

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

Intervention on

SAP054: SOURCE Pacific Drinking Water Project**Access the document:** <https://www.greenclimate.fund/document/gcf-b42-02-add05>

We have serious concerns about the SAP054 due to the design of the project itself, as well as the use of the Simplified Approval Process to push for a private sector-led agenda within the GCF.

The rationale for this project is to test and potentially “unlock” the viability of new technologies developed in rich countries, instead of using scarce public climate adaptation finance to directly benefit communities in the most vulnerable countries. We are asking the GCF to consider the risks of such an approach against its core responsibility to support vulnerable communities to adapt.

We strongly agree with the ITAP’s assessment that almost all risks related to both the untested technology being proposed here, its viability and sustainability, as well as risks related to fluctuations in currency exchange rates, are being pushed onto the countries themselves. These substantial risks are likely being transferred to vulnerable communities, in order to protect the interests and profits of the private company providing the technology.

If this largely untested technology underperforms or is not fully adopted by the final beneficiaries, it is the vulnerable countries that will be saddled with unproductive fee payments for 20 years. The AE’s assertion that end users will not pay the price because individual students and community members are not being charged feels disconnected from a reality where we know the eroding of public service budgets obviously impacts the users of those services.

At a time when public utilities and ministries of education are often under-funded due to debt service payments, creating a scheme to extract funding from them is antithetical to the creation of resilient communities.

Our concerns are compounded by a complete lack of transparency around key aspects of this proposal. The public is not allowed access to the per panel annual fee that will be charged to the government agencies. How this fee was or will be calculated, its affordability, and its competitiveness over time are all deemed confidential. What will be the impacts on these agencies’ budgets? We also know very little about potential alternatives, including cost comparisons. Finally, we know nothing about how this technology has performed in other areas where it has been deployed before.



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If there is a real market and demand for decentralised water security systems, this technology should be made to compete with other such technologies and approaches, instead of the GCF using scarce public funding to promote any specific technology over others.

We strongly urge the Board not to approve SAP054, not only because of the risks it places on vulnerable countries and communities, but because of the misguided message it sends about the GCF's role and understanding of how to drive a true paradigm shift in climate finance.