POLICY BRIEF

Accelerating Adaptation To Deepening Drought Risks By Scaling Adaptation Finance

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Accelerating Climate Action and the Just Energy Transition

Abstract

In drought-affected and fragile areas, the scale of resilience-building investments needed across public and private sectors justifies mutual assistance. The returns for collective global, regional and national economic stability and wellbeing outweigh the costs of investing in solidarity. The G20 could accelerate resilience to drought risks by better evaluating adaptation investments.

In this brief, results emerging from climate finance for nature- and land-based solutions to droughts are highlighted. Objectives for adaptation to be transformative call into question the distribution of benefits and costs, institution-building and other capacity needs. The G20 platform should broaden consideration of macroeconomic benefits, promote local access to funds, and connect information systems across scales for more sustainable private sector engagement.

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Introduction

Droughts depress economic growth[1],[2] driving inequality, poverty, hunger, unemployment, and instability.[3] All GDP and sectors require water. G20 recognises[4] that adaptive Nature-based Solutions (NbS)[5] buffer deepening drought effects on growth and stability, globally.[6] Advocates argue that nature-smart policies could boost global GDP by up to $150 billion in 2030[7] and avert a potential $2.7 trillion GDP loss. To scale adaptation investments, economic decision-makers need reassurance of results.[8]

Background

This brief reviews documentation from a decade of investments by the Green Climate Fund (GCF).[9] This offers insights for sustainability[10] [11] and disaster risk reduction[12] to reduce the direct, indirect and ill-distributed social costs of

[1] Esha D. Zaveri, Richard Damania, and Nathan Engle, *Droughts and Deficits: The Global Impact of Droughts on Economic Growth* (World Bank, Washington, DC, 2023), https://doi.org/10.1596/1813-9450-10453 .
[2] Kalin I. Tintchev and Laura Jaramillo, 'Hanging Out to Dry? Long-Term Macroeconomic Effects of Drought in Fragile and Conflict-Affected States', *IMF Working Papers* 2024, no. 106 (24 May 2024), https://doi.org/10.5089/9798400277221.001.A001 .
[3] WEF, 'Here Are 5 Ways We Can Build Global Water Systems Resilience', World Economic Forum, 21 March 2025, https://www.weforum.org/stories/2025/03/5-changes-for-global-water-resilience/ ; UNESCO, 'The United Nations World Water Development Report 2024: Water for Prosperity and Peace - UNESCO Digital Library', 2024, https://unesdoc.unesco.org/ark:/48223/pf0000388948 .
[4] G20, 'Sherpa Track Issue Note Disaster Risk Reduction Working Group (DDR WG)' (Think 20, 2025), https://g20drrwg.preventionweb.net/media/104101/download?startDownload=20250406 .
[5] G20, 'G20 Disaster Risk Reduction Working Group PRIORITY 6: Ecosystems-Based Approaches for DRR and Nature-Based Solutions DELIVERABLE 6 Compendium of Case Studies and Analysis of Policies That Incentivize Investment in NbS, Such as Subsidies, Tax Benefits, and Climate Finance Integration, Which Encourage Both Public and Private Sector Engagement', 2025, https://g20drrwg.preventionweb.net/media/105541/download?startDownload=20250406.
[6] see: https://g20drrwg.preventionweb.net/2025/g20-documents
[7] 'WWF Living Planet Report 2024 A System in Peril' (Berlin: WWF Deutschland, 2024).
[8] In contrast, across a wider range of hazards, GST, IPCC, UNDRR, and AGR observe proliferating adaptation actions, but resilience gains become too multifaceted and complex to track measurable results across all climate risks and disasters simultaneously. The latest AGR found that: 'almost 3,500 adaptation actions by ca. 500 city governments were reported in 2023, but consistent and robust information on their outcomes is lacking.'
[9] John Ategeka et al., 'Coastal and Terrestrial Water Sector Interventions in Developing Countries', Learning Paper (Songdo, Korea: IEU/GCF, 2024), https://ieu.greenclimate.fund/sites/default/files/document/240405-egm-water-systematic-review-top.pdf .
[10] G20, 'ENVIRONMENT AND CLIMATE SUSTAINABILITY', 2025, https://g20.org/track/environment-and-climate-sustainability-2/.
[11] G20; T20, 'TF5 Accelerating-Climate-Action and the JET Concept-Note', 2025, https://t20southafrica.org/wp-content/uploads/2025/01/TF5-Accelerating-Climate-Action-and-the-JET-Concept-Note.pdf .
[12] G20, 'Sherpa Track Issue Note Disaster Risk Reduction Working Group (DDR WG)'.

droughts[13] and enable socio-economic transformations. Project proposals distinguish between benefits and costs to society (economic appraisal) and to private actors (financial appraisal). Ex-ante assessments are non-exhaustive and narrowly framed. As the first projects conclude this year, ex-post evaluations will begin to reexamine future sustainability, upscaling, replication and further reinvestment to accelerate adaptation.

Previous reviews[14] [15] identify barriers in drought-affected areas, fragile states and Least Developed Countries.[16] [17] [18] High transaction costs and risk perceptions still deter private and public investment. Systems tracking economic activity and changes in exposure to water stress are generally less available.[19] Competition for resources during droughts, elite capture and other market failures require regulatory attention.[20]

Diagnosis

Multilateral funds provide support for catalytic public investments intended to transform economies and ecosystems by supporting policy interventions to achieve systemic effects. This involves adapting the behavioural patterns, social

[13] See eg. 2nd Kenyan NDC
[14] IEU/GCF, 'Independent Evaluation of the GCF's "Health and Well-Being, and Food and Water Security" Result Area', Text (Independent Evaluation Unit | Green Climate Fund, 17 March 2025), https://ieu.greenclimate.fund/evaluation/HWFW2024 .
[15] IEO, 'Evaluation of GEF's Approach to Interventions in Water Security | GEF Independent Evaluation Office', 2024, https://www.gefieo.org/evaluations/water-security .
[16] Mali, 'Contribution of Mali to the CPF Forum', 2025, https://unfccc.int/sites/default/files/resource/Contribution%20of%20Mali%20to%20the%20CPF%20Forum.pdf .
[17] Chloé Farand, '"Forgotten" Fragile States Unite to End Climate-Finance Blind Spot', Climate Home News, 18 March 2025, https://www.climatechangenews.com/2025/03/18/forgotten-fragile-states-unite-to-end-climate-finance-blind-spot/ .
[18] GEF/STAP, 'EN_GEF.STAP_.C.66.Inf_.03_Environmental_Security_Achieving_Durable_Outcomes_Fragile_Conflict_affected_Situations', 2024, https://www.thegef.org/sites/default/files/documents/2024-01/EN_GEF.STAP_.C.66.Inf_.03_Environmental_Security_Achieving_Durable_Outcomes_Fragile_Conflict_affected_Situations.pdf .
[19] as discussed in UNCCD, 'Multiscale Approaches for the Assessment and Monitoring of Social and Ecological Resilience to Drought', 10 August 2022, https://www.unccd.int/resources/reports/multiscale-approaches-assessment-and-monitoring-social-and-ecological-resilience ; Caroline King-Okumu, *A Rapid Review of Effective Financing for Policy, Implementation and Partnerships Addressing Drought Risks* (FAO, 2022), https://doi.org/10.4060/cb9971en .
[20] Personal communication, 13 May, 2025, Willard Mwemba, COMESA Competition Commission

organisation and investment decisions of large water-dependent populations including private individuals, businesses, financiers and other entities that affect ecosystems functioning to conserve water for resilience to droughts. Investments have included use of economic instruments (see Box 1 below), institutional-incentives, capacity-building and learning from continuous re-evaluation. In each case, complex political economy dynamics determine investment flows and performance. These have implications for institutional reforms, information systems and capacity building measures.

