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INDEPENDENT EVALUATION OF THE GREEN CLIMATE FUND'S COUNTRY OWNERSHIP APPROACH

Final Report

October 2019

GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Independent Evaluation of the Green Climate Fund's Country Ownership Approach

FINAL REPORT

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FOREWORD

Countries make the GCF. Indeed, in setting up this new institution, a brand-new hope was voiced – that the GCF would, along with galvanizing climate action, set and use a new *standard* for country *ownership*.

Country ownership: The phrase has been used too much and has come to mean too little. The GCF promises to re-define it, to revitalize it, to reinvigorate it.

It is this promise that my team and I looked at when we undertook this evaluation. We believe that the GCF aspires to climate action that encourages countries to express their sovereignty, needs and capabilities.

My team and I are extremely proud to bring this evaluation to you.

The evaluation of GCF's country ownership approach highlights its many strengths. First, we find that its vision, policies and planning place countries front and center. Second, until now, the GCF'S investments have been in areas that countries need. Third, we find that the mandate of direct access distinguishes GCF and underscores its commitment to ensuring country ownership. These are not easy wins. With 154 countries and enormous diversity, a young institution of 250 people is ensuring that ownership by countries is central to the Fund's efforts.

But we also found many reasons for the GCF to strive further. First, the GCF is at risk of repeating experiences that other multilateral institutions have already learnt from. Second, country programmes, entity work programmes, and its readiness programme are not focused enough for countries to gain and to build strong, effective climate finance-related pipelines. Third, the GCF needs to improve its investment criteria so that country ownership is a *sine qua non*. Fourth, currently countries find it difficult to work with the GCF because of long timelines, unpredictability and lack of transparency. This needs to change. Tools to assess trade-offs can help with this. Fifth, the GCF is not yet asking countries to lead and use their *own* systems and the GCF can show leadership in this space. Last but not least, the GCF needs to re-imagine how the architecture within countries can enable ownership and leadership in climate finance. And the GCF needs to support such an architecture.

The evaluation makes two important recommendations.

First, the GCF needs to develop standards for country ownership that go beyond no objection letters and procedures. It needs to provide explicit guidance for how Accredited Entities engage with countries. Operationally, GCF also needs to expand its definition of 'country' that goes beyond national capitals and includes a multitude of stakeholders while especially paying attention to those who are most affected by climate change. It needs to require this from Entities and countries in an intentional, purposive and driven way.

Second, the GCF needs to build and support the architecture around capability, opportunity and motivation for country ownership to be realized. Within this architecture, 'capability' can be built by providing sustained training and financial support to NDAs/focal points, who can then become in-country ambassadors and GCF specialists. 'Opportunity' will be built by providing the necessary policy guidelines and mandates through GCF documentation and standards. For instance, this may be built by increasing the role of direct access entities in GCF's overall strategy and explicitly indicating how they help to meet GCF's goals. 'Motivation' can be built through the use of incentives – both at the Secretariat level and at the country level. In its forward-looking recommendations chapter, the evaluation argues that the GCF could require International Accredited Entities to co-develop and co-implement projects and investments with Direct Access Entities. It also argues for clear and meaningful demonstration of stakeholder engagement. The evaluation team believes that it is this ‘architecture’ of capability, opportunity and motivation that must come together for country ownership to be realized.

We believe that the GCF has the tools and the staff to realize the full potential of country-owned climate finance. As in all things, the importance of this work lies in the use of this work by the GCF Board and the AEs and the Secretariat.

My colleagues, from the IEU and our supporting team from ICF, look forward to seeing GCF grow from strength to strength and delivering the vision we all share for it.

Dr. Jyotsna Puri
Head, Independent Evaluation Unit (IEU)
Green Climate Fund
22 October 2019

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Overall guidance and oversight by Dr. Jyotsna Puri, Head of the IEU of the GCF. The evaluation was led by Dr. Solomon Asfaw, Principal Evaluation Officer. The evaluation report was jointly written by the ICF consulting team co-led by Ms. Jessica Kyle and Dr. Detlev Puetz and by IEU staff and consultants. Additional evaluation team members included Ms. Liza Ottlakan and Mr. Aemal Khan, from the IEU, and Dr. Johanna Polvi and Mr. Cory Jemison from ICF. IEU team members provided critical data analysis support. They include Ms. Nayeon Kim, Mr. David Huang, Ms. Pamela Urbina Juarez, and Ms. Viktoriya Khan. Crucial administrative support was provided by Ms. Elangtlhoko Mokgano, IEU Team Assistant. Mr. Greg Clough and Ms. Beverley Mitchell edited the report, and Ms. Giang Pham designed and formatted the publication. Dr. Archi Rastogi and Dr. Martin Prowse also provided comments on some chapters of the report. Gratitude is also expressed to Dr. Andrew Norton who provided comments on the approach paper at an early stage of this process.

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Abbreviations

ADA	Agency For Agricultural Development, Morocco
ADB	Asian Development Bank
AE	Accredited Entity
AFD	*Agence Française De Développement*
AfDB	African Development Bank
AMA	Accreditation Master Agreement
APR	Annual Performance Report
BOAD	West African Development Bank
CAF	Development Bank of Latin America
CCM	Country Coordination Mechanism
CDS	Country Dialogue Specialist
CI	Conservation International
CIF	Climate Investment Funds
CN	Concept Note
CO2	Carbon Dioxide
COA	Country Ownership Approach
COBP	Country Operations Business Plan
COMICC	Intersectoral Commission for Climate Change
COMNACC	National Climate Change Committee
COP	Conference of the Parties
CP	Country Programme
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
CROP	Council of Regional Organizations in The Pacific
CSO	Civil Society Organization
CTF	Clean Technology Fund
CV	Coefficient of Variation
DA	Designated Authorities
DAE	Direct Access Entity
DBSA	Development Bank of Southern Africa
DCP	Division of Country Programming
DEA	Division of External Affairs
DMA	Division of Mitigation and Adaptation
DSS	Division of Support Services
EBRD	European Bank for Reconstruction and Development
EDA	Enhanced Direct Access
EE	Executing Entity
EIF	European Investment Fund
EIB	European Investment Bank

ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
EWP	Entity Work Programme
FAA	Funded Activity Agreement
FAO	Food And Agriculture Organization
FDB	Fiji Development Bank
FECO	China Foreign Economic Cooperation Office
FMO	Netherlands Development Finance Company
FP	Funding Proposal
FPR	Forward-Looking Performance Review
FUNBIO	Fundo Braileiro Para A Biodiversidade
GCF / (the) Fund	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GI	Governing Instrument
GPEDC	Global Partnership For Effective Development Co-Operation
HCCC	High-Level Climate Change Committee
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
IAE	International Accredited Entity
IDB	Inter-American Development Bank
IE	Implementing Entity
IEA	International Energy Agency
IED	Independent Evaluation Department
IEO	Independent Evaluation Office
IEU	Independent Evaluation Unit
IFAD	International Fund For Agriculture Development
IFC	International Finance Corporation
IIU	Independent Integrity Unit
INDCs	Intended Nationally Determined Contributions
INGO	International Non-Governmental Organization
IPCC	Intergovernmental Panel on Climate Change
iPMS	Integrated Portfolio Management System
IPP	Indigenous Peoples Policy
IRM	Independent Redress Mechanism
ISP	Initial Strategic Plan
iTAP	Independent Technical Advisory Panel
IUCN	International Union for Conservation of Nature
LAC	Latin America and the Caribbean
LDC	Least Developed Country

LDCF	Least Developed Countries Fund
LEDS	Low-Emission Development Strategies
LFA	Local Fund Agents
M&E	Monitoring and Evaluation
MAF	Monitoring and Accountability Framework
MDB	Multilateral Development Bank
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
MOU	Memorandum of Understanding
MSME	Micro-, Small- and Medium-Sized Enterprise
MW	Megawatt
NAB	National Advisory Board on Climate Change and Disaster Risk Reduction
NAMAs	Nationally Appropriate Mitigation Actions
NAP	National Adaptation Plan
NAP-Ag	Integrating Agriculture In National Adaptation Plans
NAPA	National Adaptation Plan of Action
NDA	National Designated Authority
NDCs	Nationally Determined Contributions
NIE	National Implementing Entity
NoL	No-Objection Letter
NoP	No-Objection Procedure
NOUs	National Ozone Units and Officers
NPFE	National Portfolio Formulation Exercise
OAS	Online Application System
ODS	Ozone Depleting Substances
OECD	Organisation for Economic Cooperation and Development
OED	Operations Evaluation Department, World Bank
OFP	Operational Focal Point
OGA	Office of General Affairs
OGC	Office of The General Council
OIA	Office of Internal Audit
OPM	Office of Portfolio Management
ORMC	Office of Risk Management and Compliance
PPCR	Pilot Programme for Climate Resilience
PPF	Project Preparation Facility
PPP	Public Private Partnership
PR	Principal Recipient
PROPARCO	Groupe Agence Française De Développement
PSF	Private Sector Facility, Green Climate Fund
PSO	Private Sector Organization
PV	Photovoltaic

REDD	Reducing Emissions from Deforestation and Forest Degradation
RfP	Request for Proposals
RIEs	Regional Implementing Entities
RMF	Results Management Framework
RPSP	Readiness and Preparatory Support Programme
SAP	Simplified Approval Process
SCD	Systematic Country Diagnostic
SD	Structured Dialogue
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
SME	Small and Medium-Sized Enterprise
SREP	Scaling Up Renewable Energy in Low-Income Countries Program
tCO2eq	Tons of CO2 Equivalent
TOR	Terms of Reference
UN	United Nations
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USD	United States Dollar
WBG	World Bank Group
WRI	World Resources Institute
WWF	World Wildlife Fund

EXECUTIVE SUMMARY

A. INTRODUCTION

Context. The Green Climate Fund (GCF) is the world's largest dedicated climate fund and an official mechanism of the United Nations Framework Convention on Climate Change (UNFCCC). **Country ownership is a core principle for the GCF** in pursuing its objective to promote a paradigm shift towards low-emission and climate-resilient development pathways in developing countries. The principle of country ownership and country drivenness is reflected in the GCF's **Governing Instrument** (GI) and various Board decisions. The **Conference of the Parties (COP) to UNFCCC** also recognizes the importance of enhanced country ownership in the GCF.

The GCF Independent Evaluation Unit conducted this evaluation as part of its 2019 Work Plan, which was approved by the GCF Board at its twenty-first meeting (B.21) in October 2018.

Questions. The evaluation answers four important questions:

1. How does the GCF **conceptualize and operationalize country ownership** from the strategic and policy perspective?
2. How does the GCF contribute to **country leadership and engagement**?
3. How effective is the GCF in building **institutional capacity (in countries and in itself)** for country ownership?
4. How effective is the GCF in using its business model (especially **accreditation** and **direct access**) for supporting country ownership?

Methods. The evaluation uses a mixed-methods approach that combines quantitative and qualitative data and analysis. Data sources and methods included:

- **Semi-structured interviews and focus groups** with over 250 people, of which more than three-quarters were at the country level, given the evaluation's focus.
- Two **perception surveys**, including one administered in-person at the country level and one administered online to all key GCF stakeholders.
- Extensive **literature review** of both GCF and external documents.
- **Benchmarking** and **meta-analysis** of the GCF with other global climate finance and multilateral institutions, as well as the international access entities (IAEs) of the GCF.
- GCF **portfolio data analysis**, using data collected, analysed and quality assured by IEU DataLab.
- Country case studies, including five undertaken by the evaluation team. Overall, **IEU visits to 22 countries** informed the evaluation, including visits for other IEU evaluations.

Definition of country ownership. In the absence of definitions and standards, the evaluation team relied on an **expansive definition of country ownership**, that encompasses key attributes of country ownership as understood by GCF stakeholders and includes normative standards for country ownership as identified in the development aid and climate finance literature. This definition also reflects the intentions of the GCF's Initial Strategic Plan (ISP), which highlights **GCF's stated ambition to leverage its status to set *new standards* with regard to country ownership**. The three pillars of the evaluation's definition of country ownership are:

1. **Countries lead and engage:** Countries lead strategic processes to identify GCF investments while ensuring alignment with national and other policies, and undertaking meaningful consultation through participatory processes with stakeholders.
2. **Countries have institutional capacity:** Stakeholders in-country have the capacity to plan, manage and implement activities that address GCF objectives.

3. **GCF and countries share responsibilities and accountability:** The GCF, AEs and recipient countries develop and adopt global best practices in planning, delivery and reporting on GCF investments (that help countries transition to low-emissions and high resilience pathways), and are accountable to each other for following and implementing these practices.

B. Country ownership – context and history

1. GCF mandate and context

The GI provides specific guidance on several attributes related to country ownership, including involvement of relevant stakeholders; simplified and improved access to funding, including direct access; support for programmatic approaches in accordance with country strategies and plans; and national designated authorities (NDAs). The **UNFCCC COP** has emphasized the important role of NDAs or focal points in country ownership, as well as the need for a transparent no-objection procedure (NoP) to be conducted through NDAs.

At its third meeting, the GCF Board recognized "*that a country-driven approach is a core principle to build the business of the Fund*" (decision B.01-13/06). This principle of country ownership has been reaffirmed and refined in numerous Board decisions and is **interwoven into many aspects of the GCF business model and GCF modalities, policies and procedures**.

Country ownership has also been a stand-alone agenda item at many Board meetings, focused initially on NDAs/focal points and NoP. **Guidelines for enhanced country ownership and country drivenness** were adopted later, through decision B.17/21. These guidelines describe submissions from Board/Alternate members on important components of country ownership, how to build country ownership through country programmes (CPs) and structured dialogues (SDs), and reflecting country ownership in operational modalities, including the Readiness and Preparatory Support Programme (RPSP), project preparation facility (PPF), proposal approval process and accreditation process, as well as the key role of NDAs/focal points in these processes.

the GCF adopted two other relevant sets of **guidelines** at the Board's eighth meeting: one on initial best-practice guidelines for establishing NDAs/focal points, and a second on initial best-practice options for country coordination and multi-stakeholder engagement. These have not yet been revisited.

Country ownership is also one of the six criteria in the GCF's initial investment framework, where it is defined as "*[b]eneficiary country ownership of and capacity to implement a funded project or programme (policies, climate strategies and institutions).*"

2. Development and climate finance context

The concept of country ownership gained prominence with the aid effectiveness agenda in the late 1990s, when the focus of the international aid architecture began to **shift from donor-driven decision-making towards empowering recipient countries and greater partnership.**

Country ownership is now a cornerstone of climate finance, particularly following the 2015 Paris Agreement. The UNFCCC considers country ownership critical for the delivery of effective climate finance. Attributes of country ownership in climate finance include consistency of climate finance with national priorities, the degree to which national systems are used for both spending and tracking, and the engagement of a wide range of stakeholders.

C. Key findings and opportunities

Question 1: How does GCF conceptualize and operationalize country ownership?

***Key finding 1a:* The GCF has not defined country ownership and uses a flexible approach.** This approach focuses on establishing and capacitating the NDA/focal point, engaging multiple stakeholders, developing CPs, and encouraging direct access. On paper, it broadly responds to the three attributes of country ownership most commonly identified by GCF stakeholders: (1) alignment of GCF investments and policies with national policies and priorities; (2) meaningful engagement with non-state actors; and (3) having a (greater) say in the use of climate finance, including through national identification of project concepts and direct access.

***Key finding 1b:* GCF policies have considered country ownership. But these policies are only partially sufficient for realizing country ownership.** GCF's policies regarding stakeholder engagement do not adequately support a definition of country ownership that extends beyond the national government.

***Key finding 1c:* Country ownership is important among GCF's many principles and priorities, including paradigm shift, but having to respond to all of these creates potential trade-offs and, currently, the GCF has no transparent way to deal with these.** Since country ownership is both a principle (as mentioned in the GI) and an outcome (as laid out in the investment criteria), this provides no operational guidance to GCF and creates tensions during decision-making. Additionally, as an investment criterion, country ownership is not useful for investment prioritization.

***Key finding 1d:* Country ownership is a shared responsibility between GCF and countries, and the GCF has not met its own responsibilities for countries.** A lack of predictability, transparency, and efficiency on the part of the GCF has hindered countries' abilities to make informed, country-led decisions about how to engage with the Fund. At the same time, the GCF rightly anticipated the importance of readiness and preparatory support and has provided substantial support to GCF-eligible countries, with priority to African States, small island developing states (SIDs), and least developed countries (LDCs).

Opportunities

***Key opportunity 1a.* The GCF must find ways to address the potential trade-offs between country ownership, paradigm shift, and an AE-driven business model.** One opportunity for the GCF Secretariat is to develop and provide guidance on the focus of its investments. Focusing investment portfolios to thematic areas or technologies or sub-geographies may help GCF define its goals for 'paradigm shift' and may also provide more guidance and impart much needed understanding to countries. Another opportunity is for GCF staff to work more closely with countries and AEs in co-developing country-owned ideas.

Key opportunity 1b. The GCF has an opportunity to **create predictable and efficient business processes for countries** by offering well-announced goals around resources and/or number of projects in a replenishment cycle. It should also focus on increasing the efficiency of its project cycle and accreditation process.

Question 2: How does GCF contribute to country leadership and engagement?

***Key finding 2a:* All GCF-eligible countries have national climate change policies, strategies, or plans with the potential to guide GCF investments. So far GCF**

investments have aligned with these strategies and priorities. The quality of countries' policies and strategies, however, and the extent to which they are legally institutionalized and enforced, varies significantly. The new RPSP Strategy for 2019-21 emphasizes strengthening these policy frameworks, including NAPs. The effectiveness of this strategy is too early to gauge.

Key finding 2b: **The GCF has largely relied upon existing national climate change coordination structures, rather than creating parallel structures. This approach supports country ownership.** Most of these structures enable inter-ministerial coordination. However, only about half of the GCF countries for which information was available have a coordination structure that formally includes non-state actors. And nearly a third of the 22 case study countries still do not have a climate change coordination structure at all.

Key finding 2c: **Multi-stakeholder engagement has been insufficiently demonstrated during the course of the GCF's investment cycle.** More than 40 per cent of funding proposals do not describe stakeholder groups consulted during design; and in implementation, annual performance reports (APRs) are not made public, limiting transparency and accountability for the GCF. Overall, the GCF has provided inadequate guidance on its expectations for multi-stakeholder participation and examples of best practices for meaningful engagement.

Key finding 2d: **Country Programmes have not delivered on their aims yet**. The aims of CPs are, identifying, areas of highest impact and paradigm shift potential, developing a country-owned pipeline, and identifying areas for strategic use of RPSP support. Significant RPSP resources have been committed for CP development in more than 100 countries, although only 23 CPs have been finalized and officially submitted. Yet, the GCF has not articulated the purpose of CPs either for countries or for itself.

While countries have used CPs to identify priorities for engagement with the GCF, they have frequently struggled to prioritize their investment pipelines because of the absence of investment-related guidance from the GCF on, for instance, investment goals, programmable resources per country, or number of projects. In the absence of these, CPs pose a reputational risk for GCF, because they generate expectations among its stakeholders that the Fund will support all project ideas included in the. CPs have particularly not been successful in identifying private sector projects.

In many countries, the CP was viewed as a GCF requirement to satisfy, rather than contribute to country planning or developing a GCF investment pipeline. Some countries recognize some value in a comprehensive climate finance planning exercise rather than a GCF-specific one, while others do not. A significant shortcoming in this context has been the lack of clear guidance on CPs from the GCF Secretariat.

Opportunities

***Key opportunity 2a.* The GCF should continue to use and contribute to strengthening existing climate finance coordination structures**. Focusing on strengthening existing systems and avoiding duplication increases political buy-in, saves scarce resources, and promotes sustainability over time.

***Key opportunity 2b.* The GCF should consider incorporating minimum standards for stakeholder membership in country coordination mechanisms**, given the GCF's commitment in its GI to "*develop mechanisms to promote the input and participation of stakeholders, including private sector actors, civil society organizations, vulnerable groups, women and indigenous peoples*."

Question 3: How effective is GCF in building **institutional capacity** (in countries and in itself) for country ownership?

Key finding 3a: **The GCF has successfully supported the establishment of NDAs/focal points in nearly all eligible countries (147 out of 154).** Most countries have received or are receiving support from RPSP to build their capacity. There is no conclusive evidence for the "best" institutional location for the NDA/focal point. However, trade-offs are often noted between technical expertise in climate change (in line ministries responsible for the environment or natural resources) and convening power and stronger mobilization of co-investments (by ministries responsible for finance, economy, or planning). Ultimately, coordination with other ministries and agencies is a core responsibility of the NDAs/focal points.

Key finding 3b: **NDAs/focal points are generally seen by country stakeholders to have the capacity to make informed decisions on public sector no-objection letters (NoLs) and to develop CPs. However, NDA/focal point capacity to effectively engage the private sector is much weaker and their role in providing oversight during project implementation is insubstantial.** Common constraints to NDA/focal point capacity relate to human resources (including the number of dedicated staff, staff turnover, and competing priorities for staff time), and limited management and technical skills. These challenges point to the need for ongoing support for focused and sustained capacity.

Key finding 3c: **The GCF Secretariat and regional advisers have been important conduits of information to countries. This is critical for countries to take ownership of their engagement with the GCF. Nonetheless, country contact with the GCF Secretariat is seen as fragmented, inefficient, and sometimes lacking sufficient country or regional depth of knowledge to support NDAs/focal points.**

The GCF approach to capacity-building—through the RPSP, SDs, and other country, regional, and global events—has been adaptive to evolving needs over time. Events have been more helpful for awareness-raising than capacity-building. Countries also raised concerns about the need for differential treatment of countries.

Opportunities

Key opportunity 3a. **The GCF Secretariat is currently undergoing a restructuring, offering a critical opportunity to rethink how its structure and incentives can best support countries to *own* their engagement with the Fund.** The GCF also has an opportunity to revitalize its capacity-building events to meet the evolving and increasingly differentiated needs of eligible countries. This may include, for example, building in incentives within the Secretariat to provide the 'best solutions' for climate impact for a country, rather than solutions that are modality-driven.

Key opportunity 3b. **The GCF has much to learn from the experiences of other climate and development institutions.** One particular opportunity is to pay close attention to the Global Fund's (GF) new pilot initiative to strengthen the performance of their country coordination mechanisms. This initiative looks at differentiating the model to adapt to very different country circumstances and uses a co-creation model between country and GF support teams.

Key opportunity 3c. **The GCF's approach to the use of country systems needs to be far more proactive and purposeful.** The GCF has an opportunity to lead the field in this area, given the prominence of direct access in its business model. The GCF may wish to monitor the influence of its accreditation of DAEs on the strength of these systems, as well as encourage countries to align results monitoring with national results systems.

QUESTION 4: HOW EFFECTIVE IS GCF IN USING ITS **BUSINESS MODEL** (ACCREDITATION AND DIRECT ACCESS) FOR SUPPORTING COUNTRY OWNERSHIP?

Key finding 4a: **Direct access is perceived as fundamental for country ownership by country stakeholders, but the goals of direct access have only been partially achieved so far.** So far, 51 DAEs have been accredited, of which 38 are national and 13 are regional; this exceeds the number of IAEs (37). But less than one-third of all eligible countries currently have GCF access through at least one accredited national DAE, with even fewer in SIDS. In the end, fewer than one-third of funding proposals and concept notes have been submitted by national or regional DAEs.

Key finding 4b: **DAE nominations by NDAs are driven by the motivation to access GCF quickly rather than by strategic, long-term considerations.** Guidance from the GCF on how to strategically approach DAE nomination has been non-existent/ insufficient. Uncertainty remains about the optimal number of DAEs in each country to ensure coverage of country climate needs and priorities.

Key finding 4c: Although shorter on average than for IAEs, **the impact of the accreditation process for DAEs has been perceived as negatively affecting country ownership.** Inefficiencies and delays have substantially frustrated applicants. Differentiation in the accreditation process is seen as insufficient by many country stakeholders. Few CSOs have been accredited as DAEs.

Key finding 4d: **DAE capacities and experience to address their countries' prioritized climate needs are more evident in regional than national DAEs.** Countries also have fewer opportunities to carry out large projects and higher-risk projects with DAEs than with IAEs. **DAE capacities for the development of GCF funding proposals vary but are often quite low.**

Key finding 4e: **Many IAEs are regarded with scepticism by country stakeholders in terms of their commitment to country ownership. IAEs commonly describe their approach to country ownership in the GCF as business-as-usual, highlighting ownership as a fundamental part of their business model.** The evaluation found examples of IAE support to DAEs for accreditation but could not find conclusive evidence for this support being triggered by commitments made by IAEs to GCF.

Opportunities

Key opportunity 4a. **Most DAEs need significant support to achieve accreditation and develop project proposals.** The GCF business model includes both IAEs and DAEs while offering an opportunity to better support national DAEs. The GCF could consider requiring IAEs to twin with DAEs when submitting proposals. 'Twinning' (or co-development and co-implementation) could be an opportunity to build the capacity of DAEs but also make IAE investments more country-led and better ensure they are implemented through country systems. Twinning could also be built into the GCF by asking IAEs to combine forces with nominated DAEs that may be Executing Entities. Such arrangements will have the potential to ensure that the IAE and DAE are jointly accountable for GCF investments.

Key opportunity 4b. **GCF private sector investments face multiple challenges with country ownership**. Firstly, better informed and advised NDAs and integrated private sector strategies in CPs are likely to go a long way towards enhancing country-owned and - driven private sector projects and investments. Secondly, GCF should reduce transaction costs for working with private entities and help build capabilities for innovative technical and business climate investment models. The planned GCF private sector strategy should offer clear guidance to countries on the full range of private sector investment opportunities, models and capacity support modalities available through GCF.

***Key opportunity 4c.* The GCF has a substantial opportunity to encourage countries to take a longer view of DAE nominations.** CPs, country climate finance strategies and prioritization for GCF should drive decisions regarding the type and number of entities. GCF could also help countries make informed decisions on DAE nominations by providing more clarity about resource availability. This would help countries and interested entities determine the "right" number of DAEs for the medium- and longer-term future.

D. KEY RECOMMENDATIONS

Overall, the GCF has identified many of the right elements for an approach to country ownership, but it has not sufficiently operationalized these elements through its policies, guidance, support and accountability measures. GCF has set a high ambition for itself—to set new standards regarding country ownership—which it has not yet met. With this ambition in mind, this evaluation makes two overall recommendations. The first focuses on the GCF's ambition and vision for country ownership. The second recommends actions that will help the GCF address the opportunity, capacity and motivation related constraints that countries face to taking stronger ownership of their engagement with the GCF.

OVERALL RECOMMENDATION 1

Realize the Fund's ambition for *country* ownership and fully embrace a definition of country that goes beyond national government.

Recommendation 1a. **Develop a normative standard for country ownership**, recalling the GCF's ambition to set a new standard among other climate and development organizations. In this context, the GCF should consider its business model and overall objectives (including paradigm shift) in relation to country ownership, addressing tensions and potential trade-offs.

Recommendation 1b. **Make country ownership an eligibility condition, not a prioritization criterion for investment decision-making**. More accountability around NoPs could help ensure that NoLs can be interpreted as a valid signal of broader country ownership. Drawing on the experience of other global funds, for example, the GCF could consider requiring transparent documentation of NoPs.

Recommendation 1c. **Strengthen the approach to stakeholder engagement** by reformulating definitions and principles of engagement, especially for non-state stakeholders within countries. GCF guidance should recognize the special space for engaging the minority, the disenfranchised and the vulnerable, because they are most affected by climate change. Guidance should also recognize the important role of sub-national actors. It should clearly define what is meant by terms like "civil society" and be more specific about what constitutes meaningful engagement. Tangible examples of best practices would also help. The GCF can and should set new standards in this space.

Recommendation 1d. **Promote the public release of documents.** The transparency and public release of key documents, such as CPs and APRs, is critical for public accountability, as well as to enable NDAs/focal points to provide oversight of their GCF portfolios.

Recommendation 1e. **Encourage AEs to use country systems**, such as public finance management systems, procurement systems, and results systems. The GCF should track progress in the use of country systems among AEs, with a goal towards increased reliance on such systems.

Overall recommendation 2

Strengthen guidance and support to countries to better enable them to assume ownership of their engagement with the GCF. Develop measures to ensure that both the GCF and countries are held to account.

Recommendation 2a. **Strengthen support for NDA/focal point capacity.** NDAs/focal points could benefit from:

- A living handbook of responsibilities and best practices for NDAs/focal points. The initial guidance approved at B.08 is not sufficient.
- Ongoing financial support for a secretariat function in NDAs/focal points with eligibility/accountability measures in place. The evaluation has shown that NDAs/focal points are often understaffed, with many competing demands on staff. Benchmarking analysis shows that country coordination mechanisms function best when they are supported financially and with training over the long-term. The level of financial support could, for instance, be in the form of salary top-ups. Overall, this is likely to vary among countries. The experience of other global funds has shown that these amounts do not need to be substantial but can be critical and should be paired with sustained training.
- NDAs/focal points need a clearer mandate for the oversight role they are expected to play during project implementation.
- NDAs/focal points need to be recruited, trained and supported for engaging the private sector in-country and internationally.

Recommendation 2b. **Strengthen and re-structure the Secretariat and (its divisions) by building the right incentives and opportunities for staff to provide advisory support to countries that maximizes impact on countries' climate needs and strengthens countries' ownership of GCF investments.** The Secretariat should re-organize itself with the aim of providing the best solutions and support to countries. Countries need access to GCF representatives who have detailed knowledge of both the GCF and national and regional circumstances, and who can provide technical assistance to countries.

Recommendation 2c. **Pursue CPs only if their purpose and clarity are developed and well communicated. GCF should develop a CP strategy** that provides:

- **A sound rationale and clear incentives for countries to develop CPs** that explain how CPs may contribute to fostering agreement between government and non-government actors on GCF investment priorities. The CP strategy should also indicate how CPs may support paradigm-shifting and high-impact objectives of the GCF.
- **An indication of the scale of resources that will be programmed by the GCF both globally and by country during its strategic plan period.** Benchmarking analysis shows the importance of this in contributing to country-level planning. So far this guidance has been informally communicated which is not propitious for transparency and predictability.
- **Clear guidance on GCF eligibility considerations, investment criteria, and funding modalities is required and should inform pipelines in CPs** to help ensure they are compatible with GCF objectives. Benchmarking analysis shows that, when CP processes fall short on these points, they are not effective in identifying project ideas that are eligible for funding, especially where country stakeholder capacities are low.

Recommendation 2d. **Take leadership in building a 'choice- architecture' that provides the capabilities, opportunities and motivations for countries and GCF Secretariat staff to choose and use DAEs and strengthen ownership by**

countries. One key opportunity is to ask mature IAEs to co-develop and/or co-implement GCF investments jointly with nominated DAEs. GCF may generate the second opportunity through the planned GCF accreditation strategy. Among other issues, this strategy should address critical questions concerning the goal of accreditation and direct access (beyond process) as identified through this evaluation. These include whether accreditation is mainly concerned with creating a portfolio of entities that are able to manage GCF investments? Or a portfolio of entities that are climate finance ready, beyond GCF?

The GCF should also encourage and incentivize countries and DAEs to take a more strategic approach to nominations for direct access for the medium- and longer-term future. CPs and/or country climate finance strategies should drive the decision on the type and number of entities nominated. More clarity from the GCF on resource availability and priority focus areas would help encourage more strategic nominations.

E. Conclusions

This evaluation outlines the important opportunity the GCF now has to show leadership and set new standards for country ownership – a concept that has otherwise become weak with time. By setting up an ecosystem that builds the capabilities, opportunities and incentives for country ownership, the GCF will be able to demonstrate and realize its own aspirations for ensuring that countries lead, own and manage their climate investments and development pathways. This evaluation lays out key ways in which they may be achieved during the GCF's new strategic plan.

MAIN REPORT

Chapter I. INTRODUCTION AND BACKGROUND

KEY FINDINGS

- Country ownership is a core principle for the GCF, which is reflected in the Governing Instrument and Board decisions, as well as decisions of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC).
- Country ownership has been a cornerstone of the development aid effectiveness agenda, as well as climate finance. But there is no agreement on a single definition, core elements or measurable indicators for the concept.
- This evaluation was commissioned as part of the GCF Independent Evaluation Unit's (IEU) 2019 Work Plan and answers four important questions: (1) How does GCF conceptualize and operationalize country ownership from the strategic and policy perspective? (2) How does GCF contribute to country leadership and engagement? (3) How effective is GCF in building institutional capacity (in countries and in itself) for country ownership? (4) How effective is GCF in using its business model (accreditation and direct access) for supporting country ownership?
- With respect to country ownership in the GCF, the COP has focused on NDAs/focal points and *"the selection of their national and subnational implementing entities, to facilitate their engagement*" with the GCF (decision 7/CP.20). The COP has also emphasized a *"country-driven approach*" for the GCF's Private Sector Facility (decision 7/CP.20). The COP also invited NDAs/focal points "*to utilize the readiness and preparatory support programme, and to collaborate with AEs to use the project preparation facility, where appropriate, to prepare adaptation and mitigation proposals of increasing quality and impact potential*" (decision 10/CP.22).
- The GCF Board has mentioned the principle of country ownership in many elements of the business model framework, including those related to the GCF structure and organization; access modalities; objectives, results and performance indicators; allocation and proposal approval processes; modalities for readiness and preparatory support; and environmental and social safeguards and gender and indigenous peoples policies.
- Country ownership has also been a stand-alone agenda item at many Board meetings. It focused initially on NDAs/focal points and no-objection procedures (NoP) but has broadened to cover operational modalities, country programmes (CPs), and structured dialogues (SDs). Guidelines for enhanced country ownership were adopted through decision B.17/21.

A. Introduction

1. At its twenty-first meeting (B.21) in October 2018, the Board of the Green Climate Fund (GCF) approved the 2019 Work Plan of the Independent Evaluation Unit (IEU) of the GCF. A key element of this plan was to conduct an independent assessment of the GCF's country ownership approach (COA).
2. **Country ownership is a core principle for the GCF** in pursuing its objective to promote a paradigm shift towards low-emission and climate-resilient development pathways in developing countries. The principle of country ownership and country drivenness is reflected in the Governing Instrument and various Board decisions. The **Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC)** has also recognized the importance of enhancing country ownership and the role played by national designated authorities (NDAs) and focal points.
3. This evaluation of country ownership examines the extent to which the GCF has **conceptualized and operationalized the principle of country ownership**, as well as the extent to which country needs and country ownership have been incorporated into both the design and the implementation of GCF policies and practices. Second, it **analyses the main factors that enable and detract from country ownership in terms of what works, why and where, and what does not work**. A third objective for the evaluation is to **draw lessons from how country ownership is being interpreted** and implemented in different contexts, and to use such lessons to inform the development of policies and programmes, stakeholder engagement and country programmes (CPs) in the GCF. Fourth, this evaluation also **benchmarks the GCF experience** with country ownership models and approaches of other climate finance institutions and accredited entities (AEs).
4. The principle of country ownership is considered in the context of **all GCF operational modalities and relevant related policies**, including the Readiness and Preparatory Support Programme (RPSP) and the Project Preparation Facility (PPF), the proposal approval process, the accreditation process, the direct access modality and the overall project cycle, while recognizing that country ownership is an evolving and continuous process, and a principle that requires flexibility.

B. Background on country ownership

5. This section first traces the mandate for country ownership in the GCF, followed by the history of the principle of country ownership in development cooperation, the UNFCCC and climate finance. In doing so, this section provides a foundation for assessing how country ownership has been understood and operationalized in the GCF, as well as for situating the GCF's mandate for country ownership in a broader climate finance and development aid perspective.

1. GCF mandate and context

6. The **principle of country ownership and country drivenness** is reflected in the Governing Instrument of the GCF, guidance from the UNFCCC COP and numerous GCF Board decisions, discussions and documents. These mandates and history are outlined below, to provide context for the evaluation.

Box I-1. Guidance on country ownership from the GCF Governing Instrument

- Paragraph 3: "*The Fund will pursue a country-driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders*.
- Paragraph 31: "*The Fund will provide simplified and improved access to funding, including direct access, basing its activities on a country-driven approach and will encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects."*
- Paragraph 36: "*The Fund will support developing countries in pursuing project-based and programmatic approaches in accordance with climate change strategies and plans, such as low-emission development strategies or plans, nationally appropriate mitigation actions (NAMAs), national adaptation plans of action (NAPAs), national adaptation plans (NAPs) and other related activities*."
- Paragraph 46: "*Recipient countries may designate a national authority. This national designated authority will recommend to the Board funding proposals in the context of national climate strategies and plans, including through consultation processes. The national designated authorities will be consulted on other funding proposals for consideration prior to submission to the Fund, to ensure consistency with national climate strategies and plans*.
- Paragraph 47: "*Recipient countries will nominate competent subnational, national, and regional implementing entities for accreditation to receive funding. The Board will consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes."*
- Paragraph 53: "*The Fund will have a streamlined programming and approval process to enable timely disbursement. The Board will develop simplified processes for the approval of proposals for certain activities, in particular, small-scale activities*."

Source: GCF Governing Instrument

a. Governing Instrument

7. The **Governing Instrument** provides specific guidance on several country-ownership-related features of the GCF, including involvement of relevant stakeholders; simplified and improved access to funding, including direct access; support for programmatic approaches in accordance with country strategies and plans; and NDAs. The specific guidance by paragraph as laid out in the GCF's Governing Instrument is provided in Box I-1 above.

b. COP guidance

8. Launching the GCF at its seventeenth meeting, the COP requested (decision 3/CP.17) that the GCF Board "develop a **transparent no-objection procedure to be conducted through NDAs** referred to in paragraph 46 of the Governing Instrument, in order to ensure consistency with national climate strategies and plans, and a country-driven approach, and to provide for effective direct and indirect public and private sector financing by the Fund."[1] Subsequent decisions also emphasized the role of the NDAs. The COP invited "developing country Parties to expedite **the nomination of their NDAs and focal points** as soon as possible, as well as the selection of their national and subnational implementing entities, to facilitate their engagement" with the GCF (decision 7/CP.20). At its twenty-second meeting, the COP also invited NDAs and focal points "to utilize the readiness and preparatory support programme, and to collaborate with AEs to use the project preparation facility,

[1] At the eighteenth COP, the GCF Board was requested to report on implementation of the above decision.

where appropriate, to prepare adaptation and mitigation proposals of increasing quality and impact potential" (decision 10/CP.22).

9. **Some COP decisions have also focused on a country-driven approach**. The nineteenth COP requested the GCF "to pursue a country-driven approach" and "to consider important lessons learned on country-driven processes from other existing funds" (decision 4/CP.19). The COP at its twentieth meeting requested the GCF Board to accelerate the operationalization of the Private Sector Facility through several actions, including "emphasizing a country-driven approach" (decision 7/CP.20).

c. Board decisions and discussions

10. The GCF Board, at its third meeting, in March 2013, noted convergence that the GCF should "*recognize that a country-driven approach is a core principle to build the business of the Fund*" (decision B.01-13/06). This principle of country ownership has been reaffirmed and refined in numerous Board decisions, and is **interwoven into many aspects of the GCF business model and GCF modalities, policies and procedures**.

11. In particular, the principle of country ownership was invoked in many elements of the business model framework that were discussed beginning at the fourth Board meeting, including those related to the **GCF structure and organization; access modalities; objectives, results and performance indicators; allocation and proposal approval processes; modalities for readiness and preparatory support; and environmental and social safeguards and gender and indigenous peoples policies**. In addition to weaving country ownership into these aforementioned areas, country ownership has also been a stand-alone agenda item at many Board meetings. It focused initially on NDAs/focal points and no-objection procedures (NoP) but has broadened to cover operational modalities, CPs, and structured dialogues (SDs).

12. The history of key Board decisions related to country ownership is presented in Figure I-1 and summarized below; a fuller accounting of Board decisions and deliberations is provided in Annex 1.

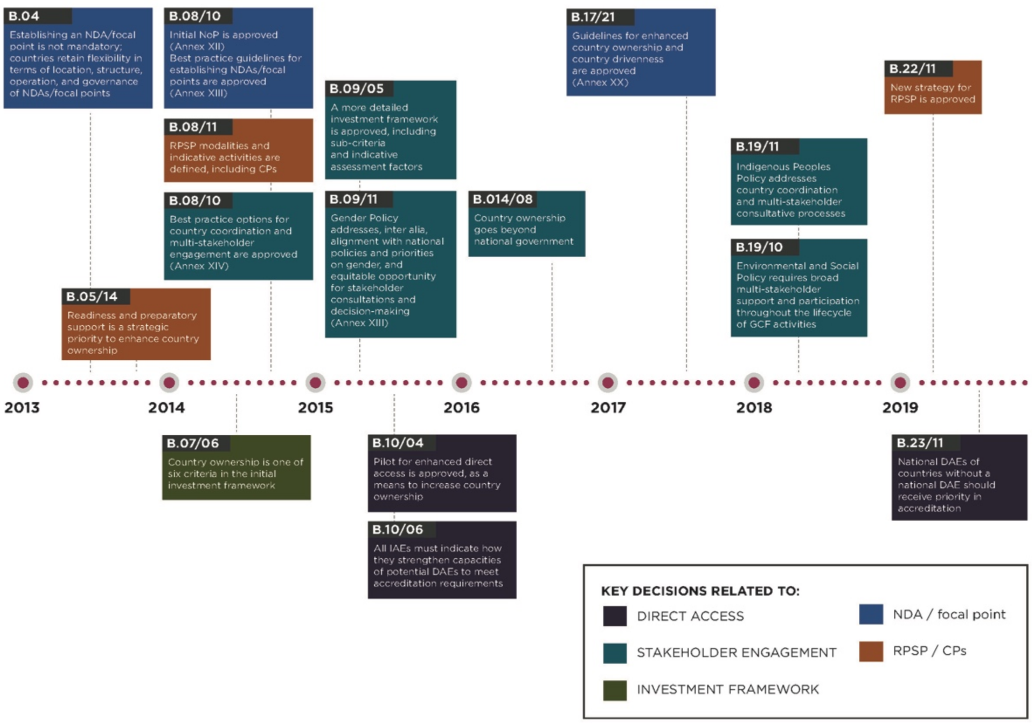

Figure I-1. Timeline of key Board decisions related to country ownership

13. At its fourth meeting, the Board noted that countries may designate an **NDA or a country focal point** to interact with the GCF and confirmed that establishing an NDA was not mandatory and that countries retain flexibility in terms of the location, structure, operation and governance of NDAs/focal points. The Board also set out guidance on some of the functions and actions of an NDA. The initial functions of the NDA/focal point were originally set out in decision B.04/05. At its eighth meeting, the Board endorsed initial best-practice guidelines for establishing NDAs and focal points, which address the placement of the NDA/focal point in an institution; ideal capacities of the NDA/focal point; legal authority of the NDA/focal point; and funding for the establishment and operation of NDAs/focal points, among other topics**.** The Board also approved an initial NoP in decision B.08/10.
14. **Guidelines for enhanced country ownership and country drivenness** were adopted later, through decision B.17/21. These guidelines describe submissions from Board/Alternate members on important components of country ownership, how to build country ownership through CPs and SDs, and reflecting country ownership in operational modalities, including the RPSP, PPF, proposal approval process and accreditation process, as well as the key role of NDAs/focal points in these processes.
15. In 2013, decision B.05/14 reaffirmed that **GCF-related readiness and preparatory support is a strategic priority for the GCF to enhance country ownership and access.** Modalities and indicative activities for the RPSP were defined at the eighth meeting of the Board and updated at the thirteenth, including direct support to NDAs/focal points, and support for NAPs, CPs, stakeholder consultation, accreditation and accredited direct access entities (DAEs), and information-sharing and learning.
16. A **new RPSP Strategy for 2019-2021** was approved at the twenty-second meeting of the Board. This revised strategy, approved in decision B.22/11 (Annex IV), aims at guiding countries "towards a longer-term approach […] by providing a vision and objectives at the programme level" while moving "away from siloed and input-based approaches". According to the GCF Secretariat, new or improved modalities were also introduced, including country readiness assessments and country readiness plans; multi-year allocation grants; standardized packages of readiness support; longer-term direct support to NDAs; enhanced institutional support to direct access AEs; and sector-specific planning and project preparation technical clinics.
17. Initial best-practice options for country coordination and **multi-stakeholder engagement** were adopted at the eighth meeting of the Board, and cover encouragement for country coordination through an ongoing consultative and inclusive process and multi-stakeholder engagement in the development of funding proposals (FPs) and ongoing monitoring and evaluation. Requirements for stakeholder engagement are also covered through the GCF's gender policy, indigenous peoples policy, and environmental and social safeguards policy.
18. In decision B.10/04, the Board approved the terms of reference for **a pilot phase to enhance direct access**. Country ownership played a key role in the justification for such a modality: "*Enhancing direct access is necessary mainly because decision-making on the specific projects and programmes to be funded will be made at the national or subnational level and such direct access is a means by which to increase the level of country ownership over those projects and programmes*" (Annex I, Tenth Meeting Report). In decision B.10/06, the Board further decided that all international accredited entities (IAEs), as an important consideration of their accreditation application, shall indicate how they intend to **strengthen or support potential subnational, national and regional entities** to meet the accreditation requirements of the GCF in order to enhance country ownership.

