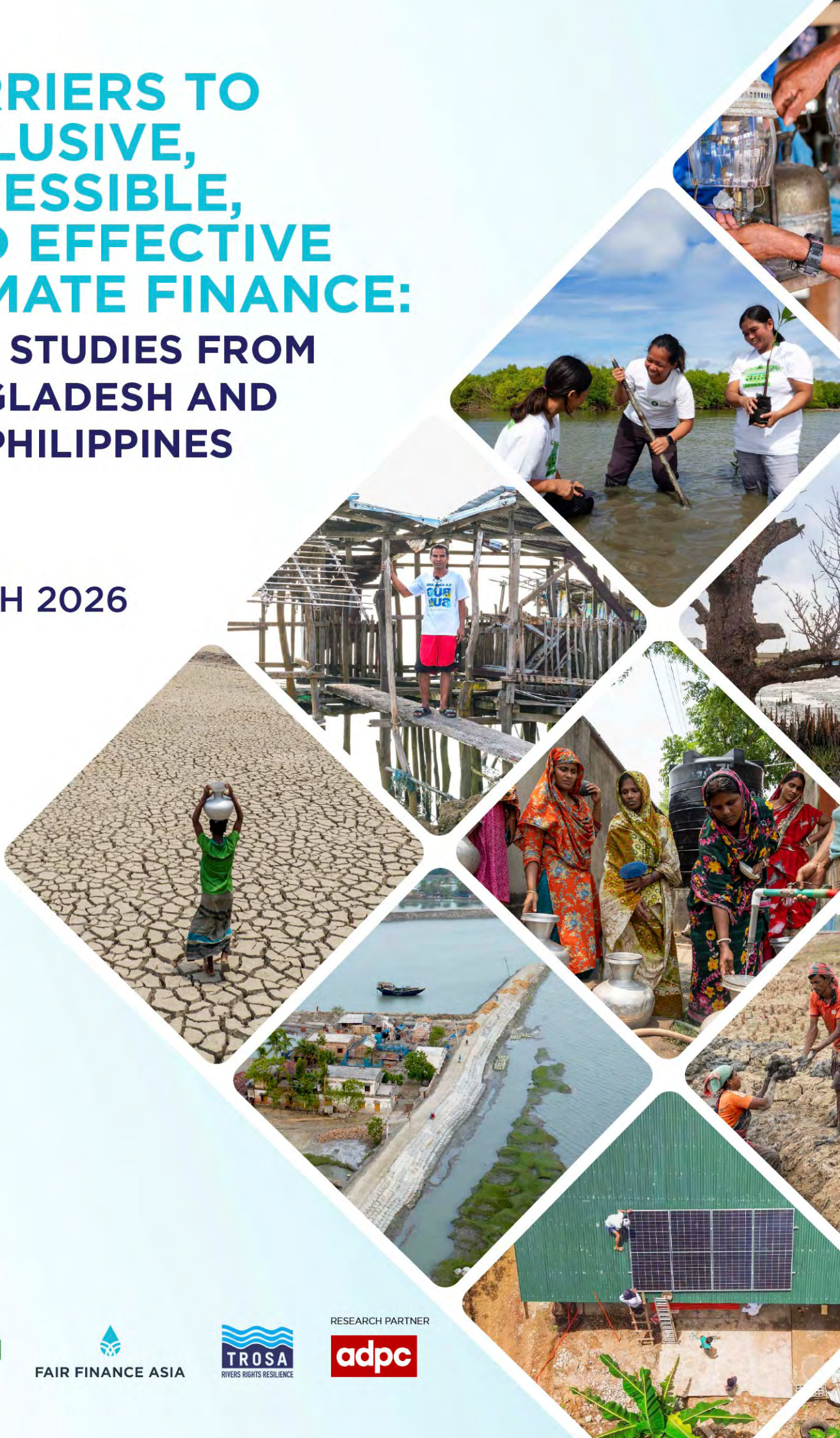
BARRIERS TO INCLUSIVE, ACCESSIBLE, AND EFFECTIVE CLIMATE FINANCE:

CASE STUDIES FROM BANGLADESH AND THE PHILIPPINES

MARCH 2026



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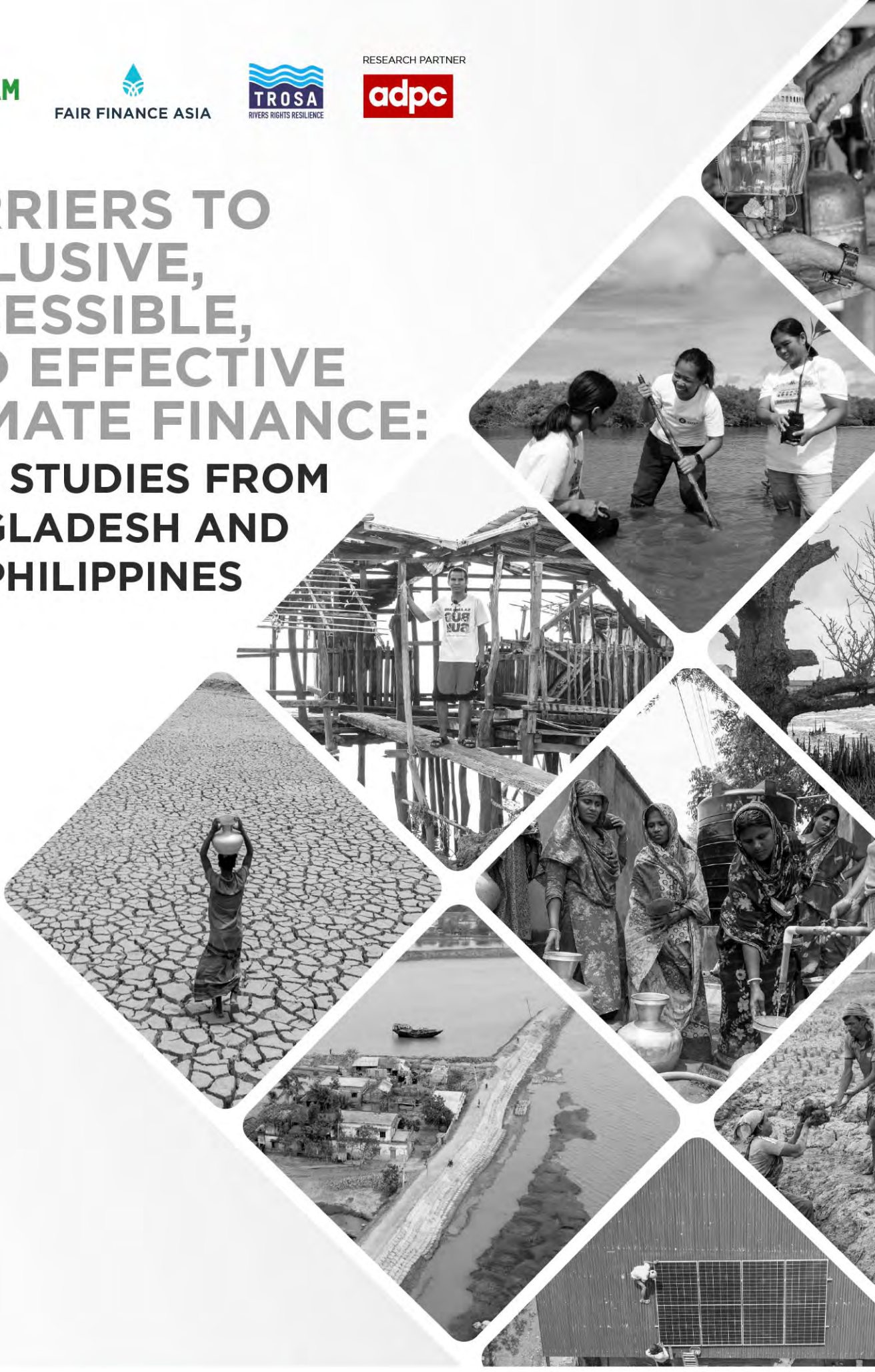

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About this Report

This report, commissioned by Fair Finance Asia (FFA) and Transboundary Rivers of South Asia (TROSA), and developed in partnership with research partner, the Asian Disaster Preparedness Center (ADPC), investigates whether current climate funding flows in Bangladesh and the Philippines enable meaningful access for frontline communities, particularly women, low-income groups, and marginalized populations; and whether these funds are aligned with local needs and priorities.

This report considers data and documents published before 12 December 2025.

This report is intended to provide data-driven evidence to contribute to public discussions on effective and accessible climate finance. For more information on this report, please contact FFA at info@fairfinanceasia.org and TROSA at info.trosa@oxfam.org

About FFA

FFA is a regional network of Asian civil society organizations committed to ensuring that the business decisions and funding strategies of financial institutions in the region respect the social and environmental well-being of the communities in which they operate. Civil society coalitions from 10 countries are part of the FFA network: Bangladesh, Cambodia, India, Indonesia, Japan, Lao PDR, Pakistan, the Philippines, Thailand, and Vietnam. To learn more about FFA, visit: fairfinanceasia.org

About TROSA

TROSA, implemented by Oxfam and its partners with support from the Government of Sweden since 2017, works for just and inclusive governance of transboundary rivers. Since December 2022, the program has started its second phase, which focuses on strengthening cooperation in governing shared water resources and enhancing the resilience of riparian communities to climate change in the Ganges-Brahmaputra-Meghna (GBM) River basins. The program has a layered partnership arrangement with six regional partners and 11 national partners engaged at the regional, national, and local levels. To learn more, visit: asia.oxfam.org/what-we-do/water-governance-transboundary-rivers-south-asia

About ADPC

ADPC is a non-profit, autonomous, regional organization, international in status and non-political in management, staffing and operations organized for scientific, educational, developmental and humanitarian purposes. Over the past four decades, ADPC has helped countries in Asia and the Pacific develop their policies and capacities to mitigate the impact of disasters by organizing, providing, facilitating and otherwise supporting training, information management, research, project or programme management and technical assistance. To learn more, visit: adpc.net

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Front cover page: the photos depict climate impacts and community resilience among frontline communities in Bangladesh and the Philippines. Photos by: Drik Picture Library Limited, Elizabeth Stevens, Fair Finance Philippines, and Vina Salazar/Oxfam Pilipinas.

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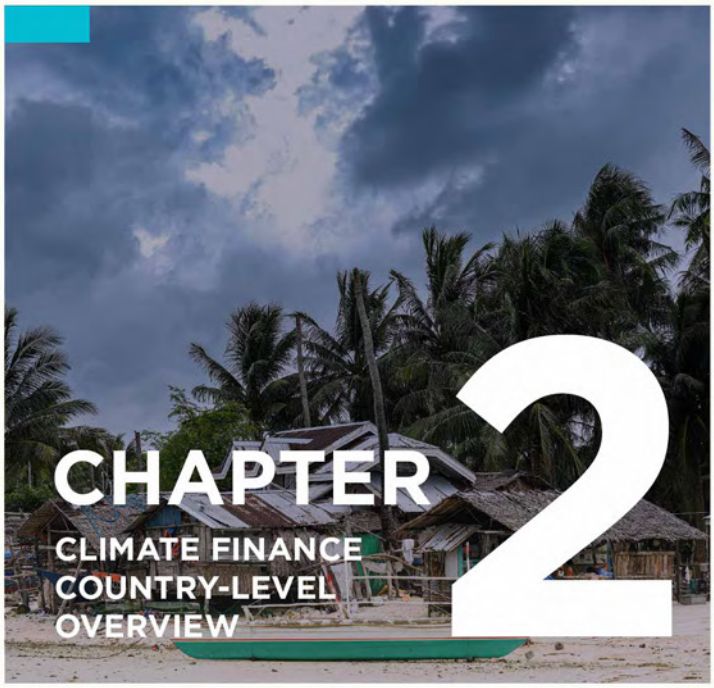
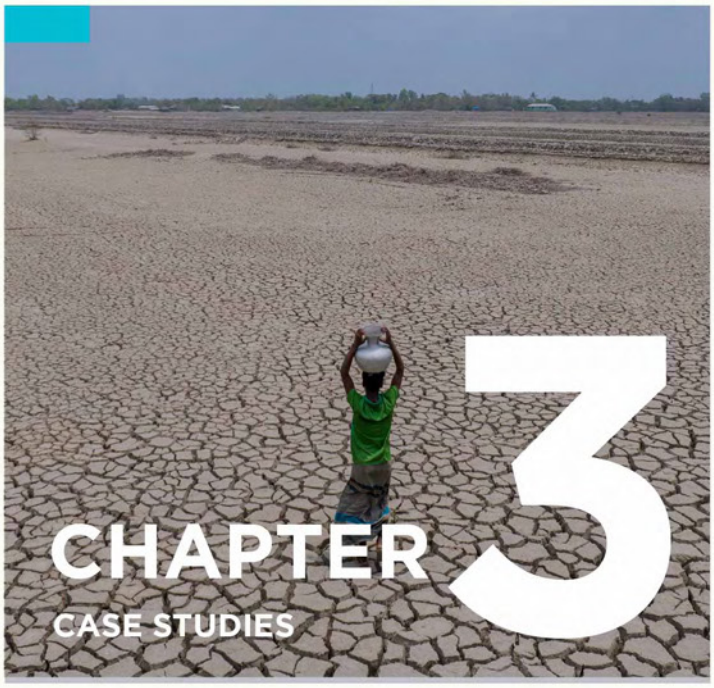
CONTENT SNAPSHOT





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ADB	Asian Development Bank
ADPC	Asian Disaster Preparedness Center
AE	Accredited Entity
AF	Adaptation Fund
AIIB	Asian Infrastructure Investment Bank
ASEAN	Association of Southeast Asian Nations
BCCRF	Bangladesh Climate Change Resilience Fund
BCCSAP	Bangladesh Climate Change Strategy and Action Plan
BCCTF	Bangladesh Climate Change Trust Fund
BDT	Bangladeshi Taka
BMDA	Barind Multipurpose Development Authority
BRAC	Bangladesh Rural Advancement Committee
BRT	Bus Rapid Transit
CCC	Climate Change Commission (Philippines)
CCAG	Climate Change Adaptation Community Group
CCFF	Climate Change Financing Framework
CI2	Climate Investor Two
CIF	Climate Investment Funds
COP	Conference of Parties
CSO	Civil Society Organization
DAC	Development Assistance Committee
DAE	Direct Access Entity
DOST	Department of Science and Technology (Philippines)
DBP	Development Bank of the Philippines

DRR	Disaster Risk Reduction
ECCCP	Extended Community Climate Change Project
EDA	Enhanced Direct Access
EE	Executing Entity
ESIA	Environmental and Social Impact Assessment
EV	Electric Vehicle
FAO	Food and Agriculture Organization of the United Nations
FFA	Fair Finance Asia
FGD	Focus Group Discussion
FMA	Fisheries Management Area
FMO	Dutch Entrepreneurial Development Bank
FP	Funding Proposal
GCF	Green Climate Fund
GCA	Global Center on Adaptation
GDP	Gross Domestic Product
GEF	Global Environment Facility (UNEP)
GESI	Gender Equality and Social Inclusion
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRM	Grievance Redress Mechanism
IDCOL	Infrastructure Development Company Limited (Bangladesh)
IE	Implementing Entity
IIED	International Institute for Environment and Development
IFI	International Finance Institution
IKI	International Climate Initiative (Germany)

IPCC	Intergovernmental Panel on Climate Change
KOICA	Korea International Cooperation Agency
LDC	Least Developed Country
LGU	Local Government Unit
LoCAL	Local Climate Adaptive Living Facility
M&E	Monitoring and Evaluation
MAR	Managed Aquifer Recharge Center
MCF	Multilateral Climate Fund
MDB	Multilateral Development Bank
MoEFCC	Ministry of Environment, Forest and Climate Change (Bangladesh)
NAP	National Adaptation Plan
NAPA	National Adaptation Program of Action
NCCAP	National Climate Change Action Plan
NCQG	New Collective Quantified Goal on Climate Finance
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NDRRMC	National Disaster Risk Reduction and Management Council
NGO	Non-Governmental Organization
NTP	National Transport Policy
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAGASA	Philippine Atmospheric, Geophysical and Astronomical Services Administration
PARTNER	Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience
PKSF	Palli Karma-Sahayak Foundation

PPCR	Pilot Program for Climate Resilience
PPP	Public-Private Partnership
PRICELESS	Philippine Rise Integrated Conservation for Enduring Legacies through Ecosystem Support Services
PSF	People's Survival Fund
RDRS	Rangpur Dinajpur Rural Services
SAP	Simplified Approval Process
SIDS	Small Island Developing States
SKS	Samaj Kallyan Sangstha
SREP	Scaling-Up Renewable Energy in Low Income Countries Program
TRANSCEND	Transformative Actions for Climate and Ecological Protection and Development
TROSA	Transboundary Rivers of South Asia
UN	United Nations
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UNEP	United Nations Environment Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
WASH	Water, Sanitation, and Hygiene
WB	World Bank

EXECUTIVE SUMMARY

Climate finance is designed to support people at the forefront of the climate crisis—those who are the first to face the lived impacts of climate-induced disasters and the last to recover once external support fades (UNDRR). These communities are the least responsible but most victimized, such as farmers in drought- and flood-prone areas, fisherfolk losing their catch to rising sea water temperatures, and low-income households struggling to rebuild after every storm. Nevertheless, in climate-vulnerable countries like Bangladesh and the Philippines, the hope for just and accessible finance is far behind. Even with billions of dollars pledged under the Paris Agreement, most funds either pass via distant intermediaries or take the form of debt and rarely reach communities in need.

Between 2016 and 2022, Bangladesh and the Philippines received an estimated USD 21.1 billion and USD 15.9 billion in international climate finance, respectively. But more than 90% of the flows arrived in the form of loans, not grants, increasing the financial burden on already debt-ridden countries with escalating climate losses. This debt-oriented architecture is not aligned with the principle of climate justice. In both countries, access remains tightly centralized; only two national institutions in Bangladesh, Palli Karma-Sahayak Foundation (PKSF) and Infrastructure Development Company Limited (IDCOL), and the Philippines, LANDBANK and Development Bank of the Philippines (DBP), are accredited to the Green Climate Fund (GCF), the world's largest multilateral climate fund (MCF). As a result, local actors and frontline communities remain largely excluded from directly accessing funds intended to support them.

Who gains, who loses?

Across both countries, climate finance prefers big-scale, infrastructure-based and mitigation-oriented schemes to small-scale, community-based adaptation.

Delivery chains for funds remain opaque and inefficient, with several intermediaries taking their share of resources along the way, leaving communities with little to no support in the end. Frontline communities, therefore, bear the risks while international financiers reap most of the benefits.

A comparison of three GCF projects in Bangladesh and the Philippines illustrates how the design of financing influences outcomes for justice:

- **Extended Community Climate Change Project-Drought (ECCCP-Drought) (Bangladesh)** builds community knowledge and capacity in water security and climate-resilience agriculture through grants and training, but also provides high-interest microloans (18–20%), forcing poor farmers to bear adaptation expenses they should not incur.
- **Extended Community Climate Change Project-Flood (ECCCP-Flood) (Bangladesh)** improved housing, sanitation facilities, and climate-adaptive livelihoods, but excluded landless and ultra-poor households due to cost-sharing requirements and inconsistent eligibility criteria. Project sustainability is uncertain as local governments were not fully integrated.
- **Climate Investor Two (CI2) (Philippines)** demonstrates the potential of a blended finance mechanism in mobilizing private capital, but risks being too focused on infrastructure with limited community engagement. With a total investment of USD 880 million, limited transparency on fund flows, and an equity-driven design, inclusivity and affordability may be sidelined.

Participation without power

The communities participating in these projects were engaged but rarely empowered. Women, older persons,

persons with disabilities, and Indigenous Peoples had little influence on project design, tariff setting, or distribution of benefits. While most of the climate finance initiatives documented gender participation, few demonstrated gender transformation or inclusive governance.

Grant-based adaptation programs are more equitable and empowering. However, in some cases, loan-based schemes designed for financial viability transferred risk to the poor, undermining the core purpose of adaptation finance.

Short-term profits, long-term losses

Communities reported short-term gains, such as better access to water, sanitation, and climate-resilient crops. However, sustainability remains uncertain. Costs for maintenance, local capabilities, and institutional ownership were often not incorporated in public budgets. Without them, climate-resilient infrastructure will degrade once projects end. Most interventions relied on non-governmental organizations (NGOs), and with limited government integration, accountability and long-term resilience weakened.

Towards equitable climate finance

The experiences of Bangladesh and the Philippines reveal a larger structural reality: climate finance remains institutional, not societal. The procedures that determine who gets financed and through what mechanisms still favor international intermediaries and private investors over communities that deal with climate-induced disasters, such as floods, droughts, and increasingly severe weather events.

Recommendations

This report advocates for climate finance to transition toward locally driven, grant-based, and justice-based approaches.

1. **Shifts from loans to grants:** High-income nations and multilateral development banks (MDBs) need to significantly increase their share of grants, particularly for climate adaptation, loss, and damage. No nation should incur debt to cope with a crisis that it least contributed to.
2. **Decentralize and democratize access to finance:** The GCF and national governments must expand direct access to finance by licensing additional sub-national and national entities, including local NGOs, banks, and cooperatives.
3. **Integrate affordability and equity:** Governments and non-state actors must restrict user fees and tariffs for basic services such as water and sanitation. Climate-finance schemes must have equity assessments as a requirement for approval.
4. **Institutionalize community leadership:** Local planning and budgeting for climate adaptation needs to foster genuine community leadership by ensuring formal representation of women, youth, and marginalized groups, including empowering them to lead participatory monitoring, grievance redress, and social audits.
5. **Strengthen transparency and accountability:** The entire funding flow, from the GCF to local implementers, needs to be completely transparent at all times. There must be a mechanism for citizen audits and community-level scorecards to track whether funds deliver tangible benefits.
6. **Place gender and social justice at the center:** All adaptation frameworks must utilize gender-transformative and intersectional GESI indicators, disaggregating data by sex, age, disability, and income for balanced delivery.

Effective climate finance justice means that access to funds is swift, transparent, and equitable to where it is needed most. For Bangladesh, the Philippines, and other climate-vulnerable countries around the world, this reform determines the capacity of populations at immediate risk to adapt.

CHAPTER 1

CLIMATE FINANCE:
FROM GLOBAL COMMITMENTS TO FRONTLINE COMMUNITIES

Women wait in line to collect fresh drinking water from a distant water pump, April 2025. Photo credit: Drik Picture Library Limited.

1.1. Introduction

According to United Nations (UN) estimates, global climate finance flows reached an annual average of USD 1.3 trillion in the period of 2021–2022, a 63% increase from the previous period (2019–2022). Most of this financing is domestic and comes from private investment across developed and developing economies. Of the total amount, financial flows from developed to developing countries averaged about USD 106.5 billion, delivered through bilateral channels, multilateral climate funds (MCFs), multilateral development banks (MDBs), and private finance. Of this amount, 26% (USD 27.5 billion) was for adaptation finance while the remainder went to climate mitigation and crosscutting activities[1].

Although total financial flows show a sharp upward trend, they fall short of meeting the climate finance needs of developing nations, which the United Nations Global Policy Model estimates at USD 1.1 trillion in 2025 and USD 1.8 trillion by 2030[2]. According to a Climate Policy Initiative (CPI) report, the average adaptation finance needs for emerging market economies are around USD 212 billion a year from 2024–2030[3].

Frontline communities in climate-vulnerable countries and regions are especially vulnerable to extreme climate impacts, such as loss of livelihoods, forced migration, and health crises. For instance, severe floods and storms have displaced more than 20 million individuals each year since 2008, with developing countries disproportionately hit[4].

Climate finance serves as an important tool for building resilience at the local level. However, some MDBs and UN agencies often face structural and operational barriers to directly financing small-scale projects, due to extensive due diligence requirements and high administrative costs[5]. According to the UNEP Adaptation Gap Report, between 2017 and 2021, less than 17% of finance was reported for climate adaptation projects with a specific focus on local communities, which demonstrates how little funding reaches the frontlines[6].

The evolution of global climate finance architecture (see Annex 1) shows a progressive formalization of climate finance governance, including fiduciary standards, environmental and social safeguards, and accountability mechanisms. This evolution has created both opportunities and challenges. On the one hand, there is increased funding and transparency, but on the other, it creates procedural complexities that hinder timely and equitable access.

In this context, it becomes important to understand who stands on the front lines of these climate risks and how effectively global finance mechanisms reach them. The UN Office for Disaster Risk Reduction (UNDRR) defines frontline communities as those that are at risk of being first to face the lived impacts of climate-induced disasters and the last to recover when all external actors have left[7].

As two of the most climate-exposed nations in Asia and major recipients of global climate funding, Bangladesh and the Philippines provide critical contexts for examining the inclusiveness and effectiveness of international climate finance. Bangladesh has received more funding from international climate funds, particularly the GCF, than any other Asia-Pacific country[8]. GCF has also been aiming to catalyze climate investments in the Philippines for low emissions and locally driven climate actions. Operating as the world's largest MCF, the GCF has a key role to play in defining climate finance trends and shaping how resources are distributed for climate initiatives in vulnerable areas.

1.2. Why tracking climate finance flows matters

International climate finance offers much-needed assistance to nations and communities confronting the impacts of climate change, and it must be both effective and inclusive to ensure that resources reach those who are most

vulnerable[9]. One of the key milestones in global climate finance is the USD 100 billion annual commitment by developed countries to support developing countries in fighting climate change. First announced at COP15 in Copenhagen (2009), and later formalized under the Paris Agreement, this pledge aimed to mobilize the aforementioned amount annually by 2020. The target remained unmet until 2022, when developed nations provided and mobilized USD 115.9 billion for developing countries, around 60% of which supported mitigation action, again leaving adaptation far behind[10].

Nonetheless, the scale and composition of the reported flows remain contested, as they include loans and non-climate financial flows. Oxfam's 2024 Climate Finance Short-Changed Report reveals that the actual value of the USD 100 billion commitment amounts to between USD 28 billion and USD 35 billion when only grants are considered[11]. The report further notes that developed countries have not only failed to deliver the commitment but have also overstated the level of support they have actually provided. Additionally, the actual climate-specific net assistance for adaptation from developed countries in 2022 amounts to only 10–13% of their total claimed support.

Therefore, to ensure that climate finance delivers meaningful outcomes for vulnerable populations, local-level grants for adaptation are needed. These grants serve as essential tools to support immediate, community-driven resilience efforts like flood defenses and drought-resistant agriculture, including Indigenous-led initiatives. Yet the data shows only 1–2% of international climate finance goes to Indigenous Peoples' communities which protect over 80% of global biodiversity, exposing a glaring gap in resource allocation[12].

To summarize, such funding disparities highlight the importance of systematically tracking financial flows from international climate finance, as it helps ensure investments address critical local needs effectively and funds reach frontline communities, especially those most vulnerable to climate change. Specifically, tracking climate finance supports the following (see Annex 2 for details):

- **Ensuring inclusivity:** Tracking climate finance ensures marginalized groups are actively involved in decision-making and benefit from climate actions tailored to their needs.
- **Improving ease of access:** It helps identify and remove barriers so that local actors and communities can directly access funding more easily.
- **Ensuring accountability and transparency:** Tracking enables stakeholders to monitor the flow of funds and ensure resources are used responsibly and reach intended beneficiaries.
- **Improving resource allocation and efficiency:** It can reduce transaction costs, improve coordination among stakeholders, and enable targeted investment strategies.
- **Mobilizing additional resources:** Transparent tracking demonstrates effectiveness, which can attract new donors and help leverage innovative financing mechanisms.
- **Aligning with global, national, and local climate goals:** Tracking helps policymakers assess whether investments are consistent with climate goals.
- **Increasing impact at the community level:** It enables targeted investments that address the unique needs of local populations and strengthen climate resilience.

This report comes at a critical juncture in the climate finance discourse. Recent reports[13] [14] have highlighted significant challenges in climate finance for Asia, including those identified by other organizations such as the World Bank (WB), Asian Development Bank (ADB), and UN frameworks, which can lead to unmet finance commitments and limited

transparency and local access. These issues are pressing for climate-vulnerable countries like Bangladesh and the Philippines.

1.3. About this report

The report analyzes how climate finance is structured and delivered at the national level, and how it is experienced at the community level. The study focuses on two of the most climate-vulnerable countries, Bangladesh and the Philippines, both of which employ diverse funding mechanisms to address climate-related challenges. These contexts offer valuable insights into how climate finance reaches grassroots levels and whether it effectively responds to the needs and priorities of women, low-income populations, and other marginalized groups.

This research is a joint initiative of two Oxfam regional programs in Asia: Fair Finance Asia (FFA) and Transboundary Rivers of South Asia (TROSA), both funded by the Swedish International Development Cooperation Agency (Sida) through the Embassy of Sweden in Bangkok, Thailand. The selection of Bangladesh and the Philippines aligns with the geographical scope of these programs and the selection of climate finance projects. The Asian Disaster Preparedness Center (ADPC) was commissioned to undertake the research and analysis.

The objective of the report is to examine: whether current climate funding flows enable meaningful access for frontline communities, particularly women, low-income groups, and marginalized populations; and whether these funds are aligned with local needs and priorities. The study addresses these points by assessing the climate finance flows to Bangladesh and the Philippines, by examining key funding patterns, the inclusivity of projects, and the extent to which these investments respond to the needs and priorities of frontline communities.

The report is structured as follows:

Chapter 1 sets the context for climate finance and the significance of tracking it at the local level to ensure funds are aligned with the needs of the most vulnerable.

Chapter 2 provides an overview of the climate finance landscape in Bangladesh and the Philippines, including key funders, sectoral allocations, and patterns in funding mechanisms. This section also highlights the institutional roles and critical barriers to the flow of climate finance to frontline communities in both countries.

Chapter 3 presents three case studies of GCF projects implemented in both countries. This section assesses community-level responses to the project interventions with a focus on effectiveness, including intended and unintended impacts, as well as inclusivity and affordability.

Chapter 4 concludes the report by sharing recommendations to improve the effectiveness, equity, and inclusivity of climate finance based on insights from the financial mapping and community-level assessments.

1.4. Methodology

The methodology of this research uses a mixed methods approach, combining quantitative data analysis with qualitative analysis through review of relevant documents, interviews, and fieldwork to assess the flows, structure, and impacts of climate finance.

The research first assesses the climate finance landscape of Bangladesh and the Philippines using international public data from the Organisation for Economic Co-operation and Development's (OECD) Climate-Related Development Finance dataset (CRDF) from 2016 to 2022. The dataset includes 1,897 projects in Bangladesh and 1,643 projects in the Philippines. The results are illustrated using Sankey diagrams to show financial flow patterns and sectoral distributions (see Figure 1 and Figure 2 in Chapter 2).

Building on this dataset, the research assesses 40 climate-related projects from both countries to determine the extent to which they incorporate considerations of gender, age, and ethnicity in their design and implementation, and funds are effectively aligned with the needs of the most vulnerable. The project selection applies a purposive sampling approach with the following criteria:

- Directly target communities;
- Combination of different project sizes (small to large scale); and
- Availability of project data and information from secondary sources for detailed analysis.

The analysis examines financing instruments, implementing entities (IEs), and inclusion metrics to identify patterns and delivery gaps of climate finance to community-level interventions. Visual summaries of the financial flow patterns and inclusivity considerations are provided in Sankey diagrams (see Figure 3 and Figure 4 in Chapter 2).

To provide a deeper analysis of how international climate finance institutions channel resources to highly vulnerable countries like Bangladesh and the Philippines and deliver tangible outcomes at the community level, the study includes three case studies of GCF projects. The GCF was selected because of its role as the largest dedicated MCF under the UNFCCC framework and its explicit mandate to support country-driven, community-focused adaptation and mitigation initiatives[15].

The three selected GCF projects, each at different stages of implementation, are:

1. SAP026 – Extended Community Climate Change Project-Drought (ECCCP-Drought) in Bangladesh.
2. SAP008 – Extended Community Climate Change Project-Flood (ECCCP-Flood) in Bangladesh.
3. FP190 – Climate Investor Two (CI2) in the Philippines.

Table 1 presents a summary of the project objectives, funding modalities, implementing arrangements, and community coverage. These case studies were developed using a mix of qualitative and quantitative methods, including semi-structured interviews with project beneficiaries, local NGOs, and or Executing Entities (EEs).

Table 1 Overview of GCF case studies

No	Project name	Status	Implementing entities	Short description	Funding amount	Data collection methods
1	ECCCP-Drought in Bangladesh (SAP026)	Ongoing (2023–2027)	PKSF (Pali Karma Sahayak Foundation)	Address drought vulnerability using the 4R approach (Reuse, Recharge, Recycle, Reduce) with interventions in water management, drought-resilient agriculture, and institutional capacity in drought-prone regions.	USD 29.96 million – grant, co-financing (in-kind, loan).	• Desk research. • Semi-structured interviews with 25 direct beneficiaries from Rajshahi district (7 male, 18 female)*. • Interview (semi-structured questionnaire) with SKS (Samaj Kallyan Sangstha, local NGO partner).
2	ECCCP-Flood in Bangladesh (SAP008)	Completed (2019–2024)	PKSF (Pali Karma Sahayak Foundation)	Increase climate resilience for communities living in flood-prone areas in northern Bangladesh through resilient housing, WASH facilities, and climate-adaptive livelihoods.	USD 13.32 million – grant, co-financing (in-kind, loan).	• Desk research • Semi-structured interviews and FGDs with 25 direct beneficiaries from Kurigram district (23 male, 3 female). • Interview (semi-structured questionnaire) with RDRS (Rangpur Dinajpur Rural Services, local NGO partner).
3	Climate Investor Two (CI2) in the Philippines (FP190)	Ongoing (2022–2042)	Consortium, led by FMO (Dutch Entrepreneurial Development Bank)	Private-sector focused blended finance fund to build climate-resilient infrastructure (water, sanitation, ocean) across developing countries, including the Philippines.	USD 880 million – grant, co-financing (grant, equity).	• Desk research. • Interview (structured questionnaire) with Climate Fund Managers (CI2 lead manager). • No community-level interviews (engagement only planned for a later stage).

1.5. Limitations

This report offers critical insights into climate finance flows in Bangladesh and the Philippines. However, several limitations need to be acknowledged to ensure a balanced interpretation of the findings. The following points summarize the key challenges encountered during the assessment.