Box 1: Economic Policy Options Incentivising NbS to Droughts

Models financing adaptations that work with nature at local, national and other levels have been tried-and-tested but are not yet sufficiently scaled. These include market-based measures, and also measures to alter the economic drivers of drought risks and environmental degradation. In some cases, Payments for Ecosystem Services (PES) should orient self-renewing sustainable value chains. Establishing them requires information on resource conditions and investor demand, amongst others.[21] Creating or securing market access for sustainable products and services is one way to sustain PES. Water Funds or Drought Funds that private, public and external finance sectors pay into can also reward sustainable practices. Other financing options frequently recommended to de-risk and scale up adaptation measures and private sector engagement, include blended finance and debt-for-nature swaps.[22]

Evaluations shed light on what works under different institutional and governance regimes. Requirements for adaptation to be transformative dictate consideration of the distribution of benefits and costs. Knowledge-generation and sharing builds capacities to unblock observation of how economic incentives for ecosystem-based adaptations can build resilience.

[21] For more critical evaluation of experiences from implementation of PES in different countries see: https://www.wri.org/research/climate-finance-access-indigenous-peoples-local-communities-payments-ecosystem-services?apcid=0065832e8241868dfb278b00 and numerous academic papers available, e.g. in Journal of Ecological Economics

[22] Yannick Glemarec et al., 'Making Blended Finance Work for Nature-Based Solutions' (Songdo, Korea: Green Climate Fund, 2023), https://www.greenclimate.fund/sites/default/files/document/making-blended-finance-work-nature-based-solutions.pdf .

Recommendations

1. **Scaling up global financing needs to work with national stakeholders to devolve better systems for accessing, disbursing and monitoring results at local scales.**[23] G20 brings together the representatives of the worlds' largest economies at global level. Collectively, it can advocate, enable and directly overcome barriers at other levels. Members can share examples from their countries and external cooperation.
2. **The Troika of previous, current and future G20 Presidencies and member countries could launch action on previous recommendations** by a broader-based grouping of regional representatives from South Africa, USA, and others taking part in an IWG on droughts under the UNCCD[24] to convene a wider dedicated global forum for all relevant agencies and actors to review effective financing to mitigate the effects of drought.[25]
3. **The G20 global forum should promote economic evaluations of effective, locally led and financially sustainable resilience to droughts** and pilot the acceleration of multiscale financing where local reinvestment of returns can establish virtuous cycles. Local information systems and access to public and private investment reflect local leadership, agency, knowledge and capacities to adapt sustainably. Emerging results report more climate-resilient water security and economic activities.[26]
4. **The G20 platform would broaden the evaluation framing to further interrogate contributions to macro-economic growth and transformation** through market

[23] Aryan Bajpai et al., 'Scaling Climate Finance for Locally-Led Adaptation: Lessons from the Global South', Task Force 2 (T20 Brazil, 2024), https://www.t20brasil.org/media/documentos/arquivos/TF02_ST_05_Scaling_Climate_Fin66cde9fe7c278.pdf .
[24] See Recommendation F on p20-21 in UNCCD, 'Final Report of the Intergovernmental Working Group on Effective Policy Implementation Measures for Addressing Drought under the United Nations Convention to Combat Desertification Report by the Intergovernmental Working Group' (UNCCD), accessed 6 April 2025, https://www.unccd.int/sites/default/files/2022-03/ICCD_COP%2815%29_20-2202073E.pdf .
[25] A broader global policy discussion is ongoing under the Saudi Arabian Presidency of UNCCD and a series of pledges have been made that collectively outweigh the investment made so far through the GCF. But as yet no finance-evaluation focused forum was yet launched other than the UNCCDs 2026 national reporting process which would include some voluntary national consideration of financial flows to build resilience to droughts.
[26] This includes evidence from PES schemes implemented in countries including Jordan and others.

and non-market measures, and should also review equity-efficiency tradeoffs. This could prioritise more thorough examination of incentive structures facing both private[27] and public actors for achieving and monitoring water security in drought-affected countries and localities.[28]

5. **A global knowledge hub to be hosted by one or more G20 countries could build capacities, and share these with fragile states, to better align climate finance with socio-environmental needs** through tailored readiness programmes. The hub should disseminate information[29],[30] and protocols for its use guiding economic decision-makers to strengthen local and national systems and processes. Key processes include engaging land and water users, utilities, industry other businesses and communities in monitoring their water flow regulating activities, extractions, discharges,[31] benefit/cost calculations and individual or collective behavioural choices in the context of drought risks.

Conclusion

Effective use of the G20 platform to drive information review and use in decision-making should improve innovation and establish a valuable legacy.

Outcomes addressing drought risks and accelerating effective adaptation globally could be shared and discussed via the G20 platform. This would introduce a more macro-economic orientation to the available evaluations. It could also supplement consideration of market mechanisms, institutional

[27] Whereas GCF projects provide support for institutional reform and capacity building together with the establishment of innovative financing mechanisms (such as waterfunds, PES or others) business cases for subsequent upscaling and accelerating private investments might not necessarily need to integrate all of the same costs for all of these start-up elements together in the same way.
[28]. GCF, 'Integrated Results Management Framework' (Green Climate Fund, 2021), https://www.greenclimate.fund/sites/default/files/document/irmf-policy.pdf.
[29] Some of which can be drawn from e.g. the global drought Atlas, AI platform https://climateprojectexplorer.org/ and other monitoring already supported by Climate Finance and also some more knowledge that is newly emerging this year
[30] See Also King-Okumu, *A Rapid Review of Effective Financing for Policy, Implementation and Partnerships Addressing Drought Risks*.
[31] Personal communication: Moussa Diarra and Amara Keita

incentives, and efficiency-equity tradeoffs. More evidence-based cases for economic decision-makers would better justify accelerating adaptation also across other climate extremes and disasters (in addition to droughts). Such insights could be of use for global disaster risk reduction and the UNFCCCs Standing Committee on Finance (SCF).[32]

[32] See information on the SCF 2025 Forum: https://unfccc.int/event/2025-forum-of-the-standing-committee-on-finance

List of Appendices

Appendix 1: Supplementary Background

This briefing builds on previous and ongoing G20 work on Sustainable Finance[33] and benefits from outputs from the Brazilian Presidency, especially the G20 Disaster Risk Reduction Working Group Ministerial Declaration which encouraged land-use planning and climate adaptation efforts to adopt Ecosystem-based Adaptations (EbA) and Nature-based Solutions (NbS) to drought and other climate risks. The briefing addresses a question raised by the T20 Taskforce 5 on Climate Action: [34]

- What are the key opportunities and/or emerging models for scaling financing for ecosystem-based adaptation?

The Sherpa Tracks on Disaster Risk Reduction[35] and Environment & Climate Sustainability both speak to the wider view that accelerating these investments proactively before droughts hit should reduce losses, strengthen the environmental resilience of disaster risk finance and catalyze more sustainable investment by the private sector. Under previous G20 Presidencies, a Working Paper on Increasing the application of ecosystem-based approaches to disaster risk reduction[36] was followed by a compendium of EbA and NbS for DRR, [37] amongst others.

With regard to financing, an input paper to the G20 DRR Working Group published under the Brazilian Presidency on Financing Options for Resilient Solutions[38] underlined available scope to use financial incentives for leveraging private investment into ecoDRR, to embed eco-DRR in development and humanitarian partners' projects and to build regulatory frameworks that enhance resilience. These would include requesting corporate and investor disclosure on risk exposure and management in a manner that reflects national circumstances, capabilities, cost, data availability and technical considerations.