At its fourteenth meeting, the Board reaffirmed in decision B.14/08 the importance of direct access for country ownership in its strategy on accreditation.

19. In decision B.07/06, the Board adopted an **initial investment framework that includes six criteria, of which one is country ownership**, defined as "*[b]eneficiary country ownership of and capacity to implement a funded project or programme (policies, climate strategies and institutions).*" At its ninth meeting, the Board adopted a more detailed investment framework, including sub-criteria and indicative assessment factors.

2. History of country ownership in development cooperation, the UNFCCC and climate finance

20. The concept of country ownership gained prominence with the aid effectiveness agenda in the late 1990s, when the focus of the international aid architecture began to **shift from donor-driven decision-making towards empowering recipient countries and greater partnership**. Country ownership has become a cornerstone of climate finance now, particularly with the 2015 Paris Agreement.

21. Despite differences in objectives, the nature of finance, and constituencies, both climate finance and traditional development aid deal with the **respective rights and obligations of countries** at different stages of development, particularly more developed and less developed economies. Ultimately, the question of **power and power dynamics remains at the heart of the concept of country ownership**, whether in the context of development cooperation or climate finance.

22. Although many agreements and organizations have considered the concept of country ownership, there is **no agreement on a single definition, core elements or measurable indicators for the concept**. Below, a brief tracing of the history of country ownership in development cooperation, the UNFCCC and climate finance more broadly offer an important backdrop for understanding country ownership in the GCF.

a. Country ownership in development cooperation

23. In development cooperation, the Paris Declaration on Aid Effectiveness (2005), followed by the Accra and Busan Forums[2] in 2008 and 2011, helped to crystalize four country ownership and aid effectiveness principles:[3]

Ownership of development priorities by developing countries – Partnerships for development can only succeed if they are led by developing countries, using approaches tailored to country needs.

Inclusive development partnerships – Openness, trust, and mutual respect and learning lie at the core of effective partnerships.

Focus on results – Investments and efforts must have a lasting impact on eradicating poverty, reducing inequality, sustainable development and enhancing developing countries' capacities.

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[2] The Busan Partnership Agreement (2011) emphasized the engagement and accountability structures and processes at country level, promoting more inclusive (including private sector and civil society engagement) and transparent dialogue and joint action. Busan introduced the concept of "democratic ownership" as a broader concept that encompasses the whole of society, beyond the government alone. The Busan Forum also formally recognized climate finance as a core development finance issue, with an objective to "support national climate change policy and planning as an integral part of developing countries overall national development plans, and ensure that – where appropriate – these measures are financed, delivered and monitored through developing countries' systems in a transparent manner."

[3] The five original Paris Declaration aid effectiveness principles were (1) support for national ownership of the development process, (2) promotion of donor harmonization, (3) alignment of donor systems with national systems, (4) management for results and (5) mutual accountability between donor and recipient.

Transparency and accountability to each other – Mutual accountability and accountability to the intended beneficiaries of development aid is critical to delivering results, based on transparent practices.

24. These principles imply rights and obligations for both donor and recipient countries, which tend to be more developed and less developed economies, respectively.
25. The 2030 Agenda for Sustainable Development, adopted at the United Nations Sustainable Development Summit in 2015, has continued to highlight the complex and interdependent global challenges to address, and set much more ambitious goals for both developed and developing countries in partnership, notably through Sustainable Development Goal (SDG) 17, Partnership for the Goals.[4]

b. Country ownership in the UNFCCC and climate finance

26. In the area of climate change and climate finance, similar discussions have ensued regarding the relative responsibilities of developing and developed countries, which are relevant to the concept of country ownership. The UNFCCC holds a core principle of "***common but differentiated responsibilities and respective capabilities***" of countries in addressing climate change;[5] simply said, the "polluter pays." The original United Nations climate treaty divided countries into two groups, and only countries classified as Annex I (generally developed) countries were obliged to take new commitments to reduce their emissions. This approach changed at the COP in Durban in 2011, where it was agreed that the process to sign a legally binding agreement in Paris in 2015 would be under the Convention (meaning including its annexes and principle of differentiated responsibilities and capabilities) but would also be "applicable to all" (meaning obligations for all Parties).
27. The historic 2015 Paris Agreement tried to achieve this fine balance by better **considering national capabilities and vulnerabilities and taking a bottom-up approach** by allowing countries to individually determine their contribution to addressing greenhouse gas (GHG) emissions through a nationally determined contribution (NDC). At COP24, differentiation remained the major sticking point between developed and developing countries, particularly emerging economies. Likewise, there was distrust about the **sufficiency and predictability of financial support to developing countries** that manifested particularly in debates about Article 9.5 (indicative information on the provision of finance) and the process to establish a new long-term finance goal. The final Paris Agreement rulebook agreed in Katowice, Poland, in December 2018 balanced **more uniform and mitigation centric NDC guidance with improved processes for financial support for developing countries**.[6]
28. The common but differentiated concept remains a point of tension, as do other related issues such as **equity in terms of historic versus current responsibilities** for climate change. These tensions carry over into climate finance and are relevant for understanding the broader context of country ownership in the GCF.
29. The **UNFCCC considers country ownership critical for the delivery of effective climate finance**. Its definition of the concept of ownership encompasses the "*consistency of climate finance with national priorities, the degree to which national systems are used for both spending and tracking, and the engagement of a wide range of stakeholders, from ministries and other*

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[4] GPEDC does the formal monitoring of targets 17.15 (Respect national leadership to implement policies for the SDGs), 17.16 (Enhance the global partnership for sustainable development) and 5.c., which measures the adoption and strengthening of policies and enforceable legislation for gender equality.
[5] United Nations General Assembly (1992). United Nations Framework Convention on Climate Change. New York: United Nations, General Assembly.
[6] International Institute for Sustainable Development (2018). *Earth Negotiations Bulletin: COP 24 Final*. Vol. 12 No. 747.

governmental bodies, as well as from the private sector and civil society."[7] Evidence from both decades of official development assistance and more recent work on climate finance effectiveness indicate that country ownership – including dimensions such as alignment with country priorities and plans, stakeholder engagement, use of country systems, appropriate capacities, institutional arrangements and accountability systems – is critical for more effective development results and the deployment of finance towards low-carbon, climate-resilient development.[8,9,10]

C. REPORT STRUCTURE AND EVALUATION QUESTIONS

30. The evaluation was structured around six themes and areas of interest. Each chapter addresses specific questions, as follows.

Chapter II: How is country ownership defined and understood in the GCF? Is the GCF policy framework sufficient to support country ownership? How well does country ownership work as an investment criteria, including in relation to other GCF objectives, notably paradigm shift? How has the GCF performed in creating an environment that enables recipient countries to assume ownership of their engagement with the GCF?

Chapter III: what can the GCF learn from the country ownership approaches and experiences of other global funds? The global evidence presented in this chapter informs the findings and recommendations of other chapters.

Chapter IV: How does GCF in-country support for climate change policies, structures and processes support country ownership of GCF investments? Does the GCF support multi-stakeholder engagement during its programming cycle and if so how and is this sufficient? Do GCF country programmes strengthen country ownership of GCF investments and the development of a country-owned pipeline? How and where does co-investment play a role in country ownership of GCF investments, if at all?

Chapter V: To what extent are NDAs/focal points established and functional? To what extent are GCF capacity-building and engagement initiatives appropriate and sufficient to enhance the GCF country-driven approach? To what extent are country-level systems used and supported by the GCF?

Chapter VI: How effective has the DAE nomination process been? Has the accreditation process been effective and efficient for direct access? Are DAE capacities and experience adequate to address country priority needs? How effective is direct access in developing a country-owned project pipeline? How effectively do IAEs support country ownership?

Chapter VII: What are country needs and challenges for engaging the private sector, and to what extent has GCF supported in-country capacities for private sector engagement? How is country ownership for private sector projects assessed by GCF and how is it perceived by countries? How effectively do NDAs and CPs support country-owned GCF private sector engagement? To what extent do DAEs engage with the private sector?

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[7] United Framework Convention on Climate Change (UNFCCC) (2018). Summary and recommendations by the Standing Committee on Finance on the 2018 Biennial Assessment and Overview of Climate Finance Flows. Bonn, Germany: Author.
[8] Brown, Louise H., Clifford Polycarp, and Margaret Spearman (2013). Within reach: strengthening country ownership and accountability in accessing climate finance. Working paper, November. WRI Climate Finance Series: World Resource Institute, United Nations Environment Programme.
[9] Zou, Sáni Y., and Stephanie Ockenden (2016). What enables effective international climate finance in the context of development co-operation? OECD Development Co-operation, Working Paper 28, June.
[10] Lundsgaarde, Erik, Kendra Dupuy, and Åsa Persson (2018). Coordination Challenges in Climate Finance. DIIS Working Paper 2018:3. Danish Institute for International Studies: Copenhagen, Denmark.

D. NORMATIVE FRAMEWORK OF COUNTRY OWNERSHIP

31. In the absence of a GCF definition of country ownership or a global normative standard, the **COA evaluation team developed its own normative framework** to support the assessment of country ownership.[11] This framework sets out **broad pillars and dimensions of country ownership**, as shown in Table I-1 below. Conceptually, if GCF policies and operational modalities sufficiently addressed all of these pillars and dimensions, then the GCF COA could be considered successful.

32. The normative framework was developed based on an in-depth review of the academic and grey literature on country ownership, the UNFCCC and effective development aid – as the basis for a normative international standard – as well as a review of GCF documents, to ground the framework in the GCF business model and modalities.

33. First, major attributes of country ownership were identified from key sources that represented either extensive international multi-stakeholder consultative processes or academic literature syntheses.[12,13,14,15,16,17]. Next, common themes were sought from among these attributes to develop the "pillars" of country ownership. The "dimensions" were further developed based on (i) an elaboration of the attributes in the literature reviewed, and (ii) a mapping of key GCF elements (such as RPSP support, direct access and accreditation, project cycle processes, multi-stakeholder engagement, and GCF structure) to ensure coverage.

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[11] It goes beyond the seven attributes of country ownership that were set out in the IEU RPSP evaluation, to provide a closer and more comprehensive look at the principle of country ownership, including from the recipient country perspective. The seven attributes considered in the RPSP evaluation include (i) the NDA/focal point is established and functional; (ii) stakeholder consultations are organized by the NDA/focal point; (iii) NoP is established and is operational; (iv) country programme has been developed and includes a pipeline of concrete projects that has been agreed upon with major stakeholders; (v) one (or more) DAE has/have been accredited; (vi) one (or more) DAE has/have submitted funded project proposals and/or seen it/them approved; and (vii) there is progress on NAP planning and completion.

[12] Watson-Grant, Stephanie, Khou Xiong, and James C. Thomas (2016). Country ownership in international development – toward a working definition. Working Paper 16-164, May. USAID and MEASURE Evaluation.

[13] Brown, Louise H., Clifford Polycarp, and Margaret Spearman (2013). Within reach: strengthening country ownership and accountability in accessing climate finance. Working paper, November. WRI Climate Finance Series: World Resource Institute, United Nations Environment Programme.

[14] Bird, Neil, and Jonathan Glennie (2011). *Going beyond aid effectiveness to guide the delivery of climate finance.* Background Note, August. Overseas Development Institute. London, United Kingdom: Overseas Development Institute.

[15] Busan Partnership for Effective Development Cooperation (2011). *Outcome document.* Fourth High-Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November–1 December 2011.

[16] Wood, Bernard, and others (2011). *The evaluation of the Paris Declaration.* Final Report, Phase 2, May. Copenhagen, Denmark.

[17] UNFCCC, 2018; as well as qualitative analysis of the Paris Agreement and COP proceedings.

Table I-1. Normative framework for country ownership

PILLARS OF COUNTRY OWNERSHIP	DIMENSIONS OF COUNTRY OWNERSHIP	GCF SUPPORT FOR
Country leadership and engagement: Country governments lead strategic programming and prioritization processes, ensuring policy alignment, and in broad consultation, through a multi-stakeholder participatory process.	Recipient country leadership in strategic programming and prioritization for climate change and finance Alignment of GCF objectives, priorities and support, and national strategies and priorities Multi-stakeholder engagement including civil society and private sector	Strengthening NDAs/focal points and establishing NoPs Strengthening country strategic frameworks and developing CPs Strengthening and accrediting DAEs Contributions of IAEs, including entity work programmes (EWPs) In-country stakeholder coordination and consultation Private sector engagement Country ownership as investment criteria GCF investments and alignment with GCF and country policies and objectives Project cycle processes (concept notes, PPF, enhanced direct access, simplified approval process) Results monitoring and reporting GCF structure, capacity and incentives
Country institutional capacity: Country stakeholders have the capacity to plan, manage and implement activities that address GCF objectives.	Institutional capacity to plan, manage and implement climate activities that are country owned and consistent with GCF priorities Use of country systems, partners and co-investment including in-country implementing entities	
Mutual accountability: The GCF, AEs and recipient countries adopt global best practices in planning, delivery and reporting, and are accountable to each other for these practices.	Predictability and transparency of funding allocation and decision making Timeliness of commitment and disbursement of funding AE mutual responsibilities Sharing of results and experiences with national and international stakeholders	

34. The framework served multiple purposes over the course of the evaluation:

- It was used to **gauge stakeholders' perceptions** on how country ownership is faring at the recipient country level, through its adaptation into an in-country survey and scoring tool.
- It also helped inform broader analysis on the extent to which, and how effectively, **GCF policies, processes and modalities currently support and strengthen each of the dimensions of country ownership**, in partnership with other climate finance and development organizations. The framework also helped inform conclusions around where there could be more emphasis on GCF support, to better contribute to GCF objectives.
- Finally, and importantly, the normative framework was employed as a tool to try to **disentangle the concept of country ownership for the GCF and contribute to an understanding** that could be carried forward and possibly used in the future to gauge or monitor progress towards this principle and outcome.

E. Methods

35. The evaluation took a utilization-focused approach, guided by a normative framework, using a mixed-methods approach that includes both quantitative and qualitative data collection and analysis. Sources of data used have included both primary and secondary sources from programme, policy and project documents and a database review; a perception survey of key GCF stakeholders; key

informant interviews and focus group discussion; and a series of country case studies that were purposively selected to provide the evaluation team with insights into implementation and structures within countries. Data were triangulated across sources and methods to identify evidence-based findings and conclusions. Details about the methodological approaches are further presented in Table I-2 below.

Table I-2. Overview of evaluation methods

METHOD	DESCRIPTION
Semi-structured interviews, and focus groups	The COA evaluation used a utilization-focused approach that started with scoping interviews with GCF staff and civil society organisation (CSO) and private sector organization (PSO) observers. Over the course of the evaluation, interviews were conducted with more than **250 people**, including staff in the GCF Secretariat and Independent Units and panels, GCF Board members, recipient country national governments, accredited and nominated entities, executing entities, delivery partners, regional advisers, multilateral and bilateral partners at the country level, subnational governments, CSOs, PSOs, academia, and local communities and beneficiaries. Given the evaluation's focus on country ownership, more than three-quarters of interviewees were at the country level. A full list of stakeholders consulted is provided in Annex 3. Interviews were guided by semi-structured protocols and an overall qualitative data management protocol. Qualitative analysis of interview data by topic, stakeholder group and country was facilitated by coding in the software platform Dedoose.
Surveys	The COA evaluation administered two perception surveys. The first survey was administered in person, at the end of each interview conducted during the five country case studies. A total of **125 respondents** completed the survey, of which 26 per cent were affiliated with recipient country governments; 44 per cent with accredited or nominated entities; 14 per cent with civil society and the private sector; 7 per cent with delivery partners; and 9 per cent with other affiliations. The second survey was administered via an online platform (Survey Monkey) to key GCF stakeholder community members (NDAs/focal points, AEs, CSOs, PSOs, Board members, observers) and received **77 complete and 147 incomplete responses**. The primary objective of the survey was to solicit perceptions, understanding and awareness in relation to the conceptualization and operationalization of the GCF COA. Given the low response rate, we also administered the same survey to about 46 participants of the GCF Global Programming conference held in Songdo, South Korea. In total, the survey was administered to about 317 people. Survey results are provided in Annex 4.
Literature review	The COA evaluation conducted an extensive review of GCF and external documents. For the GCF, these included GCF policies, papers, decisions and guidelines, as well as programming and project documentation (FPs, CSO comments on FPs, RPSP proposals, CPs, EWPs, annual performance reports (APR)). For the country studies, national climate change strategies and plans, including NDCs, NAPs and low-emission development strategies (LEDS), were reviewed, as well as relevant secondary literature. Given the long history of the principle of country ownership in development cooperation, a significant amount of external literature was also consulted, including for the development of the normative framework (as described above). All literature consulted is provided in Annex 6.
Benchmarking and meta-analysis	The COA evaluation benchmarked the GCF COA with other global climate finance and multilateral institutions: the Global Environment Facility (GEF), the Climate Investment Funds (CIF), the Adaptation Fund (AF), the Multilateral Fund for the Implementation of the Montreal Protocol (MLF) and the Global Fund to Fight Malaria, Tuberculosis, and AIDS (Global Fund). In addition, a meta-analysis of relevant evaluations of these institutions was conducted to identify and synthesize key learnings for the GCF. Interviews with counterparts at each of these multilateral institutions helped to validate and gap-fill the document review.

METHOD	DESCRIPTION
GCF portfolio data analysis	Portfolio-wide data are a key pillar of IEU evaluations. This evaluation relied on **data collected, analysed and quality assured by IEU DataLab**[18] to inform qualitative and quantitative assessments. The IEU DataLab relied on primary data sources that were inputted manually by DataLab staff, including from FPs, CSO comments, APRs, EWPs and CPs, as well as the data management systems of the Secretariat, including FluXX, the integrated Portfolio Management System (iPMS), country and entity portals, financial and procurement records, which were reviewed and cleaned by the DataLab staff prior to analysis. The analyses in this evaluation are based on data that were valid as of 8 July 2019 and includes projects approved at B.23. Additional statistical analysis is also available the Annex 5.
Country case studies (primary data collection and synthesis)	The COA evaluation team **undertook five country case studies** (Colombia, Fiji, Indonesia, Morocco and Uganda); it also participated in two country studies led by the Forward-looking Performance Review (FPR) team in Rwanda and Grenada, to take a more intensive look at the conceptualization and operationalization of country ownership in GCF recipient countries. These five countries were purposively selected according to some criteria and considerations including ensuring geographic coverage, including of African States, the least developed countries (LDCs) and small island developing states (SIDS); the presence of GCF approved projects; and whether countries were visited by other IEU evaluations. They were also selected to ensure diversity across key criteria, including whether a DAE has been accredited; whether countries have participated in the RPSP and whether they have a GCF CP; where in the government structure the NDA/focal points is located; and project dimensions, including public/private, national/multinational, and the IAEs. In addition to these in-depth COA country visits, the COA evaluation team reviewed and synthesized country ownership-related evidence from 10 additional FPR country studies and 9 country studies undertaken for the RPSP evaluation. In total, this evaluation was **informed by visits to 22 countries:** Antigua & Barbuda, Bangladesh, Colombia, Ecuador, Egypt, Fiji, Georgia, Grenada, Guatemala, Haiti, Indonesia, Kenya, Mauritius, Mongolia, Morocco, Namibia, Paraguay, Rwanda, Senegal, Solomon Islands, Uganda and Vanuatu. The geographical representation of the 22 countries visited are shown in Figure I-2 below. The COA evaluation team also conducted remote interviews with NDA, DAE and delivery partner counterparts in five countries: Armenia, Benin, Jamaica, Nepal, Paraguay and Thailand. Despite having detailed rich data from all these countries, these case studies are not intended to be representative of the overall GCF portfolio or experience, nor will they be sufficient to make GCF-level conclusions on country ownership. Instead, the country studies were important to inform a more in-depth and grounded understanding of how recipient countries view country ownership and its issues and tensions, as well as to provide compelling examples that are used in the final evaluation report to illustrate GCF-wide findings. The country case studies are provided in ANNEXES - VOLUME II.

[18] The IEU DataLab consists of a team of IEU personnel dedicated to collecting and processing quantitative and qualitative information about the GCF.

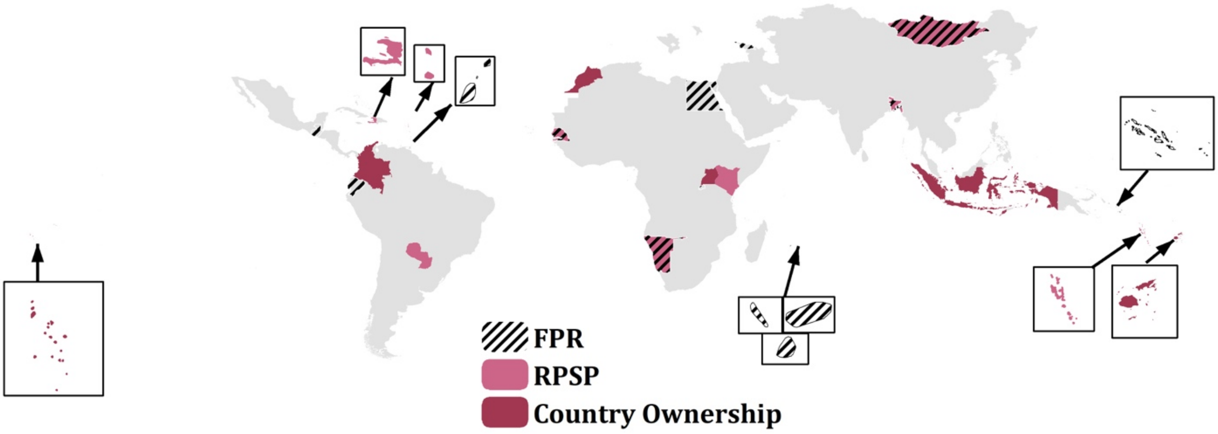

Figure I-2. Geographical representation of countries visited by COA, FPR and RPSP[19]

[19] The icons on the map represent the flags of the respective countries visited by the evaluation team.

Chapter II. COUNTRY OWNERSHIP IN THE GCF STRATEGIC AND POLICY ENVIRONMENT

KEY RECOMMENDATIONS

1. The GCF should develop a normative standard for country ownership, recalling its ambition to set a new standard among other climate and development organizations. In this context, the GCF should consider its business model and overall objectives (including paradigm shift) in relation to country ownership, addressing tensions and potential trade-offs.
2. The GCF should revise its guidance on stakeholder engagement, to highlight the role that stakeholders play in the context of climate change. GCF guidance should reformulate/strengthen definitions and principles of engagement, especially as they relate to engagement with stakeholders within countries. The GCF should recognize the special space for engaging the minority, the disenfranchised and the vulnerable, especially because they are most affected by climate change, and set new standards in this space.
3. Country ownership should not be used as an investment criterion. It should be used as a minimum standard (eligibility), rather than a prioritization tool. Entity-wide stakeholder engagement plans should be public, and accredited entities should be asked to demonstrate their ability and proactive engagement with respect to building in-country coalitions of diverse groups that are supportive of GCF investments.
4. The GCF should directly address the tensions among its principles and priorities, to create transparency. This could involve, for instance, defining paradigm shift at a portfolio level rather than individual investment level.

KEY FINDINGS

- The GCF has not defined country ownership and has opted for using a flexible approach. This approach seems to focus on engaging the NDA/focal point, engaging multiple stakeholders, developing CPs and encouraging direct access. Country ownership is both a principle (as mentioned in the Governing Instrument) and an outcome (as laid out in the investment criteria). This creates tensions and is impractical.
- Country ownership is important among the many principles and priorities of the GCF, and the principle seems to be highlighted in many GCF documents. A survey of GCF stakeholders shows that they commonly identify three attributes of country ownership: (1) alignment of GCF investments and policies with national policies and priorities; (2) meaningful engagement with non-state actors; and (3) countries having a (greater) say in the use of climate finance, including through national identification of project concepts and direct access. However, having to respond to all these principles and priorities creates tensions and conflicts in the Fund.
- Country ownership has been considered in the policies of the GCF. But these policies are only partially sufficient for realizing country ownership. GCF policies on stakeholder engagement are particularly deficient to support a definition of country ownership that extends beyond the national government.
- Country ownership as an investment criterion is not currently useful for making investments.
- Overall country ownership is a shared responsibility between the GCF and its stakeholders, which include countries and the people living within these countries, and the GCF has not met its own responsibilities (such as predictability, transparency and timeliness).

A. Introduction

1. This chapter responds to the following question: how does the GCF conceptualize and operationalize country ownership from the strategic and policy perspective? Specifically, it answers the following questions:
   - How is country ownership defined and understood in the GCF?
   - Is the GCF policy framework sufficient to support country ownership?
   - How well does country ownership work as an investment criterion, including in relation to other GCF objectives, notably paradigm shift?
   - How has the GCF performed in creating an environment that enables recipient countries to assume ownership of their engagement with the GCF?

B. Background and context

1. Defining country ownership

2. The GCF has not clearly defined country ownership for the Fund, opting instead for a flexible approach. However, various decisions, guidelines and strategies offer insights into the Board's perceptions of country ownership, as described in Chapter I.B above, including the following:
   - Country ownership may be considered as a measure through which countries demonstrate ownership of, and commitment to, efforts to mitigate and adapt to climate change (Decision B.17/21, Annex 1). This may be reflected through meaningful engagement, including consultation with relevant national, local, community-level and private sector stakeholders.
   - Country ownership goes beyond the national government and includes ownership by local communities, civil societies, the private sector, women's groups, indigenous peoples' organizations, municipal-/village-level governments, etc. (Decision B.14/08).
   - Country ownership is an ongoing and evolving process (Decision B.17/21, Annex 1).
   - Country ownership may mean different things in different country contexts (Decision B.17/21, Annex 1).
   - Country ownership must continue throughout the project cycle, from readiness activities and the pre-concept stage, through implementation to monitoring and evaluation of a project or programme (Decision B.17/21, Annex 1).
3. These statements suggest that the GCF Board views country ownership as a **flexible, country-context specific principle** that is relevant through the project cycle.
4. **Country ownership is important among the many GCF principles and priorities**, which also include paradigm shift, climate change impact, responding to countries' needs and priorities, and maximizing the participation of the private sector. However, **having to respond at once to all these key principles and objectives – including country ownership – creates tensions and conflicts in the GCF investment decision-making process, which are discussed further below in the report**.[20]
5. **Country ownership is both a principle of climate finance in the GCF** (i.e. something that must be present in all situations, as recognized by the Governing Instrument) **and an outcome objective** (i.e. something that can be strengthened through the provision of readiness climate finance support,

[20] Independent Evaluation Unit (2019). *Forward-Looking Performance Review of The Green Climate Fund (FPR)*. Evaluation Report No. 3, Green Climate Fund, Songdo, South Korea.

as recognized by the investment criteria). This creates difficulties operationally: should the GCF use instruments that are in themselves country-owned to achieve country ownership? What if this is not possible?

6. **Country ownership is also one of the six GCF investment criteria**, where it is understood primarily to refer to policy alignment, stakeholder engagement, the NDA no-objection letter, and the capacity of AEs and executing entities to deliver project results (Decision B.09/05). As an investment criterion, country ownership is distinguished from country needs ("needs of the recipient"), which focuses on the vulnerability and financing needs of the beneficiary country and population. Table II-1 shows the coverage areas, activity-specific sub-criteria and indicative assessment factors that the GCF Secretariat and Independent Technical Assessment Panel (iTAP) apply to assess the country ownership investment criterion.

Table II-1. Coverage areas, subcriteria and indicative assessment factors for the country ownership criterion[21]

Coverage area	Activity-specific subcriteria	Indicative assessment factors
Existence of a national climate strategy	Country has a current and effective national climate strategy or plan, NAMA, NAP or equivalent, as appropriate	Proposal addresses the country's existing and effective climate priorities and national, local or sectoral plans, and attracts sustained high-level political support in implementing countries
Coherence with existing policies	Proposal has not been objected to by the country's NDA/focal point	Proposal received no objection by NDA/focal point in accordance with the GCF NoP
	Objectives are in line with priorities in the country's national climate strategy	Proposal demonstrates coherence and alignment with one or more priority areas identified in the country's national climate strategy, including in the context of NAMAs or NAPs, as appropriate and applicable Degree to which the activity is supported by a country's enabling policy and institutional framework, or includes policy or institutional changes Project/programme sponsor identified as a credible champion
Capacity of AEs or executing entities to deliver	Experience and track record of the AE or executing entities in key elements of the proposed activity	Proponent demonstrates a consistent track record and relevant experience and expertise in similar or relevant circumstances as described in the proposed project/programme (e.g. sector, type of intervention, technology)
Engagement with civil society organizations and other relevant stakeholders	Stakeholder consultations and engagement	Proposal has been developed in consultation with civil society groups and other relevant stakeholders, with particular attention being paid to gender equality, and provides a specific mechanism for their future engagement in accordance with GCF ESS and stakeholder consultation guidelines Proposal places decision-making responsibility with in-country institutions and uses national systems to ensure accountability

[21] Decision B.09/05, Annex III.

7. In the absence of definitions and standards, **the evaluation team relied on an expansive definition of country ownership, that encompasses key attributes of country ownership as understood by GCF stakeholders and normative standards for country ownership in the development aid and climate finance literature**. This expansive definition also reflects the intentions of the ISP, which highlights the stated ambition of the GCF to leverage its status to set new standards with regard to country ownership. Attributes of country ownership are presented in Table II-2 (please refer to Chapter I for an elaborated version).

Table II-2. Three pillars of country ownership

Countries lead and consult	Countries have institutional capacity	GCF and countries mutual responsibilities
Country governments lead GCF investments and prioritize them, while ensuring alignment with national and other policies, and undertaking meaningful consultation through participatory processes with multiple stakeholders.	Stakeholders in-country have the capacity to plan, manage and implement activities that address GCF objectives.	The GCF, AEs and recipient countries develop and adopt global best practices in planning, delivery and reporting on GCF investments (that help countries transition to low-emission and high-resilience pathways) and are accountable to each other for following and implementing these practices.

2. How do GCF stakeholders understand country ownership?

8. The collective views of the GCF stakeholders interviewed point to the following key attributes of country ownership, based on interviews and the evaluation's online survey:

- **GCF investments and practices must align** with national policies and priorities.
- **There must be meaningful engagement with non-state stakeholders** throughout the entire programming process and project cycle.
- Countries must have a **greater say in the use of climate finance**, including while identifying project concepts and direct access.

9. These key attributes mostly overlap with the UNFCCC Standing Committee on Finance's vision of country ownership, which encompasses the "consistency of climate finance with national priorities, the degree to which national systems are used for both spending and tracking, and the engagement of a wide range of stakeholders, from ministries and other governmental bodies, as well as from the private sector and civil society."

10. The IEU country case studies offer insights into how country ownership is understood by different stakeholders of the GCF. Recipient government interviewees infrequently mentioned stakeholder engagement, while civil society and private sector organizations, in contrast, emphasized that **country ownership is not synonymous with government ownership**. For non-state actors, country ownership also means that "the people" should be at the centre of ownership, through meaningful engagement in the entire programming process, from pre-concept to project closure and evaluation. In their comments on submitted GCF FPs, CSO observers discuss country ownership in relation to alignment with national strategic frameworks, where engagement with stakeholders is inclusive and thorough (that is, broad and deep), and highlight that it must include discussions with local communities, indigenous and tribal peoples, and women. CSO observers would also like to see country ownership reflected strongly in implementation modalities that include local communities, organizations and governments.

11. In interviews, AEs (including both IAEs and DAEs), delivery partners and regional advisers were more likely to combine the government and civil society descriptions of country ownership into one

picture that included (1) alignment with national priorities; (2) robust processes for engaging stakeholders; (3) broader ownership by non-state actors; and (4) countries having a greater say in the management and implementation of climate finance resources. On this last point, there were differences in the view of the IAEs and delivery partners compared to the DAEs and governments. The IAEs and delivery partners generally believed that country ownership may benefit from but does not depend on direct access; they also made a distinction between country ownership and country-control over project decisions. The predominant view among governments was that country ownership meant that countries would have the final say in project-related decisions (see also Chapter VI).

12. Multiple interviewees highlighted that **"country ownership" must reflect the needs of local stakeholders and must extend beyond just dialogue at the national level. That is, country ownership must reflect subnational needs and must engage with beneficiaries subnationally.** This theme was raised particularly in middle-income countries among the IEU case study countries, including Colombia, Morocco and Fiji. It was also echoed by the online survey, in which more than 80 per cent of respondents agreed that the ultimate aim of country ownership is meeting the **needs of final beneficiaries**.
13. Another theme that emerged from the perception was the **use of country systems**. Country systems refer to in-country procedures and institutions for procurement and financial management (i.e. channelling GCF funds through national public financial management systems), as well as recording climate finance aid in the government budget. The use of country systems in GCF investments was raised by some national and regional stakeholders as a critical ingredient for country ownership. The use of these systems also features prominently in the definition from the UNFCCC Standing Committee on Finance.
14. In sum, some common views can be identified on what constitutes country ownership in the GCF community, although there are divergent opinions on the relative importance of these elements. **All elements mentioned above are included in this evaluation's expansive definition of country ownership**, including alignment with national policies and priorities, meaningful multi-stakeholder engagement, and a stronger say in the use of climate finance, including through direct access (see Table I-1).

3. GCF MODALITIES AND INTENDED APPROACH FOR COUNTRY OWNERSHIP

15. **Although there is no definition, the GCF has mentioned country ownership throughout its business model and modalities.** Country ownership is mentioned prominently in the Fund's Initial Strategic Plan (ISP) and has been mentioned in 30 Board decisions that cover nearly all aspects of the business model and operational modalities. Country ownership is the only priority articulated within GCF key strategic documents, including the Governing Instrument and all outputs related to the ISP (Strategic Vision, Core Operational Priorities, and Action Plan), and it is also an investment criterion.
16. **The intended approach of the GCF for country ownership has focused on four building blocks: (1) the role and capacity of the NDA/focal point, (2) multi-stakeholder engagement, (3) programming GCF investments at the country and entity level, and (4) encouraging direct access.** Many of these elements are also supported through the RPSP. Although these four areas are the most commonly mentioned in key GCF documents (including the ISP and Board documents and decisions), many other modalities have indirect linkages to country ownership through these main channels (e.g. PPF to support direct access) and are also considered in this evaluation.
17. As discussed above, these four building blocks correspond to the key attributes of country ownership also identified by the wider GCF stakeholder community. The intended guidance of the

GCF for country and entity programmes and direct access at least aim to speak to the desire for a greater say in the use of climate finance (e.g. through country-led pipeline development and stakeholder engagement in those exercises); highlighting the role of the NDA/focal point; and supporting CPs that together could support alignment with national policies and priorities. **The challenges have been primarily in the articulation and implementation of these elements, as is discussed throughout the report**.

a. Role and capacity of the NDA/focal point

18. **The NDA/focal point is the entry point for the GCF to ensure country engagement and consequently ownership.** The Governing Instrument provides that each "recipient country may designate a national authority" and also describes the role of this authority. Within the GCF Board, much attention has been given to the roles and responsibilities of the NDA/focal point, the NoP (which applies to both FPs and applications for accreditation by regional, national and subnational entities), and best-practice options for country coordination under the regular agenda item of "country ownership."
19. **The Board decided that countries are not required to designate an NDA/focal point and that countries have the flexibility to independently decide the location, structure, operation and governance of NDAs/focal points.** Still, it is recommended in the initial best-practice guidelines for the selection and establishment of NDAs/focal points that selected NDAs should be located within a ministry or authority that is familiar with the budget, economic policies and climate change issues, and that can influence economic policy, development planning, climate change, energy and environmental resource management. Guidelines also indicate the kind of capacities and authority that the NDA should possess. The GCF does not have a contractual relationship with the NDA/focal point and thus **can only issue guidelines rather than requirements for the selection and functioning of the NDA.**
20. NDAs/focal points are established and functional across 147 of the 154 GCF-eligible countries. More than half (59 per cent) of them are located in environmental and resource-related ministries, whereas about a third are located in central ministries, such as finance or planning (see also Chapter V).
21. Managing the NoP is one of the core tasks of the NDA/focal point. The NoP has been envisioned since the early days of the GCF and is anchored in decision 3/CP.17 of the COP, which called for a transparent NoP to ensure "*consistency with national climate strategies and plans, and a country-driven approach*" for effective "*public and private sector financing by the Fund*." The NoP also derives from paragraph 46 of the Governing Instrument.[22]
22. **Readiness support is the key GCF modality to support the capacity of the NDA and contributes in a significant way to the country assuming ownership of its engagement and investments with the GCF.** In 2013, decision B.05/14 reaffirmed that GCF-related readiness and preparatory support is a strategic priority for the GCF to enhance country ownership and access during the early stages of its operationalization. In the discussion of the ISP, Board/Alternate members highlighted the importance of "ensuring full country-ownership […] by providing adequate support to build the required country capacity." These elements of support to the NDA have included the RPSP as well as technical guidance and country and entity engagement provided through the GCF Secretariat and regional advisers. A new strategy for the RPSP was approved at the twenty-second meeting of the Board. This revised strategy is aimed at guiding countries towards a

[22] Which states that the NDA "will recommend to the Board funding proposals in the context of national climate strategies and plans and will be consulted on other funding proposals for consideration prior to submission to the Fund to ensure consistency with national climate strategies and plans."

longer-term approach, including longer-term direct support to NDAs; country readiness assessments and country readiness plans; and multi-year allocation grants.

23. The effectiveness of such support mechanisms in building NDA/focal point capacity to build in-country ownership and engagement with the GCF is evaluated in Chapter IV and Chapter V.

b. Multi-stakeholder engagement

24. **In decision B.14/08, the Fund confirmed that the principle of country ownership goes beyond the national government.** This decision "includes ownership by local communities, civil societies, private sector, women's groups, indigenous peoples' organizations, municipal-/village-level governments, etc." in the overall definition of country ownership. Deep and wide consultation with a wide range of relevant actors is seen to be a critical process for demonstrating ownership of efforts to mitigate and adapt to climate change. The Guidelines for Enhanced Country Ownership and Country Drivenness stipulate that the "consultative process should aim to be an ongoing process through the design, implementation, monitoring and evaluation and exit stages of a project or programme, rather than a discrete activity occurring only once." Ongoing stakeholder engagement processes "should help to ensure the coherence of GCF funded activities with national priorities and existing strategies and plans." For an analysis of the sufficiency of the policies and operational frameworks covering multi-stakeholder engagement for country ownership, see Chapter II.C; for an evaluation of how country ownership has been supported through stakeholder engagement in the GCF, see Chapter IV.

c. Country and entity programming

25. **The development of CPs is seen as a cornerstone of the current GCF approach to ensuring country ownership.** CPs are featured prominently in the ISP as a strategy to ensure "that the GCF is responsive to developing countries' needs and priorities." An initial guide from the Secretariat on CPs further states that "an overarching objective of having a country programme is fostering country ownership." The ISP envisioned that "strengthening its proactive and strategic approach to [country and entity] programming" is key "to delivering country-driven and country-owned, high impact public and private sector proposals" and "enhance [ing] responsiveness to countries' needs and country ownership." The Guidelines for Enhanced Country Ownership and Country Drivenness also recognize that developing "country programmes, and identifying national priorities for investment in climate change-related activities, can be a key component of ensuring country ownership."

26. **Country ownership and EWP:** The GCF EWP template asserts that "an overarching objective of having an EWP is fostering a proactive, strategic and country-owned approach to pipeline development and programming with the GCF." To achieve this, NDAs/focal points are intended to play a key role in formulating both CPs and EWPs, along with a "robust and inclusive engagement process," as described in the best-practice guidelines and discussed further in the multi-stakeholder consultation section below. EWPs are meant to be informed by the NDAs/focal points of the countries where potential projects are located. Country and entity programming processes are eligible for support under the RPSP.

27. The effectiveness of CPs is evaluated in Chapter IV.C; EWPs are considered in Chapter VI.

d. Direct access

28. **The link between direct access and a country-led approach originates with the Governing Instrument.** The Government Instrument calls for recipient countries to nominate competent subnational, national and regional implementing entities for accreditation," and for the Board "to consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership." DAEs are seen as "important for promoting country

ownership and understanding national priorities and contributions towards low-emission and climate-resilient development pathways."

29. The GCF Accreditation Strategy recognizes the process of accrediting these entities as a way to set high standards in country ownership, and calls for meaningful multi-stakeholder input during this process, to ensure that "accredited entities nominated by NDAs have a high potential to bring forward projects and programmes that demonstrate high country ownership, are consistent with country priorities and accurately reflect their commitments to climate change agreements."[23] An enhanced direct access pilot was also approved with the intention of devolving decision-making on the specific projects and programmes to be funded to the national or subnational level; such enhanced direct access "is a means by which to increase the level of country ownership over those projects and programmes."[24]

30. The effectiveness of direct access, enhanced direct access and accreditation for supporting country ownership is assessed in Chapter VI.

C. Findings

1. Sufficiency of GCF policies and operational frameworks to support country ownership

31. This section first reviews the extent to which country ownership is considered in GCF policies and operational frameworks (i.e. *relevance*), and then assesses whether, taken together, the Fund's policies and operational frameworks are *sufficient* to support country ownership.

32. A systematic analysis of GCF policies shows that **country ownership has been widely considered in the policy and operational framework of the GCF**. Twelve GCF policies/frameworks (approved through B.23) were found to be relevant for country ownership, as evidenced by the analysis in Table II-3 below. Together, the evaluation team finds that the policies in place are relevant for all the major dimensions of country ownership used in this evaluation's expansive definition.[25] It also finds that, to a large extent, addressing country ownership has been handled in the policy and operational framework by giving responsibilities primarily to NDAs/focal points and secondarily to AEs and the GCF Secretariat, as well as by issuing best practices and requirements for multi-stakeholder consultation, including with gender balance and with indigenous peoples. This approach has implications for country ownership, as discussed below.

