



GREEN  
CLIMATE  
FUND

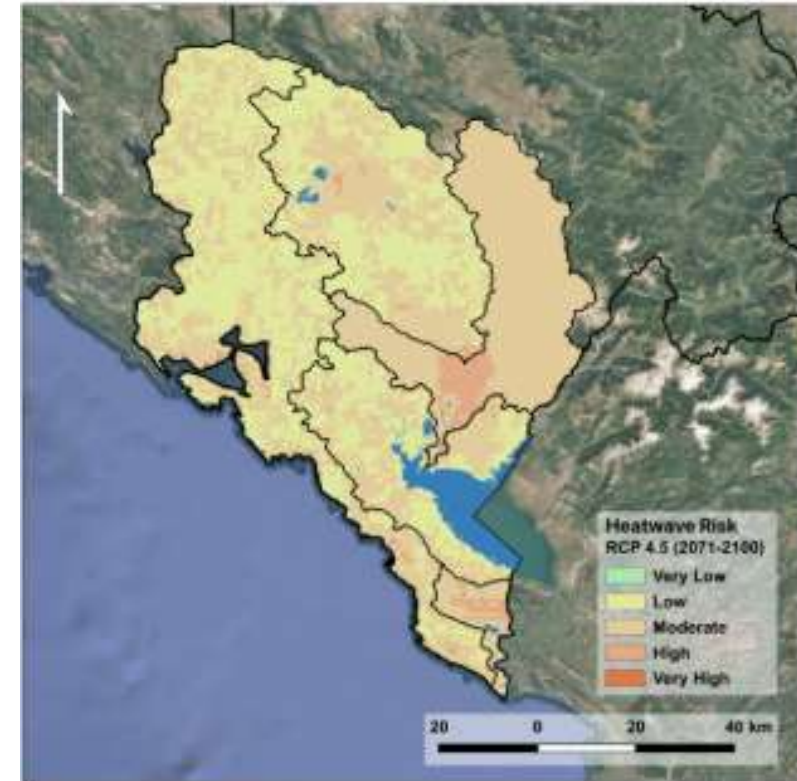


## Investment in Water with the GCF

*Enhancing public and private sectors capacities to understand climate change impacts in the water sector, and design, finance and implement gender-sensitive and inclusive adaptation responses*

10 March 2026 | Montenegro

- Refresher: The GCF
- Refresher: The Climate Rationale – responding to CC
- Designing projects to fill climate investment gaps: water resilience and the GCF





Committed ⓘ	Implementing ⓘ	Disbursed	Total value ⓘ
19.4	16.7	6.3	78.8
billion	billion	billion	billion

**With a Mandate:**

To promote low-emission and climate resilient development in developing countries.

## Grant

Non-repayable funds for specific projects or activities.



## Loans:

Low-interest loans with favourable terms.



## Equity

Direct investments in projects or companies to generate returns.