An input paper on financing DRR[39] (see Box 1) and a guidance note focusing on integrating national finance frameworks for DRR[40] have been followed by further reflection on locally led finance[41] as well as the preparation of a G20 Sustainable Finance Report Working

[33] https://g20.org/track/sustainable-finance/ - see Priority 2: Scaling up financing for adaptation and just transitions in Sustainable Finance Working Group: 2025 Presidency and Co-chairs Note on Agenda Priorities https://g20sfwg.org/wp-content/uploads/2025/02/2025-G20-SFWG-Note-on-Agenda-Priorities-rev.pdf

[34] https://t20southafrica.org/wp-content/uploads/2025/01/TF5-Accelerating-Climate-Action-and-the-JET-Concept-Note.pdf

[35] https://g20.org/track/disaster-risk-reduction/ See: https://g20drrwg.preventionweb.net/2025/g20-documents and particularly: https://g20drrwg.preventionweb.net/media/104101/download?startDownload=20250317

[36] https://g20drrwg.preventionweb.net/media/88824/download?startDownload=20250317

[37] See both volumes at: https://g20drrwg.preventionweb.net/2025/g20-documents and note cases from China and Bolivia

[38] https://g20drrwg.preventionweb.net/media/102120/download?startDownload=20250317

[39] https://g20drrwg.preventionweb.net/media/89124/download?startDownload=20250317

[40] https://g20drrwg.preventionweb.net/media/88926/download?startDownload=20250317

[41] https://www.t20brasil.org/media/documentos/arquivos/TF02_ST_05_Scaling_Climate_Fin66cde9fe7c278.pdf

Group Report together with the Global Environment Facility (GEF), Green Climate Fund (GCF) and others. [42] Both the UNFCCC Standing Committee on Finance and the Council Members of the GEF paid particular attention to its findings during their latest meetings. [43] This demonstrates the scope for the G20 to influence their thinking and decisions on how to leverage sustainable finance.

Box 1: What is on the table for DRR under the G20 South African Presidency?[44]

3.5.1 Financing DRR involves mobilizing resources across public and private sectors to support resilience and minimize disaster impacts, especially in vulnerable regions. Key mechanisms include domestic financing, private sector investment, and multilateral support from development banks, which play a crucial role in providing both financial resources and technical expertise. The G20 DRR WG has highlighted the importance of creating inclusive, locally-led financing strategies to address inequalities and support comprehensive recovery, especially in developing countries and vulnerable areas. Such initiatives aim to ensure that resources reach communities most impacted by disasters, fostering resilience and protecting development gains globally.

3.5.2 The G20 DRR WG has invited the DRR WG Knowledge Partners to **develop voluntary high-level principles** that align with Priority 3 of the Sendai Framework, focusing on "Investing in DRR for Resilience." By establishing these guiding principles, the G20 DRR WG aims to integrate DRR more fully into national agendas, advancing global progress in risk reduction and enhancing adaptive capacities across member states.

Proposed Deliverable(s):

3.5.3 Consulted draft high-level principles for financing in DRR for consideration by the DRR WG. [UNDRR with the engagement of WB, Centre for Disaster Protection (CDP), CAF, AfDB, ADB, IDB, UNDESA, G20 Sustainable Finance WG, Investors Advisory Board, South Africa Reserve Bank and Ministry of Finance of South Africa].

[42] https://g20sfwg.org/wp-content/uploads/2024/10/2024-G20-Sustainable-FinanceReport.pdf

[43] See report at: https://www.thegef.org/sites/default/files/documents/2024-12/EN_GEF_%20C68_%2009_Rev01_Relations%20with%20Conventions%20and%20other%20International%20Institutions_Dec%2016_2024.pdf p20-21 and recording of the GEF Council Discussion under the Agenda item on relations with the Conventions and other International Institutions during the 68th Council Meeting https://www.thegef.org/events/68th-gef-council-meeting#documents. Also see: **36th Standing Committee on Finance Meeting** 18 – 19 February 2025 https://unfccc.int/scf/scf-meetings-and-documents#__th-SCF-Meeting-17-%E2%80%9319-February-2025-Bonn-Germany

[44] G20, 'Sherpa Track Issue Note Disaster Risk Reduction Working Group (DDR WG)'.

Appendix 2: Overview of Evidence Available and Emerging as Basis for this Briefing

Proposals submitted by countries to multilateral funds such as the Green Climate Fund and the Global Environment Facility routinely review the needs of countries to accelerate action on adaptation. Portfolio reviews by GEF and GCF have identified barriers to multilateral and development finance for ecosystem-based adaptation. Project proposals and readiness proposals discuss these. Full proposals then also routinely include strategies for sustainability and upscaling that identify key opportunities and/or emerging models for scaling financing for ecosystem-based adaptation.

A keyword search of the GEF project portfolio at: https://www.thegef.org/projects-operations/database?project_search=Drought revealed 42 projects approved since the GEF began its work as official financing mechanism of the UNFCCC, UNCBD and UNCCD. In addition to these, in preparation for the UNCCD CoP16, the GEF Secretariat conducted an internal analysis of its portfolio of projects that specifically address drought mitigation and adaptation. This analysis shows that the GEF has invested $608.84 million in GEF project financing in 108 projects and programs related to drought mitigation and adaptation since GEF-1 (1994), including projects under three trust funds: the GEF Trust Fund, the LDCF, and the SCCF, and multi-trust fund combinations of the three funds. Focal area contributions come from Climate Change, Land Degradation, International Waters, and Biodiversity.

The GEF Secretariat found that since 1994, only 27 projects have had a clear focus on drought, with more than 50% of the project financing targeting relevant outputs. However, there have also been an additional 48 projects with at least some outputs that address drought. In these projects, about 10 to 50% of the project budgets are invested towards drought, varying by project. The other 33 projects counted amongst the 108 have only an indirect link to drought management, accounting for less then 10% of each investment. Mainly, these 33 address drought through their risk assessment management (whereas it is otherwise not the norm for other projects funded under by GEF to expressly consider drought risks).

Collectively, the 108 drought-resilience oriented projects include investments in 60 different countries from all UNCCD Annexes, as well as regional and global projects/programs, with a significant focus on the Africa region, (representing 56.0% of the investment). Among the 27 actual drought-oriented projects, the GEF Secretariat report to the UNCCD CoP16 highlighted four that align themselves with national drought plans

(NDPs). These are in Argentina (GEFID 11336), [45] Mauritania (GEF ID 10444), [46] Namibia (GEFID 10251),[47] and Mali (GEFID 10362). [48]

As of March, 2025, a similar search of the GCF project portfolio at: https://www.greenclimate.fund/projects for projects associated with keyword: 'Drought' revealed 75 projects approved over the past decade and now under different stages of implementation (See List in Appendix 3). They include grants by GCF amounting to almost $2.3 billion, as well as loans and equity finance. Forty three of these were classified as addressing the Theme: Ecosystems and Ecosystem services. For Mali, two national projects for resilience to droughts have already been approved, alongside other support that is provided through multi-country projects. One is close to completion and generating annual performance reports that inspire confidence. [49] The other is a new proposal for Climate Resilient Food and Nutrition Security: Tombouctou, Gao, Mopti, Koulikoro and Segou regions of Mali recently approved in 2024.

Significant barriers and challenges do still remain for sustainable investments in resilience to droughts, particularly in fragile and conflict-affected States. This includes many of those in the Sahel region of Africa. Readiness projects are designed to help countries to overcome barriers that they face in the formulation of projects that meet the GCF criteria, including for financial sustainability. Forty four readiness proposals for drought-resilient climate action have so far been approved by the GCF, more than half of which were in the past three years (2022-24). These were identified from the GCF website using a keyword search for 'drought' (See List in Appendix 4).[50] They include a readiness proposal on Readiness Support for Mobilizing Mali's Private Sector Access to Climate Finance, approved in 2023.