33. GCF policies were found to be partially sufficient to support country ownership, as shown in Table II-3 below. Key policy gaps include the following:

- **GCF policies related to stakeholder engagement are *deficient* in that they do not sufficiently support a definition of country ownership that extends beyond government actors**. Outside of ESS for project development and implementation, stakeholder engagement is largely addressed only through insufficient guidelines. The Gender Policy does not address the need for an equitable opportunity for consultation during processes to define national climate change priorities and strategies, or during CP development or annual participatory reviews. Because of the critical importance of engaging multiple stakeholder groups within countries, and the emphasis placed on it by non-state actors during the extensive interviews conducted for this evaluation, this topic is addressed in more depth later in this section.

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[23] Decision B.14/08, Annex II
[24] Decision B.10/04, Annex I
[25] As identified in the normative framework for the evaluation, provided in Chapter I.

- The **role of the NDA/focal point is *not sufficiently* articulated for the project implementation phase** (i.e. post project approval), to be able to support country ownership throughout the project cycle. For instance, the MAF, a key GCF framework for this phase – does not specify a role for NDA/focal points with regard to AE compliance. Specifically, in cases where the Secretariat identifies performance issues with the AE, there appears to be no requirement for the Secretariat to inform the NDA/focal point about these performance issues. The more recently approved Cancellation and Restructuring Policy, however, does require informing and consulting with the NDA/focal point in the event of major changes to or restructuring of a project, and also gives the NDA/focal point the right to change the status of a project's NoL.
- The Information Disclosure Policy is also insufficient in addressing transparency issues. Specifically, it is not clear whether APRs will be publicly disclosed. The policy states that monitoring and evaluation reports will be posted on the GCF and AE websites, simultaneously with submission to the Board. Transparency and sharing of results for mutual accountability – and accountability to the intended beneficiaries and citizens, organizations and constituents – are key requirements under the accountability dimension of country ownership. In interviews, many CSOs, in particular, raised the lack of disclosure of APRs as an obstacle to stronger country ownership, since stakeholders in some countries do not currently have an alternative process for monitoring and tracking progress towards results of GCF projects.
- **Several policies are also unclear** in their **mix of mandatory and aspirational language**, by stating that a policy "shall" be implemented in accordance with best-practice guidelines, when these guidelines are voluntary. For instance, the MAF specifies that the "institutional responsibilities" of the NDA/focal point are "in accordance with the best practice guidelines for the selection and establishment of NDAs and focal points"; however, how such guidelines relate to NDA/focal point responsibilities for monitoring and holding AEs accountable is not clear. Similarly, the Cancellation and Restructuring Policy "shall be implemented in accordance with […] the [voluntary] Guidelines for Enhanced Country Ownership and Country Drivenness."

34. However, the most significant challenges faced have been in the **translation of these policies into practical guidance** that facilitates understanding and effective engagement and implementation; see, for example, Chapter IV.B on multi-stakeholder engagement and Chapter IV.C on CP.

Table II-3. Relevance and sufficiency of GCF policies and operational frameworks for country ownership

GCF Policy / Operational Framework	Relevant?	Sufficient?	Mapping to Dimensions of Country Ownership		
			Country leadership and consultation	Country institutional capacity	Accountability
Readiness and Preparatory Support Programme (B.05/14; B.22/11)	✓	P	✓	✓	✓
Initial Guiding Framework for the Fund's Accreditation Process (B.07/02, Annex I)	✓	P	✓	✓	✓
No-objection Procedures (B.08/10, Annex XIII)	✓	✓	✓	✓	
Policy on Fees for Accreditation (B.08/04); Policy on Fees for AEs and DPs (B.11/10, Annex II)	✓	✓	--	✓	--

GCF Policy / Operational Framework	Relevant?	Sufficient?	Mapping to Dimensions of Country Ownership		
			Country leadership and consultation	Country institutional capacity	Accountability
Results Management Framework and Performance Measurement Frameworks (B.08/07; B.07/04; B/05/03)	✓	P	--	✓	✓
Investment Framework (B.09/05; B.22/15)	✓	P	✓	✓	✓
Gender Policy (B.09/11)	✓	P	✓	✓	✓
Monitoring and Accountability Framework for AEs (B.11/10, Annex I)	✓	P	--	✓	✓
Information Disclosure Policy (B.12/35)	✓	P	✓	✓	✓
Risk Management Framework (B.17/11 and B.19/04); Compliance Risk Policy (B.23/14)	P	✓	--	✓	✓
Environmental and Social Policy (B.19/10)	✓	P	✓	✓	✓
GCF Indigenous Peoples Policy (B.19/11)	✓	P	✓	✓	✓
Cancellation and Restructuring Policy (B.22/14)	✓	P	--	✓	✓

Notes: P=partially; □=yes; --=no
Given their significantly lower relevance for country ownership, policies focused on internal GCF operations are not included in this table – for example, the policies on Ethics and Conflict of Interest; Travel Policy; Anti-Money-Laundering and Countering the Financing of Terrorism Policy; Policy on Prohibited Practices; Corporate Procurement Guidelines; Policy on the Protection of Whistle-blowers and Witnesses; Interim Policy: protection from sexual exploitation, sexual abuse, sexual harassment.
The determination of sufficiency considers the extent to which the policies and operational frameworks adequately address the key dimensions of country ownership as defined by this evaluation (see Chapter I), as well as the specific requirements of the policies themselves.

35. **On stakeholder engagement, GCF policies, operational frameworks, guidelines and best practices are particularly *fractured*, disparate and inconsistent**. The evaluation team compiled the guidelines for stakeholder engagement across the stages of GCF activity (from setting national priorities and strategies, through readiness and programming, to project preparation, implementation, and monitoring, reporting and evaluation), which required review of numerous documents, with both voluntary guidelines and mandatory requirements (shown in Table II-4). Based on this review, the evaluation finds the following:

- The policy and guideline landscape leaves significant flexibility for countries to pursue their own approaches to engaging stakeholders. **The primary document addressing stakeholder engagement outside the formal project cycle is the *Initial best-practice options for country coordination and multi-stakeholder engagement*, which was approved at B.08 in 2014 and has not been revisited.**
- **GCF policies and guidelines do not offer much direction in terms of how the GCF Secretariat should identify and engage stakeholders in the activities that it undertakes**. Some guidance is suggested for SDs but does not sufficiently address how to meaningfully engage broader stakeholders in multi-country events, nor in other activities beyond such SDs.

- **The terms "stakeholder" and "civil society" are widely used, but never defined**. GCF guidelines primarily refer to government, the private sector, academia and civil society, but are n**otably silent on subnational or subregional entities**. Some definitions of civil society in dedicated climate funds are highly inclusive – for example, the GEF definition includes local communities, women, farmers, youth and children, and indigenous peoples – but without a definition in the GCF, it is not clear what types of civil society entities are expected to be engaged.

36. Practical implementation of these policies and guidelines also offers room for improvement, as discussed at more length in Chapter IV.

Table II-4. Policies and guidelines for multi-stakeholder engagement

No.	Activity	Relevant Policy, Framework, Guideline	Excerpt	Entities to be engaged	Key gaps
1	Country programmes / national strategic frameworks	Initial best-practice options for country coordination and multi-stakeholder engagement (Decision B.08/10, Annex XIV) GCF Indigenous Peoples Policy (B.19/11)	CPs should be developed taking into account the best-practice principles for multi-stakeholder engagement A consultative process should aim to be an ongoing process rather than a discrete activity only occurring once These consultative processes should be inclusive and seek to engage all relevant actors within the government, the private sector, academia, civil society and other relevant stakeholder groups or sectors "[A]ny consultative process through which national climate change priorities and strategies are defined must also consider applicable national and international policies and laws for indigenous peoples. Furthermore, the criteria and options for country coordination through consultative processes should include indigenous peoples in an appropriate manner."	All relevant actors within the government, the private sector, academia, civil society and other relevant stakeholder groups or sectors Indigenous peoples	No clarity on the definition of civil society; no mention of subnational actors; no mention of women or women's groups
2	Entity work programmes	"Preparing an Entity Work Programme" Template for 2018	"[R]obust and inclusive engagement with the NDAs or focal points of the countries where the potential projects/programmes will be located, and other key stakeholders across various levels of government, local and community-based institutions, the private sector, and civil society"	NDAs/focal points, other key stakeholders across various levels of government, local and community-based institutions, the private sector and civil society	No space in the template for demonstrating such engagement for accountability purposes

No.	Activity	Relevant Policy, Framework, Guideline	Excerpt	Entities to be engaged	Key gaps
3	Structured dialogues	Guidelines for enhanced country ownership and country drivenness (B.17/22, Annex XX)	"Multi-stakeholder groups participate in and benefit from the outcomes of the [Structured] Dialogues." "SDs offer an opportunity for the Secretariat, NDAs/focal points, relevant AEs and other stakeholders, including the private sector and civil society, to develop CPs and determine which priorities identified by country strategies (INDCs, LEDS, NAPAs, NAMAs etc.) are the best match for GCF support."	Secretariat, NDAs/focal points, relevant AEs and other stakeholders, including the private sector and civil society	No clarity on how and who determines which non-state actors are engaged in such events
4	Development of a funding proposal; Implementation / monitoring, reporting and evaluation	Environmental and Social Policy (B.19/10); GCF Indigenous Peoples Policy (B.19/11); Gender Policy (B.09/11); Guidelines for enhanced country ownership and country drivenness (B.17/22, Annex XX); Initial best-practice options for country coordination and multi-stakeholder engagement (Decision B.08/10, Annex XIV)	The policy requires that AEs develop activities using an ESMS that "allows meaningful and inclusive multi-stakeholder consultation and engagement throughout the lifecycle of activities taking into account the particular situations of vulnerable groups and populations (including women, children, people with disabilities, people marginalized by virtue of their sexual orientation and gender identity, indigenous peoples, local communities and other marginalized groups of people and individuals that are affected or potentially affected by GCF-financed activities)" "The requirements of this [IPP] Policy form part of the relevant GCF ESS standards that AEs and states need to take into account when developing proposals, as well as ongoing monitoring and evaluation after approval."	AEs, NDAs/focal points, vulnerable groups and individuals (including women, children and people with disabilities, and people marginalized by virtue of their sexual orientation and gender identity), local communities, indigenous peoples and other marginalized groups of people and individuals that are affected or potentially affected by GCF-financed activities	--

No.	Activity	Relevant Policy, Framework, Guideline	Excerpt	Entities to be engaged	Key gaps
			"The Fund requires that women and men be provided with equitable opportunity to be included in stakeholder consultations and decision-making during project and programme preparation, implementation, and evaluation."		
		Monitoring and Accountability Framework for AEs (B.11/10, Annex I)	"At the project/programme level, the AE should include participatory monitoring, involving communities and local stakeholders, including civil society organizations, at all stages of the project/programme cycle from the beginning." "For participatory monitoring of the overall portfolio of GCF-funded projects and programmes in each country, the NDA or focal point is encouraged to organize an annual participatory review for local stakeholders, notably project-affected people and communities, including women and civil society organizations."	AEs, NDA/focal points, communities, local stakeholders, civil society organizations, women	No clarity on the purpose of the participatory monitoring of the overall portfolio, or what actions would make such monitoring deemed "participatory" versus business-as-usual monitoring practices

2. Country ownership as an investment criterion

a. Country ownership as an investment criterion

37. **Overall, the evaluation finds that country ownership is not serving as a useful criterion for informing investment decision-making or prioritization in the GCF, as currently formulated and applied.** The scores assigned to this criterion by the GCF Secretariat and iTAP lack variability, despite significant variation in the extent of stakeholder consultation reported and the frequency of concerns raised by CSO observers.

38. Country ownership has been rated relatively highly across nearly all FPs, with limited deviation. Among the FPs that the GCF Secretariat and iTAP have assigned country ownership ratings to, approximately 90 per cent have been rated as "high" or "medium-high." As shown in Figure II-1, only one project has been given a low or low-medium score on the criterion of country ownership by iTAP; no projects have received such a score from the Secretariat.[26] Even FPs that were ultimately not approved during a Board meeting, were withdrawn before a Board meeting or lapsed have generally received high or medium-high ratings on country ownership.[27]

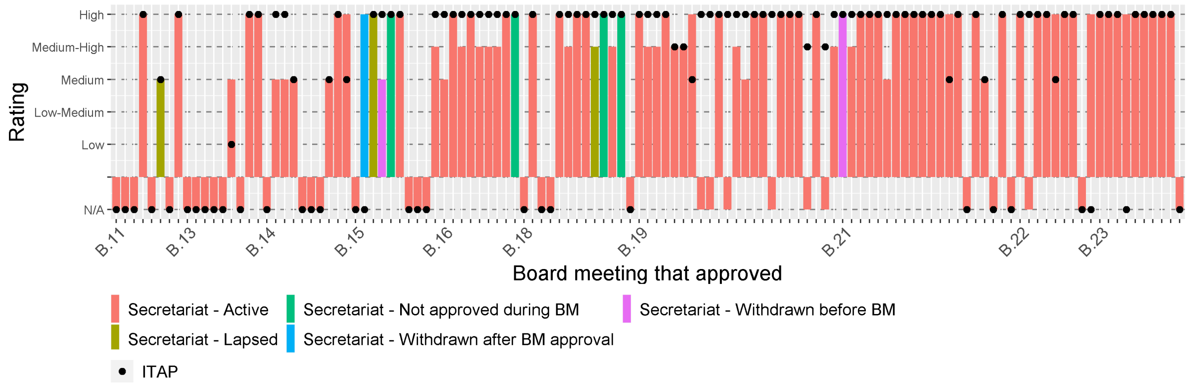

Figure II-1. Investment criterion ratings for country ownership

Notes: Assessments of 121 FPs are considered, of which 111 FPs are active as of 8 July 2019. N/A indicates either being given "N/A", "uncertain", or information is missing. The ratings for every FPs are plotted on the horizontal axis, but the labels are shown by the Board meeting of consideration or approval. Each bar corresponds to the closest Board Meeting label to the left.

Source: Secretariat's reviews and iTAP assessments of FPs, as of 8 July 2018, extracted and analysed by the IEU DataLab.

39. **Country ownership ratings have not varied significantly; they have been nearly uniformly high.** This is partially attributed to the bluntness of the indicators – for example, accounting for the presence of an NoL and broad alignment with national policies or NDCs. The consistently high ratings are also partially a consequence of the fact that projects have gone through earlier review by the GCF Secretariat and are only included in the analysis if they are submitted to the iTAP – a decision-point that already reflects on the quality of the proposal.[28] Average country ownership ratings have not differed significantly by country vulnerability, geographical region, accreditation

[26] Given the relatively flat ratings assigned to FPs for country ownership, the Secretariat and iTAP ratings have been reasonably aligned.

[27] Of 11 projects in these categories, 2 received a "medium" score either from the Secretariat or iTAP.

[28] This analysis only considers FPs that are submitted by the GCF Secretariat to the iTAP. It is possible that projects received by the Secretariat but not submitted to iTAP would be considered less strong on country ownership, but these projects do not receive formal ratings scores and are thus not considered as part of this data analysis.

types and portfolio types.[29] The low coefficient of variation[30] for country ownership indicates that each project's rating in each of these categories is not very different from the overall average.

40. **Country ownership ratings have been lowest (for both the Secretariat and iTAP), on average, for global (multi-country) projects – 3.8, or equivalent to between a medium and medium-high rating.** Five of the 11 projects rated by the Secretariat as "medium" on country ownership are multi-country, private sector projects implemented by IAEs. (See also Chapter VII for an assessment of country ownership in the private sector projects.)

Table II-5. Country ownership investment criterion ratings across various measures

Country ownership		Average rating		Sample size		Standard deviation		Coefficient of variation (per cent)	
Secretariat or iTAP		Secre-tariat	iTAP	Secre-tariat	iTAP	Secre-tariat	iTAP	Secre-tariat	iTAP
Country type	Others	4.47	4.65	30	31	0.78	0.88	17.37	18.89
	LDC, SIDS and/or African States	4.65	4.78	46	50	0.64	0.62	13.76	12.88
GCF Region	Latin America and the Caribbean	4.35	4.76	17	17	0.79	0.56	18.05	11.8
	Africa	4.81	4.74	26	27	0.49	0.66	10.22	13.84
	Asia-Pacific	4.65	4.83	26	30	0.63	0.75	13.51	15.45
	Eastern Europe	4.5	5	2	2	0.71	0	15.71	0
	Global	3.8	3.8	5	5	1.1	1.1	28.83	28.83
AE type	Direct	4.73	4.83	11	12	0.47	0.39	9.88	8.05
	International	4.55	4.71	65	69	0.73	0.77	16.02	16.32
Focus area	Cross-cutting	4.73	4.82	22	22	0.55	0.59	11.64	12.21
	Adaptation	4.56	4.78	27	32	0.7	0.79	15.32	16.57
	Mitigation	4.48	4.59	27	27	0.8	0.75	17.91	16.27
Sector	Public	4.56	4.84	59	62	0.68	0.63	14.84	13.07
	Private	4.65	4.37	17	19	0.79	0.9	16.91	20.49
Total		4.58	4.73	76	81	0.7	0.72	15.24	15.33

Notes: The table shows the average rating, sample size, standard deviation and coefficient of variation of the country ownership ratings for each category of project country type, region, AE type, focus area and sector. Only active FPs with valid ratings (not N/A) are considered for each case.
Source: Secretariat's reviews and iTAP assessments of FPs, as of 8 July 2018, extracted and analysed by the IEU DataLab.

[29] A slightly larger difference is noted for iTAP ratings for public versus private sector (4.37 for private sector and 4.84 for public sector, where 4 is equivalent to medium-high and 5 is high).
[30] The coefficient of variation (CV) is defined as the ratio of the standard deviation to the mean: it shows the extent of variability in relation to the mean of the population.

41. The high ratings for country ownership may also partly reflect the process of comments and revisions that are undertaken before the funding proposal and Secretariat's formal review are submitted to the Board; according to interviews, the Secretariat would be unlikely to recommend submission of a funding proposal to the Board if country ownership was not rated highly. The Secretariat's review of the country ownership criterion focuses substantially on alignment, using a desk-based process, and also relies on the NoL that serves as a certification by the NDA/focal point that (1) the project is "in conformity with [country]'s national priorities, strategies and plans" and (2) "in accordance with the GCF's environmental and social safeguards, the project [or programme] as included in the funding proposal is in conformity with relevant national laws and regulations." To date, the CPs have not been particularly useful in helping to inform this determination.

42. The country ownership concerns raised by the Secretariat during its review, as well as those raised by CSO observers in their comments submitted on FPs, offer some additional insights into how this investment criterion and subcriteria are being applied. Overall, **the Secretariat has flagged concerns related to country ownership in a small number of its funding proposal reviews submitted to the Board**. Even among the 11 projects rated "medium" on country ownership by the Secretariat, issues at the subcriteria level were raised in just two projects: one related to stakeholder consultation and the other related to alignment with national policies. Figure II-2 shows the frequency of relevant concerns raised by the Secretariat and the CSO observers.[31]

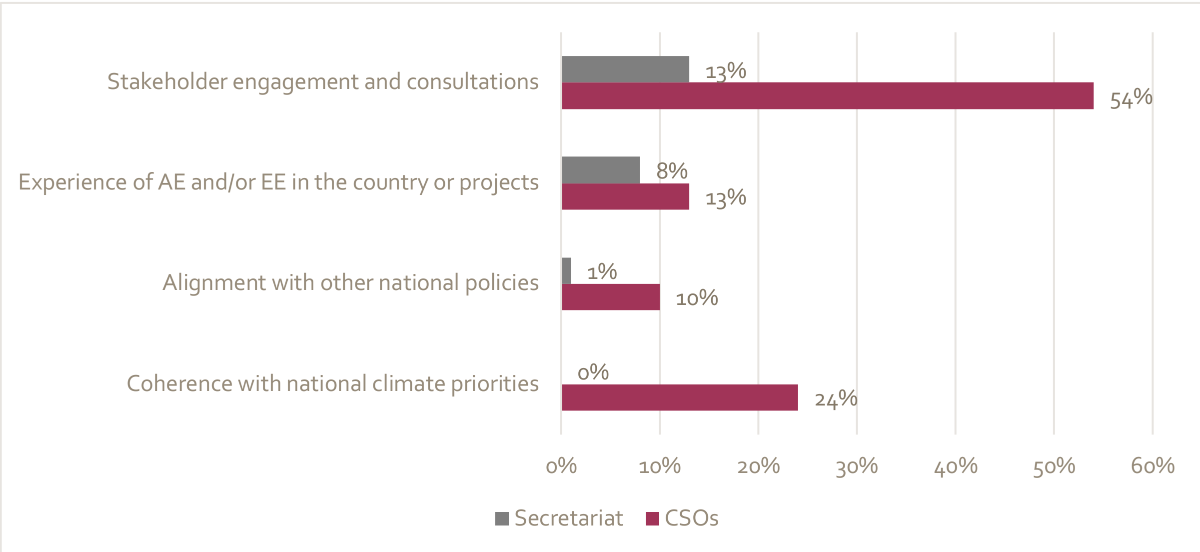

Figure II-2. Country ownership related concerns raised by the Secretariat and CSO observers in active FPs

Notes: 111 FPs were considered through the Secretariat's review, while CSOs have submitted comments for 108 FPs.
Source: Secretariat's reviews of FPs, and CSOs' comments on FPs extracted and analysed by the IEU DataLab.

43. **The subcriterion on stakeholder consultation is not currently serving as a useful screening tool for ensuring robust and meaningful engagement.** Concerns about the extent of stakeholder consultation and engagement are infrequently raised in the Secretariat's reviews (11 per cent), despite the lack of reported stakeholder engagement during project design in FPs and the related concerns raised by CSOs. Nearly a third of FPs have not reported engagement with CSOs, more than a third have not reported engagement with local communities, and nearly two thirds have not

[31] Similar data are not available for the iTAP reviews.

reported engagement with women or women's groups. CSO observers have also flagged concerns related to stakeholder consultation and engagement in more than half of all FPs, including 10 of the 14 total projects in which the Secretariat has also identified similar concerns, and 47 projects for which the Secretariat did not identify similar concerns. CSO observers, however, do not have access to all funding proposal annexes, including the stakeholder engagement plan – presenting limitations for the utility of their review and raising concerns about the transparency of the proposal review process. (For a detailed assessment of multi-stakeholder engagement and country ownership, see also Chapter IV).

44. **The subcriterion for the existence of and coherence with a national climate change strategy is also not proving useful for informing investment decision-making.** The Secretariat's reviews have raised no issues with respect to this subcriterion, and all FPs indicate alignment with at least one national climate change strategy. Similarly, alignment with other national policies has only been raised by the Secretariat's review in a single project. This is relatively unsurprising given the prevalence of NDCs (submitted by 184 Parties to date) and the experiences of other dedicated multilateral climate funds. Evaluations by the GEF, for example, have found that all approved activities were found to be relevant to (coherent with) national policies and priorities. But the fact that CSOs have raised concerns about coherence with national climate priorities in more than a quarter of FPs suggests that a more nuanced approach to this subcriterion may be required and could possibly be supported through the CP process. (See also Chapter IV.C on CP.)

45. The country ownership investment criterion also considers the experience and capacity of the AE and executing entity to deliver – a subcriterion that is given considerable attention in the Secretariat's reviews. More than half of the Secretariat's reviews are flagged with concerns about AE or executing entity experience or capacity. Across all FPs, only 36 per cent of AEs and 14 per cent of executing entities report more than 10 years of experience implementing projects in the country or region, in a similar sector, and managing similar-sized budgets. Despite concerns raised on the experience and expertise of AEs and executing entities, the overall rating for CO is high, which begs the question of the extent to which the subcriterion is informing the overall rating. Table II-6 and Table II-7 present the experience of the AEs and executing entities, respectively.

Table II-6. Experience of the accredited entities as reported in the active FPs

Years of experience	Mean	Number of FPs	Per cent
Experience not reported	n/a	63	57
Up to 10 years	8.3	8	7
10 ~ 20 years	15	7	6
20 ~ 30 years	26.4	10	9
30~40 years	35.2	4	4
40~50 years	45.6	13	12
more than 50 years	56.2	6	5
Total		111	100

Notes: The table indicates the experience of the accredited entities reported in the 111 active FPs. Across all FPs, 63 projects did not report the years of experience of AEs implementing projects in the country or region. Data as of 8 July 2019.
Source: 111 active FPs extracted and analysed by the IEU DataLab.

Table II-7. Experience of the executing entity as reported in the active FPs

Years of experience	Mean	Number of FPs	Per cent
Experience not reported	n/a	88	79
Up to 10 years	8.4	8	7
10 ~ 20 years	15	7	6
20 ~ 30 years	23.2	6	5
more than 30 years	43	2	2
Total		111	100

Notes: The table indicates the experience of the executing entities reported in the 111 active FPs. Across all FPs, 88 projects did not report the years of experience of the implementing projects in the country or region. Data as of 8 July 2019.
Source: 111 active FPs extracted and analysed by the IEU DataLab.

46. **The evaluation team did not find reporting on country ownership in APRs to be useful.** APRs submitted in 2018 frequently stated the same thing as the original FPs regarding country ownership and alignment to policy. Most stated that the NDA provided an NoL for this project. All these are clearly redundant. Some APRs simply did not provide explanations for continued country ownership, marking the section as "N/A." Figure II-3 shows the themes that APRs address with regard to country ownership; for example, 28 of 38 APRs mention stakeholder consultation in this section. Ongoing engagement with the NDA is mentioned less frequently, in only 14 of 38 APRs. If these sections are kept, the evaluation team urges the use of better guidelines for this to be more than a paper-pushing exercise.

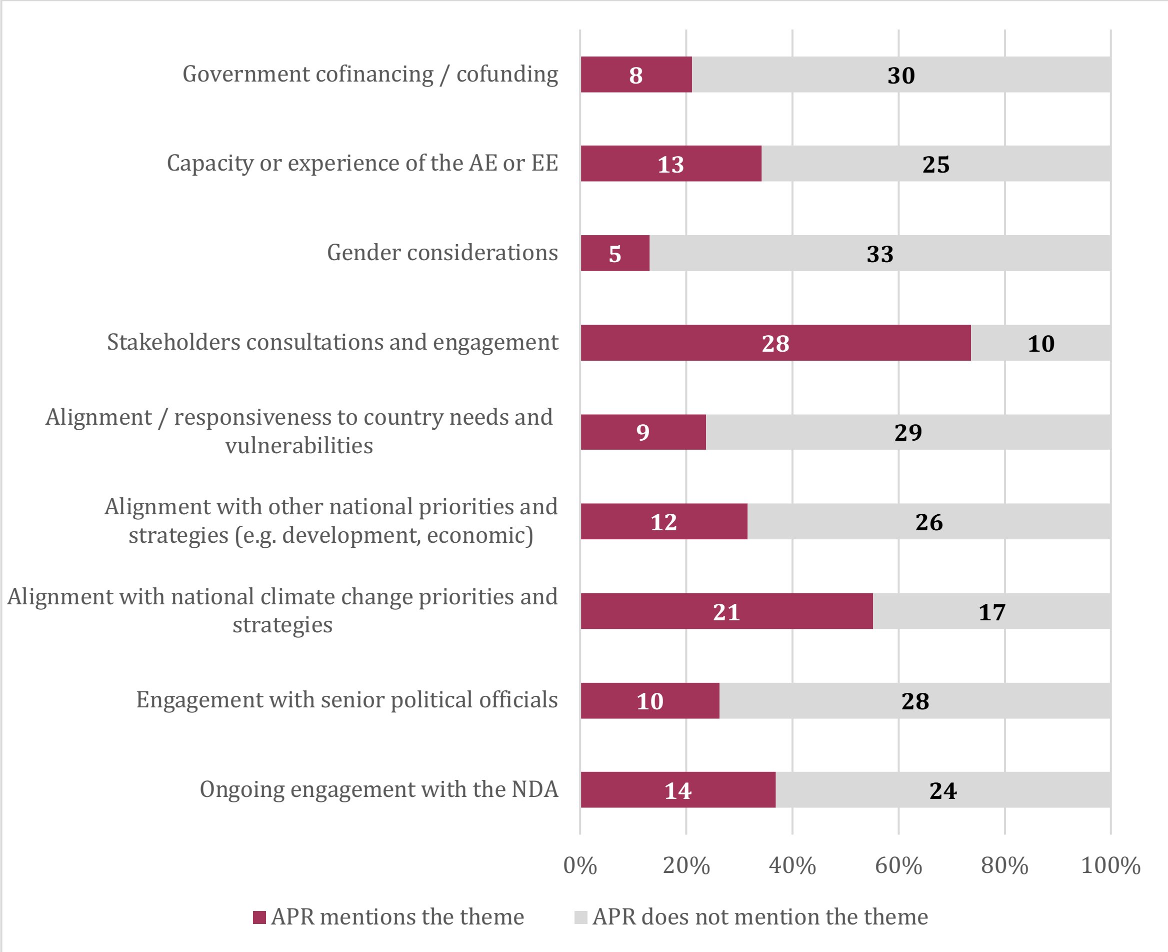

Figure II-3. Themes mentioned in APRs related to country ownership

Notes: The new APR template for the reporting year of 2018 introduced a section on country ownership. There were 38 APRs submitted for 2018, as of 8 July 2019, all using the new template.
Source: APRs extracted and analysed by the IEU DataLab.

b. Relationship between country ownership and paradigm shift investment criteria

47. **To what extent are paradigm shift potential and country ownership related?** Paradigm shift potential is one of the six key GCF investment criteria, alongside country ownership, and is assessed on the "degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment." A key consideration for the Fund is how to weigh or balance the relative importance of country ownership and paradigm shift as investment criteria when there are potential trade-offs between achieving the two objectives.

48. **Indeed, there is a potential for trade-offs in the current set of GCF principles, and it is unclear how the GCF deals with these.** How country ownership sits relative to its other principles and objectives has not been fully articulated. In the foundational and strategic documents of the GCF, country ownership plays an important role in supporting the achievement of the overall objective of the Fund, as stated in the Governing Instrument to "promote the paradigm shift towards low emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change." The ISP also highlighted the importance of "ensuring full country

ownership" for achieving paradigm shift. However, while making decisions, it is unclear how the GCF makes choices between these principles. So, for example, what if an investment is innovative and potentially paradigm shifting but has only partial support by stakeholders in country, or vice versa? **Currently, the GCF does not have a way to determine these priorities and has not established a decision-making protocol**. This has led to a lack of transparency.

49. So far, **it has not been possible to systematically analyse how potential trade-offs are being addressed**, since projects that have made it to the Board have had consistently high ratings for country ownership. Nearly all projects rated as "high" or "medium-high" on paradigm shift have also been rated as "high" or "medium-high" on country ownership (96 per cent for iTAP; 90 per cent for the Secretariat).[32]

50. The **lack of common understanding around the concept of paradigm shift is a further challenge to clearly identifying how country ownership contributes to it**. The FPR found that FPs received by the GCF are ambiguous in their treatment of paradigm shift, largely because GCF guidance on paradigm shift is not sufficient. This lack of common definition for the objective of paradigm shift was underscored in in-country interviews conducted during the FPR and COA country studies. Given the limitation with the rating as well as the lack of tools to measure such trade-offs, it is difficult to make a final determination on the trade-off between the two investment criteria based on the portfolio-level data analysis. However, observations from case study countries may provide some insights.

51. **The country studies and stakeholder interviewees suggest mixed views on the relationship between country ownership and paradigm shift.** Stakeholders in multiple countries observe a potential tension between the two objectives, sharing the perception that a paradigm shift implies disruption, to which governments can be resistant. Tension can also be observed when it comes to adaptation in priority countries, where projects may be closely linked to fundamental development needs and more geophysically or socioculturally context specific, making scalability or replicability challenging. Adaptation projects visited by the COA team during evaluation missions to Fiji and Uganda offer examples of projects that are seen as strongly linked to national climate change and development priorities, but that are not as particularly innovative or transformational (see Box II-1).

[32] From a statistical perspective, the Spearman correlation coefficients between ratings for country ownership and paradigm shift potential in Secretariat and iTAP reviews are weak, likely due to the lack of variation in country ownership ratings as discussed above.

Box II-1. Country ownership and paradigm shift in Fiji and Uganda

In Fiji, the approved water infrastructure project is seen as strongly linked to the Government's development priorities and originating with the sector master plan, and is supported by significant government co-investment. However, the project is not seen necessarily as using innovative technologies or approaches. This project was one of the first approved by the GCF (FP008) and received a "low" rating for paradigm shift potential and "high" for country ownership from the Secretariat.

In Uganda, the wetlands restoration project is strongly country-supported, as evidenced by interviews and the existence of a Presidential initiative on wetlands, significant national government co-investment to restore priority wetlands, and subnational government in-kind co-investment. Yet, the GCF Secretariat rated the paradigm shift potential as low, a rating that was further supported by the evaluation team's field visit to one of the project sites. The project design is partly based on a scaling-up of a GEF biodiversity focal area project that implemented wetlands restoration and alternative livelihoods on a smaller pilot scale. In focus groups with the community and project team, systemic challenges were already identified in terms of the value chain (e.g. storage issues for the increased volume of production, and connecting to markets to support the envisioned volume of vegetable harvest) that could limit the project's sustainability and potential for scaling up.

Source: Country case studies

52. **Other stakeholders posit that country ownership is a prerequisite for paradigm shift, as such change cannot happen without the buy-in of country stakeholders.** More than three quarters of online survey respondents agreed that projects that are strongly country-owned are more likely to support paradigm shift. Agreement was generally strongest among recipient country-level stakeholders, such as NDAs/focal points, executing entities, and CSOs and PSOs. In the 12 countries visited for the FPR, paradigm shift potential was found to be dependent on the long-term sustainability of projects and changes to the policy environment (systems and behaviour change), both of which could be supported by strong country ownership. Indeed, the guidelines for enhanced country ownership recognize that "evidence of country ownership could include commitments to improve the sustainability of actions once GCF funding is used."
53. **A further key message from in-country stakeholder interviews was that paradigm shift was a subjective and context-specific concept, and one that has generally not been integrated into the way that countries are thinking about climate change and development.** Importantly for country ownership, stakeholders in multiple countries felt that there were differences in interpretation in terms of what actions might be seen as transformational by country stakeholders, and what might be perceived as **transformational at the international level.** This tension also plays out during the funding proposal review process; several interviewees pointed to feedback from the GCF Secretariat or iTAP that created a pressure point for country ownership (e.g. recommending a more innovative approach or technology that may be at odds with what national stakeholders were considering).
54. The political economy intersection of climate finance and country ownership was also raised in in-country interviews. For instance, interviewees in the Pacific region shared the opinion that because of the urgency of climate change, especially in the SIDS, countries may wish to pursue their priorities and access resources more quickly, rather than take the additional time and preparation resources that may be required to develop more paradigm-shifting projects. This represents a tension between country needs, country ownership and paradigm shift.
55. While there seems to be some tension between a paradigm shift and country ownership, the **evidence is inconclusive so far in the GCF.** It is, however, important to note that the absence of evidence does not mean the evidence of absence. Ambiguity in the understanding of these terms, combined with a relatively and consistently high assessment of the country ownership of FPs, limits

the extent to which the relationship can be currently assessed. However, the qualitative evidence points to several areas of potential tension that may need to be carefully watched and considered.

3. Capacity of the GCF to support country ownership

56. A basic tenet of the international development effectiveness and climate change agenda is that country ownership is accountability – a two-way partnership between contributors and recipients. As discussed previously in Chapter I.B, a related dimension of country ownership – as pointed to by the UNFCCC and Paris Agreement, shared principles of climate finance, and the Paris, Accra and Busan Principles on country ownership in development cooperation – involves the predictability, timeliness, and sufficiency of funding provided to developing countries to address climate change, mutual accountability and transparency in terms of sharing results, and capacity-building to support country ownership.
57. Thus, any evaluation of the GCF COA must look at the performance of the GCF in terms of meeting its own responsibilities to contribute to creating an enabling environment for recipient countries to assume ownership of their GCF portfolios. As addressed below, these responsibilities include predictability, transparency and timeliness, and the role and capacity of the GCF to support readiness and preparation for country ownership.

a. Predictability, transparency and timeliness

58. **Overall, the GCF and its processes are perceived as insufficiently predictable, transparent and timely to support country ownership.** The FPR found that the implementation of the GCF business model is not sufficiently predictable or transparent, and that project proponents, in particular, do not have a clear and predictable path to follow to successfully receive GCF funding.[33] The FPR also found that the lack of differentiation for country capacities in the accreditation process has contributed to delays and perceptions of unpredictability.
59. **The significant time that it takes for AEs to receive their first GCF dollar impinges on countries' abilities to reliably plan. In this regard, the GCF is not serving countries well.** AEs take between 600 and 1,600 days (four years) to receive their first GCF dollar. This high variation underscores the highly unpredictable nature of accessing GCF resources. To inform this analysis, the IEU DataLab looked at the combined time it takes to go through both the accreditation process and the project approval process. For the 48 FPs that have received disbursement as of 8 July 2019, the combined accreditation and project approval process – from the time the AE receives its access to the GCF online accreditation system to the date the project's first disbursement becomes effective – on average takes 1,256 days.
60. Figure II-4 shows that IAEs and DAEs take a similar time to access their first GCF dollar. However, AMA execution, funding proposal approval and FAA execution took significantly longer for IAEs and their projects. In addition, disbursed projects brought by a private entity seem to take less time overall, including significantly shorter times for funding proposal approval, FAA execution and AMA execution.

[33] Independent Evaluation Unit (2019). *Forward-Looking Performance Review of the Green Climate Fund (FPR)*. Evaluation Report No. 3, Green Climate Fund, Songdo, South Korea.

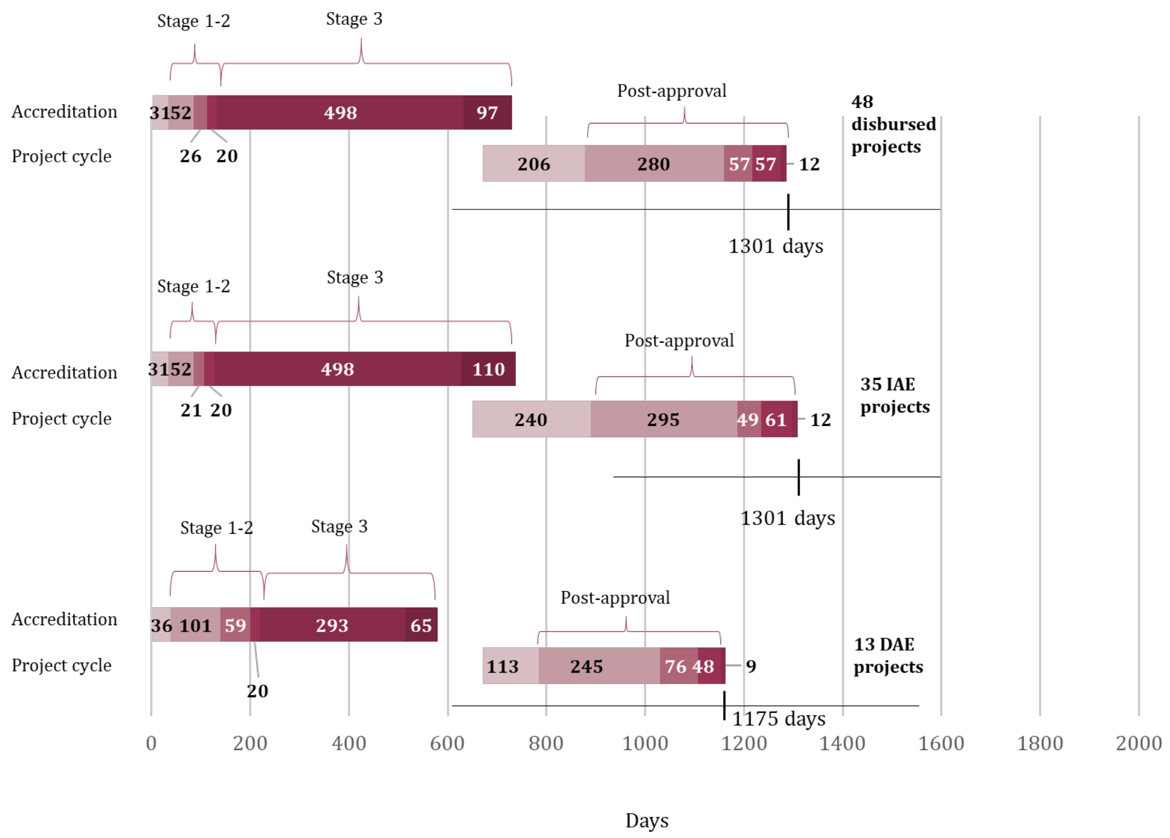

Figure II-4. Accessing the first GCF dollar

Notes: All numbers represent median values. The time it takes to access the first GCF dollar was calculated for the 48 FPs that have received their first effective disbursement as of 8 July 2019. For FP026, out of the two AEs for the project, only that with an effective AMA was considered for this calculation. The stages visualized for the accreditation process, starting from the moment the OAS account was received, are as follows: application submitted, stage 1 closed, stage 2 closed, Board accreditation, AMA executed, AMA effective. The stages visualized for the project cycle, from funding proposal submission, are as follows: funding proposal approved, FAA executed, FAA effective, disbursement requested, disbursement effective. The lines below the project cycles represent the overall median access times for the accreditation and project cycles combined, with their combined minimum and maximum, ranging from 951 to 1,600 days for IAE projects, and 609 to 1,587 days for DAE projects.

Source: Data on the project cycle originates from iPMS, while data on the accreditation process is from relevant GCF Secretariat divisions. Data is gathered, cleaned, and analysed by the IEU DataLab.

61. **Observations from country case studies further confirmed the insufficiency of GCF processes to meet the Fund's accountability for country ownership.** Almost 80 per cent of online survey respondents agreed that unpredictability and delays in GCF approvals and processes reduce country ownership. Similarly, only about 30 per cent of respondents of the in-country survey agreed that GCF funding allocations are predictable, and about half of respondents strongly disagreed or disagreed that the GCF project selection process is transparent (see Annex 4). These perceptions are relatively consistent across government, nominated or accredited entities, and delivery partners, with civil society and private sector organizations holding slightly less favourable views. In interviews, country stakeholders raised concerns about the ongoing replenishment process and its potential impact on the availability of GCF resources, further highlighting the implications of unpredictable resource flows.

62. **A lack of predictability, transparency and timeliness is also seen by country stakeholders as a particular challenge for making informed, country-led decisions on how to engage with the**

GCF, including around CP development and direct access. For more discussion, see Chapter IV (on CPs) and Chapter VI (on direct access nomination decisions).

63. To date, attempts to improve the efficiency of processes have not been very successful. The SAP was designed to facilitate the funding proposal approval process for smaller, lower-risk projects in SIDS, LDCs and African countries. However, in four of the seven cases in which it has been employed, the approval process has not been any faster than for the average regular funding proposal (Figure II-5). Interviewees also shared some concerns that the SAP should be a dedicated channel for DAEs and low-capacity environments (e.g. SIDS).