- **Data disaggregation constraints:** In the analysis of 40 (20 for each country) selected projects, while project documents referenced demographic categories such as gender, age, and ethnicity, systematic disaggregation of data was often limited. Several projects showed 'Low' or 'NA' ratings for considering marginalized groups. This reflects a lack of consistent baseline and monitoring data to assess the impacts of the GCF projects on different

* The sample beneficiaries for all the three projects were selected using snowballing and criterion sampling strategies (see Annex 13A and Annex 13B). The gender imbalance among respondents reflects the inherent limitation of snowball sampling.

demographic segments. These limitations constrained the researchers' ability to conduct robust intersectional analysis, highlighting the need for more comprehensive data collection to support comparative assessments.

- **Status of selected GCF projects:** Based on the initial review of the three case studies, it was determined that limited information is disclosed on the GCF website, either because the projects are in initial stages of implementation or annual performance reports are not yet available. The three selected GCF projects were at different implementation stages, with limited publicly available performance data. In Bangladesh, Case Study 1 (ECCCP-Drought) is still ongoing, and Case Study 2 (ECCCP-Flood) has been completed. Case Study 3 (CI2) is yet to start implementation in Bangladesh and is in the initial implementation phase in the Philippines. This created methodological challenges for comparative analysis across projects and necessitated adjustments to the evaluation framework to account for these data limitations. The findings from the selected GCF projects should therefore be interpreted as illustrative snapshots rather than nationally representative evidence, given their early implementation stages and the focus on a limited number of sites (for example, Rajshahi for ECCCP-Drought). These limitations also highlight the need for financial intermediaries to disclose more granular performance data to enable systematic learning and improvement.
- **GCF Information Disclosure Policy:** The analysis of the GCF case studies used multiple sources of information, including a review of project documents and interviews with direct project beneficiaries, local implementing agencies, and Executing Entities (EEs). However, detailed information on how funds are disbursed at the output level remains limited. This is primarily due to the constraints of the GCF Information Disclosure Policy, which, while designed to maximize transparency, restricts the disclosure of certain financial and operational data, including detailed fund flows across intermediaries, disaggregated co-financing amounts, and performance indicators related to utilization of finances. As a result, the study was unable to obtain comprehensive budgetary disbursement details for ongoing projects from either the EEs or the GCF website.

CHAPTER 2

CLIMATE FINANCE OVERVIEW: BANGLADESH AND THE PHILIPPINES

Marihangin Island is an island in Barangay Bugsuk, Balabac, Southern Palawan. It is home to around 97 families, most of whom are part of the Molbog Indigenous group. Despite not having access to any cellular signal or stable electricity, residents of the island have thrived on their livelihood as fisherfolk. However, when corporations invaded their land and fenced off their fishing grounds, the community became deprived of their access to their livelihood and their basic needs. Photo credit: Fair Finance Philippines.

2.1. Climate vulnerability and its impact on communities in Bangladesh and the Philippines

Bangladesh and the Philippines rank among the world's most climate-vulnerable nations, facing increasing threats from extreme weather events, sea-level rise, changing precipitation patterns, and temperature fluctuations. The World Risk Index 2023 ranks the Philippines first in disaster risk globally, while Bangladesh ranks ninth. According to the Global Climate Risk Index, the Philippines is also among four Association of Southeast Asian Nations (ASEAN) countries (along with Myanmar, Vietnam, and Thailand) that are among the top 10 countries most affected by extreme weather events from 1999–2018[16].

These climate impacts disproportionately affect frontline communities—those on the geographical and socio-economic edges of society that face the first and worst effects of climate change. In Bangladesh, rising sea levels, salinity, cyclones, and riverine flooding are displacing millions and damaging agriculture, infrastructure, and water sources. In the Philippines, over 20 tropical cyclones annually, rising seas, droughts, and coral reef degradation threaten coastal livelihoods, food security, and Indigenous Peoples. These environmental stressors are driving migration to urban slums, where access to sanitation and healthcare remains inadequate.

Given these vulnerabilities, it is critical that climate finance to Bangladesh and the Philippines prioritizes frontline communities through targeted and inclusive investments that build long-term resilience and adaptive capacity.

This chapter offers a grounded and comprehensive look at how climate finance is structured, flows, and is experienced in these two high-risk countries. Through a mix of quantitative data and qualitative insights, it maps the landscape of funding sources, mechanisms, and allocations, examining how resources move from global donors to national sectors and to the grassroots level. It also explores the extent to which inclusivity, across gender, age, and ethnicity, is embedded in project-specific funding by different donors.

2.2. Climate finance at the community level

Climate finance can play a pivotal role at the local level by empowering communities to address climate challenges effectively while also advancing sustainable and resilient development. By directly engaging local actors and tailoring financial mechanisms to community-specific needs, climate finance resources can be used efficiently and equitably (see Annex 5).

Community-driven climate finance mechanisms enable local populations to take ownership of climate action. For example, the Global Environment Facility (GEF)'s Small Grant Program provides grants directly to local communities to implement projects that conserve and restore the environment while enhancing people's well-being and livelihoods[17]. Another example is the Climate Investment Fund's (CIF) Dedicated Grant Mechanism for Indigenous Peoples and Local Communities, which provides grants and technical support directly to grassroots organizations to promote sustainable forest management that contributes to climate adaptation and mitigation and security of land tenure[18].

Giving communities financial decision-making authority leads to equitable development and enhanced local capacities. For example, in Kenya, the County Climate Adaptation Funds—supported by the erstwhile UK Department for International Development (DFID) and the Sida—enable communities to select investments that include water facilities, livestock health services, and solar energy projects. This initiative is governed by a two-tier structure: Ward Planning Committees lead participatory planning at the local level, while County Planning Committees provide oversight and technical support. Funds are

allocated with 70% directed to ward-level investments, 20% to county-level projects, and 10% for planning and monitoring. Investments must meet clear eligibility criteria, including public benefit, environmental sustainability, and alignment with climate adaptation goals. It also integrates social inclusion by mandating the representation and engagement of women, youth, and marginalized groups in all stages of planning and implementation[19] [20].

The unique geographical locations of Bangladesh and the Philippines, combined with rising temperatures and uncertain economic realities, have created several distinct frontline community groups:

- **Frontline communities in Bangladesh concentrated in high-risk areas,** including coastal districts facing sea-level rise, salinity intrusion, and cyclones, as well as temporary river islands, or char, which are constantly threatened by flooding and erosion. The climate crisis is also affecting households in the Barind Tract, which face water scarcity and declining crop yields, as well as informal urban settlements in cities like Dhaka, which regularly experience flooding and lack adequate basic services.
- **In the Philippines, frontline communities fall into four main groups:** coastal fishing communities exposed to sea-level rise and increasingly frequent typhoons; Indigenous Peoples in upland and forested areas threatened by changing rainfall patterns and forest degradation; informal urban settlements in Metro Manila and other cities exposed to frequent flooding, heat stress, and exacerbated by inadequate infrastructure; and agricultural communities, particularly in Luzon and the Visayas, which face successive crop losses due to extreme weather, erratic rainfall, and increasing pressure from pests and diseases.

The three GCF case studies examined in Chapter 3 relate to these frontline contexts and illustrate how different climate finance models affect access and affordability for at-risk communities. Additional details on the frontline communities in Bangladesh and the Philippines and their needs can be found in Annex 6A and Annex 6B.

2.3. International climate finance flows and effectiveness: Bangladesh and the Philippines

Bangladesh and the Philippines need continuous financial support to address increasing climate risks. This section analyzes international climate finance flows to both countries between 2016 and 2022, focusing on donor profiles, funding allocations, and sectoral distribution patterns. The information is mainly retrieved from the OECD Climate-Related Development Finance (CRDF) database and illustrated by the Sankey diagram (see Figure 1 and Figure 2; also see Annex 4A for the criteria used to rate gender relevance in the respective figures).

Overall scale of climate finance and types of finance instruments

From 2016 to 2022, Bangladesh and the Philippines collectively mobilized climate finance from international partners, such as bilateral donors (for example, Japan and Germany), MDBs (including the World Bank, ADB, and Asian Infrastructure Investment Bank (AIIB), and MCFs, such as the GCF and GEF. While Bangladesh received a total of approximately USD 21.1 billion, the Philippines secured around USD 15.9 billion. Of these totals, Bangladesh received just USD 2.22 billion in grants while the Philippines secured USD 0.96 billion in grants. The major contributions were made using debt instruments—USD 18.86 billion for Bangladesh and USD 14.91 billion for the Philippines.

Thematic allocation of climate finance

Across both countries, climate finance was channeled toward mitigation, adaptation, and dual-benefit initiatives in the following manner:

- In Bangladesh, funding was weighted toward mitigation (USD 11.04 billion), followed by dual-benefit (USD 5.15 billion) and adaptation (USD 4.93 billion) interventions.
- The Philippines, by contrast, reflected a more balanced distribution, with USD 6.55 billion allocated to adaptation, USD 5.10 billion to mitigation, and USD 4.25 billion to dual-benefit projects.

Leading donors

The research indicated that Japan was the largest bilateral financier for both countries, providing a significant amount of concessional loans complemented by limited grants. For Bangladesh, Japan provided about USD 9.94 billion (which includes USD 9.80 billion as concessional loans and the remaining as grants), while for the Philippines, Japan contributed USD 7.41 billion (USD 7.22 billion in concessional loans) across multiple sectors.

Other key grant contributors included the United States, European Union (EU) institutions, and Germany for the Philippines, and the World Bank, United States, and United Kingdom for Bangladesh.

Sectoral priorities and finance distribution*

For both countries, it could be inferred that the transportation and storage sectors attracted the largest share of climate finance, particularly within mitigation portfolios. The following highlights the sectoral priorities for both countries across different thematic areas:

- For Bangladesh, climate finance was concentrated in transportation and storage (USD 6.1 billion) and energy (USD 4.1 billion) within mitigation portfolios, almost entirely using debt instruments. Adaptation funding also favored transport and storage (USD 1.17 billion), followed by the health, sanitation, food, and water sector (USD 0.97 billion).
- In the Philippines, similarly, transportation and storage dominated mitigation allocations (USD 4.62 billion) and were central to the adaptation portfolio (USD 1.88 billion), with major use of debt instruments. The adaptation portfolio was further complemented by allocations to disaster management (USD 1.18 billion), followed by the health, sanitation, food, and water sector (USD 0.64 billion).

In both nations, the agriculture, forestry, and fishing sector, despite its high climate sensitivity, attracted comparatively modest investment, indicating a continued mismatch between vulnerability profiles and funding priorities. For Bangladesh, the sector received USD 0.70 billion, USD 0.032 billion, and USD 0.57 billion for adaptation, mitigation, and dual-benefit portfolios, respectively. Similarly, for the Philippines, the sector received USD 0.28 billion, USD 0.126 billion, and USD 0.176 billion across the adaptation, mitigation, and dual-benefit portfolios, respectively. It could be inferred that debt instruments were used primarily for the same purpose in both countries.

Effectiveness and implications for frontline communities

Although financial flows are increasing, concerns about the long-term debt sustainability of Bangladesh and the Philippines stem from the fact that most of these flows come in the form of

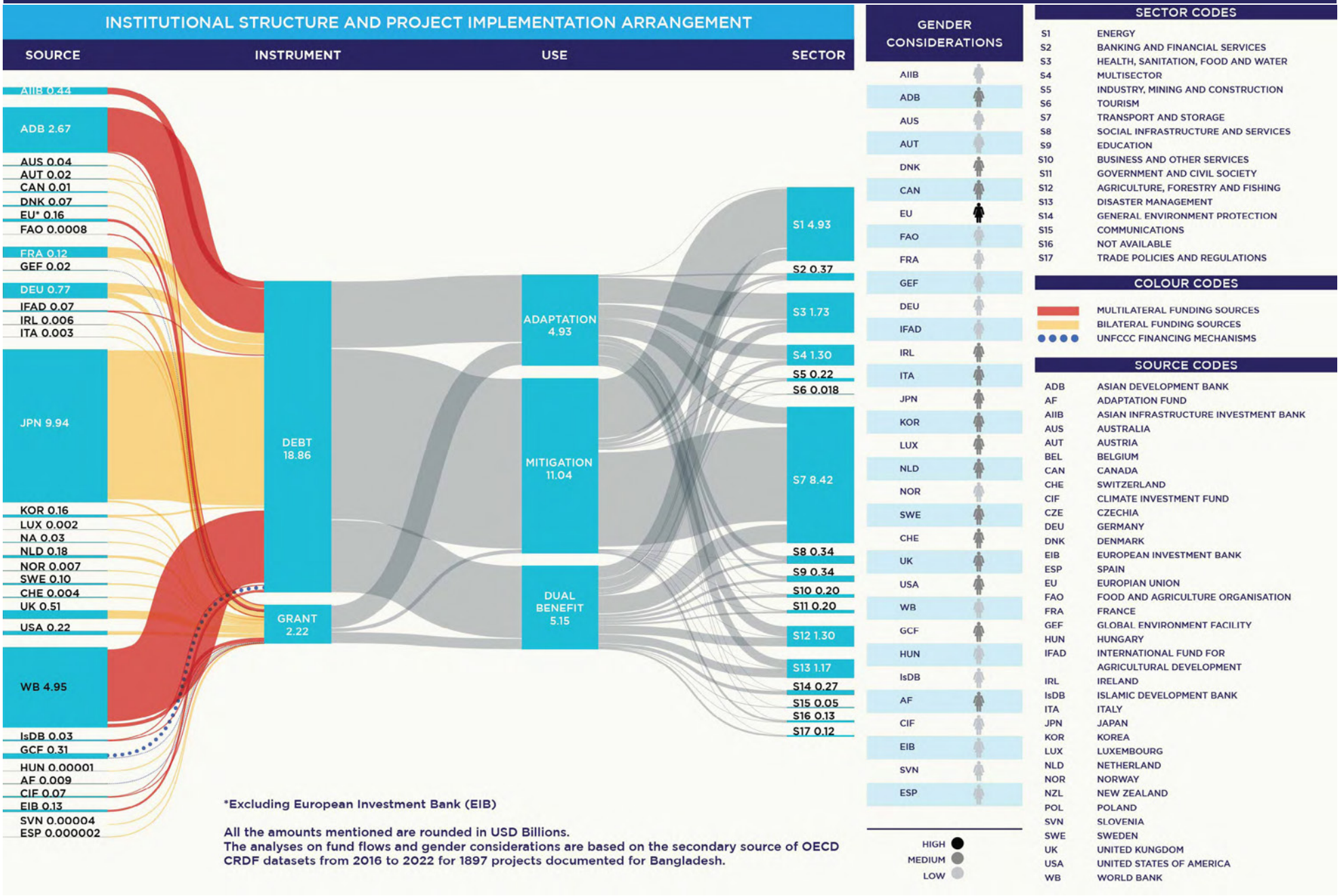
* A review of the CRDF dataset indicates that several detailed investment categories have been consolidated by ADPC into a smaller set of approximately 10–12 sectoral themes, based on similarities in sectoral focus, for the purpose of analytical clarity and presentation.

loans. Most funding goes toward large-scale mitigation projects, which fail to address local adaptation requirements, particularly those of frontline communities.

A better financial balance between large infrastructure and community needs would enhance the ability of climate finance to address the needs of vulnerable groups.

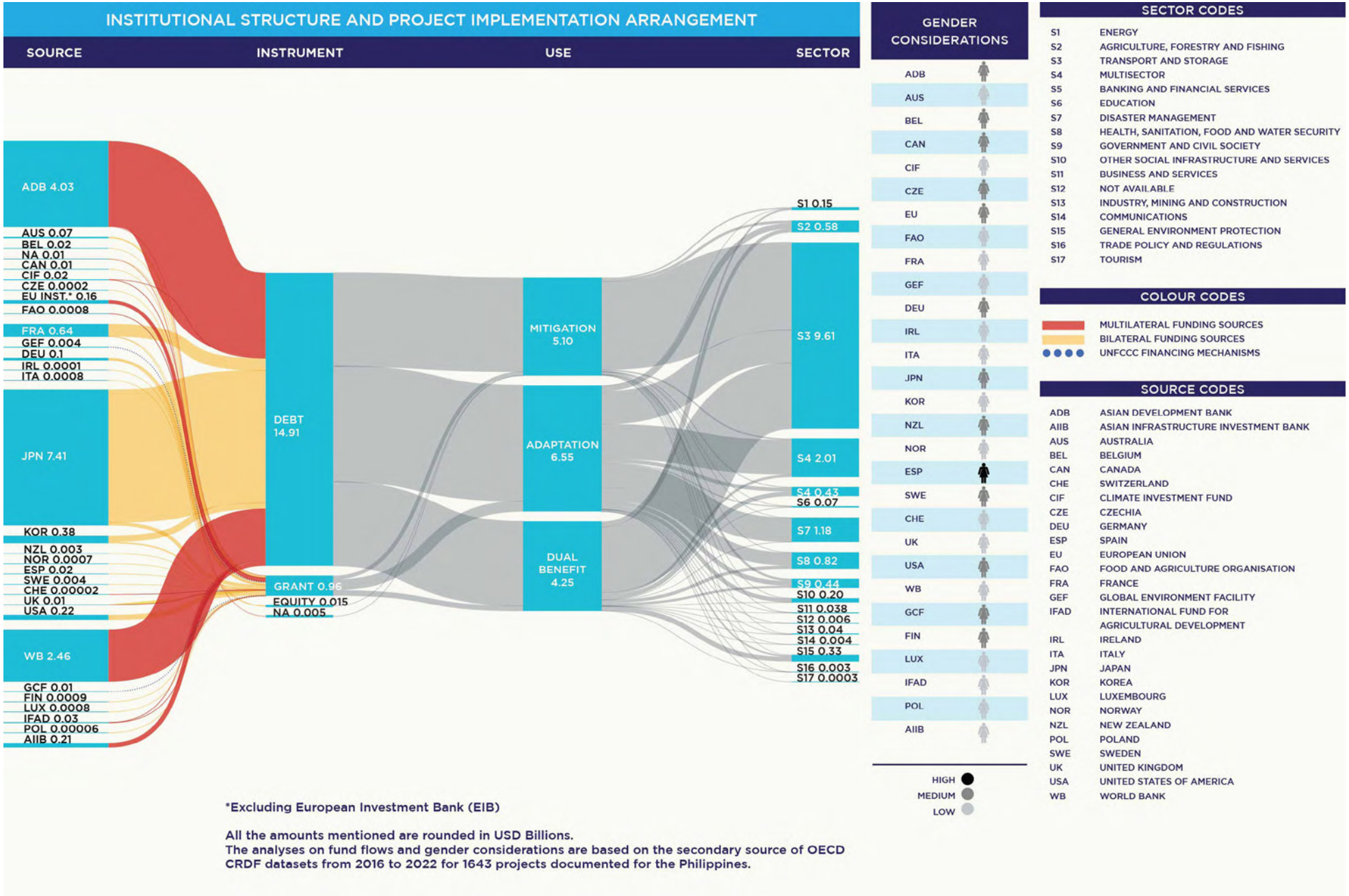
Installation of solar panels in Barangay Malaya, Labo, Camarines Norte. Photo credit: Vina Salazar/Oxfam Pilipinas.

Figure 1 Climate-related development finance flows in Bangladesh, 2016–2022



Source: Generated by the author based on available project details from the OECD website, retrieved on 22 May 2025.

Figure 2 Climate-related development finance flows in the Philippines, 2016–2022



Source: Generated by the author based on available project details from the OECD website, retrieved on 22 May 2025.

Figure 1 and Figure 2 consist of Sankey diagrams representing the flow of CRDF as tracked by the OECD using its Development Assistance Committee (DAC) framework from 2016 to 2022 (post-Paris Agreement years) for Bangladesh and the Philippines, respectively. The diagram showcases the flow of funds (both public contributions and mobilizations) by DAC member countries and multilateral sources. It could be inferred that multiple sectors received funding tagged as the climate budget.

To analyze the figures, readers should note that the vertical width of a node/block is proportional to the funding amount contributed/received across different stages of the flow diagram. Thus, the greater the vertical width, the more the amount. The figures also display the gender considerations tagged with the budget, per country, for the chosen timeline (see Annex 4A for the methodology used to rate high-medium-low).

2.4. Climate finance landscape and funding flows in Bangladesh (2016–2022)

This section takes an in-depth look at 20 climate action projects (see section 1.4) showcasing the climate finance landscape in Bangladesh. The study examined diverse funding sources between 2016 and 2022, across various funding modalities and institutional arrangements. Information on financial flow patterns and inclusivity considerations are visualized in Figure 3 (see Annex 7 for the full list of projects).

This section does not aim to present the overall climate finance architecture; rather, it analyzes 20 projects in detail to identify patterns and assess whether they incorporated the inclusivity criteria.

2.4.1. Key patterns in the funding landscape

1. **Large funding volumes:** Climate financing is concentrated in a few major projects rather than distributed across many smaller interventions.
    - Large-scale interventions (>USD 100 million): 2 projects totaling USD 1.031 billion.
    - Medium-scale interventions (USD 10–100 million): 14 projects totaling USD 441.34 million.
    - Small-scale interventions (<USD 10 million): 4 projects totaling USD 10.54 million.

The funding distribution shows a heavy concentration of funds in large projects, leaving less room for smaller, locally tailored initiatives, and reducing adaptive capacity across diverse ecological and social contexts in Bangladesh.

2. **Co-financing:** The climate finance landscape of Bangladesh includes co-financing as a major element, which has attracted USD 257.2 million, in addition to direct funding across all analyzed projects. It should be noted that this includes information about the co-financed amount as grants, loans, and in-kind support. Of the total amount, USD 170.98 million was dedicated to climate adaptation and USD 86.2 million to mitigation. This distribution may be influenced by the purposive sampling of cases, which focused on projects targeting communities directly—an area where funding is more commonly directed toward adaptation interventions[21]. The implementation of projects with high co-financing ratios presents both positive and negative aspects. While it brings substantial resources and project expansion if pledges materialize, realizing the benefits of co-financing is often challenging due to differing standards and criteria, lengthy approval processes, and limited capacity, all of which can result in downsizing or implementation setbacks when contributions are delayed or fall short[22].

3. **Global funds:** GCF and GEF provide critical financial support for targeted climate interventions, primarily through grant-based instruments. Prioritizing grants makes climate finance more accessible to communities with limited institutional or financial capacity, by reducing upfront cost burdens. A robust assessment of funding flows and project structures is required to ensure they deliver inclusive and lasting impact at the community level.
4. **Accessibility concerns:** Climate finance is mostly inaccessible to local institutions, with only two entities, the Pali Karma Sahayak Foundation (PKSF) and Infrastructure Development Company Limited (IDCOL), obtaining direct access to accreditation for GCF funding. The selected data indicate that most grant projects are executed by international intermediaries, particularly UN agencies, while local organizations encounter difficulties with complex application processes and technical stipulations, which can lead to reduced local ownership and contextual understanding[23].
5. **Financing equity gaps:** The projects funded by MDBs focused on critical themes such as agriculture and food security, but funding was largely debt- and loan-based. These instruments, which constitute a significant proportion of climate financing, primarily benefit institutions with established capacity and collateral, whereas grants, which are more effective in reaching vulnerable communities, remain inadequate. The imbalance favoring larger infrastructure initiatives over community-based adaptation would also impact support for the most vulnerable populations.

2.4.2. Objectives and priorities

The climate finance strategy of Bangladesh includes multiple strategic objectives that focus on addressing national vulnerabilities and development needs through the involvement of international and national organizations in project design, funding, and execution.

Organizations establish their objectives through strategic priorities and policy mandates. The main issue arises from the need to verify that these priorities match community needs while producing the desired effects and results in local communities. Some of these priorities are outlined below (see Annex 7 for detailed information on each project).

- **Building community resilience:** Projects funded by the GCF, such as ECCCP-Flood and ECCCP-Drought, aim to bolster resilience in areas susceptible to floods and droughts and build adaptive capacities, such as community-based water management initiatives. According to the project funding proposals, the implementation of these projects was designed to involve local communities to ensure that the solutions provided are both accessible and pertinent to those most at risk.
- **Sustainable resource management:** Programs like the Community-based Management of Tanguar Haor Wetland (USD 21.25 million) and Ecosystem-based Management in Ecologically Critical Areas (USD 3.05 million) advocate for the preservation of ecosystem services and the sustainable management of biodiversity, which are crucial. Institutional support to these initiatives can facilitate alternative livelihoods, often through payments for ecosystem services, while also actively involving local populations in conservation efforts and resource governance.
- **Climate-resilient agriculture and food security:** The World Bank's PARTNER program (USD 500 million loan) supports the strengthening of agri-food systems by promoting diversification, fostering

entrepreneurship, improving value chains, and modernizing institutions and policies. Smaller projects, such as the Rokkhagola Village Program (USD 142,169 in grant) and Climate-Smart Subsidy Reforms (USD 14.5 million), aim to assist ethnic minorities and foster inclusive, climate-resilient agricultural practices. Institutional roles can determine the alignment of strategic objectives with local needs and vulnerabilities.

- **Infrastructure development and climate resilience:** The Rural Connectivity Improvement Project (USD 17.55 million debt) enhances 1,700 km of rural roads with features designed to withstand climate impacts, while the FP206 Resilient Homestead project (USD 49.99 million in total—USD 42.20 million grant, USD 6.60 million loan, USD 1.19 million in-kind) offers housing that can resist cyclones. These projects are vital for minimizing disaster-related losses and ensuring the continuity of essential services in at-risk regions.
- **Renewable energy and low-carbon development:** Initiatives like the Power System Efficiency Improvement (USD 25.44 million in grant), Promoting Low Carbon Urban Development (total of USD 21.78 million—USD 3.77 million grant, USD 16.35 million co-financing), and Enabling Electric Vehicles (total of USD 22.19 million—USD 1.79 million grant, USD 20.40 million co-financing) contribute to the advancement of renewable energy and energy efficiency. While the primary objective of these projects is mitigation, they also provide adaptation-related benefits, with efforts made to promote affordability and community access.
- **Institutional capacity building:** With many of the projects incorporating elements aimed at enhancing institutional and community capabilities, PARTNER focuses on institutional modernization, while FP206 and similar initiatives improve adaptation planning and governance across various levels, facilitating effective and inclusive project implementation.
- **Inclusion of marginalized groups:** Numerous projects specifically address the needs of vulnerable populations. FP069 (USD 32.98 million grant) targets women in coastal areas affected by salinity, while smaller projects assist ethnic minorities and isolated communities, such as the Orao community project (USD 170,934 grant) and the Adaptation Initiative for Climate Vulnerable Islands (USD 10 million grant). These initiatives strive to promote inclusivity and equitable distribution of benefits, although challenges related to accessibility and affordability persist. Institutional roles in designing projects are crucial but also tend to be top-down. Such approaches will overlook realities of gender, age, and ethnicity, which will lead to inequity. Community-based approaches are crucial in determining the likelihood of inclusivity and sustainability.

2.4.3. Institutional structure

The climate finance institutional framework in Bangladesh is complex, influencing the effectiveness of implementation, transaction expenses, and the overall effect on at-risk communities.

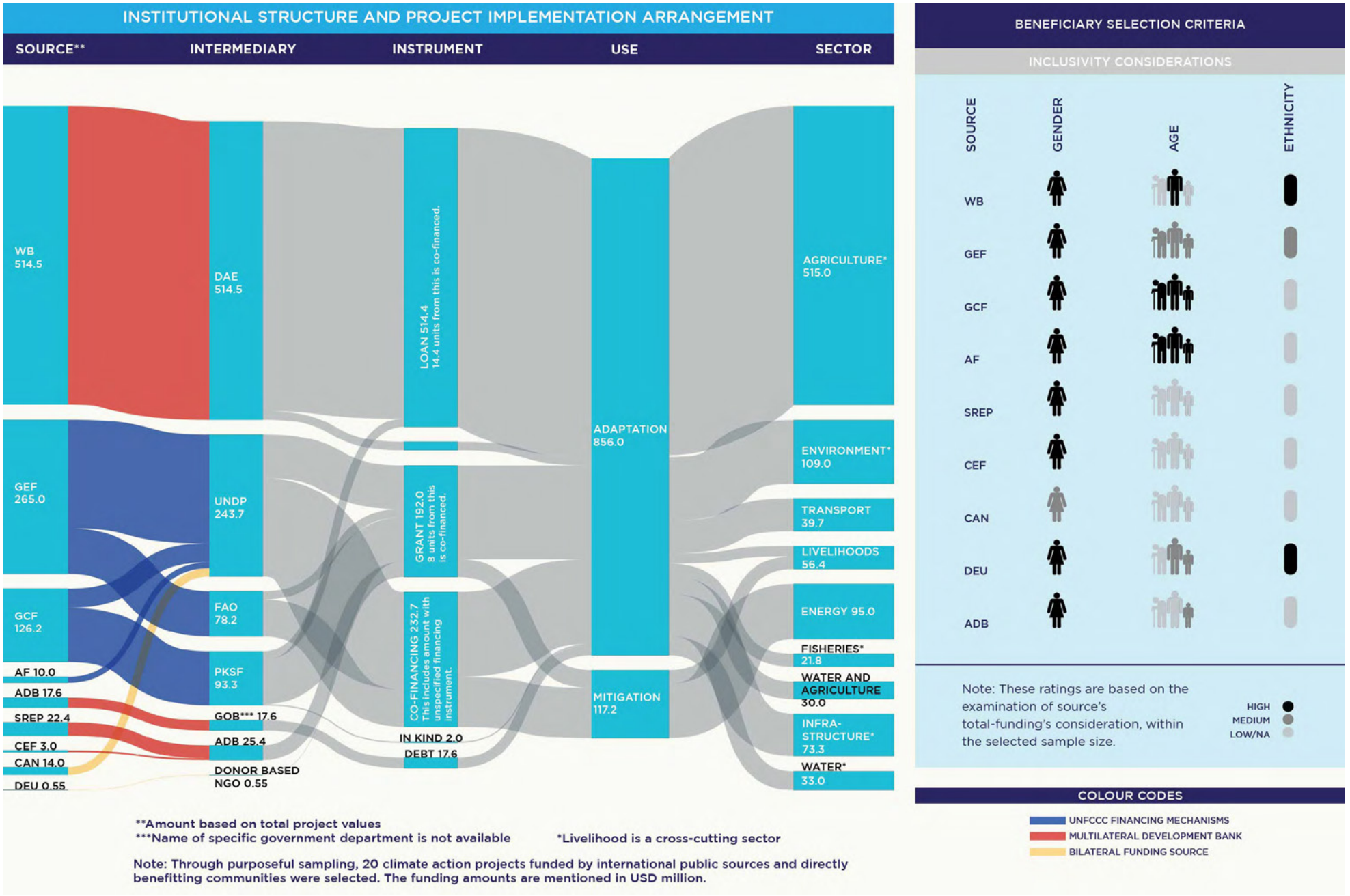
- **International financial institutions (IFIs):** IFIs, primarily the World Bank and ADB, provide funding (e.g., debt, loan, and grant) for climate-related initiatives and establish criteria for accessing the funds. For example, the World Bank, through the PARTNER program, provided USD 500 million in loans to the Department of Agricultural Extension of the Ministry of Agriculture to

promote diversification, food safety, entrepreneurship, and climate resilience in agri-food systems.

- **Development organizations:** The technical expertise of UN agencies enables them to serve as key intermediaries. UN agencies manage nine projects worth USD 243.7 million (UNDP) and agricultural adaptation initiatives worth USD 78.2 million (FAO).
- **National accredited entities (AEs):** PKSF and IDCOL are the national entities in Bangladesh that hold accreditation from both the GCF and the Adaptation Fund, and that also function as intermediary bodies.

A village silhouette on coastal embankment showing the precarious proximity of traditional dwellings to the rising tide in Mongla. Photo credit: Hadi Uddin/TROSA, Bangladesh.

Figure 3 Climate finance landscape for community climate action projects in Bangladesh, 2016–2022



Source: Generated by the author based on available project details from ADB, AF, GCF, GEF, UN, and WB websites, as accessed in April 2025.

Note: Figure 3 consists of a Sankey diagram for the 20 purposively selected projects based on whether they directly targeted communities in Bangladesh and the availability of project-related data from secondary sources. The figure depicts the flow of funds from various multilateral and bilateral sources to different sectors at the grassroots level. In this case, the "(financing) instruments" stage compiles not just the funding provided by the source donor, but also the co-financing mobilized for each financing instrument. The figure also displays the inclusivity considerations (gender, age, and ethnicity) of donors for their respective climate action projects (see Annex 4B for the methodology used to rate high-medium-low inclusivity considerations).

PKSF operates as a microfinance apex organization that distributes resources through 278 partner organizations to benefit millions of community members[24]. The limited number of accredited national entities creates barriers to direct access.

- National government institutions. The Ministry of Environment, Forest and Climate Change (MoEFCC) is the primary climate funding entity in Bangladesh, coordinating efforts with the Economic Relations Division (ERD), which serves as the National Designated Authority for GCF, and please change to: Bangladesh Climate Change Trust Fund (BCCTF). Relevant ministries sometimes also act as intermediaries, such as the Ministry of Agriculture, which is responsible for implementing sector-specific initiatives.

2.4.4. Project implementation

- **Funding flow mechanisms:** Climate finance is delivered to Bangladesh through various channels, each with distinct operational characteristics. Government-led projects, such as PARTNER, frequently face bureaucratic hurdles, resulting in a delay of 6 to 12 months before funds are utilized. The multi-tiered implementation model employed by PKSF for GCF initiatives has been relatively more efficient but involves several intermediaries with each incurring operational expense.
- **Decision-making authorities and power dynamics:** The authority for project design and resource distribution is largely held at international and national levels. Local contributions are minimal, despite claims of participatory approaches. Projects featuring multi-level governance, such as Tanguar Haor and FP206, show enhanced community engagement, but these are more an exception than the norm.
- **Monitoring and accountability mechanisms:** Monitoring frameworks primarily emphasize upward financial accountability to funders, lacking sufficient transparency at the local level. MDBs and GCF-funded projects use multi-tiered systems—comprising international funders, national and subnational authorities, and local implementing partners—for institutional arrangements and governance structures. However, assessing impact, particularly for adaptation efforts, is complicated by issues of attribution, extended timelines, and insufficient baseline data.