In 2024, the GCF Board were able to approve eight full proposals addressing drought risks in different countries, including one to be implemented in Mali. That was more than the total number of GCF projects addressing resilience to droughts ever approved in any previous year. The emphasis on sustainability of financing, engagement of the private sector and economic transformation has progressively increased with time. Furthermore, this year, some of the GCF-funded projects may soon be ready to publish evaluations of

[45] Approved in February 2024

[46] Approved in December 2022

[47] Approved in June 2019 and now with a PIR available

[48] Approved in December 2019 but still no PIR available

[49] https://www.greenclimate.fund/sites/default/files/document/fp012-annual-performance-report-cy2023-disclosable-sections.pdf

[50] Note that this search method may have been only partially effective, as it did not pick up on Readiness Support for the Africa Union Multi-Country Program to Accelerate Water and Climate Resilience Investments through the Africa Water Investment Programme (AU-AIP Multicounty GCF Readiness Project)
: https://www.greenclimate.fund/sites/default/files/document/20240216-multicountry-gwpsa.pdf

results achieved toward core indicators including hectares under more climate-resilient practices and numbers of beneficiaries with more climate-resilient water security.

From among 43 projects (amounting to over $1.2 billion in grants from GCF) that were approved by the end of 2022 (B33), the majority (35) are under implementation and have published annual progress reports up to 2023. Three were due to complete in 2024 (in Malawi, Peru and Senegal) and ten in 2025 – although there may be some that will require no-cost extension (as in the case of Mali, amongst others). As projects draw to a close, terminal evaluations may assess the evidence of their impacts and sustainability. The most recent 32 projects approved 2023-5 (accounting for more than an additional billion dollars US) already show evidence of learning across the portfolio in their approaches to achieving economic sustainability and upscaling to engage the private sector.

Appendix 3: 75 Approved GCF projects from keyword search of GCF website for: 'Drought' (as of March, 2025)

	Board	#	Country	Agency	Title	Start Implementation	End	Annual Reports	GCF grant	Annual Subtotal GCF Grant Funds
2015										
1	B11	FP002	Malawi	UNDP	FP002 - Scaling up the use of Modernized Climate information and Early Warning Systems in Malawi	2017	2024	APR 2023	12,294,545	
2	B11	FP008	Fiji	ADB	FP008 - Fiji Urban Water Supply and Wastewater Management Project	2018	2026	(nothing)	31,040,000	
3	B11	FP001	Peru	Profonanpe	FP001 - Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru	2017	2024	APR 2023	6,240,000	
4	B11	FP003	Senegal	CSE	FP003 - Increasing the resilience of ecosystems and communities through the restoration of the productive bases of salinized lands	2020	2026	APR 2023	7,610,000	
										57,184,545
2016										
5	B13	FP12	Mali	World Bank	FP012 - Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Mali Country Project	2020	2025	APR 2023	22,750,000	
6	B14	FP023	Namibia	EIF	FP023 - Climate Resilient Agriculture in three of the Vulnerable Extreme northern crop growing regions (CRAVE)	2017	2024?	(last report was 2022 APR in 2023)	9,500,000	
7	B15	FP034	Uganda	UNDP	FP034 - Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda	2017	2026	APR 2023	24,140,160	
										56,390,160
2017										
8	B16	FP042	Morocco	AFD	FP042 - Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco	2018	2026	APR 2023	21,786,492	
9	B16	FP045	India	Nabard	FP045 - Ground Water Recharge and Solar Micro Irrigation to Ensure Food Security and Enhance Resilience in Vulnerable Tribal Areas of Odisha	2018	2025	APR 2023	34,357,000	
10	B16	FP041	Tanzania	KFW	FP041 - Simiyu Climate Resilient Project	2019	2025	APR 2023	111,873,638	
11	B18	FP049	Senegal	WFP	FP049 - Building the climate resilience of food insecure smallholder farmers through integrated management of climate risk (R4)	2020	2024	APR 2023	9,983,521	

12	B18	FP056	Colombia	UNDP	FP056 - Scaling up climate resilient water management practices for vulnerable communities in La Mojana	2018	2026	APR 2023	38,495,980	
13	B18	FP058	Ethiopia	MoFEC	FP058 - Responding to the increasing risk of drought: building gender-responsive resilience of the most vulnerable communities	2019	2025	APR 2023	45,002,759	
										261,499,390
2018										
14	B19	FP068	Georgia	UNDP	FP068 - Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia	2018	2027	APR 2023	27,053,598	
15	B19	FP080	Zambia	AfDB	FP080 - Zambia Renewable Energy Financing Framework	2018	2027	APR 2023	2,500,000	
16	B19	FP067	Tajikistan	WFP	FP067 - Building climate resilience of vulnerable and food insecure communities through capacity strengthening and livelihood diversification in mountainous regions of Tajikistan	2020	2025	APR 2023	9,273,586	
17	B19	FP072	Zambia	UNDP	FP072 - Strengthening climate resilience of agricultural livelihoods in Agro-Ecological Regions I and II in Zambia	2018	2025	APR 2023	32,000,000	
18	B19	FP073	Rwanda	MoE	FP073 - Strengthening Climate Resilience of Rural Communities in Northern Rwanda	2019	2025	APR 2023	32,794,442	
19	B19	FP074	Burkina	World Bank	FP074 - Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Burkina Faso Country Project	2020	2025	APR 2023	22,500,000	
20	B21	SAP002	Kyrgystan	WFP	SAP002 - Climate services and diversification of climate sensitive livelihoods to empower food insecure and vulnerable communities in the Kyrgyz Republic.	2021	2026	APR 2023	8,576,108	
21	B21	FP092	Multiple	AfDB	FP092 - Programme for integrated development and adaptation to climate change in the Niger Basin (PIDACC/NB)	2022	2028	APR 2023	57,774,000	
22	B21	FP094	Comoros	UNDP	FP094 - Ensuring climate resilient water supplies in the Comoros Islands	2019	2027	APR 2023	41,919,808	
23	B21	FP091	Kiribati	ADB	FP091 - South Tarawa Water Supply Project	2020	2028	(nothing)	28,631,020	
										263,022,562
2019										
24	B23	FP113	Kenya	IUCN	FP113 - TWENDE: Towards Ending Drought Emergencies: Ecosystem Based	2020	2025	APR 2023	23,152,082	