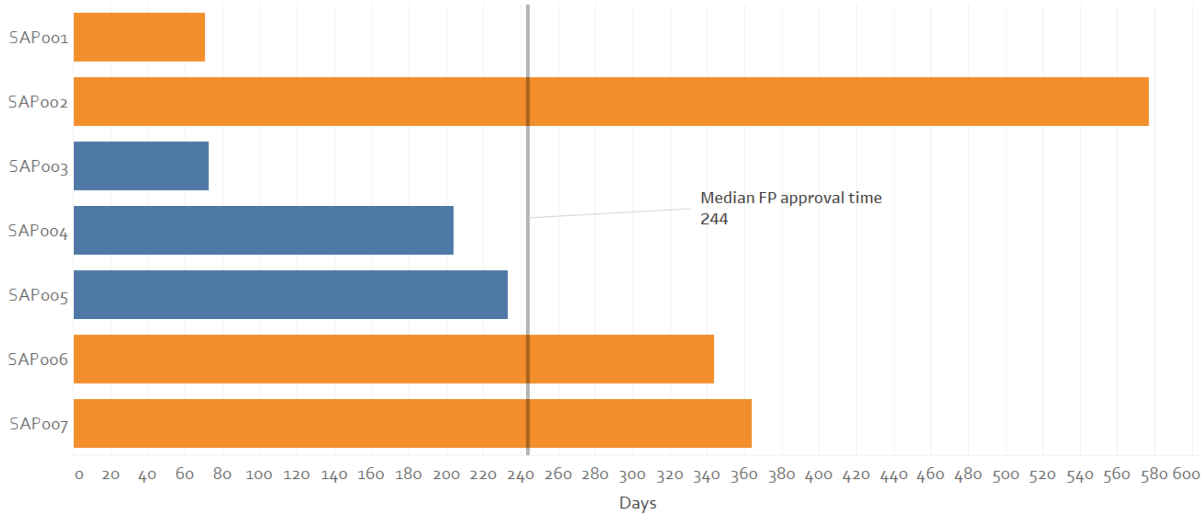

Figure II-5. Project submission to approval duration for seven approved SAPs

Source: Data from iPMS, as of 8 July 2019, analysed by the IEU DataLab.

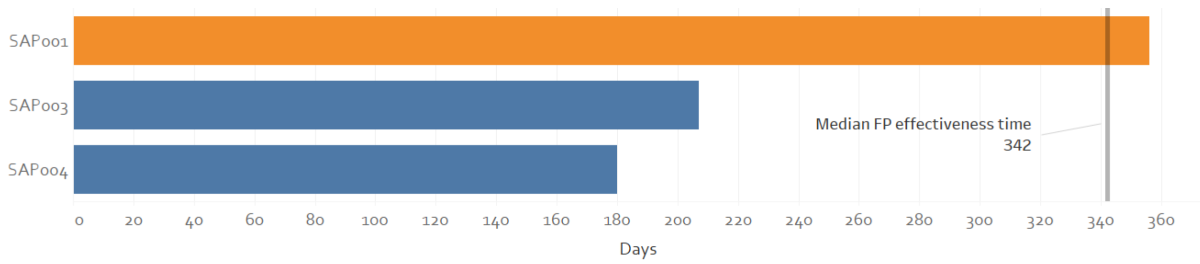

Figure II-6. Project approval to FAA effectiveness for three effective SAPs

Source: Data from iPMS, as of 8 July 2019, analysed by the IEU DataLab.

b. GCF role and capacity to support country ownership

64. The GCF supports country ownership through the RPSP, including events such as SDs, global programming conferences and workshops for DAEs and NDAs, as well as through direct support or advice from the GCF Secretariat and regional advisers. Other processes to support recipient country ease of access in the project cycle, including the PPF and enhanced direct access (EDA), are addressed in Chapter V.

i. Readiness and Preparatory Support Programme

65. The GCF rightly anticipated that readiness and preparation support would be critical to help countries to assume ownership of their engagement with the GCF. The RPSP has provided substantial support to GCF-eligible countries to date, with USD 161.95 million in approved country

grants (Table II-8.), and at B.22, the Board approved a new strategy for RPSP, along with USD 122.5 million in continued funding for 2019 to 2021.

Table II-8. Number and value of approved RPSP grants to countries, by year of first submission

Year submitted	Number of countries receiving grants	Number of grants	Requested amount (USD millions)	Approved amount (USD millions)	Disbursed amounts (USD millions)	Disbursed amount (per cent)
2014	2	2	0.4	0.5	0.4	80
2015	35	38	10.3	10.4	6.6	63
2016	45	47	25.2	24.8	12.4	50
2017	81	114	101.7	100.4	31.6	31
2018	32	37	19.4	18.8	4.8	26
2019	1	1	0.04	0.04	NA	NA
N/A*	19	22	1.7	1.7	0.9	53
Total	126**	261	158.5	156.6	56.7	36

Notes: RPSP grants for workshop / structured dialogues are excluded from this table. Disbursement percentages (last column) are shown as a percentage of "Approved amounts" in the fifth column.
*For some RPSP grants, there was no submission date available (N/A) in the Fluxx system.
**One country could receive grants in more than one year.

Source: Data on RPSP grants from Fluxx, disbursement information from the relevant GCF Secretariat divisions. Data as of 8 July 2019, gathered and analysed by the IEU DataLab.

66. **The RPSP has also clearly prioritized African States, SIDS and LDCs, although disbursement has lagged**. Figure II-7 shows that the RPSP has more than achieved the target established by the Board (at B.08 in October 2014) of having "at least 50 per cent of readiness support allocated to particularly vulnerable countries, including SIDS, LDCs and African states." The approved and disbursed amounts to SIDS, LDCs and African States combined represent nearly two thirds of the total grant amounts.

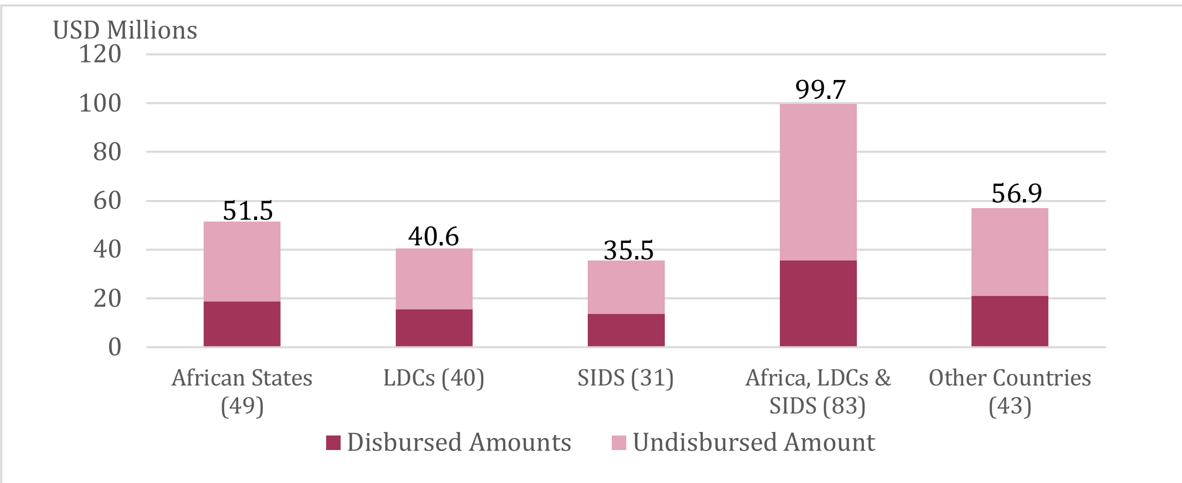

Figure II-7. Approved amounts of RPSP grants, by country classification

Notes: The figure covers 261 RPSP grants across 126 countries. RPSP grants for workshops / structured dialogues are excluded from this figure. The numbers at the top of each column are the total amounts of the approved grants in each category in USD millions. The numbers in parentheses at the bottom are the number of countries in each category that have received grant approvals. African States, LDCs and SIDS are not mutually exclusive categories. Their aggregate is represented by the combined bar.

Source: Data on RPSP grants from Fluxx, disbursement information from relevant GCF Secretariat divisions. Data as of 8 July 2019, gathered and analysed by the IEU DataLab.

67. Grants in SIDS, African States and LDCs have also frequently received support from up to five projects. The depth of support, with the greatest number of RPSP projects, is found in SIDS and LDCs. The new RPSP strategy reiterates the emphasis on providing support to countries with the least capacity, including LDCs and DAEs. However, IEU DataLab attempts to analyse resource allocations made to these suboutcome-related activities were not successful; instead Table II-9 shows the following number of countries at a maximum that are provided outcome-related resources for RPSP activities.

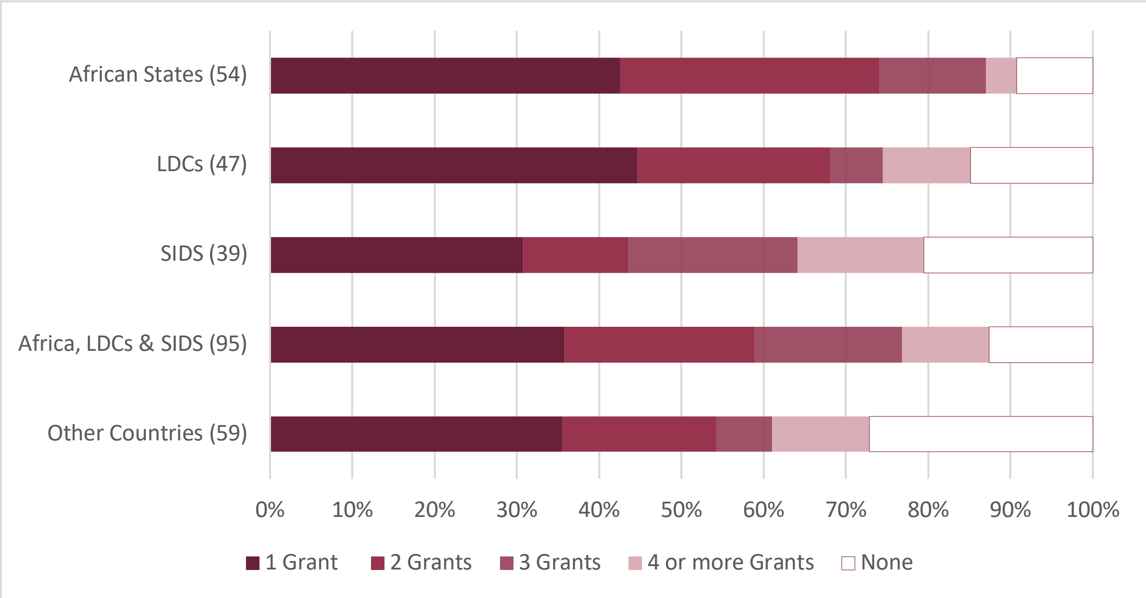

Figure II-8. Shares of eligible countries receiving RPSP grants, by country type

Notes: The figure covers 261 approved RPSP grants in 126 countries, up to 8 July 2019. The numbers in parentheses are the number of eligible countries in each category. The figure does not include grants for workshops / structured dialogues.

Source: Data on RPSP grants from Fluxx, as of 8 July 2019, gathered and analysed by the IEU DataLab.

Table II-9. RPSP grants by outcomes

Outcomes*	Number of countries	Requested amounts (millions USD)**	Approved amounts (millions USD)**	Disbursed amounts (millions USD)**
Country capacity strengthened	115	62.76	61.03	33.58
Stakeholders engaged in consultative processes	117	68.82	66.83	35.66
Direct access realized	80	43.55	42.29	23.37
Access to finance	101	61.06	59.45	33.42
Private sector mobilization	94	49.31	47.49	27.24
Total	124***	81.19	79.29	42.35

Notes: The table covers 232 approved RPSP grants for 124 countries, and disbursements up to 8 July 2019. RPSP grants supporting NAPs and RPSP grants for workshops / structured dialogues are not included.
*These five outcomes are not mutually exclusive.
**The financial amounts for each outcome cannot be disaggregated since the budgeting is not based on outcomes.
***The total number of countries in this table differs from the total number of countries in Table II-10: RPSP grants by country classification and by region, since these outcomes are not applicable to RPSP grants supporting NAPs.

Source: Data on RPSP grants from Fluxx, disbursement information from relevant Secretariat divisions. Data as of 8 July 2019, gathered and analysed by the IEU DataLab.

Table II-10. RPSP grants by country classification and by region

Country classification	Number of countries receiving grants	Requested amounts (millions USD)	Approved amounts (millions USD)	Disbursed amounts (millions USD)
African States	49	52.51	51.48	18.77
LDCs	40	41.95	40.61	15.69
SIDS	31	35.64	35.50	13.76
African States, LDCs & SIDS	83	101.40	99.70	35.69
Other countries	43	57.18	56.91	20.99
Total	126	158.58	156.61	56.69

Notes: The table covers 261 approved RPSP grants for 126 countries, and disbursements up to 8 July 2019. RPSP grants for workshops are not included.
Rows on "African States", "LDCs" and "SIDS" have countries that are included in more than one category. The row "African States, LDCs & SIDS" does not.

Source: Data on RPSP grants from Fluxx, disbursement information from relevant GCF Secretariat divisions. Data as of 8 July 2019, gathered and analysed by the IEU DataLab.

68. The full list of expected outputs and outcomes of RPSP are shown in Table II-11. More than half of RPSP grants have focused on two areas that are seen as the building blocks of the GCF COA: the role and capacity of the NDA/focal point and CPs Table II-12). A third building block – selecting and accrediting DAEs – has been the focus of fewer than a third of the grants. Fewer grants have

also focused on pipelines and information-sharing. The new RPSP strategy puts increasing emphasis on these areas. Chapter IV addresses the sufficiency of this support for country ownership, from the perspective of the recipient countries and its expected outcomes.

Table II-11. Potential expected outputs of RPSP funding, including outputs relevant to CP preparation and stakeholder engagement

OUTCOMES	EXPECTED OUTPUT AREAS OF RPSP GRANTS
Country capacity strengthened	1. Effective coordination mechanism
	2. No-objection procedure
	3. Bilateral agreements on privileges and immunities
	4. Monitoring, oversight and streamline of climate finance flows
Stakeholders engaged	5. Stakeholders engaged in consultative processes
	6. CPs, including adaptation priorities developed
	7. Gender consideration
	8. Annual participatory review
Direct access realized	9. Direct access entities nomination
	10. Accreditation of direct access entities
	11. Direct access entity's annual work programme
	12. Enhanced direct access
Access to finance	13. Structured dialogue
	14. Country programme/concept note development, including on adaptation
	15. Project preparation support, including for adaptation projects/projects programmes
	16. Funding proposal development, including for adaptation projects/programmes
Private sector mobilization	17. Private sector engagement
	18. Crowding-in private sector investments
	19. FPs developed by the private sector, including adaptation projects/programmes
	20. Private sector engagement in the GCF Private Sector Facility (PSF) call for proposal

Notes: These expected outputs are not applicable to RPSP grants supporting National Adaptation Planning.
Source: GCF Guidebook: Accessing the GCF Readiness and Preparatory Support Programme. 25 September 2017.

Table II-12. RPSP type of support

RPSP TYPE	NUMBER OF RPSP GRANTS APPROVED	NUMBER OF COUNTRIES WITH APPROVED RPSP GRANTS
NDA/focal point strengthening	123	110
Strategic framework	49	35
Support for direct access entities	60	44
Formulation of NAPs	29	29
Workshops, events and structured dialogues	29	N/A
Total	290	126*

Notes: The five RPSP grant types are based on the GCF Secretariat's internal categorisation, following the 2017 RPSP Guidebook.
*Total number of countries is not an aggregate of the value for individual grant types, as one country can receive more than one type of RPSP support.

Source: Data on RPSP grants from Fluxx, as of 8 July 2019, gathered and analysed by the IEU DataLab.

ii. Secretariat approach and structure for supporting country ownership

69. Overall, a key message from countries was that **clear and consistent information is a prerequisite for countries to assume ownership of their engagement with the GCF**. Lack of knowledge of GCF policies, processes and investment priorities has inhibited countries in their ability to lead the development of their GCF portfolios, though this has been improving over time. **Lack of sufficient guidance from the GCF Secretariat is cited as a major bottleneck**. For example, delivery partners acknowledged that they were sometimes unclear on the purposes of the CPs, and that they established their own internal guidelines in the absence of guidance from the Secretariat. The NDAs/focal points are also in need of substantial capacity support, technical assistance and strategic advice on a range of decisions related to their engagement with the GCF, as is discussed at more length in Chapter V.

70. The roles of regional advisers and the country development specialists (CDS) in the GCF Secretariat's Division of Country Programming (DCP) have been helpful for conveying GCF information to the countries and for helping countries identify the right contacts within the Secretariat. Still, channels of communication to obtain information were not always clear – with multiple GCF divisions responsible for contact with countries, including principally DCP and the Division of Mitigation and Adaptation (DMA) – and thus contact with the GCF Secretariat was seen as fragmented and based on personal relationships. Attendance at SDs and other events was seen as useful for building those relationships, especially in the early days of the GCF.

71. In particular, the **regional advisers have been much appreciated** in some countries, as local counterparts who understand well the specific contexts and constraints under which countries are operating. Regional advisers have also been seen to have faster response times compared to the Secretariat. The regional adviser role has been especially important given that the CDS cover many countries and have a limited travel budget. At this time, however, the regional advisers' contracts may not be planned to be renewed, as the Secretariat undergoes restructuring and countries' needs evolve from more general information on the GCF to more specific thematic-focus technical advice. In DCP, the number of CDS responsible for the regional desks will be increasing, and they will be further supported by both headquarters-based and remote consultants.

72. Meanwhile, the Secretariat has recently piloted having a CDS based in Grenada for support to the Latin America and Caribbean region. The experience with this approach has been mixed; it has reportedly worked well for regional technical support, but faced significant operational challenges related to working and moving around the region. As noted in the FPR, having regional offices can have unintended consequences (e.g. coordination, communication, infrastructure costs, legal and so on) that the Secretariat would be well advised to explore before venturing further. Other organizations offer valuable experience in decentralization processes. At the same time, it is clear that countries need access to GCF representatives who have detailed knowledge of both the GCF and national and regional circumstances. Several NDAs/focal points voiced their desire for a more active presence of the GCF in-country.

73. The Secretariat is also increasingly moving into the role of gatekeeper and provider of technical assistance for project development, as the GCF enters its first replenishment and demand for projects starts to exceed the supply of GCF resources. Such a role may put into the foreground the potential tensions between country ownership and other key objectives of the Fund, including paradigm shift and impact (as discussed in Chapter V).

74. Along these lines, several stakeholders raised the issue of the delicate balance in the role of the GCF global support network (including Secretariat, regional advisers and RPSP delivery partners) in terms of providing strategic advice that could impede country ownership – including advice related to DAE nominations, AE and project matching, and technical solutions during project development. While some stakeholders pointed to the potential value of such advice to advance other GCF objectives such as paradigm shift and innovation, others saw the potential impingement on a country-owned portfolio and pipeline. As an example of this emerging tension, several stakeholders mentioned input received from the Secretariat regarding which AE should lead a regional project in the Pacific SIDS; they felt that it was inconsistent with the regional relationships and historical roles of regional institutions in the Council of Regional Organizations in the Pacific (CROP) family. This experience illustrated another point raised by interviewees, which is the critical importance of regional and country-specific contextual knowledge in the GCF Secretariat, if it ventures into such technical assistance.

D. KEY FINDINGS AND RECOMMENDATIONS

1. KEY FINDINGS

How is country ownership defined and understood in the GCF?

75. The GCF has not defined country ownership for the Fund and has opted to use a flexible approach focused on the NDA/focal point, multi-stakeholder engagement, CPs and direct access. GCF stakeholders most commonly identify these three attributes of country ownership: (1) alignment with national policies and priorities; (2) meaningful engagement with non-state actors; and (3) having a greater say in the use of climate finance, including through national identification of project concepts and direct access. Civil society and private sector organizations, in particular, emphasize that country ownership is not synonymous with government ownership; some stakeholders focus on the use of country systems and the need to extend engagement to subnational levels.

Is the GCF policy framework sufficient to support country ownership?

76. Country ownership has been widely considered in the policies of the GCF, but those policies are only partially sufficient for this purpose. GCF policies on stakeholder engagement are particularly deficient to support a definition of country ownership that extends beyond the national government.

The role of the NDA/focal point has also not been sufficiently articulated for the project implementation phase, and the Information Disclosure Policy is not clear on whether APRs will be publicly disclosed, to allow broader country stakeholders to monitor progress towards results. A significant challenge has also been in the translation of GCF policies into practical guidance to facilitate effective engagement and implementation.

How well does country ownership work as an investment criterion, including in relation to other GCF objectives, notably paradigm shift?

77. **Country ownership is not serving as a useful investment criterion as currently formulated and applied.** The scores assigned to this criterion by the GCF Secretariat and iTAP lack variability, obviating the criterion's usefulness to inform investment decision-making or prioritization in the GCF. The subcriterion on stakeholder consultation is also not serving as a useful screening tool for ensuring robust and meaningful engagement, given the significant variation in the extent of stakeholder consultation reported and the frequency of concerns raised by CSO observers.
78. Country ownership is clearly important among the many GCF principles and priorities, but having to respond to all of these principles and priorities creates tensions and conflicts in the Fund. How country ownership sits relative to other GCF principles and objectives has not been fully articulated. The lack of common understanding around the concept of paradigm shift is a further challenge to clearly identifying how country ownership interacts with it.

How has the GCF performed in its accountability to create an environment that enables recipient countries to assume ownership of their engagement with the GCF?

79. **The GCF has not fully met its own responsibilities for countries.** A lack of predictability, transparency and efficiency on the part of the GCF has hindered countries' abilities to make informed, country-led decisions about how to engage with the GCF. At the same time, the GCF rightly anticipated the importance of readiness and preparatory support, and has provided substantial support to GCF-eligible countries, with priority given to African States, SIDS and LDCs.
80. CDs in the GCF Secretariat and regional advisers have been important conduits of information to countries – which is critical for countries to assume ownership of their GCF engagement. Still, country contact with the GCF Secretariat is seen as fragmented, inefficient and sometimes lacking sufficient country or regional depth of knowledge to support NDAs/focal points. The GCF Secretariat is also increasingly providing technical support for project development, which may bring into strong relief the potential tensions between country ownership and other key objectives of the Fund such as paradigm shift and impact, as well as the depth of the Secretariat's country and regional expertise.

2. KEY RECOMMENDATIONS

81. The evaluation recommends the following:
    - The GCF should develop a normative standard for country ownership, recalling its ambition to set a new standard among other climate and development organizations. In this context, the GCF should consider its business model and overall objectives (including paradigm shift) in relation to country ownership, addressing tensions and potential trade-offs.
    - The GCF should revise its guidance on stakeholder engagement, to highlight the role that stakeholders play in the context of climate change. GCF guidance should reformulate/strengthen definitions and principles of engagement, especially as they relate to engagement with stakeholders within countries. The GCF should recognize the special space

for engaging the minority, the disenfranchised and the vulnerable – especially because they are most affected by climate change – and set new standards in this space.

- Country ownership should not be an investment criterion; it should be a minimum standard (eligibility) rather than a prioritization tool. Entity-wide stakeholder engagement plans should be public, and accredited entities should be asked to demonstrate their ability and proactive engagement with respect to building in-country coalitions of diverse groups that are supportive of GCF investments.
- The GCF should directly address the tensions among its principles and priorities, to create transparency. This could involve, for instance, defining paradigm shift at the portfolio, rather than individual investment, level.
- The GCF should be proactive about creating a predictable and timely environment for countries to engage with, offering some planning certainty around available resources or number of projects in a replenishment cycle. It should also focus on increasing the efficiency of its project cycle and accreditation process.
- The GCF Secretariat should review its internal and country support structure, organizing itself on the principle and with the incentive of providing the best solutions and support to countries. Within the GCF Secretariat, it should be clear which division holds primary responsibility for supporting countries in assuming ownership of their engagement with the GCF. What is clear is that countries need access to GCF representatives who have detailed knowledge of both the GCF and national and regional circumstances, and who can provide technical assistance to countries.

Chapter III. WHAT CAN THE GCF LEARN FROM OTHER GLOBAL FUNDS ON COUNTRY OWNERSHIP?

KEY FINDINGS

- All of the global institutions reviewed have a mandate related to country ownership, but none have defined the term. Some global institutions have invoked "country ownership" to explain or justify their business models or decisions, without trying to ensure that the countries themselves have a shared or a common understanding of what this means.
- Most global funds reviewed have relied on a national government entity (such as a focal point) to help ensure country ownership.
- Country coordination mechanisms (CCMs) have performed best when the CCM is adequately staffed and equipped and when transparency and accountability measures are in place. The Global Fund and the MLF have provided ongoing resources directly to CCMs to support personnel and operational costs, with strong results. The Global Fund is also piloting a differentiated approach to supporting its CCMs that recognizes different country circumstances and that may offer future lessons for the GCF.
- In the Global Fund, the transition to "minimum standards" has helped support stakeholder representation in their CCMs, notably civil society and vulnerable and marginalized populations. Minimum standards have also promoted greater accountability of the CCMs to the Fund, as CCMs must provide evidence of transparent and documented processes, including for stakeholder engagement. This experience is particularly relevant for the GCF, whose Governing Instrument states that the "Board will develop mechanisms to promote the input and participation of stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and indigenous peoples."
- The GCF is the only fund among those reviewed that uses country ownership as an investment criterion. Other funds address similar subcriteria to the GCF in their project proposal templates, such as alignment with national policies, stakeholder engagement and institutional capacity, but not as investment criteria.
- Country programmes have been pursued by other funds with the express purpose of strengthening country ownership; MDBs and UNDG entities also undertake multi-year country programmes. Country programmes serve as an important tool for initiating dialogue with senior government officials and promoting coordination among relevant stakeholders.
- The country programme experiences of the GEF and CIF offer some cautionary lessons for the GCF. Many project concepts that were ideated by country stakeholders through the GEF's National Portfolio Formulation Exercise were ultimately found to be ineligible for funding, especially in low-capacity countries. Inadequate guidance from the GEF Secretariat was a strong contributing factor to this outcome. In the CIF, many private sector project ideas that were originated in-country for the Private Sector Set-Aside were found to be insufficiently innovative and difficult to match with the interests of implementing entities.
- Both the Adaptation Fund and the GCF have described direct access as integral to a country-driven approach.
- Accreditation efficiency has been faster in the Adaptation Fund, but it also processes fewer applications than the GCF. The Global Fund uses activity-level accreditation, using "local fund agents" and has undergone significant reforms to improve this system. In the GEF, expanding the Partnership to additional project agencies has offered modest gains in terms of enhancing country ownership but has raised new challenges in terms of increased competition for resources, a situation which has benefited UNDP at the expense of MDBs.

A. Introduction

1. This chapter answers the following question: what can the GCF learn from the country ownership approaches and experiences of other global funds? The global evidence presented in this chapter informs the findings and recommendations of other chapters.
2. **The evaluation team first conducted a meta-analysis of the country ownership approaches of other multilateral funds** to compare and benchmark the GCF approach. The funds reviewed were the Global Environment Facility (GEF), Adaptation Fund, Climate Investment Funds (CIF), Multilateral Fund (MLF) of the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Global Fund to Fight Malaria, Tuberculosis, and AIDS (Global Fund). We also include a meta-analysis of independent evaluations of country ownership by multilateral funds as well as other GCF IAEs that examine, for example, the efficacy of government focal points and country coordination mechanisms (CCMs) and CPs.

B. Overview of country ownership approaches

3. **All global institutions reviewed have a mandate related to country ownership in their foundational documents or instruments, but none have defined the term** (Table III-1). The GEF Instrument and the UNFCCC decisions that founded the Adaptation Fund focus on funding country-driven projects, based on responding to country needs and priorities. In the CIF's Strategic Climate Fund programmes, the emphasis has been on "country-led" investment plans, reflecting their phased approach of first preparing an investment "plan" before projects. The Global Fund's Framework Document states that "The Global Fund will base its work on programs that reflect national ownership and respect country-led formulation and implementation processes."

Table III-1. Summary of global institutions and country ownership mandate, policy, and evaluations

Global institutions	Mandate related to country ownership?	Policy on country ownership?	Evaluations relevant to country ownership
GEF	✓	No	Yes; including evaluations of country ownership (GEF, 2013a); civil society organizations engagement (GEF, 2013b); the National Portfolio Formulation Exercise (GEF, 2013c); the GEF Partnership and Governance Structure (GEF, 2018) and the System for Transparent Allocation of Resources (GEF, 2018).
Adaptation Fund	✓	No	Yes; including overall evaluations of the fund (TANGO International, 2015; TANGO International, 2018; UNFCCC, 2017).
CIF	✓	No	Yes; including the midterm evaluation of the CIF (ICF, 2014); Evaluation of the CIF's programmatic approach (ICF, 2018).
MLF	✓	No	Yes; including overall programme evaluations by the World Bank OED, 2004; World Bank, 2007; UNEP, 2012.
Global Fund	✓	No**	Yes, including a five-year evaluation (Global Fund, 2009); Evaluation of fiduciary controls and oversight mechanisms (Global Fund, 2011); and Strategic review (Global Fund, 2017).

Notes: ✓ means "yes"

**However, the Global Fund has a specific policy governing the country coordination mechanisms (CCMs), which are the main vehicle in the Global Fund for ensuring country ownership.

4. **Many elements of the GCF model for country ownership (e.g. NDAs/focal points, CPs, stakeholder engagement) are similar to other funds reviewed (as shown in Table III-2), although there are important differences in the ways these elements have been operationalized.**
5. Sections in this chapter benchmark specific approaches and discuss lessons from each comparator institution on these key elements, including those on (1) the role of the country coordination unit or focal points; (2) country ownership as an investment criterion / instrument for making allocation decisions (including to support policy alignment and multi-stakeholder engagement); (3) country programmes; and (4) accreditation and direct access.

Table III-2. Key elements of the model for country ownership in the GCF and comparator funds

Key elements of the model for country ownership	GCF	Adaptation Fund	CIF	GEF	Global Fund	MLF
National government focal point / designated authority / country coordination mechanism	✓	✓	✓	✓	✓	✓
Alignment with national priorities / plans	✓	✓	✓	✓	✓	✓
Multi-stakeholder engagement	✓	--	✓	✓	✓	✓
Direct access	✓	✓	--	--	✓*	--
Country programmes	✓	--	✓	✓	--	✓
Country support / readiness programme	✓	✓**	✓	✓	✓	✓

Notes: ✓ means "yes"; -- means "no"; For all funds including the GCF, "yes" indicates an element identified by policy or guidance documents, not necessarily an element that is carried out in practice.
*Grant-specific accreditation; no limits on types of entities that can access Global Fund.
**Adaptation Fund has an entity-focused readiness program.

C. Role of the country coordination mechanism / focal point

1. Benchmarking

6. **All global funds reviewed use a national government focal point or CCM as the entry point for promoting and ensuring country ownership.** Table III-3 systematically compares the roles and responsibilities of the focal point / CCM in each global institution reviewed. We discuss these here. While many of the funds expect similar functions from their focal points / CCMs, these are operationalized to some extent in different ways. In addition, all funds provide capacity-building support for focal points / CCMs, with the exception of the Adaptation Fund, although the nature of that support differs. For example, the GEF and CIF provide more activity-based support, whereas the Global Fund and MLF provide direct support for personnel and operations costs.

- In the **GEF**, operational focal points[34] are the main point of contact in the country government for the GEF Secretariat, project agencies and country stakeholders. The operational focal point is responsible for the Letter of Endorsement that confirms that a project is consistent with national priorities and has been discussed with relevant stakeholders. The operational focal point's role has evolved and expanded over the years to include a role in monitoring and evaluation, convening and leading a National Steering Committee for GEF-related work, convening national dialogues and participating in expanded constituency workshops. Operational focal points can receive support under the GEF Country Support Programme through participation in dialogues, workshops, meetings and other events.
- In the **Adaptation Fund**, the designated authorities (DA) represent the government during engagement and discussions with the Adaptation Fund Board and Secretariat. They are primarily responsible for endorsing accreditation applications for national, regional or subregional implementing entities and endorsing projects and programmes. DAs do not have a specified role during project implementation. Limited support is provided directly to DAs from the Adaptation Fund, since the Adaptation Fund's Readiness Programme for Climate Finance focuses on support to implementing entities.
- In the **CIF**, country focal points are responsible for providing leadership in several areas including (1) the development of the country investment plan; (2) leading a cross-sectoral mechanism to coordinate the CIF programme; (3) liaising with the MDBs on project preparation and implementation; (4) communicating with the relevant stakeholder community; (5) organizing multi-stakeholder meetings on progress implementing the investment plan; and (6) reporting on core national-level indicators. In the two CIF energy sector programmes (the Clean Technology Fund [CTF] and Scaling Up Renewable Energy Program in Low Income Countries [SREP]), most countries are represented by focal points. In the CIF's forestry and resilience programmes, some participating countries' individual focal points are supported by broader CCMs that help carry out these responsibilities. Country focal points or coordination mechanisms receive support from a "lead" MDB for each country; MDBs can also request resources to support the country's focal points on specific activities (e.g. annual stakeholder meetings, monitoring and reporting) from the CIF multi-year country programming budget.
- In the **Global Fund**, multi-stakeholder CCMs play a central role in the Fund's architecture. They have five key functions: (1) coordinate the development and submission of funding requests; (2) nominate the principal recipient(s) and monitor their performance; (3) oversee implementation of the approved programmes, including the closure process; (4) endorse any programme revision requests; and (5) ensure linkages and consistencies between Global Fund financed programmes and other national health and development programmes. CCMs are also subject to a series of eligibility requirements. These include using transparent and documented processes that engage a broad range of stakeholders to solicit and review activities that are submitted for funding requests; submitting and following an oversight plan for all Global Fund approved financing that includes engagement of programme stakeholders and non-government constituencies; and showing evidence of membership of people that are affected by the relevant diseases, including those with increased risk, vulnerability or burden, with significantly lower access to services, and with frequent marginalization. All CCM members representing non-government constituencies must be selected by their own constituencies based on a documented, transparent process. Finally, all CCMs must adopt the Code of Ethical Behaviour

[34] All GEF member countries also have political focal points who are concerned primarily with issues related to GEF governance, including policies and decisions, and with relations between member countries and the GEF Council and Assembly.

and develop a Conflict of Interest Policy. CCMs can receive multi-year support from the Global Fund Secretariat (see Box III-1 for more details on eligible costs).

- The **MLF**'s National Ozone Units and Officers (NOUs) are the in-country focal points for national implementation of the Montreal Protocol. They are responsible for enforcing national legal frameworks, local monitoring and reporting, working with stakeholders and alternative technologies, coordinating implementation work, developing projects, managing the national strategy/programme; and raising national awareness. NOUs are established in every country and supported via institutional strengthening projects through the MLF, which is managed through a central programme implemented by UN Environment. Eligible categories of costs under the institutional strengthening programme include office equipment, personnel and operational costs. The level of funding depends on countries' level of ODS consumption, with a minimum level of annual funding of USD 30,000. To be eligible to receive funds, countries must have ODS legislation in place and appoint a full-time national ozone officer.

Table III-3. Summary of country coordination role

Global institution	Guidance or policy for NDA/focal points/ CCM?	Capacity building for NDA/focal points/ CCM?	Focal points/CCM Responsibilities					
			Accreditation endorsement	Project endorsement	Country coordination / programmes	Stakeholder consultation	Oversight during implementation / M&R	Meeting attendance / sharing learning
GCF	Guidance	✓	✓	✓	✓	✓	✓	✓
Adaptation Fund	--	--	✓	✓	--	--	--	--
CIF	Guidance	✓	N/A	✓	✓	✓	✓	✓
GEF	Guidance	✓	✓*	✓	✓	✓	✓	✓
Global Fund	Policy	✓	✓	✓	✓	✓	✓	--
MLF	Guidance	✓	N/A	✓	✓	✓	✓	✓

Notes: ✓ means "yes"; -- means "no"; N/A means the responsibility is not applicable for that fund. For all funds including the GCF, "yes" indicates a responsibility identified by policy or guidance documents, not necessarily a responsibility that is carried out in practice.
*Although the GEF does not have direct access, GEF OFP endorsement was required for new project agencies, including national and regional ones, which applied for GEF accreditation during the GEF Partnership expansion.

2. Key lessons

7. Key cross-cutting lessons on country coordination and focal point roles and responsibilities are as follows:

- **The global institutions reviewed have taken a range of approaches in terms of the prescriptiveness with which they approach their country focal point / CCMs.** On one end of the spectrum is the Global Fund, which has mandated eligibility requirements for its CCMs as well as minimum standards (as of 2015), and also imposes accountability measures for those requirements. Funding for Global Fund CCMs is linked to performance (see Box III-1 for details). The CIF and GEF have taken a similar approach to the GCF of a small number of required responsibilities for country focal points / CCMs, with an additional list of recommended best practices (such as multi-stakeholder engagement) and varying levels of technical and financial support for those best practices. The Adaptation Fund has taken a different approach, with no guidance or capacity-building to DAs on best practices for nomination or endorsement decisions, and no expectation of a role for the DA after project approval.

In the CIF, countries were encouraged to identify institutional structures to coordinate their programmes (i.e. to move beyond the focal point to also have a CCM), but lacking resources, capacity or accountability measures, such structures were not always set up or engaged as planned. Guidelines were also issued on the role of country focal points in coordinating the country programmes during implementation, but how these roles would be supported was not clear and accountability was limited – and thus such coordination was more limited.

- **In the dedicated climate funds (CIF, GEF and Adaptation Fund), and in the MLF, like in the GCF, the government determines where the NDA/focal point will be located in its government structure.** Multiple studies of the CIF have shown that anchoring the CCM in a central ministry is a supportive but not sufficient factor to promote effective strategic adaptation planning and climate mainstreaming, given the multi-sectoral nature of those activities. In the MLF, an independent evaluation found that national commitment (as demonstrated by high-level political attention to and prioritization of phaseout activities for ozone-depleting substances) played a more important role in creating enabling conditions for effective implementation than the attitudes and activities of international and bilateral actors – suggesting the importance of having empowered NOUs that can influence their governments.
- **A particularly effective approach of the MLF has been the continued support for institutional strengthening and capacity-building activities to NOUs.** Numerous evaluations of the MLF have pointed to the importance of these activities for the overall success of the Montreal Protocol. Some countries have received institutional strengthening support from the MLF for over two decades, which can support personnel, equipment and operational costs of the NOU, with the total amount received per country over that period ranging from about USD 300,000 to USD 4 million. Through the UN Environment Country Assistance Programme, NOUs receives regular training and re-training, in recognition of high rates of staff turnover in developing country governments. The programme also supports regional networks of NOUs and thematic workshops. National Ozone Officers are also supported to attend meetings of the Executive Committee of the MLF, which supports information exchange and capacity-building. One signal of success is that many former National Ozone Officers are now in the ranks of Executive Committee members, government representatives at meetings of the Parties to the Protocol, and regional network coordinators.

Box III-1. Country ownership and country coordination mechanisms in the Global Fund

As the governing body of the Global Fund Partnership at the country level, the CCM is responsible for submitting grant applications to the Global Fund, competitively procuring the principal recipient (PR) to implement each approved grant, and overseeing the implementation of the grants. CCMs typically have permanent secretariats supporting their work, as well as subcommittees such as the Oversight Subcommittee, which is responsible for overseeing the implementation of the grants.

Recognizing the important role of CCMs to Global Fund operations in each country, the Global Fund provides grants for a three-year period to cover the operational costs of CCMs, ranging from USD 15,000 to USD 200,000. The grant level is based on a number of factors including the cost of doing business in each country, the level of engagement and performance of the CCM, and support to the CCM from other in-country partners. Grants cover fixed costs (a maximum of two staff, plus other costs such as rent, computers and office supplies) and activity-based costs (e.g. annual general meetings, committee meetings, site visits for oversight, technical assistance for training, per diems for civil society to travel to attend meetings). If CCMs cannot provide proof of using these grants appropriately, then the money must be repaid to the Global Fund.

In its first decade, evaluations of the Global Fund found that (1) it had in some cases created parallel institutional structures through its CCMs, rather than embedding in existing institutions to promote country ownership, (2) country ownership was a founding principle without a shared and common perception about what the term meant in practice; and (3) that the constant reinforcement by the Global Fund Secretariat of the ideology of country ownership had bred a culture of passivity in grant management and deference to poor-performing CCMs. On the last point, it was found that many Global Fund Secretariat portfolio managers were reluctant to extend themselves proactively to anticipate or help solve problems, or broker the provision of technical assistance, for fear of crossing a line on country ownership.

Learning from the experience of its formative years, the Global Fund has made some significant changes for its CCMs. In particular, the Global Fund recognized that in its early days CCMs performed many of their functions in an ad hoc way, and that **the transition to more standardized, transparent processes helped CCMs perform better**. An **adequately staffed and equipped administrative secretariat for the CCM was also found to make a significant contribution to performance**. The Global Fund also recognized that **joint responsibility of government and non-governmental CCM members to manage resources raises issues of conflict of interest that must be addressed**. The added value of such partnerships is strengthening the voice of civil society and improving government performance by including civil society as "watchdogs" and motivators.

A new policy on CCMs sets out six eligibility criteria, and minimum standards also apply. Two eligibility criteria are assessed at the time of concept note submission: transparent and inclusive concept note development process, and open and transparent PR selection process – both of which must be documented. The last four eligibility criteria are monitored on an ongoing basis. Minimum standards specify that the CCMs share oversight results with the Global Fund Secretariat and in-country stakeholders quarterly, and that the CCMs have balanced representation of men and women and a minimum of 40 per cent representation from national civil society actors, among other requirements. The Global Fund's latest strategic review (2017) found that these minimum standards helped improve the representation of key affected populations and women on CCMs and have had a "positive effect on accountability, although with limitations."

The Global Fund has also launched *CCM Evolution*, a pilot to strengthen CCM performance. Working in a limited set of selected countries for 18 months, the project has activities in the areas of oversight, linkages, engagement and CCM functioning, and also **looks at differentiating the CCM model to adapt to very different country circumstances and CCM maturity levels**. Country and functional teams are working through a co-creation model to develop and implement key interventions and guidance for this pilot.

Source: Global Fund, 2009; Global Fund, 2011; Global Fund, 2017; Global Fund, 2018; Global Fund, nd.

D. Country ownership as an investment criteria

1. Benchmarking

8. Among the global climate funds reviewed, **the GCF is the only fund to explicitly include country ownership as an investment criterion**. However, other funds, such as the GEF and Adaptation Fund, do require that project proposals address similar topics to those covered in the GCF sub-criteria for country ownership, such as the extent of stakeholder consultation, consistency with national priorities, and institutional arrangements for implementation.

Table III-4. Benchmarking ownership as an investment criteria

Global Climate Fund	Is country ownership an investment / review criteria?	Topics covered by project templates or review criteria?		
		Alignment with national policies, strategies, and plans	Stakeholder engagement	Institutional arrangements for project execution
GCF	✓	✓	✓	✓
Adaptation Fund	--	✓	✓	✓
CIF**	--	✓	✓	✓
GEF	--	✓	✓	✓

Notes: ✓ means "yes"; -- means "no"
**The CIF relies on the project document formats of their MDBs, but alignment, stakeholder engagement, and institutional arrangements are typically covered.

2. Key lessons

9. **The GEF has recently reformed its approach to assessing stakeholder engagement**, including during project proposal review, following recommendations from several evaluations. One evaluation found a general lack of CSO engagement in the project design phase, despite an existing Policy for Public Involvement and good practice in project management. Although civil society was systematically "included", that engagement often stopped short of being meaningful for several reasons: (1) different understandings of the term "civil society"; (2) different interpretations of what is appropriate and relevant; and (3) existing mechanisms did not assure and track meaningful engagement in every project. Responses to the project template question on stakeholder engagement were found to be irregular and to obscure many CSO efforts. The new GEF Policy on Stakeholder Engagement introduced more specific, mandatory documentation requirements across the project cycle, including the requirement that a stakeholder engagement plan be presented by the time of project approval.