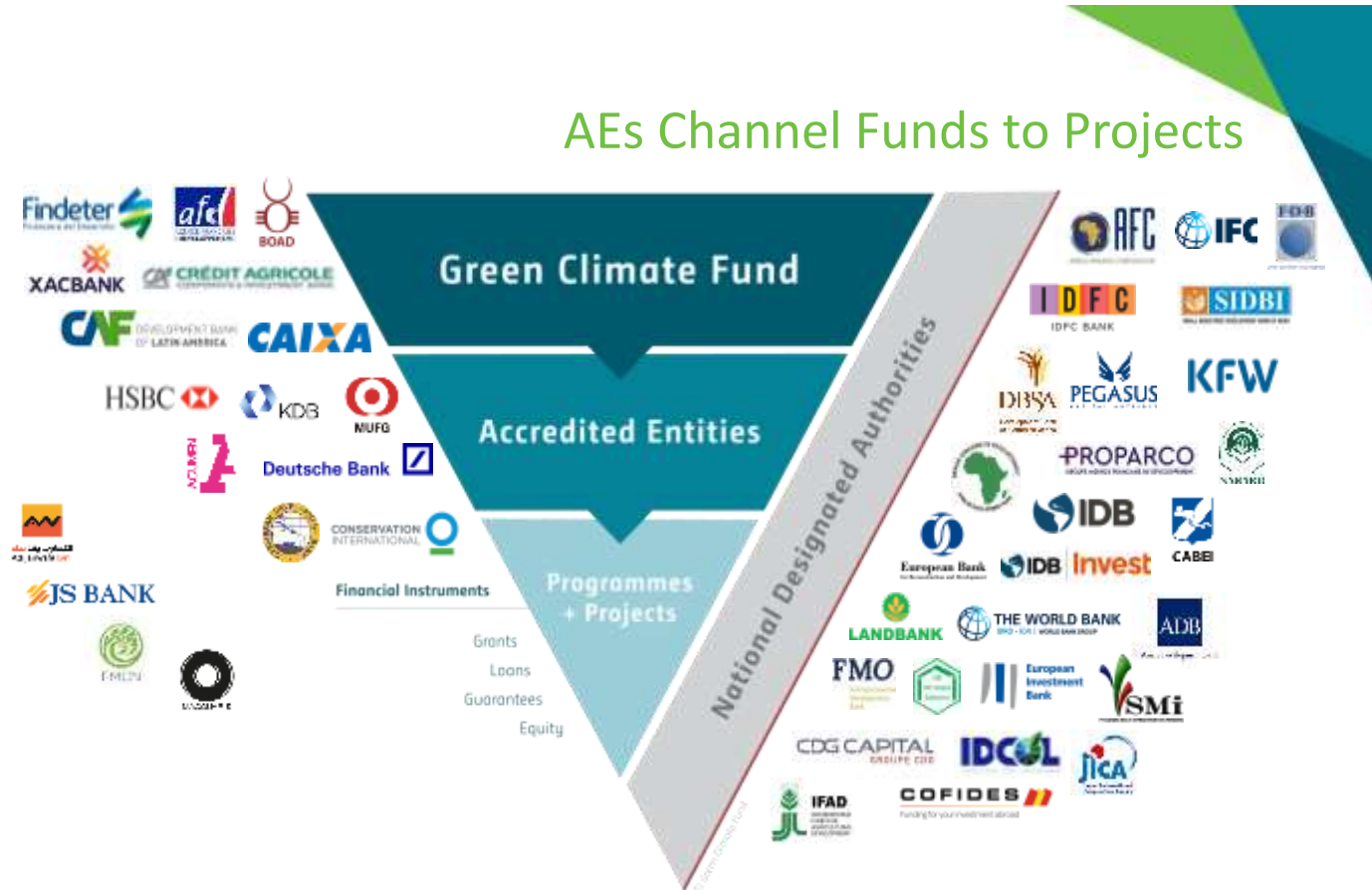


## Guarantees:

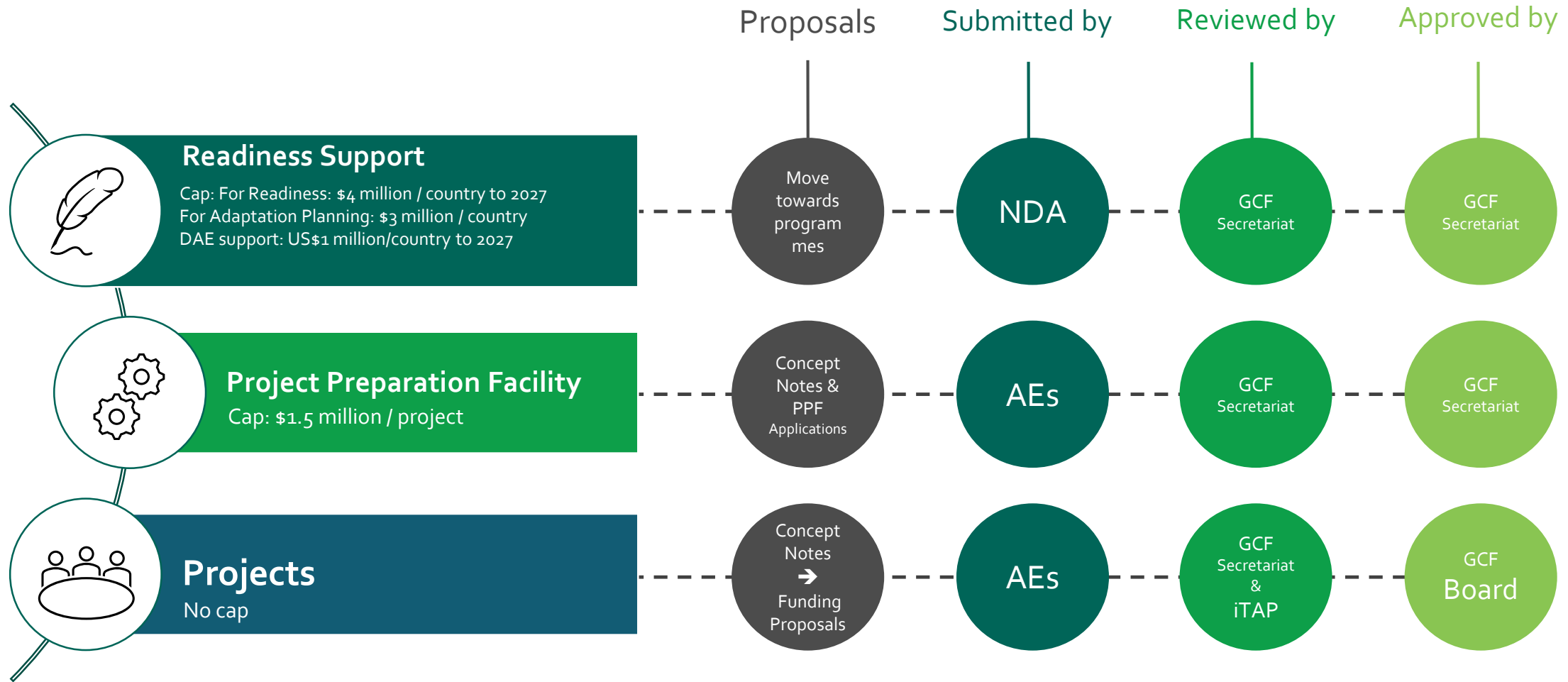
Risk mitigation instruments to encourage private sector investment.



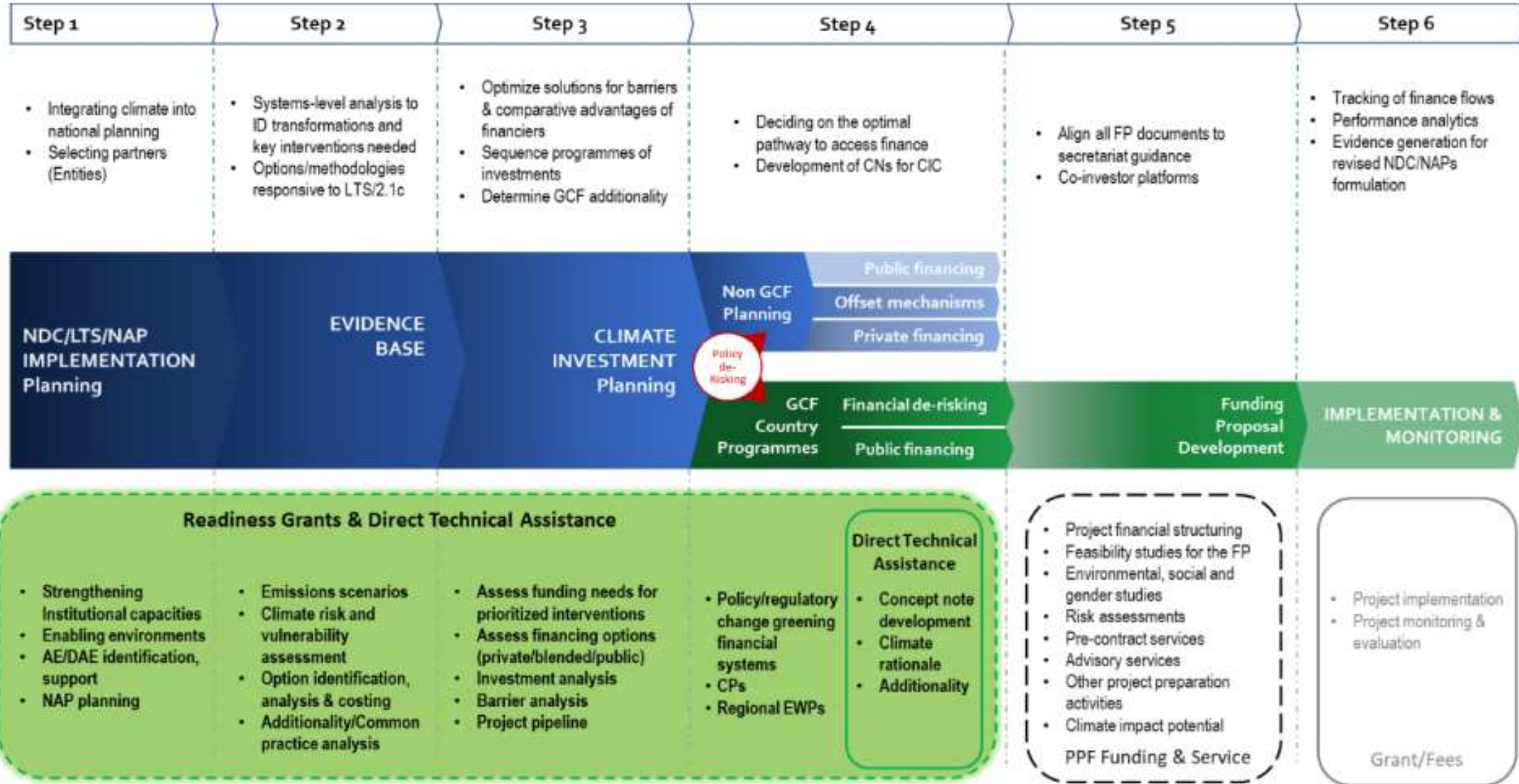
## AEs Channel Funds to Projects



# Windows to access GCF funding



# GCF Programming Cycle

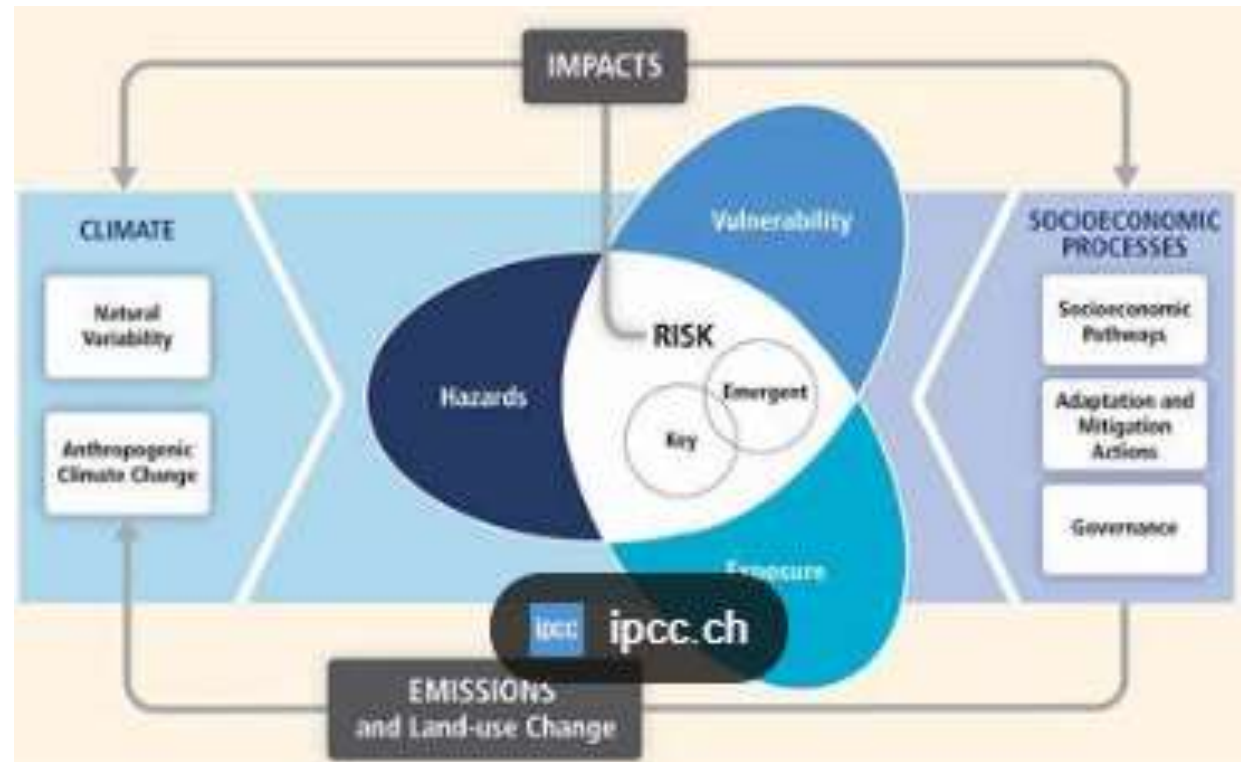


Describe - with Referenced Information: what climate changes are expected:

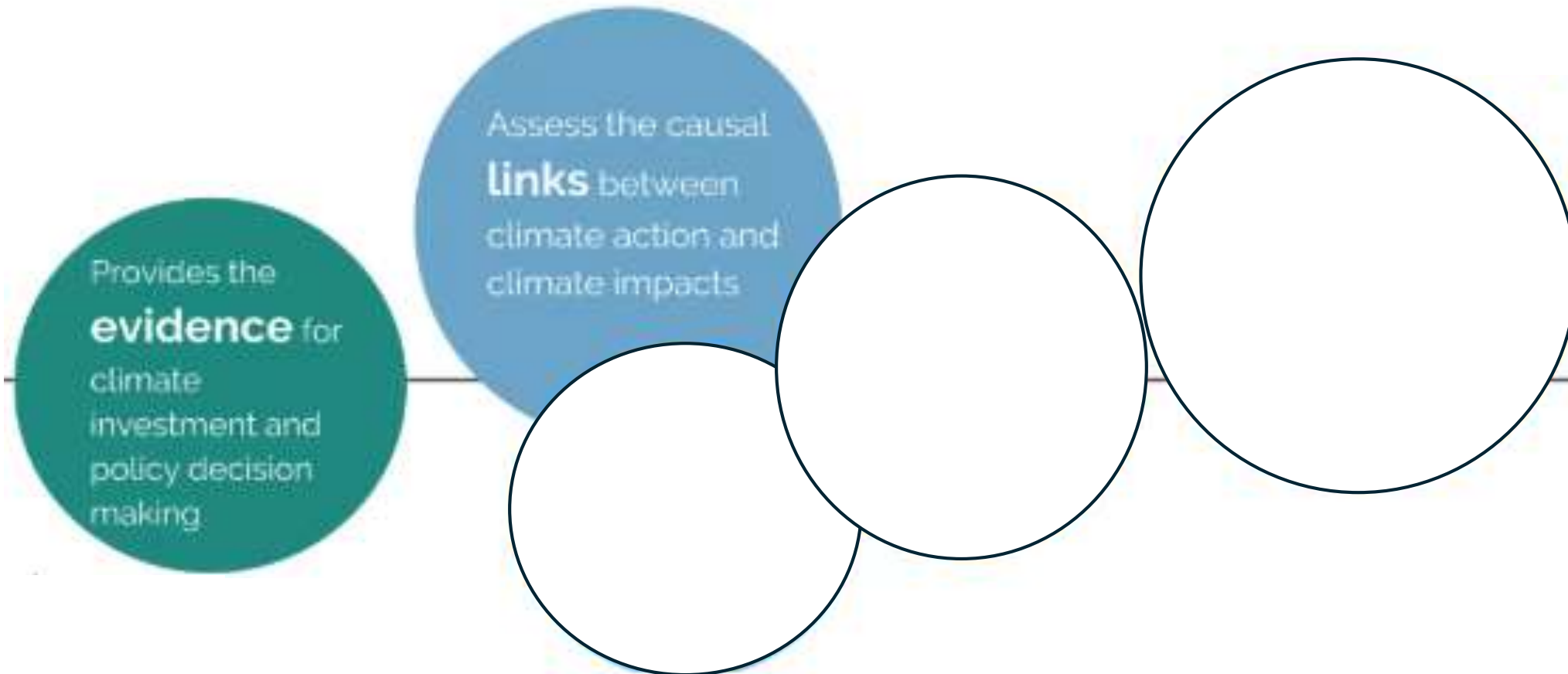
1. Increasing temperatures – past and projected the number of high heat days, etc. impacting agriculture and need for ready water access?
2. Precipitation Variability – past and projected number of days of drought, high intensity rains, changes in storms intensity and frequency. Linking to e.g. Landslides.
3. Sea-Level Rise (if applicable) – salination of Ground water resources, increased flooding damaging households and infrastructure.
4. Extreme Events - past and projected number droughts, floods, tropical cyclones, seasonal variation (growing season), increasing intensity and frequency of storms.

**The Climate narrative is telling a story:** “The region/area has experienced climate risks already and because of Climate Change these risks will be much greater and impacting more people and sectors.”

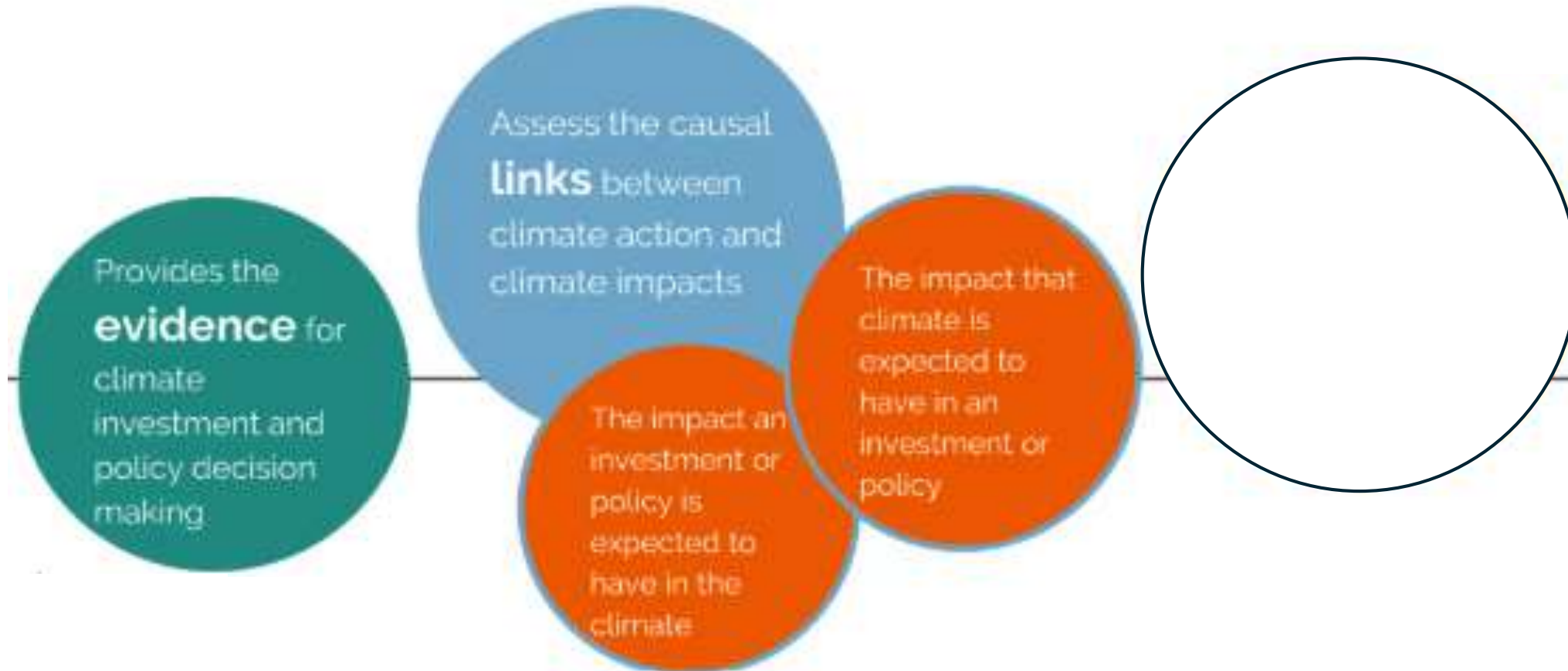
- Limited capacity to adapt or mitigate
  - Vulnerable populations: # persons/households/area
  - Socio-economic factors: evidence based
  - Exposure
  - Infrastructure, governance, and institutional capacity
  - Historical response
  - Community resilience indicators
- *Determine: What is the impact? How does it arise? On whom/what?*