					Adaptation in Kenya's Arid and Semi-Arid Rangelands					
25	B23	FP109	Timor Leste	UNDP	FP109 - Safeguarding rural communities and their physical and economic assets from climate induced disasters in Timor-Leste	2020	2026	APR 2023	22,356,805	
26	B23	FP112	Marshall Islands	UNDP	FP112 - Addressing Climate Vulnerability in the Water Sector (ACWA) in the Marshall Islands	2020	2027	APR 2023	18,631,216	
										64,140,103
2020										
27	B25	FP126	Cuba	FAO	FP126 - Increased climate resilience of rural households and communities through the rehabilitation of production landscapes in selected localities of the Republic of Cuba (IRES)	2020	2027	APR 2023	38,206,791	
28	B25	FP127	Zimbabwe	UNDP	FP127 - Building Climate Resilience of Vulnerable Agricultural Livelihoods in Southern Zimbabwe	2020	2027	APR 2023	26,574,567	
29	B25	FP124	Sri Lanka	IUCN	FP124 - Strengthening Climate Resilience of Subsistence Farmers and Agricultural Plantation Communities residing in the vulnerable river basins, watershed areas and downstream of the Knuckles Mountain Range Catchment of Sri Lanka	2020	2026	(nothing)	39,775,000	
30	B26	FP139	Sudan	UNDP	FP139 - Building resilience in the face of climate change within traditional rain fed agricultural and pastoral systems in Sudan	2020	2025	APR 2023	25,645,114	
31	B27	FP143	Brazil	IFAD	FP143 - Planting Climate Resilience in Rural Communities of the Northeast (PCRP)	2023	2031	none	34,500,000	
32	B27	FP145	Guatemala	FAO	FP145 - RELIVE – REsilient LIVElihoods of vulnerable smallholder farmers in the Mayan landscapes and the Dry Corridor of Guatemala	2023	2030	APR 2023	29,837,169	
33	B27	SAP017	Burundi	IFAD	SAP017 - Climate proofing food production investments in Imbo and Moso basins in the Republic of Burundi	2022	2026	(nothing)	9,994,500	
										204,533,141
2021										
34	B28	FP158	Botswana	CI	FP158 - Ecosystem-Based Adaptation and Mitigation in Botswana's Communal Rangelands	2021	2030	APR 2023	36,760,394	
35	B28	SAP 023	Mexico	FMCN	SAP023 - River Restoration for Climate Change Adaptation (RIOS)	2021	2026	APR 2023	9,000,000	
36	B29	FP167	Rwanda	IUCN	FP167 - Transforming Eastern Province through Adaptation	2021	2027	APR 2023	33,783,755	

37	B30	FP176	Niger	BOAD	FP176 - Hydro-agricultural development with smart agriculture practices resilient to climate change in Niger	2023	2028	(nothing)	26,414,784	
38	B30	FP071	Timor Leste	UNEP	FP171 - Enhancing Early Warning Systems to build greater resilience to hydro-meteorological hazards in Timor-Leste	2022	2027	APR 2023	20,980,722	
39	B30	FP170	Thailand	UNDP	FP170 - Enhancing climate resilience in Thailand through effective water management and sustainable agriculture	2022	2027	APR 2023	17533500	
40	B30	FP074	CADC (Guatemala, Honduras, El Salvador, Costa Rica, Nicaragua and Panama) & Dominican Republic	CABEI	FP174 - Ecosystem-based Adaptation to increase climate resilience in the Central American Dry Corridor and the Arid Zones of the Dominican Republic	2021	2031	(nothing)	84,300,000	
										228,773,155
2022										
41	B32	FP084	Vanuatu	Save the Children	FP184 - Vanuatu community-based climate resilience project (VCCRP)	2022	2028	APR 2023	26,182,878	
42	B33	FP089	multiple	IDB	FP189 - E-Mobility Program for Sustainable Cities in Latin America and the Caribbean	2023	2030	APR 2023	55,000,000	
43	B33	FP187	Benin	FAO	FP187 - Ouémé Basin Climate-Resilience Initiative (OCRI) Benin	2022	2028	APR 2023	18,453,795	
										99,636,673
2023										
44	B35	FP201	Philippines	FAO	FP201 - Adapting Philippine Agriculture to Climate Change (APA)	2024	2032	(nothing from 2024)	26,273,510	
45	B35	FP099	Cambodia	FAO	FP199 - Public-Social-Private Partnerships for Ecologically-Sound Agriculture and Resilient Livelihood in Northern Tonle Sap Basin (PEARL)	2023	2030	APR 2023	36,231,981	
46	B35	FP203	Colombia	WWF	FP203 - Heritage Colombia (HECO): Maximizing the Contributions of Sustainably Managed Landscapes in Colombia for Achievement of Climate Goals	2023	2033	(nothing)	42,974,559	
47	B36	SAP027	Solomon Islands	SCA	SAP027 - Solomon Islands Knowledge-Action-Sustainability for Resilient Villages (SOLKAS) Project	2024	2030	(nothing from 2024)	24,965,114	

48	B36	SAP026	Bangladesh	PKSF	SAP026 - Extended Community Climate Change Project-Drought (ECCCP-Drought)	2024	2027	none	24,957,990	
49	B36	FP207	Pakistan	WWF	FP207 - Recharge Pakistan: Building Pakistan's resilience to climate change through Ecosystem-based Adaptation (EbA) and Green Infrastructure for integrated flood risk management	2024	?	none	66,000,005	
50	B37	FP214	Thailand	GIZ	FP214 - Thai Rice: Strengthening Climate-Smart Rice Farming	2023	2029	(nothing)	41,584,255	
51	B37	FP221	Rwanda	AfDB	FP221 - Rwanda Green Investment Facility (RGIF)	2023	?	(nothing)	12,793,000	
52	B37	FP223	Private Sector	MUFG Bank	FP223 - Project GAIA ("GAIA")	2023	?	(nothing)	n	
53	B37	SAP032	Benin	FNEC	SAP032 - Local Climate Adaptive Living Facility – LoCAL	2024	2030	(nothing)	9,387,720	
										285,168,134
2024										
54	B38	SAP035	Belize	CCCCC	SAP035 - Building the Adaptive Capacity of Sugarcane Farmers in Northern Belize (BaC-SuF).	2024	2029	APR 2023	25,000,000	
55	B38	FP227	Madagascar	IFAD	FP227 - Increase Resilience to Climate Change of Smallholders Receiving the Services of the Inclusive Agricultural Value Chains Programme (DEFIS +)	?	2030	none	41,045,298	
56	B39	FP239	Horn of Africa	AfDB	FP239 - Building Climate Resilience for Food and Livelihoods in the Horn of Africa (BREFOL)	2024	0	0	90,700,000	
57	B39	FP232	Jordan	UNEP	FP232 - Jordan Integrated Landscape Management Initiative (JILMI)	(approved in 2024)	0	0	44,904,203	
58	B39	FP236	Mexico	IFAD	FP236 - Basin Approach for Livelihood Sustainability through Adaptation Strategies (BALSAS)	(approved in 2024)	0	0	19,500,000	
59	B39	FP238	Malawi	FAO	FP238 - Ecosystems-based Adaptation for resilient Watersheds and Communities in Malawi (EbAM)	(approved in 2024)	0	0	42,808,151	
60	B39	SAP040	Vietnam	LuxDev	SAP040 - Climate Adaptation and Resilience in Thua Thien Hue Province Vietnam (CARe Hue)	(approved in 2024)	0	0	8,650,000	
61	B39	SAP041	Albania	GIZ	SAP041 - ALBAdapt – Climate Services for a Resilient Albania	2024	2031	(nothing)	25,130,718	
62	B39	SAP042	Mozambique	Save the Children	SAP042 - Building climate resilience by linking climate adaptation and social protection through decentralised planning in Mozambique (LINK)	2024	2029	(nothing)	23,500,000	
63	B40	FP248	Indonesia	GIZ	FP248 - Land-based Mitigation and Adaptation through a Jurisdictional Approach in West Kalimantan	2025	2032	(nothing)	64,798,203	