E. Country programmes

1. Benchmarking

10. **Country programmes have been pursued by the GEF, CIF and MLF, including with the explicit purpose of strengthening country ownership over decisions on resource allocations.** The GCF and the GEF have taken similar approaches in that these country programmes are an optional strategic framework for engaging with the funds, whereas a country programme

(investment plan) is mandatory for engaging with the CIF. Many international financial and development institutions that are accredited to the GCF, such as the World Bank and UNDP, also go through their own mandatory country programme processes, as described in the next section. In the Global Fund, CCMs are responsible for organizing the development of national grant proposals based on a gap analysis of funding for national strategic plans to fight HIV/AIDS, tuberculosis and malaria. The Adaptation Fund has not pursued a country programme-type approach, given the current effective cap of USD 10 million per country, which is usually used in a single project.

11. Below, each institution's approach to country programmes is briefly described, and Table III-5 benchmarks the key features of the GCF and comparator fund approaches.

- The **GEF** National Portfolio Formulation Exercises (NPFE) are voluntary, recipient-executed activities intended to (1) help countries establish or strengthen national processes to facilitate GEF programming; (2) align GEF programming with national strategies; (3) increase responsiveness to national priorities; (4) identify projects that will use the national allocation; and (5) provide a more predictable and transparent programming process that results in a clearer understanding of the country's perspective project pipeline.
- The **CIF**'s country or regional investment plans are developed by the Government in cooperation with the MDBs that identify country needs and priorities and a firm pipeline of projects that will use the national allocation. They are required to be endorsed by the CIF Trust Fund Committees prior to project development and submission. The investment plans are also intended to comprise strategically linked investments, unified by a transformative vision, in accordance with the programmatic approach of the CIF. The large majority of these have been endorsed by the CIF Trust Fund Committees with an associated funding envelope; however, more recently, in the CIF Strategic Climate Fund, investment plan preparation has continued in new pilot countries but without the assurances of forthcoming investment resources.
- In the **MLF**, the country programme was an initial tool used to review trends in the consumption of ozone-depleting substances, identify main stakeholders in key sectors, describe the policy and regulatory framework, and develop an action plan with proposed investment and technical assistance projects. Countries are required to report annually against their programmes, to track the progress made in phasing out ODS in order to confirm the extent of compliance with the agreed national phaseout of consumption and production of ODS.

Table III-5. Key features of country programme approach

GLOBAL INSTITUTION	LEVEL OF RESOURCES PROVIDED FOR THE DEVELOPMENT OF THE COUNTRY PROGRAMME	KEY FEATURES					
		Mandatory to access Fund resources?	Associated with a resource envelope?	Developed by multi-stakeholder process?	Includes project pipeline?	Guidelines provided?	Monitoring / reporting at country programme level?
GCF	Up to USD 1 million	--	--	✓	✓	✓*	--
CIF	USD 250,000 to USD 1.5 million***	✓	✓	✓	✓	✓	✓**
GEF	Up to USD 30,000	--	✓	✓	✓	✓*	--
MLF	Not known	✓	✓	✓	✓	✓	✓

Notes: ✓ means "yes"; -- means "no"; For all funds including the GCF, "yes" indicates a feature identified by policy or guidance documents, not necessarily a feature that is carried out in practice.
*To a more limited extent.
**Only for two of the three Strategic Climate Fund programmes within the CIF; energy sector programmes do not monitor and report at the programme level.
***No resources were provided for the development of investment plans under the CIF's Clean Technology Program; for the resilience program, up to USD 1.5 million was available; for the forestry program, up to USD 250,000; and for the scaling-up renewable energy program in low-income countries program, USD 300,000

Sources: ICF, 2018; GEF IEO, 2014; World Bank, 2007

2. KEY LESSONS

12. Key lessons are:

- **The context for country programmes for climate change is quickly evolving.** Countries now have NDCs and other national strategies and action plans on climate change, many of which were not in existence when institutions like the CIF and the GEF were launching their own fund-specific processes. The architects of the CIF had originally envisioned that their process would go beyond programming the CIF resource envelope, to serve as a national strategic plan for climate finance, but this was not followed through.
- **The process of developing country programmes has been seen as important for initiating dialogue and coordination among relevant stakeholders.** The GEF NPFE initiative enhanced country ownership through consultations with a wide range of stakeholders and through the creation of national steering committees to provide broader decision-making and coordinating structure for GEF programming. The CIF investment plan development process supported stronger country ownership and commitment to climate change in some countries. In the MLF, the original country programmes initiated an internal and external country dialogue about the Montreal Protocol and a country interface for facilitating project identification and implementation by the implementing agencies.
- **Country programmes can help align support with country strategies.** The GEF NPFE initiative was highly relevant for the pre-identification phase of the project cycle and provided a structure for more systematic alignment of GEF support with country strategies. The CIF programming process yielded investment plans that took a wider system perspective to investment planning in some cases.

- **Most funds reviewed have a resource envelope associated with country programmes, to positive effect.** A recent evaluation of the CIF programmatic approach found that the country programming process, combined with a predictable funding stream, was conducive to the development of innovative or first-of-a-kind projects that require more substantial preparation, compared to a competitive project-by-project approach. In contrast, more recently, CIF pilot countries and MDBs have shown less interest in preparing investment plans for which the CIF is not yet making commitments for funding. In the MLF, the guaranteed envelope of funding was seen as key to gaining country commitment and ownership of a long-term phaseout plan spanning eight years.
- **The experiences of the GEF and CIF offer cautionary lessons for the GCF in terms of the risks for nationally originated project ideas** – facilitated through country programmes. Essentially the experiences of the two funds tell us that country programme related processes are not sufficient for project ideas to be either eligible or to be rated as being able to align with the interests or capabilities of implementing entities. In the GEF, countries welcomed the NPFE as an opportunity for national empowerment to generate project ideas without the influence of the GEF Agencies. But ultimately, many project ideas identified through this process, and included in the "country-owned" pipelines, were eventually found to be ineligible for GEF funding – especially in low-capacity countries. This is attributed in part to inadequate guidance from the GEF Secretariat, which was encouraged to be non-prescriptive in order to promote country ownership. In the CIF, the Private Sector Set-Aside for adaptation and forestry projects asked countries to come up with innovative project ideas to submit to the private sector facility. Evaluation of this experience showed that (1) the project ideas were less innovative than had been hoped for, and (2) that countries struggled to find entities to agree to implement their projects. These experiences may suggest that national origination of eligible, high-quality and broadly owned project ideas through programming exercises requires information, capacity and consultation.

F. ACCREDITATION AND DIRECT ACCESS

1. BENCHMARKING

13. Following the lead of the **Adaptation Fund, which pioneered direct access to climate financing**, the GCF has also opened windows for eligible organizations to seek accreditation to prepare, submit and implement investment projects. A key difference between the Adaptation Fund and the GCF approach to direct access is that the **Adaptation Fund limits countries' nominations to one national implementing entity (NIE), whereas no limit has been established on the number of DAEs that can be nominated by a country in the GCF**. This difference reflects the diverse level of resources available to countries from the two funds; the GCF is able to allocate more resources per country. Another key difference is that the **Adaptation Fund accredits for a single type of entity**; there is no differentiation for different project size categories, risk levels or financial instruments, as there is in the GCF.
14. Both the GCF and Adaptation Fund have also launched (at least as pilots) EDA options. The Adaptation Fund's version is focused on "empower[ing] the developing country recipients of international climate finance beyond what can be achieved through the direct access modality alone", by devolving programming decision-making to national and subnational levels, and engaging civil society. The GCF EDA pilot offers a similar dedicated access window for DAEs, where funding decisions and project oversight take place at national or regional levels. Few projects have yet been approved under either the GCF or the Adaptation Fund EDA pilots.

15. The **GEF** also has an accreditation process, which was used in the expansion of the GEF Partnership between 2013 to 2015 to accredit 8 agencies in addition to the previous 10, including 5 national and regional agencies. In 2017, the GEF Council decided not to further expand the GEF Partnership beyond the current total of 18 agencies.
16. The **Global Fund** does not limit access to certain implementing entities, but neither does it offer an open-ended window for accreditation. Instead, the Global Fund requires its CCMs to competitively procure the PR for each grant (the equivalent of an implementing entity), and these organizations are assessed for each grant by the Local Fund Agents (LFA) of the Global Fund on a case-by-case basis.[35] The **CIF** and **MLF** limit implementation to certain agencies.
17. Table III-6 below summarizes the key features of each comparator global institution's approach to accreditation and direct access.

Table III-6. Key features of accreditation and direct access

Global Institution	Key features of accreditation and direct access		
	Implementing entities	Accreditation process	Direct access modalities
GCF	38 national DAEs, 13 regional DAEs and 37 IAEs are accredited	Yes; NDAs can nominate national and regional DAEs. Applications are screened by the Secretariat; reviewed by the Accreditation Panel; and the Board takes the final decision. Agencies need to be "re-accredited".	Direct access refers to accessing the GCF through a national or regional DAE. DAEs take on implementing agency functions (e.g. financial oversight, supervision, M&E) and contract executing agencies. An EDA option is also being piloted.
Adaptation Fund	29 NIEs are accredited; along with 6 regional IEs and 12 multilateral IEs	Yes; DAs can nominate one NIE. Applications are screened by the Secretariat; reviewed by the Accreditation Panel; and the Board takes the final decision. A streamlined process is available for smaller entities executing projects up to USD 1 million, with fewer than 25 professional staff. Accreditation is valid for 5 years with the possibility of renewal.	Direct access refers to accessing the AF through an NIE. NIEs take on implementing agency functions (e.g. financial oversight, supervision, M&E) and contract executing agencies. An EDA option is also being piloted.
CIF	Six MDBs: ADB, AfDB, EBRD, IADB, IFC and World Bank	No	No
GEF	For full-size and medium-size projects,	Yes; applicants must have an endorsement letter from	GEF recipient country governments can directly access

[35] The Global Fund does not have offices in the countries it supports. Instead all Global Fund staff are based at the Secretariat in Geneva, Switzerland, and the Fund's "eyes and ears on the ground" are independent organizations in each country known as Local Fund Agents or LFAs. LFAs work closely with the country team at the Secretariat to evaluate and monitor activities before, during and after the implementation of a grant. This includes assessing the capacity of a nominated PR. LFAs are competitively procured by the Global Fund. Current LFAs include PricewaterhouseCoopers, KPMG, Swiss TPH and UNOPS, among others.

Global Institution	Key features of accreditation and direct access		
	Implementing entities	Accreditation process	Direct access modalities
	18 institutions act as GEF agencies: 5 MDBs, 4 UN agencies, 4 INGOs and 5 regional/national agencies	a GEF country operational focal point that also identifies the initial project for which the applicant is being endorsed. Applications are first reviewed by the Secretariat in stage 1; and then by an Accreditation Panel in stage 2. The process concludes with an MoU and Financial Procedures Agreement. Accreditation does not expire.	GEF funds for enabling activities (e.g. preparation of reports to conventions) up to USD 500,000. A window for CSOs is available through the GEF Small Grants Programme, which is administered by UNDP.
Global Fund	Competitively procured by the CCM; no restrictions on the type of organization; maybe government departments or agencies, CSOs, academic or international organizations	Yes; entities are assessed by the Local Fund Agent in each country for financial, managerial and programmatic capacities, and accredited by the Global Fund on a grant-by-grant basis	Any entity can access the Global Fund directly, if they are selected by the CCM to implement a grant.
MLF	Four agencies: UNDP, UN Environment, UNIDO and World Bank, plus some bilateral agencies	No	No

2. Key lessons

18. There is limited evaluative evidence on the relationship between direct access and country ownership, but some lessons can still be learned from other global institutions' experiences:

- Accreditation efficiency for NIEs and RIEs in the Adaptation Fund has generally been improving and is better than that for MIEs. An average of 19 months elapsed between the first submission of the accreditation application and the Board's decision for NIEs/RIEs in FY17.[36] This is significantly faster than GCF accreditation processes for DAEs.
- In the Adaptation Fund, eligible countries recognized the wider benefit of direct access to strengthening internal processes and systems. The direct access modality and the use of NIEs also further reinforces the use of country systems, including "national project management, monitoring and financial systems" as well as country leadership.[37]
- In its first decade, the Global Fund struggled, in many ways, with its approach to accrediting on an individual grant basis. Performance of the LFAs (which are responsible for external accountability and risk assurance services, including assessing capacities of PRs) was uneven,

[36] TANGO International. (2018). *Overall Evaluation of the Adaptation Fund*. July 2017 – June 2018. Final Report.
[37] ibid.

while the budget for the LFA modality represented about a quarter of the organization's total operating budget. Significant reforms were launched to improve the effectiveness and efficiency of the LFAs, although these have not gone through independent evaluation.

- In the GEF, expanding access to additional project agencies resulted in modest gains in terms of enhanced country ownership, since only three countries gained access through this route. In those three countries, the GEF operational focal points see accreditation of the national agencies as an instrument to build capacities of these and other national institutions, and to facilitate better alignment of GEF activities with national priorities.
- The expansion of the GEF Partnership has also raised new challenges. The increased number of agencies, the predictability of the allocation system, and the small scale of resources allocated to many countries have contributed to increased competition among implementing agencies for resources. The 2017 GEF IEO evaluation found that the situation has benefited UNDP and some other United Nations agencies at the expense of the MDBs, for whom the approach of "first-in programming" works less well.[38] UNDP has a widespread country presence, closer relationships with senior government officials, and a stronger need to generate administrative fees (from implementing GEF projects) to pay its own staff salaries.
- None of the global funds reviewed require the use of country systems, such as public financial management systems, procurement systems and results systems.

G. Country ownership approaches in GCF international accredited entities

19. Many IAEs approach country ownership through a two-part process that starts with multi-year country or regional programming and pipeline development, and then continues with project development and implementation. These processes are described below briefly for select GCF IAEs.

1. Benchmarking

20. Country programming is the essential approach that most international financial and development institutions use to ensure and enhance country ownership of shared strategic priorities and project pipelines. **A key difference is that, unlike the GCF, these institutions directly implement projects, and thus their country programming is fundamentally linked to a resource envelope and a firm pipeline.** Each institution uses slightly different terminology and approaches, but the general process is similar. Each institution's version of country programming provides a multi-year, negotiated strategic framework for that institution to engage with each country, and is developed based on country diagnostic work and a government and stakeholder engagement process. Each institution's version of country programming is also the basis for designing operational programmes at the country level, guided by both the country's development strategies and priorities and the "corporate" strategic priorities of the institution.
21. The approaches of select GCF IAEs that have prominently accessed the GCF are briefly summarized below:
    - Five-year country strategies are the **European Bank for Reconstruction and Development's (EBRD)** key tool for identifying transition needs and goals at the country level, setting out operational priorities and providing the fundamental framework for assessing EBRD's performance. The approach to country strategies has been evolving in recent years, including

[38] Global Environment Facility Independent Evaluation Office. (2018). Evaluation of the GEF's System for Transparent Allocation of Resources. Evaluation Report No. 130. Washington, DC: GEF.

the approach to country diagnostics, the system for strategic prioritizations and the inclusion of results frameworks in the country strategies.[39]

- The **United Nations Development Programme (UNDP)** works within the United Nations Development Assistance Framework (UNDAF), which describes the "collective vision and response of the UN system to national development priorities and results based on normative programming principles. It describes how UN Country Teams will contribute to the achievement of development results based on a common country analysis and UN comparative advantage."[40] Within that construct, individual United Nations programmes, such as UNDP, prepare a multi-year workplan that is defined by a country government in terms of what UNDP will help them to address in the context of their development aspirations. For UNDP, this multi-year workplan is the primary anchor for situating country requests for UNDP to serve as the AE for a GCF-funded project.
- The **Asian Development Bank (ADB)** uses a four-to-five-year Country Partnership Strategy (CPS), followed by a three-year Country Operations Business Plan (COBP) that sets out the pipeline on a rolling basis. An exception is the Pacific SIDS, where the ADB strategy is grouped in a Pacific Approach document. The central rationale of each CPS is to ensure that the work of ADB "aligns with the government's medium-term plans; addresses the country's key development challenges; complement strategies of other development partners; and makes the best use of the limited resources available."[41]
- In the **World Bank** and **IFC**, the Systematic Country Diagnostic (SCD) identifies the most critical constraints and opportunities for reducing poverty and building shared prosperity, and the Country Partnership Framework (CPF) determines focus areas for the support that aligns with the country's development agenda and addresses the constraints and opportunities in the SCD. The SCDs and CPFs are done jointly between the World Bank and IFC teams.

22. At the individual project level, there are differences in terms of the IAEs' relevant policies for country ownership, including on stakeholder engagement. A GEF review looked at the stakeholder engagement policies of their project agencies and found that some agencies apply stakeholder engagement requirements broadly (e.g. regardless of a project's social and environmental risk categorization), while others' policy requirements are linked primarily to risk categorization and thus may not be triggered for projects presenting low social and environmental risks. This does not necessarily mean that entities with more "narrow" stakeholder engagement policies do not consider such engagement in low-risk projects, but in the case of the GEF, these policy differences were found to be partially explanatory for the finding of wide variations and gaps in the treatment of stakeholder engagement in GEF projects.
23. This mapping is presented below and includes GCF national and regional DAEs that were reviewed by the GEF study.

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[39] European Bank for Reconstruction and Development Evaluation Department. (2018). *Approach Paper: EBRD Country strategies*. July 2018. London, United Kingdom.
[40] United Nations Development Group. (2017). *United Nations Development Assistance Framework Guidance*. Produced by the UN Development Operations Coordination Office.
[41] Asian Development Bank Independent Evaluation Department. (2017). *Evaluation Synthesis: Lessons from Country Partnership Evaluation: A Retrospective*. Independent Evaluation: ES-1. October 2017. Manila, The Philippines.

Table III-7. Scope of stakeholder engagement policy requirements by AE

SCOPE OF STAKEHOLDER ENGAGEMENT POLICY REQUIREMENTS	GCF AEs
"Broader"	**IAEs:** Conservation International (CI), Food and Agriculture Organization (FAO), International Union for Conservation of Nature (IUCN), UNDP, United Nations Environment Programme (UN Environment), World Bank Group **DAEs:** Fundo Braileiro para a Biodiversidade (FUNBIO)
More "narrow"	**IAEs:** ADB, AfDB, EBRD, Inter-American Development Bank (IDB), International Fund for Agriculture Development (IFAD), World Wildlife Fund (WWF) **DAEs:** West African Development Bank (BOAD), Development Bank of Latin America (CAF), Development Bank of South Africa (DBSA), China Foreign Economic Cooperation Office (FECO)

Source*:* GEF, 2016

2. KEY LESSONS

24. Critical lessons can be learned from the country strategy and programming process of these institutions, who work directly with countries to programme their resources and have country offices in most places, as evaluated by their independent evaluation departments.

- **Country strategies/programmes help ensure that institutions are strategically well positioned in the country, when there is sufficient strategic dialogue to secure country ownership.** The World Bank Independent Evaluation Group (IEG) found that the SCD "provides an important opportunity to help define an agenda for dialogue on key development issues in a country, and thus to enhance broader country ownership."[42] The ADB Independent Evaluation Department (IED) found that a "high quality and well-informed dialogue with the government authorities helps with commitment and implementation of the CPS."[43] A major weakness of the country strategy approach in EBRD was that they involved limited discussion of the relevance of the country strategies to the objectives and priorities of the government and key private sector and civil society stakeholders.[44]
- **Broader and meaningful stakeholder engagement on the country's strategies/programmes is important for country ownership.** The World Bank IEG found that the SCDs were not always shared with stakeholders – preventing others from giving feedback on it or from being able to use it elsewhere – and recommended that the World Bank Group ensure dissemination of the SCD to enhance broader country ownership around key development priorities.[45] Recognizing the weakness identified above, EBRD has recently increased efforts to involve civil society in the earlier stages of country strategy development, including through consultative meetings between CSOs and EBRD staff. Draft country strategies are posted on the EBRD website in English and the local language, to allow for public comment. In addition,

[42] World Bank. (2018). *Growth for the Bottom 40 Percent: The World Bank Group's Support for Shared Prosperity*. Independent Evaluation Group. Washington, DC: World Bank.
[43] Asian Development Bank Independent Evaluation Department. (2017). *Evaluation Synthesis: Lessons from Country Partnership Evaluation: A Retrospective*. Independent Evaluation: ES-1. October 2017. Manila, The Philippines.
[44] European Bank for Reconstruction and Development Evaluation Department. (2018). *Approach Paper: EBRD Country strategies*. July 2018. London, United Kingdom.
[45] World Bank. (2018). *Growth for the Bottom 40 Percent: The World Bank Group's Support for Shared Prosperity*. Independent Evaluation Group. Washington, DC: World Bank.

targeted notifications are also sent to local and international CSOs that have expressed interest in the Bank's work in the country.

- **Concerted efforts are required for promoting private sector involvement in the development of country programmes.** The ADB IED identified great opportunities for CPSs to develop synergies between private sector investments and policy reform, as well as strengthening governments' capacity to support private sector development.[46] In the previous generation of World Bank Group country partnership strategies, the cooperation between the World Bank and IFC varied significantly from country to country, and the private sector was, in general, less engaged in the development of these strategies. However, the new SCD and CPF approach aims to address these shortcomings, among other aims.
- **Selectivity and prioritization is a key outcome of country programming processes.** The World Bank Group has moved towards a more evidence-based and selective country engagement model, to better support country ownership and national priorities. The EBRD Evaluation Department found that its new country strategies had improved selectivity and more actionable priorities.[47] ADB IED evaluations have found that selectivity contributes to the consistency of the CPS with the country's development needs and is particularly important when clients have limited absorptive capacity.[48]
- **A clear and measurable results framework is important to assess progress against the country programming.** Results frameworks have recently been included in EBRD country strategies and are considered by the Evaluation Department as a positive evolution.[49] The ADB IED has also identified the importance of such results frameworks for accountability.[50]

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[46] Asian Development Bank Independent Evaluation Department. (2017). *Evaluation Synthesis: Lessons from Country Partnership Evaluation: A Retrospective*. Independent Evaluation: ES-1. October 2017. Manila, The Philippines.
[47] European Bank for Reconstruction and Development Evaluation Department. (2018). *Approach Paper: EBRD Country strategies*. July 2018. London, United Kingdom.
[48] Asian Development Bank Independent Evaluation Department. (2017). *Evaluation Synthesis: Lessons from Country Partnership Evaluation: A Retrospective*. Independent Evaluation: ES-1. October 2017. Manila, The Philippines.
[49] European Bank for Reconstruction and Development Evaluation Department. (2018). *Approach Paper: EBRD Country strategies*. July 2018. London, United Kingdom.
[50] Asian Development Bank Independent Evaluation Department. (2017). *Evaluation Synthesis: Lessons from Country Partnership Evaluation: A Retrospective*. Independent Evaluation: ES-1. October 2017. Manila, The Philippines.

Chapter IV. GCF CONTRIBUTION TO COUNTRY LEADERSHIP AND ENGAGEMENT

KEY RECOMMENDATIONS

1. The GCF should use and strengthen existing climate finance coordination structures, to support stronger ownership of countries' climate finance agenda.
2. The GCF should revise its guidance on stakeholder engagement, to strengthen definitions and principles of engagement.
3. The GCF should publicly release key documents, such as CPs and APRs in a timely manner.
4. The GCF should only pursue CPs, if their purpose, targets and timelines are articulated clearly. The GCF needs to develop a CP strategy that also articulates how CPs fit into GCF's overall strategy and theory of change. Given the proliferation of climate-related documents in-country (such as NDCs, NAPs and NAPAs), the CPs are in danger of becoming paper-pushing exercises. Unless their fit to the GCF is clearly specified and their value added understood commonly, CPs should be discontinued.

KEY FINDINGS

- All GCF-eligible countries have national climate change policies, strategies or plans in place that have the potential to guide GCF investments, although adaptation planning has lagged behind. Concerns remain over the quality of these policy frameworks and particularly their actual implementation and enforcement.
- The GCF has largely relied upon existing national climate change coordination structures and not created parallel forums. Many countries have existing climate change coordination mechanisms for policies and implementation already in place that can also serve the GCF. Nevertheless, nearly a third of the case study countries do not have a climate change coordination structure. In these cases, countries have either not requested RPSP grants, or, these grants have been delayed.
- Most GCF projects align with country needs and priorities, as identified in NDCs.
- Overall, multi-stakeholder engagement has been insufficiently demonstrated through the GCF programming cycle. About half of countries reviewed include non-state actors in their country coordination structures with the GCF.
- Concerns remain over the real engagement and empowerment of civil society in particular, as well as groups such as local communities, indigenous peoples and women. More than 40 per cent of FPs do not describe stakeholder groups consulted during design.Concerns have been raised by CSO observers over the degree of stakeholder engagement. CSO comments on 58 per cent of GCF projects claim that non-state stakeholders have not been adequately engaged with during the development of these projects.
- APRs are not publicly disclosed, limiting transparency and accountability for the GCF.
- CPs have not yet adequately delivered on the aims of the CP development process, particularly identifying areas of highest impact and paradigm shift potential, developing a country-owned pipeline, and identifying areas for strategic use of RPSP support. A significant shortcoming has been the lack of clear guidance on CPs from the GCF Secretariat, as well as a clear articulation of the purpose of CPs, both for countries and for the Secretariat.
- Recipient country co-investment is often perceived as a signal of country ownership, but co-investment cannot be interpreted as a stand-alone indicator of country ownership. IAEs are generally performing better or comparably to DAEs in terms of securing co-investment from government institutions.

A. Introduction

1. This chapter responds to the following question: how does the GCF contribute to country leadership and engagement through key climate change policies, structures and processes? Specifically, the chapter answers the following questions:
   - How does GCF **in-country support** for climate change policies, structures and processes support country ownership of GCF investments?
   - Does the GCF support **multi-stakeholder engagement** during its programming cycle and if so how and is this sufficient?
   - Do GCF **CPs** strengthen country ownership of GCF investments and the development of a country-owned pipeline?
   - How and where does **co-investment** play a role in country ownership of GCF investments, if at all?

B. Findings

1. How does GCF in-country support for climate change policies, structures and processes support country ownership?

2. Promoting strong national development and climate change strategies and operational systems is a key pillar of country ownership. However, converting strategies into prioritized projects, with reliable and adequate budgets, is often a challenge. As the Governing Instrument states, GCF investments and policies need to align with country priorities, systems and procedures. In fact, the GCF is expected to promote country capacities to put in place priorities, systems and procedures.
3. This section considers if countries' climate change policies, strategies and plans adequately form the basis for GCF investments and if the GCF is sufficiently aligned with them, and provides sufficient capacity related support to strengthen them. It also reviews countries' climate change coordination structures and if the GCF is using these or separate structures at the country level. Finally, it reviews whether GCF FPs are sufficiently aligned with national climate change policies and priorities.

a. Country policies, strategies and plans as a basis for country ownership of GCF investments

4. **All GCF-eligible countries have national climate change policies, strategies or plans in place that have the potential to guide GCF investments, although adaptation planning has lagged behind**.
   - All GCF-eligible countries have **NDCs**. Nearly all (184 out of 197) Parties to the UNFCCC have developed their first NDC, which communicates countries' contributions to and needs for addressing the impacts of climate change.[51] While the level of ambition in the NDCs may not always be as high as required and their quality varies significantly across countries, NDCs provide a firm basis for planning climate change interventions, including those supported by the GCF.
   - Far fewer countries have **NAPs.** NAPs were established through the 2010 Cancun Adaptation Framework under the UNFCCC and represent an important part of countries' efforts to implement the Paris Agreement. So far, 13 countries have officially submitted their NAPs to

[51] One country (Marshall Islands) has submitted a second, more ambitious NDC, and NDCs of other countries are also under review for updating.

the UNFCCC, although more than 80 countries have reported activities on NAPs, with some in more advanced stages. A limited number of countries are also moving to sector-specific climate change planning, such as through the Integrating Agriculture in National Adaptation Plans (NAP-Ag) programme, coordinated by UNDP and FAO.

- In addition to NDCs and NAPs, some GCF-eligible countries have also prepared **other climate change strategies and plans**, including NAMAs and NAPAs under the UNFCCC, as well as LEDS and are also preparing decarbonization plans.
- More than three quarters of GCF-eligible countries also have **climate change or climate change-related laws or policies (legislative or executive acts)** in place.[52] The degree of legal institutionalization in these countries is highly dependent upon both legal structures and political circumstances. Some countries that have a strong commitment to addressing climate change but don't have relevant laws, while in other countries the existence of a formal law does not mean that it is effectively implemented and enforced. Box IV-1 provides some additional observations from the country case studies.
- The data shows that twenty five GCF-eligible countries have no formal legal basis to guide GCF investments; nine of these are African States, eight are LDCs, and six are SIDS (these are not mutually exclusive categories). [53] Nearly a third of these countries have received related RPSP support focused on the development of a climate finance-related strategic framework.
- We find that the quality of **national development strategies** has increased substantially over time. According to the GPEDC biennial survey used to monitor partner countries' and development partners' commitment to SDG17 and the Paris Principles on Aid Effectiveness[54] two-thirds of developing countries now have high-quality national development strategies in place, up from two-fifths in 2011. The critical linkages between climate change and development imply that capacity to generate high-quality national development strategies *could* translate to capacity to develop national climate strategies.

5. **The new *RPSP Strategy for 2019–2021* aims for GCF recipient countries** will "have the necessary enabling environment, including increased institutional capacity and robust country strategies, to implement transformational projects and programmes in line with national climate change priorities and GCF result areas, including as elaborated in updated NDCs and NAPs." The strategy continues to emphasize supporting NAP development, in order to strengthen GCF efforts to address adaptation issues. Over the past years, up to USD 3 million in financial resources have been made available through the RPSP for each eligible country to formulate a NAP and pursue other adaptation planning processes, besides other activities. The GCF has committed close to USD 77 million to 29 countries for NAP development, out of which more than USD 14 million have been already disbursed to 22 countries as of 8 July 2019.[55] Of the 29, approved and endorsed RPSP proposals, 19 were for SIDS, LDCs and/or African States. This complements the support provided to countries by entities such as the GEF-administered Least Developed Countries Fund, bilateral agencies and other development partners. However, many GCF-eligible countries have not yet prepared their NAPs, and only some NDCs include detailed adaptation components. This suggests that a substantial opportunity exists for countries to identify their near-, medium- and long-term adaptation-related priorities and for related RPSP support.

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[52] Climate Change Laws of the World database, Grantham Research Institute on Climate Change and the Environment and Sabin Center for Climate Change Law, 2019.
[53] ibid.
[54] GPEDC, 2019.
[55] Two countries, Kenya and Colombia, have already officially submitted a NAP to UNFCCC and are also accessing RPSP funding to further develop these plans.

Box IV-1. Stakeholder perception on country policies and processes

Observations from country visits suggest that **governments were perceived to have effective national climate policies and processes for GCF investments.** More than 70 per cent of in-country survey respondents strongly agreed or agreed that the Government has these policies and processes in place.

However, significant differences of opinion exist about the extent to which country policies and processes were effectively guiding GCF investments. Government, AEs and RPSP delivery partners had largely positive views (ranging up to 97 per cent agreement by government respondents) on the effectiveness of the policy framework for guiding GCF investments.

Civil society and private sector respondents were more skeptical, with less than 40 per cent agreement. In interviews, civil society was particularly concerned that commitments on paper were frequently not implemented in practice, with numerous contextual and political constraints. This message was also echoed by CSO-submitted comments on the alignment of FPs with national climate change priorities and strategies, as discussed below, suggesting the need for stronger and meaningful engagement of non-state actors to ensure that ownership extends well beyond government.

Country visits also showed that some countries are also making efforts to develop **subnational and local climate change plans** (e.g. Colombia, Ecuador, Morocco, Namibia, Paraguay), extending ownership by the national government to the subnational level, which putatively will also help to identify beneficiary needs better.

Source: Country case studies

b. National climate change coordination structures to support country ownership of GCF investments

6. National climate change coordination mechanisms contribute to building the countries leading and building their climate policies and agenda and can help to bring in government ministries, departments and agencies. They can be critical for the design of climate change strategies and interventions across various sectors and at different levels of government. They also demonstrate and strengthen country ownership across government (and in some cases, across a broader group of stakeholders). Reliance on existing structures (compared to building new ones) also strengthens national coordination capacity and ownership. One mechanism through which the GCF supports countries' climate coordination structures is the RPSP. Request for support to build effective coordination structures is included in almost 70 per cent of RPSP proposals with no notable differences among regions.

Table IV-1. Countries with approved RPSP grants requesting support for developing effective coordination mechanisms, by country group

Country classification	Total number of countries receiving grants	Number of countries with the expected output of the NDA/focal point leading an effective coordination mechanism	
		Number of countries with the expected output	Per cent
*African States	48	43	90
*LDCs	39	37	95
*SIDS	31	27	87
African States, LDCs, SIDS	82	73	89
Other	42	39	93
All countries	124	112	90

Notes: *Rows are not mutually exclusive categories.
Source: Data on expected outcomes of RPSP grants are extracted from 232 RPSP grant proposals and analysed by the IEU DataLab. Notes: The figure covers approved 232 RPSP grants up to 8 July,2019. RPSP grants supporting NAPs and RPSP grants for workshops are not included.

7. **The GCF has largely relied upon existing national climate change coordination structures and not created parallel forums.** Many countries have climate change coordination mechanisms already in place, which contribute to strategic climate leadership and coherence of priorities across government (see also Chapter V). Of the 22 case study countries, 14 relied upon these existing structures to also coordinate their GCF engagement. Most of these countries have inter-ministerial coordination structures in which ministries and agencies are represented to coordinate for policies, investments, proposals, fund flows and other issues.
8. Observations from country visits emphasized the importance of integrating responsibilities for interacting with the GCF in countries' overall climate change coordination structures and avoiding duplication. For example, Colombia and Morocco already have well-established coordination structures that predate the GCF and are effectively coordinating the design and implementation of national climate change priorities. Ultimately, reliance on and use of existing national structures is also an effective way of promoting country ownership, capacity and sustainability.
9. A few case study countries (e.g. Colombia, Morocco, Paraguay) have the ambition to **extend their climate change coordination structures to the subnational and local government level**, and this was seen as important for strengthening country ownership beyond the national level. In Colombia, there were plans to replicate the climate change focal points in different ministries at the subnational level. Morocco and Paraguay demonstrated similar ambitions to extend planning structures to the local level.
10. Nevertheless, **nearly a third of the case study countries do not have a climate change coordination structure at all** (6 of 22 countries). A number of these countries are small, facilitating communication and coordination (e.g. Fiji, Mauritius, Mongolia, Solomon Islands). However, in several cases, the lack of such a structure was also partly related to either delayed or missing RPSP support. In Mongolia and Paraguay, the establishment of these structures was underway. Countries such as Fiji and Indonesia were considering reinvigorating these structures, including through RPSP support. Mauritius referred explicitly to the lack of RPSP support for establishing a coordination

structure. Climate coordination structures can be particularly challenging in low income/capacity environments, such as Haiti and the Solomon Islands.

11. While the existence of a climate change coordination mechanism is a positive signal for national climate leadership, the effectiveness of the mechanism is also an important attribute. Observations from country case studies revealed that the effectiveness of climate coordination mechanisms was influenced by several factors including the mechanism's structure (see Box IV-2), frequency of meetings, the composition of the agenda, and awareness and seniority level of representatives. Over 60 per cent of in-country survey respondents strongly agreed or agreed that their country's inter-ministerial coordination mechanism for climate change is effective for GCF decision-making. Government, AEs and civil society had the highest rates of agreement with this statement, with a lower rate of agreement (44 per cent) among RPSP delivery partners. Overall, there was slightly greater confidence in the functioning of inter-ministerial coordination versus multi-stakeholder coordination structures (see also section B).

Box IV-2. Examples of effective climate coordination

Some of the most effective coordination structures separated high-level political decision-making from technical input into various subcommittees (e.g. Colombia, Grenada, Namibia, Senegal, Uganda, Vanuatu). In Namibia, the decision-making body was the High-level Climate Change Committee (HCCC); in Senegal, it was the National Climate Change Committee (COMNACC); in Uganda, the National Climate Change Policy Committee; in Colombia, the Intersectoral Commission for Climate Change (COMICC); and in Vanuatu, the National Advisory Board on Climate Change and Disaster Risk Reduction (NAB). In all five countries, these high level committees were served by subcommittees specialized in diverse technical topics such as awareness-raising, finance, indicator development and specific sector committees. Some of them held meetings regularly and others convened in a more ad hoc manner. One interviewee emphasized the importance of technical-level coordination being inclusive of not only the agencies responsible for policies but also those leading implementation.

Source: Country case studies

c. Alignment of GCF support with national strategies, priorities and needs

12. The IEU DataLab team assessed the alignment of FPs with NDCs, country strategies and the extent to which GCF investments are directing efforts towards not just aligning themselves with national climate strategies but also directing their investments to strengthen institutions and regulatory frameworks. Table IV-2 shows that half of the GCF portfolio expects to contribute to these latter efforts.

Table IV-2. Funding proposals with the expected outcome of strengthened institutional and regulatory systems for low-emission or climate-resilient planning

FP breakdown	Number of country FPs	FPs with the expected outcome of strengthened institutional and regulatory systems	
		Number of FPs	Per cent
Total	111	56	50
Themes			
Adaptation	50	29	58
Mitigation	33	13	39
Cross-cutting	28	14	50
Sector			

FP breakdown	Number of country FPs	FPs with the expected outcome of strengthened institutional and regulatory systems	
		Number of FPs	Per cent
DMA	86	50	58
PSF	25	6	24
Access modality			
IAE	86	45	52
DAE	25	11	44

Source: Log-frames of 111 active funding proposal documents were coded and analysed by the IEU DataLab. Data as of 8 July 2019.

13. **The evaluation finds that GCF investments currently align with national climate change strategies and priorities.** GCF projects are targeting country sectoral needs and priorities, as identified in NDCs. Country needs related to energy access and generation (mitigation) and health, well-being, food, and water security (adaptation) are those most frequently targeted by GCF support. Needs that are less frequently addressed relate to low-emission transport, forestry and ecosystem services. SIDS' sectoral needs are less well addressed, - ecosystem services and health, food, and water security-related needs in SIDS are less frequently targeted by GCF investments (see Figure IV-1).
14. The IEU's country visits also reinforce this finding. More than 90 per cent of all in-country respondents to the COA evaluation's survey agreed that GCF-funded activities align with national climate change strategies and priorities. Interviewees, however, emphasize that alignment with NDC priority sectors alone should not be seen as sufficient for ensuring that a project is aligned with national policies and strategies; a more nuanced assessment is needed.

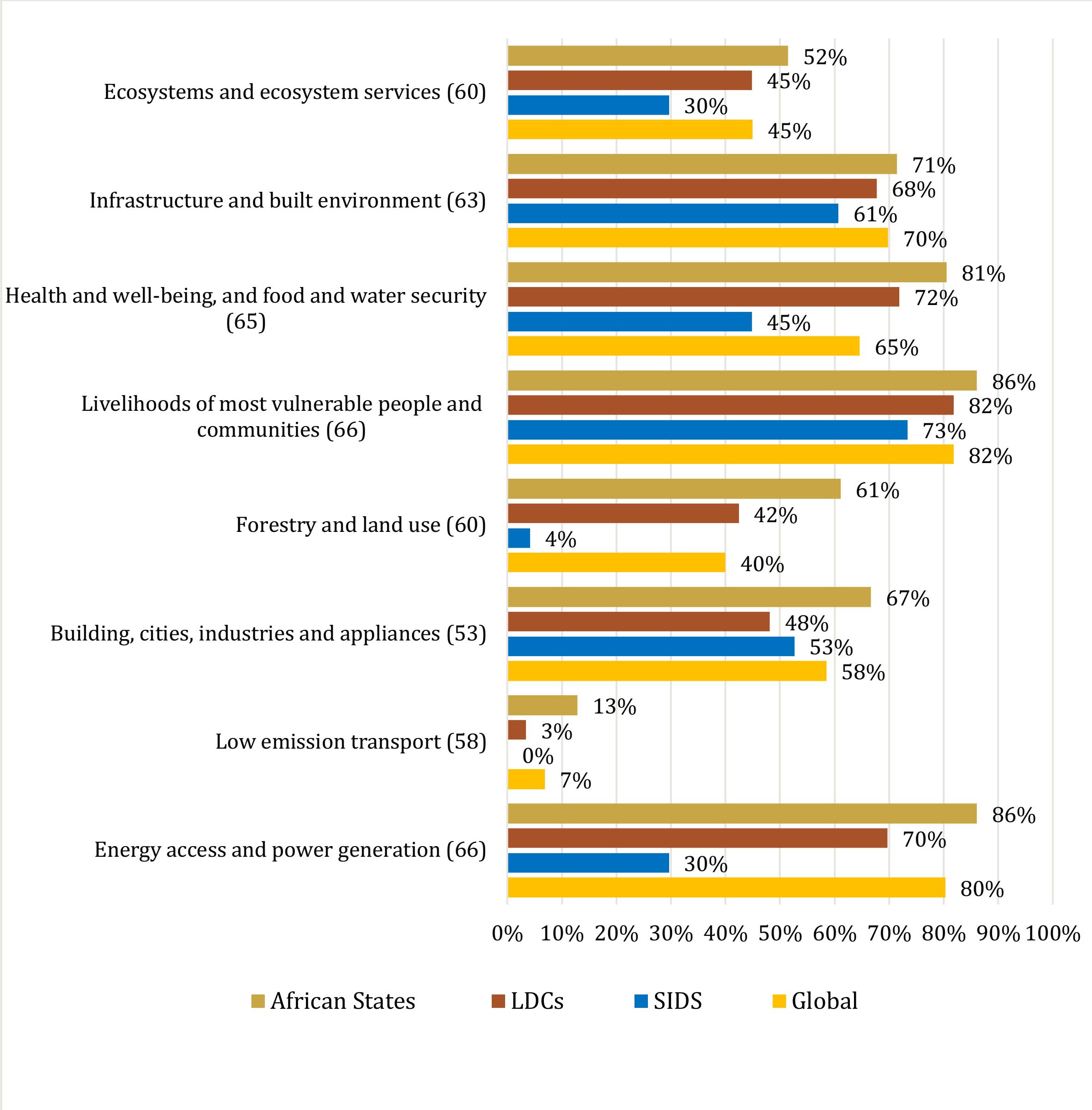

Figure IV-1. NDC priorities addressed by FPs according to result areas in the 66 LDCs, SIDS and African States in the GCF portfolio

Notes: LDCs, SIDS and African States are not mutually exclusive categories, their mutually exclusive aggregate is represented in the combined bar. In total, they represent the 66 LDCs, SIDS or African States that the GCF funded through active FPs, as of 8 July 2019.

Source: NDC priorities were extracted, coded and analysed by the IEU DataLab from official (I)NDC country submissions to the UNFCCC, as of 8 July 2019. Data on the GCF projects' coverage of result areas is from iPMS. All data analysed by the IEU DataLab.

15. **Civil society observers to the GCF expressed concerns regarding the alignment of GCF funding proposal objectives with country needs and vulnerabilities, as well as the degree of stakeholder engagement.** As shown in Table IV-3, CSO submissions included concerns regarding alignment with, or responsiveness to, country needs and vulnerabilities in over half of projects reviewed, and alignment with GCF objectives and national climate priorities and strategies in about a quarter of projects reviewed. Likewise, for more than 50 per cent of FPs, GCF CSO representatives had negative opinions on the degree of stakeholder consultation and engagement and the transparency of the funding proposal process. There were no substantial differences in CSO comments on FPs submitted by DAEs and IAEs, with the exception of concerns regarding the

alignment with other national priorities and strategies, which are more frequently raised on DAE proposals.

