

This project has a complex financial governance, including special-purpose vehicles and feeder vehicles. It is important to note that such complex financial governance structures can sometimes introduce additional costs and administrative complexities. These factors may impact the efficiency and effectiveness of resource allocation, potentially diminishing the amount of GCF resources available for catalyzing investments in the target countries.

While the use of equity financial instruments to support small businesses in the renewable energy sector may be necessary, it is important to acknowledge the role of grants, particularly in supporting small businesses where women play a dominant role. Grants can provide a significant boost to these businesses, especially those operating at the bottom of the renewable energy value chain ladder.

It is of concern that the eligible funding for solar home system (SHS) businesses and other renewable energy businesses mentioned in the project is mainly equity and loans. Since these businesses are at the end of the value chain, they may benefit more from grants than from loans and equity financing.

It would be beneficial to explore options for supporting small renewable energy businesses with grant support, considering the potential impact on these enterprises and the specific context of the project. By incorporating grant-based support alongside other financial instruments, a more comprehensive and inclusive approach can be adopted to drive the growth and sustainability of small renewable energy businesses.

###