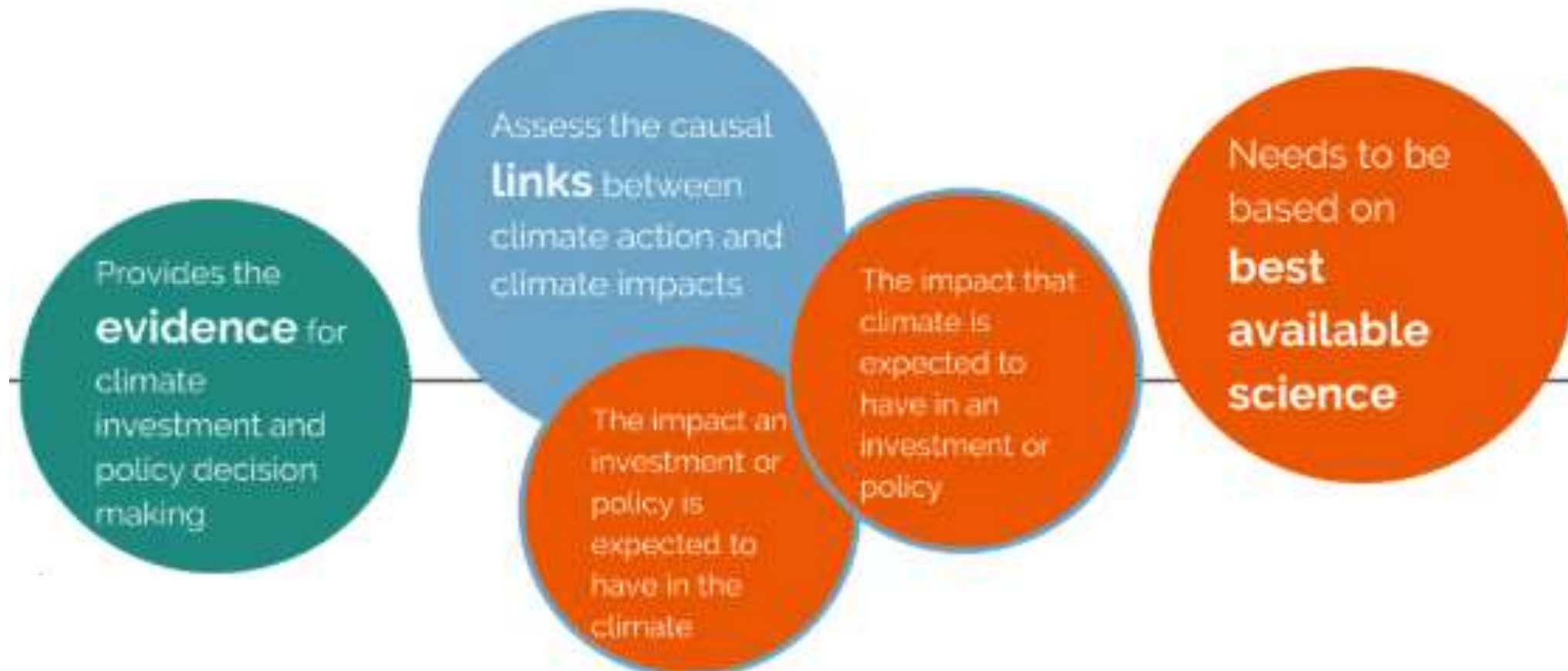
# Climate rationale - what is it?



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- The GCF funds **climate** action, not development as usual.
- Proposals must clearly identify **climate drivers**.
- The rationale must **distinguish** climate change impacts from development issues.

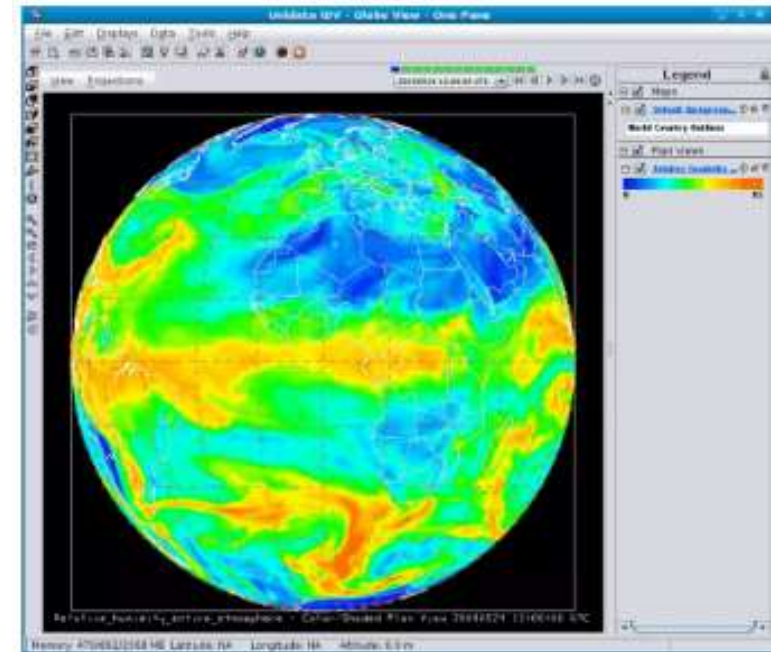
*“What if we lived in a world where anthropogenic climate change did not exist?”*

- Attribution -> shows how well activities respond to a climate threat

*“What if our activities/project/initiatives don’t get funded/implemented?”*

- Link to IMPACT -> shows how well activities respond to needs of vulnerable communities/sector

- Show **trends over time** (spatial and graphs) for the last 20+ years: temperatures, rainfall, extremes, variance.
- Hazards **Severity, Magnitude, Frequency and Intensity**: feeds into the Theory of Change, Logframe and Indicators, and Financial model and budget).
- Reference **national data** (NDCs, NatComs, BURs (UNFCCC Biennial Update Reports submitted by Non-Annex 1 parties)), **IPCC data/reports**, and **downscaled climate models** (best available e.g., precipitation shifts, temperature rise, extreme event records), Research, National & Local reports: “zoom in” gradually.
- Remote Sensing/Earth Observation data and hydro-meteorological insights.
- Example: use **SSP2 and SSP5** with selected visuals: [Home | Climate Change Knowledge Portal](#)
- **Communicate Climate Impact**: use Graphs & Vulnerability maps (which also feed into the GEDSI action plan, ESS, noting refinement/validation via Stakeholder engagements).



[What's the difference between "Representative Concentration Pathways" and "Shared Socioeconomic Pathways"?](#)

## CLIMATE SCIENCE BASIS FOR CLIMATE ACTION

Selects climate science-based actions leading to improved climate-related outcomes.

**STEP 4**  
Select Effective Climate Actions

Identifies a sector or geographic region on which the climate science basis will focus.

**STEP 1**  
Identify the Area of Focus

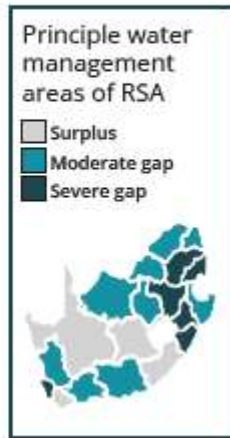
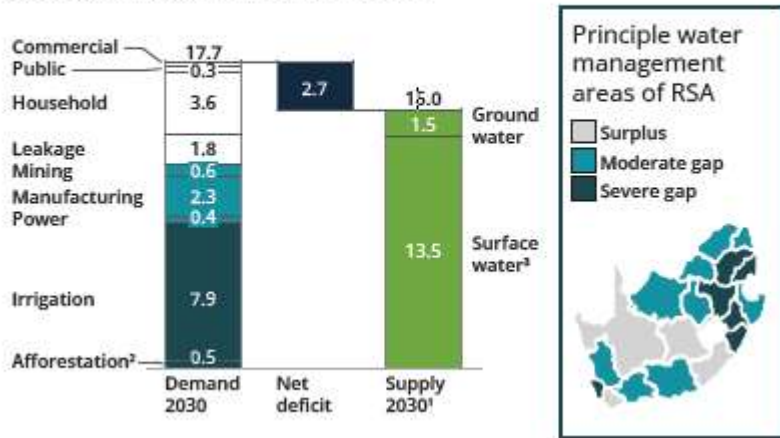
Identifies infrastructures, natural resources, governance systems, socioeconomic profiles, and other factors that may interact with climate variability and change.