Table IV-3. Analysis of CSO comment submissions on FPs

Number of Projects		Areas of CSO concerns			
		Alignment with national climate change priorities and strategies	Alignment with other national priorities and strategies (e.g. development, economic)	Alignment / responsiveness to country needs and vulnerabilities	Stakeholder consultations and engagement
FPs with CSO comments	108	26 (24%)	24 (22%)	68 (63%)	58 (54%)
DAE	24	4 (17%)	13 (54%)	16 (67%)	14 (58%)
IAE	84	22 (26%)	11(13%)	52 (62%)	44 (52%)

Notes: The IEU DataLab carried out text analyses to identify concerns raised by CSOs about the projects and categorized them into nine different areas of concern. Four of the nine areas are represented in this table. In total, out of the 111 active projects in the current GCF portfolio, CSOs had submitted comments on 108 FPs. Bracketed numbers are percentage of number of projects in that category (i.e. row totals as shown in column 1).

Source: The IEU DataLab coded and analysed the CSOs' comments submitted to GCF Board Meetings on active FPs.

16. The frequency of CSO comments on alignment suggests a lack of coherence between official political commitments and the concerns of final beneficiaries. **This reinforces the finding that government and broader country ownership are not synonymous – and that this difference is not necessarily bridged by NoP or direct access.** In interviews, CSOs and other non-state actors emphasized that country ownership must be understood more broadly than government ownership and should include the views of local communities, civil society and indigenous populations in order to truly reflect the needs of final beneficiaries.

2. Stakeholder engagement and country ownership

17. Stakeholder engagement is a key attribute of country ownership, reflecting the normative principle that country ownership extends beyond government. The GCF Board has confirmed through decision B.14/08 that its understanding of country ownership goes beyond the national government. However, the implementation of the GCF business model at the country level has largely been centrally managed by the national government through the NDA/focal point (see Figure IV-2), which often creates a tension related to the role of non-state actors. This tension is compounded by the insufficiency of guidance available from the GCF on meaningful stakeholder engagement (see also Chapter II).

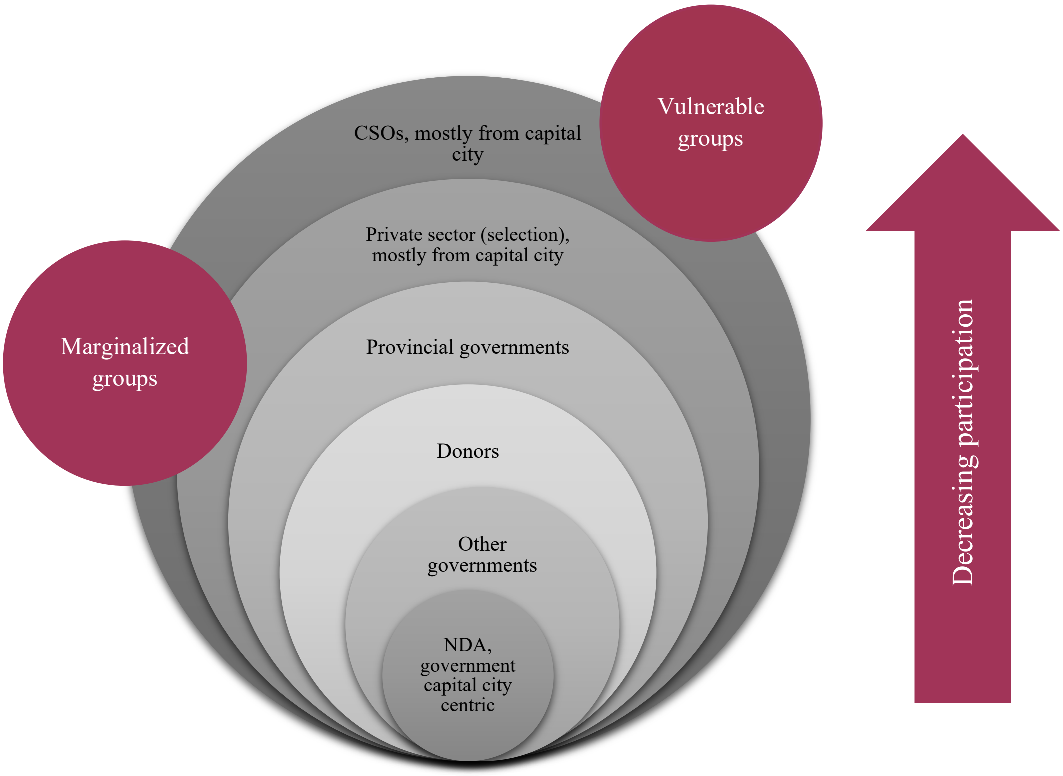

Figure IV-2. Stakeholder involvement under the current business model at the country level

Source: GCF IEU, 2019

18. This section reviews the extent of multi-stakeholder engagement in the GCF, in institutional decision-making structures, in strategic and CP discussions, and during the project cycle. It also considers the extent to which AEs support country ownership through their project management structures and procedures, notably during the implementation phase. A final summary assessment is provided at the end.

a. Multi-stakeholder engagement in institutional decision-making structures

19. To assess the frequency with which NDAs/focal points include other stakeholders in their GCF-facing coordination structures, the COA evaluation team compiled data from the 22 country case studies and 23 submitted CPs, representing a total of 34 countries (after accounting for overlap). **About half of these countries have a consultation or coordination structure that formally includes non-state actors in its processes for interacting with the GCF (e.g. project origination, NoL).** These structures include those that were set up specifically for the GCF, as well as pre-existing structures that are used for GCF and other national processes. **The other half of the countries reviewed do not include formal civil society or private sector representation in their coordination structures**. Six of these countries instead use an intra-governmental coordination structure, and seven of these countries do not have a formal climate change coordination structure.

20. The challenge is that the formal inclusion of non-state actors in climate change coordination structures does not necessarily mean that those actors' inputs are taken on board and integrated into decision-making. Conversely, the lack of formal inclusion does not necessarily mean that non-state actors are not consulted through more ad hoc means, technical working groups or in specific national climate change strategy and policy development processes (e.g. NDC, NAP). The COA country case studies illustrated the range of experiences in this regard, and the divergence of

perceptions between government and civil society on the effectiveness of multi-stakeholder consultation mechanisms (see Box IV-3).

Box IV-3. Observations on multi-stakeholder engagement in case studies

In the five COA case study countries, government and civil society perceptions substantially differed on the effectiveness of multi-stakeholder engagement. Overall 61 per cent of in-country survey respondents in these case study countries, agreed that the Government's multi-stakeholder consultation mechanism was effective for GCF decision-making. Among civil society respondents, just 33 per cent agreed, contrasting substantially with the perception of government respondents, of which 81 per cent believed that their multi-stakeholder consultation mechanism was effective.

The country case studies also illustrated the variety of ways in which non-state actors have been engaged in GCF-related processes. In Uganda, two CSOs currently participate in the NDA Committee, selected by a broader constituency of CSOs; this participation has been increased from the original one CSO member at the urging of CSOs. In Morocco, civil society groups are also included in the formal structure, although there are concerns about the groups represented and the meaningfulness of the consultation. In Fiji, there is no formal climate change coordination mechanism, and CSOs expressed a desire for a direct channel to interface with the Government on GCF-related matters; such a stakeholder platform is currently envisioned under the recently approved RPSP grant. In Colombia, academia, civil society and the private sector are actively and regularly engaged either on an ad hoc basis in the decision-making structures or in various technical groups. A number of countries also held broader project origination and validation workshops, based on GCF needs.

Source: Country case studies

21. As noted in Chapter II, GCF guidance on country ownership generally **does not cover the subnational level and local government engagement**. In the view of the evaluation team, decentralization of planning and decision-making is essential for fostering greater relevance of interventions to community needs and, ultimately, their ownership and sustainability over time.

22. **In a number of country cases, stakeholders called for an extension of multi-stakeholder consultation at the subnational and local government levels** (e.g. Colombia, Indonesia, Kenya, Morocco, Paraguay).

Box IV-4. Case study experience with engagement of subnational entities

In Morocco, there was unanimous recognition by key government representatives for the need to engage with local government. In Colombia, these plans existed but were not yet rolled out in practice. In Kenya, where devolution is more recent, capacities at the county level, especially among the most vulnerable arid and semi-arid lands (ASAL) communities, were particularly weak. Namibia demonstrated good practice through its experience in Community Based Natural Resource Management (CBNRM), especially for the local level, grass-roots engagement.

Source: Country case studies

b. Multi-stakeholder engagement in country programmes, DAE nomination and entity work programming

i. Country programmes

23. **CP processes have included multi-stakeholder engagement to some extent**. Most of this seems to have occurred primarily because RPSP resources can be requested for both CP preparation and for stakeholder engagement. RPSP grants have been approved for a total of 117 countries to prepare

a CP or strengthen programming,[56] and for 115 countries for the expected output of stakeholder engagement in consultative processes.

24. As in all such "engagement" processes, it is unclear if these resources have been used for active engagement and participation or whether resources have been used primarily because engagement is a requirement for GCF CP processes. It is also unclear from these numbers if diverse views are encouraged and included in CPs and the process for additional consultation. However, like in all processes that require participation, it is clear that engagement and inclusion are as much dependent on GCF processes and requirements as they are on the ability, capacities and willingness of stakeholders to engage.
25. Submitted CP documents describe the nature of consulted stakeholders. Among the 23 CPs that have been submitted to date, government ministries, CSOs and the private sector have been most frequently reported as consulted. However, project pipelines in CPs include very few private sector projects (see Chapter VII), raising questions about the meaningfulness of consultations, especially with private sector representatives.
26. Notably, nearly 80 per cent of the reviewed CPs referred to consultation with subnational governments – a good signal for country ownership. This was particularly observed in larger countries with an existing subnational or local governance structure or other reasons supporting the devolution of decision-making.
27. Significantly lower participation was reported for accredited or nominated entities, local communities, and women or women's groups, as shown in Figure IV-3. More than 70 per cent of submitted CPs mention plans for continued stakeholder engagement, although frequently in generic terms, further compromising the potential meaningful engagement and inclusiveness of GCF investments.

Box IV-5. Consultation in preparation of the Senegal CP

In Senegal, a large kick-off meeting was organized for the country programme in July 2017, with 60 participants across government, civil society and the private sector. The process also included individual interviews and a number of workshops, including consultation with different regions of the country. The process was led by an international consultant with support from a local consultant. At the time of writing, the CP had not yet been submitted to the GCF Secretariat.

Source: Country case studies

[56] Since RPSP grants contribute to multiple expected outputs, and many various outputs contribute in practice to the preparation of CPs, based on the advice of the GCF Division of Country Programming, we have considered grants that are categorized as contributing to NDA strengthening, as well as strategic frameworks.

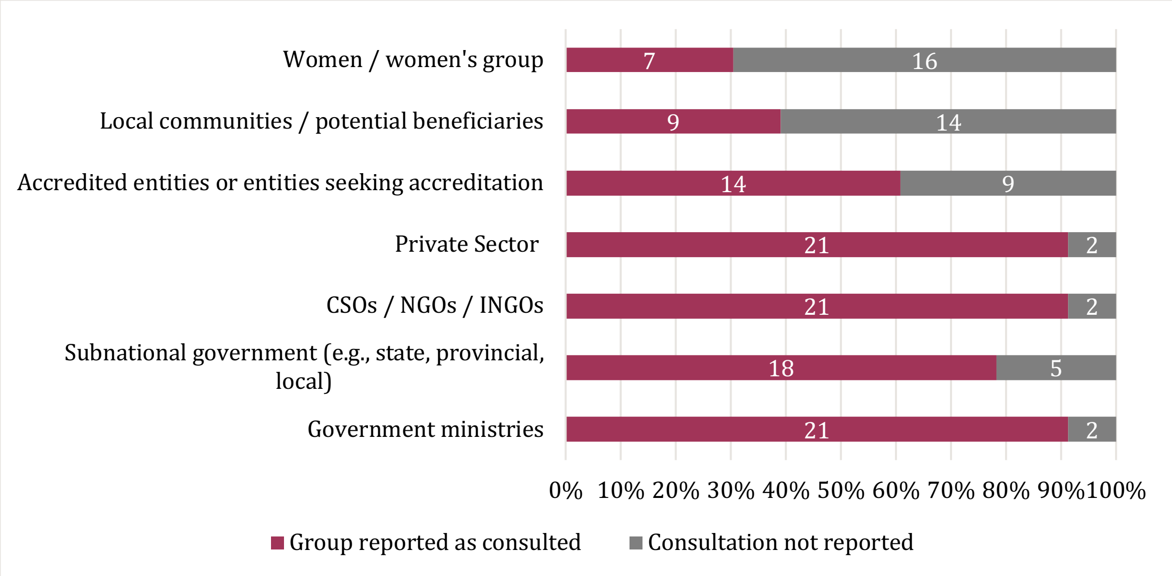

Figure IV-3. Stakeholder groups mentioned as consulted in CP development in the 23 available CPs

Source: The IEU DataLab coded and analysed the 23 CPs documents submitted to the GCF Secretariat, as of 8 July 2019.

28. **The submitted CPs are largely silent on whether the CP was publicly disclosed** (e.g. for public comment) prior to its submission to the GCF. The GCF does not require public sharing of CPs for any period of time, and publication is not monitored. Only one country (Brazil) mentioned that the document was posted online for public comment for a 30-day period. Transparent, public sharing of GCF data is an essential condition for external monitoring by civil society and GCF accountability.

ii. DAE nominations

29. **Based on the country case studies conducted across the FPR, RPSP and COA, multi-stakeholder consultation was weaker during processes to make DAE nominations.** No consultations were held or were held only with central government representatives in 5 out of 22 case study countries respectively. For a more detailed assessment of DAE nominations and their implications for country ownership, see Chapter VI.

Box IV-6. Consultation during DAE nomination in case study countries

Among the COA case study countries, in Uganda decisions were informed through multi-stakeholder consultation in the National Climate Change Policy Committee, and in Fiji broader consultation was led by the responsible consultant under non-RPSP funded readiness support. In Morocco, the large number of initially nominated DAEs was a result of the awareness raised around COP 22 in Marrakech. For the rest, the DAE nomination process was driven largely by the Government (e.g. Colombia), based particularly on fiduciary criteria, or with limited or no consultation (e.g. Indonesia).

Source: Country case studies

iii. Entity work programmes

30. Guidance from the GCF Secretariat directs that EWPs are developed through "robust and inclusive engagement with the NDAs or focal points of countries where the planned projects/programmes will

be located, and other key stakeholders across various levels of government, local and community-based institutions, the private sector, and civil society."

31. **However, EWPs demonstrate very limited stakeholder engagement during their development.** Less than half of submitted EWPs mention stakeholder engagement in developing the EWP; this proportion is significantly lower for IAE EWPs than for regional and national DAE EWPs, as shown in Table IV-4. Just seven EWPs (11 per cent) generally describe their stakeholder engagement processes for overall EWP development, while a larger proportion (39 per cent) describe stakeholder engagement for individual projects proposed in the EWP pipeline. That said, it may not be appropriate to conclude that such consultation was not undertaken since, despite the aforementioned guidance from the Secretariat, the EWP template does not include a section for describing the engagement processes. Thus, there is limited accountability for the extent of consultation undertaken in the EWP process.

Table IV-4. Stakeholder consultations reported in EWPs

EWPs	Total number of EWPs	Any stakeholder engagement reported in EWPs		Type of stakeholder engagement			
				Stakeholder engagement discussed overall for the EWP process		Stakeholder engagement described for the individual projects in the EWP	
		Number of EWPs	Per cent	Number of EWPs	Per cent	Number of EWPs	Per cent
Total	61	26	43	7	11	24	39
International AEs	21	7	27	2	8	6	23
Regional DAEs	12	6	50	2	17	5	42
National DAEs	23	13	57	3	13	13	57

Source: The IEU DataLab has coded and analysed the 61 EWPs submitted to the GCF Secretariat and made available to the IEU, as of 8 July 2019.

c. Multi-stakeholder engagement throughout the project cycle

32. Despite the GCF policy guidance, ensuring robust and meaningful multi-stakeholder consultation during the project cycle has been a challenge in the GCF.

i. Multi-stakeholder engagement during the project design phase

33. **The demonstration of meaningful stakeholder engagement during funding proposal preparation is insufficient.** Based on IEU DataLab analysis of GCF portfolio data, more than 40 per cent of projects did not describe consultations with stakeholders during project design, even if such consultations occurred (Figure IV-4). More than half of mitigation and private sector FPs did not specify any stakeholder groups that were consulted during project preparation (see Figure IV-5).

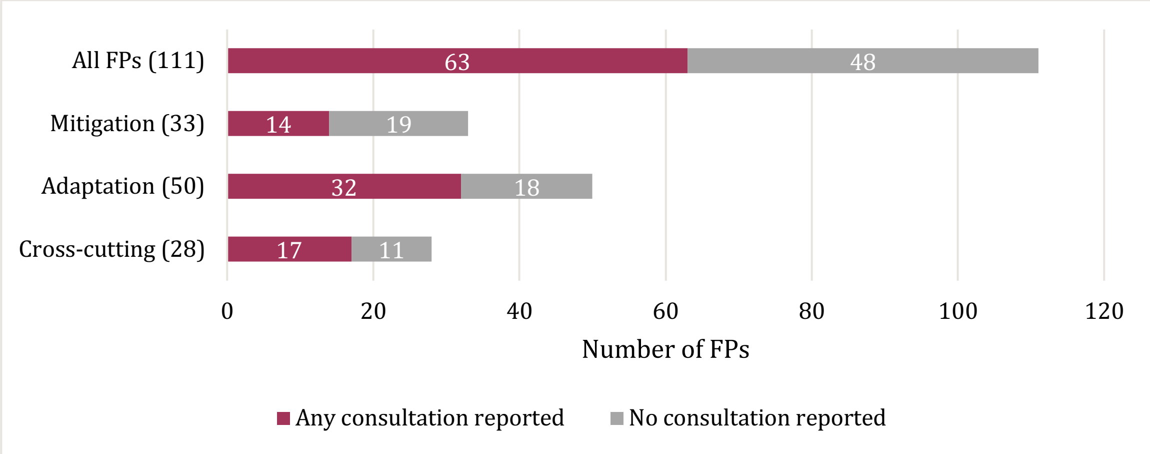

Figure IV-4. Stakeholder consultation during project design, by themes

Source: The IEU DataLab carried out text analysis of the 111 FPs, which were active as of 8 July 2019, to identify reported stakeholder consultation during the project design phase.

34. The central government was the stakeholder group most frequently reported as consulted, with 43 per cent of FPs referring to this engagement. Twenty-three per cent of FPs referred specifically to NDA consultations. Consultations were also held with national/provincial government (22 per cent) and local community (28 per cent). While civil society was reported as consulted at a similar level (28 per cent), academia, PSOs and women's groups were the stakeholder groups least frequently reported as consulted. CSO observers to the GCF also raised concerns about stakeholder consultation in comments submitted on half of all FPs, as presented in more detail above. Box IV-7 below presents further observations on stakeholder engagement during project preparation from the country case studies.

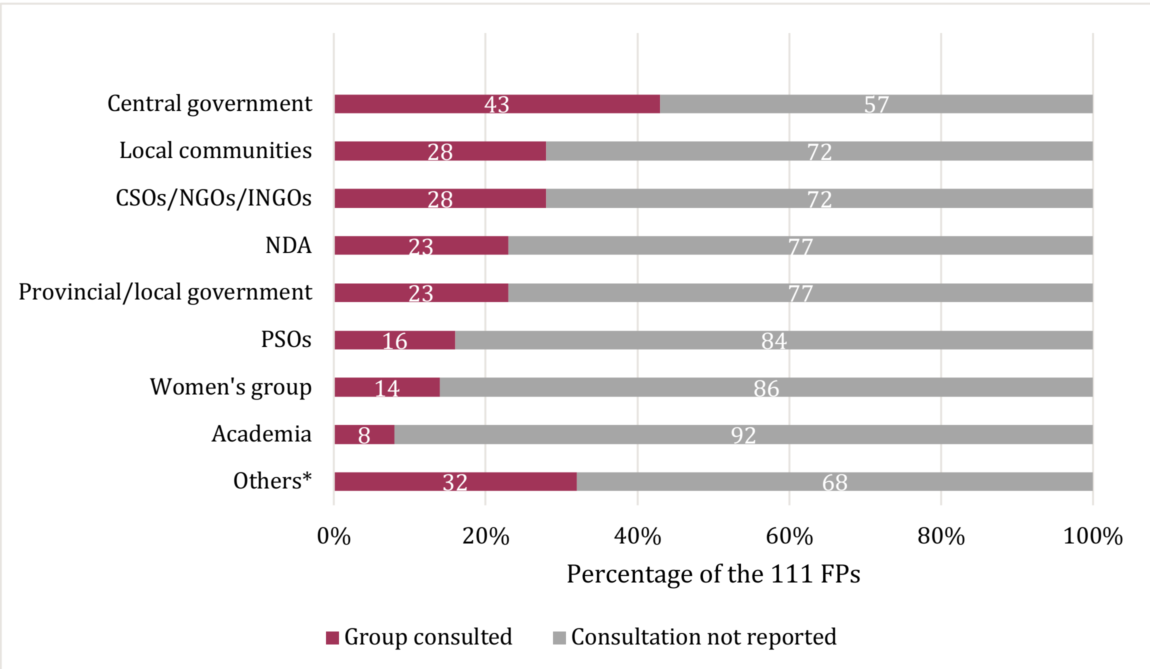

Figure IV-5. Stakeholder consultation during funding proposal design by type of stakeholders

Notes: Stakeholder groups have been identified based on the text analysis on FPs by the IEU DataLab. *Other stakeholders include, for example, other donors and youth unions.

Source: The IEU DataLab carried out text analysis of the 111 FPs, which were active as of 8 July 2019, to identify reported stakeholder consultation during the project design phase.

ii. Multi-stakeholder engagement during the implementation phase

35. As described before, GCF policies and guidance documents such as the Monitoring and Accountability Framework for Accredited Entities (B.11/10, Annex I) and the Information Disclosure Policy provide limited guidance on broader stakeholder roles in a project or portfolio monitoring. Namely, NDAs are encouraged to hold annual participatory review sessions with stakeholders, particularly project beneficiaries, CSOs and vulnerable groups (discussed later in Chapter V), and AEs are encouraged to conduct participatory monitoring.

36. **IAEs and DAEs referred to their well-established structures and procedures for broad consultation during both project design and implementation.** These included differing degrees of consultation during project design, ESS, representation in project governance structures (e.g. steering groups), as well as the publication of progress reports. Frequently, the reliance on IAE structures and procedures for stakeholder engagement was perceived as "business as usual" by interviewees across different countries, with no particular added-value for country ownership in the GCF (see also Chapter VI on IAEs and country ownership).

37. **The lack of public access to the APRs was cited as a major concern by CSO stakeholders,** as third parties could not monitor the progress of GCF-funded interventions. Transparency of results information is critical for external progress monitoring and ultimately accountability to final beneficiaries. (See also Chapter VI)

38. **The engagement of CSOs as DAEs and executing entities was also limited.** Among public sector AEs, CSO DAEs represent just 10 per cent (see also Chapter VI). The Fondo Accion in Colombia is one of the exceptions, as it was able to meet the stringent GCF fiduciary criteria. Beyond their limited role in execution, a number of CSOs in different countries, including Morocco and Uganda, noted the absence of a specialized GCF financial vehicle to support their particular needs and projects. The recent joint CSO publication *Local Actors Ready to Act* encouraged the use of already existing small-grants vehicles for this purpose.

Box IV-7. Country observations on stakeholder consultation during project design

In Colombia, for example, *Scaling up climate-resilient water management practices for vulnerable communities in La Mojana* (FP056), implemented by UNDP, was applauded for the extent of its community consultations and representation of indigenous peoples organizations in its decision-making structures. In Morocco, the first stages of *the Saïss Water Conservation Project* (FP043) engaged substantially with local stakeholders, including the construction of small community projects in the surroundings of the irrigation infrastructure. In Indonesia, *Indonesia Geothermal Resource Risk Mitigation Project* (FP083) was criticized for its limited consultation of local communities, although project locations were not known during the design phase.

Source: Country case studies

iii. Summary assessment

39. **Overall, the evaluation team finds that the demonstration of multi-stakeholder engagement in most areas has been low to moderate**, as summarized in Table IV-5. As detailed in Chapter II, GCF policies and guidelines leave significant flexibility for countries to pursue their own approaches to engaging stakeholders, with initial "best practice options" for multi-stakeholder engagement approved at B.08 in 2014 and not yet revisited. This flexibility and lack of accountability have, in most cases, led to suboptimal stakeholder engagement – or at least poor demonstration or documentation that such meaningful engagement has been undertaken.

Table IV-5. COA evaluation assessment of multi-stakeholder engagement

Area of GCF country-level multi-stakeholder engagement	Assessment	Reason
Climate coordination structures	Low/Moderate	About half of countries reviewed have multi-stakeholder membership in climate coordination structures that advise the NDA/focal point, such as on NoLs or DAE nominations; local (subnational) stakeholders are not well represented, however.
Strategic investment planning processes, including CPs and EWPs	Low/Moderate	CP documents mention stakeholder engagement processes, although local communities, AEs, and women/women's groups were not frequently mentioned; non-state actors see CPs as an opportunity to have their voice be heard at the strategic level. CPs are not necessarily publicly disclosed, limiting transparency and accountability for broader stakeholders. EWPs offer very little evidence of multi-stakeholder engagement in their preparation.
Project design	Low	Demonstration of meaningful stakeholder engagement during funding proposal preparation is insufficient; more than 40 per cent of FPs do not describe the stakeholder groups consulted, and CSO observers raise concerns on more than half of FPs.
Project implementation	Low/Too early to assess	APRs are not made public, limiting transparency and accountability for broader stakeholders. NDAs/focal points are encouraged to conduct annual participatory reviews for local stakeholders, and AEs are expected to conduct participatory monitoring. However, limited evidence was available to date that these processes are happening in a participatory manner.

3. Country programmes

40. **The aim of CPs has not been clearly articulated in GCF Board decisions or documents.** In decision B.13/32, RPSP guidelines on indicative activities refer to CPs that identify "strategic priorities for engagement with the GCF, disseminating information and engaging stakeholders in the country programme."[57] The RPSP Guidebook defines a GCF CP as " a living document that provides a country's climate change priorities with the GCF, including a pipeline of projects the country would like to develop. It provides an action plan that details how projects and programmes are to be developed, the type of entity to partner with, and the readiness and preparatory support required." The 2016 GCF CP draft development guide by the GCF Secretariat describes CPs as a way to establish short- and long-term GCF priorities in the country and foster country ownership, driven by a robust and inclusive multiple stakeholder engagement process.[58] The new *RPSP Strategy for 2019–2021* includes as an outcome that CPs "identify areas and potential interventions of highest

[57] Decision B.13/32, Annex VII.
[58] The core of the CP would be identifying a set of projects for near-term programming (<1 year) and long-term programming (1–3 years). This would also involve developing an action plan with milestones, including required project preparation support, policy, regulatory and institutional capacity challenges, accreditation of nominated entities, and existing and future readiness needs.

impact and paradigm shift potential," and also includes CPs as a solution for ensuring that countries drive project pipelines and strategic use of RPSP support. Box IV-8 shows the expected outputs of the CP, as defined in the new RPSP strategy. Interviews and the Board's ISP also stress that CPs are aimed at enabling the Fund to prioritize and plan its resources.[59] As illustrated, these various documents and decisions offer a variety of objectives for the CPs, although common elements include identifying priorities for GCF investment and a pipeline of projects.

41. **Despite a growing emphasis on CPs by the GCF Secretariat, few have been finalized and officially submitted**. RPSP grants have been approved to contribute to the process of CP development[60] in 117 countries, but only 23 CPs have been officially submitted to the GCF as of 8 July 2019. In addition, draft CPs have been shared by 27 countries, and 49 countries have shared "country programming briefs" – a preliminary output from NDAs on their countries' early programming ideas, prior to national participatory and consultation processes, which are intended to be replaced by CPs.

42. **The GCF does not have a formal requirement of or process for submitting CPs to the GCF Secretariat or the Board.** Of those submitted to the Secretariat so far, five CPs were submitted to the Board for information in June 2018.[61] There has been no systematic process of collecting and sharing CPs produced as deliverables under the RPSP; GCF targets for CPs in the Secretariat's work programme were not achieved.[62] This submission process has not been clarified in the new *RPSP Strategy for 2019–2021*, although one relevant indicator is the "number of country programmes endorsed by GCF recipient countries." Many CPs are nevertheless known to be under preparation and in various stages of drafting, though they have experienced substantial challenges and delays. Several GCF CPs were prepared in the early phase of the Fund under non-RPSP funding provided by other development partners; these appear to remain dormant and have not been shared with the GCF.

Box IV-8. RPSP 2019–2021 Strategy: CP outputs

A country programme:

"Articulates a country strategy to undertake low-emission and climate-resilient development in alignment with the country's national priorities.

Addresses gender, ESS and IP issues as aligned to country national priorities

Identifies investment priorities including prospective sources of funding and areas for engagement in a manner that effectively promotes country ownership

Drives the process for programme and project pipeline development in line with the ambitious goals of the GCF."

Source: GCF/B.22/08

a. Strategic relevance of country programmes for country ownership

43. Feedback from NDAs, AEs and other stakeholders was mixed on the overall value of the CPs. At the country level, some NDAs and AEs saw the **CP as a good vehicle for countries to communicate the priority areas in which the country would like to receive project concepts and proposals.** This was especially true for AEs in situations where existing government

[59] Green Climate Fund (2019). Meeting of the Board GCF/B.22/Inf.13. Report on the implementation of the initial strategic plan of the GCF: 2015–2018, 1 February 2019.
[60] We consider RPSP grants under NDA strengthening and strategic framework as a contribution to the process of country programme development, as recommended by the GCF Secretariat.
[61] GCF/B.20/11. Consolidated country and entity work programmes.
[62] Green Climate Fund Independent Evaluation Unit. (2019). *Forward-Looking Performance Review of The Green Climate Fund (FPR).* Evaluation Report No. 3, Green Climate Fund, Songdo, South Korea.

communication on this was seen as lacking or opaque. Improved communication could help support a more country-driven project portfolio.

44. For many stakeholders, including non-state actors, **the process of developing the CP, especially inter-ministerial and multi-stakeholder engagement, was seen as more important than the actual product for enhancing country ownership**. Most of the case study countries referred to the inherent value of reiterating international climate change commitments, reviewing them through the lens of the GCF (its objectives, investment criteria, and strategic impact areas), and further institutionalizing these commitments through the CP.

45. Involving multiple stakeholders in the process of CP development is seen as having real potential to generate country ownership beyond a small constituency of government entities. Most DAEs in the case study countries were already working closely with the Government to identify priority projects – but the CP process was seen as an opportunity for other stakeholders (e.g. civil society) to have a bigger voice in DAE programming. Some interviewees even suggested that the CP itself was a useful place to document and share information about GCF requirements, structures and procedures, in order to increase awareness among key stakeholders.

46. Some NDAs, AEs and delivery partners, however, clearly lamented the GCF approach to CPs as yet another fund- or donor-specific country programming exercise – a "distraction," as one interviewee put it. O**ften the CP was viewed as a GCF requirement to satisfy, rather than a real contribution to strategic country planning**. The prevailing poor quality and lack of familiarity with the CPs reflect this ambivalence, and, in general, the CP was not very well known or appreciated across the case study countries. Some interviewees felt that the CP was not required to ensure alignment with national development goals and strategic planning, noting that NDCs, NAPs and other climate strategies are already in place.

47. Although nearly all of the CPs submitted to date have taken a GCF-specific perspective to programming, **several countries saw greater value in comprehensive climate finance planning**. For example, in Fiji, instead of a GCF CP, the Government is developing a broad climate finance plan, supported with non-GCF resources, taking into account domestic, regional, international, budgetary and non-budgetary sources of finance, where the GCF is only one potential source. The Government view is that the climate-mainstreamed national development plan will be the starting point for country-led project origination moving forward and that the public sector investment process will help identify projects that could be matched with the GCF for funding. The main constraints are staff capacity and high turnover, not the lack of country strategic plans. See Box IV-9 below for more details on the Fijian experience and observations from other country case studies on the CP process.

48. Evidence from interviews, the survey and the analysis of submitted CPs provides **limited confidence that the current CP process helps countries to better achieve a paradigm shift**. The large majority of CPs do not describe their own understanding of paradigm shift or their approach to promoting it, or simply refer to prioritizing among projects based on the GCF investment criteria of paradigm shift. Less than 60 per cent of in-country survey respondents agreed that the GCF CP supports paradigm shift; among these respondents, RPSP delivery partners who are otherwise likely to be most intimately engaged in these processes, had the lowest level of agreement at 33 per cent, followed by civil society with 40 per cent agreement.

b. Country-driven pipeline

49. A major intended output of the CP process **is a country-driven pipeline of near-term and long-term projects** for development with GCF support. This is expected to be done through a "robust and inclusive" stakeholder engagement process to identify country-owned priorities and in cooperation with existing and prospective AEs to "identify practical steps that will enable the implementation of these priorities, which, in turn, can be supported by the Fund."[63]

50. **The CP process has not been effective in identifying priority areas and projects for engagement with the GCF** through a consultative process in most countries (including at subnational levels in some cases). Three quarters of CPs mention that a process was undertaken to identify and select projects for inclusion in the country's pipeline, to varying levels of specificity, as demonstrated in Table IV-6. **How potential projects were screened and ultimately prioritized is frequently not well articulated, nor are linkages to EWP processes mentioned.** All the CPs included a reference to national development and climate change policies.

51. Therefore, many project concepts are perceived to be nationally originated, aligned with national policies and strategies, and more broadly owned (beyond government). As noted above, government ministries, subnational governments, CSOs, and the private sector have been consulted in the preparation of more than 80 per cent of submitted CPs. Interviews and survey responses also identified sector-level engagement as important.

Box IV-9. Country experience in the development of CPs

Uganda. Beyond suggestions on how to address GCF investment assessment criteria in project design, the 2016 Uganda CP does not narrow down pipeline projects and presents vague sector priorities. It has little to say on matching AEs with priority projects or private sector development. The CP document was developed with non-GCF resources and was not made widely available or shared with the GCF. Few country stakeholders have seen its final version, even some of those who participated in preparing it. The NDA has recently started updating the CP with support from an ongoing RPSP grant.

Morocco. The role of the GCF CP in Morocco is not quite clear to stakeholders as the country has a sound legislative and policy framework for climate change and a pipeline of projects to meet the NDC. Nevertheless, a draft CP has been prepared with RPSP support through a local consultant. This programme is considered of moderate quality and has not yet been submitted to the GCF. Most stakeholders agree that any CP would have to remain a "live" document that should be regularly reviewed.

Fiji. The Government of Fiji has not prepared a GCF CP. Its view is that a CP for climate finance should be done with a broader lens, rather than individually for each finance source or Fund. Non-government stakeholders generally support this idea. But they also see a GCF CP exercise as a means of supporting broader stakeholder ownership in Fiji, beyond the Ministry of Economy. Interviewees noted that there is the perception in Pacific Island countries that preparing a GCF CP would help them mobilize resources and that all projects submitted to the GCF would have to be in the CP. Stakeholders in Fiji also cautioned of the danger of diverting scarce human resources in Government to yet another planning process when the climate change needs are urgent; they pointed to the need to also focus on how a country arrives at its CP (i.e. the process, not simply the outcome) and saw a GCF CP as an opportunity to also review and enhance their NDCs.

Colombia. Stakeholders see the GCF as only one component of the existing climate change strategic framework, structures and processes in Colombia. A GCF CP has not been formally submitted to the GCF Secretariat. But a CP is also seen by some to have the potential to provide an opportunity to institutionalize GCF related priorities, processes and stakeholder contributions. In the words of one interviewee, "The CP provides another opportunity to cement climate action, beyond being a source of climate finance."

[63] GCF 2016 Initial Draft Country Programme Guide

Indonesia. A first GCF CP for Indonesia was finalized in early 2018, but with relatively few consultations and being more consultant driven. The CP is an inventory of opportunities and a guide for project alignment, without specifics on pipeline projects and private sector involvement. A new and updated CP draft has been prepared by the NDA but not yet released. It engaged multiple stakeholders in programme design, made provisions to get stronger high-level government buy-in, and tried to be more specific in its definition of project priorities. Some contributors to the CP are still concerned that in the absence of a clear GCF resource envelope for Indonesia a proposed CP project pipeline may raise expectations that the GCF ultimately may not be able to fulfil. The NDA also maintains that many strategic decisions on the GCF CP ultimately depend on an overall climate finance strategy for the country – which the Ministry of Finance is in the process of developing – the designated role of the GCF in this strategy, and the required types of finance for the identified priorities.

Source: Country case studies

Table IV-6. Selected examples of country pipeline development processes during CP

Country	Brief description of project pipeline development process
Brazil	Projects were identified as a result of dialogue with AEs, relevant government agencies and civil society, and were discussed directly with the NDA.
Bangladesh	Projects were prioritized based on strategic importance, including a series of criteria such as aligning with national development and climate priorities; being representative of a wide range of financial instruments and supports; being inclusive and covering a wider range of partners; and being of high quality, competitive, fundable and transformative.
DRC	Prioritization criteria were based on alignment with national priorities, beneficiary populations and satisfying the GCF investment criteria.
Lao PDR	Priorities were selected to align with GCF results areas and investment criteria; developed by synthesizing national climate change and development strategies and action plans, and intensive stakeholder engagement at national and subnational levels.
Namibia	The Namibian National Committee on Climate Change (NCCC), also serving as the GCF Steering Committee, consulted with stakeholders to review and recommend proposed projects for the GCF project pipeline.
Pakistan	Consultations were held between the consultants, NDA, and Federal and provincial line departments to identify the priority areas and their alignment with the climate change policy of Pakistan, its implementation framework and GCF strategic impact areas. As a result, priority areas/concepts were identified from across the country.
Guyana	First, a preliminary long list of 124 project ideas was developed based on a desktop review of key climate and development-related strategic, policy and planning documents. Then, a technical assessment was carried out to ensure that these projects ideas were aligned with national priorities and GCF results areas and investment criteria. A final long list of projects was then prepared and used as the basis for a participatory prioritization process with key national stakeholders.
Federated States of Micronesia	The CP is based on endorsed priority projects planned under the JSAPs and the IDP. These have been channelled through the biennial ODA Priorities submission process for 2016 to 2018, which ensure country ownership alignment (i.e. from States to national; from national to international donors, such as the GCF).

Source: IEU DataLab review of 23 submitted GCF CPs

52. There is significant variability among countries in terms of the number of projects identified and the proportions of projects identified with IAEs and DAEs, as shown in Figure IV-6. Overall, however, the CP process has resulted in a similar proportion of projects identified with DAEs (24 per cent) to that in the current portfolio of approved FPs (22 per cent), and a higher proportion in submitted

CNs[64] (34 per cent). But half of the countries' CPs with pipelines do not include any projects identified for accredited or nominated DAEs. About a quarter of countries that have nominated DAEs that are not yet accredited also do not include any projects that were identified to be implemented by those DAEs (Pakistan, DRC, Zambia, Chad). The inclusion of concept notes and FPs submitted by AEs still in the accreditation process is risky in light of the related insecurity and time required for this process. See also Chapter VI on the challenges faced by DAEs to develop projects.

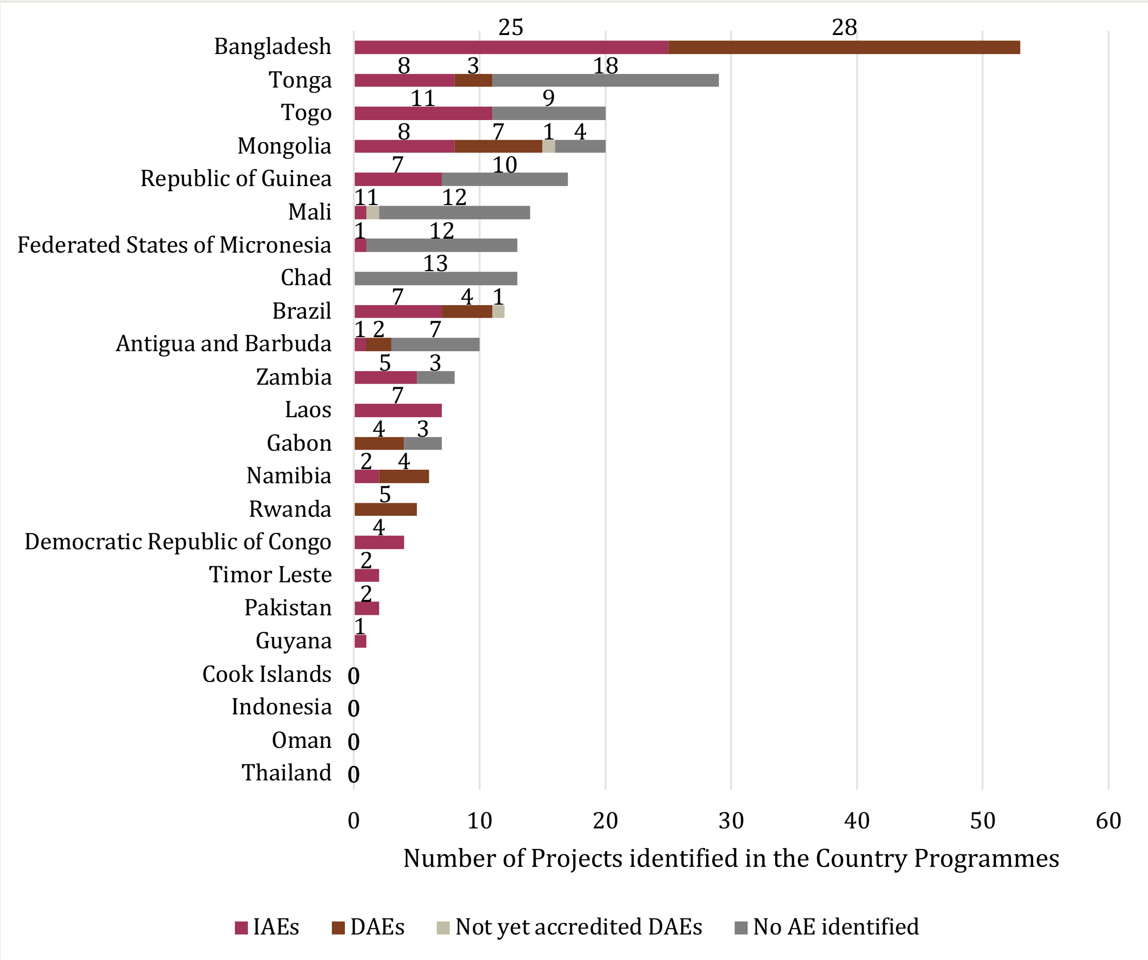

Figure IV-6. Number of projects identified in the pipelines of the 23 CPs

Source: The IEU DataLab coded and analysed the pipeline included in the 23 CP documents submitted to the GCF Secretariat, as of 8 July 2019.

53. **The CP process has not been successful in helping to identify private sector investments yet.** Although private sector entities were reportedly engaged in a consultative process in more than 90 per cent of CPs, only 4 of the 238 projects (less than 2 per cent) identified in the pipelines of submitted CPs are private sector projects. Less than half of respondents to the in-country COA survey agreed that the GCF CP enables private sector participation. The lack of private sector projects identified through the public sector-led pipeline development process has also largely been the experience of other climate funds that have undertaken a CP process, including the CIF and GEF. This outcome has been partially associated with the incentive for public sector entities to programme resources for themselves, as well as the nature of private sector project development, which does not lend itself as well to longer-term pipeline development efforts. The CP process also

[64] Those that have not yet been turned into funding proposals in the pipeline.

does not support the identification of multi-country projects; just 5 pipeline projects (2 per cent) are multi-country.

