GCF WATCH

43rd Board Meeting of the Green Climate Fund

October 27-30, 2025, Songdo, Incheon, Republic of Korea

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

FP288: Jordan Aqaba-Amman Water Desalination and Conveyance Project (AAWDCP)

Access the document: https://www.greenclimate.fund/document/gcf-b43-02-add31

FP288 should not have been presented at this meeting and we strongly oppose its consideration. Furthermore, if the Board insists on opening such a proposal for discussion in breach of its policies, the proposal should be rejected on its merits, or rather, the lack thereof.

Published only 13 days ahead of this Board meeting, the funding proposal simply does not meet the standards set for Board document publication as set by the GCF's own Information Disclosure Policy and Rules of Procedure, and this level of late notice hasn't been seen for a funding proposal in over five years. Exceptions should not be made for such a large project at the highest level of risk - which merits the highest level of scrutiny instead of a special shortcut to approval, especially when the IAE has not completed the work required of every other AE at the time of funding proposal approval.

The requested US$295 million would make this the third largest GCF funding approval ever and the largest for a single project (as opposed to a programmatic approach). It includes a US$75 million grant component, which would be the largest grant from the GCF to a single private sector project; only one private sector programme received a larger grant. The proposed category A project entails high levels of social and environmental risk yet, concerningly, the Environment and social impact assessment (ESIA) remains incomplete.

As the ITAP report makes clear, the Board is "being asked to authorize one of the largest GCF private-sector grants without seeing evidence that marine ecosystems will be safeguarded." This is a completely unacceptable risk, particularly at a time when the planet has reached its first catastrophic tipping point related to coral reefs, highlighting the interconnectedness of climate protection and biodiversity conservation.

Additionally, with a project that has triggered the need for a Land Acquisition and Resettlement Policy Framework, which is – if it exists - not disclosed to the public, the potential for adverse impacts on peoples must be equally considered and merit caution.

As the ITAP further clarifies, there are also significant risks that the project could increase greenhouse gas emissions while delivering very poor value for the GCF's investment. To be asked to take a risk on a GCF funding proposal is one thing, to be asked to do so when the best case return on that risk, the actual climate impact, is questionable, is not strategic, but foolish.

All of these factors underline the importance of ensuring that FP288 receives thorough scrutiny to certify that GCF funds are used effectively, yet the funding proposal has been shared 8 days after the deadline for project proposals, an unprecedented delay.

Approving this project without a completed ESIA would set a dangerous precedent. To quote ITAP:

The environmental and social impact assessment (ESIA) update remains incomplete. As of the latest submission, Board members still cannot have assurance that coral reefs and tourism assets in the Gulf of Aqaba will be protected. … the absence of this assessment at Board approval means that members are being asked to authorize one of the largest GCF private-sector grants without seeing evidence that marine ecosystems will be safeguarded. The Secretariat is setting a precedent here: iTAP cannot assess the quality of minimum safeguards before Board approval. If in the future other AEs—which do not have the same capabilities and track record as IFC—are unable to provide a satisfactory assessment of environmental and social risk upfront, iTAP would have to reach a different conclusion in the absence of a finalized ESIA.

We share the concern that the double standards applied to how the ESIA is treated here would have negative future consequences for the GCF.

We are equally concerned regarding the project's compliance with the GCF's Indigenous Peoples Policy, particularly given its potential impact on the Bedouin communities in Jordan. Despite the project's implication for Indigenous and local population, there is a conspicuous lack of information on how the project has engaged with, consulted or obtained Free, Prior and Informed Consent (FPIC) from the Bedouin communities. The absence of such details raises serious questions about the project's commitment to safeguard rights, livelihoods and cultural heritage of Indigenous Peoples, as stipulated in the GCF IP Policy.

A similar point can be made about the gender action plan, which also appears to be unfinished. Most of the main indicators are listed as "TBC", while the headline figure of a 10% target for job creation for women in technical and managerial positions comes with a footnote that this is a "Target still under development and to be determined." As the IFC is one of the best resourced GCF accredited entities this cannot credibly be put down to a lack of capacity. Agreeing to consider a proposal that is not finished according to the standards that the GCF sets out is a terrible precedent.

On the specifics of the proposal, we fully recognise Jordan's urgent need for an improved water system and would welcome the GCF funding effective measures to address this. Unfortunately, this is not what has been put before the Board. Nearly half of the water pumped into Jordan's water system fails to reach end users. The most logical and efficient way to invest precious GCF funding would therefore be investing in measures to address leaks and other losses. Instead of asking the GCF to help fix the existing water system through support for Jordan's programme of non-revenue water projects, the IFC's favoured solution - as with the recent FP254 project - prioritizes shiny new large-scale infrastructure over less glamorous but cheaper, more climate-friendly and sustainable interventions to improve efficiency and reduce non-revenue water losses.