64	B40	FP243	Ethiopia	MoFEC	FP243 - Climate-resilient community access to safe water powered by renewable energy in drought-vulnerable regions of Ethiopia	2025	2032	none	44,994,677	
65	B40	FP249	Iraq	FAO	FP249 - Strengthening climate Resilience of Vulnerable Agriculture Livelihoods in Iraq (SRVALI)	(approved in 2024)	0	0	29,252,000	
66	B40	SAP044	Angola	OSS	SAP044 - Empowering Women Groups to Build Resilience to Climate Impacts in the Province of Cunene in South West Angola (CREW Angola)	0	0	0	9,616,032	
67	B40	SAP047	Pakistan	NRSP	SAP047 - Climaventures: Harnessing the Domestic Private Sector Ecosystem for Climate Action in Pakistan	0	0	0	10,000,000	
68	B40	FP252	Multiple	Acumen	FP252 - Acumen Resilient Agriculture Fund II	0	0	0	4,000,000	
										479,899,282
2025										
69	B41	SAP048	Togo	BOAD	Strengthening the resilience of vulnerable communities within high climatic and disaster risk areas in T…	0	0	0	24,987,000	
70	B41	SAP049	Mexico	FMCN	Sustainable Communities for Climate Action in the Yucatán Peninsula (ACCIÓN)	0	0	0	25,000,000	
71	B41	FP261	Amazon: Multiple countries	IADB	Improving Climate Resilience by Increasing Water Security in the Amazon Basin	0	0	0	75,276,723	
72	B41	FP258	Multiple countries	0	Multi-country Project Advancing Early Warnings for All (EW4All)	0	0	0	103,246,722	
73	B41	FP256	Mali	0	Intensification of Agriculture and Agroforestry Techniques (IAAT) for Climate Resilient Food and Nutritio…	0	0	0	33,717,918	
74	B41	FP255	Kenya	FAO	Transforming Livelihoods through Climate Resilient, Low Carbon, Sustainable Agricultural Value Chai…	0	0	0	29,215,309	
75	B41	FP262	Senegal	Banque Agricole	Green Climate Finance Facility for Fostering Climate-Smart Agriculture in Senegal	0	0	0	5,147,058	
										296,590,730
GRAND TOTAL									2,296,837,875	**2,296,837,875**

Appendix 4: 44 approved GCF Readiness proposals from keyword search of GCF website for: 'Drought' (as of March 2025)

	Year	Country	Agency	Title
1	2017	Ghana	UNEP and CTCN	Strategic Frameworks support for Ghana through UNEP and CTCN
2	2023	Eswatini	FAO	Preparing for public and private investment in sustainable green infrastructure, green open spaces and urban agriculture for adaptation and mitigation to climate change in urban and peri-urban communities in Eswatini
3	2021	Indonesia	UNDP	Accelerating Climate Change Adaptation Investment Planning to Enhance Resilience in Indonesia
4	2023	Namibia	NNF	Strengthening Adaptation Planning and Coordination in Namibia
5	2017	Myanmar	UNEP and CTCN	Strategic Frameworks support for Myanmar through UNEP and CTCN
6	2023	Sao Tome and Principe	FAO	Enhance capacities of Sao Tome and Principe in addressing the effects of climate change in key sectors of the Blue Economy
7	2024	Bolivia	WHO	Promoting a sustainable and resilient unified health system in Bolivia in the face of climate change
8	2021	Ethiopia	GGI	Building Capacity to Facilitate the Integration of the National Adaptation Planning Process in Ethiopia
9	2016	Antigua and Barbuda		Entity support, strategic frameworks and private sector mobilization support for Antigua and Barbuda through the Department of Environment
10	2021	Grenada	FAO	National Adaptation Planning for Improved Food Security in Grenada
11	2020	Nicaragua	CABEI	Strengthening policies and structures to access climate finance in the Republic of Nicaragua
12	2022	Guatemala	International Savanna Fire Management Initiative	Advancing a National Approach to Fire Management in Guatemala
13	2021	Yemen	UN Habitat	Strengthen the capacitiesof sub-national authorities and key actors in the water sector to adapt to climate change in the Tuban delta
14	2019	Afghanistan	FAO	NDA Strengthening and Country Programming support for Afghanistan through FAO
15	2020	Thailand	UNDP	Increasing resilience to climate change impacts in marine and coastal areas along the Gulf of Thailand
16	2022	Ecuador	FAO	Development of an effective governance framework for the implementation of the NDC in the health, food, and water security sectors in Ecuador
17	2023	Mali		Readiness Support for Mobilizing Mali's Private Sector Access to Climate Finance
18	2023	Mongolia	TDBM	Supporting Green Regional Development in Mongolia
19	2024	Nigeria		Strengthening Nigeria's Capacity to engage in Climate Action for a low-emissions and climate resilient development pathway.
20	2022	Burkina Faso	GGGI	Mainstream Adaptation into Subnational Planning, Strengthen Institutional Frameworks, and Develop Financing Strategy and Project Concept Notes for Burkina Faso's NAP Implementation
21	2021	Eswatini	GWPO	Strengthening the NDA's institutional and technical capacity to mobilize gender-responsive climate finance for Eswatini
22	2023	Algeria	UNDP	Advancing the National Adaptation Plan process in Algeria to address short- and medium-term adaptation needs and lay the ground for long-term adaptation
23	2023	Tajikistan	GIZ	Strengthening Tajikistan's capacity to access and deploy climate finance
24	2023	South Africa	UNIDO	Enhancing the institutional capacity of South Africa to coordinate green hydrogen activities of the Hydrogen Society Roadmap
25	2024	Angola	GGGI	Enhancing Angola's Access to Climate Finance for Sustainable Transport and Sustainable Landscape (AFOLU) Sectors
27	2023	ECOWAS		Strengthening ECOWAS institutional capacities and Member States' access to climate finance to support the implementation of the agriculture sectoral priorities of the ECOWAS Regional Climate Strategy
28	2021	Cabo Verde	FAO	Enhance capacities of Cabo Verde in addressing the effects of climate change in key sectors of the Blue Economy
29	2016	Albania	UNEP	NDA Strengthening and Country Programming support for Albania through UNEP
30	2020	Barbados		R2RP Readiness

31	2020	Central America	UNEP	Increasing the ambition of the Nationally Determined Contributions and climate financing in the Central America
32	2020	Lesotho	UNEP	Strengthening Lesotho's capacity to advance the National Adaptation Planning process
33	2020	Turkmenistan	CAREC	NDA Strengthening and Country Programming support for Turkmenistan and initiating a Regional Approach to Climate Action
34	2021	Cook Islands		Scaling up green finance practices: A blueprint to break- through into a climate resilient Cook Islands as a catalyst to mobilize private sector investment
35	2022	Bosnia and Herzegovina	FAO	Identify investment options for climate change adaptation in Bosnia and Herzegovina (within the framework of the National Adaptation Plan project)
36	2020	Bolivia	FAO	Capacity Building to Monitor the Agriculture, Forest and Other Land-Use Sector in the National Determined Contributions, and enhancement of Climate Finance Access in the Plurinational State of Bolivia
37	2020	Sri Lanka	GGGI	Strengthen the Process and Capacity of Implementation of National Adaptation Plan of Sri Lanka
38	2021	Tunisia	UNDP	National Adaptation Plan: Advancing risk-informed development and land-use planning in Tunisia
39	2022	Niger		Expert support to strengthen Niger's operational capacity for accelerated and sustained access to climate financing
40	2023	Benin	ICRAF	Strengthening access to climate finance and integration of climate change into the local development planning in Benin
41	2024	Togo	GGGI	Strengthening Togo's Institutional Capacity for a Low-Carbon Transport System (STILTS)
42	2022	Morocco	CAM	Building the capacity of Crédit Agricole du Maroc (CAM) to complete its accreditation process and develop high-quality projects
43	2023	Turkmenistan	FAO	Improving the capacity of Turkmenistan to access climate finance through capacity building and strategic frameworks
44	2021	Tunisia	FAO	Food Security and Adaptation Priorities in the Agricultural Sector in Tunisia

Appendix 5: Accelerating adaptation to deepening drought risks by increasing adaptation financing

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Translated from original in French with DeepL.com (free version)

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Mali, like other Sahelian countries, is facing the effects of climate change as a major challenge, while the response to its adverse effects faces limited citizen participation, especially for the most affected and vulnerable citizens such as young people, women and people living with disabilities in particular.