**STEP 3**  
Identify Relevant Non-Climatic Contributing Factors

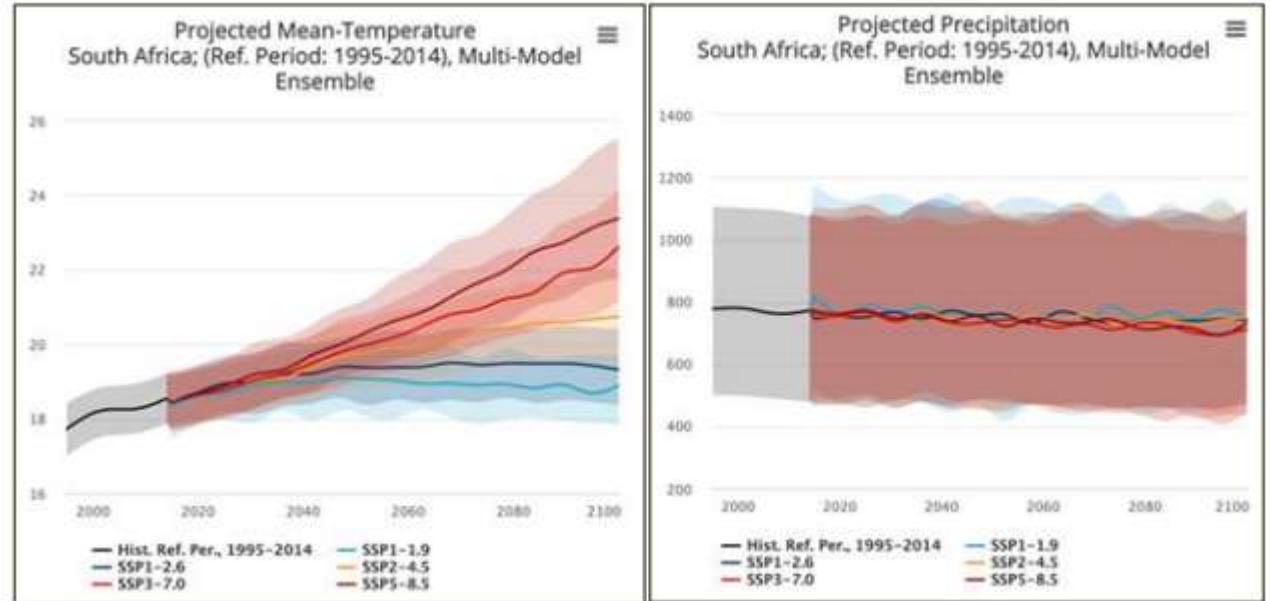
Identifies climate indicators to describe past, present, and future behaviour of climatic factors in the selected area of focus.

**STEP 2**  
Identify Relevant Climatic Contributing Factors and Data

**Under current efficiency levels, in 2023 South Africa will face a supply-demand deficit of ~ 17% of demand**  
 2030 (estimate), billion cubic meters



Existing predicted shortfall



Rising temperatures, declining rainfall

No	Programme	Description
1	Non-revenue water	Comprehensive water conservation and water demand management and cost recovery programme focusing on reducing losses, reducing over-consumption and improving cost recovery. Private sector obtains return on investment from savings through reducing losses or from increases in revenue
2	Management contract	Programme in which private sector provides overall management support to W&S function in municipality, including both engineering and non-engineering (e.g. revenue collection) aspects. Private sector returns funded from savings through efficiency improvements or from increased revenue
3	Wastewater treatment	A programme focusing on assisting municipalities to upgrade, refurbish and rehabilitate their waste water treatment facilities. Funding and implementation will be done through the PSP Model which leverages a portion of future grant funding
4	Water re-use	Programme focusing on further treatment of municipal wastewater to enable it to be resold for either potable, industrial or agricultural use. Related resource recovery includes energy generation and sludge beneficiation. Private sector obtains return on investment from sale of re-used water, generation of energy and sludge beneficiation
5	Sea water desalination	Focus on independent water production by producing potable water through seawater desalination in coastal cities. Private sector obtains return on investment from sale of desalinated water to municipalities or other customers (with the approval of the WSA)



- Existing supply challenge
- Exacerbated by climate change
- **Solution: solve the supply challenge AND additional climate challenge**



## Paradigm shifting pathways:

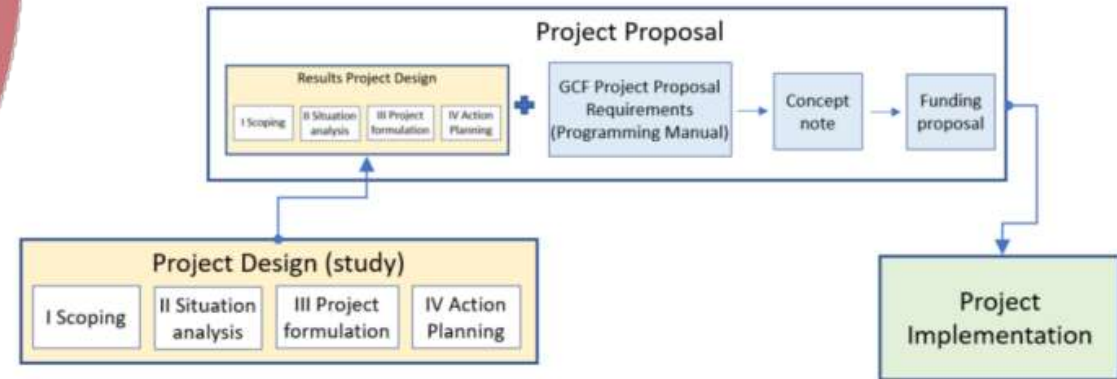
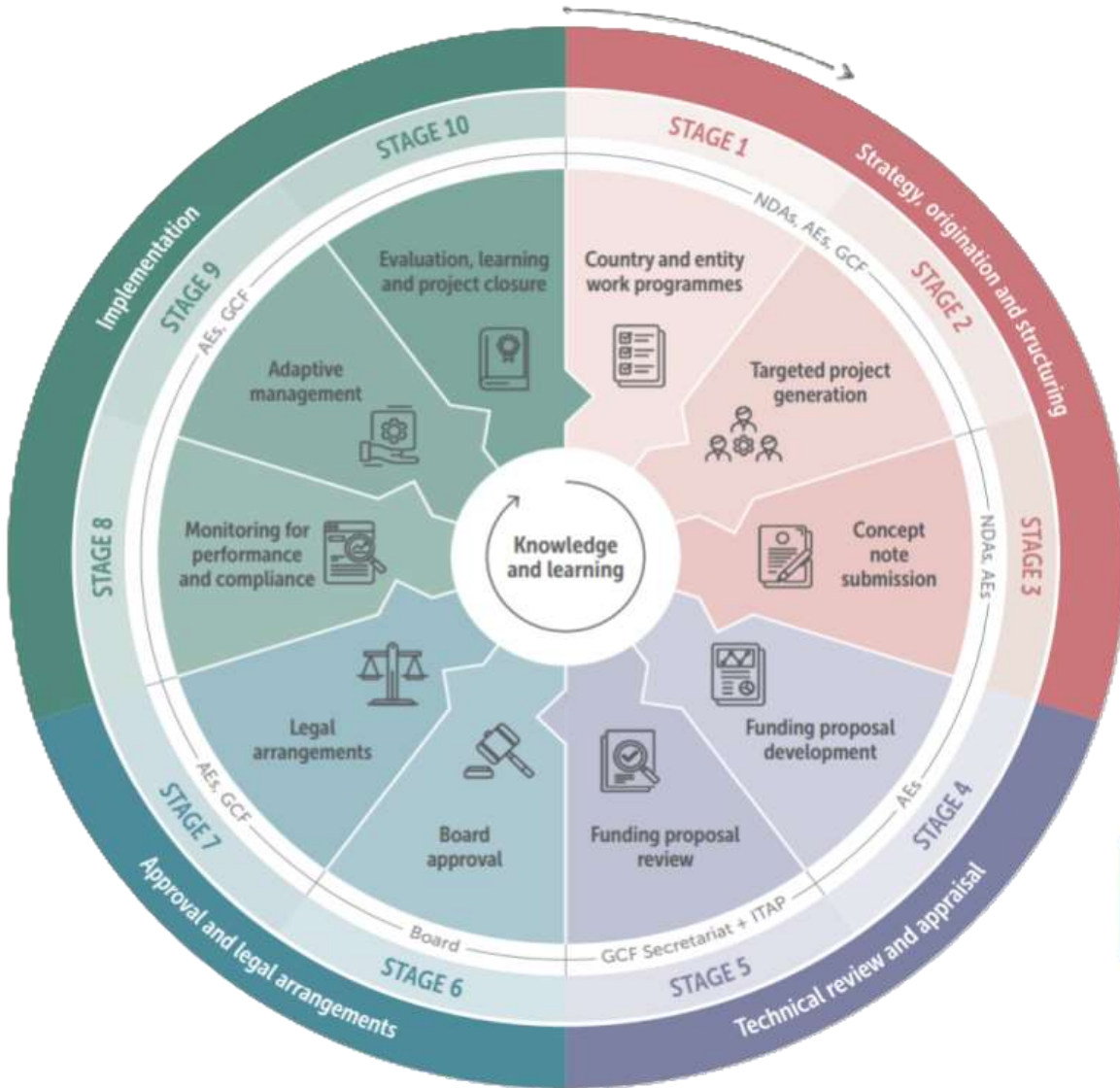
- *Pathway 1:* Enhance water conservation, water efficiency and water reuse. E.g., through demand management, smart digital water management, decentralized operation models and resource recovery.
- *Pathway 2:* Strengthen integrated water resources management – protection from water-related disasters, preserve water resources and enhanced resilient water supply and sanitation services. e.g., through Ecosystem-based management, alternative water sources and IWRM.