2.4.5. Beneficiary selection criteria and profiling

The processes for selecting climate finance beneficiaries in Bangladesh reveal significant trends in the allocation of resources and availability of funds for at-risk populations (see Annex 7 for detailed information on each project).

- **Geographic targeting:** Most initiatives (85%) direct resources to areas identified as climate-vulnerable in Bangladesh Climate Change Strategy and Action Plan (BCCSAP). For instance, the ECCCP-Drought (SAP026) initiative concentrates on the Rajshahi, Naogaon, and Chapainawabganj districts, which face challenges such as diminishing groundwater and socio-economic instability, while the ECCCP-Flood (SAP008) initiative focuses on five northern districts that are particularly susceptible to flooding.
- **Socio-economic vulnerability criteria:** Climate finance projects in Bangladesh apply various socio-economic vulnerability criteria to identify target beneficiaries. GCF-funded initiatives, such as ECCCP-Flood, use participatory assessments and household surveys to target poor, marginalized, and climate-vulnerable communities. FP206 specifically targets households in high-risk cyclone areas with substandard housing, categorized as "poor" or "ultra-poor". The PARTNER program gives precedence to smallholder farmers earning less than USD 1.90/day ("poor") and those earning between USD 1.90 and USD 3.10/day ("vulnerable non-poor").
- **Gender considerations:** The selected data shows that 90% of the projects have medium-high gender consideration (see Annex 4B for the criteria used to rate gender, age, and ethnicity relevance). FP069 and Building Climate Resilient Livelihoods (BCRL) projects specifically address women-led households impacted by salinity intrusion through gender-specific vulnerability assessments and provide targeted funding for women's initiatives. However, gender objectives frequently emphasize numerical representation rather than tackling underlying power disparities. Leadership roles in community organizations are largely occupied by men, and gender- responsive budgeting is scarce.
- **Age and ethnicity considerations:** The use of age and ethnicity as targeting criteria is rare, with just 30% of projects focusing on children, youth, or older persons, and 40% on Indigenous Peoples (see Annex 4B). The BCRL project stands out as one of the few initiatives that works with Indigenous Peoples in the Chittagong Hill Tracts through culturally suitable methods. The exclusion of ethnic minorities in broader initiatives creates a risk of perpetuating their marginalization.
- **Selection process governance:** Selection methods in terms of community involvement vary. Projects funded by the GCF practice a more inclusive approach by leveraging community-based committees, while PARTNER and other large programs use centralized selection methods with restricted local participation. Most selection approaches use a mix of predetermined criteria and local validation, rather than fully community-driven selection processes.
- **Implementation challenges:** The implementation process faces multiple challenges, such as strict documentation needs (e.g., proof of land ownership, legal identification) and geographical limitations that block marginalized populations from participating. The implementation of community validation systems, together with transparent scoring methods and grievance mechanisms, and independent verification processes, can enhance both accountability and fair distribution of project benefits.

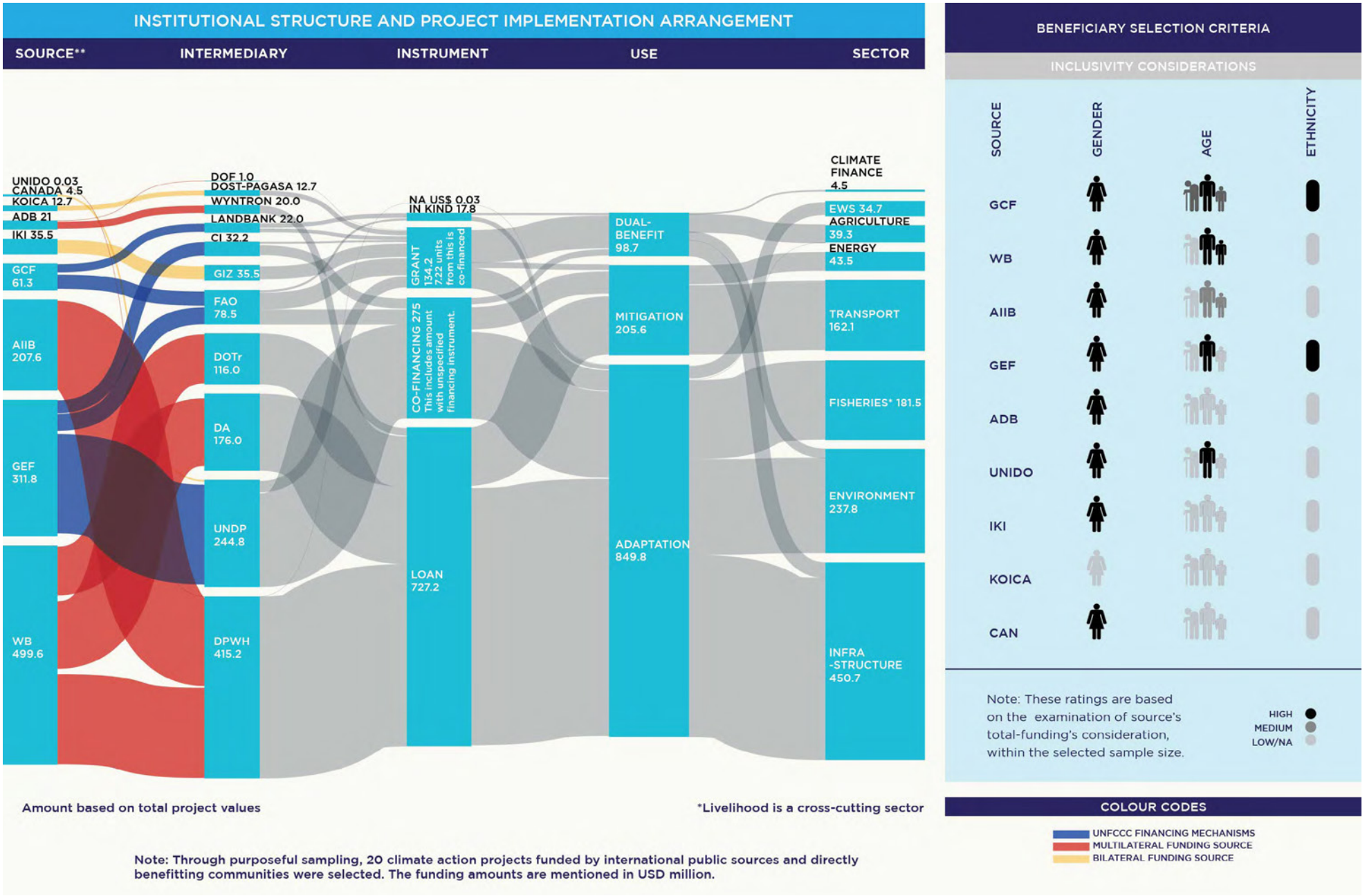
2.5. Climate finance landscape and funding flows in the Philippines (2016–2022)

A similar approach was used to study 20 climate action projects in the Philippines. Implemented between 2016 and 2022, these projects were purposively selected and analyzed (see section 1.4) with a focus on identifying patterns and assessing the integration of inclusivity criteria. Information on financial flows patterns and inclusivity considerations are visualized in Figure 4, see Annex 8 for the full list of projects).

2.5.1. Key patterns in the funding landscape

1. **Multilateral influence**: Multilateral organizations are the major sources of climate finance in the Philippines. MDBs provide substantial funding—around USD 728.2 billion—primarily through loans, for infrastructure development and disaster management projects, thus showing a preference for large-scale projects rather than community-based initiatives.
2. **Multilateral climate funds:** The GCF and GEF disburse less funding (USD 373.1 billion) in the form of grants or co-financing, which demonstrates a substantial difference in funding availability for climate-specific projects compared to traditional development initiatives that include climate co-benefits.
3. **Co-financing:** Similar to Bangladesh, the Philippines has a co-financing element in its climate finance landscape, which accounts for around USD 300 million of all funding for the 20 projects and comes from different financing instruments, such as grants, loans, and in-kind support. Of the total amount, USD 209.49 million was dedicated to adaptation, USD 60.74 million to mitigation, and USD 29.79 million to dual-benefit projects. This distribution may be influenced by the purposive sampling of cases, which focused on projects targeting communities directly—an area where funding is more commonly directed toward adaptation interventions.
4. **Accessibility concerns:** Access to climate finance remains limited for local institutions. There are only two GCF direct-access accreditation entities, namely LANDBANK and the Development Bank of the Philippines (DBP)[25]. Data from the analyzed projects and the GCF website show that LANDBANK obtains small grant funding (USD 22 million) from the GCF. Most grants are implemented by international intermediaries. This may significantly reduce local ownership and contextual insight in the design and execution of projects.
5. **Financing equity gaps:** The majority of direct funding through loan financing is channeled to government agencies. While grants have proven to be more effective in serving vulnerable communities, they fail to meet the necessary needs. The difference between these funding methods affects project implementation and design because loan-based initiatives focus on large urban infrastructure projects rather than community-based adaptations that would help climate-vulnerable populations.

Figure 4 Climate finance landscape for community climate action projects in the Philippines, 2016–2022



Note: Through purposeful sampling, 20 climate action projects funded by international public sources and directly benefitting communities were selected. The funding amounts are mentioned in USD million.

Source: Generated by the author based on available project details from the official websites of ADB, AF, GCF, GEF, UN, and WB, as accessed in April 2025.

Figure 4 consists of a Sankey diagram for the 20 purposively selected projects based on whether they directly targeted communities in the Philippines and the availability of project-related data from secondary sources. The figure depicts the flow of funds from various multilateral and bilateral sources to different sectors at the grassroots level. In this case, the "(financing) instruments" stage compiles not just the funding provided by the source donor, but also the mobilized co-financing for each financing instrument. The figure also displays the inclusivity considerations (gender, age, and ethnicity) by donors for their respective climate action projects (see Annex 4B for the methodology used to rate high-medium-low inclusivity considerations)

2.5.2. Objectives and priorities

Several objectives and priorities were set by institutions for the selected projects, including the following (see Annex 8 for detailed information on each project):

- **Climate resilience and disaster management:** The Metro Manila Flood Management Project, with an investment of USD 415.2 million (loans), aims to safeguard densely populated urban regions by implementing advanced drainage systems and pumping stations, while also incorporating solid waste management and community resettlement initiatives. The investments serve as essential protection measures for economic centers that face growing threats from typhoons and unpredictable rainfall patterns.
- **Agricultural adaptation and food security:** The GCF-funded Adapting Philippine Agriculture to Climate Change project (USD 39.25 million—a mix of grants and in-kind) provides support to smallholder farmers through climate-resilient practices, weather information systems, and market access. It also builds the capacity of both the government and the private sector to facilitate agricultural interventions addressing immediate adaptation needs.
- **Marine ecosystem protection and sustainable fisheries:** The PRICELESS project, along with other marine ecosystem initiatives, works to establish co-managed conservation practices that support sustainable livelihoods for coastal communities. These initiatives protect biodiversity and ecosystem services, yet they receive minimal funding support.
- **Low-carbon transport and energy systems:** The funding distribution focused on renewable energy and urban mobility programs, which help achieve mitigation targets. The initiatives provide adaptation co-benefits through pollution reduction and system resilience improvement from fuel changes and design elements that withstand climate-related impacts, although their main purpose is emission reduction.
- **Early warning systems and disaster preparedness:** The Multi-Hazard Impact-Based Forecasting project (USD 22.06 million—USD 9.99 million direct GCF grant, USD 12.07 million co-financing) enhances the capacity of communities to absorb climate shocks through better climate information services and early warning systems. LANDBANK co-led and implemented this project together with the Department of Science and Technology- Philippine Atmospheric, Geophysical and Astronomical Services Administration (DOST-PAGASA), which demonstrates progress in direct access and local ownership in disaster preparedness[26].
- **Gender-responsive climate action:** Based on in-depth analysis of the 20 projects, adaptation projects have the greatest focus on gender inclusivity.

The Accelerating Green & Climate Finance project (USD 4.5 million grant from Canada) was specifically designed to promote gender-responsive nature-based solutions in the Philippines.

2.5.3. Institutional structure

- **International financial institutions** play a key role, with the World Bank, AIIB, and ADB leading financing for both mitigation and adaptation projects with a total of USD 727.2 million (63%) in loans, which are channeled mainly to government agencies.
- **Development organizations,** like UN agencies, Conservation International, and Deutsche Gesellschaft für Internationale Zusammenarbei (GIZ) act as key intermediaries, using their sector-specific expertise to provide technical assistance and enhance institutional capacity. They also determine the funding modality and set priorities and goals, which may result in limited inclusion of vulnerable communities.
- **Nationally AEs** to global climate funds, particularly the GCF, remain limited (i.e., LANDBANK, DBP) in the Philippines. The country does not yet have a national entity accredited by the Adaptation Fund. In contrast to other nations that have multiple AEs, the Philippines has made limited strides in expanding its direct access capabilities, resulting in most climate finance being channeled through development organizations.
- **National government institutions:** The Department of Finance (DoF) leads climate financing efforts in various government bodies while functioning as the National Designated Authority (NDA) for the GCF. Line ministries, including the Departments of Transportation and Agriculture, act as intermediaries, receiving specific responsibilities for implementation. The Climate Change Commission coordinates national climate strategies but lacks direct authority to implement major projects, which creates a policy-execution gap that affects project design and implementation.

2.5.4. Project implementation

There are notable power disparities within the institutional framework, with the authority to design projects held primarily at international and national levels. Most of the intermediaries in the observed projects (see Annex 8) are either national government agencies or development organizations. Although project documents often advocate for participatory approaches, local stakeholders frequently report a lack of meaningful involvement during the project's development phases.

2.5.5. Beneficiary selection criteria and profiling

An analysis of beneficiary selection in the climate finance framework in the Philippines, as observed across the 20 projects, uncovers trends in the distribution of resources for vulnerable communities. The analysis found the following (see Annex 8 for detailed information on each project):

- **Geographic targeting:** This is evident as projects focus on climate-sensitive areas outlined in the National Climate Change Action Plan (NCCAP). Most infrastructure investments go to Metro Manila and other economically important areas, and marine conservation projects span different coastal municipalities.
- **Socio-economic vulnerability criteria:** A lack of consistent criteria across different funding sources may lead to coverage gaps and potential overlaps.
- **Gender considerations:** Around 75% of the 20 projects integrate gender-

responsive elements (see Annex 4B). For example, the FP201 project, which focuses specifically on women farmers, and the multi-functional landscapes project, which is engaging in consultations, is centered on women. In several initiatives, efforts to ensure inclusion often prioritize numerical representation—for example, meeting gender quotas—rather than addressing deeper structural barriers. As a result, leadership roles within projects may still be disproportionately held by men[27]. This reflects a common gap where gender inclusion is treated as a checkbox rather than integrated into project design and decision-making, which hinders transformative outcomes and reinforces existing power imbalances. Furthermore, infrastructure projects exhibit considerably lower levels of gender sensitivity.

- **Age considerations:** A few projects (35%) cater specifically to the needs of youth and/or older persons. For example, the Enhancing the Resilience of the Agriculture Sector project focuses on "vulnerable youth" for green employment opportunities, and the SAP010 project addresses evacuation planning for older persons. Comprehensive strategies that consider multiple generations are still uncommon, resulting in notable deficiencies in tackling age-related vulnerabilities (see Annex 4B).
- **Ethnicity considerations:** The inclusion of Indigenous Peoples is restricted to a few projects (30%), for example, the FP201 project, which collaborates with farming communities of Indigenous Peoples, and the Biodiversity Corridors project initiative, which concentrates on areas with significant Indigenous populations. Most projects pay minimal attention to ethnic diversity, which may lead to the neglect of valuable traditional knowledge that could improve adaptation results (see Annex 4B).

2.6. Bangladesh's national climate finance framework

Bangladesh has established an extensive policy framework for directing the mobilization and use of climate finance, which is rooted in various key national strategies and plans. The following is a list of key frameworks and national priorities (further details provided in Annex 3A):

- Bangladesh Climate Change Strategy and Action Plan (BCCSAP).
- Bangladesh Delta Plan 2100.
- Updated Nationally Determined Contributions (NDCs) (2021–2030).
- National Adaptation Plan (NAP) (2023–2050).
- Mujib Climate Prosperity Plan.
- 8th Five-Year Plan (2021–2025).

The financial requirement for implementing NDCs in Bangladesh for 2021–2030 is estimated at USD 176 billion in total[28], while the overall adaptation finance requirement in the NAP is estimated at around USD 230 billion from 2023–2050, or USD 8.5 billion a year[29].

Bangladesh's climate finance frameworks highlight the need for significant international support to achieve its mitigation and adaptation targets.

2.6.1. National funding mechanisms and allocations

Bangladesh's annual climate budget allocation shows a growing trend in recent years. For fiscal year (FY) 2024–25, the government earmarked approximately USD 382 million for climate actions across 25 ministries and divisions, e.g., the Ministry of Agriculture and the Ministry of Water, which account for 10.09% of the total budget. This was nearly double the climate budget for FY 2020–21[30].

In addition to annual budget allocations, Bangladesh also has a dedicated domestic climate financing mechanism through the Bangladesh Climate Change Trust Fund (BCCTF). Established in 2010 under the Climate Change Trust Act, BCCTF positioned Bangladesh among the pioneering developing nations to establish a dedicated national climate fund using domestic budgetary resources. With a total allocation of 3,955 Crore BDT (approximately USD 340 million) until 2022–23 from both government and non-government sources[31], it supports 851 projects across various ministries and NGOs. The fund primarily emphasizes adaptation and disaster risk reduction, with 70% of its projects focused on adaptation efforts and 30% on mitigation. Importantly, BCCTF emphasizes local-level project implementation, frequently in collaboration with local government bodies and NGOs, enhancing direct impacts on communities.

The key difference between the annual climate budget allocation and the BCCTF is that, while both are funded from national resources, they operate through different mechanisms. The annual climate budget integrates climate-related spending across ministries as part of the national budget, while the BCCTF operates as a stand-alone national climate fund that provides project-based financing, with a strong emphasis on adaptation at the local level.

Public-private partnerships (PPPs) in Bangladesh have been widely used to build climate-resilient infrastructure projects that directly serve vulnerable communities. The Bangladesh Climate Change Resilience Fund (BCCRF) receives funding from international donors and private sector contributions to support projects that include cyclone shelters, embankments, and solar-powered irrigation systems. The initiatives enable frontline communities to adapt to frequent floods and cyclones and establish sustainable ways of living[32]. The solar mini-grid program has also employed PPPs to bring electricity to unconnected rural areas, enhancing energy access for thousands of households[33].

Other promising methods to link climate finance with communities in Bangladesh involve engaging religious and philanthropic organizations. For instance, Christian Aid and the Nowabenki Gonomukhi Foundation implemented projects to mitigate disaster threats, such as Cyclone-Based Early Actions, for which local organizations have obtained direct funding for interventions at the community level[34].

Bangladesh demonstrates a strong national commitment to addressing climate change through comprehensive strategies, increasing climate budget allocations, and the establishment of the BCCTF. Notably, the BCCTF's focus on local-level implementation directly benefits frontier communities that are most exposed to climate risks, such as coastal populations and char dwellers. However, funding trends reveal underinvestment in critical areas, like mitigation and disaster management, which are essential for safeguarding these vulnerable groups. Ensuring a more balanced allocation of climate finance can help strengthen resilience among frontier communities facing increased climate vulnerability.

2.7. The Philippines' national climate finance framework

The Philippines has established a unique climate finance framework that features innovative institutional structures and forward-thinking policy guidelines. However, challenges in implementation and gaps in coordination persist, hindering overall effectiveness. Key frameworks are outlined below, with further details provided in Annex 3B.

- National Climate Change Action Plan (NCCAP) 2011–2028.
- Nationally Determined Contributions (NDCs) 2021–2030.
- National Adaptation Plan (NAP) 2023–2050.
- Sustainable Finance Framework.

- Philippine Development Plan (PDP) 2023–2028.

The financial requirements for implementing the Philippines' NDCs are estimated at USD 72 billion in total for 2020–2030[35]. Most of the costs are related to mitigation and concentrated in the energy and transport sectors. While the NAP has not yet specified the total adaptation finance needs, it features financing as a key enabler and outlines a strategy to scale up funding to support adaptation efforts[36].

2.7.1. National funding mechanisms and allocations

The Philippine government has allocated approximately USD 17.4 billion for climate-related programs in 2025, representing 16% of the total national budget and nearly double the previous year's allocation. Of this total, USD 15.2 billion is earmarked for adaptation initiatives and USD 2.2 billion for mitigation[37]. In addition to the annual climate budget allocation, the People's Survival Fund (PSF), established in 2012, provides dedicated financing for local and community-level adaptation initiatives. The PSF has an annual allocation of around USD 17–18 million from the national budget. Created under the Climate Change Act, the fund is accessible for local government units (LGUs) to implement adaptation measures, such as water resources management, agriculture and fisheries, health, infrastructure, and natural ecosystems. However, capacity and procedural constraints have slowed disbursements[38]. As of December 2023, the PSF has approved PHP 539 million (~USD 9.2 million) for new adaptation projects in climate-vulnerable provinces like Mountain Province, Borongan City (Eastern Samar), and municipalities in Bukidnon, Isabela, and Quezon[39] [40].

The National Disaster Risk Reduction and Management Fund (NDRRMF) is another significant domestic climate finance mechanism. The fund supports disaster prevention, mitigation, and preparedness, in addition to mainstream response and rehabilitation activities. In 2023, the aggregate allocation of the fund stood at USD 396.7 million with USD 530 million committed as part of calamity funds under the 2024 budget[41].

The Philippines uses PPPs as a key tool to manage climate risks in both national and local areas. The Quezon City Waste-to-Energy Project is a PPP that handles solid waste disposal while minimizing greenhouse gas (GHG) emissions. The power plant will transform 3,000 metric tons of municipal solid waste into electricity daily through its 36-megawatt power generation capacity[42]. ADB provided a USD 30 million loan to support Philippine PPPs, which have developed flood control systems and renewable energy projects[43].

Given the country's high exposure to frequent disasters like typhoons and floods, the government has allocated more public budget for adaptation activities and established the PSF, which enables local-level interventions benefiting vulnerable communities. Financing priorities include scaling up government climate budget allocations, mobilizing international finance and private investment in climate actions, and enhancing local government capacity to access available funds, such as the PSF and GCF.

2.8. Critical barriers to climate finance

The analysis of climate finance flows to Bangladesh and the Philippines reveals several critical barriers that hinder the effective deployment and access of climate finance to frontline communities.

- **Institutional and governance barriers:** Both countries rely on development organizations (like UN agencies) as intermediaries to access global climate funds, which results in higher transaction costs and reduces the ownership of the country throughout the climate finance framework. Direct access to these funds remains limited because only a few national entities

are accredited by the GCF, including PKSF and IDCOL in Bangladesh, and LANDBANK and the DBP in the Philippines. The centralized decision-making process in Bangladesh results in projects that are less aligned with community needs due to a limited participatory approach.

- **Financial and economic barriers:** Climate finance in Bangladesh and the Philippines depends on debt financing, with over 90% of funding coming from loans and grants making up a small portion. This approach puts financial strain on public budgets and sidelines the adaptation needs of vulnerable populations. Funding for large-scale infrastructure projects is prioritized because of their financial viability, leaving limited room for community-based initiatives despite their high social value and resilience benefits.
- **Inclusivity barriers:** Despite growing gender and social inclusion in climate finance frameworks, actual engagement and benefit-sharing for women and marginalized groups are still minimal. Women are often involved in project activities but have little say in decisions or access to key project benefits. Also, based on evaluations of project proposals and implementation frameworks, it was noticed that ethnic minorities are rarely included in project planning or even as targeted beneficiaries, and participatory approaches are often less effective in practice.

Sharmin,19, repairing the floor of her in-law's house destroyed by a flashflood, April 2025. Photo credit: Drik Picture Library Limited.

CHAPTER 3

CASE STUDIES:
MAPPING CLIMATE FINANCE FLOWS FOR FRONTLINE COMMUNITIES IN BANGLADESH AND THE PHILIPPINES

Dried up, cracked lands due to climate conditions including rise of temperature and humidity in Khalishabuniya, Gabura, April 2025.
Photo credit: Drik Picture Library Limited.

3.1. Introduction

Access to international climate finance, such as GCF resources, enables countries to meet their climate adaptation and mitigation objectives. Developing countries may obtain GCF funding through direct access, working with AEs via NDAs. The AEs are responsible for managing, overseeing, and submitting funding proposals. EEs support AEs to implement projects. IEs may also serve as AEs to manage projects. Although the GCF plays a significant role in supporting climate action, the accreditation process for AEs can be lengthy and may disincentivize new entities from accessing funding, particularly from developing countries such as Bangladesh and the Philippines. These barriers limit the capacities of local organizations and ultimately impact the communities they serve. Given the access challenges, understanding GCF investment criteria is essential, as they determine how proposals are evaluated and which projects ultimately receive funding. The GCF uses six investment criteria to guide technical assessment, a key step in approving project proposals[44].

The investment criteria are:

1. **Impact potential:** Proposals describe how the projects will lead to reductions in emissions, changes in loss of lives, livelihood, social losses, etc.
2. **Paradigm shifts:** Proposals should outline how the project can catalyze impact beyond the one-off investment.
3. **Need of the recipient:** Proposals should outline the needs and barriers to accessing funds and how the project will address those barriers.
4. **Country ownership:** Alignment with NDCs, national plans, policy, and institutional frameworks.
5. **Sustainable proposals development:** Proposals must identify at least one positive co-benefit (social, economic).
6. **Efficiency and effectiveness:** Application of best practice, expected rate of return, and ratio of co-financing.

The GCF constitutes a significant source of climate finance for both Bangladesh and the Philippines. According to OECD data, GCF contributions between 2016 and 2022 amounted to USD 10.2 million in the Philippines and USD 311.1 million in Bangladesh.

In the Philippines, GCF financing was concentrated primarily in the disaster management sector (USD 10.0 million), with a smaller allocation to government and civil society-related activities (USD 0.2 million), as classified under OECD sector codes.

In Bangladesh, GCF funding was directed primarily to the energy sector (USD 276.48 million), followed by investments in health, sanitation, food, and water-related sectors (USD 24.98 million).

While sectoral priorities differ between the two countries, the data indicate that GCF resources in both contexts have been channeled largely through sector-specific investments, reflecting national climate priorities and the structure of approved GCF portfolios.

In both countries, the GCF has supported a range of community-focused projects. These initiatives provide financing through grants, loans, and equity, targeting institutions and frontline communities to strengthen climate adaptation and mitigation efforts.

This chapter presents case studies assessing community-level responses across GCF projects in Bangladesh and the Philippines. It examines how communities were involved in project design, their needs, and their perception of effectiveness. The assessment covers both intended impacts (as described in the project's Theory of Change, see Annex 9 and Annex 11) and unintended impacts (not included in the project's Theory of Change, see Annex 10 and Annex 12). It also includes other positive and negative community perspectives on the effectiveness of the project. The chapter also explores inclusivity and affordability, highlighting the key gaps and challenges identified.

For Bangladesh, the two GCF projects selected for the case studies are: ECCCP-Floods and ECCCP-Droughts. For both projects, 25 direct beneficiaries were interviewed at the project implementation sites: Rajshahi for the ECCCP-Drought and Kurigram for ECCCP-Floods.

In the Philippines, CI2 project was selected and Climate Fund Managers (CFM) were interviewed through a semi-structured questionnaire to assess the community-level impacts based on project-level outputs. Interviews with community members could not be conducted, as the project interventions and community-level activities are scheduled for a later stage of implementation.

Figure 5 and Figure 6 illustrate the flow of funding from the GCF to the PKSF in Bangladesh, outlining the intermediaries, sources, financial instruments, and planned output-level budget allocations. However, the figures do not capture total disbursements from PKSF to local NGOs. Furthermore, the output-wise budget allocations planned by local NGOs for implementing various project activities are not presented, as some were not disclosed. Figure 7 outlines funding flows from the GCF and co-financiers via Dutch bank FMO (as the AE) to EEs, including CFMs, to Philippines' IE and their local project counterparts.

Annex 9 and Annex 12 summarize community perceptions of the effectiveness of project outputs, capturing their statements, reasons for high or low ratings, and the challenges encountered in achieving intended and unintended impacts. They also inform financing mechanisms and community views on inclusivity (the participation of diverse groups) and affordability (access to project benefits without financial strain). In each case study, "intended impacts" refer to the dimensions explicitly targeted in the project's Theory of Change (as set out in the respective GCF funding proposals) and, therefore, vary by project. Unintended impacts are adapted and assessed against the GCF's eight adaptation impact dimensions listed below. For each project, only relevant, evidence-based aspects of community response are discussed in the case studies.

The unintended impacts are:

1. **Strengthened adaptive capacity:** People build skills, assets, and resilience.
2. **Increased generation and use of climate information:** Evidence and knowledge are produced and applied in decision-making.
3. **Strengthened awareness of climate threats and risk reduction processes:** Communities understand risks and the capacities they must develop.
4. **Strengthened government institutional and regulatory systems for climate-responsive development planning:** Coordination and accountability for climate-responsive governance.
5. **Increased resilience of ecosystems:** Natural systems retain, function, and support biodiversity.
6. **Increased resilience through livelihoods:** Income options that reduce vulnerability.
7. **Increased resilience of health, well-being, food, and water security:** The outputs lead to better health, food, and water security.
8. **Increased resilience of infrastructure and the built environment:** Physical services withstand to adapt to impacts[45].

Community perceptions of effectiveness for both intended and unintended impact, along with inclusivity and affordability, were captured using a 5-point Likert's scale summarized in the tables in Annex 9 and Annex 10 for ECCCP-Droughts and the tables in Annex 11 and Annex 12 for ECCCP-Floods. For the CI2 project, responses from the EE (CFM) are summarized in Annex 14. The case study discussions for the two projects in Bangladesh are structured as follows:

1. Project overview
2. Budgetary allocations
3. Participation of communities in identifying project needs
4. Intended impact
   - Inclusivity
   - Affordability
5. Unintended impact
6. Other positive and negative outcomes

For CI2, due to limitations, the discussion excludes sections 3 and 6.

Members of Malaya Farmers Agricultural Cooperative Office post-processing agricultural products in their solar-powered facility. Photo credit: Vina Salazar/Oxfam Pilipinas.

3.2. Case study 1: Extended Community Climate Change Project-Drought (ECCCP-Drought), Bangladesh

3.2.1. Project overview

The ECCCP-Drought project aims to strengthen the resilience of drought-prone communities in Bangladesh by strengthening institutional capacities, improving water availability for irrigation and drinking, and promoting drought-resilient, sustainable livelihoods.

Table 2 Overview of ECCCP-Drought project, Bangladesh

Project title	The Extended Community Climate Change Project-Drought (ECCCP-Drought)
Country	Bangladesh Districts: Naogaon, Rajshahi Division, and Chapainawabganj. Beneficiaries: 215,000 direct beneficiaries. Indirectly benefits more than 3.5 million people Rajshahi Division was selected for the fieldwork.
Duration	2023–2027
Budget	USD 29.96 million GCF grant of USD 23.93 million, remainder mobilized through co-financing.
AE, EE, IE	Palli Karma-Sahayak Foundation (PKSF). PKSF also involved 15 local NGOs as IE.
Intended impacts	If groundwater and surface water resources are properly managed and farmers adapt their agricultural practices to drought, then local communities are less vulnerable to climate change-induced droughts.
Project outputs	1.1. Enhanced capacities of government institutions to implement and monitor water resources management and climate change adaptation projects: Build institutional capacity. 1.2. Knowledge and technical capacities of climate change adaptation interventions improved: Build institutional capacity. 1.3. Communities are organized and aware of climate change issues and potential responses: Community-focused intervention. 2.1. Improved storage of surface water: Community-focused intervention. 2.2. Improved recharge of aquifers: Community-focused intervention and has not been implemented yet. 3.1 Drought-resilient crops are adopted by farmers' through drought-adaptive crops and fruit cultivation: Community-focused intervention. The communities were provided with seeds, but fertilizers and loans have not been provided yet.

Methodology

The GCF-funded ECCCP-Drought project was selected as a case study, with the research site located in the Rajshahi division of Bangladesh. Samaj Kallyan Sangstha (SKS), a local NGO, was interviewed using a semi-structured questionnaire to understand community involvement in project design and implementation, as well as the financing mechanisms used. PKSF was also contacted for additional information; however, they could not share data due to GCF's information disclosure policy. Although multiple local NGOs are engaged under the project, SKS was selected for the interview because the 25 direct project beneficiaries in Rajshahi referred to SKS's activities and involvement during implementation.

A semi-structured questionnaire was used to interview these 25 direct beneficiaries, including seven males and 18 females (see Annex 13A) from the project site. The purpose of the interviews was to capture communities' experiences, including their involvement in project design, their needs, the project's effectiveness, inclusivity, affordability, and the challenges faced.

The gender imbalance among respondents reflects the limitation of snowball sampling. The study's findings are largely dependent on the perceptions of these 25 individuals. The findings should be interpreted in light of the project's early implementation stage, as certain interventions, such as loan disbursements and recharge well installations, have not yet been implemented. Additionally, the study focused solely on one implementation site, Rajshahi, which may not fully account for contextual differences in other project locations.

3.2.2. Budgetary allocation

Of the total project budget, the GCF provides the majority of financing through a grant of USD 24,957,990 (83.3%). The remaining 16.7% is co-financed by PKSF, which includes USD 504,000 in in-kind contributions and a USD 4,500,000 loan (see Figure 5).

The budget is distributed into two main categories:

1. **Institutional capacity enhancement (Outputs 1.1 and 1.2)**

   The allocation for this category is USD 0.72 million, aimed at strengthening the institutional capacity of the LGU, Barind Multipurpose Development Authority (BMDA), and local NGOs. This includes establishing a climate change unit, creating a Managed Aquifer Recharge (MAR) center, and conducting a series of training sessions for local NGOs. Funding is provided on a grant basis (see Figure 5, excluding monitoring and evaluation (M&E) and other project-related costs).

2. **Community-focused initiatives (Output 1.3, 2.1, 2.2, and 3.1).**

   The project allocates approximately USD 27.96 million for this category to enhance community resilience to droughts. The activities include awareness and training programs, re-excavation of ponds and canals, aquifer recharge, and promotion of drought-resilient crops. This category uses a mix of grant-based and co-financing modalities.