This vulnerability to climate change stems from: (i) the country's heavy dependence on climate-sensitive economic activities such as rain-fed agriculture, livestock breeding, fishing and forestry; (ii) the low capacity of its social and ecological systems to cope with climatic extremes; and (iii) existing constraints on ecosystem services due to processes such as deforestation and land degradation.

In response to these constraints, the state and its partners have adopted policies, strategies and action plans.

Despite the existence of political, administrative and institutional frameworks, the resources mobilized to ensure the implementation of priority actions in terms of the environment, climate change, access to water, strengthening resilience to drought, promoting biological diversity, and deepening the links between the environment, poverty and sustainable development remain insufficient.

Municipal revenues and various government subsidies are modest to address all the concerns of local communities, especially as they must now maintain if not improve their living and production conditions in a context of global warming.

Difficult access to international funds

Against this backdrop, the government, civil society and NGOs are seeking funding from technical and financial partners to provide local communities with climate funds to finance investments that strengthen their resilience in the face of climate change.

National structures encounter a number of difficulties/obstacles in accessing international funds, due to different mechanisms and criteria. These difficulties/barriers can include:

1. Strict donor conditions: Some donor institutions often impose stringent conditions, such as economic, fiscal and structural reforms, which can be difficult to implement;

2. Insufficient human resource capacity and lack of mastery of procedures for accessing international funds are major challenges;

3. Insufficient global financial flows.

The national agency for local government (l'ANICT) also highlights difficulties in accessing funds.

There is already a list of barriers in recent approved Readiness proposal by AEDD on: Mobilizing Mali's Private Sector Access to Climate Finance[51] which focuses on:

Limited direct access to financial resources to address climate change impacts

Low private sector development

Minimal Private Sector Engagement with the Government

(See detail in Box 'Mobilising Mali's Private Sector Access to Climate Finance')

Rationale:

For Mali, facilitating access to international funds through national mechanisms will enable financing that empowers local collectivities and strengthens their decision-making power. This approach responds to the institutional and financial weaknesses of local authorities in responding sustainably to climate change. When it comes to choosing priorities for resilience to climate change, local populations are involved throughout the process and participate in implementation. Capacity-building and mutual learning will be principles throughout the implementation process.

In fact, empowered by transferred competencies, local authorities are formally responsible for planning, regional development, the provision of a range of public services, coordination between sectors and stakeholders, environmental management and the financing of investments in public goods that strengthen livelihoods and the economy. These roles and activities are essential to building community resilience. What's more, their proximity to the ground should enable them to implement climate-adaptive responses.

[51] Readiness Support for Mobilizing Mali's Private Sector Access to Climate Finance https://www.greenclimate.fund/sites/default/files/document/gcf-readiness-proposal-mali-aedd.pdf)

Box: Mobilising Mali's Private Sector Access to Climate Finance[52]

Several challenges to realizing a climate-resilient economy:

• Limited direct access to financial resources to address climate change impacts
Capitalization of the GCF will be essential to curb GHG emissions, and establish climate resilient communities, through its support of both public and private sector initiatives. However, access to these resources is a challenge due to the lack of a national entity through whom the funds can be disbursed, and lack of institutional capacity among local private sector entities to access such finance. Furthermore, regional implementing agencies such as Banque Ouest Africaine de Développement (West African Development Bank, BOAD) focus on the regional priorities, rather than national goals that are in line with Mali's NDC and country programme.

Mali has 3 entities that are currently seeking accreditation with the GCF: National Agency for Investment of Local Governments (Agence Nationale d'Investissement des Collectivités Territoriales - ANICT), which funds projects at local and regional levels; Mali's Development Bank; and Mali Folkecenter Nyetaa (MFC). While this will position Mali to seek GCF funds directly, the accreditation process is a lengthy one. ANICT has sought accreditation since 2018 and is yet to be accredited. This hence forces Mali to rely on regional and international AEs in order to get support from the GCF. This Readiness Proposal will seek to improve the capacities of inter alia the nominated entities for GCF accreditation in project development through trainings in CN and PPF Application development to facilitate them develop projects upon receiving their accreditation.

• Low private sector development
This is due to the lack of major business climate reforms. This is reflected in Mali's low ratings (148 out of 190 countries) in the World banks' 2020 Doing Business Report, [53] which considers several indicators such as access to credit, ease of starting a business and enforcing contracts. The overarching development challenge of Mali is related to its economic fragility, linked to the lack of structural transformation, the low diversification of the economy and its high vulnerability to exogenous shocks. Mali lags far behind in terms of structural transformation, with a contribution of the industrial sector to growth which increased (from 15.2% of GDP in 1990 to 20.3% in 2019) but remained weak compared to that of agriculture (40.1% in 2019) and services (39.6% in 2019), due to the limited contribution of the manufacturing sector (0.6% of GDP in 2019).

The Private Sector Action Plan that will be developed under this Readiness Proposal that will analyze the barriers affecting private sector engagement in climate change initiatives, and propose intervention measures, including regulatory and fiscal incentives to encourage private sector adoption of green development pathways, thereby improving Mai's business climate with respect to green growth.

• Minimal Private Sector Engagement with the Government
Due to the Government of Mali's budgetary constraints, significant finance must be leveraged from the private sector for low carbon and climate resilient development. However, Mali's vision to become a Green Economy will be difficult without engaging with the private sector. This engagement has further been strained by the political and security issues currently plaguing Mali. This is noted by the IMF in their poverty reduction strategy paper for Mali i.e., Limited involvement of the private sector through Public-Private Partnerships. [54] This is reflected in Mali's private sector low contribution to GDP formation (12% as of 2019). [55] This challenge of minimal private sector engagement with government can be attributed also to the lack of enabling environments especially the nonexistence of a framework and a national action plan in Mali that can ensure that private sector engages effectively with the government and other stakeholders.

Private sector agricultural growth is curtailed by policy. Implementation of agricultural policies is generally weak. Resource mobilization necessary for effective policy implementation remains insufficient according to all stakeholder groups. As a result, institutional capacity to respond effectively to urgent problems remains limited. Although private sector groups have sometimes lobbied successfully for specific policy changes, stakeholders generally believe that the current policy system marginalizes private sector involvement in ongoing policy processes[56]

[52] Recently approved proposal for GCF Readiness Support for Mobilizing Mali's Private Sector Access to Climate Finance https://www.greenclimate.fund/sites/default/files/document/gcf-readiness-proposal-mali-aedd.pdf)
[53] Ease of Doing Business in Mali : https://tradingeconomics.com/mali/ease-of-doing-business
[54] Mali: Poverty Reduction Strategy Paper : https://www.imf.org/external/pubs/ft/scr/2013/cr13111.pdf
[55] Gross fixed capital formation, private sector (% of GDP): https://data.worldbank.org/indicator/NE.GDI.FPRV.ZS
[56] Feed the Future 2019, Improving agricultural policy system performance in Mali: stakeholder diagnostics and prescriptions

Recommended solutions

Access to international climate funds (such as the GEF, the GCF, etc,) presents a number of difficulties for developing countries, particularly those in Africa classified as Least Developed Countries (LDCs), including Mali.

Solutions and recommendations include:

Strengthening national capacities

Train local experts in the development of climate projects.

Support national entities for accreditation with funds (FVC, FEM, etc.).

Simplifying access procedures

Advocate harmonization of processes between the various funds.

Encourage the introduction of simplified access mechanisms for low-capacity countries.

Improving national coordination

Establish a focal point or designated national authority to centralize applications.

Create national platforms for monitoring climate financing.

Strengthening climate data collection and management

Develop national observation and data collection systems.

Collaborate with technical partners to fill gaps.

Increasing South-South and triangular collaboration

Share best practices between countries that have already accessed these funds.