Integrating water  
in the National  
Adaptation Plan

Reflecting water  
in the Country  
Programme

Developing  
Water  
Programmes

Developing an  
individual Water  
Project



## Country ownership

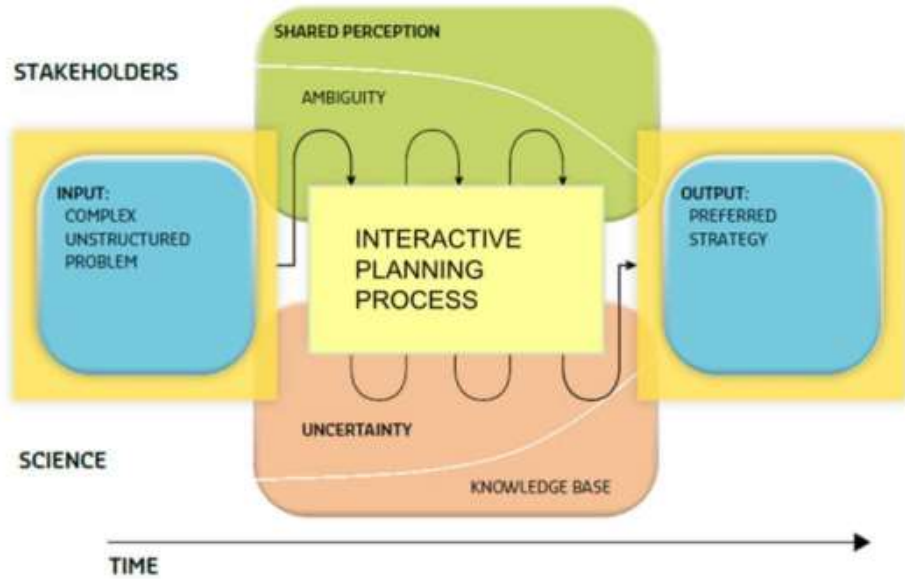
- Should be designed by stakeholders and beneficiaries, for stakeholders and beneficiaries

## Apply IWRM practices

- Projects should take a holistic view of the water system, hydrological cycle and risk reduction

## Sound project design

- Follow checks and balances in the project development cycle

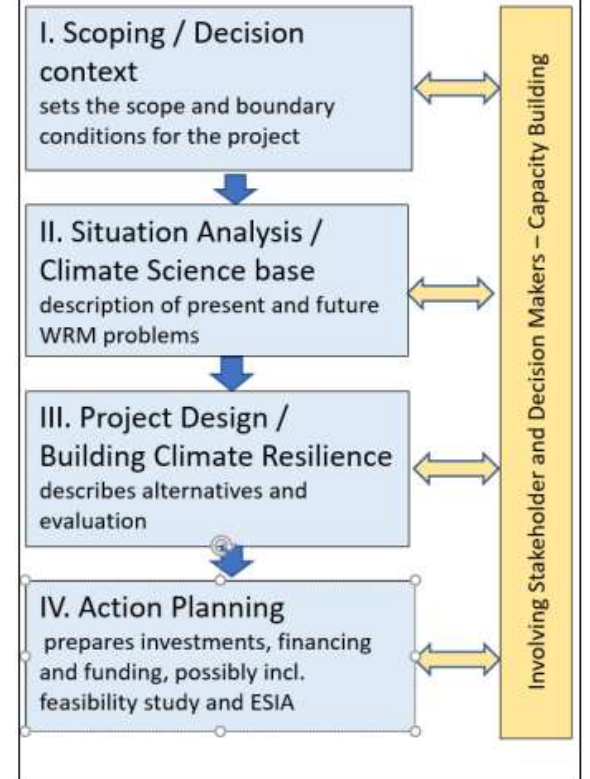


*Stakeholder Engagement*

*Dimensions of Water Systems*



**Figure 7: Structured approach for project identification and implementation**



The overarching goal of a GCF adaptation proposal should align with the Global Goal on Adaptation (Article 7.1 of the Paris Agreement) thereby, *“enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change”*.

Adaptation planning should ensure maximum stakeholder involvement in adaptation choices

Adaptation actions should be coordinated with economic and social development and integrated into policy and planning processes

**Identification:** Proposals should show how the proposed activities relate to and seek to address current and/or future projected climate change impacts. They should show how climate change has led, or will lead, to the specific impacts.

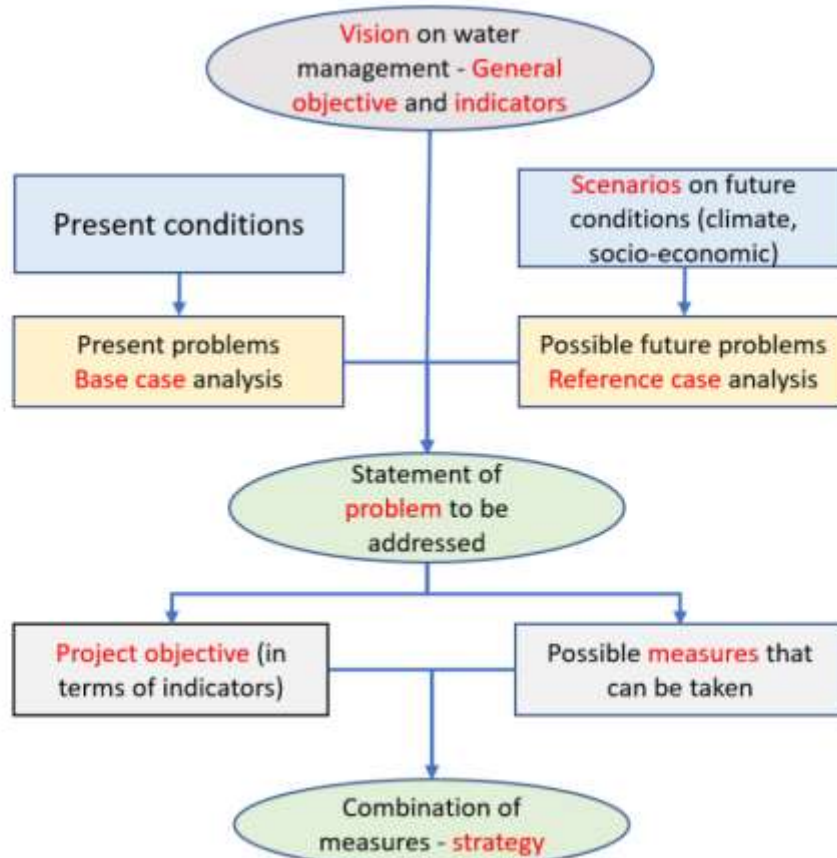
**Response:** Proposals should demonstrate how the proposed activities will reduce the risk caused by climate change and thus reduce vulnerability (and where relevant explaining why the proposed intervention was selected over alternatives). Proposals should consider barriers to the implementation of the activities and describe how the project proposes to overcome those barriers