Although the budget allocation demonstrates a clear prioritization of community-level interventions, it also reveals some key challenges:

- The sustainability of BMDA's climate change unit and MAR center is essential for effective governance of water resources. Furthermore, the sustainability of Outputs 1.3, 2.1, 2.2, and 3.1, which relate to community-focused livelihoods and water management, is also vital. Relying solely on project-based funding, without domestic budget integration and local government ownership, risks weakening institutional support and undermining long-term drought resilience in communities.

- PKSF's co-financing through loans risks transferring financial burdens to climate-vulnerable households. Even when concessional, these loans can push poor farmers into debt during harvest failures or income shocks, excluding the ultra-poor and undermining the principles of equity and climate justice in adaptation finance.

In addition, the research analyzed the financing structure adopted by the local NGO partner, SKS, for implementing community-focused interventions. Under this project, SKS received a total of USD 187,880 (BDT 23,000,000) from PKSF, with USD 114,900 (BDT 14,000,000) as grants and USD 73,900 (BDT 9,000,000) as loans.

- The grants received from the GCF were used by SKS to provide in-kind support through activities like training sessions and group formations (Output 1.3). The grants were also used to fund the re-excavation of ponds and canals (Output 2.1). Under this output, communities were required to contribute their labor and were paid USD 3.20 per day. However, maintenance costs for the re-excavated ponds and canals will be borne by the communities. Grants were also used under output 3.1 to promote drought-adaptive crops and provide seeds and fertilizers, and to support staff costs, logistics, and local travel.
- The loans received by SKS under PKSF's co-financing will be used to provide loans of USD 28 to 123 for drought-adaptive crop cultivation and management (Output 3.1). Communities will receive these loans at an interest rate of 18–20%, while SKS will repay PKSF at a nominal 1% rate. The difference is retained as its operational margin and reinvested to extend additional loans to communities. The local NGOs reinvest the recovered loan amount in the same drought project, allowing beneficiaries to access loans multiple times upon full repayment of previous cycles. The rest is also used as expenditures in line with operational sustainability.

Although this financing structure is intended to promote community resilience, it also presents several potential risks:

- In this financing chain from PKSF to NGOs to communities (and the reverse), communities still have the highest interest rate (18–20%). The interest repayment shifts repayment risk onto communities while generating profits for institutions. For poor farmers, this creates a debt risk precisely when climate shocks reduce yields, undermining affordability, accessibility, and resilience, as well as the equity objectives of adaptation finance.
- The grants-based activities exclude maintenance costs from communities. This could increase the financial and physical burden on households already facing drought impacts.

3.2.3. Participation of communities in project planning and needs identification

The process

The local NGOs and PKSF facilitated community engagement during project design through consultations, group discussions, and surveys with diverse participants. SKS conducted the process for the communities in Rajshahi. Once the consultations were completed, NGOs consolidated this information into structured formats, including concept notes, survey forms, and site proposals, which emphasized community needs, priorities, and challenges. These were then presented to PKSF for project planning and design.

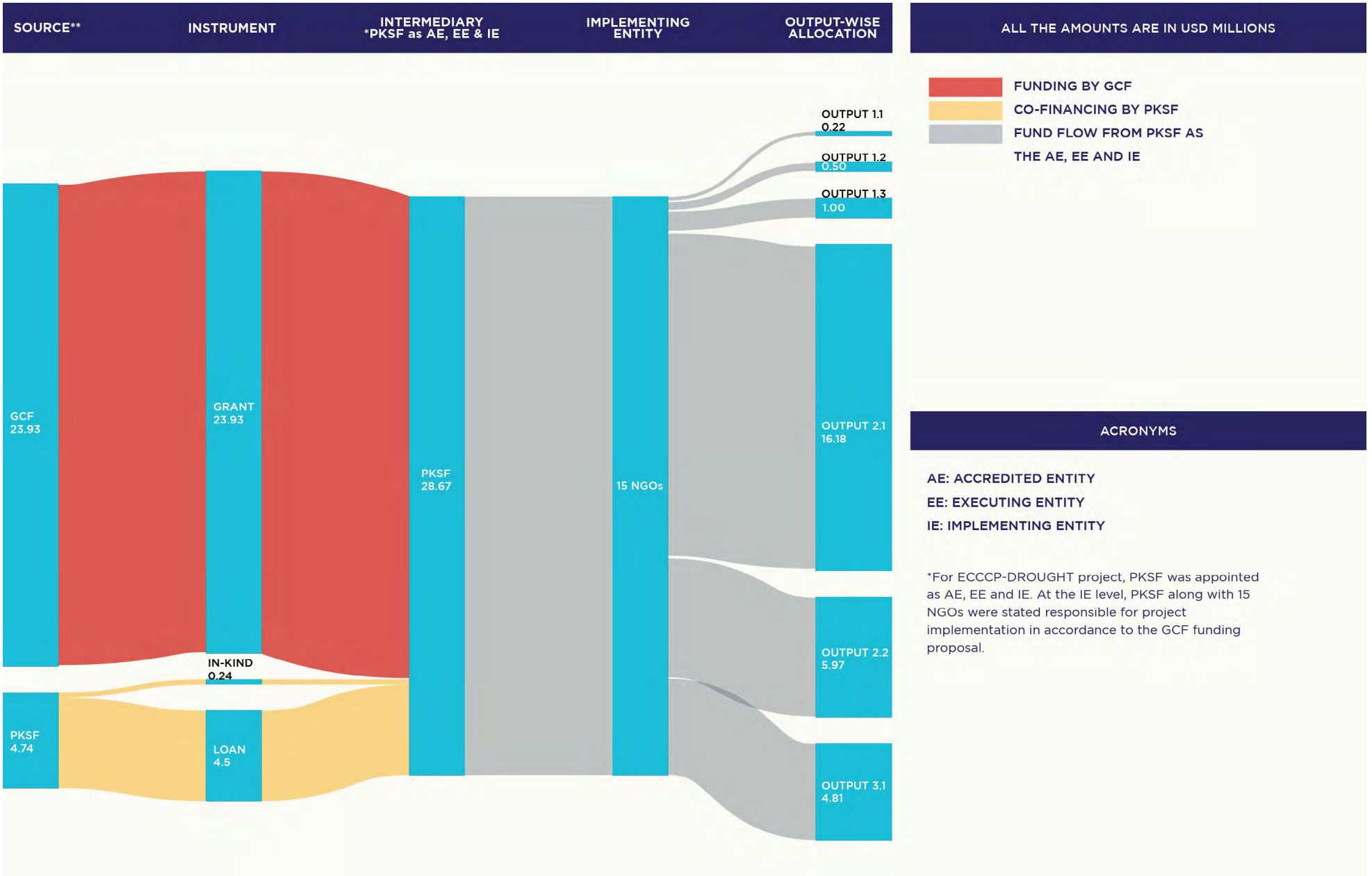
Community needs

During consultations, communities prioritized grants and key needs, including water, crop security, livelihoods, and health facilities. However, interviews with SKS confirmed that not all needs could be met due to budget and time constraints. Priorities such as irrigation and crop management were incorporated, while other critical livelihood needs, including livestock and homestead gardens, and the need for grants, were excluded. Additionally, the project design did not sufficiently address the specific needs of marginalized groups such as older persons and persons with disabilities (e.g., wheelchairs, walking sticks, water tanks, water containers, door-to-door health check-ups).

While the engagement process allowed communities to identify key priorities, it had several limitations. For example, communities did not understand why some of their priorities were addressed while others were excluded from the final project design. The exclusion of some of their priorities leaves them vulnerable to climate risks and contributes to inequality.

A just energy transition (JET) project helps power the elementary school in Sta. Ines Tanay Rizal. Photo credit: Erielle Esturas.

Figure 5 Output-level funding flows for the ECCCP-Drought project



Note: The amount contributed by the GCF and PKSF shown in the figure is representative of output-level contributions only and excludes M&E and other project-related costs.

3.2.4. Intended impacts: water and crop management

This section summarizes community perceptions of the effectiveness of the project outputs in achieving the intended impact. It also discusses community views on inclusivity and affordability.

Output 1.1: Enhancing the capacity of institutions

Output 1.1 aimed to enhance institutional capacity by establishing a climate change unit at the BMDA and a MAR center. These interventions can significantly improve groundwater management by generating climate information and strengthening community resilience in drought-prone areas. However, communities were not aware of these centers.

Although the output aims to strengthen institutional capacity by establishing a climate change unit, limited sharing of information about project deliverables has left most communities unaware of these initiatives. Consequently, the data produced may not align with on-the-ground realities. This undermines the effectiveness of localized adaptation planning and information-based decision-making.

Output 1.2: Knowledge and technical capacities of climate change adaptation

Output 1.2 also targeted institutional enhancements, such as studying real-time evaluation, analyzing results, developing a database of intervention impacts, and conducting training on project management. The objective of the intervention was to enhance institutional learning.

The approach remains largely top-down, similar to Output 1.1, with no evidence of community engagement. Without this, there may be a disconnect between the data evaluated, institutional learning, and frontline realities.

Output 1.3: Communities are organized and aware of climate change issues

Output 1.3 is perceived by communities as highly effective, with respondents highlighting that training sessions, monthly meetings, the formation of Climate Change Adaptation Groups (CCAGs), and knowledge-sharing activities directly addressed their livelihood needs and provided practical solutions. One of the respondents expressed that their need is, "....to learn livelihood practices and maintain a stable income". CCAGs and the training sessions were particularly valued for disseminating knowledge on climate change and its impacts on livelihoods; surface water management through the re-excavation of ponds and canals; and drought-resilient farming practices for rice, wheat, and pulses.

The communities that were provided training were selected based on: 1) CCAG membership; 2) Completion of primary education; 3) Willingness to volunteer; 4) Strong understanding of socio-economic context; and 5) Demonstrated leadership. In parallel, the selection criteria for members of CCAG's priority communities were: 1) High or medium-high Barind areas; 2) Farmers living in drought areas; 3) Having a single water source that is not accessible throughout the year; and 4) Preference for women-headed households.

Although the approach was perceived as effective, specific critical risks can erode the long-term benefits:

- The effectiveness of the interventions depends on the ability of communities to integrate and apply their knowledge to water and drought management. Without adequate government and institutional support, communities could struggle, limiting the translation of benefits into long-term adaptation outcomes.
- Additionally, restricting training to CCAG members with dried ponds or canals (single water sources) restricts access to benefits and could weaken

the project's objective of inclusion and long-term resilience.

- Requiring basic education and unpaid volunteer time can exclude low-literacy individuals, women with caregiving roles, and day-to-day farm workers/small-scale farmers. This could undermine the objective of adaptation financing and equal access to project benefits.
- Project-led capacity strengthening can be short-lived, as long-term resilience requires government institutions to actively lead and sustain knowledge-sharing initiatives. Under the initiative, the local government body, BMDA, will establish a climate data unit and a MAR center. However, they do not outline any community engagement initiatives, such as training and meetings. This could undermine the long-term sustainability of the initiative.

Inclusivity

Communities perceive Output 1.3 as highly inclusive as farmers, women, and low-income members were included. However, a few critical risks persist:

- The project included diverse community groups, but older persons, persons with disabilities, and women with caregiving responsibilities risk being excluded, as their specific needs were not considered in the project design. As a result, the training focused only on the needs that were prioritized for the project (water management and drought-resilient crops).

Affordability

Communities perceive access to knowledge and information on livelihood and water management as affordable. However, when training delivery depends on NGOs, the absence of a cost-sharing mechanism, such as between the local government and NGOs, may render it unviable over the long term.

Output 2.1: Improved storage for surface water

This intervention aims to re-excavate ponds and canals to increase the availability of surface water. The intervention will be implemented with grant support from the GCF. Households that will use the re-excavated ponds and canals were required to provide labor and were paid USD 3.20 per day. The project will establish a regular maintenance committee, led by CCAGs, to collect fees of USD 0.25 to 0.41 to maintain the ponds and canals[46].

Output 2.1 is perceived by communities as effective, providing access to water for domestic and agricultural use during the dry season. The re-excavated ponds and canals ensured community water needs for "better access to water during the dry season". Although access to water for agricultural and household use was considered useful, the women respondents also highlighted the urgent need for drinking water. Output 2.2 aims to provide drinking water, but it is planned for a later phase of the project.

Despite the overall benefits, there are potential critical risks that can undermine the long-term benefits of the initiative:

- While the re-excavated ponds and canals ensured water availability during the dry season, communities also observed declining water levels during extreme temperatures. This could result in reduced water availability and accessibility for agriculture and daily household use, leading to increased water insecurity and high vulnerability of drought-affected communities.
- The re-excavation of ponds and canals was carried out in consultation with the BMDA and local government authorities, which helped to identify suitable sites. However, the lack

of an integrated maintenance and monitoring plan that involves both communities and local government departments could limit the sustainability of technical support once project support ends.

- Delays in implementing Output 2.2 could reduce access to safe drinking water and weaken household resilience.

Inclusivity

Community perception of inclusivity was high, with diverse community groups accessing the water resources. Despite acknowledging improved water availability and accessibility, a few risks can be encountered, such as:

Older persons and persons with disabilities requested (during the project design phase) water tanks and containers for easier access. These needs were excluded from the final project design, limiting their ability to manage household water needs and increasing their vulnerability during dry periods.

Affordability

The communities perceive the intervention as affordable since their contributions are in-kind and they were paid for their labor for pond and canal re-excavation. However, the project design's proposal to establish a maintenance committee that collects fees introduces affordability concerns:

For poor households, even modest fees can create financial burdens. If some households cannot afford to pay, maintenance costs could fall disproportionately on others, creating inequity and weakening collective ownership of the resource.

Output 2.2: Improved recharge of aquifers

Under this output, communities will be provided with rooftop-managed aquifer recharge systems and recharge wells to provide safe drinking water. This output is not yet implemented. Any delay in implementing these activities also postpones safe access to drinking water.

Output 3.1: Drought-resilient crops are adopted by farmers

Under Output 3.1, farmers received drought-tolerant rice and wheat seeds and vermicompost as organic fertilizer. These were provided free of charge by the local NGO and funded by grants from PKSF to support climate-resilient cultivation. SKS also plans to disburse loans to farmers for drought-adaptive crop cultivation, to cover expenses such as irrigation and labor. The proposed loan amount ranges from USD 28 to 123 with an interest rate of 18–20%. However, these loans have not yet been disbursed to farmers and are planned at a later stage of project implementation. A condition for accessing these loans is that farmers adopt the alternate wetting and drying (AWD) irrigation method, a water-efficient technique for rice cultivation that involves intermittently draining and reflooding fields, reducing water use by up to 30% without compromising crop yield.

While market interest rates for farmers can reach up to 100%, the subsidized rate (18–20%) for communities is fixed under the Microcredit Regulatory Authority (MRA) guidelines in Bangladesh. These are collateral-free loans without any processing fees. The maximum loan term is two years with a flexible repayment schedule. IEs (local NGOs) will offer borrowers weekly or monthly installments. IEs also offer a risk coverage service or insurance cover for life and accident along with the loans. The insurance costs USD 0.50 (6 BDT) per USD 9.06 (1,000 BDT) loan amount. Under the financing structure, the SKS then repays PKSF at a 1% interest rate. The difference is then kept as an operational margin and can be provided for more loans for the same and other projects and initiatives.

The farmer selection criteria are: 1) Being involved in farming activities; 2) Having access to farmland larger than 1,500 square meters; and 3) Farmland should be medium-high land and medium-low land[47].

Overall, Output 3.1 is perceived by communities as effective, as the drought-resilient seeds, fertilizer, and training have improved crop yields. The communities mentioned their needs as "more information on agriculture and livestock". This indicates that communities see value in agricultural support but stressed the need for non-crop livelihood options like livestock.

However, significant concerns can limit the overall impact in the long run:

- The productive loan model assumes that communities can generate profit to repay loans. However, small-scale and marginalized farmers with limited resources and market knowledge and high vulnerability to shocks could face debt stress. Additionally, the maximum loan term of two years with a flexible repayment schedule of weekly or monthly installments is risky if farmers fail to generate steady profits. This, in turn, would fail to protect farmers from crop failures or market volatility.
- The insurance coverage is limited to life and accidents and may not address key risks such as crop failure or climate-related losses. In addition, the added insurance cost could also increase the repayment burden on already vulnerable households.

Inclusivity

While communities perceive the output to be inclusive, and they can access seeds, fertilizers, and loans, women from low-income groups and smallholder farmers highlighted a few gaps:

- In line with the criteria set to select farmers for loans, smallholder farmers who own less than 1,500 square meters and do not have medium-high or medium-low[48] land will be excluded. Additionally, daily wage workers and landless households with homestead land run the risk of being excluded. This exclusion could limit livelihood resilience and prevent the most vulnerable groups from accessing the necessary resources to adapt to climate change.
- The financing structure of Output 3.1 undermines inclusivity by imposing loans and insurance costs. The most vulnerable households, marginal farmers, women-headed households, and low-income groups with limited or unstable income will be unable to absorb these financial pressures. This could exclude these groups from project benefits, deepen existing inequalities, and reduce communities' overall resilience to climate impacts.

Affordability

Communities rate affordability as "low" due to the loan-based financing mechanism and the interest rates that apply. The higher rates charged to communities than to NGOs impose greater financial risk on communities, undermining the project's goal of supporting vulnerable households.

3.2.5. Unintended impacts

This section summarizes community perceptions of the effectiveness of the project's outputs in terms of unintended impacts. Community perception of unintended impacts is consistently "high" or "very high" across most of the dimensions, with very few rated "low" or "neutral". Only common critical risks are discussed below. Under the unintended impact dimension, increased generation and use of climate information across Output 2.1 for communities (rated as neutral due to the limited application of climate data in water management) and Output 3.1 for crop management are low, reflecting minimal use of climate data and information. Additionally, strengthened government institutional and regulatory systems were also perceived to have low effectiveness, as communities stated that local government authorities had limited engagement with them.

- Communities lacked opportunities to engage with local government, indicating a weak connection between government bodies and the communities they serve. This could reinforce a top-down approach to adaptation and hinder local-level climate justice and adaptation financing.
- Limited or no use of climate information is due to a lack of coordination with local government departments in planning for water and crop management. This reduces the effectiveness of interventions in building long-term drought resilience. Although awareness and training enhanced understanding of climate risks, the practical application of climate data in water management and agriculture remains limited. This can be linked to the lack of access to relevant data under Output 1.1 and 1.2.

3.2.6. Perspectives on the project's effectiveness

This section provides an overview of other positive and negative outcomes experienced by communities.

Other positive community perspectives on the project's effectiveness

Communities mentioned that the pond and canal re-excavation has been useful and has yielded positive outcomes to manage water during droughts.

Other negative community perspectives on the project's effectiveness

A few challenges were highlighted by communities:

- The local NGO and communities expressed concerns about political influence in the selection of beneficiaries, which risks excluding the most vulnerable and favoring the few.
- Communities highlighted the project's overemphasis on crop production and irrigation, and the absence of alternative livelihood opportunities, such as homestead gardening, livestock farming, and other non-farming activities. The current focus primarily targets one group, risking wider inequality if other livelihoods are not adequately included in community adaptation initiatives.

3.2.7. Conclusion

Overall, the communities perceive the project interventions as well aligned to build resilience against droughts. However, when communities access climate finance, funds pass through several intermediaries, reducing the share that reaches the communities directly. This highlights the importance of financing models that ensure support reaches those most affected by droughts.

A few consistent risks identified across all outputs are:

1. **Financing risk**: A mixed financing approach that combines in-kind support, such as training and construction materials, with grant-based or loan components can diversify risks and reduce reliance on a single funding source. While this model can improve flexibility, it becomes risky when loans are involved, as they could put additional financial strain on vulnerable households. Excluding maintenance costs from grant-based financing could also place a long-term burden on communities.
2. **Unmet needs:** The project aimed to address what communities saw as their most pressing needs related to crop and water management. While livelihood concerns such as rearing livestock, homestead gardens, and support for older persons and marginalized groups were highlighted by communities, they were ultimately

not included in the final project design. As a result, broader challenges related to unmet needs could undermine the overall resilience of communities.

3. **Beneficiary selection criteria:** The criteria established for communities to access project benefits did not include everyone. Small-scale farmers, landless individuals, daily wage workers, and livestock rearers were excluded. This exclusion could exclude the most vulnerable populations from the project's interventions.

4. **Weak government and community-level coordination:** Across all outputs, implementation was largely project-driven and NGO-led. There were no local government institutions that engaged with community groups and networks. This weak integration risks undermining local ownership and the long-term sustainability of the initiatives.

Newly installed Bandal (a bamboo-made, community-led indigenous practice for protecting riverbank form erosion) protecting a lush agricultural shoreline from further river erosion in Teesta River, Rangpur, Bangladesh. Photo credit: Jahangir Alam/TROSA, Bangladesh.

3.3. Case study 2: SAP008: Extended Community Climate Change Project-Flood (ECCCP-Flood), Bangladesh

3.3.1. Project overview

The ECCCP-Floods project aims to enhance the resilience of poor, marginalized, and climate-vulnerable communities living in flood-prone areas exposed to the adverse impacts of climate change.

Table 3 Overview of ECCCP-Flood Project, Bangladesh

Project title	Extended Community Climate Change Project-Flood (ECCCP-Flood)
Country	Bangladesh Districts: Kurigram, Lalmorinhat, and Jamalpur Beneficiaries: 90,000 Kurigram Division was selected for the fieldwork
Duration	2020 to 2024
Budget	USD 13.3 million GCF grant of USD 9.68 million, remainder mobilized through co-financing
AE, EE, IE	Palli Karma-Sahayak Foundation (PKSF) PKSF also involved 10 local NGOs as IE
Intended impacts	1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions. 2: Increased resilience of health and well-being, and food and water security. 3: Increased resilience of infrastructure and the built environment to climate change.
Project outputs	All the outputs are community-focused: 1.1: Climate Change Adaptation Groups (CCAG) formed and operationalized. 1.2: Prepared vulnerability assessment and adaptation action plan. 1.3: Training and workshops on climate change conducted for beneficiaries and stakeholders. 1.4: Prepared and disseminated knowledge products. 2.1: Raised homesteads above flood level. 2.2: Reconstructed climate-resilient houses. 3.1: Installed resilient tube wells. 3.2: Constructed sanitary latrines. 4.1: Rearing of goat/sheep in slatted houses. 4.2: Cultivated flood-tolerant crops.

Methodology

The GCF-funded ECCCP-Flood project, with the research site in Kurigram, Bangladesh, was selected for the case study. RDRS, a local NGO, was interviewed through a semi-structured questionnaire to understand community involvement in the project design and implementation processes, as well as the financing mechanisms applied. PKSF was also contacted for supplementary information; however, details could not be obtained due to its information disclosure policy.

Although several local NGOs participated in implementing project activities across multiple districts, RDRS was purposively selected for the interview due to its significant operational presence in the Kurigram district. The selection was further substantiated by the 25 direct project beneficiaries, who explicitly referenced the role and engagement of the RDRS during the design and implementation phases and in facilitating community-based interventions.

A semi-structured questionnaire was administered to interview the 25 direct project beneficiaries including three males and 22 females (see Annex 13B) from Kurigram. The purpose of these interviews was to capture community experiences related to their involvement in project design, identified needs, project effectiveness, inclusivity, affordability, and the challenges faced during the implementation.

The gender imbalance among respondents reflects a limitation of the snowball sampling method and, therefore, the findings largely reflect the perceptions of these 25 participants. Finally, as the study focused exclusively on one implementation site (Kurigram), it may not fully capture contextual variations across other project sites.

3.3.2. Budgetary allocation

This section provides an overview of the project's output in terms of budgetary allocations (see Figure 6, which excludes M&E and other project-related costs).

Of the total project budget of USD 12.6 million, the GCF provided the majority of financing through a grant of USD 9.08 million (71.8%). The remaining share of USD 3.5 million (27.2%) was contributed as co-financing, comprising in-kind contributions of USD 0.2 million and loans of USD 3.3 million.

The budget was allocated across the following outputs:

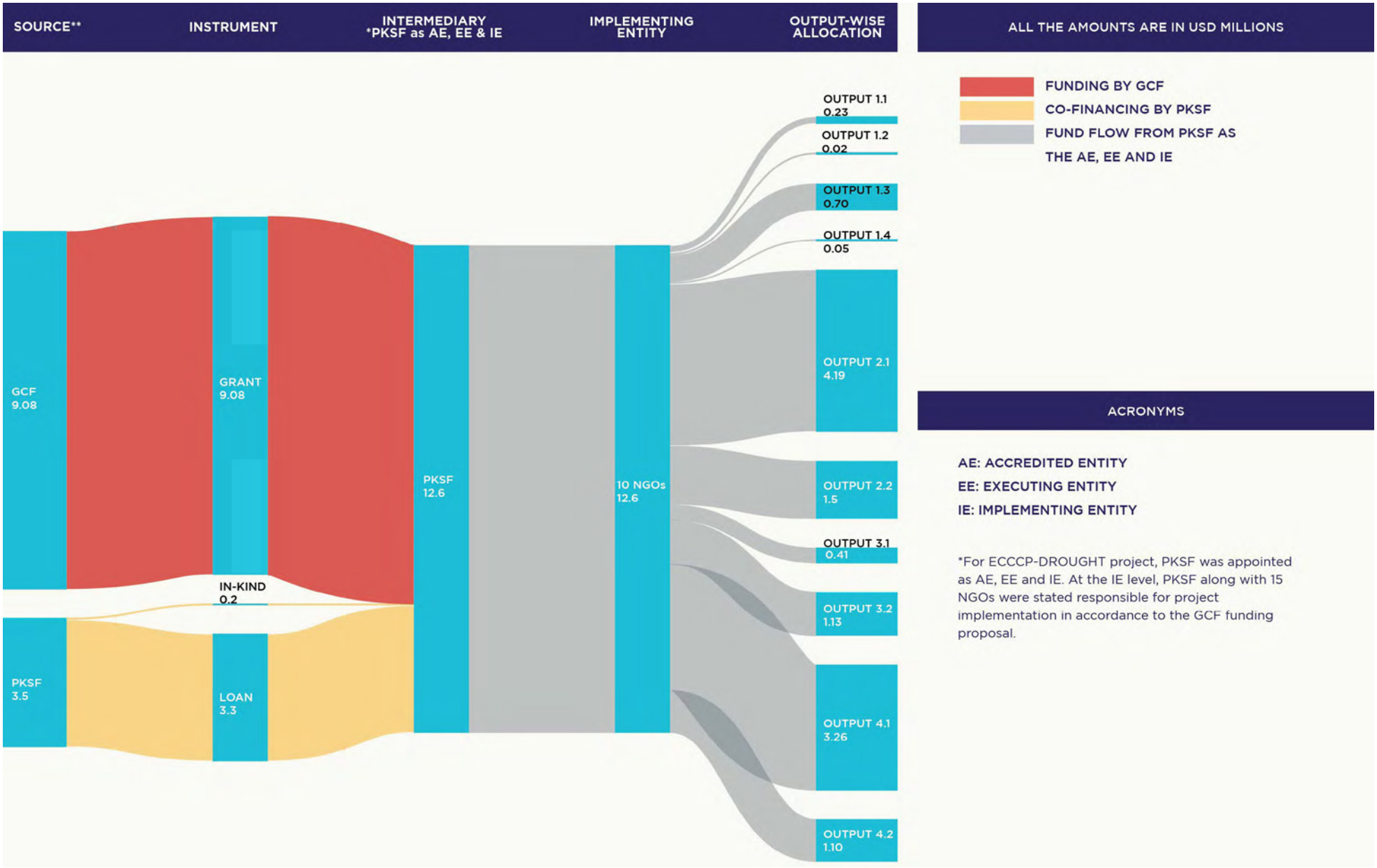
- Community Planning and Organization-based Interventions (Outputs 1.1, 1.2, 1.3, and 1.4)

The allocation for this category was USD 1 million. Grants were used to strengthen the CCAGs, conduct training sessions, prepare vulnerability assessment plans for communities, develop training manuals for project management, and disseminate communication materials.

- Climate Resilient Infrastructure Development-based Interventions (Outputs 2.1 and 2.2)

The project allocated USD 5.69 million to this category to enhance flood resilience by raising homesteads above the flood level and facilitating the reconstruction of climate-resilient houses. This category uses grants for raised homesteads and provides construction materials and loans for rebuilding homes.

Figure 6 Output-level funding flows for the ECCCP-Flood project



Note: The amount contributed by the GCF and PKSF shown in the figure is representative of only output-level contributions and excludes M&E and other project-related costs.

WASH interventions for resilience (Outputs 3.1 and 3.2)

The project allocated a total of USD 1.54 million to enhance the resilience of water and sanitation systems to floods through the installation of tube wells and the construction of sanitary latrines. Financing was fully grant-based.

Livelihood interventions for resilience (Outputs 4.1 and 4.2)

The project allocated USD 4.36 million to enhance livelihood resilience to floods. GCF grants will be used to build slatted houses (Output 4.1) and loans from PKSF's co-financing will be used to purchase goats and sheep. For output 4.2, grants will be used to provide seeds, organic fertilizers (vermicompost), and loans for the cultivation of wheat, rice, and vegetables.

Although the budget allocations clearly prioritize community-level interventions, they also reveal some key challenges:

- PKSF's reliance on multiple financing sources could create administrative complexity due to managing multiple funding streams and compliance requirements. Moreover, reliance on external funding partners heightens financial uncertainty, ultimately affecting local adaptation efforts and undermining equitable climate justice outcomes.
- Like the ECCCP-Drought project, PKSF's co-financing through loans risks transferring financial burdens to climate-vulnerable households (9–15% interest rate). Even when concessional, such loans can push poor farmers into debt during harvest failures or income shocks caused by recurrent floods. This could exclude the ultra-poor, undermining the principles of equity and climate justice in adaptation finance.

Additionally, the research examined the financing structure employed by the local NGO partner, RDRS, in implementing community-focused interventions.

- Under this project, RDRS received a total of USD 0.33 million (excluding operational costs, M&E, and other expenses) from PKSF as grants and loans, allocated for various purposes across different outputs.
- RDRS received a total of USD 132,412 in grants for the formation of climate adaptation groups and the development of climate adaptation plans under Output 1.1 and 1.2. The total allocation is not available for Output 1.3.
- A total of USD 16,470 was allocated under Output 2.1 to construct raised homesteads (plinths) above the flood level to enhance infrastructure resilience. Households received grants ranging from USD 90 to USD 225, disbursed via mobile banking. They also received construction materials, training, and technical support.
- Under PKSF's co-financing, RDRS used a total of USD 83,333 in loans to help communities rebuild climate-resilient houses under Output 2.2. Households received loans ranging from USD 84.70–212, with interest rates of 9–15%, to reconstruct resilient homes. They also obtained materials such as RCC pillars, iron angles, and corrugated tin.
- Output 3.1 and 3.2 targeted the installation of tube wells and latrines, with allocations of USD 4,167 and USD 6,250, respectively, to improve health and sanitation. Households collectively covered the installation costs, paying between USD 6 and USD 8 per unit for the construction of tube wells and latrines.

- Under Output 4.1, RDRS received a total allocation of USD 31,250. Households received slatted livestock shelters for goats and sheep funded through GCF grants to PKSF. They also received loans to buy goats or sheep, totaling USD 125, with an interest rate of 9–15% through PKSF's co-financing.
- For Output 4.2, the total allocation is not available. The output focused on the cultivation of flood-tolerant crops. Under this output, community households were provided with seeds and fertilizers to grow crops. Households also received loans of approximately USD 25.40–42.40 at interest rates of 9–15%.

Overall, RDRS paid PKSF a modest 4% fee on the loans. The funds generated by the differences in interest are retained as an operating margin or reinvested to expand lending to communities for different projects run by the organization.

Although this financing structure seeks to enhance community resilience, it raises several concerns similar to those raised by the ECCCP-Drought project:

- Communities face the highest interest rates of 9–15%. The interest rate is calculated using the reducing balance method, decreasing to 9% by the end of the loan period. This financing mechanism still shifts the risk onto communities while generating profits for institutions. For poor and marginalized communities, this creates debt risk precisely when climate shocks reduce yields, undermining affordability, accessibility, and sustainability.
- The grants mechanism for installing tube wells and latrines adopted a cost-sharing approach, requiring households to jointly contribute USD 8–16 to access the tube wells and sanitary latrines. This approach may impose a financial burden on poorer households, limiting their participation.
- Overall, discussions with local NGOs reveal that the fund allocations for community-level initiatives are inadequate to reach highly vulnerable areas and, without improving fund flow, both immediate and long-term local challenges cannot be addressed effectively.

3.3.3. Engagement of communities in project design and their needs

The process

Several NGOs were engaged during the project design phase to ensure community participation. In the Kurigram area, RDRS and PKSF facilitated community engagement through field surveys, focus group discussions (FGDs), consultations, and social mapping. Separate sessions and female facilitators ensured the active participation of women. Meetings were often held near women's homes or at times convenient for them to facilitate their involvement. However, several participation gaps were observed. Many community members reported that meeting agendas and materials were not shared in advance. Participation also varied due to livelihood and household responsibilities.

Community needs

During meetings, consultations, and surveys, the communities articulated several key needs. These included the need for flood-resilient housing and raised plinths, safe drinking water supplied by tube wells, and the construction of latrines. They also requested livelihood diversification opportunities, such as livestock rearing, homestead gardening, and support for fisheries activities. Additionally, communities emphasized the need for riverbank protection, erosion control, health services, training on climate-adaptive farming, and stronger government engagement. They also expressed a clear preference for grants over loans, given their limited repayment capacity.

Some of these needs were successfully addressed through the project while others were excluded. An interview with RDRS revealed that not all community needs could be met due to budget constraints.

While the involvement process enabled communities to highlight key priorities, it had several limitations:

- Critical priorities such as riverbank protection, erosion control, and floodplain management were not incorporated due to budgetary limits. Communities emphasized that effective interventions in these areas could significantly reduce livelihood disruptions and economic losses. Without addressing such needs, communities will continue to be exposed to the root causes of the vulnerabilities.
- Limited communication about project design decisions and follow-up left communities unsure why some of their priorities were included and others were excluded. Active community engagement during the final stage is essential for building ownership and trust. This gap risks undermining inclusive adaptation by excluding community voices from final decisions.

