information gaps to develop an accurate and robust full funding proposal:

A technical study to improve the climate rationale and assess the vulnerability of target areas to justify interventions;

A stakeholder consultation;

A feasibility study including a cost-benefit analysis of potential adaptation options;

A stakeholder engagement plan;

An assessment of project risks and mitigation actions;

The development of the project's logical framework with associated indicators;

A procurement plan, detailed project budget and financial report;

Required coordination, synthesis, and analysis to develop the full funding proposal.

With support from local consultants and strong stakeholder engagement, the team was able to deliver a high-quality programme that was approved by the GCF board in July 2023. The 9.9 million USD programme will be implemented until 2030 and is expected to benefit 76.4 thousand people in the three countries.

“After 14 months of working together with the MCT team I feel honoured that we had the opportunity to support this amazing DAE in realising their programme. MCT was very active in ensuring that there was country and stakeholder ownership throughout the process. This was recognised by CSO observers during the Board meeting. They also were key in making sure to avoid reinventing the wheel by anchoring the programme into the existing multi-country strategy such as the Micronesia Challenge, existing government entities and structures that will allow for the continuation of the project once the GCF funds ceased.”

Ignacia Holmes,
Principal consultant



You can find out more about this project [here](#).

Conclusion

The findings of this report suggest that while the GCF has made some progress in supporting SIDS, there are still significant challenges that need to be addressed. These include: limited local design capacity and human resources within SIDS, low absorption capacity, high costs associated with project development and implementation, and the perception that the GCF deems many worthwhile SIDS projects too small to be funded.

To improve the effectiveness of GCF support for SIDS, the following recommendations should be considered:



Addressing capacity issues through increased technical guidance and on-the-ground support, particularly during the Readiness application process.



Addressing financial issues by considering smaller grant sizes, more flexible adaptation budgets, and streamlined disbursement processes.



Addressing knowledge gaps by offering greater access to regional advisers with GCF and SIDS-specific expertise, plus supporting building local capacity.



Including more SIDS experts in internal GCF review teams.



Reforming the GCF modality to be more reflective of the unique constraints and vulnerabilities faced by SIDS. This could include more flexibility in funding criteria, simplified application processes, and increased engagement at the sub-national and local levels.

While the primary focus of this report has been on recommendations for the GCF, it is important to acknowledge that SIDS themselves also have a role to play in improving the effectiveness of climate finance. Recommendations for SIDS include:



Strengthening local design capacity and human resources: SIDS should invest in building local expertise in project development, including technical skills, financial management, and GCF processes. This could involve training programmes, knowledge sharing partnerships, and the recruitment of qualified personnel. These areas should be a key focus of readiness funding.



Enhancing absorption capacity: SIDS should focus on improving their ability to effectively absorb and use climate finance. This could involve streamlining administrative processes, addressing bureaucratic bottlenecks, and strengthening project management and implementation capabilities.



Prioritising high-impact projects: SIDS should prioritise projects that deliver significant climate resilience benefits and align with their national development priorities. This requires careful planning, needs assessments, and robust project selection criteria, supported by appropriate training.



Fostering greater collaboration: SIDS should actively engage with regional organisations, development partners, and other SIDS to share knowledge, experiences, and best practices. This could involve participating in regional initiatives such as the water programme outlined below, joint project development, and collaborative funding applications.



Promoting transparency and accountability: SIDS should ensure transparency in the use of climate finance, including clear reporting on project progress, outcomes, and financial management. This helps build trust with donors, improves accountability, and ensures the effective use of funds.

By taking these steps, SIDS can enhance their capacity to effectively access and use climate finance, leading to more successful project outcomes and greater climate resilience.

Overall, a more nuanced and tailored approach is needed to effectively support SIDS in achieving their climate resilience and sustainable development goals. The GCF, in collaboration with other international and regional organisations, and the SIDS themselves, should continue to explore innovative ways to address the unique challenges faced by SIDS and ensure that these countries receive the support they need to adapt to climate change.



Climate Smart Resilient Island (CSRI) Initiative is seeking an International Organisation to champion its Climate-Resilient SIDS Water Security Programme

This inter-regional, SIDS-driven programme idea, initiated by the Republic of the Maldives, presents an ambitious vision aimed at transforming Small Island Developing States (SIDS) into climate-resilient, water-secure nations. It seeks to address the unique challenges faced by these vulnerable countries through a comprehensive and innovative approach.

The vision is to enable SIDS to transition from vulnerable and exposed geographies to resilient, water-secure societies. This transformation will be achieved through a multi-faceted approach encompassing funding mechanisms, knowledge sharing, capacity building, and technical collaboration.