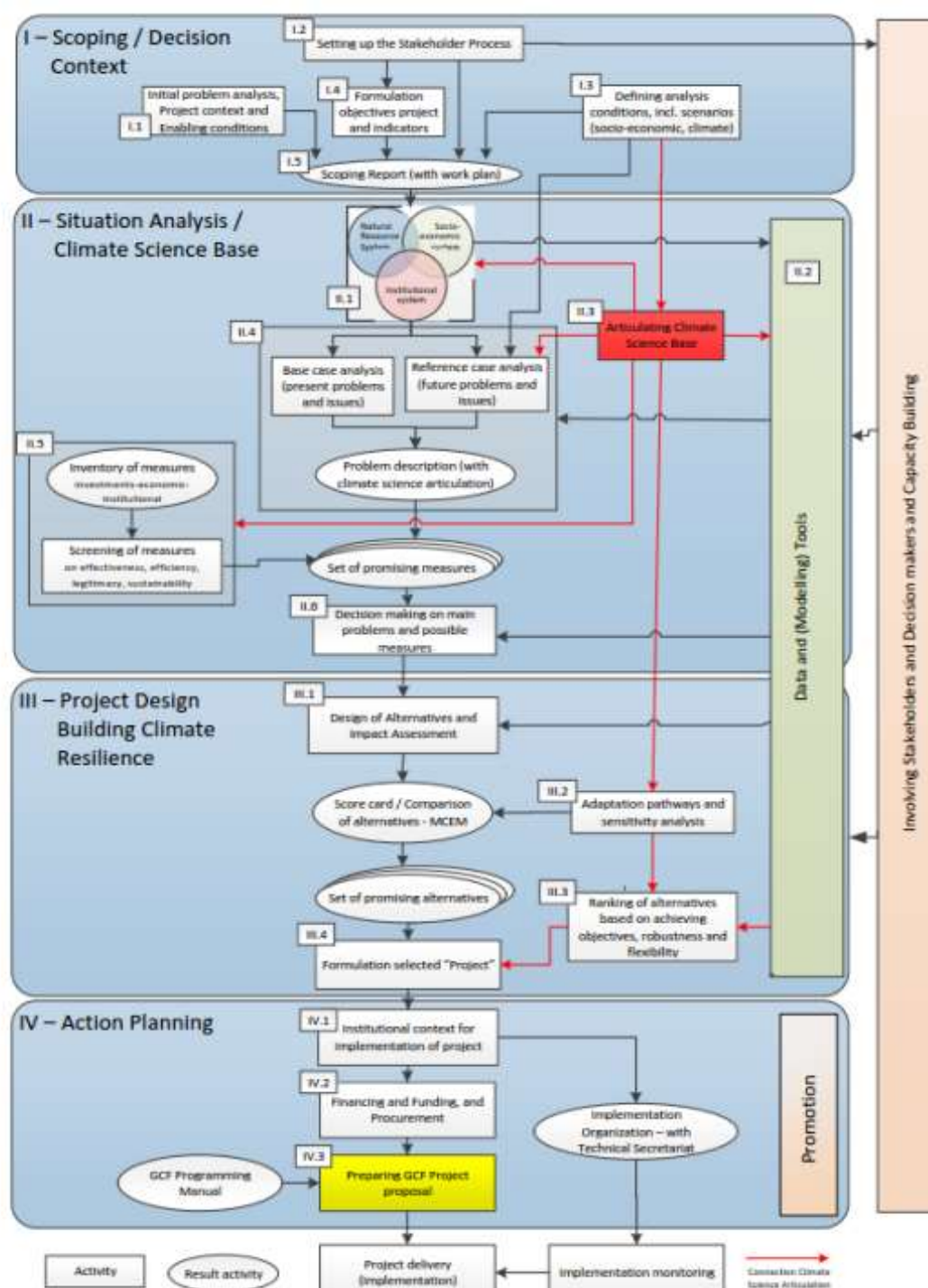
**DATA:** Articulation of identification and response should use best available data, drawing on the data and methods that are uniquely relevant to proposals