3.3.4. Intended impacts Intended Impact 1: Increased Resilience and Enhanced Livelihoods

This section summarizes community perceptions of the effectiveness of the project outputs in terms of achieving the intended impact. It also covers community views on inclusivity and affordability.

Output 1.1: Climate change adaptation groups and intended impact 1: Increased resilience of livelihoods

Output 1.1 was perceived by communities as highly effective, with respondents emphasizing that the formation of CCAGs, regular meetings, and community planning activities directly address their livelihood and climate resilience needs. Communities valued discussions on climate change, water management, and flood-resistant crops, including rice, vegetables, and wheat.

However, one respondent expressed an ongoing concern: “Need more financial support and livelihoods that can ensure long-term income.”

The criteria for selecting CCAG members included: 1) Those living in riverine char and low-lying flood vulnerable areas; 2) Women-headed households and other disadvantaged groups; 3) Poor and ultra-poor households* (as defined in the Household Income and Expenditure Survey (HIES 2016f) of the Bangladesh Bureau of Statistics (BBS-2017); 4) Daily income of less than USD 1.75; and 5) Those not receiving any support from other project or organization.

While these criteria prioritize women and low-income households, sustaining and scaling CCAGs’ activities, such as meetings and community planning, requires institutional integration with local government structures. Without such linkages, the initiative risks losing continuity and impact once project support ends.

Under Output 1.1, Intended Impact 2 (resilience of health) and Intended Impact 3 (resilience through infrastructure) were not assessed by communities.

* **Ultra-poor households:** Ultra-poor or extremely poor households are under the lower poverty line, as determined by HIES. The income equivalent of the lower poverty line is a maximum monthly household income of approximately BDT 5,000 (approximately USD 40).
Poor households: Poor households are below the upper poverty line and above the lower poverty line as per HIES. The income equivalent of the upper poverty line is BDT 5,800, so the monthly income of a poor household is between BDT 5,000 and BDT 5,800 (~USD 40–50).

However, discussions on health, sanitation, livelihoods, and water management are included in Output 1.3: training and workshops.

Inclusivity

Output 1.1 is perceived by communities as "high" and "neutral" in terms of inclusivity. The output prioritized women-headed, poor, and flood-vulnerable households.

Even though the initiative was aimed to be inclusive, some of the respondents mentioned that their "involvement was limited due to time constraints".

Limited involvement of specific community groups highlights the need for better communication and outreach, as well as making flexible arrangements for communities. Without such measures, inclusivity during implementation could be undermined for activities requiring active involvement.

Affordability

Output 1.1 was essentially affordable due to in-kind support and no-cost participation for communities.

However, long-term affordability remains uncertain once external project funding ceases. Without financial and institutional support, maintaining meetings, training, and facilitating groups could become challenging.

Output 1.2: Vulnerability assessment and adaptation plan and intended impact 1: Enhanced resilience of livelihoods

Communities perceive Output 1.2 as effective because it identifies localized climate risks and strengthens community-driven planning processes. Information was collected on livelihood-related risks, such as crop losses, through community consultations, discussions, and surveys.

However, many respondents also said they were unaware of the assessment process or its outcomes. This could limit ownership and understanding of how the findings will be used for livelihood purposes.

Output 1.2:Vulnerability assessment and adaptation plan and intended impact 2: Increased resilience of health

Communities perceive Output 1.2 as effective for increased resilience of health, food, and water security. Health-related vulnerabilities, including waterborne diseases, malnutrition, and sanitation gaps, were identified through participatory assessments and surveys. Communities acknowledged that these findings reflected real conditions but reported limited visibility of follow-up interventions addressing these challenges.

While the assessments captured essential data on food and water insecurity, they lacked coordination with local health or agriculture departments to design integrated solutions.

Output 1.2: Vulnerability assessment and adaptation plan and intended impact 3: Increased resilience of infrastructure and built environment

Output 1.2 is perceived by communities as mostly ineffective. The output mapped community infrastructure challenges, including unsafe housing, weak flood protection, and inadequate sanitation systems. Communities expressed concern that the documentation did not result in visible changes to the physical infrastructure.

While these findings highlighted critical structural vulnerabilities, action planning was limited to documentation in the adaptation plan and not integrated in local government or disaster management plans.

Inclusivity

Communities perceive Output 1.2 as inclusive because it involved community members, women, and low-income households, and incorporated Indigenous knowledge.

However, some respondents mentioned their limited awareness of the vulnerability assessment and adaptation planning process. This suggests the initiative was not sufficiently tailored or flexible to reach all community groups effectively. This could hinder efforts to reach marginalized communities and involve them in climate change planning.

Affordability

Output 1.2 is perceived as affordable and accessible to all community members.

Without linking vulnerability assessment plans to government systems and coordinating with the community network, these plans cannot be updated or used over time, making the initiative unaffordable over time.

Output 1.3: Training and workshops and intended impact 1: Increased resilience of livelihoods

Under Output 1.3, training and workshops on climate change were provided and perceived by communities as having limited effectiveness in enhancing livelihoods. Respondents mentioned the need for training on using seasonal forecasts and early warning information. Some respondents valued the livelihood-related training that improved their knowledge of crop diversification and water management. However, several participants reported not attending the training due to timing conflicts or lack of prior notice. Others mentioned the need for follow-up support after the training sessions.

The following risks emerged:

- Some groups faced accessibility barriers due to competing responsibilities (e.g., women in caregiving roles). This indicates that training needs to be tailored to communities and flexible in response to their realities.
- Limited coordination and collaboration with the local government risks weakening capacity-strengthening efforts.

Output 1.3: Training and workshops and intended impact 2: Resilience of health and well-being

Output 1.3 is perceived by communities as effective in improving health resilience. Communities appreciated the focus on nutrition, hygiene, and safe water practices. These training sessions increased awareness of health and sanitation risks associated with floods.

Despite a positive perception, the reach was uneven. Sometimes communities lacked follow-up sessions or materials to reinforce learning, and health-oriented sessions were often not linked to existing healthcare institutions or service providers.

Output 1.3: Training and workshops and intended impact 3: Resilience of build infrastructure

Communities perceive Output 1.3 as effective, as the training covered discussions related to construction safety measures, use of resilient materials, and flood-resistant techniques, which were appreciated.

Some of the critical risks that can emerge are: Training sessions were not delivered or integrated with local disaster management committees or housing departments for continuity. This could undermine the benefits in the long run.

Inclusivity

Communities perceive Output 1.3 as highly inclusive, as all community members, including women and marginalized groups, actively participated in several training sessions and discussions.

However, participation was uneven for some vulnerable groups. Due to the selection criteria, households with homestead-based or non-farm livelihoods could be excluded from the training and the benefits of the project.

Affordability

Communities perceive Output 1.3 as affordable, since the process has no direct cost.

Without local government support, training could become unaffordable in the long run.

Output 1.4:Disseminate knowledge products

Communities did not rate this output separately. The output is mainly for project management.

Output 2.1: Raised homestead plinths

Under Output 2.1, households received grant-based cash transfers ranging from USD 90 to 225. The assistance was provided through mobile banking. They also received construction materials, training, and technical support.

The beneficiaries selected for the initiative were: 1) Women-headed households and households with disadvantaged members; 2) Poor and ultra-poor households (as defined in the Household Income and Expenditure Survey (HIES 2016) of the Bangladesh Bureau of Statistics (BBS-2017); and 3) Those who do not have the financial capacity to reconstruct their house.

Output 2.1: Raised homestead plinths and intended impact 1: Livelihood resilience of climate change

The communities perceived Output 2.1 as having limited effectiveness. The output focused on raised homesteads and makes a low contribution to enhancing livelihoods and resilience. This output mainly aims to enhance physical safety from flooding rather than generate income opportunities.

A few community members participated as daily-wage workers in construction activities, earning approximately USD 4 for men and USD 3 for women; such employment was short term.

The difference in wages between male and female workers shapes how communities access climate finance and can reinforce gender barriers to equitable benefit sharing. Additionally, not all vulnerable groups will be able to access such wage opportunities, as they are short term and may be challenging for women with caregiving responsibilities.

Output 2.1: Raised homestead plinths for intended impact 2: Improved health, food, and water security

Communities did not rate this output separately for improved health and food and water security. The output is mainly aimed at strengthening the resilience of infrastructure.

Output 2.1: Raised homestead plinths for intended impact 3: Resilience of infrastructure and built environment

Communities perceive Output 2.1 as effective in meeting their needs for building flood-resilient infrastructure. However, the effectiveness was rated lower by some, who expressed concerns during extreme or prolonged flood events,

particularly when construction materials were not durable or when plinths were not raised sufficiently to prevent inundation.

A few key risks are:

- Exposure to prolonged or extreme flood events could undermine the long-term resilience and protection of assets such as tube wells, homes, and latrines for some respondents.
- The lack of integration with local government institutions for technical and maintenance support could threaten the sustainability of the infrastructure.

Inclusivity

Communities perceive Output 2.1 as inclusive, as it prioritized women-headed households, poor, and ultra-poor households. However, some respondents reported that older adults and persons with disabilities were unable to participate in the final planning and decision-making regarding construction materials due to unfamiliarity with the procedures.

- Without targeted communication and outreach measures for older persons and persons with disabilities, these groups risk being excluded from both participating in projects and reaping the benefits.

Affordability

Output 2.1 is perceived as affordable by communities due to the cash transfer in the form of grants.

However, there are key risks:

- While the GCF grants support plinth elevation, with communities receiving between USD 90 and 225, the grants do not include maintenance costs. This could burden communities with recurring expenses for repairing and maintaining structures after repeated flooding.
- Communities observed that although using locally available materials like bamboo, mud, and thatch initially made construction affordable, the low durability of these materials increases long-term maintenance costs, potentially making the intervention less cost-effective over time. This could reinforce a cycle of vulnerability rather than promote resilience to floods.

Output 2.2: Reconstruction of climate-resilient houses and intended impact 1: Resilience of livelihoods

Communities perceive Output 2.2 as having limited effectiveness in creating livelihood-related impacts. Communities were engaged in construction work, earning between USD 3 and 5 per day. This was noted as temporary employment rather than a long-term livelihood opportunity.

Output 2.2 Reconstruction of climate-resilient houses for intended impact 2: Improved health, food, and water security

Communities did not rate this output separately for improved health and food and water security. The output is primarily intended to strengthen the resilience of infrastructure.

Output 2.2: Reconstruction of climate-resilient houses for intended impact 3: Resilience of built infrastructure

Under Output 2.2, households were selected for house reconstruction based on the following criteria: 1) Raised plinths above flood level; 2) Women-headed households and other households with disadvantaged members; 3) Poor and ultra-poor households; and 4) Those who have the financial capacity to reconstruct their houses.

Households received construction materials like RCC pillars, iron angles, and corrugated tin from GCF grants. The loans received from PKSF's co-financing range from USD 84 to 212 at interest rates of 9–15% and use a reducing balance method. According to RDRS, the rate gradually drops to about 9% by the end of the loan period.

Communities perceive Output 2.2 as effective in meeting their needs for flood-resilient housing. Communities acknowledged that the houses were protected against moderate floods. However, some mentioned their needs were not met as the materials provided were not strong enough for prolonged inundation or intense flooding. The communities said they need "homes that can withstand extreme floods".

Some of the key risks are:

- Criteria 4 requires financial capacity while criteria 3 prioritizes poor households; this contradiction could lead to excluding the most vulnerable from project benefits.
- The initiative lacks technical supervision and community-based maintenance plans integrated with local institutions.

Inclusivity

Communities perceive Output 2.2 as having limited inclusivity, despite prioritizing women-headed and disadvantaged households.

Key risks and concerns: Some respondents pointed out that vulnerable groups, including persons with disabilities and landless farmers, risk being excluded. This is due to criteria 1 and 4, which exclude farmers who do not own houses and those with the capacity to repay loans.

Affordability

Output 2.2 is perceived as affordable by communities. The loans provided immediate financial support for the reconstruction of houses.

Providing consumptive loans of USD 84 to 212 with interest rates of 9–15% places a financial burden on vulnerable households, especially those with limited or unstable income sources. Also, the reducing method of loan repayment can be confusing to some community members and could cause debt stress for communities. They also felt that housing materials were not durable and the maintenance costs could make upkeep unaffordable.

This indicates that initiatives are not aligned with long-term affordability and quality standards and could deepen financial vulnerability and reduce community confidence in resilience investments.

Output 3.1 Installation of resilient tube wells

Under this output, tube wells were installed on raised platforms (plinths) to make water more accessible for communities and protect them from floods. The intervention was implemented through grants with a cost-sharing mechanism whereby households jointly contributed USD 6 to 8 to install the tube wells. This cost-sharing approach was facilitated by RDRS through consultations with community members and approval of the contribution amount. An interview with the local NGO revealed that the model was introduced to promote ownership and accountability among community members.

Beneficiary selection followed clearly defined criteria to ensure equity and prioritize vulnerable groups. Priority was given to: 1) Women-headed households and other households with disadvantaged members; 2) Poor and ultra-poor households (as defined in the Household Income and Expenditure Survey (HIES 2016) of the Bangladesh Bureau of Statistics (BBS-2017); 3) Households lacking the financial capacity to set up a tube well, sanitary latrine, and slatted house for goat/sheep rearing; and 4) Households with raised plinths.

Output 3.1: Installation of resilient tube wells and intended impact 1: Resilience of livelihoods

The communities perceive Output 3.1 as having no impact on improving resilience of livelihoods.

Output 3.1:Installation of resilient tube wells and intended impact 2: Improved health, food, and water security

Output 3.1 is perceived by communities as effective, as the installation of tube wells improved access to safe drinking water and contributed to health outcomes. One of the respondents mentioned, "Water has to be available throughout the year." However, some respondents reported difficulties in accessing water during an extreme flood event and emphasized the need for additional tube wells to ensure availability of water.

Although the intervention aimed to enhance access to safe drinking water, there are risks:

- While the intervention improved safe drinking water, limited availability and inaccessibility of tube wells during extreme floods could undermine long-term water and health security.
- The absence of partnerships with local water departments or user committees undermines the long-term sustainability and accountability of the intervention, as critical water infrastructure cannot be managed effectively by communities alone.

Output 3.1: Installation of resilient tube wells and intended impact 3: Increased resilience of infrastructure and the built environment to climate change

The community perceives Output 3.1 as effective, acknowledging that the installed tube wells on raised platforms (plinths) has improved access to safe water. However, community members also mentioned that challenges persist, particularly water availability during extreme floods.

Although raised tube wells improved access to safe water, their limited functionality during extreme floods exposes design and planning gaps, highlighting the need for better climate-resilient infrastructure to ensure uninterrupted water security.

Inclusivity

Output 3.1 is perceived by communities as inclusive, as it prioritizes women-headed and marginalized households through meetings and FGDs during the planning process. Thus, the approach improved representation during the initial design and helped ensure that vulnerable groups gained access to safe water.

However, key decisions were made primarily by external stakeholders (NGOS, PKSF), and community participation in final site selection and supervision was limited. The inclusive process was more consultative than participatory.

Challenges related to poor design may have a disproportionate impact on women and marginalized groups—the primary water collectors—by increasing their workload and daily hardship.

Affordability

The communities perceive Output 3.1 as affordable, as tube wells were installed through in-kind support, with community members jointly contributing USD 6–8 for installation.

The requirement for households to collectively contribute USD 6–8 contradicts the criteria 3, which prioritizes households without the financial capacity to install tube wells. This approach risks excluding the poorest households who are unable to pay, and risk the health, food, and water security of the ones who are the most in need.

Output 3.2: Construction of sanitary latrines and intended impact 1: Resilience of livelihoods

Communities did not link the installation of sanitary latrines to livelihood security, as the intervention improves hygiene rather than income generation.

Output 3.2: Construction of sanitary latrines and intended impact 2: Improved health, food, and water security

Under this output, sanitary latrines were installed to improve community health and hygiene conditions. Grants and a cost-sharing mechanism supported the intervention, with households jointly contributing approximately USD 6–8 to install the latrines, which will be shared by two to three households.

The communities perceive Output 3.2 as effective for improving health, sanitation, and hygiene. Respondents highlighted that the installation of sanitary latrines significantly reduced open defecation, improved cleanliness, and minimized the spread of water-borne diseases. However, some households reported challenges during heavy rainfall and flooding when latrines became inaccessible or flooded. Communities emphasized the need for better materials, skilled labor, and improved drainage systems to ensure long-term usability.

Even though the aim of the intervention is to build resilience, the issues raised by communities indicate that severe climate conditions could strain such designs in high-risk, flood-prone zones and limit access to sanitation during climate events.

Output 3.2: Construction of sanitary latrines and intended impact 3: Increased resilience of infrastructure and the built environment to climate change

The communities perceive Output 3.2 as effective, as the installation of sanitary latrines provided a more hygienic option and improved the resilience of local infrastructure.

However, sanitary latrines are not designed to withstand frequent or severe flooding. Additionally, drainage systems need to be upgraded to withstand prolonged and recurring floods. Without ensuring that infrastructure is resilient to flooding, the initiative could put the health of a community at risk.

Inclusivity

The communities perceive Output 3.2 as inclusive, as it ensured participation through meetings, consultations, and FGDs, allowing community members, particularly women and marginalized households, to express their sanitation-related needs.

However, some respondents mentioned they are not fully aware of the installation process or decision-making outcomes, which suggests partial inclusion. This could create gaps in communication and participation throughout the implementation process.

Affordability

The communities perceive Output 3.2 as affordable, as the installation was grant-based with USD 8 to 16 to be jointly contributed by households.

However, respondents emphasized the need for better construction materials, skilled labor, and more latrines. The absence of financing for post-flood repairs makes the intervention less affordable and sustainable, underscoring that effective adaptation financing must account for all associated costs to minimize risks and burden on communities.

The cost-sharing approach could exclude low-income households that are unable to pay. This would make it more difficult to achieve the overall objective of ensuring

affordable sanitary latrines for poor and ultra-poor households.

Output 4.1: Rearing of goats/ sheep in slatted houses and intended impact 1: Increased resilience of livelihoods

Under this initiative, households received slatted livestock houses for goats and sheep and obtained loans to buy goats or sheep through PKSF's co-financing—a hybrid financing model combining loans and grants.

Households were selected using the same criteria as those applied in Output 3.1. Households received loans of USD 125, with the interest rate calculated on an annual (per annum) basis at 9–15% on a declining (reducing) balance, declining to 9% by the end of the loan period, with a six-month grace period. Repayments were made in small installments, typically on a weekly or monthly basis, with loan tenures commonly ranging from 6, 12, to 24 months, depending on the loan amount provided by the implementing NGO(s).

Communities perceive Output 4.1 as less effective in strengthening livelihood resilience. Although the initiative provided safe shelter for livestock and facilitated loans to purchase goats and sheep, it lacked critical linkages to markets and access to fodder, both of which were necessary for sustainable income generation. As one respondent noted, "the structures provide safe space for animals", while others emphasized their need for "increased knowledge on climate-smart animal rearing and sustainable solutions".

A few other key risks are:

- During the design phase, community consultations revealed the need to support fishing activities, homestead gardens, and daily wage workers. However, this intervention primarily targets agricultural and livestock communities, excluding other livelihood groups. This indicates that the initiative does not fully align with the broader livelihood priorities of the communities.
- The interest rate, grace period, and monthly installments may not align with the repayment capacities of smallholder farmers, and vulnerable groups may face debt stress. The communities are also likely to face debt stress during extreme floods, which can challenge livelihood resilience.

Output 4.1: Rearing of goats/ sheep in slatted houses and intended impact 2: Increased resilience of health and well-being, and food and water security

The communities perceive Output 4.1 as having no impact on food and water security, well-being, or health.

Output 4.1 Rearing of goats/ sheep in slatted houses and intended impact 3: Increased resilience of infrastructure and the built environment to climate change

Output 4.1 is perceived by the communities as having limited effectiveness. Respondents appreciated that the slatted houses offer protection for animals but are unsure about their ability to withstand severe floods.

Inclusivity

The communities perceive Output 4.1 as inclusive, as it targeted marginalized households. However, they expressed concerns that key decisions were made externally by PKSF and implementing NGOs.

This inconsistent engagement, combined with minimal feedback on final decisions, highlights a significant gap in participatory processes and emphasizes the need for greater community ownership in project planning and implementation.

Affordability

The communities perceive Output 4.1 as affordable, but a few core risks remain:

The mixed financing model (loans, grants, and in-kind contributions) reduced immediate financial barriers but created potential debt risks for highly vulnerable households.

Output 4.2: Cultivation of flood-tolerant crops and intended impact 1: Increased resilience of livelihoods

Under this output, farmers were provided with seeds, fertilizers, and loans to grow crops. They also received loans of USD 25.40–42.40 at a 9–15% interest rate, on a reducing balance method, declining to 9% by the end of the loan period. The selection process prioritized: 1) Farmers with cultivable land of at least 0.20 hectares; 2) Women-headed households and households with disadvantaged members; 3) Having the ability to run/manage crop cultivation; and 4) Poor and ultra-poor households (as defined in the Household Income and Expenditure Survey (HIES 2016) of the Bangladesh Bureau of Statistics (BBS-2017).

Overall, Output 4.2 is perceived by the communities as effective, recognizing that flood-tolerant crops, such as vegetables grown on sandbars, BRRI Dhan (rice variety) 51 and 52, and BINA Dhan (rice variety) 11, as well as wheat, helped stabilize yields and reduce income losses during floods.

Although the intervention is perceived to be effective, there are a few core risks:

- There is a need to strengthen market linkages and provide sustained technical support, such as climate-smart practices, pest management, and soil health training, which farmers need to manage crops effectively. Additionally, without coordination with local government and agricultural departments, crop resilience may not be sustained.
- The rice and wheat varieties introduced are new and many farmers may still rely on traditional practices. This indicates the need for strengthening training and awareness programs to enable farmers to adapt effectively.

Output 4.2: Cultivation of flood-tolerant crops and impact 2: Increased resilience of health and well-being, and food and water security

The communities perceive Output 4.2 as effective, as the climate-resilient seed varieties of rice, wheat, and vegetables contribute to increased resilience of health and food security.

The financial pressure from loans could undermine food and water security, health, and overall well-being as income instability limits access to adequate nutrition and health needs.

Output 4.2: Cultivation of flood-tolerant crops to achieve intended impact 3: Increased resilience of infrastructures

The communities perceive Output 4.2 as having no impact on infrastructure resilience.

Inclusivity

The communities perceive Output 4.2 as inclusive, as the initiative was marked by the inclusion of women, older persons, and ultra-poor farmers through meetings, discussions, and focus group consultations.

While community participation was evident, the actual inclusion of community priorities and needs in decision-making was limited. For instance, the livelihood and health needs of daily wage workers, landless farmers, and fishing communities

identified during project design were excluded. Without addressing the diverse needs of all vulnerable groups, an inclusive climate finance approach cannot effectively foster resilience or advance climate justice.

Affordability

The activity combined in-kind support with small-scale loans (USD 25.40–42.40, at 9–15% interest). While the communities perceive Output 4.2 as affordable, some consider it risky, particularly during poor harvest seasons. The loan-based model will burden ultra-poor households and reduce affordability.

3.3.5. Unintended impacts

This section summarizes community perceptions of the unintended impacts of all ECCCP-Flood project outputs. The community's perception of the unintended effects is consistently "high" or "very high" for certain dimensions and "low" or "neutral" in others. Only the most commonly occurring risks identified are discussed here.

For the unintended impact "Strengthening adaptive capacity", communities rated Outputs 1.1, 1.3, and 2.1 as low in enhancing resilience through safer housing, water access, sanitation, and climate-resilient crops. This was due to irregular follow-up, which limited the sustained adaptive capacity of frontline communities.

For the impact area "Increased generation and use of climate information", communities rated Outputs 1.3 and 4.2 as low, noting that crop-related training (soil, pest management) was either often theoretical or not easily translated into practice, limiting its effectiveness. For the impact area "Strengthened awareness of climate threats and risk reduction", communities rated Output 1.3 and 4.2 as low because of their limited contribution to risk awareness. CCAGS raises awareness through meetings and discussions but lacks continuity. The impact area "Strengthened institutional and regulatory systems" was rated consistently low across most outputs, due to limited or no integration of community priorities in government planning. Despite strengthening ecosystem resilience, Output 4.2 had a limited impact on improving soil health and sustainable farming.

The project's community-focused design strengthened short-term adaptive capacity but did not fully institutionalize these gains within local governance structures. This is a recurring challenge observed across all project outputs.

Communities did not observe improvements in ecosystem resilience, as interventions focused on livelihoods, water, and infrastructure were not linked to ecosystem restoration. Without integrating ecosystem-based adaptation practices or creating awareness of these practices, these interventions risk achieving short-term agricultural gains while failing to address the underlying environmental degradation that drives long-term vulnerability.

While awareness and information-sharing outputs like 1.1, 1.2, and 1.3 improved understanding of climate risks, the translation of this knowledge into livelihood benefits remains limited. There is a need for targeted training in applying seasonal forecasts and early-warning information to guide livelihood-related decisions.

3.3.6. Conclusion

Overall, communities perceive the project outputs as effective in responding to community needs. However, several core risks emerge that can significantly influence how communities access and benefit from climate adaptation finance.

Some of the core risks, which are similar to the previous case study (ECCCP-Droughts) are:

1. Financing structure

The project employs a mixed financing approach that combines grants, loans, and in-kind support, including seeds, tube wells, and sanitary latrines. Such financing structures diversify risk, but if combined with loans, they could create a debt burden.

Grant-based interventions did not include maintenance and repair costs in the financing plan. Over time, these unexpected expenses could increase the financial burden on communities, making otherwise successful interventions unaffordable and hard to sustain.

Additionally, the cost-sharing grant program for installing tube wells and sanitary latrines could place a burden on households that cannot afford their share.

The project used loans in two ways:

- **Consumptive loans** were used for house reconstruction. In highly flood-prone areas, reconstructed houses may again sustain damage or be destroyed, leaving communities burdened with debt and without secure shelter, thereby undermining overall resilience.
- **Productive loans** were provided for livelihood-related activities at 9–15% interest, based on the assumption that communities would earn enough profit to repay them. However, this income is highly uncertain because it depends on climatic conditions, market fluctuations, and crop performance, thereby increasing repayment risk for vulnerable households.

However, communities reported no cases of debt stress to local NGOs during the assessment period.

2. Unmet needs

Interventions such as livelihood training, installation of tube wells and latrines, seed support, and raised plinths strengthened community resilience. However, several essential needs remained unmet, including a preference for grants over loans to reduce debt burden, demand for riverbank erosion control, and others. These gaps limit overall climate resilience, as financial stress, weak livelihood options, and inadequate support systems reduce the community's ability to withstand and recover from climate shocks.

3. Limited engagement of government institutions

The implementation and monitoring of the project's various activities are heavily driven by NGOs, with no evidence of linkage to public systems such as disaster management committees, local adaptation and investment plans, or local water boards. The lack of institutional scaling hampers efforts to expand these initiatives. Unless addressed, these risks could undermine long-term resilience outcomes and limit the sustainability of project gains beyond the implementation phase.

4. Contradictory criteria to select target communities for the project

Contradictory beneficiary selection criteria were observed across outputs, which can create barriers to local communities having equitable access to climate finance. For instance, under Output 2.2, climate-resilient housing requires both financial repayment capacity and low-income status. Similar contradictions were observed in other outputs, such as 3.1, 3.2, 4.1, and 4.2. This could undermine the principles of climate justice by reinforcing financial inequities and limiting the capacity of the most climate-exposed populations to benefit from adaptation financing.

3.4. Case study 3: Climate Investor Two (CI2), the Philippines

3.4.1. Project overview

Climate Investor Two (CI2), managed by Climate Fund Managers (CFM), is a blended finance facility that supports private-sector development

and construction of climate-resilient infrastructure projects in developing countries' water, sanitation and ocean sectors, areas where private investment has historically been limited. CI2 has dual climate objectives, with roughly a 50:50 focus on adaptation and mitigation outcomes[49]. Over the 20-year lifetime of the GCF-funded program, the CI2 portfolio is expected to avoid or reduce an estimated 44.65 million tonnes of CO_2 equivalent. As a result, around 11.18 million people are projected to benefit from more climate-resilient water and sanitation infrastructure and improved ecosystem protection and management[50]. These quantitative projections are defined at the CI2 portfolio level and not specific to the Philippines alone.

In the context of the GCF contribution, it is important to note that while the GCF classifies its support to CI2 as a grant for legal and structural reasons, the resources are actually deployed to projects as development loans and equity. The GCF subscribes through a Dutch foundation ("Stichting") that, via a cooperative investment vehicle, on-lends and invests in individual projects. The GCF funding is indexed to US CPI, is expected to be repaid to the GCF over time and consists of approximately USD 45 million in reimbursable grants and USD 100 million in equity.

An old, abandoned cyclone center in Matarbari, surrounded by salinity-prone lands, Moheshkhali, Cox's Bazar, April 2025. Photo credit: Drik Picture Library Limited.

Table 4 Overview of Climate Investor Two (CI2)

Project title	Climate Investor Two (CI2)
Country	19 countries in Latin America, Asia, and Africa, including the Philippines.
Duration	2022–2042
Budget	USD 880 million, including USD 145 million in GCF grants and USD 735 million in co-financing (equity).
AE, EE, IE	AE: FMO (Dutch Development Bank) EE: • Climate Fund Managers (CFM) serves as the primary EE. • Development Fund (DF2) supports project preparation and early-stage de-risking. • Construction Equity Fund (CEF2) provides equity financing for infrastructure construction. IE (in the Philippines): • Tubig Pilipinas Group, Inc. • BioAsia Energy Holdings Pte. Ltd.
Intended impacts	1. **Environmental:** Ameliorated greenhouse gas emissions in the water, sanitation, and ocean sectors of the program's host countries. 2. **Social:** Beneficiaries provided with climate-resilient water security enhancement of the water, sanitation and ocean sectors in host countries. 3. **Economic:** Private-sector finance mobilized for the scaling and replication of water, sanitation, and ocean infrastructure projects.
Project outputs*	Of the seven outputs in the project document[51], the CI2 project interventions in the Philippines contributed to three: • **Output 2:** The program will avoid emissions by developing and constructing waste and wastewater treatment facilities. • **Output 3:** Resilient water infrastructure by developing and constructing infrastructure for bulk water supply and storage. • **Output 4:** The program will provide people with climate-resilient sanitation by developing and constructing infrastructure to collect wastewater, building sewerage networks, and treating and recycling waste.

*The ex-ante quantitative outputs reported in the GCF funding proposal (e.g., projected number of beneficiaries and cumulative emissions reductions over 20 years) are defined at the CI2 portfolio level and are not country specific. Therefore, for the Philippines case study, only qualitative descriptions of expected outputs are provided, without reproducing portfolio-level numerical targets.

This case study focuses on CI2's intervention in the Philippines, where the fund engaged two local partners as IEs:

- Tubig Pilipinas Group, Inc (Tubig). is expanding and rehabilitating five portable water treatment and distribution projects, with early activities in San Jose City, Trece Martires City, and Coron in Palawan. The objective is a reliable and affordable service that improves public health and household productivity, while creating jobs during construction and operations. Current planning indicates that about 270,252 people will gain direct access to clean water, and about 688 jobs will be created across construction and operations, with further beneficiaries expected as outreach programs scale.
- BioAsia Energy Holdings Pte. Ltd. (BioAsia Energy) is developing a bioenergy facility in Isabela that will convert rice and corn straw into renewable energy. The intent is to discourage and replace open burning, reduce emissions, improve local air quality, and create livelihoods across the feedstock chain. At this stage, plans point to roughly 115 jobs during construction and operations, with wider indirect benefits as the supply chain formalizes.

This case study synthesis draws on a semi-structured interview with CFM as the main EE and a review of relevant project documents, with an emphasis on what matters for frontline communities. We also note evidence constraints that limit granularity at this stage, because of the confidentiality of some GCF documents, information yet to be provided by the EE and IEs, lack of information on exact community locations while respective country project pipelines are still forming, and certain activities still being in early development stages. These gaps will be revisited as disclosures improve and implementation progresses.