Key components include:

- 1 Funding and derisking facilities to promote investment and Public-Private-Partnerships specifically for SIDS.
- 2 SIDS water security knowledge sharing mechanisms and structures
- 3 Provision of country-specific pipeline readiness and capacity building for climate-resilient water security



“This kind of inter-regional collaboration among SIDS could be a beginning of a new dawn. I encourage accredited entities to listen to our key concerns, to engage with us on the solutions we are pioneering and champion us as we move forward.”

*His Excellency Dr Mohamed Muizzu,
President of the Republic of Maldives*

The program will support SIDS in designing transformative country projects, with a menu of funding and financing options to address climate-secure, safe water supply, and water resource management, including water conservation, reuse, wastewater management, and the integration of climate information in the assessment of climate risk and water management. Technical Working Groups clustered around shared water security issues/ sectors would support the sharing of information, knowledge, and experience.

Between 2022 and 2024, the Maldives received readiness funding from the GCF through GIZ to develop the CSRI Initiative and multi-country GCF project ideas. Driven by consultations, in-person workshops, and online write shops, participating countries with the support of E Co. developed this SIDS-focused water security programme. **To take the programme forward, an international organisation is needed to champion the programme and support the development of a partnership network.**

Shared problem - diverse solutions

SIDS are facing a severe water crisis due to limited freshwater availability, exacerbated by climate change. It has been estimated that 71% of SIDS risk water shortages, with this figure rising to 91% in low-lying atoll nations.¹ Water security is one of the greatest threats facing SIDS communities, and one that climate change will intensify over the coming decades. Immediate action is needed to ensure climate preparedness to the unique situation of each island. Islands differ not only by geography and culture but importantly by geology and climate risk.

Despite their unique conditions, these islands share common challenges: the need for access to finance, the development of innovative and simple solutions, and the need to exchange knowledge to address issues in remote and often sparsely populated areas. This Climate-Resilient SIDS Water Security Programme will be the first of its kind to span all SIDS regions globally, enhancing global knowledge transfer while fostering local solutions. The programme-idea offers the opportunity to address cross-cutting issues of climate information, food and energy security, climate-resilient infrastructure, waste management, biodiversity, and ecosystem services through country-level projects.

Countries

The current stakeholder panel involved in the design of the programme covers all major SIDS regions. Stakeholder countries include; Dominica, Fiji, Grenada, Haiti, Kiribati, Maldives, Mauritius, Palau, St Lucia, Tuvalu and Vanuatu. In addition, entities such as AOSIS, SPC, SPREP, CDB, 5Cs, OECS, OSS, IORA and IOC have been consulted directly and are being kept informed of the progress of the programme. With the potential to engage 27 SIDS countries who initially endorsed the CSRI initiative, more countries are likely to come forward once an international organisation is identified to champion the programme.

“The importance of water for the health and well-being of the people in SIDS, as well as for their sustainable and resilient prosperity cannot be emphasized enough. Yet water is also a source of profound vulnerability for SIDS.”

**Rabab Fatima,
UNOHRLLS**

¹ UNESCO-IHP and UNEP (2016). Transboundary Aquifers and Groundwater Systems of Small Island Developing States: Status and Trends, Summary for Policy Makers. Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000244912>

Potential development routes

A GCF designed programme with flexibility to adapt to other development routes. The initial programme has been developed with GCF in mind, and the GCF was involved in the initial consultation on the design. However, the steps to get to the programme are ultimately up to any organisation coming forward. There are three main routes:

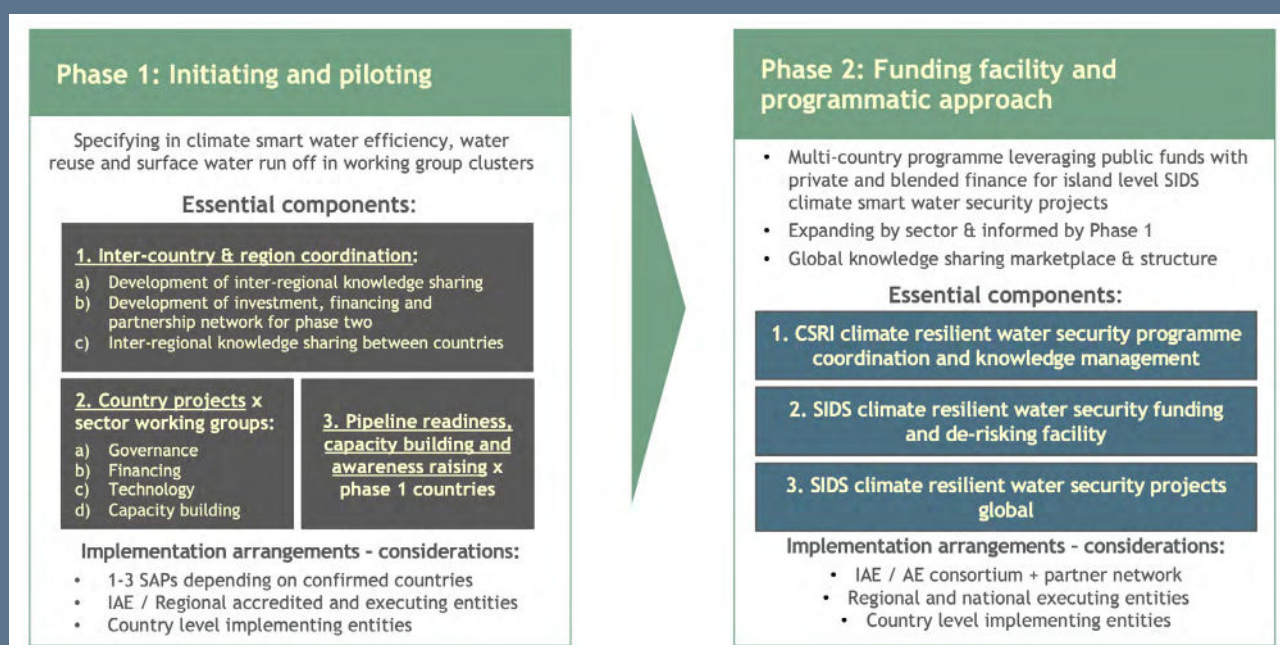
 Phased GCF projects	 Further GCF readiness	 Organizations' own mechanisms and funding
The existing programme has been designed to have a precursor GCF SAP project to finance the development of the components of the final funding and derisking facility and knowledge-sharing mechanism and include piloting and readiness. (See diagram for this proposal on following page).	Both single country and multi-country options are potential funding routes to develop this programme.	Every organisation has their own organisational budgets and mandates, and there may be opportunity to align.

Connect

In addition to any international organisations interested in the programme, any interested SIDS and partnering agencies are welcome to join in the development and collaboration. To express your interest / for further information, please reach out to:

Mr. Thibyan Ibrahim | climate@environment.gov.mv | <https://csri-initiative.org>

Overview of the programme design via a 2 GCF project funding route:



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About E Co.

For over 24 years, we've been supporting and guiding our clients to achieve low-carbon climate-resilient development. We do this through catalysing systemic transformation, by helping them establish strong foundations for impact. We add value by speaking the language of many (through our technical, financial, cultural and local understanding), working with agility to align with our clients, and at the interplay of finance and the wider context. We assess contexts and baselines, design strategies and frameworks, develop policies, programmes and projects and unlock finance for public and private sector clients, seeking to deliver low-carbon climate-resilient and sustainable growth. We lower risk, increase predictability and design for impact.

How do we support you as a client?

- **Market studies** such as industry outlooks, stakeholder analysis, and market gap analysis;
- **Strategy formulation** including business case development, internal and external analysis, and strategy development;
- **Design of projects and programmes** for internal investment such as developing priority investment plans or external blended finance such as applications for GCF, GEF, and Adaptation Fund projects;
- **Policy and legislation development** to support sustainable transition with research, analysis, training, promotion, and impact assessment services;
- **Fund support** including fund strategy and formation, raising capital, portfolio management services such as screening and eligibility criteria, proposal evaluation and investment appraisal.
- **Training and capacity-building** including virtual and face-to-face training on climate finance supporting local ownership and skills building;
- **Evaluation** including impact analysis, mid-term and final evaluations, outcome and process evaluations for projects, programmes and funds.

This report was independently developed by E Co. consultants.

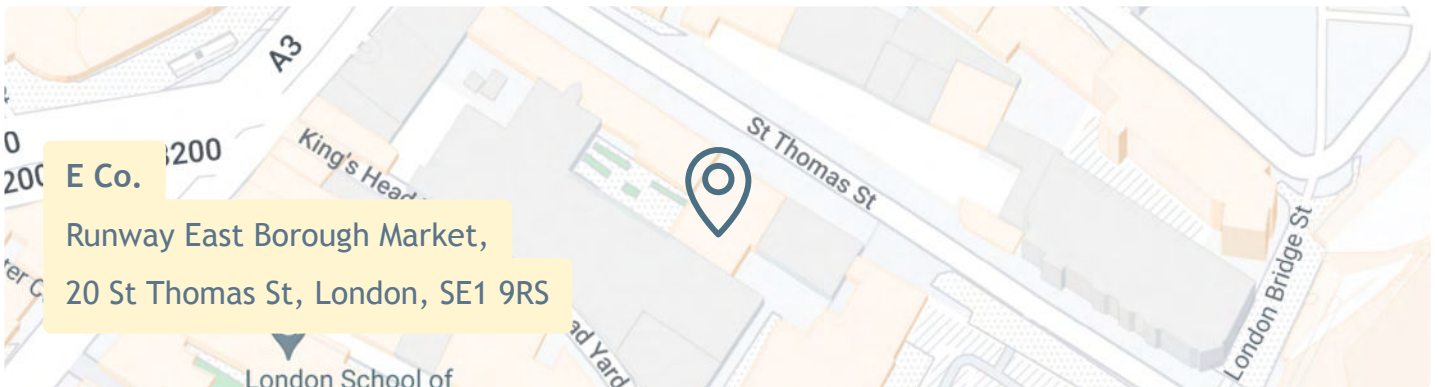
If you'd like to discuss anything in this report, please reach out to gcfinsight@ecoltdgroup.com