This is no accident, since the work of fixing leaks is unattractive to profit-seeking infrastructure investors and would require public investment. What difference could be made if the GCF were to direct some or all of its US$75 million grant to enhanced action to address non-revenue water, which would potentially reduce the scale, cost, carbon intensity and potential for environmental harm of the proposed desalination project? Unfortunately, the public is not presented with the evidence of a cost or feasibility comparison that has evaluated this possibility, as the annexes for private sector projects remain private. In this particular case, the GCF's mistaken default to keep all private annexes confidential further obscures the information necessary to assess an unfinished proposal package.

Instead, it appears that a private sector mega-project has been prioritized because of the mandate and ideological priorities of the Accredited Entity, and increasingly of the GCF, rather than an impartial consideration of the value and climate impact of the proposed solution. Efficiency and effectiveness concerns are a core part of the GCF investment criteria, however, and are particularly important when the GCF is being asked to provide such a large grant and so much overall financing. As ITAP, which does have access to the annexes, rightly notes, "Without linking progress on NRW reduction to the commissioning of the desalination plant, there is a real risk that expensive capacity is locked in before cheaper, lower-carbon water savings are realized."

The potential harm of this project also goes beyond its threat to marine ecosystems and includes the real possibility that the reliance on the private sector to provide access to water to the Jordanian population, which is a human right, might imperil access to this vital resource for low-income and vulnerable citizens. Despite the assertion that water tariffs will remain affordable, this would only be ensured for the duration of the project, if at all, based on the concessionality of GCF funding, but is not guaranteed beyond this point. The proposal itself makes clear that the approach only works if tariffs move towards "cost recovery" levels, requiring an increase in water tariffs. While the proposal notes that "the theory of change assumes that planned end-user water tariff adjustments remain fair and affordable to Jordanian households", there is no clear evidence presented in the proposal to ensure that this will remain the case.

We note that ITAP share this concern about non-revenue water and, more generally, we appreciate that the ITAP has asked searching questions about "whether this project truly reduces climate risk and emissions" – an example of the considerable value of maintaining this type of independent review process to ensure that the GCF promotes efficient, effective and needs-based projects.

In particular, we would support ITAP's contention that the "fragile mitigation benefits" of the proposal are a product of how future grid emission factors are calculated – if Jordan achieves its stated policy goal of increasing the renewables share in the energy mix, actual emissions reductions would be far lower than proposed. At the same time, delays in connecting the project's planned solar park to the planned desalination plant could result in "the GCF capital being associated with "higher emissions than a business-as-usual scenario", as ITAP points out.

As GCF funding represents just a 4-5% share of the US$6 billion total project cost, it is also difficult to see what specific climate benefit or leveraging effect is achieved by its involvement. A 1:20 leverage ratio is not a sign that the GCF is moving large sums for climate purposes, but signals instead that scarce climate finance is being sunk into a mega-project where the Fund has little influence on project design, management, or outcomes. We are very concerned that the GCF could end up "climate-washing" an activity with a significant climate impact rather than being targeted in ways that serve the GCF's distinct mission. This is not an easily replicable, paradigm-shifting proposal – the huge size of the proposal is far from any guarantee of its transformative potential.

The project's potential to saddle Jordan with huge debts raises further red flags. Project debts are denominated in US dollars but revenue through water tariffs is in Jordanian dinar, so if fiscal pressure broke the peg linking the dinar to the dollar then Jordan would face significant, unsustainable debts. The Jordanian government is also liable to compensate private shareholders for lost profits in the event that the project is terminated, which is a massive financial risk. As with so many Public Private Partnerships, this is a case of public risk for private gain – with the public sector taking on massive exposures while the private sector profits.

In summary, the GCF should and could play a role in addressing Jordan's water crisis but this is the wrong project. We further note that the IFC has rejected a number of the conditions that ITAP proposes for the approval of the project, and that approving this approval without all of these conditions intact would increase the risk taken by the GCF and undermine its objectives.

The fact that this is being rushed through without a complete ESIA and with less than the minimum time that the GCF sets for Board and public scrutiny is telling. The Board should not approve a proposal that is ill-conceived, expensive, and that holds considerable risks to the local environment, could saddle Jordan with massive debts while the private sector profits, and do huge damage to the GCF's reputation, not least through setting alarming precedents that undermine the Fund's priorities and governance.