54. Whether pipelines developed through the CP process can be translated from aspirations into approved projects largely remains to be seen. The lack of specificity in the pipeline presents a challenge. Four of the 23 CPs submitted do not include project pipelines. Among those with pipelines, as shown above, no AE has been identified for more than half of the projects, and financial terms (e.g. grants, loans, equity) are only identified in a quarter of CPs. This suggests a weak linkage with the EWP processes as well.

55. Combined with the fact that AEs have not been consulted in the preparation of more than 40 per cent of CPs, this raises concerns about the potential eligibility of identified projects, as well as the ability of countries to identify a willing and capable implementing entity. There are possible parallels to be drawn to the experience of the GEF in its National Portfolio Formulation Exercise, where a significant proportion of country-originated concepts identified through national programming efforts were ultimately deemed ineligible, especially in LDCs (see also Chapter III on benchmarking) – undermining the country-led nature of the exercise.

c. Factors that hindered country ownership in the CP process

56. **Lack of guidance from the GCF Secretariat on CP is seen as one of the greatest weaknesses in the process; it has resulted in confusion, a range of interpretations and expectations, and has detracted from countries assuming ownership of the processes.** Almost 60 per cent of respondents to the in-country survey agreed that the GCF CP provides clear strategic guidance for pipeline development. By respondent group, RPSP delivery partners – those responsible for assisting countries in CPs – had the lowest level of agreement with this statement (just 33 per cent agreeing). Delivery partner feedback through the survey and interviews suggested that many were unable to articulate the purpose or value of the CP for the country itself, and felt that the GCF was lacking clear guidelines on these areas or on what constitutes good practice in a CP. Many interviewees highlighted the importance of flexibility to enable countries to adapt the CP process to their country's needs and circumstances, while still calling for better guidance and communication from the GCF Secretariat on these areas.

57. **Some countries lacked the interest and/or technical and project management skills to prepare the CP, contributing to the low submission rate and documents of highly variable quality.** As already mentioned, many countries had a strong preference to prepare and strengthen more comprehensive climate finance strategies.

58. **The lack of clarity around the CP process also has potentially negative unintended consequences**. The ambitious planning process without clear links to resource certainty (e.g. indicative funding envelope or number of projects) risks raising false expectations that cannot be fulfilled. In several case study countries, there were misperceptions about the CP's role and countries' incentives for preparing one, including the perception that all projects included in a CP would ultimately be funded by the GCF and that the CP would be used as a screening tool for approving or rejecting CNs or FPs. The latter perception led some countries to be hesitant to do a true prioritization process, for fear that not mentioning a priority area in the CP would mean that the GCF would not fund activities for the country in that area. Relatedly, the quality assurance process is not clear to stakeholders, nor is the role of the Secretariat in "vetting" or sharing the CPs with the GCF Board, which could be (mis)interpreted as an endorsement of the project concepts included therein.

d. Summary assessment

59. **Overall, if we are to consider the following envisioned aims for CPs, the evaluation team assesses that CPs have not yet adequately delivered on most aims**, as summarized in Table IV-7. The limited preparation and hesitation for submission stem from the lack of a GCF requirement to submit these documents, challenges of related RPSP support and limited perceived relevance of the CP at the country level, with a strong preference in some countries for more comprehensive climate finance planning. The CPs and CP drafts that had been prepared also suffered from quality challenges, consisting usually of a general summary of already existing strategies and plans, with limited links to climate rationale, AEs or concrete project pipelines. These issues are discussed in turn below.

Table IV-7. CPs aims and COA evaluation assessment

Aim of CP	Overall assessment	Reason
Help countries develop short- and long-term priorities for engagement with the GCF that are embedded in broader national development and climate finance priorities	Low	CPs have, in some cases, helped countries identify themes or priorities for engagement with the GCF that are embedded in broader national priorities. Countries struggle to prioritize in the absence of any planning certainty (e.g. funding or number of projects). CPs also seem to generate expectations in countries that the GCF will develop all projects included in their pipeline.
Use robust and inclusive multiple stakeholder processes	Moderate	No guidance on the extent to which non-stakeholders are included and how diverse views need to be engaged with. No guidance on when and how other stakeholders need to be engaged, especially in formulating ideas, pipelines, investment proposals, implementation and monitoring.
Address gender, ESS and IP issues	Low	Women or women's groups have been reported as consulted in less than a third of CPs.
Identify areas and potential interventions of highest impact and paradigm shift potential	Low	The large majority of CPs do not describe their own understanding of paradigm shift or their approach towards promoting it.
Develop a country-owned pipeline of projects with AE identified	Low	Pipelines have been presented in four fifths of CPs but lack specificity and details required for GCF eligibility (mainly because these conditions have not yet been specified by GCF). Half of the pipeline projects have no AE identified, and financial terms are only included for a quarter of projects. Private sector projects are rare in CP pipelines. Linkages to EWPs are not clear.
Support direct access	Low/Moderate	Overall, the CP process has resulted in a proportion of projects identified with DAEs similar to those in the current portfolio of approved FPs. Non-state actors see CP as an opportunity to influence DAE investment pipelines.
Identify areas for strategic use of RPSP support	Low	CPs are inconsistent in describing RPSP support needed.
Provide a framework for future monitoring, evaluation and learning of the GCF portfolio	Low	Few CPs describe concrete plans for monitoring the GCF portfolio or a country-level results framework.

4. PUBLIC CO-INVESTMENT BY HOST COUNTRY INSTITUTIONS

60. Although the GCF has not yet approved a policy on co-investment, Board documents suggest that co-investment "may play a role in ensuring country ownership by supporting more effectively the translation of national priorities into action."[65] At the same time, the GCF has acknowledged that while public co-investment by host country institutions is desirable, it may not always be possible, given the scarcity of financial resources in many countries. Moreover, the appropriate level, source, and type (e.g. cash versus in-kind) of co-investment is a project-specific determination. Looking across the entire portfolio of GCF-funded projects, the IEU DataLab portfolio-level analysis shows that every USD 1 of GCF funding is expected to leverage USD 2.5 in public and private sector financing.

61. **In countries where significant amounts of co-investment (which includes in-kind contributions and other types of commitments) by recipient country public institutions, stakeholders viewed co-investments as an indication of country ownership and better potential for sustainability.** In particular, the co-investment was seen to reflect that the project was strongly aligned with government priorities and/or existing programmes. For example, co-investment from the Government of Uganda represents more than 40 per cent of the total project value (USD 18 million of USD 44 million for FP034), which is seen to reflect the presidential-level priority on wetlands restoration and also benefits from an existing national restoration effort. Similarly, in Fiji, the Government is providing 38 per cent of the total project value (USD 85.26 million of USD 222 million), reflecting the national priority on water infrastructure. In Guatemala, in-kind co-investment from the Government leverages existing government programmes to implement adaptation actions (FP087).

62. Even in a country where co-investment has not been provided by public institutions, as in Indonesia, such co-investment is still recognized as a demonstration of country ownership. According to interview data, administrative hurdles and a lack of clarity in GCF co-investment requirements are contributing factors to the absence of co-investment in some instances.

63. Interviewees also pointed out that while in-kind co-investment may be more often available from host country public institutions, cash co-investment was seen as particularly important to ensure continued ownership, after project completion, for operation and maintenance of infrastructure projects. Still, both types of contributions were seen as indications of country commitment to the project during implementation. Out of the 111 projects in the GCF portfolio, 60 have either cash or in-kind co-investment from the country's public institutions.

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[65] GCF/B.23/19; GCF/B.21/29/Rev.01.

Table IV-8. Recipient country government co-investment by project sector within GCF and project focus

Project Sector/Focus	Number of projects in the portfolio	Projects with recipient government co-investment	
		Number	Per cent
Total	111	60	54
Project Sector			
DMA	86	59	69
PSF	25	1	4
Project focus			
Adaptation	50	38	76
Mitigation	33	5	15
Cross-cutting	25	17	68

Source: Identification of government co-investment by the IEU DataLab based on project co-investment information from the GCF Secretariat, analysed by the IEU DataLab. Data as of 8 July 2019.

64. **Overall, co-investment by recipient country public institutions for DMA projects has accounted for 15 per cent of the total project value.** This includes both contributions in cash and monetized in-kind contributions. For private sector projects, co-investment by recipient country public institutions has accounted for less than 1 per cent of the total project value for PSF projects.

65. Co-investment by recipient country public institutions has been much more common in adaptation projects, reflecting a greater willingness to provide their own resources for priority development areas. **Even in LDCs, those countries presumably with the most limited domestic budgets, almost 80 per cent of DMA projects have included some level of host country public co-investments**, the highest proportion among the country groups.

Table IV-9. Recipient country government co-investment by country groups and GCF sectors

Country group		Number of projects in the portfolio	Projects with recipient government investment	
			Number	Per cent
LDCs/SIDS/African States		71	40	57
	DMA	54	40	74
	PSF	17	0	0
LDCs*		43	23	53
	DMA	29	23	79
	PSF	14	0	0
SIDS*		27	15	56
	DMA	20	15	75
	PSF	7	0	0
African States*		59	23	46

Country group		Number of projects in the portfolio	Projects with recipient government investment	
			Number	Per cent
	DMA	32	23	72
	PSF	27	0	0
Others		40	20	50
	DMA	32	19	59
	PSF	8	1	13
Total		111	60	54

Notes: LDCs, SIDS, and African States country groups are not mutually exclusive categories (*).
Source: Identification of government co-investment by the IEU DataLab based on project co-investment information shared by the GCF Secretariat, analysed by the IEU DataLab.

66. The proportion of IAE projects with recipient country co-investment is slightly higher, at 57 per cent, than DAE projects (44 per cent). DAEs and IAEs have similar proportions of adaptation (DMA) projects with recipient country co-investment (78 per cent of DAE and 79 per cent of IAE projects). These similar co-investment proportions suggest that national buy-in is not necessarily higher for DAE than IAE interventions – with the caveat that co-investment proportions should not be used alone as a metric of country ownership.
67. The IEU DataLab also looked at co-investment ratios to understand financial leverage. For micro and small-sized DMA projects that have an element of recipient country co-investment,[66] IAEs have leveraged nearly one and a half times as much co-investment from recipient country institutions as DAEs: USD 0.30 for every dollar of GCF funds for IAEs, versus USD 0.18 for every dollar of GCF funds for DAEs. The high public co-investment ratio for IAEs may be partly attributed to their internal structures and procedures that require the Government to contribute a certain proportion of the project budget (see Figure A - 13).
68. Notably, out of the entire portfolio of 111 projects, six IAE projects report co-investment from project beneficiaries/local users, suggesting stronger ownership also at the local, community level. Only one DAE project indicates such co-investment.

C. Key findings and recommendations

1. Key findings

How does GCF support for country climate change policies and institutional structures support country ownership?

69. **All GCF-eligible countries have national climate change policies, strategies or plans in place that have the potential to guide GCF investments.** The quality of these policies and strategies, however, and the extent to which they are legally institutionalized and enforced, varies significantly. The *RPSP Strategy for 2019–2021* emphasizes strengthening countries' existing policy frameworks, including NAPs, as adaptation planning has lagged behind mitigation in general.

[66] Micro and small projects represent the majority of DAE projects and thus the most accurate comparison to IAE co-financing ratios. Recipient country co-financing ratios are significantly higher for medium-sized projects, and lower for large-sized projects.

70. In terms of institutional leadership, the GCF has **largely relied upon existing national climate change coordination structures, rather than creating parallel structures** – an approach that is supportive of country ownership. Many countries have existing climate change coordination mechanisms that can contribute to strategic climate leadership and coherence of priorities across government.
71. The evaluation finds that current GCF **investments align with national climate change strategies and priorities**. GCF projects are targeting country sectoral needs and priorities, as identified in NDCs. CSO observers, however, raise more frequent concerns on such alignment.

Is GCF support multi-stakeholder engagement during its programming cycle, sufficient?

72. Multi-stakeholder engagement is critical for operationalizing the principle that country ownership extends beyond national government. **This engagement has been insufficiently demonstrated throughout the GCF programming cycle.** Only half of countries include non-state actors in their country coordination structures that advise on interaction with the GCF. More than 40 per cent of FPs do not describe stakeholder groups consulted during design, and in implementation, APRs are not made public, limiting transparency and accountability for the GCF. While CP documents mention stakeholder engagement processes, CPs are also not necessarily publicly disclosed. Overall, the GCF has provided inadequate guidance on its expectations for multi-stakeholder participation and what constitutes meaningful engagement.

Do GCF CPs strengthen country ownership and the development of a country-owned pipeline?

73. At the time of writing, 23 CPs have been finalized and officially submitted, although more than 100 countries have requested support for this purpose. **The evaluation team finds that CPs have not yet adequately delivered on the aims of the CP development process**, particularly identifying areas of highest impact and paradigm shift potential, developing a country-owned pipeline and identifying areas for strategic use of RPSP support. While countries have used CPs to identify priorities for engagement with the GCF, they often struggle to prioritize in the absence of any planning certainty (e.g. funding or number of projects). CPs have also posed a reputational risk for the GCF, in generating expectations among some country stakeholders that the Fund will develop all projects included in the pipeline.
74. In many countries, the CP was viewed as a GCF requirement to satisfy, rather than a real contribution to country planning, and some countries saw greater value in a more comprehensive climate finance planning exercise, rather than a GCF-specific one. A significant shortcoming has been the lack of clear guidance on CPs from the GCF Secretariat, as well as a clear articulation of the purpose of CPs, both for countries and for the Secretariat.

How do GCF recipient countries signal support for GCF projects through co-investment?

75. When recipient country public co-investment is present, it is often perceived as a signal of country ownership, but the absence of such national co-investment should not be interpreted as an absence of country ownership, given the many other reasons that recipient countries do or do not provide such co-investment. **IAEs are generally performing better or comparable to DAEs in terms of securing co-investment from government institutions.**

2. Recommendations

76. The GCF should use and strengthen existing climate finance coordination structures, to support stronger ownership of countries' climate finance agenda. Focusing on the strengthening of existing systems and avoiding duplication increases political buy-in, saves scarce resources and promotes sustainability over time.

77. The GCF should revise its guidance on stakeholder engagements, to strengthen definitions and principles of engagement.

78. The transparency and public release of key documents, such as CPs and APRs, is also critical for public accountability.

79. The GCF should only pursue CPs, if their purpose, targets and timelines are articulated clearly. The GCF needs to develop a CP strategy that articulates the following:

- *A sound rationale and clear incentives for countries to develop CPs.* CPs should provide value not just for the GCF Secretariat (e.g. in terms of increased visibility into future pipelines) but also for countries in aligning and leading their climate finance agenda. How CPs can contribute to a broader agreement among a range of government and non-government actors on the priorities for GCF investment, as well as to the identification of paradigm-shifting and high-impact projects and programmes, should be key considerations.
- *Some indication of the scale of resources that should be programmed and relationship to the programming cycle.* The GCF Secretariat has already begun to communicate informally the expectations for the number of projects per country per replenishment cycle; this represents a good step in the right direction. Benchmarking analysis shows that CPs can provide added-value through multi-stakeholder prioritization processes, when there is some resource certainty. The GCF should also give consideration to the timing of CP development vis-à-vis replenishment cycles; benchmarking shows that CP exercises are more effective when they are pursued at the end of a replenishment cycle, rather than at the beginning of a new one, to ensure that countries are ready for the new cycle when it starts.
- *Provisions for differentiated approaches that reflect the range of country circumstances* in terms of formulation of climate policies, finance strategies, institutional structures, multi-stakeholder consultation mechanisms, the maturity of the private sector, and capacity for engaging PSOs, among other factors. Countries may need more or less support from the GCF for CP development depending on how advanced their national dialogues and strategies on climate change are, the quality of their NDCs and other climate and sector frameworks, and whether they have NAPs. It is the view of the evaluation team that the GCF should also offer the possibility for support for countries to develop CPs that seek to programme climate finance more broadly, in view of the GCF objectives of paradigm shift and country ownership, the Fund's prominent role as the largest dedicated climate fund and official financial mechanism of the UNFCCC, and some countries' preference for this approach.
- *Clear guidance on GCF eligibility considerations, investment criteria and funding modalities to help ensure that CP pipelines are compatible with the objectives of the Fund*. Relatedly, CP processes should sufficiently engage AEs to ensure that the projects that are being identified from the bottom up can be matched with an interested and capable AE. Benchmarking analysis shows that when CP processes fall short on these points, they are not effective in identifying project ideas that are eligible for funding, especially where country stakeholder capacities are low.

Chapter V. BUILDING COUNTRY INSTITUTIONAL CAPACITY

KEY RECOMMENDATIONS

1. The GCF should provide **ongoing financial support for a secretariat function in NDAs/focal points, with associated accountability measures in place**. The level of support may vary among countries, and may not need to be substantial; the experience of other global funds has shown that these amounts can potentially be as small as USD 15,000 per year. Eligibility or accountability measures could include verifying that NDAs/focal points have at least one full-time staff member, and transparent documentation of the NDA/focal point's terms of reference and NoP. The GCF may also wish to encourage or require that NoPs be consultative processes.
2. The GCF should provide **ongoing opportunities for training of NDA/focal point key staff**, and a **living handbook of responsibilities and best practices for NDAs/focal points**. These actions can support regular onboarding of new key staff in NDAs/focal points, recognizing that government staff will turn over, and can help to support continuity in country knowledge of the GCF and its processes and expectations.
3. The GCF should further **clarify the role of the NDAs/focal points in implementation** (e.g., through portfolio monitoring and participatory reviews). In addition, NDAs/focal points must have access to monitoring information to meaningfully play a role in the implementation phase.
4. The GCF should **encourage AEs to use country systems**, such as public finance management systems, procurement systems, and results systems. The GCF should track progress in the use of country systems among AEs, with a goal toward increased reliance on such systems. This progress would be in line with the GCF's ambition to set a new standard for country ownership.

KEY FINDINGS

- NDAs/focal points play an important role in the GCF for country ownership. They have been established in 147 recipient countries, primarily located in line ministries. Most NDAs/focal points have received or are receiving support from the RPSP to build their capacity.
- There is no conclusive evidence that a central or line ministry is the "best" location for the NDA/focal point, in terms of owning its engagement with the GCF. The IEU data analysis points to locational trade-offs, particularly between having technical and institutional experience in designing and implementing climate change projects on one side and having political convening power and potentially a stronger ability to mobilize co-investment and engage with the private sector on the other. Ultimately, coordination with other ministries and agencies is a necessary responsibility of the NDAs/focal points.
- NDAs/focal points are generally seen as having the capacity to make informed decisions on no-objection letters and DAE nominations for "public investments." Even among successful NoPs, the extent to which NoPs are consultative and formalized procedures varies significantly, and documentation of these NoPs is not systematically collected by the GCF. Where NoPs are in place, there are generally seen as effective.
- NDAs/focal points have a significantly lower capacity to interact with the private sector to process NoLs, and also to develop a private sector pipeline for the GCF. Similar to the experience with DMA projects, NDAs/focal points also have low capacity to provide oversight during the project implementation phase.
- The lack of transparency in AE reporting during project implementation (i.e. through APRs) limits NDAs' ability to monitor their countries' GCF portfolio. APRs are not publicly released, and as per

current rules and procedures, AEs are not obligated to share their APRs with the NDA/focal point. This means that presently NDAs/focal points only get to know the progress on implementation if the AE keeps them informed.

- The main NDA/focal point capacity challenges point to the need for ongoing support. Common capacity constraints relate to human resources (including the number of dedicated staff, staff turnover and competing priorities for staff time) and limited management and technical skills. Filling permanent positions is seen as critical for capacity and ownership.
- The use of country systems is seen as an important aspect of country ownership by both the UNFCCC and the Paris Declaration for Aid Effectiveness. However, there is no GCF guidance on the use of country systems, nor is it systematically tracked by the GCF.

A. Introduction

1. This chapter responds to the question: how effective is GCF in building country institutional capacity? Specifically, the questions answered in this chapter are:
   - To what extent are NDAs/focal points established and functional?
   - To what extent are GCF capacity-building and engagement initiatives appropriate and sufficient to enhance the GCF country-driven approach?
   - To what extent are country-level systems used and supported by the GCF?
2. This chapter assesses the second pillar of the normative framework presented in Chapter I, namely that countries must have sufficient institutional capacity to lead, plan, manage, and implement climate activities that are country-owned and consistent with GCF priorities. This includes the capacity to coordinate across government and non-government actors, establish institutional structures and procedures, and foster the required technical and management skills among staff.

B. Background and context

3. **The Governing Instrument provides that each recipient country may designate an NDA/focal point.** The GCF Board has confirmed that establishing an NDA/focal point is not mandatory and that countries retain flexibility in terms of the location, structure, operation and governance of NDAs/focal points.
4. **Managing the NoP is one of the core tasks of the NDA/focal point**, as described in Chapter II.A. The NoP has been in place since the early days of the GCF and is anchored in decision 3/CP.17 of the COP, which called for a transparent NoP to ensure *"consistency with national climate strategies and plans, and a country-driven approach"* for effective *"public and private sector financing by the Fund."* The NoP also derives from paragraph 46 of the Governing Instrument.[67]
5. The NDA/focal point is also entrusted to help ensure GCF alignment with national plans and strategies, including through the NoP and CP development, as well as communication, consultation and coordination with stakeholders. During the implementation phase of the project cycle, the role articulated for NDAs/focal points in GCF policies and guidelines includes the organization of annual participatory reviews and involvement in cancellation or restructuring discussions. Table V-1 summarizes NDA roles and responsibilities from GCF documents and assesses the capacities needed to meet those roles and responsibilities.

Table V-1. NDA roles and responsibilities

NDA roles and responsibilities	Source	Capacities Needed
Act as the **focal point for Fund communication**; play a central and leading role in the coordination of the Fund's engagement within their countries	Decision B.04/05; Guidelines for enhanced country ownership and country drivenness (B.17/22, Annex XX)	Ability to coordinate climate priorities across government and engage with public, private and non-state actors Knowledge of other climate change activities in the country Adequate resources (e.g. mandate, access, staff, office space, long-term, local consultancy support)

[67] Which states that the NDA "will recommend to the Board funding proposals in the context of national climate strategies and plans and will be consulted on other funding proposals for consideration prior to submission to the Fund to ensure consistency with national climate strategies and plans".

NDA roles and responsibilities	Source	Capacities Needed
Communicate its **no-objection** to the Secretariat in conjunction with every submission for approval of a funding proposal by an intermediary or implementing entity, in line with the Fund's transparent NoP. The NoL will be signed by the official representative of the NDA or focal point registered with the Secretariat. In cases of submissions of proposals for funding that are not accompanied by a NoL, upon notification by the Secretariat, provide its no-objection within 30 days after receiving this information. Disseminate the NoP in their countries as appropriate and through their own websites and communication channels, especially in local languages Verify through the NoP that project proposals are aligned with the countries' gender policies, as well as their climate change policies and priorities. "The overall **implementation of the gender policy** will be the responsibility of all components of the Fund's operational structure and of the NDAs."	Decision B.04/05; Decision B.07/03, Annex VII; Decision B.08/10, Annex XII; Gender Policy (B.09/11)	Clear procedures for NoP, including for final signature by the NDA/focal point Capacity to assess the alignment of public and private sector projects with national priorities Transparent communication and wide dissemination of the NoP, including translation into local languages Due consideration in NoP of cross-cutting issues, such as gender
Recommend to the Board funding proposals in the context of national climate change strategies and plans, including through consultation processes; seek to ensure **consistency of funding proposals with national plans and strategies**	Decision B.04/05	Capacity to assess the alignment of public and private sector projects with national priorities
Facilitate the communication of applications of subnational, national and regional implementing entities and intermediaries for **accreditation** to the Fund (i.e. **nominate direct access entities for accreditation**)	Decision B.04/05; Decision B.08/10, Annex XII	Capacity to identify and nominate DAEs that are aligned with national strategies and priorities for engagement with the GCF
Lead the deployment of **readiness and preparatory support funding**, as a direct beneficiary and/or by selecting delivery partners May request **direct support by the Fund** of up to USD 300,000 to cover eligible costs for a two-year period	Decision B.08/11, Annex XVIII	Active pursuit of RPSP funding for both the NDA and relevant, eligible delivery partners
Lead the development of and submit **country programmes**, taking a gender-sensitive approach and engaging stakeholders including government, subnational institutions, civil society and the private sector May inform Secretariat of preferred accredited implementing entities /intermediaries that will implement programmes and projects under the work programme; play a key role in the formulation of proposal pipelines, as well as	Decisions B.07/03, annex VII; Guidelines for enhanced country ownership and country drivenness (B.17/22, Annex XX); Decision GCF/B.08/11, Annex XVII	Participatory and widely consultative process for the development of country programmes, including meaningful participation of stakeholders, with a gender-sensitive approach Capacity to match project concepts with accredited entities and formulate a pipeline of public and private sector projects

NDA ROLES AND RESPONSIBILITIES	SOURCE	CAPACITIES NEEDED
in consideration of implementation partners, and financial planning		
(Are encouraged to) establish **national coordination mechanisms and formal consultation processe**s	Guidelines for enhanced country ownership and country drivenness (B.17/22, Annex XX)	Multi-stakeholder, climate change decision-making and coordination structures that are integrated into national structures
Consult with the Secretariat on submitted concept notes, for feedback and endorsement decisions to the AE.	Decisions B.07/03, annex VII	Facilitate communication between the GCF Secretariat and AEs on concept notes, including their endorsement by the GCF Secretariat (and NoP)
Work with the GCF to "**describe the process and set guidance to assist the AEs to put in place and implement a process for meaningful consultation** with people affected or potentially affected by the activities."	Environmental and Social Policy (B.19/10)	Guidance and processes in place to ensure alignment of AEs with international IFC standards and national legislation and regulations on environmental and social issues Oversight of the implementation by AEs of related environmental and social management systems and plans
Ensure that "any consultative process through which national climate change priorities and strategies are defined must also consider applicable national and international policies and laws for indigenous peoples. Furthermore, the criteria and options for country coordination through consultative processes should **include indigenous peoples** in an appropriate manner."	GCF Indigenous Peoples Policy (B.19/11)	Ensure that indigenous peoples are adequately represented in all consultative structures and processes, (where relevant in the country context)
Be informed and consulted on **major changes to or restructuring** of a project; make a **decision to change the status of the FPs NoL** in this event	Cancellation and Restructuring Policy (B.22/14)	Conduct regular monitoring and exercise oversight of project implementation by accredited entities Participate in project steering structures Make informed decisions on the continuation or withdrawal of the NoL, in case of major changes or restructuring of projects
Organize **participatory monitoring (annual review)** of the overall portfolio of GCF-funded projects and programmes in each country, for local stakeholders, notably project-affected people and communities, including women and civil society organizations	Monitoring and Accountability Framework for Accredited Entities (B.11/10)	Organize participatory, multi-stakeholder monitoring of the entire GCF portfolio in the country, with a representation of project-affected groups, on an annual basis

6. As of 8 July 2019, **110 countries have received support to establish and strengthen the NDA/focal point through 123 country RPSP grants.** Many countries have also benefited from support to establish an NDA/focal point through other sources of climate finance readiness funding.

Table V-2. RPSP grants approved, categorized by type of support

Type of RPSP grants	Number of approved grants	Number of countries with approved grants
NDA/focal point strengthening	123	110
Strategic framework	49	35
Support for direct access entities	60	44
Formulation of NAPs	29	29
Workshops, events and structured dialogues	29	N/A
Total	290	126*

Notes: The five RPSP grant types are based on the GCF Secretariat's internal categorisation, following the 2017 RPSP Guidebook. *Total number of countries is not an aggregate of the value for individual grant types, as one country can receive more types of RPSP support.

Source: Data on RPSP grants are collected from Fluxx, and analysed by the IEU DataLab. All data is as of 8 July 2019.

C. Findings

7. **NDAs/focal points are established across 147 of the 154 GCF eligible countries.** More than half (59 per cent) of NDAs/focal points are located in environmental and resource-related ministries, whereas about a third of NDAs/focal points are located in pivotal ministries, such as finance or planning, or in locations with executive authority, such as under the President's or Prime Minister's offices (see Figure V-1).

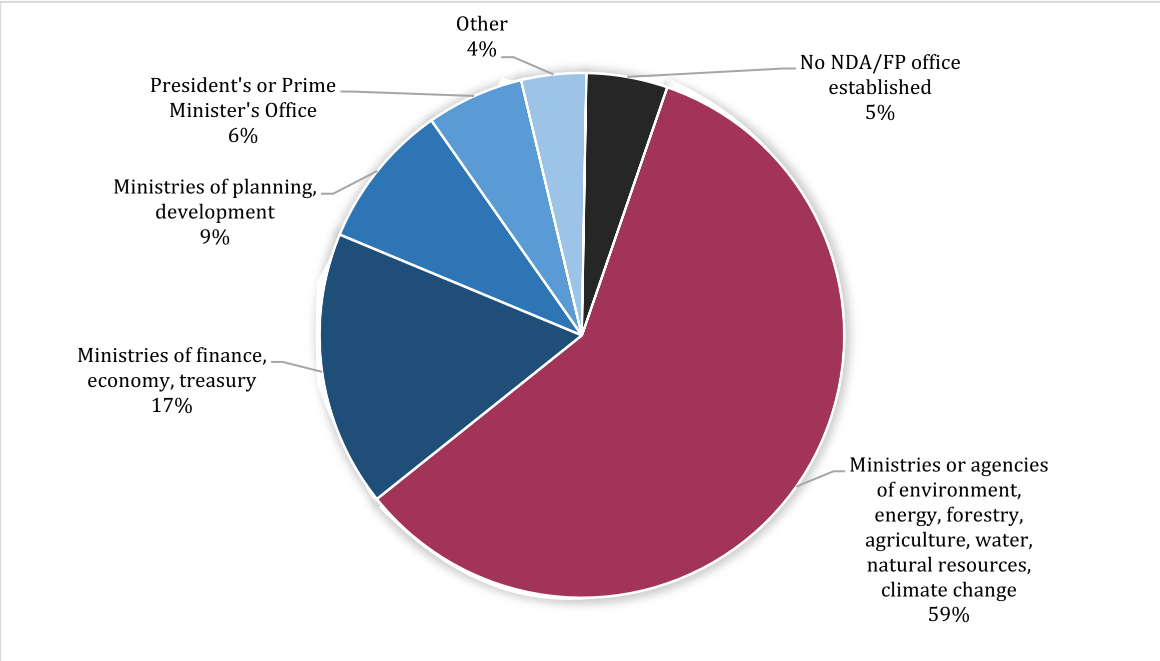

Figure V-1. Location of the NDA/focal point offices in the 154 countries eligible for GCF support

Notes: All categories include not only ministries, but also related agencies, offices, etc. that function as the NDA/focal point office. The 'Other' category includes ministries related to foreign affairs, or national grants offices, or other ministries not clearly falling into any of the other categories.

Source: Information on the location of the NDA is from iPMS. Types of NDA locations are categorised and analysed by the IEU DataLab. Data as of 8 July 2019.

8. Analysis by the IEU DataLab shows that patterns in the location of NDAs/focal points are similar across country classifications or GCF regions, with a few exceptions. As seen in Table V-3, in SIDS, NDAs/focal points are more frequently located in ministries such as finance or planning, and less frequently in environmental and resource-related ministries. Regionally, in Latin America, finance ministries are also more prominent in hosting NDAs/focal points (see Annex 5).

Table V-3. Distribution of NDA/focal point locations across LDCs, SIDS, and African States

NDA/FOCAL POINT LOCATION	DISTRIBUTION OF NDA/FOCAL POINT LOCATIONS ACROSS COUNTRY CLASSIFICATIONS (PER CENT)					
	All eligible countries (154)	LDCs/ SIDS/African States (95)	LDCs* (47)	SIDS* (39)	African States* (54)	Other Countries (59)
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	59	57	66	41	69	63
Ministries of finance, economy, treasury	17	19	15	26	15	14
Ministries of planning, development	9	11	6	18	4	7
President/Prime Minister's office	6	8	6	10	7	3
Other	4	5	6	5	6	2
No NDA/focal point located yet	5	0	0	0	0	12

Notes: *LDCs, SIDS, and African States are not mutually exclusive categories in their individual columns. The combined LDCs/SIDS/African States category is their aggregate without duplications. In brackets are the number of countries for each category.
Source: Information on the location of the NDAs and countries is from iPMS. Types of NDA locations are categorized, and all data is analysed by the IEU DataLab. Data as of 8 July 2019.

9. **There is no conclusive evidence that a certain type of ministry is the "best" location for the NDA/focal point, in terms of owning its engagement with the GCF.** The IEU data analysis points to locational trade-offs, particularly between having technical and institutional experience in designing and implementing climate change projects on one side and having political convening power and potentially a stronger ability to mobilize co-investment and engage with the private sector on the other. In particular:

- **The relationship between the location of the NDA/focal point and key access measures – such as the number of projects, amount of finance or co-investment ratios – also shows little variation,** with some exceptions (see Table V-4, Table V-5, Table V-6). In terms of the amount of financing disbursed, environment and resource-related ministries perform better.[68] A potential contributing factor could be the experience of such ministries and agencies to design and implement projects with other development partners, thus having a "head start" when it comes to dealing with the GCF.

- Another pattern is that **finance-related ministries tend to have the highest co-investment ratios among all NDA/focal point location types**. This is partially due to a slightly higher number of private sector projects in countries where finance and economy-related ministries serve as the NDA/focal point, supporting the finding of the country case studies that **these ministries are often better positioned to work with the private sector**.

Table V-4. Distribution of GCF active projects across NDA/focal point locations

NDA/FOCAL POINT LOCATION	DISTRIBUTION OF PROJECTS ACROSS NDA/FOCAL POINT LOCATIONS				
	Number of countries with NDAs/foca l points	Number of countries with NDAs/focal points with projects	Number of projects*	Number of projects per country with projects**	Number of projects per country with NDA/focal points***
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	91	59	139	2.4	1.5
Ministries of finance, economy, treasury	26	20	45	2.3	1.7
Ministries of planning, development	14	11	21	1.9	1.5
President/Prime Minister's office	10	5	11	2.2	1.1
Other	6	4	10	2.5	1.7
Total number	147	99	226	2.3	1.5

Notes: *Multi-country projects were double counted to avoid discounting a multi-country project for a country.
**The value is calculated by dividing the number of projects with the number of countries that have approved GCF projects.
***The value is calculated by dividing the number of projects with the number of countries with an NDA/focal points.

Source: Information on the location of the NDAs, countries, and projects is from iPMS. The actual NDA locations were categorized into the above six categories and analysed by the IEU DataLab. Data as of 8 July 2019.

[68] Readers may argue that this could be because in the early years of the GCF, it was ministries of environment that usually contained the NDAs/focal points. However, an analysis of the ministries that housed NDAs and across time, shows no correlation.

Table V-5. Distribution of GCF committed financing across NDA/focal point locations

NDA/focal point location	Distribution of GCF Committed Financing across NDA/focal point locations				
	Numbers of countries with NDAs/focal points	Number of countries with NDAs/focal points with projects	Amount committed (USD M)	Amount committed per country with a project* (USD M)	Amount committed per country with NDA/focal points** (USD M)
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	91	59	3,079.6	52.2	33.8
Ministries of finance, economy, treasury	26	20	1,226.1	61.3	47.2
Ministries of planning, development	14	11	503.2	45.7	35.9
President/Prime Minister's office	10	5	250.3	50.1	25.0
Other	6	4	173.0	43.3	28.8
Total number	147	99	5,232.2	52.9	35.6

Notes: Multi-country project funding amounts were allocated equally to each participating country unless otherwise stated in FAA.
*The value is calculated by dividing the amount committed with the number of countries with projects.
**The value is calculated by dividing the amount committed with the number of countries with an NDA/focal points.

Source: Information on the location of the NDAs are from iPMS, and financial data is from relevant Secretariat divisions. Types of NDA locations are categorized, and all data is analysed by the IEU DataLab. All data is as of 8 July 2019.

Table V-6. Distribution of co-investment ratios across NDA/focal point locations

NDA/focal point location	Number of countries	Number of projects	GCF amount committed (USD M)*	Co-investment amount committed (USD M)*	Co-investment ratio
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	59	73	3,079.6	7,795.5	2.53
SIDS/LDCs/African States	37	44	1,770.6	4,348.0	2.46
Other countries	22	29	1,309.0	3,447.5	2.63
Ministries of finance, economy, treasury	20	31	1,226.1	4,116.6	3.36
SIDS/LDCs/African States	13	23	575.1	1,253.5	2.18

NDA/focal point location	Number of countries	Number of projects	GCF amount committed (USD M)*	Co-investment amount committed (USD M)*	Co-investment ratio
Other countries	7	8	651.0	2,863.1	4.40
Ministries of planning, development	11	15	503.2	1,159.6	2.3
SIDS/LDCs/African States	8	10	300.8	573.8	1.91
Other countries	3	5	202.4	585.8	2.89
President/Prime Minister's office	5	10	250.3	273.7	1.09
SIDS/LDCs/African States	4	5	239.3	217.6	0.91
Other countries	1	5	11.0	56.1	5.10
Other	4	9	173	150.9	0.87
SIDS/LDCs/African States	4	9	173.0	150.9	0.87
Other countries	0	0	0.0	0.0	0.00
Total	99	111	5,232.2	13,496.2	2.58
SIDS/LDCs/African States	66	68	3,058.8	6,543.8	2.14
Other countries	33	41	2,173.4	6,952.5	3.20

Notes: *GCF committed and co-investment amounts in multi-country projects are allocated to individual countries with equal distribution unless otherwise stated in the FAA.
Source: Information on the location of the NDAs are from iPMS, and financial data is from relevant Secretariat divisions. Types of NDA locations are categorized, and all data is analysed by the IEU DataLab. All data is as of 8 July 2019.

10. **Ultimately, coordination with other ministries and agencies is a necessary responsibility of the NDA/focal points.** Finance and planning ministries tend to have greater power to convene and influence than line ministries, as well as greater capacity and incentive to understand different financial instruments and engage with the private sector. Among the 22 country case studies, a number of interviewees from countries with NDAs/focal points in sector ministries suggested that the NDA/focal point should be shifted to a ministry with stronger convening power.
11. Clearly, **the influence and power of a ministry is dependent on the local context**. The in-country surveys revealed varying levels of confidence in the leadership and coordination role of NDAs/focal points located in finance and planning ministries. Location is only one consideration. Some countries have also helped overcome locational trade-offs by using interministerial committees to advise the NDA; for example, in Uganda, the Ministry of Water and Environment is regarded as critical for providing technical input into GCF processes led by the NDA in the Ministry of Finance, Planning and Economic Development.
12. **Observations from country case studies also illustrated that moving the NDA/focal point to a more powerful ministry can strengthen leadership but can also be disruptive.** In Fiji, the NDA has moved from a sector ministry to the ministry responsible for finance – a move that is seen to reflect the importance of climate change and accessing climate finance to the Government of Fiji. In Indonesia, as part of general government restructuring, the NDA was transferred from a Climate Change Coordinating Mechanism under the President's Office to the Fiscal Policy Agency Badan

Kebijakan Fiskal (BKF) in the Ministry of Finance. Unlike in Fiji, this was considered extremely disruptive, resulting in discontinuity and uncertainty for many years.

1. NDA/FOCAL POINT CAPACITIES AND ENGAGEMENT

13. **NDAs/focal points are generally seen as having the capacity to make informed decisions on NoLs and DAE nominations for "public investments".** About three quarters of in-country survey respondents agreed that NDAs/focal points had sufficient capacity to take these decisions (see Figure V-2). Establishing an NoP is an expected outcome of 104 RPSP grants in 90 countries, as seen in Table V-6. Up to 45 per cent of approved RPSP grants across the portfolio contains an expected outcome related to the establishment and implementation of a NoL, with no significant heterogeneity across different regions, as shown in Annex 5. For more discussion of capacity for DAE nominations, see Chapter VI.

14. **NDAs/focal points have a significantly lower capacity to interact with the private sector to undertake their NoPs** and also to develop a private sector pipeline for the GCF. In the in-country survey, NDA/focal point capacity was seen as weakest for interacting with private sector actors (53 per cent). Compared to other survey respondents, RPSP delivery partners were particularly critical of the NDAs/focal points' capacities to interact with the private sector. NDA/focal point challenges in engaging the private sector are discussed further in Chapter VII.

Table V-7. Approved RPSP grants related to the establishment of a NOP, by country classifications

Country Classification	Number of eligible countries	Grants approved with the expected outcome of the establishment of a NOP		
		Number of countries receiving a grant for NoP	Percentage of countries receiving a grant for NoP (per cent)	Number of grants for NoP**
African States*	54	32	59	34
LDCs*	47	27	57	28
SIDS*	39	22	56	26
LDCs/SIDS/African States	95	58	61	65
Others	59	32	54	39
Total	154	90	58	104

Notes: The table covers 232 approved RPSP grants up to 8 July 2019. Column (3) does not include RPSP grants supporting NAPs or RPSP grants for workshops. Percentages in column (4) are also calculated based on this.
*Country classifications are not mutually exclusive. The combined LDC/SIDS/African States category is their aggregate without duplications.
**One country can receive more than one grant.

Source: Data on expected outcomes of RPSP are extracted from 232 RPSP grant proposals and analysed by the IEU DataLab.

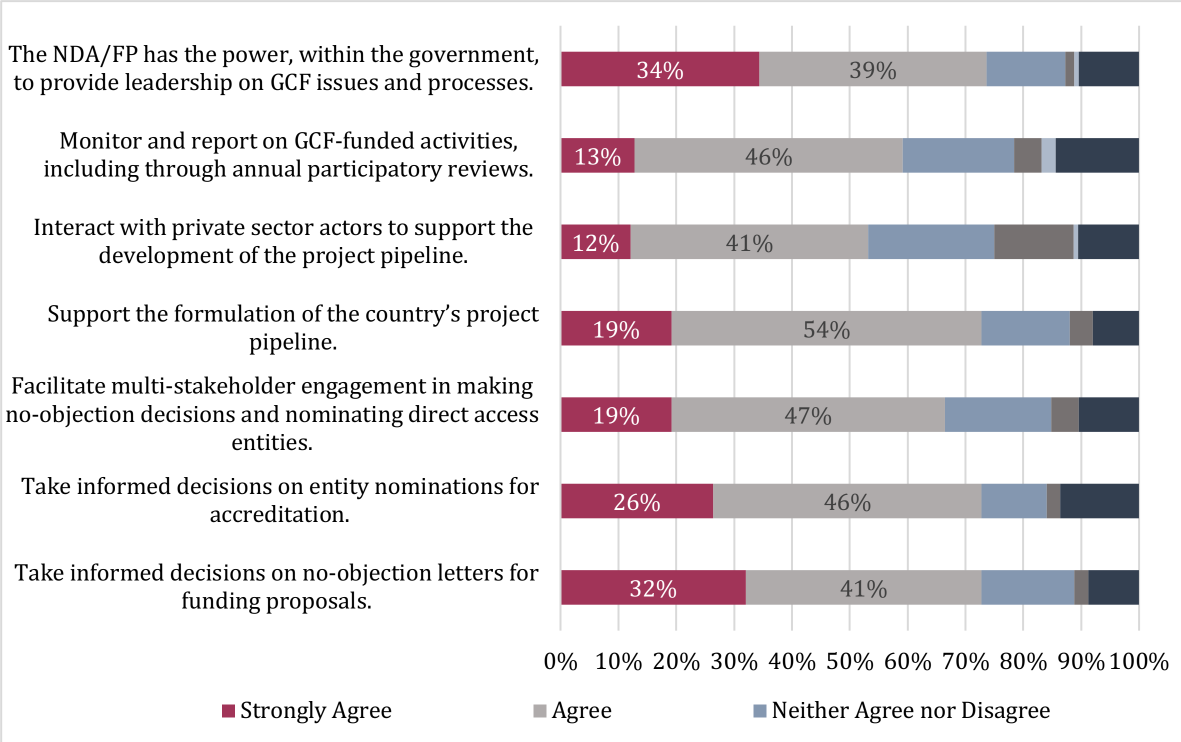

Figure V-2. Perceptions of NDA/focal point capacities in COA case study countries

Source: In-country survey data based on 125 responses from five COA case study countries that included Fiji, Indonesia, Colombia, Uganda and Morocco.

a. No-objection procedures

15. **Even among successful NoPs, the extent to which NoPs represent consultative and formalized procedures vary significantly**. Observations from country case studies suggest that the NoP is set up and managed with different degrees of formality across GCF countries. Of the 22 FPR, RPSP and COA case studies, seven countries use a steering committee to advise the NDA/focal point on the NoP decision, and six countries have established a formal process within the NDA/focal point. NoPs were more formalized when the process was integrated into existing institutional structures and procedures, or even cemented into law. Bangladesh demonstrated the potential duplication of procedures when GCF procedures are not integrated with existing national processes.[69]

16. **Documentation of NoPs is not systematically collected by the GCF, so there is limited evidence of these procedures.**[70] The result is generally limited accountability by NDAs/focal points for the no-objection decisions made, either to the GCF or in-country stakeholders. This contrasts with the experience of the Global Fund, which requires as a minimum standard for its country coordination mechanisms that they provide transparent documentation of their membership list, meeting minutes, terms of references and procedures (see Chapter III).