Technical support between counterpart institutions.

Support from technical and financial partners

Encourage donors to finance preparatory phases (feasibility studies, concept notes, etc.)

Support countries in developing bankable project portfolios.

Appendix 6: Further examples from the GCF portfolio and working paper

An example from GCF projects where financial sustainability, private sector partnership, and scalability were emphasized as emerging priorities in recent approvals in IFC, is an IDB Amazon project (FP261). See: https://www.greenclimate.fund/document/gcf-b41-02-add09-rev01

From among the list of identified drought projects addressing drought risks, the following examples of blended finance are highlighted in a recent GCF Working Paper [57]

1) Financing resilience. The value of tropical cloud forests goes largely unnoticed and unfunded, and losing them would hold back developing countries in their transition to climate resilience. Of the more than 1,000 hydropower dams planned across tropical emerging markets in the pursuit of better access to energy, more than 600 will depend on cloud forests for water. According to Earth Security, 58 the total value of hydroelectricity that currently depends on cloud-affected forests across these 25 countries is close to $118 billion over ten years. This increases to $ 246 billion when the hydropower plants currently being planned in these countries come online. Earth Security, with the support of UBS and HSBC, have identified a combination of innovative financing instrument options to fund the creation of new, long-term income streams from services provided by cloud forests, including a Sustainability-Linked Bond; cloud forests as part of a debt-for-nature swap; and cloud forests as a results-based finance instrument.

2) An example of blending finance to de-risk track record-setting investment is the lending and guarantee facilities of the Central American Bank for Economic Integration (CABEI)'s Central American Dry Corridor programme.[59] This fund provides a blended financing mechanism for nature-based solution finance for which only limited offerings exist. The mechanism is composed of concessional finance from GCF in combination with market-rate senior debt as co-financing from CABEI. Intermediary Financial Institutions will receive GCF funding and CABEI's co-financing funding via senior loans to manage the EbA lending facility. These financial institutions lend to local partner financial institutions, such as cooperatives, local banks, NGOs and rural community banks, and these will then on-lend to end beneficiaries (e.g., rural MSMEs under EbA-related eligibility criteria). [60] The partner financial institutions will access the EbA

[57] Glemarec et al., 'Making Blended Finance Work for Nature-Based Solutions'.

[58] ES, 'CLOUD FOREST ASSETS FINANCING A VALUABLE NATURE-BASED SOLUTION' (Earth Security, 2022), https://uploads-ssl.webflow.com/62b199427426cd16f424589f/638f013d1993bd8afb9c346c_ES_cloud%20forests%20report.pdf.

[59] FP174: https://www.greenclimate.fund/document/ecosystem-based-adaptation-increase-climate-resilience-central-american-dry-corridor-and-0

[60] Activities relate to i) implementation of integrated catchment management and restoration; ii) improvement of hydrological flow and infiltration of rainwater into groundwater reserves through forest and ecosystem restoration; and iii) reducing demand for scarce water resources by implementing water-efficient technologies at the farm- and household-level.

lending facility at concessional below-market rates for direct on-lending to final customers for EbA investments. By mitigating credit risks associated with commercial EbA finance to end beneficiaries, the programme will create a guarantee facility for financial institutions on different levels that will secure financial institutions' on-lending and mobilize additional lending from their own resources and from additional public and private investors.

In Figures 7 and 8 below, this is compared to the earlier RIOS project (SAP 023) to demonstrated the blending of instruments along a concessionally gradient. Both projects began implementation in 2021. Whereas annual results reports are already available from RIOS, the CABEI project did not yet publish any results in annual reports. An Economic and Financial Analysis is listed as Appendix 3 of the approved proposal but also is not published.

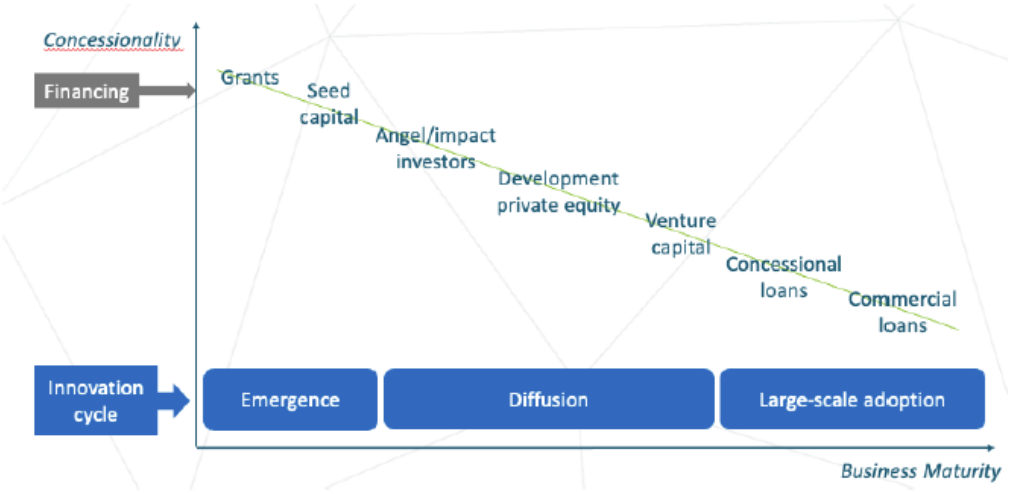

Figure 7: Different financial instruments, used in financing of nature-based solutions, along a concessionality-maturity gradient.

Being capital agnostic, GCF has the capacity to deploy an entire suite of financial instruments including equity, loans and guarantees. It is increasingly exploring new forms of blended finance to make it work better for nature-based solutions and ecosystems approaches. Figure 7 maps different mix of financial instruments adopted to respond with maximum efficiency and effectiveness to the desired conservation, restoration and sustainable management impact and outcomes.

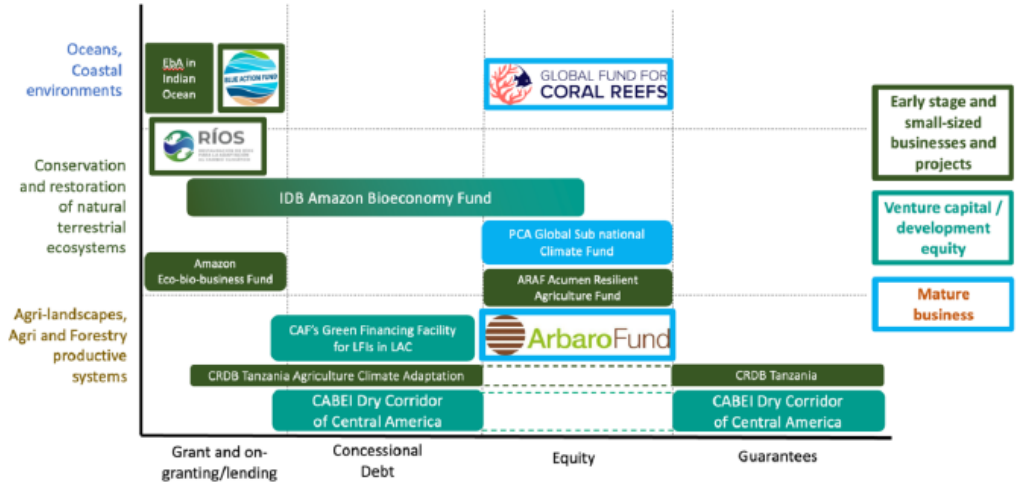

Figure 8. Examples of projects and programmes in the GCF portfolio that develop and apply different financial instruments, along the concessionality-maturity gradient, in different landscapes and seascapes.

T20 South Africa Convenors

The Institute for Global Dialogue (IGD)

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