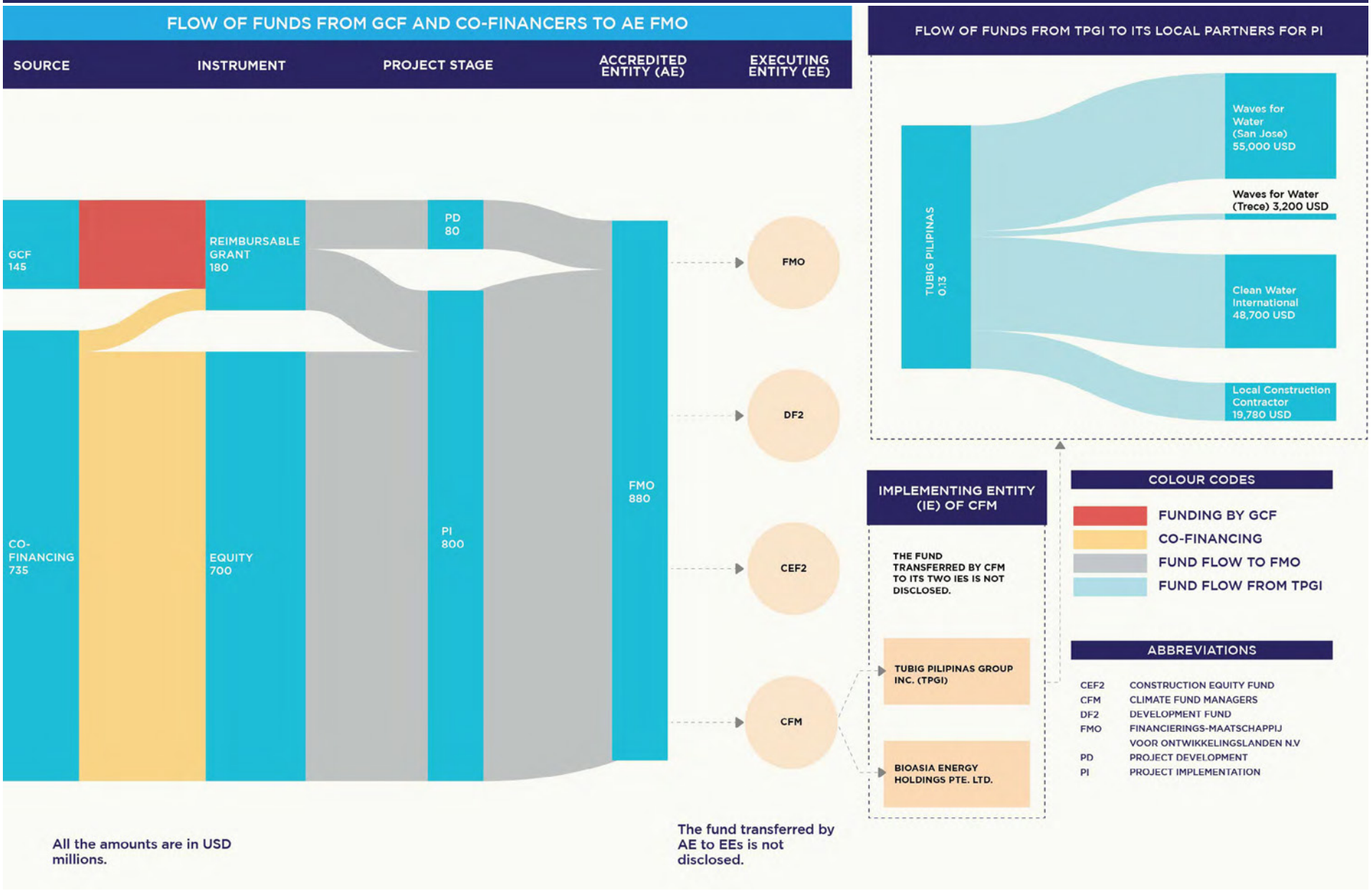
3.4.2. Budgetary allocation

CI2 is the GCF's first at-scale private-sector program in the water sector. It applies blended finance mechanisms to combine concessional and commercial financing to support climate-resilient infrastructure. On the concessional side, the GCF provided USD 145 million in grants to absorb higher risks and improve the financial viability of projects that might otherwise be unattractive to private investors. On the commercial side, the project seeks to mobilize approximately USD 735 million in co-financing, primarily in the form of equity from private investors, who provide capital in return for expected financial returns. Figure 7 visualizes the funding flows from the GCF and co-financing sources to AE, EE, and local partners in the Philippines. The funding structure shows potential for mobilizing private capital, but the actual distribution of funds at the country level remains undisclosed. For example, Tubig. received only USD 0.13 million, which was then distributed in small amounts among local actors for implementation.

This distribution highlights several critical issues. First, there is a lack of transparency in the flow of funds between FMO, CFM, and its IEs, as detailed allocations are not disclosed beyond the initial commitments. Second, the large concentration of funds at the AE and EE levels raises doubts about the actual distribution to local communities. Third, the project design, which relies heavily on equity investments, may risk prioritizing commercially viable projects over essential ones for vulnerable communities. Without clear mechanisms for risk sharing, transparency on downstream flows, and deliberate allocation to community- based initiatives, the bulk of the USD 880 million mobilized could remain concentrated among international financiers and fund managers.

Overall, the CI2 project shows both the advantages and challenges that blended finance brings to development initiatives. It demonstrates the ability to crowd in large-scale capital, but its impact on frontline communities will depend on improving transparency, ensuring greater resource allocation to local institutions, and embedding affordability and inclusivity safeguards in budgetary planning.

Figure 7 Climate Investor Two (CI2) funding flows



3.4.3. Project interventions and anticipated community impacts

The following sections describe how the CI2 project outputs will achieve intended impacts, while presenting potential risks and challenges that may affect the project. A summary of EE responses to whether the outputs had the intended and unintended impacts, including inclusivity and affordability, can be found in Annex 14.

Output 2: Waste and wastewater treatment facilities

- **Environmental:** The project aims to avoid GHG emissions and reduce air pollution by replacing open burning of rice/corn straw with waste treatment facilities. The construction process of the facilities might produce short-term environmental hazards, and sustaining bioenergy systems over time may face challenges because of limited local capabilities.
- **Social:** Communities may benefit indirectly from cleaner air and improved public health. Instead of relying on the short-term nutrient release from burning crop residues, the project promotes collecting straw and manure, processing them into organic fertilizer, and applying this back to the fields. This recycles much of the nutrients contained in the residues, reduces nutrient and carbon losses associated with open burning, and, when repeated over several seasons, can help rebuild soil organic matter. In parallel, providing high-quality seeds at no cost to farmers is expected to improve nutrient-use efficiency and increase yields, as crops can make better use of the available soil and applied nutrients. Yet these gains depend on behavioral change in waste diversion practices. The effectiveness of waste collection facilities depends on continuous education and awareness programs because the public might resist adopting new waste collection systems. Benefits depend on whether farmers have the time, equipment, and incentives to collect residues, process the by-product, and apply it back to their fields. If the labor and transaction costs are perceived as too high, sustained behavioral change will be difficult to achieve.
- **Economic:** The construction phase and subsequent operational and maintenance activities will generate new employment opportunities. The technical nature of the project might restrict access to employment opportunities for low-income populations because most positions will be temporary. The project lacks clarity on plans to establish training and upskilling programs to ensure community involvement.

The project interventions demonstrate positive intent and are anchored in the development of climate-resilient water, sanitation and waste-management infrastructure, which is the core objective of CI2. At the same time, the long-term success of these investments for frontline communities depends on sustained community participation, targeted training programs for local workers, and robust institutional and regulatory frameworks for waste and wastewater management—areas that remain weak in many developing country contexts.

From a frontline community perspective, the key question is how this infrastructure finance translates into affordable, reliable, and inclusive services. Issues such as tariff design, protection of low-income households, meaningful consultation with affected communities, and opportunities for local employment and enterprise development will determine whether CI2 projects reduce climate risk and improve everyday well-being for people living in exposed coastal and urban areas.

Output 3: Resilient water infrastructure

- **Environmental:** One of the IEs, Tubig is leading the expansion and rehabilitation of operating water treatment and distribution projects in the Philippines. The interventions will enhance operational efficiency but present a risk in sensitive ecosystems if environmental safeguards are not fully enforced. The project documentation pays limited attention to ecological risks, which could affect biodiversity-rich areas.
- **Social:** Communities will benefit from improved household access to clean water for drinking, cooking, and sanitation. However, the construction process and land use conflicts could affect vulnerable households most severely, which requires proper anticipation and planning.
- **Economic:** Anticipated short-term jobs during construction could enhance local economies. The project needs to invest in training and skills development for local workers to sustain these benefits.

While the intervention addresses urgent water supply challenges in the country, it risks focusing narrowly on physical infrastructure without adequately integrating ecosystem safeguards, equity considerations, and long-term local capacity building. The project needs strong local governance together with community involvement to manage environmental impacts and ensure equitable access.

Output 4: Climate-resilient sanitation infrastructure

- **Environmental:** The project will reduce water pollution and improve public sanitation through the construction of septage treatment plants and sewerage networks and strengthening the capacity of local institutions. Two potential risks may arise: 1) improper construction and maintenance could create new environmental hazards, and 2) insufficient funding from local governments could compromise the effectiveness of sludge management systems.
- **Social:** Communities are expected to benefit from improved public health and hygiene, including through school-based facilities, such as portable handwashing and washing stations. However, the sustainability of these initiatives faces challenges because they could be treated as single-project activities without long-term planning. The implementation of new sanitation practices also depends on strong awareness campaigns and community engagement, as existing behavioral and social barriers could prevent adoption.
- **Economic:** Like other outputs, construction and maintenance activities will create employment opportunities that will stimulate local economic growth. However, the long-term economic benefits are constrained by the limited financial and institutional capacity of many local governments. These facilities would gradually deteriorate without dedicated resources for operational maintenance.

The intervention under this output risks falling into the classic “infrastructure project trap”, where facilities are built but not sustained due to a lack of technical and financial capacity at the local level. The project needs to have a comprehensive community engagement plan, integrated with governance and financing strategies, to ensure behavioral adoption, community ownership, and long-term viability. Presently, such a plan is not mentioned or may be planned for later stages of implementation, given the ongoing status of the project.

Cross-cutting impacts

EE responses to the unintended impacts, "Strengthened adaptive capacity", "Strengthened awareness of climate threats", "Risk reduction processes", and "Strengthened government institutional and regulatory systems for climate-responsive development planning" are all positive, and will be followed by several initiatives, including policies and frameworks that focus on the local context, including:

- Climate risk and vulnerability assessments;
- Gender equality and social inclusion (GESI) action plans;
- Community development programs; and
- Environmental and social management policies.

Although these cross-cutting elements are enabling conditions, they are currently mainly frameworks and intentions rather than tested practices. Their success relies on ongoing funding, involvement of frontline communities, and seamless integration in project governance rather than add-ons. Without strong monitoring and accountability, these commitments risk remaining superficial, overshadowed by a focus on large-scale infrastructure projects.

3.4.4. Inclusivity and affordability

The CI2 plans to involve vulnerable and marginalized groups through its design of climate-resilient water and sanitation services. However, the project remains in a preliminary stage, and several instruments for inclusive implementation are still being developed. As such, this section focuses only on community involvement during the project design phase. There is no separate sub-section on involvement during implementation, as verified data for that stage are not yet available. The design narrative reflects how equity, participation, and affordability were considered during the planning process.

Community involvement in the project design phase

Community engagement has been built around environmental and social due diligence consistent with international standards. For Tubig, an Environmental and Social Impact Assessment (ESIA) was completed, supported by structured stakeholder consultations, GESI analysis, and community needs assessments in 2023–2024. A set of follow-up engagements is also planned before and during construction. Tubig has also established a survivor- centered, gender-responsive grievance redress mechanism (GRM), for which awareness has been raised among the local communities. For BioAsia Energy (Isabela), the ESIA, GESI plan, and detailed community consultations were still being prepared at the time of the study, and field implementation had not yet commenced. The GRM is expected to be formalized and operationalized once community engagement and construction activities begin.

Early design-stage measures under Tubig's Community Development Programs (CDPs) have already provided tangible benefits. Portable handwashing units and hygiene stations have been installed in schools, reaching 3,541 children (1,857 boys; 1,684 girls), with a further 7,370 beneficiaries expected as programs expand. These activities have been delivered through local partnerships with Waves for Water and Clean Water International, helping to strengthen trust and ownership at the community level. Affordability was also considered in design. Tubig operates under the Philippines' regulated cost-recovery tariff system, where a small septage charge will be added to household water bills. The charge is expected to be more affordable than private drainage services, lowering household expenses over time and encouraging safe waste disposal. However, the model assumes steady household

income and may not fully accommodate low-income or seasonal earners, signaling the need for targeted affordability measures as implementation progresses.

While these design efforts are a positive start, community involvement has so far been consultative, with participants providing feedback on the project design but not having any hold on the final outcomes of the project. While it can be claimed that communities have been engaged to share perspectives and pressing needs, they did not seem to have the agency to influence major decisions such as tariff setting, benefit targeting, or funding mechanisms. This was because of the infrastructure-centric project design, where the key parameters were committed to in advance to meet bankability and service provisions. This approach can lead to risks such as affordability challenges for the poorest households and accountability issues for service quality and responsiveness.

Farmers clearing mud from their cropland, to transform it into a pond to restore rainwater and raise fish, April 2025. Photo credit: Drik Picture Library Limited.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

Women's group members show Oxfam staff how to plant a mangrove sapling, August 2022. Photo credit: Elizabeth Stevens.

4.1. Conclusions

This report reveals that the climate finance structures in climate-vulnerable countries like Bangladesh and the Philippines are extremely imbalanced. Between 2016 and 2022, these countries received significant climate financing—USD 21.1 billion and USD 15.9 billion, respectively—from various funding sources, mainly bilateral and multilateral donors, of which more than 90% was in the form of loans rather than grants.

The debt-heavy nature of climate finance distribution contradicts the principle of climate justice because it makes countries with climate-related losses take on extra financial risks. Grants represent only a small share of all funding streams, creating gaps in support for local adaptation activities, particularly those led by or designed for vulnerable populations most impacted by climate change. This finding is consistent with Oxfam's study that showed structural inequities in global climate finance systems, where climate-vulnerable countries, despite contributing minimally to historical GHG emissions, are increasingly required to rely on loan-based finance to address climate impacts[52].

Both countries have made commendable progress in developing national climate finance systems, with new policies, budgetary allocations, and dedicated institutions in place, such as BCCTF and PSF. Nevertheless, direct access to international climate finance continues to be limited to local players. For example, only one national institution in Bangladesh, PKSF, is accredited to the GCF, and in the Philippines, just two entities (LANDBANK and DBP) are accredited. As a result, most global climate funds continue to flow through international intermediaries or central government channels, which means the funding chain is longer, delivery of funds is slower, transaction costs are higher, and local communities experience delays in receiving support.

The review of 40 climate projects across Bangladesh and the Philippines highlights that climate finance still favors large-scale infrastructure and mitigation initiatives over local adaptation action. Although many projects have reported gender integration (85% in Bangladesh and 75% in the Philippines), these efforts tend to concentrate on participation numbers rather than meaningful empowerment. Vulnerable groups, particularly women, youth, and Indigenous Peoples, are still at the periphery of decision-making. They face structural barriers to equal participation, affordable access, and accountability in how climate finance is managed.

A comparison of different financing models provides valuable lessons in how funding design impacts vulnerable populations, as illustrated by the three GCF case studies.

For example, the ECCCP-Flood and ECCCP-Drought projects in Bangladesh show how a mixed grant-co-financing structure can deliver concrete benefits to communities when combined with the active involvement of local NGOs. Grant-based outputs can strengthen local resilience, such as better housing infrastructure, sanitation systems, and climate-resistant seed distribution. However, in some cases, communities have paid installation and maintenance charges. Even though such charges are nominal, they can burden low-income households. Loan-based interventions, on the other hand, risk creating new fiscal burdens for poor families. The implementation of the CI2 program in the Philippines demonstrates the potential of blended finance mechanisms to attract large-scale private capital, yet it might favor climate-resilient infrastructure development at the expense of community-based projects. The initiative also lacks comprehensive environmental and social safeguards, which are essential to ensure equity, affordability, and transparency in project delivery.

4.2. Recommendations

Based on these findings, the following recommendations are proposed for key stakeholders in Bangladesh and the Philippines to transform the delivery of climate finance.

Bangladesh

Government of Bangladesh

- **Prioritize grants and reduce debt burdens:** The Ministry of Finance (MoF) and the ERD should gradually increase the proportion of grants and concessional financing for climate adaptation, ensuring that community-based programs are not implemented through high-interest loans. They should also develop financing schemes (e.g., contingency clauses or debt-relief mechanisms) for climate-vulnerable farmers affected by drought or crop loss.
- **Expand direct access to international climate finance:** The NDA, together with the GCF, must accelerate the accreditation of new national and sub-national intermediaries, beyond PKSF and IDCOL, to diversify access channels and reduce reliance on international intermediaries.
- **Integrate maintenance costs into public budgets:** The central or local governments should include maintenance costs for community-based infrastructure, such as ponds, canals, and aquifer recharge systems, in their budgeting plans to prevent projects from failing. Without sustained public financing, these assets risk becoming stranded or non-functional, which could disrupt livelihoods and put a financial burden on local communities.
- **Institutionalize participatory governance:** Local authorities (e.g., BMDA, Union Parishads, and Upazila authorities) should institutionalize specific mechanisms for community representation in adaptation planning and budgeting, as this will enable the active engagement of marginalized groups, including women, youth, and persons with disabilities.
- **Incorporate the lessons:** Local health, water, agriculture, and disaster management departments, along with planning agencies, should apply the lessons on climate-based adaptation financing to their climate change adaptation plans. Incorporating these insights will help guide near-future interventions in related sectors and ensure more context-specific and inclusive planning.
- **Integrate the interventions:** Local governments should also integrate interventions in regular programs and provide technical oversight and monitoring. This will promote long-term sustainability and strengthen collaboration and trust between communities and local authorities beyond the end of the project.
- **Enhance local government ownership:** Utilize existing national and international climate financing mechanisms while simultaneously developing networks of national and local actors, including NGOs, academic institutions, and social enterprises, to support participatory project development. This strategy will promote increased investment at the local level and strengthen collaborative networks to implement climate change initiatives effectively.

GCF and development partners

- **Increase grants and transparency requirements:** The GCF, bilateral, and multilateral donors must ensure that grants are the main source of financing for climate adaptation efforts in Bangladesh. For co-financing in the form of loans, they need to require public disclosure of loan terms, intermediary mark-ups, and interest rates at the beneficiary level for all funding agreements with AEs and IEs.

- **Strengthen the capacity of potential Direct Access Entities (DAE):** The GCF and development partners must build the capacity of new and prospective DAEs. This includes pipeline development, proposal preparation, GESI integration, fiduciary compliance, and impact monitoring.

PKSF and local NGOs

- **Ensure affordable financing:** PKSF and NGO partners should prioritize grants and avoid the use of loans for the poorest families. They must apply progressive interest-rate structures, with low-income households paying minimal or zero interest on productive loans. They should also disclose all interest rate differences between PKSF, NGOs, and communities openly and accountably. Consumptive loans for house reconstruction should be avoided, as these investments do not generate income and may compromise the financial security of communities living in areas exposed to severe climate risks. Additionally, the grants used for installing critical infrastructure like tube wells and sanitary latrines should ensure that communities do not face additional installation fees. Such costs could burden low-income households and create financial stress.
- **Diverse project interventions:** PKSF should design project interventions that align with the needs of beneficiaries. For example, to include livelihood support, such as livestock, fishing, small enterprise development, and non-farm livelihoods, particularly for women and poor farmers, alongside crop-based interventions.
- **Strengthen inclusive implementation:** PKSF and local NGOs need to ensure that project design and beneficiary selection follow vulnerability-based criteria, including the landless, older persons, persons with disabilities, and women-headed households. They should integrate women and marginalized groups in decision-making roles, which includes ensuring they play an active role in CCAGs and participate in local adaptation planning and audits.
- **PKSF and local NGOS** could strengthen community-focused initiatives and enhance coordination with government efforts for sustained resilience.
- **Effective communication:** Institutionalize transparent, two-way communication with communities on how priorities are selected, the criteria used, and the budget and time limitations shaping project design. Regular feedback and validation meetings should be held to explain why some needs are addressed while others are deferred, and to identify complementary support options for excluded priorities. This would strengthen community trust and improve ownership of interventions.

The Philippines

Government of the Philippines

- **Democratize access to the PSF:** The government should expand the PSF into a multi-window facility, including a community access window that can directly channel small grants to local NGOs, CSOs, and cooperatives to enhance inclusivity. They should also provide technical assistance to LGUs to ensure that local climate plans are integrated with the PSF pipeline.
- **Expand direct access to international climate finance:** The NDA, in collaboration with the GCF, needs to accelerate the accreditation of additional national and regional entities, beyond LANDBANK and DBP, to diversify access channels and reduce reliance on international intermediaries. They also need

to provide technical support and encourage existing DAEs to develop more pipeline projects.

- **Integrate equity and affordability safeguards in national policy:** The relevant government authorities (e.g., DOF, CCC) should mandate affordability standards and equity assessments in all government-endorsed climate-finance projects. There should be guidelines/standards that regulate service tariffs and user fees (e.g., for water or sanitation) that remain accessible for low-income households.
- **Localize adaptation planning and budgeting:** LGUs should institutionalize climate finance within local development plans and provide a platform for communities to co-design and manage adaptation initiatives. They also should be more proactive in accessing PSF to enhance climate resilience in their regions.

GCF and development partners

- **Ensure transparency and accountability:** The GCF, MDBs, and donor governments must require full public disclosure of fund flows, co-financing structures, and community development plans for all blended finance projects in the Philippines. In addition, the project approval process should include community consultation and an affordability assessment as requirements.
- **Increase grants and transparency requirements:** The GCF, bilateral, and multilateral donors need to increase the proportion of grants for climate adaptation in the Philippines, prioritizing community-led resilience initiatives.
- **Strengthen the capacity of existing and potential DAEs:** The GCF and development partners must enhance the operational capabilities of existing DAEs to help them develop project pipelines and prepare project concept notes and proposals. Like Bangladesh, they should offer comprehensive capacity development programs to speed the accreditation of new DAEs.

Private sector

- **Balance profit with public benefit in climate investment:** CFM, private investors, and DFIs involved in blended finance initiatives, such as CI2, must ensure that business models explicitly incorporate the needs of local communities. This includes establishing affordability thresholds to enable low-income families to access essential services (e.g., water, energy, and sanitation) without financial strain. Affordability tools, such as connection subsidies or payment support schemes (fee waivers, payment in installments, etc.) for (verified) low-income households can be developed. Additionally, they need to design inclusive financing models, an employment structure for local people, and provide community-benefit revenue mechanisms.
- **Strengthen environmental and social safeguards:** Private-sector actors need to adopt strong environmental and social safeguard standards that embed gender equity, inclusivity, and accountability across all private climate investments. They must provide detailed information about their project costs, pricing systems, and social and environmental results through transparent reporting.

Cross-cutting recommendations

Beyond country contexts, the experiences of Bangladesh and the Philippines demonstrate structural barriers that are common across climate-vulnerable nations. The following recommendations aim to guide global funds, regional institutions, and development partners to create a

more just, inclusive, and accountable climate finance system that delivers benefits to those on the frontlines of climate impacts.

- **Shift from loan- to grant-based support:** Climate-vulnerable countries should not be forced to take on new debt to tackle a crisis they did not create. Multilateral and bilateral donors must increase the proportion of grants and non-debt instruments, particularly for climate adaptation, loss, and damage. Oxfam calls for at least 50% of all climate finance to be delivered as grants, prioritizing local and community-led initiatives.
- **Localize access to climate finance.** Global and regional funds need to simplify accreditation processes and provide technical assistance for local governments, NGOs, cooperatives, and communities to access direct funding. Regional platforms, such as ASEAN and SAARC, can play a role in promoting peer learning and south-south exchange on locally led adaptation (LLA) approaches.
- **Strengthen participatory planning and budgeting for climate adaptation:** Governments and climate finance actors should adopt participatory planning and budgeting models that amplify the voice and decision-making power of communities and disadvantaged groups in the allocation and use of climate funds, particularly for adaptation action. International experience, from participatory budgeting in Porto Alegre, Brazil, to Kenya's County Climate Change Funds, demonstrates that community-led proposal development and prioritization can improve equity, accountability, and alignment of adaptation investments with local needs.
- **Enhance transparency and accountability:** Multilateral funds and governments need to establish open tracking systems that show detailed information on funding distribution, intermediaries, beneficiaries, and the impacts of climate projects. They should allow citizen audits and community scorecards for monitoring project performance. Additionally, there should be provisions for communities to report their grievances through redress mechanisms, ensuring that marginalized communities have safe platforms (for example, by retaining their anonymity) to express themselves without local socio-political pressures.
- **Embed gender equality and social inclusion at the core:** Climate finance frameworks should integrate gender-transformative indicators, ensuring women, youth, Indigenous Peoples, and persons with disabilities are actively involved in the planning, implementation, and monitoring of climate adaptation initiatives. Data should be disaggregated by sex, age, disability, indigeneity, and income. This will help to ensure that project commitments translate into fair, inclusive, and accountable delivery.
- **Support locally-led solutions:** Financial institutions should proactively identify, develop, and finance locally-owned and led climate solutions, particularly those that strengthen livelihoods without reinforcing extractive or top-down models. Examples include community-owned renewable energy systems (such as cooperatively managed mini-solar initiatives) and locally regulated energy access models that can deliver more equitable outcomes by preserving local economic value, strengthening participation, and reducing dependence on external corporate actors[53].

ANNEXES

Annex 1. Overview and evolution of the global climate finance architecture

The global climate finance architecture comprises a complex ecosystem of funding mechanisms designed to mobilize, channel, and distribute financial resources for climate action. This architecture operates across multiple scales (global, regional, national, and local) and involves diverse stakeholders (public, private, and hybrid institutions) functioning under various governance frameworks. International climate finance has evolved through distinct phases reflecting shifts in governance approaches and funding priorities:

FORMATIVE PHASE (1992-2009)

- The UNFCCC established the financial mechanism as the initial climate finance channel through development assistance frameworks, with limited dedicated climate funding streams.
- Two special funds—the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF)—addressed specific vulnerability contexts.
- Adaptation Fund (AF) 2001 under the Kyoto Protocol introduced innovative funding through carbon market levies, representing the first departure from traditional donor contributions.

EXPANSION PHASE (2009-2015)

- A pivotal expansion with the quantified commitment of USD 100 billion annually by 2020.
- Establishment of the Climate Investment Funds (CIFs) in 2008 and subsequently the Green Climate Fund (GCF) in 2010.
- CIFs presented dedicated funding windows (Clean Technology Fund, Pilot Program for Climate Resilience, Forest Investment Program, and Scaling Up Renewable Energy Program).
- The GCF's establishment as an operating entity of the UNFCCC financial mechanism created a new specialized institution with unprecedented capitalization potential.

THE LOSS AND DAMAGE FUND PARIS

- Established during COP27 to provide financial assistance to nations most vulnerable to the consequences of climate change and address the unavoidable and irreversible impacts of the climate emergency.
- Emerged as a third key pillar of climate policy, alongside mitigation and adaptation, to address ever-increasing climate impacts in developing countries.
- Encourages voluntary contributions from developed countries but invites developing countries to contribute to it too.

AGREEMENT PHASE (2015-2023)

- Institutionalized climate finance within the global climate governance framework through Article 2.1(c) and Article 9.
- Introduced enhanced transparency requirements through the Enhanced Transparency Framework
- Integrated climate finance with broader sustainable finance taxonomies and expanded beyond the USD 100 billion target to a "new collective quantified goal" to be established by 2025.

The evolution reflects progressive formalization of climate finance governance, with increasingly complex fiduciary standards, environmental and social safeguards, and accountability mechanisms. For frontline communities in Bangladesh and the Philippines, this evolution has created both opportunities, through increased funding availability, and challenges, through increasingly complex access requirements.

Annex 2. Why tracking climate finance flows matters: the need and significance

It is important to track climate finance flows to ensure transparency and accountability, and to allocate resources effectively. Tracking also provides critical insights into how financial resources are mobilized, distributed, and utilized, helping stakeholders assess and make progress toward international climate goals.

Ensuring Inclusivity and Agency

- Guarantees inclusivity and empowers marginalized groups, particularly in developing countries.
- Monitors fund allocation and highlights disparities affecting Indigenous Peoples, women, and smallholder farmers to ensure they are not overlooked.
- More control over decision-making processes to ensure that climate finance is aligned with the communities' unique needs and priorities.

Improving Ease of Access

- Provides precise data on available funding sources, thus simplifying processes and enhancing accessibility.
- Reduces delays and bureaucratic hurdles that hinder timely access to funds by helping financial institutions streamline their disbursement processes.
- Enables stakeholders to assess funding terms and promote more favorable conditions by monitoring financial flows.

Ensuring Accountability and Transparency

- Fosters trust among stakeholders and enables accurate tracking, allowing governments, private investors, and international organizations to monitor trends and evaluate whether commitments, such as the USD 100 billion annual target set under the Paris Agreement, are being met.
- Reveals gaps in funding, underscores the need for robust methodologies, and highlights areas where commitments may fall short and the lack of standardized reporting mechanisms, which can lead to inconsistencies in tracking climate finance flows.

Improving Resource Allocation and Efficiency

- Reduces transaction costs and improves coordination among various actors, including governments, multilateral institutions, and private investors.
- Reveals which sectors or technologies are receiving the most funding and which regions are most at risk from climate impacts, enabling targeted investment strategies.

Mobilizing Additional Resources

- Attracts new funding sources from both public and private sectors. Innovative financing mechanisms such as green bonds or carbon markets can be identified through tracking efforts, helping to leverage private-sector investment.
- This is particularly important given that public funding alone is insufficient to meet ambitious climate goals; private investment must complement public finance to close the gap.

Aligning with Climate Goals

- Helps policymakers assess whether investments are consistent with

the goals of the Paris Agreement, such as limiting global warming to well below 2°C, by evaluating how comprehensively governments integrate climate considerations into fiscal strategies. Tracking can inform policy decisions and create a more enabling environment for climate action.

Strengthening Impact at a Community Level

- By ensuring that financial resources are allocated effectively and equitably, tracking mechanisms enable targeted investments that address the unique needs of local populations. One critical benefit of tracking is its ability to prioritize community-led adaptation and resilience projects.

Annex 3. Policy frameworks and national priorities

Annex 3A. Bangladesh's policy framework and national priorities

1. **Bangladesh Climate Change Strategy and Action Plan (BCCSAP):** The BCCSAP, first drafted in 2009, provides the foundation for an overarching climate action framework through six thematic pillars:
    - Livelihood and Food Security
    - Disaster Management
    - Infrastructure
    - Research and Knowledge Management
    - Mitigation
    - Capacity Building.

The BCCSAP was later supplemented and referenced by the subsequent national plans, such as the National Adaptation Plan (NAP).

2. **Bangladesh Delta Plan 2100 (BDP 2100)** is a long-term planning framework that has integrated climate change considerations into national-level sustainable development. An investment of around USD 37 billion is planned by 2031 for climate-resilient water management and disaster risk reduction, providing a financial roadmap for domestic and international resource mobilization, with some of the funding to be complemented by private finance.
3. **Updated Nationally Determined Contributions (NDCs):** Updated in 2021, the NDCs commit to a 21.85% reduction in GHG emissions by 2030, of which 6.73% is unconditional, and 15.12% is conditional on international support. The NDC prioritizes mitigation actions across the energy, industry, transport, agriculture, waste, and land-use sectors, while also prioritizing adaptation, particularly for vulnerable communities. The financial requirement for implementing NDCs for 2021-2030 is estimated at USD 176 billion. The document includes a financing strategy that calls for scaled-up international climate finance, alongside enhanced domestic resource mobilization and transparency systems.
4. **National Adaptation Plan (NAP):** Conceived in 2022 and spanning from 2023 to 2050, the plan identifies essential adaptation requirements in eight priority sectors and provides detailed cost estimates. The overall adaptation finance requirement is estimated at BDT 20,037 billion (USD 230 billion) until 2050. The NAP gives prominence to the integration of domestic and international finance and strengthening local institutions for successful implementation. It also reinforces and aligns with the BCCSAP and BDP 2100.
5. **Mujib Climate Prosperity Plan:** Formulated in 2021, this marked a strategic shift in Bangladesh's position from climate vulnerability to resilience and prosperity. The plan aims to leverage carbon markets under Article 6 of the Paris Agreement by developing climate-resilient investment pathways and establishing Bangladesh as a climate innovation hub. With an aim to mobilize around USD 80 billion in investment over the next decade, the plan targets public-private partnerships for sustained international climate finance.
6. **8th Five-Year Plan (2021-2025):** This aims to mainstream climate finance into national development planning by mandating climate budget tagging across ministries and establishing climate performance indicators for priority sectors. The plan aims to raise climate-related funds by increasing the mobilization of both domestic and international resources.

Annex 3B. The Philippines' policy framework and national priorities

1. **National Climate Change Action Plan (NCCAP) 2011–2028:** Provides the strategic direction for climate action and spans seven thematic priorities:
    - Food Security
    - Water Sufficiency
    - Ecosystem And Environmental Stability
    - Human Security
    - Climate-Smart Industries And Services
    - Sustainable Energy
    - Knowledge and Capacity Development.

The National Climate Budget started in 2016 to support the NCCAP has grown from "USD 3 billion in 2016 to USD 7.8 billion in 2024, or by 161%".[54]

2. **Nationally Determined Contributions (NDCs)**: The Philippines submitted its NDC in 2021, committing to reduce GHG emissions by 75% by 2030, with 2.7% unconditional and 72.3% conditional on international support. The NDC focuses on key sectors including energy, transport, forestry, waste, and industry. The financial requirements for implementing the Philippines' NDCs are estimated at USD 72 billion.
3. **National Adaptation Plan (NAP) 2023–2050:** The Philippines' NAP aims to effectively build resilience, minimize climate-related loss and damage, and enhance adaptive capacity towards achieving resilient and sustainable socioeconomic development. It has identified 8 key sectors, including agriculture, fisheries, food security, water resources, and health. While NAP has not yet specified the total adaptation finance needs, it features financing as a key enabler and outlines a strategy to scale up funding from domestic public, international development, and private sources to support adaptation efforts.
4. **Sustainable Finance Framework:** Established by the Central Bank of the Philippines in 2020, the framework provides guidelines for financial institutions to integrate environmental, social, and governance factors into risk management and financing. This framework aims to mobilize private capital for climate-resilient investments by stimulating growth through green bond issuance.
5. **Philippine Development Plan (PDP) 2023-2028:** In "Chapter 15: Accelerate Climate Action and Strengthen Disaster Resilience", the document has identified three areas for mainstreaming climate considerations across economic planning: "increasing climate and disaster risk resilience of communities and institutions, enhancing ecosystem resilience, and enabling the transition to a low-carbon economy".

Annex 4. Rating criteria for inclusivity considerations

Annex 4A. Gender-relevance scoring for OECD CRDF projects (Figures 1 and 2)

The total financing volume, rather than the number of projects funded by the source, was analyzed to rate the climate action funding source on gender relevance. The markers provided by the OECD: 'principal', 'significant', 'not targeted', and 'not reported', tagging the total funding dedicated to a particular project, were utilized. A net gender-relevant funding score was determined by contrasting gender-relevant (primary + significant) and non-gender-relevant (not targeted + not reported) amounts. To indicate their financial commitment to gender-responsive climate action, donors were grouped into low, medium, and high gender-relevance categories based on this score and the relative weight of principal versus significant funding.

A source's contribution was rated:

- **Low** if:
  - The non-gender-relevant amount exceeded the gender-relevant amount.
- **Medium** if:
  - The gender-relevant amount exceeded the non-gender-relevant amount, and
  - The amount tagged to OECD 'significant' marker surpassed the amount tagged to OECD 'principal' marker.
- **High** if:
  - The gender-relevant amount exceeded the non-gender-relevant amount, and
  - The amount tagged to OECD 'principal' marker surpassed the amount tagged to OECD 'significant' marker.

The limitations of this methodology would include double-counting or errors in the OECD CRDF report. Additionally, the report does not consider Multi-Criteria Analysis (MCA) to rate the gender considerations by the funding sources.