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Let's accelerate progress together. You can always reach out to our global expert team to discuss your needs. Send us an email at: amy@ecoltdgroup.com or connect with us at the following:

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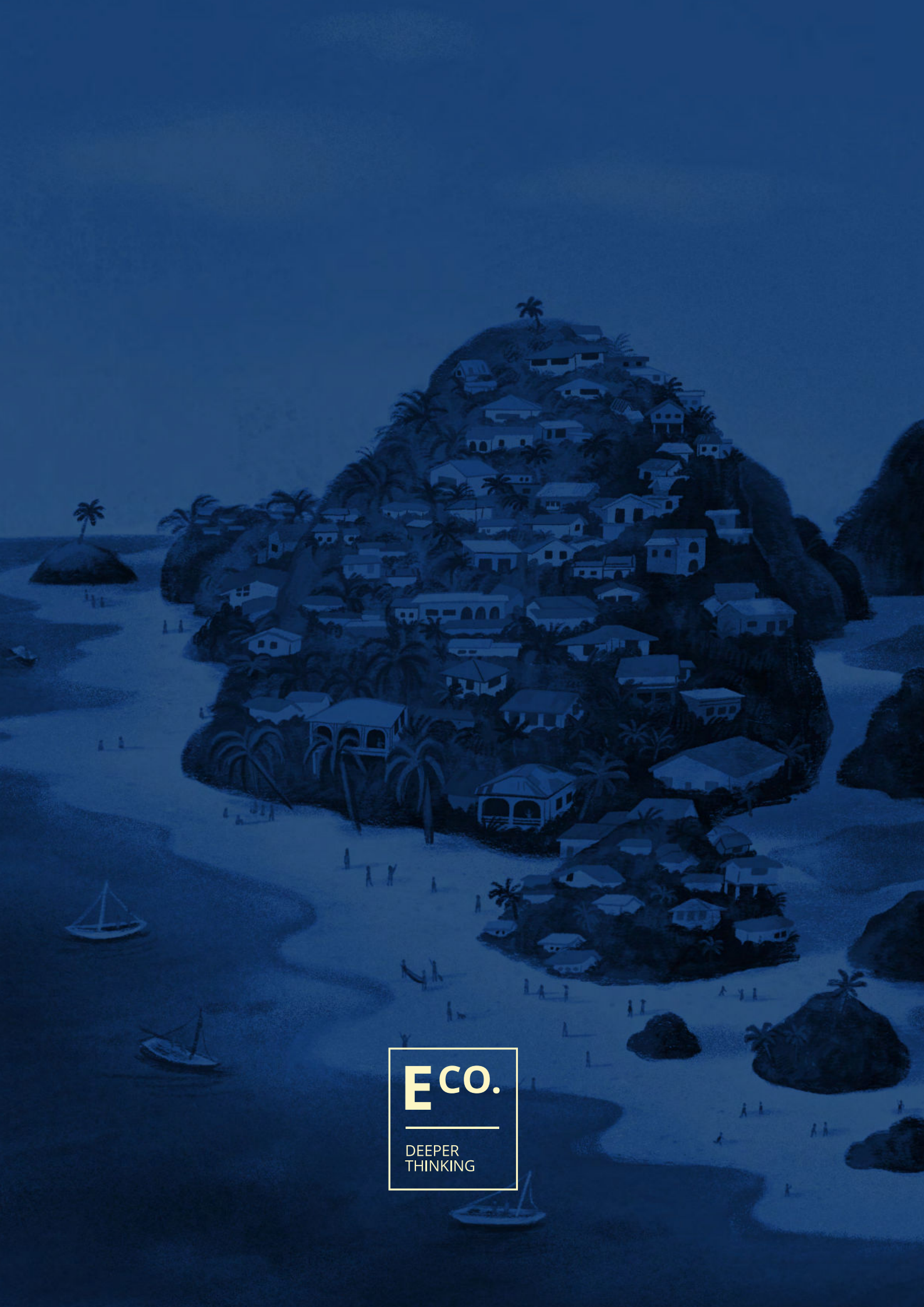
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