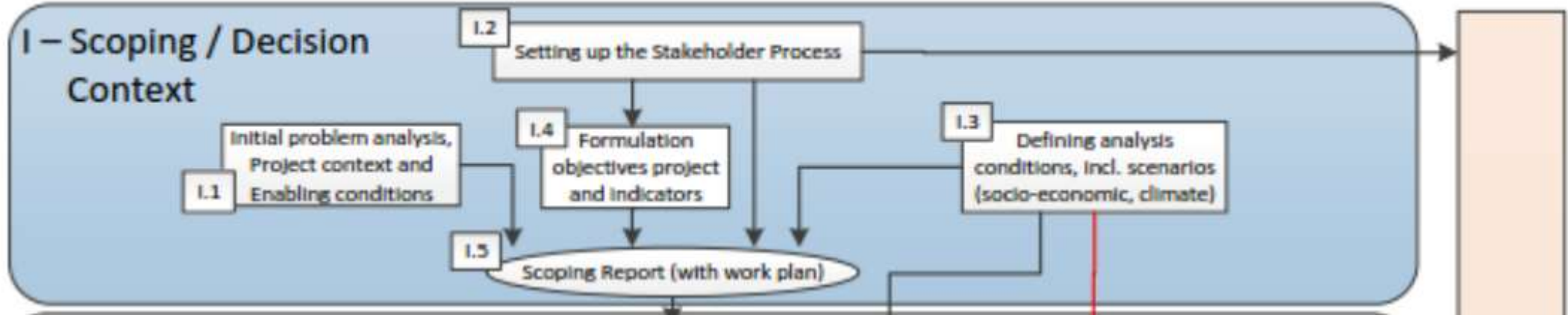


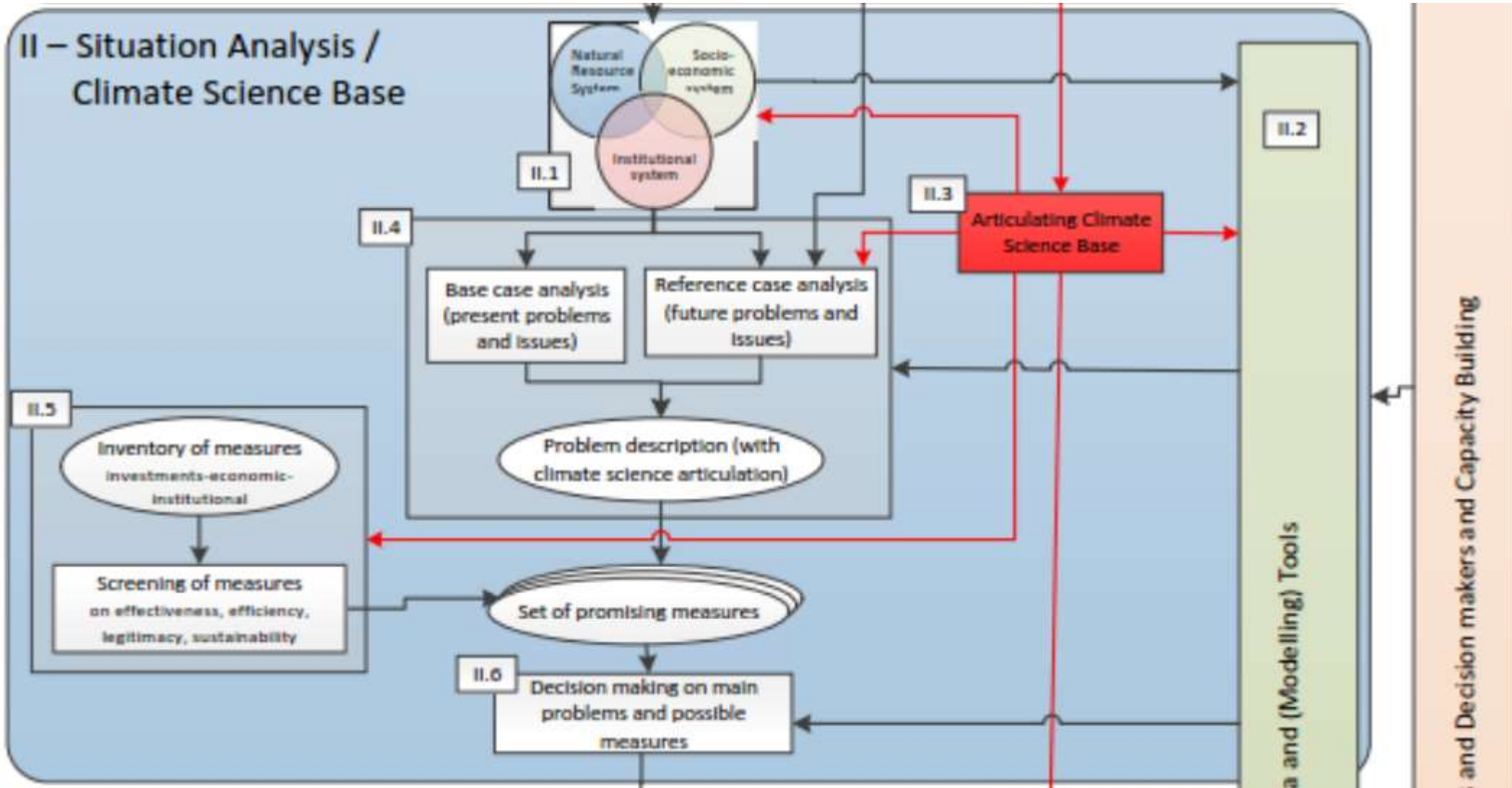
**Policy alignment:** proposals should confirm alignment of the proposed activities with the participating countries' national plans and climate strategies

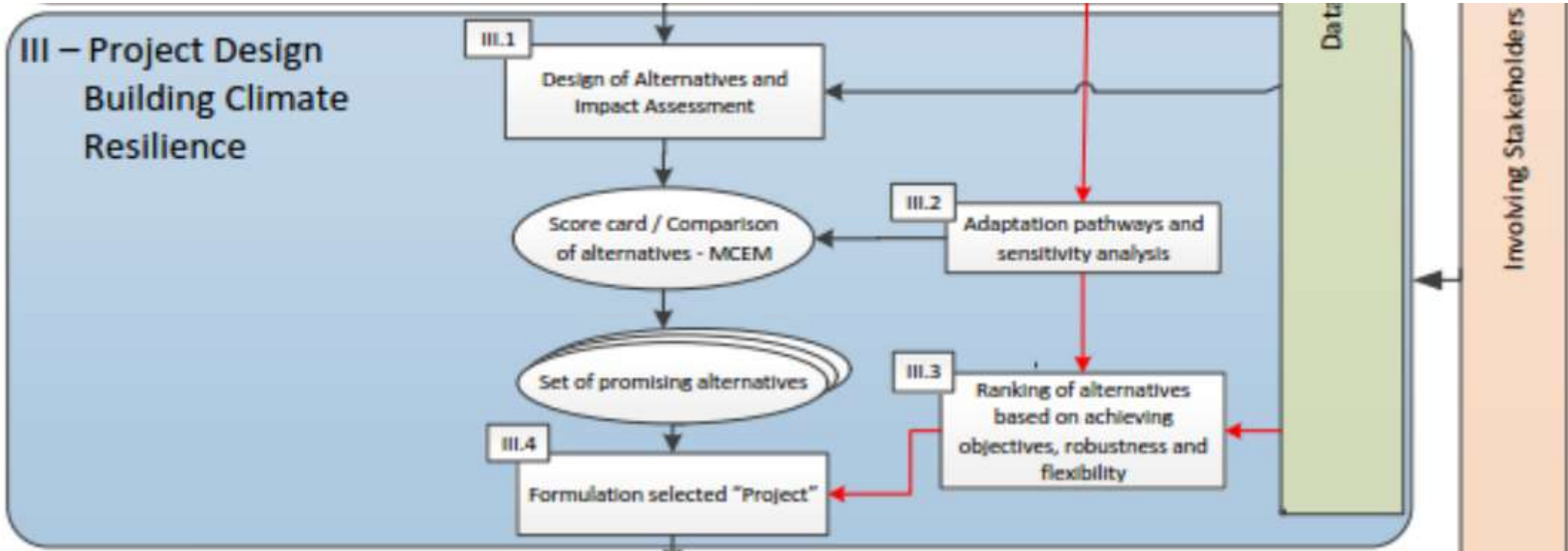
**Monitoring and evaluation:** Proposals should include a description of the monitoring and reporting system that will be used to assess the climate impact of the proposed activity

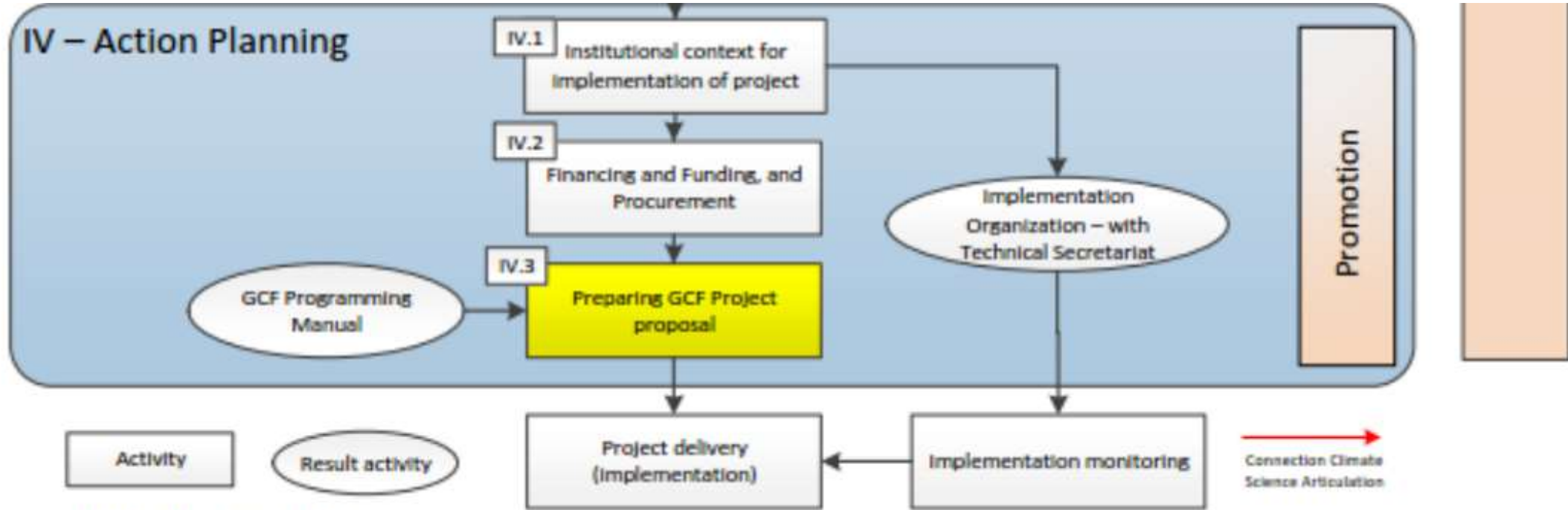












X.I In small boxes refer to steps as described in the Guidelines