Annex 4B. Rating methodology for inclusivity considerations (Figures 3 and 4)

As such, no official scale was provided to rate the sources as high, medium, or low for inclusivity considerations (gender, age, and ethnicity). The report, therefore, used two indicators derived from reviewing funding proposals/reports for the 40 selected projects:

a). The project design phase included participation from women, youth, the elderly, children, and ethnic or Indigenous Peoples groups.

b). Project proposals/reports explicitly stated direct benefits for these groups.

Rating criteria under Inclusivity Considerations (gender, age, ethnicity) were based on the source's total funding (across all the projects funded by it for these 20 cases). It was rated as:

High: If both (a) and (b) are met.

Medium: If either (a) or (b) is met.

Low: If neither (a) nor (b) is met, or if data is not available.

The limitations of this analysis include constraints on accessing recent project progress reports, which would have provided a more precise analysis of related impacts on communities. Additionally, no multi-criteria analysis or quantitative methodologies were used for the ratings concerned.

Annex 5. Brief overview of the need for community-level climate funds

Finance Gap	The financial requirements for implementing NDCs in Bangladesh and the Philippines are estimated at USD 176 billion and USD 72 billion, respectively. These estimated figures are considered the lower bound, with the majority of costs concentrated in the energy and transport sectors. Bangladesh's NDC implementation roadmap similarly highlights the need for significant international support to achieve its mitigation and adaptation targets. These national estimates are set against a global backdrop in which adaptation costs in developing countries are projected to reach USD 300 billion annually by 2030, while current adaptation finance, which represents roughly one-quarter of total climate finance flows, remains grossly insufficient.
Inequitable Distribution	Climate finance in Asia flows disproportionately to countries such as Japan, China, and India, accounting for over 50% of the region's allocation. For example, China's domestic climate finance mobilization alone accounted for 51% of all domestic climate finance globally. Meanwhile, countries with higher vulnerability indices, such as Least Developed Countries (LDCs) and Small Island Developing States (SIDS), receive relatively less support despite facing greater climate threats. This disparity highlights the need for reforms that prioritize vulnerable nations through equitable distribution mechanisms, as emphasized at COP29. The Asian Development Bank's Climate Change Operational Framework 2030 specifically identifies SIDS and LDCs in Asia as receiving disproportionately small allocations despite facing existential climate threats.
Over-reliance on Debt Instruments	Approximately 70% of reported climate finance takes the form of loans rather than grants, adding to the debt burdens of already fiscally constrained economies. OECD figures show that in 2021, 68% of public climate finance from countries in the Global North was provided as loans, while only 28% was in the form of grants, continuing a trend in which loans have accounted for more than 70% of public climate finance between 2016 and 2021. As high-interest payments and debt servicing reduce developing countries' ability to invest in climate resilience, this loan-heavy approach raises serious questions about the justice and sustainability of current climate finance models.

Gender Blindness	Although women are becoming increasingly vulnerable to climate impacts, climate finance rarely includes gender-responsive elements or ensures women's meaningful participation in decision-making processes, prolonging existing inequalities and undermining effective adaptation. Gender-responsive budgeting frameworks, such as those promoted by UN Women, can effectively address this gap and foster inclusive and climate-resilient development. Although it is clearly evident that gender-inclusive climate projects deliver significantly greater returns on investment, UNDP indicates that "only 0.01 percent of all worldwide funding supports projects that address both climate change and women's rights".
Private Sector Bias	The growing emphasis on private sector-led climate finance often prioritizes commercially viable urban projects over rural adaptation needs, resulting in a misalignment between finance flows and the vulnerability hotspots where many frontline communities reside. Major reports highlight that while private and public climate finance for cities is increasing, the majority of these funds target energy and transportation sectors in urban centers, leaving critical rural sectors such as agriculture, water resilience, and ecosystem-based adaptation severely underfunded. The Asian Development Bank's 2023 sectoral analysis confirms that 83% of private climate finance is directed toward urban energy and transport, while only a small fraction reaches rural adaptation needs. Innovative mechanisms, such as blended finance models, are needed to balance private-sector involvement with more equitable rural investments.
Accessibility Challenges	The architecture of climate finance is not well designed to ease communities' accessibility, due to bureaucratic accreditation processes like complex documentation requirements and protracted approval timelines, making funding essentially inaccessible to local actors. Even when international support is secured, further barriers—such as administrative overheads, the need for expensive consultants, and a focus on large-scale projects—often prevent funds from reaching the local level, with only 17% of adaptation finance currently reaching frontline communities.
Quality and Accountability Issues	Lack of transparency in fund utilization and limited monitoring of the benefits reaching vulnerable communities are among the shortcomings of climate finance. This issue, along with the absence of standardized reporting and fragmented information sources, makes it difficult to track the flow and impact of climate finance, as highlighted by recent transparency initiatives and research. Also, according to UNDP, clear and transparent reporting on the mobilization of climate finance is essential to determine whether developed countries are fulfilling their commitments under the Cancun Agreement. Therefore, developed countries should agree on a clear definition of climate finance and provide transparent data on funding types, supported sectors, and loss and damage to accurately assess preventive costs.

Locally-led Adaptation	There is growing recognition of the importance of locally-led adaptation approaches, as articulated in WRI's Principles for Locally-Led Adaptation, but implementation remains challenging. The Loss and Damage Fund (LDF), to be operationalized in 2025, aims to directly fund community-level resilience projects as part of its mandate. Evidence indicates that locally-led climate initiatives are more cost-effective than top-down approaches, with the highest yield returned by such models being 87:1 "(in other words, USD 87 in benefits for every USD 1 spent)". The UN Framework Convention on Climate Change (UNFCCC) Standing Committee on Finance has identified institutional resistance to decentralized control as the primary barrier to scaling locally-led adaptation.
Fragmentation and Coordination Deficits	Climate finance in Asia suffers from extreme fragmentation, with the Asian Development Bank (ADB) identifying that often separate funding channels have overlapping mandates but disconnected application processes. This fragmentation increases transaction costs and can create "climate finance deserts" where vulnerable communities fall between the cracks of different funding mechanisms.
Maladaptation Risks	The IPCC Sixth Assessment Report warns that without proper safeguards and comprehensive vulnerability assessments, climate finance may inadvertently fund "maladaptive" interventions that provide short-term benefits but increase long-term vulnerability. The UN Environment Programme also highlights how infrastructure-heavy adaptation projects may damage ecosystem services or displace vulnerable communities, ultimately reducing overall resilience.

Annex 6. Profile of frontline communities in Bangladesh and the Philippines

Annex 6A. Bangladesh's frontline communities and needs

1. **Coastal Communities:** Several districts in Bangladesh, including Khulna, Bagerhat, Satkhira, and Cox's Bazar, are facing rising sea levels, saltwater intrusion, and frequent cyclones. Close to 25 million coastal people are estimated to become "climate refugees" due to sea-level rise. Saltwater intrusion has resulted in a 30% decrease in rice yields over the last 15 years, affecting the lives and livelihoods of these people. Evidence suggests that "one in every seven Bangladeshis" could be displaced by climate change by 2050.
2. **Char-Dwelling Populations:** Temporary river islands, or chars, are home to 5–6 million people and are constantly threatened by flooding and erosion[55]. Poverty rates among char-dwellers reach nearly 80%, and families are frequently forced to relocate, which limits their access to basic services like healthcare and education, further keeping them trapped in a cycle of vulnerability.
3. **Barind Tract Communities:** The Barind Tract[56] is a region in northwestern Bangladesh, broadly spanning the districts of Rajshahi, Naogaon, and Chapainawabganj, that frequently encounters severe drought and groundwater depletion (0.1-0.5 meters annually due to over-extraction). Roughly 5.6 million rural people in this region are vulnerable to the effects of low rainfall, water scarcity, and reduced agricultural productivity[57].
4. **Urban Informal Settlements:** Cities like Dhaka, Chittagong, and Khulna are home to many low-lying, flood-prone informal settlements, further exacerbated by inadequate infrastructure and poor drainage. In Dhaka alone, 6 million people live within 2 km of rivers, increasing exposure to disease during floods.
5. **Wetlands Communities:** The Haor region, characterized by its unique hydro-ecological characteristics and bowl-shaped floodplains, is highly exposed to flash floods, river sedimentation, and runoff from excessive rainfall. Deforestation and unplanned road and water management further increase climate risks, endangering lives and livelihoods.

Bangladesh needs substantial investments in climate-resilient development to safeguard its climate-vulnerable population. This includes the construction of elevated wooden houses and flood-resistant roads and bridges to maintain connectivity during disasters. Climate-adaptive livelihood development is equally important because many people depend on fishing and agriculture for their livelihoods. Priority areas include salt-tolerant crop development, alternative livelihoods for fishing communities, skill development programs for women and youth, and expanding climate-smart agriculture. Furthermore, ecosystem-based adaptation and nature-based solutions, such as mangrove restoration, wetland protection, and water resource management, provide natural defenses against storms and droughts for communities while supporting local economic activities.

Annex 6B. The Philippines' frontline communities and needs

1. **Coastal Fishing Communities:** Over 60% of the population of the Philippines lives in coastal areas, exposed to sea-level rise at a rate of 5 to 7 millimeters/year, about twice the global average of 2.8 to 3.6 millimeters per year. These communities also face the challenge of increasingly frequent typhoons, which in 2024 alone have impacted millions of people and damaged more than 250,000 homes.
2. **Indigenous Peoples:** Around 14 to 17 million Indigenous Filipinos,[58] predominantly in Cordillera and Mindanao, are threatened by shifting rainfall patterns and forest degradation. Weak recognition of ancestral land claims threatens long-term adaptation, while changing environmental conditions put traditional knowledge and cultural practices, which are key to adaptation, at risk of being lost.
3. **Urban Informal Settlers**: Approximately 4.5 million individuals live in flood-prone urban informal settlements in cities such as Metro Manila, Cebu, and Davao, where they are exposed to frequent flooding, with up to 12–15 major flood events per year. Poor infrastructure and drainage systems worsen these impacts. Additionally, urban heat islands have been shown to raise temperatures by 2–4°C above surrounding areas, posing health risks. Residents have few evacuation options available and may not receive timely early warnings.
4. **Agricultural Communities:** Around 10 million smallholder farmers in typhoon-hit Luzon and Visayas are increasingly vulnerable to extreme weather events and unpredictable climatic trends, leading to successive crop loss. Traditional planting schedules are less reliable in the face of more erratic rainfall, while post-harvest losses during climatic extremes can reach 20–30%. Erratic rainfall, along with mounting pest and disease pressures, further threatens food security and household incomes.

Addressing these risks requires investment in disaster risk reduction, including hazard mapping, vulnerability assessments, and the construction of safe evacuation centers. Strengthening early warning systems and building the capacity of local disaster offices are essential to ensure timely response and effective recovery, especially in remote areas. A significant investment is also needed in climate-smart agriculture and fisheries. This includes developing climate-adapted crops, promoting sustainable fisheries, improving water management, restoring coral reefs and mangroves, and building weather-resistant post-harvest facilities to protect food security.

Annex 7. Selected projects in Bangladesh

No.	Project Name	Objective Summary	Funding Source	Total Budget (in USD) and Financing Instrument	Intermediary Body	Project Use	Consideration towards			Community Involvement	Access Modality for Communities
							Gender	Age	Ethnicity		
1	PARTNER – Agricultural and Rural Transformation	Promote diversification, entrepreneurship, and climate resilience in agri-food systems.	World Bank	500 million (Loan)	Department of Agricultural Extension, Ministry of Agriculture	Adaptation	High	High (Youth)	High	Whole-of-Society	Goods, Services, Subsidies, Compensation, Incentives
2	TA for Agricultural Public Support Reform	Promote climate-smart production through repurposing public policies and input efficiency.	World Bank	14.5 million	Department of Agricultural Extension, Ministry of Agriculture	Adaptation	Medium	Medium (Youth)	NA	Whole-of-Society	Goods, Incentives (e-voucher, PES)
3	Community-Based Wetland Management – Tanguar Haor	Conserve biodiversity and enhance community livelihoods through sustainable wetland use.	GEF	4.05 million + 17.2 million (Co-financing)	UNDP	Adaptation	High	Low	Medium	Whole-of-Society (partial)	Services, Income Activities, Incentives, Compensation
4	Enabling EV Adoption in Bangladesh	Promote sustainable e-mobility and a low-carbon transport system in Bangladesh.	GEF	1.79 million + 20.4 million (Co-financing)	UNDP	Mitigation	High	Low	Medium	NA	NA
5	BCRL – Climate Resilient Livelihoods	Improve community and ecosystem resilience and enhance agricultural value chains.	GEF	8.93 million + 47.5 million (Co-financing)	FAO	Adaptation	High	Medium	High	Bottom-up	Capacity Grants, Services, Compensation
6	Ecosystem-based Management in Ecologically Critical Areas	Apply ecosystem-based management to conserve biodiversity and support livelihoods in ECAs.	GEF	3.05 million + 10.5 million (Co-financing)	UNDP	Adaptation	High	Medium	Medium	Whole-of-Society	Services, Incentives (PES)
7	Low Carbon Urban Development	Reduce GHG emissions in urban areas through renewable energy and energy efficiency.	GEF	3.77 million + 65.8 million (Co-financing)	UNDP	Mitigation	High	Low	Low	Whole-of-Society	Goods and Services
8	Climate Resilient Fisheries and Aquaculture	Build adaptive capacity of vulnerable fisheries and aquaculture communities.	GEF	5.43 million + 16.35 million (Co-financing)	FAO	Adaptation	High	Medium	Low	Bottom-up	Goods and Services, Incentive Mechanisms

9	Ecosystem-based Adaptation – Barind & Haor Areas	Use EbA to reduce vulnerability in the Barind Tract and Haor areas.	GEF	5.2 million + 55.03 million (Co-financing)	UNDP	Adaptation	High	NA	NA	Whole-of-Society	Services
10	ECCCP-Drought	Reduce drought vulnerability and promote sustainable water management via loans and grants.	GCF	25 million + 504,000 (In-kind) + 4.5 million (Loan)	PKSF	Adaptation	High	NA	NA	Whole-of-Society	Goods, Cash-for-Work, Loans
11	RHL – Resilient Homestead & Livelihood Support	Develop climate-resilient homesteads, livelihoods, and capacity in vulnerable coastal zones.	GCF	42.2 million + 6.6 million (Loan) + 1.19 million (In-kind)	PKSF	Adaptation	High	High (Youth)	Low	Whole-of-Society	Loans, Grants, Goods and Services
12	ECCCP-Flood	Increase flood resilience through raised housing, sanitation, livestock, and livelihoods.	GCF	9.68 million + 3.3 million (Loan) + 344,000 (In-kind)	PKSF	Adaptation	High	High (children and the elderly)	Low	Whole-of-Society	Loans, Grants, Goods and Services
13	FP069 – Coastal Salinity Adaptation (Women Focus)	Support coastal communities, especially women, to adapt to climate-induced salinity.	GCF	24.98 million + 8 million (Co-financing)	United Nations Development Programme (UNDP)	Adaptation	High	High (All groups)	High	Whole-of-Society	Goods, Incentives, Financing Schemes
14	Climate Resilience – Offshore Islands & Charlands	Improve housing, infrastructure, and livelihoods in small islands and charland communities.	AF	9.99 million	United Nations Development Programme (UNDP)	Adaptation	High	High (All groups)	Low	Whole-of-Society	Goods, Incentives
15	Off-grid Solar PV Pumping for Power Efficiency	Demonstrate renewable energy technologies for long-term scale-up in agriculture.	SREP (SCF)	22.44 million + 3 million (Clean Energy Fund)	ADB	Mitigation	High	NA	NA	Whole-of-Society	Goods, Incentives
16	Environmental Rehabilitation & Livelihoods in Cox's Bazar	Promote clean cooking, climate-sensitive farming, and land rehabilitation with a focus on women and girls.	Government of Canada	13.95 million	UNDP	Adaptation	High	NA	NA	Participatory	Goods and Services
17	Rokkhagola – Food Security for Ethnic Minorities	Develop Rokkhagolas for sustainable food security in villages of ethnic minorities in Rajshahi.	Government of Germany	142,000	Donor-based NGO	Adaptation	High	Medium (youth and children)	High	Participatory	Goods and Services, Compensation

18	Rural Connectivity Improvement Project	Improve rural road infrastructure and institutional capacity across 34 districts.	ADB	17.55 million	Government of Bangladesh (Department not mentioned)	Adaptation	Medium (children)	Medium (children)	NA	Participatory	Goods and Services
19	Food Security for Ultra-Poor in Char Region	Improve food and economic security for the ultra-poor in the Kurigram char-region.	Government of Germany	233,000	Donor country-based NGO	Adaptation	NA	NA	NA	NA	NA
20	Sustainable Development of the Orao Ethnic Group	Support the socio-economic development of Orao ethnic communities in Rangpur.	Government of Germany	171,000	Donor country-based NGO	Adaptation	NA	NA	High	Participatory	NA

Annex 8. Selected projects in the Philippines

No.	Project Name	Objective Summary	Funding Source	Total Budget (in USD) and Financing Instrument	Intermediary Body	Project Use	Consideration towards			Community Involvement	Access Modality for Communities
							Gender	Age	Ethnicity		
1	Adapting Philippine Agriculture to Climate Change (APA)	Increase resilience of rural agricultural communities through CRA practices, financial inclusion, and public-private support systems.	GCF	26.27 million + Co-financing	FAO	Dual-Benefit	High	High (Youth)	High	Whole-of-Society	Goods & Services, Cash-for-Work, Incentives
2	Multi-Hazard Impact-Based Forecasting and Early Warning System	Reduce climate risk exposure and enhance adaptive capacities via hazard-based forecasting and community feedback systems.	GCF	9.99 million + Co-financing	LANDBANK, Philippines	Adaptation	High	Medium (Children and Elderly)	High	Whole-of-Society	Services, Cash Transfers
3	Metro Manila Flood Management Project	Improve flood drainage, waste management, and resettlement planning to reduce flood risk in Metro Manila.	WB + AIIB	415.2 million	Department of Public Works and Highways, Department of Environment and Natural Resources, Metro Manila Development Authority	Adaptation	High	Medium (Children and Youth)	Low	Whole-of-Society	Goods & Services, Resettlement Compensation, Intensive-based approach
4	Coastal & Fisheries Management – Leyte Gulf	Enhance fisheries and biodiversity in Leyte Gulf via spatial planning, capacity building, and local governance.	GEF	1.8 million + Co-financing	Conservation International	Adaptation	High	NA	Low	NA	Goods and services
5	Sustainable Management of Natural Resources – Bataan to Manila Bay	Mainstream biodiversity and land management, while enhancing diversified livelihoods and incentive schemes.	GEF	2.73 million + Co-financing	FAO	Adaptation	High	High (Youth)	High	Whole-of-Society	Services, Incentive Mechanisms
6	Philippine Rise Integrated Conservation (PRICELESS)	Conserve and manage the Philippine Rise Marine Reserve, ensuring biodiversity protection and sustainable livelihoods.	GEF	3.66 million + Co-financing	Conservation International	Adaptation	High	Medium (Youth are involved in the project development phase)	High	Whole-of-Society	Services, Incentives, Cash-for-Work

7	Marine Wildlife & Coastal Protection – Southern Mindanao	Strengthen Marine Protected Areas to conserve endangered marine wildlife and improve ecosystem services.	GEF	2.64 million + Co-financing	UNDP	Adaptation	High	High (Youth)	Medium	Whole-of-Society	Services, Incentives, Cash-for-Work
8	Sustainable Landscapes – Cagayan de Oro River Basin	Support biodiversity-friendly agriculture and land restoration through capacity-building and policy mainstreaming.	GEF	3.27 million + Co-financing	UNDP	Adaptation	High	NA	High	Whole-of-Society	Services, Incentive mechanisms
9	Integrated Management of Biodiversity Corridors	Operationalize integrated management of biological corridors to conserve biodiversity and enhance livelihoods.	GEF	12.26 million + Co-financing	UNDP	Adaptation	High	NA	High	NA	Incentive Mechanisms
10	Ecosystem Restoration of Degraded Forestlands	Restore degraded forest ecosystems to deliver environmental and livelihood benefits.	GEF	2.64 million + Co-financing	FAO	Dual-Benefit	NA	NA	NA	Whole-of-Society	Services, Incentive Mechanisms
11	Low-Carbon Urban Transport Systems	Support the commercialization of electric and hybrid transport systems to promote low-carbon cities.	GEF	2.64 million + Co-financing	UNDP	Mitigation	NA	NA	NA	NA	Incentive Mechanisms
12	DREAMS: Renewable Energy Market Development	Remove barriers and boost investment in renewable energy for decentralized power generation.	GEF	5.2 million + Co-financing	UNDP	Mitigation	High	NA	Medium	Whole-of-Society	Services, Incentive Mechanisms
13	Climate- and Disaster-Resilient Transport	Invest in low-carbon public transport and resilient road infrastructure to reduce climate risks.	ADB	1 million (TA Grant)	Department of Finance / Department of Public Works and Highways	Mitigation	High	NA	NA	Whole-of-Society	NA
14	Wyntron EV Charger Expansion	Expand domestic production of electric vehicle chargers to support clean transport systems.	ADB	20 million (Loan)	Wyntron Inc.	Mitigation	High	Low	Low	NA	NA

15	Climate-Resilient Agriculture for Food Security	Build climate resilience of small-scale farmers and MSMEs through technologies, jobs, and finance.	UNIDO	32,203	NA	Adaptation	High	High (Youth)	NA	Whole-of-Society	NA
16	Philippine Fisheries and Coastal Resiliency Project	Enhance fisheries management and increase production value in selected FMAs by building capacity and expanding financial access.	WB	176 million (Loan)	Department of Agriculture - Bureau of Fisheries and Aquatic Resources	Adaptation	NA	NA	NA	Whole-of-Society	Goods and Services, Training, Livelihood & Enterprise Grants, Financial Products
17	Cebu Bus Rapid Transit Project	Improve Cebu's urban transport performance through a clean, efficient bus rapid transit (BRT) system.	WB	116 million (Loan)	Department of Transportation	Mitigation	Low	Low	Low	Whole-of-Society	Compensation, Cash/Non-Cash Entitlements
18	TRANSCEND – Climate & Ecological Protection and Development	Advance climate governance, smart infrastructure, and resilient communities via integrated, nature-based action.	IKI (Germany)	35.5 million (Grant)	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Dual-Benefit	High	NA	NA	Whole-of-Society	NA
19	Flood Forecasting and Early Warning – Laguna Lake Complex	Develop an advanced flood forecasting and warning system and enhance local capacity to mitigate disasters.	KOICA	12.7 million (Grant)	DOST-PAGASA	Adaptation	NA	NA	NA	NA	NA
20	Accelerating Green & Climate Finance – Nature-based Solutions	Mobilize private sector investments in gender-responsive nature-based solutions to enhance climate resilience.	Canada	4.5 million (Grant)	UNDP	Dual-Benefit	high	Low	Low	Whole-of-Society	Goods & Services

Annex 9. ECCCP-drought intended impacts[59]

Output 1.1: Enhanced capacities of government institutions to implement and monitor water resources management and climate change (CC) adaptation projects Establishment of the Climate Change unit at the Barind Multipurpose Development Authority (BMDA) and the MAR center	**Intended Impact: Water Resource Management and Drought-Resilient Agricultural Practices**	**Inclusivity** [Whether diverse groups (by gender, age, income, disability, occupation, location) were meaningfully reached and able to contribute/ benefit]	**Affordability** [Direct and indirect costs to participate (fees, travel, time away from work) relative to household means; received additional support from IE or no fee or negligible burden]
Community response to effectiveness	This output was not targeted at the communities; therefore, they were unable to project the intended impacts. Additionally, they were unable to perceive any direct or indirect benefits of this output in their daily lives. They even mentioned that they are not sure about the implementation stage of this output.		
Community challenges [Barriers communities report that hinder uptake or outcomes]	NA		
Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	NA		

Output 1.2: Knowledge and technical capacities of climate change adaptation interventions improved Conduct a Real Time Evaluation (RTE) study, analyze results to build a database of intervention impacts, provide training to Non-Governmental Organizations (NGOs) on climate change and project management, and organize knowledge-sharing workshops and seminars	**Intended Impact:** Water Resource Management and Drought-Resilient Agricultural Practices	**Inclusivity** [Whether diverse groups (by gender, age, income, disability, occupation, location) were meaningfully reached and able to contribute/ benefit]	**Affordability** [Direct and indirect costs to participate (fees, travel, time away from work) relative to household means; received additional support from IE or no fee or negligible burden]
Community response to effectiveness	This output was not targeted at the communities; therefore, they were unable to project the intended impacts. Additionally, they were unable to perceive any direct or indirect benefits of this output in their daily lives. They even mentioned that they are not sure about the implementation stage of this output.		
Community challenges [Barriers communities report that hinder uptake or outcomes]	NA		
Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	NA		

Output 1.3: Communities are organized and aware of climate change issues and potential responses Communities formed CCAGs, developed socio-economic profiles, and participated in monthly meetings, training sessions, and exchange visits	**Intended Impact:** Water Resource Management and Drought-Resilient Agricultural Practices	**Inclusivity** [Whether diverse groups (by gender, age, income, disability, occupation, location) were meaningfully reached and able to contribute/benefit]	**Affordability** [Direct and indirect costs to participate (fees, travel, time away from work) relative to household means; received additional support from IE or no fee or negligible burden]
Community response to effectiveness	Very High (64%), High (32%), Neutral (4%)	Very High (48%), High (52%)	Very High (88%), High (12%)
Community statements	"Climate change adaptation groups (CCAGs) supported communities by sharing the knowledge of groundwater/ surface water management." "Learnt techniques of surface water management and drought adaptation farming."	"Members from farming communities were included."	"It was affordable."
Reasons	Directly addressed livelihood needs and provided practical solutions on water management and farming.	Communities confirmed that women, low-income households, and members from farming communities were meaningfully engaged.	The interventions were free of cost, held locally, and scheduled at convenient times.
Community challenges [Barriers communities report that hinder uptake or outcomes]	No challenge was perceived at this stage of project implementation.	No challenge was perceived at this stage of project implementation.	No challenge was perceived at this stage of project implementation.

Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	Support was provided entirely in-kind: training, group formation, facilitation, meetings, etc.
Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Communities accessed interventions through local meetings and training, announced by CCAG leaders and NGO staff.
Community needs [Specific supports communities say they still require to achieve/maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Communities requested support for learning livelihood practices and maintaining a stable income.

Output 2.1: Improved storage of surface water Re-excavation of ponds and canals	**Intended Impact:** Water Resource Management and Drought-Resilient Agricultural Practices	**Inclusivity** [Whether diverse groups (by gender, age, income, disability, occupation, location) were meaningfully reached and able to contribute/benefit]	**Affordability** [Direct and indirect costs to participate (fees, travel, time away from work) relative to household means; received additional support from IE or no fee or negligible burden]
Community response to effectiveness	Very High (4%), High (76%), Neutral (20%)	Very High (36%), High (64%)	High (100%)
Community statements	"Re-excavation of ponds and canals has increased the amount of water, and now we also get water during the dry season."	"Diverse community groups can access water resources."	"It was affordable."
Reasons	Improved access to water during the dry season, supporting farming activities.	Women and marginalized groups also participated in accessing water resources.	It was grant-based, and labor cost was provided.
Community challenges [Barriers communities report that hinder uptake or outcomes]	No challenge was perceived at this stage of project implementation.	No challenge was perceived at this stage of project implementation.	Women respondents highlighted the need for drinking water.
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	In-kind support with re-excavation of ponds and canals, along with compulsory labor at a wage rate of 3.2 USD per day.		

Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Communities reported providing labor for re-excavation to avail of these facilities. Maintenance committees established by CCAGs will collect fees of USD 0.25 to USD 0.41 to maintain these ponds and canals.
Community needs [Specific supports communities say they still require to achieve/maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Better access to water during the dry season.

Output 2.2: Improved recharge of aquifers Installation of rooftop managed aquifer recharge systems and recharge wells for groundwater recharge in ponds	**Intended Impact:** Water Resource Management and Drought-Resilient Agricultural Practices	**Inclusivity** [Whether diverse groups (by gender, age, income, disability, occupation, location) were meaningfully reached and able to contribute/benefit]	**Affordability** [Direct and indirect costs to participate (fees, travel, time away from work) relative to household means; received additional support from IE or no fee or negligible burden]
Community response to effectiveness	The output was not yet implemented at the time of this research.		
Community challenges [Barriers communities report that hinder uptake or outcomes]	Communities stressed that delays in implementing this output are postponing their access to safe drinking water, leaving them more vulnerable.		
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	In-kind support through the installation of rooftop managed aquifer recharge systems and recharge wells.		
Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	To be determined.		
Community needs [Specific supports communities say they still require to achieve/maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Community members expressed their need for safe drinking water.		

Output 3.1: Drought-resilient crops are adopted by farmers Promotion of drought-adaptive cropping patterns, crop varieties, and fruit cultivation	**Intended Impact: Water Resource Management and Drought-Resilient Agricultural Practices**	**Inclusivity** [Whether diverse groups (by gender, age, income, disability, occupation, location) were meaningfully reached and able to contribute/benefit]	**Affordability** [Direct and indirect costs to participate (fees, travel, time away from work) relative to household means; received additional support from IE or no fee or negligible burden]
Community response to effectiveness	Very High (28%), High (72%)	High (4%), Neutral (76%), Low (20%)	Low (80%), Very Low (20%)
Community statements	"The cultivation of drought-adaptive varieties has been useful for us".	"Some of us felt left out."	"We do not perceive this as affordable."
Reasons	Farmers could produce more crops/ vegetables than before, thereby promoting their livelihoods.	Access to resources was limited to certain groups (e.g., eligibility linked to farm size/land type), so not everyone became a direct beneficiary.	The funding modality is expected to be loans; communities prefer grants/ cash support, viewing loans as burdensome.
Community challenges [Barriers communities report that hinder uptake or outcomes]	No challenge was perceived at this stage of project imple-mentation.	Small-holding farmers reported being left out.	Loans with high interest rates were cited as a potential affordability challenge.
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	Community members reported the distribution of seeds and fertilizers. Under the project, communities will receive loans of USD 28–123 at a subsidized interest rate of 18–20%.		

Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	While seeds and fertilizers have been provided, loans and grants shall be determined in the future.
Community needs [Specific supports communities say they still require to achieve/maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	More information on climate-smart agriculture and animal husbandry; access to more seeds and fertilizers; and grants over loans.

Annex 10. ECCCP-drought unintended impacts

Outputs	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of eco-systems	Increased resilience through livelihoods	Increased resilience of health, well-being, food, and water security	Increased resilience of infrastructure and the built environment
1.1: Enhanced capacities of government institutions to implement and monitor water resources management and climate change (CC) adaptation projects	Community members noted that, because the output was not specifically designed for them, they struggled to see its relevance to their current situation. They also reported seeing no meaningful improvements in their day-to-day lives as a result.							
1.2: Knowledge and technical capacities of climate change adaptation interventions improved	Community members noted that, because the output was not specifically designed for them, they struggled to see its relevance to their current situation. They also reported seeing no meaningful improvements in their day-to-day lives as a result.							
2.2: Improved recharge of aquifers	This output shall be implemented at the community level in the future.							

