

GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities

Intervention on

FP231: Accelerating Solar Action Program (ASAP)

Access the document: <https://www.greenclimate.fund/document/gcf-b38-02-add11>

We welcome support for distributed solar PV in Ghana, but share the questions raised by ITAP over how the project is targeted, which appears not to be needs-based. The program targets high-income households in Ghana, specifically those that can afford a monthly power bill of 50 US dollars or more. Only 5% of households fall into this bracket, many of which are in rental units or unsuitable dwellings for distributed solar PV installations.

A concessional loan programme that in its household component only targets high-income households does not address the core need to expand access to affordable renewable energy in Ghana, in particular in rural areas. The GCF should be driven by principles of equity, with projects required to show social and economic co-benefits alongside climate goals, and this project is disappointing in these regards.

Furthermore, the gender action plan appears to be an “add on” that is not really woven into the design of the programme. For example, the household component anticipates beneficiary households headed by “women or underserved groups”, but this does not correspond to how the financing is actually targeted.

We are also concerned that the AE bears all of the currency risk, given the adverse interest rates in Ghana. This is a considerable pressure to place on a direct access entity and there is a risk that this could affect the viability of the programme or result in less favourable terms for end users, and might also affect the scalability and replicability of the programme.

More generally, we note that ITAP has expressed scepticism about potential uptake, and imposed related conditions about “market take-up.” Similar conditions are rarely imposed upon international accredited entities, and we feel that care should be taken to ensure equal treatment in this regard, especially considering that local entities often have better knowledge of local market conditions.

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