Output 1.3: Communities are organized and aware of climate change issues and potential responses	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosys-tems	Increased resilience through livelihoods	Increased resilience of health, well-being, food, and water security	Increased resilience of infrastruc-ture and the built envi-ronment
Community response to effectiveness	Very High (28%), High (72%)	Very High (52%), High (44%), Very Low (4%)	Very High (16%), High (84%)	Low (100%)	NA	Very High (32%), High (68%)	NA	NA
Community statements	"We learnt and implemented their knowledge about Climate-Smart Agriculture and livestock."	"CCAGs supported communities by sharing the knowledge of groundwater/ surface water management."	"We were provided with training on drought-resilient cropping patterns."	"There was very little involvement of local governments."	NA	"They provided livelihood-supporting strategies for restoration of ponds and water bodies, then were taught to use specific fertilizers."	NA	NA
Reasons	Community members stated that CCAGs empowered them with practical knowledge to manage groundwater/ surface water and adopt climate-smart practices, thereby strengthening their ability to adapt to changing climate conditions. It provided them with opportunities to develop adaptive capacities.	Respondents who received hands-on support in water management and drought-adaptive agriculture applied these insights in crop planning. Some members were not very confident about the data application.	Repeated CCAG engagement and practical demonstrations translated awareness into behaviors (e.g., crop choices, water practices), indicating increased recognition of climate risks and responses.	Respondents noted that relevant government stakeholders were not directly targeted and their inclusion was not part of the project's original objectives, resulting in limited local government engagement.	NA	Communities reported receiving livelihood-oriented strategies (pond/ water-body restoration) and guidance on input use, which they linked to improved production and adaptive practices.	NA	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	No challenges were reported at this stage of project implementation.	No significant challenges were reported; however, a few community members emphasized the need for follow-up training.	No challenges were reported at this stage of project implementation.	Low engagement of local government institutions and their lack of coordination with community members.	NA	No challenges were reported at this stage of project implementation.	NA	NA

2.1: Improved storage of surface water	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems	Increased resilience through livelihoods	Increased resilience of health, well-being, food, and water security	Increased resilience of infra-structure and the built envi-ronment
Community response to effectiveness	Very High (24%), High (76%)	Neutral (92%), Low (8%)	High (4%), Neutral (84%), Low (12%)	NA	Very High (16%), High (84%)	High (100%)	Very High (40%), High (60%)	NA
Community statements	"We are now able to produce more crops."	"We need more information on advanced agricultural technologies and a better understanding of suitable cropping patterns to effectively combat drought."		NA	"It did improve the ecosystem by improving the biodiversity of the area."	"They provided livelihood-supporting strategies for the restoration of ponds and water bodies."	"The project has increased the availability of water, allowing access even during the dry season."	NA
Reasons	Community members explained that better surface-water storage increased water availability through the season, enabling timely irrigation and crop management, thereby strengthening their capacity to adapt to dry spells.	The storage intervention improved water availability, but respondents stated that decision quality still depends on access to advanced agricultural guidance and seasonal advisories; hence, their perception remains neutral pending better information services.		NA	Respondents linked pond restoration and sustained surface-water levels with habitat recovery and visible increases in local biodiversity.	Households cited two livelihood channels: (1) short-term income via paid excavation work; and (2) medium-term gains from improved farm productivity supported by water storage and basic input guidance.	Seasonal water availability, enhanced food production, and reduced stress during dry periods.	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	No challenges were reported at this stage of project implementation.	Lack of advanced agricultural guidance and seasonal advisories was reported as the main challenge.		NA	No challenges were reported at this stage of project implementation.	No challenges were reported at this stage of project implementation.	No challenges were reported at this stage of project implementation.	NA

Output 3.1:	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems	Increased resilience through livelihoods	Increased resilience of health, well-being, food, and water security	Increased resilience of infrastructure and the built environment
Community response to effectiveness	Very High (32%), High (68%)	High (100%)	Very High (4%), High (96%)	NA	Neutral (100%)	Very High (8%), High (92%)	Very High (8%), High (92%)	NA
Community statements	"We can produce more crops and vegetables than before."	"We learnt and implemented their knowledge about climate-smart agriculture and livestock."	"We learnt and implemented their knowledge about climate-smart agriculture and livestock."	NA	"We do not really understand the ecosystem and these kinds of benefits."	"It increased our livelihood resilience by increasing crop production and reducing the losses of crops due to the droughts."	"More crop production ensures food security and better health."	NA
Reasons	Community members explained that greater and more reliable crop output reflects improved practices and seasonal management, indicating stronger capacity to cope with dry spells and variability.	Respondents described learning actionable techniques (climate-smart agriculture and livestock practices) and applying them in decisions on cropping and husbandry.	Repeated exposure to practical training increased awareness of drought risks and appropriate responses, leading to the adoption of improved practices.	NA	Participants indicated limited understanding of ecosystem-level outcomes at this stage, so they could not attest to biodiversity or ecological improvements.	Households linked higher production and lower drought-related losses to improved practices, strengthening income stability and livelihood security.	Respondents associated increased yields with more consistent household food availability and perceived improvements in wellbeing.	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	No challenges were reported at this stage of project implementation.	No challenges were reported at this stage of project implementation.	No challenges were reported at this stage of project implementation.	NA	Communities cannot yet perceive ecosystem-related benefits; further explanation/ monitoring are needed to make ecosystem gains/ losses visible.	No challenges were reported at this stage of project implementation.	No challenges were reported at this stage of project implementation.	NA

Annex 11. ECCCP-flood intended impacts

Output 1.1: Climate change adaptation groups (CCAG) formed and operationalized Beneficiary selection and group formation; preparation of socio-economic profiles; and monthly CCAG meetings on climate change issues	Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions	Intended Impact 2: Increased resilience of health and well-being, and food and water security	Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change	Inclusivity (Participation of diverse groups)	Affordability (Access to project benefits without financial strain)
Community response to effectiveness	High (80%), Neutral (12%), Low (8%)	NA	NA	High (40%), Neutral (36%), Low (24%)	Very High (16%), High (64%), Neutral (16%), Very Low (4%)
Community statements	'Livelihood-related vulnerabilities were identified through community consultations." "They also provide skill-building opportunities and are well-informed and responsive to community needs."	NA	NA	"Our participation is ensured through targeted invitations, separate group discussions, use of local languages, flexible meeting times, and support from local facilitators to voice our concerns."	"We were glad that there were no participation fees. That made it easier for many of us to attend."
Reasons	They valued the discussions on livelihoods, water management, and flood-resistant crops, such as rice, vegetables, and wheat varieties. .	NA	NA	CCAGs facilitated regular meetings and consultations where diverse groups, including women and poorer households, could share local knowledge and shape adaptation priorities.	No participation fees and activities held locally.
Community challenges [Barriers communities report that hinder uptake or outcomes]	NA	NA	NA	Involvement was limited due to time constraints.	NA
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	In-kind support through group formations, monthly meetings, and trainings.				

Accessibility [How communities practically access the output (where/ when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Activities are delivered locally via monthly meetings, training, and workshops.
Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	They need more financial support and alternative livelihoods that can ensure long-term income.

Output 1.2 Preparation of vulnerability assessment and adaptation action plan **Conduct participatory vulnerability assessments and develop local-level adaptation action plans using Participatory Rural Appraisal (PRA) tools**	**Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions**	**Intended Impact 2: Increased resilience of health and well-being, and food and water security**	**Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change**	**Inclusivity (Participation of diverse groups)**	**Affordability (Access to project benefits without financial strain)**
Community response to effectiveness	High (36%), Neutral (36%), and Low (36%)	High (56%), Neutral (12%), and Low (32%)	High (32%), Medium (28%), and Low (40%)	Very High (4%), High (48%), Neutral (12%), and Low (32%)	Very High (16%), High (64%), Neutral (16%), and Very Low (4%)
Community statements	"These assessments focused on the impacts of climate change on crops, livestock, income sources, and livelihoods."	"Key issues were discussed like increased cases of waterborne diseases, sanitation, and malnutrition., "	"Key concerns were discussed," and some mentioned that "they had limited knowledge on the subject."	"The NGOs really tried to bring in women and poorer families."	"It was good that we did not have to pay anything or fill out many forms."
Reasons	The assessment used consultations, surveys, interviews, and FGDs that captured the risks to livelihoods.	Documented sanitation conditions, water scarcity, disease patterns (e.g., water-borne disease spikes),	Mapping and stakeholder meetings identified unsafe housing and flood-prone assets, such as sanitary latrines, generating practical infrastructure priorities. Some respondents awaited proper design standards.	NGOs purposively engaged women and low-income households;	Participation incurred no fees.
Community challenges [Barriers communities report that hinder uptake or outcomes]	Awareness gaps about the assessment schedule.	Unclear pathway from assessment findings to services	Weak communication on next steps.	Limited follow-up.	NA
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	The activity was delivered as in-kind support.				
Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Assessments were conducted locally, using Bangla, simple mapping, and FGDs.				

Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Practical translation of findings into funded interventions

Output 1.3 Trainings and workshops on Climate Change conducted for beneficiaries and stakeholders Develop training manuals and guidelines on climate change and project management, prepare training plans, and organize sessions for beneficiaries and IEs' staff, including exchange visits, workshops, and seminars. Overall Budget Allocation: USD 703,500 Grant by GCF	**Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions**	**Intended Impact 2: Increased resilience of health and well-being, and food and water security**	**Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change**	**Inclusivity (Participation of diverse groups)**	**Affordability (Access to project benefits without financial strain)**
Community response to effectiveness	High (28%), Neutral (16%), Low (36%), Very Low (20%)	High (48%), Neutral (20%), Low (16%), Very Low (16%)	Very High (4%), High (40%), Neutral (16%), Low (16%), Very Low (24%)	High (64%), Neutral (24%), Low (12%)	Very High (16%), High (64%), Neutral (16%), and Very Low (4%)
Community statements	"They focus on essential topics like safe water practices and climate-resilient farming."	"These trainings equip individuals with practical skills that are easy to implement in nutrition, hygiene, and safe water."	"Skills needed to build stronger, more resilient homes and structures, reducing vulnerability to floods, were discussed."	"We feel the selection process was quite fair & inclusive because marginalized groups were included and had an equal chance to participate."	"It was good that we did not have to pay anything or fill out many forms."
Reasons	Participants reported that livelihood-oriented sessions (climate-smart agriculture, water management) were practical and immediately applicable to improve yields and reduce losses. Some attendees gained awareness but felt that they lacked follow-up training or input to translate lessons into consistent practice change. Issues such as a lack of prior notice and time conflicts led some respondents to avoid these trainings.	Training increased awareness of health, hygiene, and flood-related risks.	Training introduced flood-resistant house features and site selection.	Not all vulnerable groups were equally engaged in final decision-making.	Participation incurred no fees.

Community challenges [Barriers communities report that hinder uptake or outcomes]	Lack of follow-up training	Lack of follow-up training	Follow-up training was sometimes lacking, and attendance was low.	Marginalized voices lacked high participation.	NA
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	In-kind support, such as the training and workshops, was provided.				
Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Beneficiaries paid no participation fees; the principal community contribution was time and attendance.				
Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	More actionable climate information (seasonal forecasts, EWS); follow-up.				

Output 2.1 Raised homesteads above flood level Raise homestead plinths in clusters	Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions	Intended Impact 2: Increased resilience of health and well-being, and food and water security	Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change	Inclusivity (Participation of diverse groups)	Affordability (Access to project benefits without financial strain)
Community response to effectiveness	High (24%), Neutral (12%), Low (64%)	NA	High (40%), Neutral (16%), Low (40%)	Very High (4%), High (68%), Neutral (4%), Low (20%)	Very High (16%), High (64%), Neutral (16%), Very Low (4%)
Community statements	"We began working in construction, earning income and improving our skills. Men were paid ~ USD 4, women ~USD 3, but some people were not hired."	NA	"Effective in withstanding floods, the materials used are not robust enough."	"It included all the groups."	"It was good that we did not have to pay anything or fill out many forms."
Reasons	Households that received labor opportunities during the construction phase reported short-term income gains.	NA	For some participants, it helped increase the flood-resilience of their infrastructure. However, some stated that construction materials and plinths were not durable.	Women-headed, poor, and ultra-poor people were included.	Cash-transfer grants and provision of materials/ technical inputs were provided.
Community challenges [Barriers communities report that hinder uptake or outcomes]	Not everyone was hired.	NA	Plinths were not raised high enough, and construction materials were not durable enough to withstand extreme flooding.	Gaps in awareness and requisite technical capacities were highlighted as the prime challenges. Some vulnerable groups (elderly, persons with disabilities were unable to participate in the selection of construction materials, etc., unfamiliar with the procedures, etc.	NA
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	Delivered via cash transfers of USD 90 -225 as grants, complemented by in-kind materials and technical support.				

Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Support was provided through mobile banking cash transfers, on-site material delivery, and technical guidance.
Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Increased grant financing and direct cash support during disasters; standardized plinth-height guidance, quality materials and technical supervision; training;

Output 2.2 Reconstruction of climate-resilient houses Provide financial support for the reconstruction of climate-resilient houses on raised plinths	**Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions**	**Intended Impact 2: Increased resilience of health and well-being, and food and water security**	**Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change**	**Inclusivity (Participation of diverse groups)**	**Affordability (Access to project benefits without financial strain)**
Community response to effectiveness	High (24%), Neutral (12%), and Low (64%)	NA	High (40%), Neutral (20%), and Low (32%)	High (32%), Neutral (24%), and Low (44%)	Very High (16%), High (64%), Neutral (16%), and Very Low (4%)
Community statements	"Some of us earn income by working in construction."	NA	"Offering protection during seasonal and moderate flooding events increases resilience, but additional measures such as reinforced walls are recommended."	"The meetings and uthan boithaks gave us a chance to speak about our area."	"They provided funding support to repair the house before the flood, which was helpful to protect it."
Reasons	Short-term labor-generated income was USD 3 for women and USD 5 for men. Additionally, this output did not target livelihoods.	NA	Houses were protected against moderate floods.	Consultations (e.g., uthan boithak), meetings, and FGDs enabled many households to voice concerns about location and sites, etc. Not everyone felt included due to limited financial repayment capacities (loan interests).	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Wage opportunities were temporary.	NA	The materials are not strong enough to withstand severe floods.	Lack of inclusion of the most vulnerable groups and unawareness related to the technical delivery of the output.	NA
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	Communities also received construction materials and loans ranging from USD 90-USD 225 at interest rates of 9-15%, using a reducing balance method. In this method, the rate gradually drops to about 9% by the end of the loan period.				

Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Cash disbursed via mobile banking); materials and training were provided.
Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Homes that can withstand extreme floods.

Output 3.1 Installation of resilient tube wells Install tube wells	Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions	Intended Impact 2: Increased resilience of health and well-being, and food and water security	Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change	Inclusivity (Participation of diverse groups)	Affordability (Access to project benefits without financial strain)
Community response to effectiveness	NA	High (52%), Neutral (8%), Low (40%)	High (64%), Neutral (20%), Low (16%)	High (64%), Neutral (24%), Low (12%)	Very High (16%), High (64%), Neutral (16%), and Very Low (4%)
Community statements	NA	"It significantly improved our access to safe drinking water and health."	"Water is available for some, and others do not get it during the extreme floods."	"The meetings and FGDs were open to both men and women, and most of us could share our views."	"We did not pay anything from our end."
Reasons	NA	Households reported markedly safer access to drinking water.	Raised platforms limited contamination and physical damage in moderate floods.	Consultations and FGDs engaged both men and women, enabling most neighborhoods to voice site preferences.	The project fully bore installation costs.
Community challenges [Barriers communities report that hinder uptake or outcomes]	NA	Difficulty accessing the water from tubewells during extreme floods.	Not sustainable during severe floods.	Participation gaps in final site selection and supervision. Additionally, final decisions were always made with external stakeholders.	NA
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	The intervention employed a grant-based modality with community cost-sharing of about USD 6–8 per household for tube-well installation, facilitated through consultations and agreed contributions to foster ownership and accountability.				
Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Tube wells were installed within villages on raised platforms and were required to be shared between 4-10 households.				
Community needs [Specific supports communities say they still require to achieve/maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Additional tube wells to ensure equitable coverage.				

Output 3.2 Construction of sanitarty latrines Construct climate-resilient sanitary latrines.	Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions	Intended Impact 2: Increased resilience of health and well-being, and food and water security	Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change	Inclusivity (Participation of diverse groups)	Affordability (Access to project benefits without financial strain)
Community response to effectiveness	NA	High (80%), Low (20%)	Very High (4%), High (60%), Neutral (8%), Low (20%), Very Low (8%)	High (64%), Low (36%)	Very High (16%), High (64%), Neutral (16%), and Very Low (4%)
Community statements	NA	"Latrines have significantly reduced the risk of waterborne diseases by providing safe, hygienic waste disposal and preventing contamination, especially during floods."	"Latrines work well in normal conditions but often flood during storms, especially in low-lying areas, creating health risks and contamination concerns."	"Women and poorer families were called to the meetings, but at some places, the final decisions seemed to come from the externals."	"It was affordable."
Reasons	NA	Households reported significant improvements in hygiene and sanitation, noting sharp declines in open defecation and waterborne diseases.	Improved durability and flood resistance in moderate events.	Women and marginalized households joined consultations, discussions, and meetings.	Communities paid nominal charges such as USD 8 to 16, jointly paid by 2 to 3 households.
Community challenges [Barriers communities report that hinder uptake or outcomes]	NA	Submergence of latrines and inaccessibility in heavy rains/ floods;	Submergence of latrines and inaccessibility in heavy rains/floods.	Residual perception that final siting decisions rest with implementing agencies.	Latrines are inaccessible during severe floods. NA
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	Implemented through in-kind support: installation of sanitary latrines with community cost-sharing of about USD 6–8 per household for tube-well installation, facilitated through consultations and agreed contributions to foster ownership and accountability.				
Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Latrines installed between two or three households.				

Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Raised, flood-proof sanitary models.

Output 4.1 Rearing of goat/sheep in slatted houses **Provide support to rear goats/sheep in slatted houses**	**Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions**	**Intended Impact 2: Increased resilience of health and well-being, and food and water security**	**Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change**	**Inclusivity (Participation of diverse groups)**	**Affordability (Access to project benefits without financial strain)**
Community response to effectiveness	High (8%), Neutral (28%), Low (48%)	High (8%), Neutral (28%), Low (48%)	High (4%), Neutral (44%), Low (40%)	High (64%), Neutral (24%), Low (12%)	Very High (16%), High (64%), Neutral (16%), and Very Low (4%)
Community statements	"Provides safe space for animals" and "can contribute to livelihoods".	NA	"Not all of us were aware of these activities."	"They invited both women and small farmers to the trainings."	"It was affordable, but we received both loans and grants."
Reasons	Beneficiaries who received goats/sheep and constructed slatted houses reported safer livestock sheltering and reduced animal loss in floods. However, they lacked market linkage and animal fodder supplies.	NA	Limited effectiveness during extreme floods.	Women and smallholders joined training and planning meetings.	Project supplied materials, design, and grants/soft loans.
Community challenges [Barriers communities report that hinder uptake or outcomes]	Limited market access	NA	Limited effectiveness during severe floods.	External stakeholders took key decisions.	Communities were unsure if these structures could withstand extreme floods.
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	Communities received slated houses for livestock (goats and sheep) funded through GCF grants. Communities received loans of USD 125 at interest rates of 9- 15%, using a reducing balance method in which the rate gradually decreases to 9% by the end of the loan period.				
Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Slatted houses were provided through grants, and loans were also provided to purchase the livestock (USD 125 at interest rates of 9- 15%, using the reducing balance method).				
Community needs [Specific supports communities say they still require to achieve/ maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Knowledge of climate-smart animal rearing along with sustainable practices.				

Output 4.2 Cultivation of flood-tolerant crops Cultivate flood-resilient rice varieties (BRRI dhan 51 & 52, BINA dhan 11), early and disease-resistant wheat variety (BARI 26), and vegetables on sandbars	**Intended Impact 1: Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions.**	**Intended Impact 2: Increased resilience of health and food and water security**	**Intended Impact 3: Increased resilience of infrastructure and the built environment to climate change**	**Inclusivity (Participation of diverse groups)**	**Affordability (Access to project benefits without financial strain)**
Community response to effectiveness	High (48%), Neutral (24%), Low (28%)	High (76%), Neutral (12%), Low (12%)	NA	High (64%), Low 36%	High (84%), Neutral (8%), Low (8%)
Community statements	"Reduced losses", "stabilized crop production".	"Climate-resilient seed varieties, such as flood-resistant rice and drought-tolerant wheat, have proven effective in enhancing food and health security."	NA	"Consultations were held to gather feedback and ensure the crops suited the local conditions and needs, allowing for better adaptation to climate impacts."	"The seed distribution was supportive."
Reasons	Distribution of flood-tolerant seed and training on climate-smart agriculture reduced crop losses and stabilized household earnings.	Flood-tolerant crops preserved household food.	NA	The responses highlight that the introduction of flood-resilient crops involved significant consultation with the community members, including women, older adults, and poor farmers.	Seeds, training, and small-scale loans were provided.
Community challenges [Barriers communities report that hinder uptake or outcomes]	Lack of training (soil, pest management, and managing crops effectively).	NA	NA	More small-holder farmers and women's participation can be improved in decision-making.	Perceived risks associated with loans.
Financing modality [How the output is funded or delivered to users (grant, loan, in-kind, etc.), and what the community bears, if anything]	Under this output, communities received seeds, fertilizers, and loans to grow crops. Communities received loans of approximately USD 27-45 at interest rates of 9-15%, along with flood-resilient seeds. The interest repayment mechanism is used.				

Accessibility [How communities practically access the output (where/when/how delivered; eligibility, documentation, distance, language; ease of enrolling/attending]	Seeds are distributed locally via CCAG/NGO channels ahead of sowing.
Community needs [Specific supports communities say they still require to achieve/maintain the positive impact (skills, assets, financing, coordination) related to the concerned output]	Communities need more flood-tolerant seeds to safeguard their crops. They want to reduce agricultural losses by improving irrigation tools and providing climate-smart farming training.

Annex 12. ECCCP-flood unintended impacts

Output 1.1 Climate change adaptation groups (CCAG) formed and operationalized	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	Very High (4%), High (64%), Neutral (16%), Low (16%)	Very High (4%), High (64%), Neutral (16%), Low (16%)	High (32%), Neutral (44%), Low (24%)	High (20%), Neutral (36%), Low (44%)	NA
Community statements	"CCAGs played a key role in strengthening our livelihoods by promoting collective action, knowledge sharing, and inclusive decision-making."	"We received livelihood-related information and learned through local awareness systems."	"These groups helped raise awareness of climate risks through discussions, training, and radio broadcasts."	"CCAG members actively supported climate resilience through workshops, sustainable farming, seed distribution, and disaster preparedness."	NA
Reasons	Community members stated that the formation of Climate Change Adaptation Groups (CCAGs) played a key role in strengthening their livelihoods, especially for marginalized groups, by promoting collective action, knowledge sharing, and inclusive decision-making in climate adaptation.	Community members stated that they received livelihood-related information and learned from others through local awareness systems. They stated that they adopted climate-smart farming, water conservation, and health practices in their daily lives. They also stated that they received hands-on training, learned useful tools and techniques, and gained knowledge related to crops.	Community members stated that these groups helped raise awareness of climate risks through discussions and training. They shared that the support improved their ability to prepare for climate challenges.	Community members stated that CCAG members actively supported climate resilience through workshops, sustainable farming practices, seed distribution, and disaster preparedness. However, some community members felt the activities were not relevant to them, though they did not explain why.	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Need for refresher training and stronger follow-up to sustain adaptive practices.	Need for simplified climate information materials and follow-up training. Need for simplified climate information materials and follow-up training.	Weak interface between CCAGs and local government institutions; absence of formal collaboration frameworks.	NA	

Output 1.2 Preparation of vulnerability assessment and adaptation action plan	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (52%), Neutral (8%), Low (24%), Very Low (8%)	High (36%), Neutral (24%), Low (40%)	High (44%), Neutral (32%), Low (20%), Very Low (4%)	High (20%), Neutral (36%), Low (44%)	NA
Community statements	"We identified weak housing, poor infrastructure, lack of flood protection through mapping and local meetings... we also saw needs for better sanitation and water-source protection."	"The assessments helped us adopt raised plinths, flood-/drought-tolerant crops, and better water management."	"The assessments helped us better understand climate risks and adaptation needs."	"We contributed local knowledge through discussions and consultations to shape plans and policies."	NA
Reasons	Participatory mapping, transect walks, and meetings enabled households to diagnose risks and prioritize measures, building problem-solving capacity and readiness to act.	Community members stated that the vulnerability assessments helped them adopt practices such as raised plinths, drought- and flood-resistant crops, improved water management, and the use of early warning systems. Some had limited or no knowledge of the assessments, so climate information did not reach or inform their decisions.	Repeated dialogues clarified local hazard profiles and feasible household/community measures. Some were aware of risks but uncertain about actionable next steps or where to access support/inputs.	Consultations occurred, and voices were heard, but the formal incorporation of these into local plans/budgets remained unclear. Many were unsure of their role in documentation and saw limited institutionalization of the process.	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Some were unsure how findings were documented, indicating limited visibility of the process and products.	Coverage gaps in dissemination; uneven advisory follow-up to convert solutions into routine decisions.	The final decisions lay with the external stakeholders; therefore, communities could not visualize how their inputs were used in project implementation.	Absent/weak coordination with local government institutions.	NA

Output 1.3 Trainings and workshops on Climate Change conducted for Beneficiaries and stakeholders	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (28%), Neutral (28%), Low (44%)	High (20%), Neutral (28%). Low (52%)	High (20%), Neutral (28%). Low (52%)	NA	NA
Community statements	"The trainings helped us combine scientific knowledge with traditional and Indigenous practices... but some of us were not aware of the trainings."	"Training helped us apply climate forecasts in planning."	"Training improved our understanding of climate trends, though some were unsure of the content's relevance."	NA	NA
Reasons	Community members stated that the trainings helped them combine scientific knowledge with traditional and Indigenous practices, improving their understanding of climate risks and adaptation. However, some shared limited awareness of the training, suggesting the need for broader outreach and inclusion.	While they found these sessions helpful, they still reported that the information remained theoretical for many.	Community members stated that training improved their understanding of climate trends, though some remained unsure of the content's relevance, suggesting the need for continued awareness efforts.	NA	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Lack of follow-up sessions.	Lack of follow-up sessions.	Lack of follow-up sessions.	NA	NA

Output 2.1 Raised homesteads above flood level	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (32%), Neutral (12%), Low (56%)	Very High (4%), High (40%), Neutral (16%), Low (16%), Very Low (24%)	Very High (4%), High (40%), Neutral (16%), Low (16%), Very Low (24%)	NA	NA
Community statements	"Raised homestead plinths help protect against moderate floods but fall short during severe or long-lasting floods."	"Resilience trainings helped us learn how to build stronger, flood-resistant homes using sustainable materials."	"We now understand the risks due to flood and the house requirements."	NA	NA
Reasons	Households whose plinths were elevated with compacted fill and supported by drainage channels experienced clear protection from seasonal inundation. A majority judged the measures inadequate for prolonged or extreme floods and desired more robust engineering.	Trainees applied their knowledge when choosing households' elevations, materials, etc. Some grasped the concepts but lacked technical supervision to implement them correctly. A small subset missed the training entirely and remained uninformed about design criteria.	Participants recognized the link between rising flood frequency and the need for elevated, reinforced dwellings.	NA	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Lack of stronger materials, deeper foundations, and improved drainage to withstand escalating flood intensity.	Limited follow-up training.	Limited follow-up training.	NA	NA

Output 2.2 Reconstruction of climate-resilient houses	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (40%), Neutral (20%), Low (32%), Very Low (8%)	Very High (4%), High (40%), Neutral (16%), Low (16%), Very Low (24%)	Very High (4%), High (40%), Neutral (16%), Low (16%), Very Low (24%)	NA	NA
Community statements	"Rebuilt climate-resilient homes on raised plinths helped protect against moderate floods, reducing damage and displacement."	"Resilience training gave skills to build stronger homes with sustainable materials."	"The resilience trainings have significantly increased awareness among us by providing practical skills in constructing flood-resistant homes, using sustainable materials, and applying climate-resilient building techniques."	NA	NA
Reasons	Households with completed plinths and basic reinforcements reported fewer disruptions.	Trainees used local flood marks to set plinth heights and choose materials. Concepts were understood, but households lacked technical supervision or templates to implement them properly.	Clear recognition that rising flood intensity requires elevation and reinforcement. Awareness is present but not yet translated into household designs.	NA	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Need stronger walls/ roofing, flood barriers, site drainage, and embankment management to withstand severe events; uneven completion/quality control across sites.	Limited follow-up training.	Limited follow-up training.	NA	NA

Output 3.1 Installation of resilient tube wells	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (64%), Neutral (20%), Low (16%)	NA	NA	NA	NA
Community statements	"Water is available for some, but others do not get it during the winter season."	NA	NA	NA	NA
Reasons	Households near raised tube wells reported reliable, safer water in regular/ monsoon periods, reducing time burden and coping stress.	NA	NA	NA	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Dry-season yield reduction; insufficient number of units for population; limited maintenance.	NA	NA	NA	NA

Output 3.2 Construction of sanitary latrines	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (56%), Neutral (16%), Low (28%)	NA	NA	NA	NA
Community statements	"Despite a high positive response, heavy rains and floods often choke or damage latrines, making them unusable and risking health due to contamination."	NA	NA	NA	NA
Reasons	Some experienced benefits in normal weather but reported intermittent functionality in peak rains due to partial flood-proofing or maintenance gaps.	NA	NA	NA	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Lack of proper infrastructure facilities and maintenance.	NA	NA	NA	NA

Output 4.1 Rearing of goat/sheep in slatted houses	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (4%), Neutral (44%), Low (52%)	NA	NA	NA	NA
Community statements	"Only a few community members were beneficiaries of this output; most had no idea about it."	NA	NA	NA	NA
Reasons	Households that actually received slatted houses reported fewer animal losses in floods.	NA	NA	NA	NA
Community challenges [Barriers communities report that hinder uptake or outcomes]	Expectation of full grants vs. loans.	NA	NA	NA	NA

Output 4.2 Cultivation of flood-tolerant crops	Strengthened Adaptive Capacity	Increased generation and use of climate information in decision-making	Strengthened awareness of climate threats and risk reduction processes	Strengthened government institutional and regulatory systems for climate-responsive development planning	Increased resilience of ecosystems
Community response to effectiveness	High (76%), Neutral (12%), Low (12%)	High (32%), Low (68%)	High (24%), Low (76%)	NA	High (28%), Low (72%)
Community statements	"Climate-resilient seeds like flood-resistant rice helped us secure food even during extreme weather... steadier harvests and incomes."	"We learned to grow flood-resistant rice, catch rainwater, and plant vegetables in raised pits."	"Trainings taught raised beds, nutrient pits, and sandbar cultivation... using local materials to prevent erosion and grow during harsh weather."	NA	"Growing vegetables on sandbars helps feed families, protects land from erosion, and improves soil health; it supports women, low-income families, and small farmers."
Reasons	Distribution of stress-tolerant varieties, along with practical field techniques (raised beds, nutrient pits, sandbar cultivation), reduced losses and stabilized yields and income.	Most struggled to translate advisories into routine field practices without hands-on guidance.	Participants linked rising flood risk to specific protective agricultural practices and could explain the reasons behind them. Many saw practices as short-term or pilot-only and did not yet internalize them as standard risk-reduction measures.	NA	Where sandbar/raised-bed methods were maintained, communities observed reduced erosion and better ground cover/soil structure. The majority reported limited scale/continuity, so ecosystem effects were not widely perceived.
Community challenges [Barriers communities report that hinder uptake or outcomes]	NA	More training and follow-up sessions.	Perception that solutions are temporary; insufficient materials and locality-specific evidence; limited access to inputs/services to act on awareness.	NA	Scarcity of organic matter/ inputs; need for community involvement in the final decisions.

Annex 13A. Project-wise socio-economic data for the sample size—Rajshahi district, Bangladesh

ECCCP-DROUGHT PROJECT, BANGLADESH Sample Size: 25 Site Location: Rajshahi district, Bangladesh		
SOCIO-ECONOMIC DATA & INTERSECTIONALITIES OF THE UNIT OF ANALYSIS		
Category	**Subcategory**	**Number of Participants**
Gender	Female	18
	Male	7
Age Group	Adult (20-39)	13
	Middle Aged Adult (40-59)	10
	Senior Citizen (60+)	1
	Teen (13-19)	1
Income Group[60]	Extremely poor (~USD 16)	2
	Lower class (~USD 16- ~ 106)	11
	Middle class (~USD 106 - ~176)	11
	Upper class (>~USD 176)	1
Nature of Community	Farming Community	22
	Farming Community, Forest Community	1
	Farming Community, Riverine Community	2

Annex 13B. Project-wise socio-economic data for the sample size—Kurigram district, Bangladesh

ECCCP-FLOOD PROJECT, BANGLADESH Sample Size: 25 Site Location: Kurigram district, Bangladesh		
SOCIO-ECONOMIC DATA & INTERSECTIONALITIES OF THE UNIT OF ANALYSIS		
Category	**Subcategory**	**Number of Participants**
Gender	Female	3
	Male	22
Age Group	Adult (20-39)	5
	Middle Aged Adult (40-59)	14
	Senior Citizen (60+)	6
Income Group[61]	Extremely poor (~USD 16)	3
	Lower class (~USD 16- ~ 106)	13
	Middle class (~USD 106 - ~176)	8
	Upper class (>~USD 176)	1
Nature of Community	Farming Community	6
	Farming Community, Business	1
	Farming Community, Riverine Community	13
	Riverine Community	5

Annex 14. Projected impacts of EE CFM at the community level

OUTPUTS	INTENDED IMPACT DIMENSIONS			UNINTENDED IMPACT DIMENSIONS								SOCIO-ECONOMIC DIMENSIONS	
Output 3 and 4 impact communities directly while Output 2 impacts communities indirectly	**Greenhouse Emissions Reduction and Resilience**	**Clean Water Access and Health**	**Job Creation and Economic Development**	**Strengthened Adaptive Capacities**	**Use of Climate Information in Decision-Making**	**Strengthened Awareness**	**Institutional Strengthening**	**Resilient Ecosystems**	**Resilient Livelihoods**	**Resilient Health, Food and Water Security Systems**	**Resilient Infrastructure and Built Environment**	**Inclusivity and Participation**	**Affordability of the Service/ Financing Instrument**
Output 2: Improved wastewater treatment capacity **Project Status** IE BioAsia Energy (Isabela): Engaged LGU, started ESIA scoping, baseline, feedstock assessment, and concept design	Reduces GHG, promotes circular economy, enhances sustainable farming, boosts income.	Improved air quality, health protection, reduced healthcare burden, better well-being.	Job creation in construction, O&M, and agricultural straw collection roles.	Climate mitigation, healthier communities, and reduced public health strain through cleaner air.	Community development, climate information integration, and tailored climate solutions.					Improved air quality benefits, reduced healthcare burden, and protection.			
Output 3: Improved access to water **Project Status** IE Tubig Pilipinas: Expanding and rehabilitating water projects, including supply network and non-revenue water (NRW) reduction	Climate resilience, infrastructure upgrade, water conservation, and sustainable resource use.	Household access to clean water, improved health, and quality of life.	Job creation in construction, operation, and expanded employment through growth.	Addressing climate risks, resilient water supply, and vulnerability reduction through infrastructure.	Training for community members, integrating climate decisions into development programs.	Knowledge gathering, adaptation focus, and informed climate adaptation decisions.		Environmental management, ecosystem protection, and biodiversity preservation with mitigation.		Direct clean water supply, improved health, hygiene, and household needs.	Infrastructure and equipment will be determined based on each investment.	Project prioritizes marginalized groups, GESI assessments, community engagement, and adaptation needs.	Philippine water tariffs are regulated, cost-recovery based, and income-adjusted.
Output 4: Improved access to sanitation **Project Status** IE Tubig Pilipinas: Septage treatment plants in early planning stage for wastewater management	Climate resilience, public health, ecosystem protection, and strengthened local infrastructure.	Sanitation services, safe waste disposal, and reduced disease-related health risks.	Job creation in construction, operation, maintenance, and long-term asset upkeep.	Addressing climate risks, sanitation impact, and enhancing resilience by septage management.				Protected areas, impact mitigation, short-term disturbance, and minimal biodiversity impact.		Provides septage management, regular desludging, and safe septic waste disposal.			Regulated water tariffs by Tubig Pilipinas may cut septage costs by up to 150%.

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59. Community perceptions of effectiveness for both intended and unintended impacts, along with inclusivity and affordability, were captured using a 5-point Likert's scale* summarized in the tables in Annex 9 and 10 for ECCCP-Droughts and the tables in Annexes 11 and 12 for ECCCP-Floods. For the CI2 project, responses from the EE (CFM) are summarized in Annex 14.

*Likert's scale: 1=Very Low/Strongly Disagree, 2=Low/Disagree, 3=Neutral, 4=High/Agree, 5=Very High/Strongly Agree

60. Income group based on exchange rate from Bangladeshi Taka (BDT) to USD as of February 2026

61. Income group based on exchange rate from Bangladeshi Taka (BDT) to USD as of February 2026

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