[69] Projects must obtain a "Development Project Proposal" (DPP) from the sponsoring ministry or the Ministry of Planning, in addition to passing the NoP. In case of projects above USD 5.9 million, approval must also be sought from the Executive Committee for National Economic Council (ECNEC) in addition to the NoL.
[70] For example, about a quarter of the reviewed CPs described the NoP, although some countries that are known to have well-established and functioning NoPs did not articulate them in the CP (e.g. Bangladesh, Indonesia, Namibia and Colombia). Documenting the NoP is not required in the CP guidance.

Box V-1. NoP procedures in case study countries

In **Colombia**, the NoP is embedded in the national climate coordination structure, with clear roles and responsibilities, process flow and decision points. The NoP in Colombia defines specific criteria separately for regional and national projects, and utilizes a scoring methodology to ultimately rank proposals. The NoL is only a formal approval, backed by a much more thorough process of vetting by SISCLIMA.

In **Rwanda**, the NoP is also well established within the multi-stakeholder National Coordination Team, with a clear set of selection criteria and a process that has been used to approve six proposals to date. In **Georgia**, the NoP is aligned with similar national approval processes for climate finance. In **Grenada**, all GCF projects pass through the same approval processes used for all development projects.

Source: Country case studies

17. **The degree of consultation during the NoP process has differed across countries, with implications for country ownership.** Fewer stakeholders (two thirds) agreed that NDAs/focal points had the capacity to facilitate multi-stakeholder engagement in making NoL decisions, based on the in-country survey. Among the five COA case studies, non-governmental stakeholders are only represented in the decision-making or advisory process in Morocco and Uganda. In countries without consultative processes to inform the NoL, such as Fiji, strong concerns were raised about the centralization of decision-making in the NDA. Some positive examples were also identified. Notably, in Bangladesh, there is a formal web-based procedure, with decisions taken by the 25-member NDA Advisory Committee. Senegal also has an NoP that is particularly thorough and consultative, using a three-tiered structure, although there is an apparent trade-off with expediency; projects take on average one and a half to two years to pass through the national approval process alone.
18. **Where NoPs are in place, they are generally seen as effective.** The evaluation team concluded that in some countries NoPs are not just paper-pushing exercises. This was also demonstrated, for example, by the NDAs/focal points' rejection of CNs and funding proposals, mainly of a number of multi-country private sector initiatives that were not seen as serving national objectives (see also Chapter VI on the private sector). Specifically, the Indonesian NDA turned down several multinational, private sector projects that it did not see as well aligned with the country's priorities for accessing the GCF. Colombia has specifically requested the GCF Secretariat not to consider proposals without an NoL and withheld its approval in the case of a regional private sector project that had been submitted to the GCF Secretariat without passing through the NoP. In Rwanda, stakeholders believed that an early private sector project that obtained an NoL in 2015 would not pass the process today without the stronger engagement of local institutions and a demonstration of relevance and impact for Rwanda and public priorities. There were also recent instances when the Rwanda NDA refused to issue an NoL for some regional private sector projects due to misalignment with national priorities and lack of transparency. In Uganda, several CNs were rejected by the NDA due to quality issues. In Namibia, the NDA did not provide an NoL to a multi-country project from the African Development Bank because it did not initially see that the project had engaged significantly with national stakeholders.

b. NDA/focal point engagement during project implementation and review of APRs

19. **The evaluation team finds that there are limited national oversight roles for the NDA/focal point after GCF Board project approval.** Simultaneously and possibly as a consequence, there is also limited capacity within the NDA/focal point to take on roles related to monitoring after Board approval. In the current GCF business model, implementation and first due diligence responsibilities

are passed on to the AEs. This means that as projects move into the implementation phase, the AEs' structures and procedures take on a greater role than those of the NDAs/focal points. Likewise, the main government interlocutor tends to shift from the NDA/focal point to the Ministry of Finance and/or the given sector ministry that is serving as the executing entity.

20. **The NDA/focal point's capacity to monitor their country's GCF portfolio during implementation, including through annual reviews, is perceived as low**. Less than 50 per cent of survey respondents in Fiji, Uganda and Morocco felt the NDA had the capacity to monitor and report on GCF activities, including through participatory reviews; views were more positive in Colombia and Indonesia, where the NDA has already held participatory review events. To date, less focus has been given to NDA/focal point capacity for the project implementation phase. This is despite the fact that a large number of RPSP grants focus on monitoring and oversight of climate finance (117 grants in 89 countries). Fewer grants focus on annual participatory reviews (73 grants in 63 countries). But grants for these areas of support have decreased over time, even as more projects move into implementation (see Figure V-3).

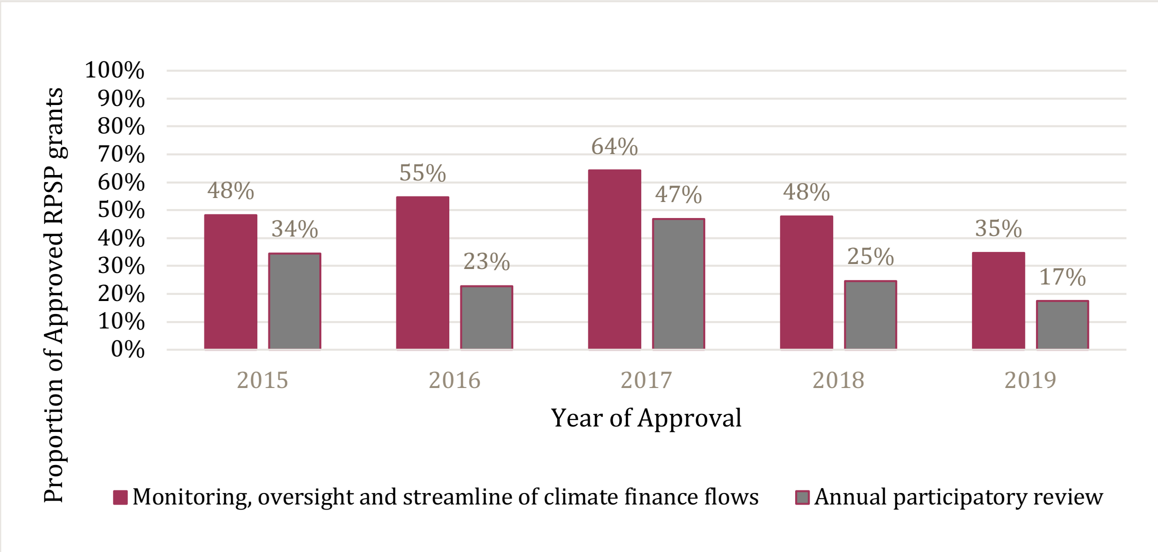

Figure V-3. Proportion of RPSP grants approved with the expected outcomes of Monitoring, oversight and the streamline of climate finance flows and Annual participatory review

Notes: The figure covers 232 approved RPSP grants up to 8 July 2019. RPSP grants supporting NAPs and RPSP grants for workshops are not included. The two expected outcomes do not assume that grants targeting these outcomes are mutually exclusive. One grant can have multiple expected outcomes.

Source: Data on expected outcomes of RPSP grants are extracted from 232 RPSP grant proposals and analysed by the IEU DataLab.

21. **To date, few NDAs/focal points have planned or held annual participatory review events.** Observations from case study countries reveal that participatory reviews were held in a few countries (Colombia, Indonesia), with plans emerging in other countries (e.g. Uganda, through RPSP support). Only three countries (Republic of Guinea, Lao PDR and Rwanda) referred to plans to hold an annual participatory review of GCF interventions in their CPs.

22. **The GCF does not require any documentation of such annual events. Consequently, there are no data on whether NDAs/focal points are fulfilling this responsibility or on the quality of this engagement.** The GCF has not yet provided clear guidance on the purpose of such events or what is meant by "participatory" either. Benchmarking shows that other climate funds, such as the CIF, have also encouraged focal points to hold annual stakeholder meetings, but with limited guidance or accountability these events have often not been held or have offered limited utility.

23. **The lack of transparency in AE reporting during project implementation (i.e. through APRs) also limits NDAs' ability to monitor their countries' GCF portfolio.** APRs are not publicly released under the GCF's current rules and procedures, and AEs are only encouraged, not obligated, to share their APRs with the NDA/focal point. This means that presently NDAs/focal points only get to know the progress on implementation *if* the AE keeps them informed. In some cases, this lack of transparency has been mitigated by the inclusion of the NDA/focal point in the project steering committee, which could be good practice.

2. NDA/FOCAL POINT CAPACITY CHALLENGES

24. **The main NDA/focal point capacity challenges point to the need for ongoing support.** The new RPSP strategy may address some of these shortcomings by providing multi-year funding, but the nature of the challenges are likely to persist. The main NDA/focal point internal capacity concerns relate to human resources (including the number of dedicated staff, staff turnover and competing priorities) and limited management and technical skills.
25. **Filling permanent positions was seen as particularly important for capacity and ownership.** All COA case study countries had an NDA staff complement of two to five full-time or part-time members, with some having additional consultants/positions funded by the RPSP (Colombia, Indonesia, Rwanda) or other development partners. Consultancy support was a secondary alternative but needed to be long term. Ideally, consultancy positions were filled with local expertise. However, in low-income countries and SIDS, technical skills are "scarce and in high demand," according to one interviewee from the Solomon Islands. In countries where local experts may be few, well-embedded, long-term international consultancy support can work for knowledge-transfer, as it did in Fiji and Vanuatu.
26. While the RPSP has provided short-term consultancy support, this has not ensured assigning and retaining a core staff complement within the NDAs/focal points; a high turnover of staff is a challenge (see Box V-2). These issues are also often rooted in the deeper structural challenges of a government to retain and fund positions. **Many countries referred to poor experience with skills transfer from short-term international consultants**, who had little understanding of the country context and specific local issues (e.g. Uganda, Namibia).

Box V-2. NDA staff turnover in case study countries

Of the FPR, RPSP and COA case studies, at least 8 of 22 countries referred to challenges with regard to NDA staff turnover.

In Colombia, for example, almost all NDA staff have rotated and changed responsibilities due to government elections. The GCF focal point is in transition and key coordinating staff members have recently rotated to other functions. Contact persons have also changed in almost all key ministries. The exception has been the person responsible for the La Mojana project, where continuity of responsibility at the NDA has played a major facilitating role in implementation.

The Fiji and Indonesia cases demonstrated the time required to establish new teams with the requisite technical and management skills, as a result of organizational changes and reforms.

Source: Country case studies

27. **Information and know-how on GCF expectations and business processes was a key capacity requirement** and was often obtained through direct contacts with the GCF Secretariat. All of the COA case studies referred to the need for awareness and familiarity with GCF project management requirements as a critical capacity factor. Information about relevant GCF opportunities, procedures and decisions were not sufficiently disseminated. Frequently, those with the best understanding of

requirements had direct contact with the GCF Secretariat (e.g. through personal channels) or had established these relationships through participation in major GCF events.

a. Structured dialogues, workshops and other events

28. In addition to country support, the RPSP has supported broader global, regional and thematic knowledge-sharing. The nature of these events has evolved over time, from initial awareness-raising about the GCF, to mediating among the needs of countries, the AEs and the GCF Board. Since the start of the SDs, the RPSP has supported nine SDs in all regions in 2017 and 2018, as well as more than 20 other regional workshops and thematic workshops. The GCF is now exploring other formats for events-based country engagement. In August 2019, the Secretariat held a GCF Global Programming Conference in South Korea.[71] Future events are reportedly unlikely to follow any of these precedents, though it is clear that an effective format must be found to facilitate information-sharing, capacity-building and programming.

29. These events have been generally **appreciated for supporting awareness-raising, information-sharing and building relationships with countries but have been less useful for capacity-building**. A number of countries visited during the COA, FPR and RPSP evaluations raised concerns about the missing differential treatment of countries and their particular circumstances (e.g. SIDS/LDCs, "graduated" middle-income countries, non-anglophone) in terms of tailoring sessions to specific needs or capacity levels. Regional sessions were particularly challenged by the diversity of countries and capacity levels of participants. Country events were considered valuable opportunities to raise awareness about GCF opportunities and requirements, as well as to work towards a pipeline of CNs and funding proposals.

30. The concerns of francophone and hispanophone countries were substantial and not limited to RPSP support. Besides the symbolic importance of operating in the recipient country language for country ownership, **language translation was universally considered a substantial burden in non-anglophone countries** that added substantial costs and delays to procedures.

3. STRENGTHENING AND USE OF COUNTRY SYSTEMS

31. The strengthening and use of country systems is a fundamental dimension of country ownership and a principle recognized by the UNFCCC[72] as well as the Paris Declaration on Aid Effectiveness. Country systems refer to countries' public financial management (PFM) and procurement systems, as well as results management systems. Country ownership and effective development "depends to a large extent on a government's capacity to implement its policies and manage public resources through its own institutions and systems."[73] Particularly, the use of countries' own planning and implementation processes will strengthen those systems in order for external support to ultimately have a sustainable impact.

32. The use of country systems throughout the project cycle – from design to implementation, monitoring and evaluation – is not a part of GCF guidance nor is it systematically tracked by the GCF. The GCF cannot take for granted that IAEs will strengthen and promote the use of country-based PFM and results management systems without any standards and guidance, whereas national DAEs will have to use national systems. Avoiding duplication and supporting existing systems can

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[71] This included high-level dialogue on country and entity programming plans with the GCF, as well as regional events and hundreds of bilateral meetings.
[72] The use of country systems is one of three key elements of country ownership as defined by the UNFCCC Standing Committee on Finance.
[73] Accra Agenda for Action, 2008, 2.

avoid the over-extension of resources in low capacity and small island environments, as well as increase capacity through the sharing of project management know-how and experience.

33. **The extent of use of country systems in the GCF is largely linked to global trends in development aid** – with the exception of funds channelled through DAEs. Overall, global monitoring data show that while recipient countries have been strengthening their PFM systems over time, particularly budget formulation, there was only marginal progress in development partners' use of these systems. MDBs are also more likely than UN agencies to rely on national PFM systems, which may have implications for the degree of country ownership exercised by different IAEs in the GCF context. The use of country-owned results frameworks and planning tools is also higher among multilateral than bilateral development partners.[74]

34. The COA country case studies offered some examples where IAEs used government procurement and financial management procedures, as well as examples of countries that have made substantial advances in the design and implementation of national repositories of mitigation and adaptation data, which are not yet operationalized in the MR&E of GCF interventions. Box V-3 provides details.

35. Ideally, GCF indicators would be better linked with existing country results management systems, monitoring indicators and SDG reporting. But so far GCF RMF indicators have not yet been instrumental in informing national monitoring systems of climate change results, for GCF projects or more broadly, and, in reverse, GCF indicators have not been informed by national systems.

Box V-3. Use of country systems in case study countries

Government-executed projects using national systems. For instance, in Morocco, the AFD-implemented *Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco* (FP042) utilized government project management structures and procedures. In Uganda, the UNDP-implemented *Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda* (FP034) utilizes the UNDP National Implementation Modality. This implies that the Government Implementing Partner directly assumes the responsibility for the related output (or outputs) and carries out all activities towards the achievement of these outputs, and can use its own policies and procedures if it so wishes (e.g. for procurement) as long as they do not contravene the principles of UNDP.

National results systems. In Colombia, the government has the ambition to develop a single climate change monitoring system. The mitigation system is well established, and the National Indicator System for Adaptation to Climate Change (Spanish acronym SNIACC) in Colombia is being developed through an inter-institutional and multi-stakeholder consultation process. Similarly, in Morocco, a national emissions inventory is already in place (SNI-GES) and the Centre de Compétences Changement Climatique du Maroc provides related monitoring support on a biannual basis. Similar efforts have not yet been made in the adaptation sphere in Morocco, as in many countries.

Source: Country case studies

[74] GPEDC, 2019.

D. KEY FINDINGS AND RECOMMENDATIONS

1. KEY FINDINGS

To what extent are NDAs/focal points established and functional?

36. **NDAs/focal points have been established in nearly all eligible recipient countries (147 out of 154)**, and most have received or are receiving support from RPSP to build their capacity. NDAs/focal points play a critical role in the current GCF approach for country ownership, as the institution responsible for leading and coordinating the country's engagement with the GCF.

37. **There is no conclusive evidence for the "best" institutional location for the NDA/focal point**, although trade-offs are often noted between technical expertise in climate change on the one hand, and convening power and stronger capacity to engage with the private sector on the other. Ultimately, coordination with other ministries and agencies is a core responsibility of the NDAs/focal points. The majority of NDAs/focal points are located in line/sector ministries responsible for the environment or natural resources, while a third are in ministries responsible for finance or planning, or in offices with executive authority.

38. **NDAs/focal points are generally seen by country stakeholders to have the capacity to make informed decisions on "public sector" NoLs and DAE nominations**. Yet, the extent to which NoPs are consultative and formalized procedures varies significantly, and documentation of these NoPs is not systematically collected by the GCF. The country case studies suggest that where NoPs are in place, they are generally seen as effective.

39. **NDAs/focal points are seen to have significantly lower capacity to interact with the private sector to take no-objection decisions and develop the pipeline, as well as to provide oversight during the project implementation phase.** During implementation, the NDA/focal point role is more limited to the organization of annual participatory reviews and involvement in project cancellation or restructuring discussions. Fewer RPSP grants focus on annual participatory reviews. The lack of transparency in AE reporting during project implementation (i.e. through APRs) limits NDAs/focal points' ability to monitor their countries' GCF portfolio.

To what extent are GCF capacity-building and engagement initiatives appropriate and sufficient to enhance the GCF country-driven approach?

40. **The common constraints to NDA/focal point capacity point to the need for ongoing support for sustainable capacity development.** Such country capacity is a pillar of country ownership, as set out in the normative framework in Chapter I. Recurrent challenges for NDAs/focal points are related to human resources (including the number of dedicated staff, staff turnover and competing priorities for staff time) and limited management and technical skills. Filling permanent positions is seen as critical for capacity and ownership.

To what extent are country-level systems used and supported by the GCF?

41. The use of country systems is seen as an important aspect of country ownership by both the UNFCCC and the Paris Declaration for Aid Effectiveness. **However, there is no GCF guidance on the use of country systems, nor is it systematically tracked by the GCF.** With regard to the use of country-owned results frameworks, GCF indicators have not yet been informed by national systems.

2. Key recommendations

42. The GCF should provide **ongoing financial support for a secretariat function in NDAs/focal points, with associated accountability measures in place**. The evaluation has shown that NDAs/focal points are often understaffed, with many competing demands on staff. Benchmarking analysis shows that country coordination mechanisms function best when they are supported over the long term, and when processes are standardized and transparent. The level of support may vary among countries, and may not need to be substantial; the experience of other global funds has shown that these amounts can potentially be as small as USD 15,000 per year. Eligibility or accountability measures should be put in place, as a condition of continued disbursement of such financial support. These could include verifying that NDAs/focal points have at least one full-time staff member, and transparent documentation of the NDA/focal point's terms of reference and NoP. The GCF may also wish to encourage or require that NoPs be consultative processes.
43. The GCF should provide **ongoing opportunities for training of NDA/focal point key staff**, and a **living handbook of responsibilities and best practices for NDAs/focal points**. The initial guidance approved at B.08 is not sufficient, nor are periodic regional workshops. These actions can support regular onboarding of new key staff in NDAs/focal points, recognizing that government staff will turn over, and can help to support continuity in country knowledge of the GCF and its processes and expectations.
44. The GCF should further **clarify the role of the NDAs/focal points in implementation** (e.g., through portfolio monitoring and participatory reviews). In addition, NDAs/focal points must have access to monitoring information to meaningfully play a role in the implementation phase.
45. The GCF should **encourage AEs to use country systems**, such as public finance management systems, procurement systems, and results systems. The GCF should track progress in the use of country systems among AEs, with a goal toward increased reliance on such systems. This progress would be in line with the GCF's ambition to set a new standard for country ownership.

Chapter VI. COUNTRY OWNERSHIP THROUGH DIRECT ACCESS AND ACCREDITATION

KEY RECOMMENDATIONS

1. If the GCF wants a greater proportion of its investments to be country owned, one critical contributor to this overall goal is to ensure greater effective participation of DAEs in GCF pipelines and implementation. One opportunity may be to **ask "mature" IAEs to jointly develop and/or implement GCF investments with DAEs**. Such twinning efforts would require that the GCF provide the necessary incentives to IAEs to line up with DAEs for support (e.g. explicitly stated budgets for compensation, in FPs, FAAs or through other mechanisms), and equally for DAEs to work with IAEs to enhance their capacity (e.g. clearly stated functions and compensation as executing entities).
2. In addition, the GCF should continue to **provide DAE capacity support for pipeline development as a priority through PPF and RPSP**, but increase the speed at which this is provided and also increase awareness about PPF resources and eligibility.
3. The GCF may generate the second opportunity in this innovative choice architecture through the **planned GCF accreditation strategy**. Specifically, in this strategy, the GCF should undertake the following:
    - 3.1. Clarify the goal of the accreditation process. (Is it to create a portfolio of entities that are climate-finance ready, or is it to create a portfolio of entities that are able to manage GCF investments?)
    - 3.2. Clarify how the accreditation process can ensure that potential conflict of interest is minimized in the functions of oversight and execution.
    - 3.3. Simultaneously, continue to prioritize accreditation for national DAEs of countries that do not yet have direct access through national DAEs.
    - 3.4. Differentiate the accreditation process to facilitate easier direct access for CSOs and smaller entities or for smaller amounts, while avoiding the potential trade-offs of watering down GCF standards.
4. Once these and other main issues around the new GCF accreditation strategy are clarified, the **GCF should encourage and incentivize countries and DAEs to take a more strategic approach to nominations** for direct access for the medium- and longer-term future.

KEY FINDINGS

- Often and on average, DAE nominations by NDAs/focal points are not driven by strategic, long-term considerations, nor by consultative processes, but by short-term interests in fast access to project funds and demand by DAEs themselves. Misunderstandings about what accreditation means and entails have been widespread. There has been insufficient guidance from the GCF on how to strategically approach DAE nomination or how many DAEs should be nominated.
- The accreditation process for DAEs is arduous but is still shorter on average than that for IAEs. The impact has been perceived as largely negative on country ownership, as the inefficiencies and delays have substantially frustrated applicants. Differentiation in the accreditation process is seen as insufficient by many country stakeholders to allow for efficient access for smaller entities and CSOs with fewer resources.
- Where available, national DAEs have relevant capacity and experience to address their countries' climate change priorities as expressed in their NDC. The GCF has been successful in ensuring that more than 58 per cent of its eligible countries have the opportunity to access a DAE (regional or national). But direct access through national DAEs is only possible for 19 per cent of countries,

currently. However, on average, DAEs have lower accreditation levels for loans than IAEs, and significantly lower ones for size and risk.

- DAE capacities for developing effective FPs are often low, particularly in national DAEs. Over the last year, RPSP grants have started to address capacity bottlenecks and assist in pipeline development. Evidence on the effectiveness of this is still meagre. PPF resources are another conduit for tailored capacity-building on FPs, but so far there have been relatively few PPFs.
- IAEs commonly describe country ownership in the GCF programming cycle as "business as usual" and an integral part of their normal processes; country stakeholders are more sceptical about IAEs' motivations and capacity for support country ownership, including bottom-up project concepts.
- There is no conclusive evidence of systematic support by IAEs to DAEs. Neither is this required by the GCF. Although the evaluation's country case studies identified examples of IAE support to DAEs, country IAE resources for supporting DAE capacities often were limited unless explicitly included in project funding.

A. INTRODUCTION

1. The IEU's FPR recently reviewed the Fund's accreditation and direct access model. By focusing more squarely on the nexus between accreditation, direct access and country ownership, this chapter responds to the following question: how effective has direct access been for country ownership? It first provides background on direct access and country ownership in the GCF, and then specifically answers the following questions:
   - How effective has the DAE nomination process been?
   - Has the accreditation process been effective and efficient for direct access?
   - Are DAE capacities and experience adequate to address country priority needs?
   - How effective is direct access in developing a country-owned project pipeline?
   - How effectively do IAEs support country ownership?

B. BACKGROUND AND CONTEXT

1. RELEVANCE OF DIRECT ACCESS AND ACCREDITATION FOR COUNTRY OWNERSHIP

2. **Direct access and accreditation are core elements of the GCF's business model and are also central to the GCF's country ownership approach.** The GCF Governing Instrument mandates that "access to Fund resources will be through national, regional and international implementing entities accredited by the Board."[75] Within this, direct access through national and regional entities has been a fundamental principle and objective, deeply embedded in the Fund's mandate and purpose to support country ownership. The Governing Instrument calls for recipient countries to nominate competent subnational, national and regional implementing entities for accreditation," and for the Board "to consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership." Ultimately direct access is intended "*…to ensure that AEs nominated by NDAs have a high potential to bring forward projects and programmes that demonstrate high country ownership, are consistent with country priorities and accurately reflect their commitments to climate change agreements*."[76]
3. **Direct access is perceived as important for country ownership for most interviewed country stakeholders**, particularly in the long run (see Box VI-1). This is also seen in the seriousness and efforts put in by many countries in identifying and nominating national DAEs. At the same time, countries also recognize the difficulties associated with direct access, such as the lower capacity of DAEs to deal with large and high-risk projects, and the cost and inefficiency of the accreditation process (see also section C below).

[75] GCF Governing Instrument for the Green Climate Fund, (Dec 2011), paragraph 45.
[76] GCF's Strategy on Accreditation (B.14/08, Annex II).

Box VI-1. Observations from country case studies on the advantages of DAEs

In country case studies, country stakeholders generally considered DAEs to have the following characteristics:

- Be inherently more representative of and responsive to country interests, by virtue of being national or regional entities
- More frequently use country systems
- Have simpler business processes
- Be more familiar with the local context and cultural preferences
- Offer better knowledge-sharing and retention
- Enable governments to save on IAE fees

Source: IEU Country Ownership Evaluation case studies

2. STATUS OF ACCREDITATION AND DIRECT ACCESS

4. To enter the accreditation process, national DAEs must be nominated by the eligible country in which they operate and are limited to operating within that country. Regional DAEs must be nominated by at least two countries, although nomination by a single country was previously deemed sufficient. As of 8 July 2019, slightly less than half the currently nominated regional DAEs had been nominated by a single country only. Regional DAEs can work in all countries of their jurisdiction within the region. To date, 51 DAEs have been accredited, of which 38 are national DAEs and 13 are regional DAEs.

5. **One fifth of all eligible countries currently have GCF access through at least one accredited *national* DAE. Close to three fifths have, in principle, access through a *regional* DAE** (Table VI-1). Access through national DAEs would increase to about half of all eligible countries if all entities with a nomination or a pending application were successfully accredited. Similarly, access through regional DAEs would increase to close to 90 per cent of all countries if the nomination and application queues were cleared. Figure VI-1and Figure VI-2 show geographical representation of current and potential operational coverage by national and regional DAEs, respectively.

Table VI-1. Share of countries with access to national and regional DAE (in per cent)

		GCF ELIGIBLE COUNTRIES (154)	AFRICAN STATES (54)	LDCs (47)	SIDS (39)
National AE Coverage (per cent)	Current	19	19	15	10
	Potential	52	56	49	38
Regional AE Coverage (per cent)	Current	58	74	57	92
	Potential	88	100	100	97

Notes: Current coverage is the range of all accredited entities as of 8 July 2019. Potential coverage is the increased range assuming that all entities with a nomination or an application pending as of 8 July 2019 will be successfully accredited.

Source: Information on country of operation for national AEs is from relevant GCF Secretariat divisions; countries of operation for regional entities were collected by the IEU DataLab from the introduction statements of relevant entities, submitted during their accreditation application process. In the absence of such data, further research was conducted using publicly available, online information from sources affiliated with the organizations.

6. **Available direct access to national entities is particularly low for SIDS, both for currently accredited national DAEs and those with pending applications.** High coverage of particularly vulnerable countries by regional DAEs is explained by the availability of continent-wide regional entities in Latin America and Africa and a number of regional DAEs serving the Caribbean and Pacific Islands.

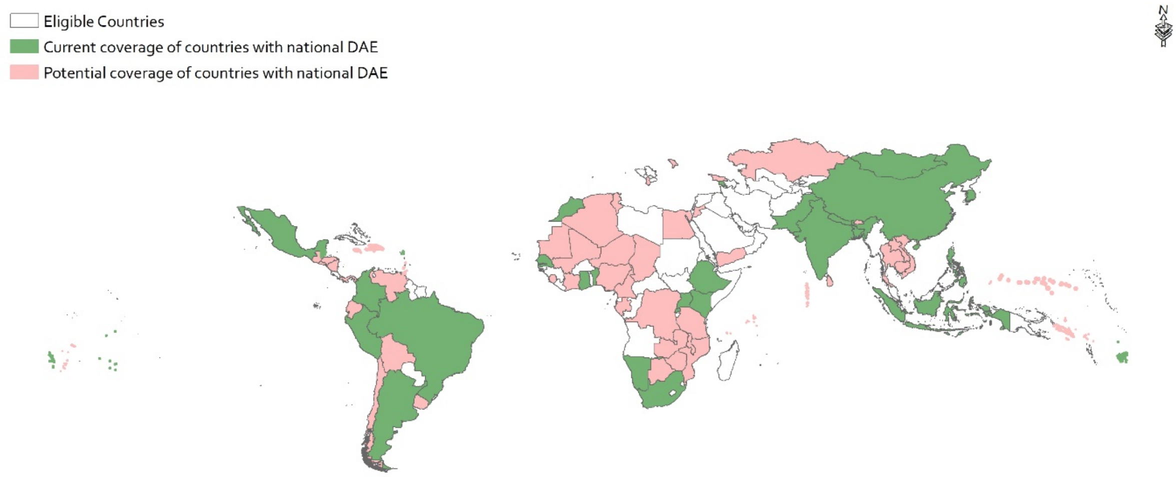

Figure VI-1. Current and potential operational coverage of national DAEs

Notes: Current coverage consists of countries with at least one accredited national entity as of 8 July 2019. Potential coverage is the increased range of countries with at least one accredited national entity, assuming that every national entity with a nomination or an accreditation application pending as of 8 July 2019 is successfully accredited.

Source: Information on country of operation for national AEs is from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

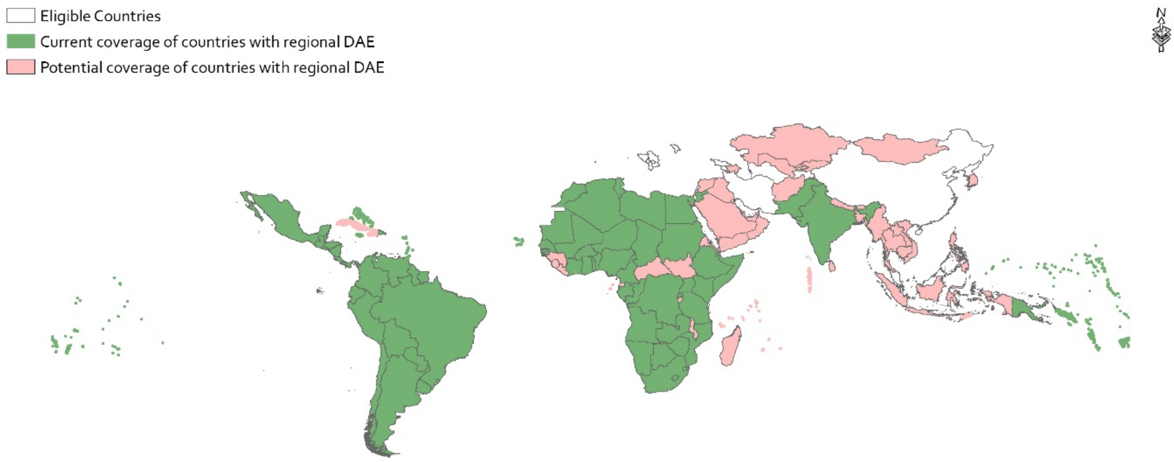

Figure VI-2. Current and potential operational coverage of regional DAEs

Notes: Current coverage consists of countries with at least one accredited national entity as of 8 July 2019. Potential coverage is the increased range of countries with at least one accredited national entity, assuming that every national entity with a nomination or an accreditation application pending as of 8 July 2019 is successfully accredited.

Source: Information on country of operation for national AEs is from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

7. **More than 80 per cent of countries do not yet have an accredited national DAE, and 45 per cent have not yet nominated a national DAE**. Significantly fewer countries have nominated four or more national DAEs (Figure VI-3). No country has more than three national entities accredited with the GCF. Comparable figures for the nomination of regional entities can be seen in Figure VI-4.

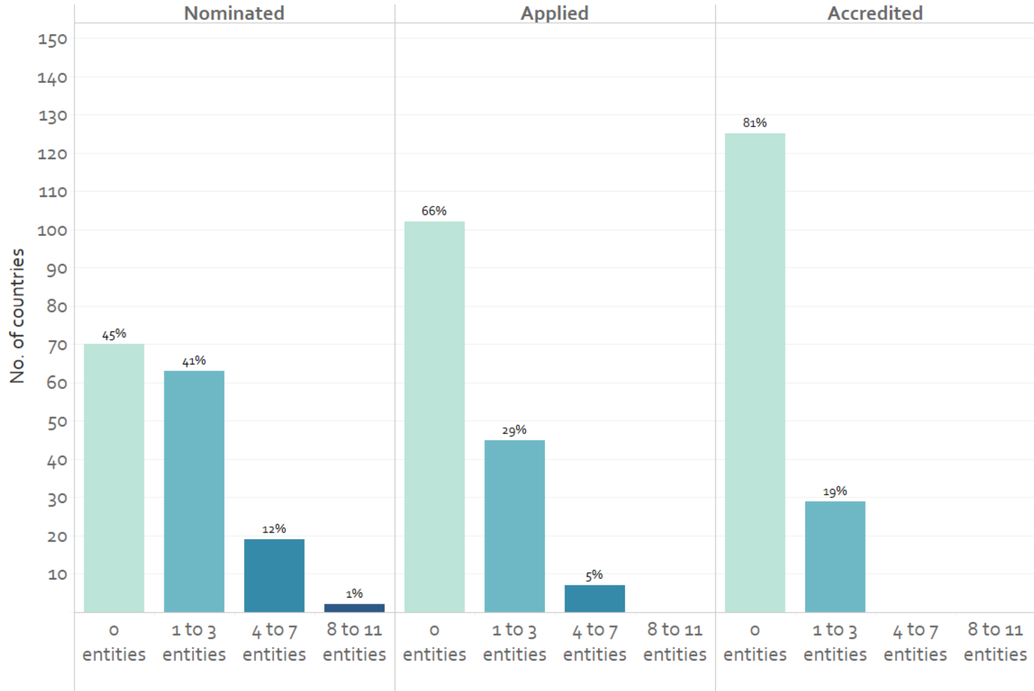

Figure VI-3. National DAEs that have been nominated, are in the application process, and have been accredited, by number of countries

Source: Information on national AEs are from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

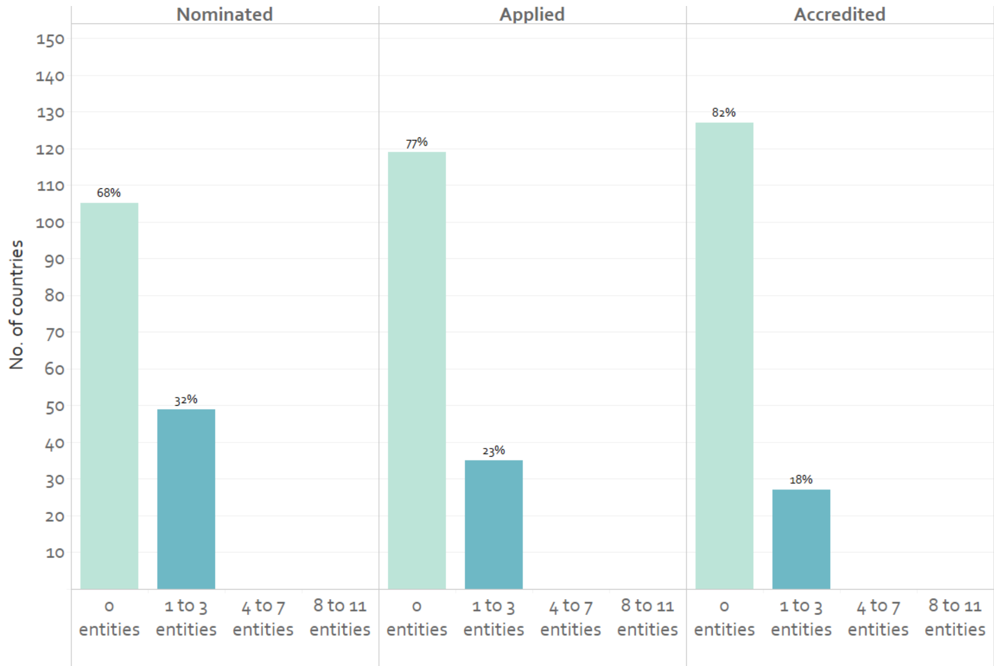

Figure VI-4. Regional DAEs that have been nominated, are in the application process, and have been accredited, by number of countries

Notes: For this figure, only countries of nominations are considered for regional entities, and not the countries where they could potentially operate in.
Source: Information on regional AEs are from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

8. **DAEs outnumber IAEs in all phases of the accreditation process** (Table VI-2). The share of national DAEs is particularly high (above 50 per cent) for entities that have an OAS Account, but who have not yet submitted an application, for those that are under review by the Accreditation Panel, and entities whose AMA is signed but not yet in effect. The share of regional DAEs is relatively high (10 per cent or more) for those that have an OAS Account, but who have not yet submitted an application, and those whose application is under review by the GCF Secretariat.

Table VI-2. Proportions of IAEs and DAEs throughout the GCF accreditation phases

	PRE-APPLICATION (194)			APPLICATION PENDING (110)		ACCREDITED (88)		
	NDA nominated only	OAS Account requested	OAS Account issued but application not yet submitted	Stage 1	Stage 2A	Stage 2B	Stage 3A	Stage 3B
				Submitted application and under Secretariat Review	Under Accreditation Panel review	Board approved	AMA signed /executed but not in effect	AMA effective
Number of entities	38	47	109	98	12	27	14	47
Proportion of entity access modalities by accreditation phase (per cent)								
International AEs	0	45	26	41	17	45	43	41

	Pre-Application (194)			Application Pending (110)		Accredited (88)		
National DAEs	87	47	61	49	83	48	57	36
Regional DAEs	3	4	13	10	0	7	0	23
Entities with no identified modality	10	4	0	0	0	0	0	0

Notes: Some entities in the pre-application stage do not yet have a modality (international, regional, or national) assigned.
Source: Data from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

C. Findings

1. Effectiveness of the DAE nomination process

9. Countries' processes for identifying and nominating DAEs have implications for the effectiveness of direct access, including the extent to which DAEs cover country needs and priorities. **However, limited information is systematically available on countries' nomination processes and pre-application phase**. Thus, the following section draws primarily on patterns and comparative analysis of the 22 COA, FPR and RPSP country case studies to offer observations on countries' experiences in the nomination process.

a. Decision-making on national DAE nominations

10. **DAE nominations by NDAs have not often been driven by strategic, long-term considerations.** Particularly in the early days of the GCF, NDA/focal point decision-making on DAE nominations was largely focused on the fastest direct access to GCF investment resources, according to interviewees in case study countries. DAE nomination decisions were rarely consultative and inclusive of multiple country stakeholders (see also Chapter IV). In many case study countries, early NDA/focal point nomination decisions were based primarily on potential entities' fiduciary capacities, as a proxy for their ability to meet the accreditation requirements. The nominees in these countries included entities that (1) already were strongly involved in the national climate change dialogue and structures (Colombia, Morocco), (2) entities that had been set up and capacitated over the years by international donors and governments for channelling project resources (Morocco, Indonesia, Namibia), and (3) entities that were already accredited to the Adaptation Fund (Rwanda). These country experiences are further described in Box VI-2.
11. **The nomination process has sometimes been more driven by DAEs requesting nominations than by a deliberate decision-making process by NDAs to selectively nominate DAEs.** NDAs/focal points in several of the case study countries supported most agencies that came forward and fulfilled basic criteria – resulting in higher numbers of nominations.
12. **The early days of DAE nominations were characterized by a high degree of uncertainty and lack of information.** The GCF Secretariat, regional advisers, and RPSP delivery partners provided some guidance, including through structured dialogues and country workshops, but such guidance

was not always consistent and did not always filter down to actors beyond the NDA/focal point. The country interviews showed that not all national entities that have been seeking nomination and accreditation to the GCF have been well informed and fully grasped the meaning, conditions and necessity of accreditation to work with the GCF. Often entities mistakenly thought that accreditation was required to carry out a project that is GCF-funded, not considering the option of working as an executing entity either with a DAE or IAE. The result has been that in some countries where nomination processes were more entity-demand-driven, there have been higher numbers of nominations in some cases, as well as implications for the tenacity of nominated entities in pursuing their applications.

13. **As experience with the GCF grows, the country case studies show that NDAs/focal points have increasingly become interested in having the right mix of DAEs** to match priority thematic areas and projects, ensure coverage across project sizes and financial instruments, work with the private sector and civil society, and optimize and economize on the number of agencies. Several interviewees emphasized that strategic decisions on DAEs would ideally begin with country priorities for low-emission and climate-resilient development and then identify the best national and regional organizations to assist in implementing those priorities – all within a broader frame of a climate finance strategy for the country as a whole and the country's plan for engaging with the GCF.

Box VI-2. Observations from DAE nomination processes in country case studies

In **Uganda**, despite initial assessments of candidates for DAE by the delivery partner, NDA decisions were mainly motivated by fast access to funds and depended more on the interest and initiative of DAEs themselves. Decisions were less focused on the country sector or project priorities for the GCF, DAE oversight capacity and jurisdiction, or serving the private sector.

The number of nominated DAEs in **Morocco** is the highest among GCF eligible countries, with a total of 11 organizations seeking accreditation, across the public and private sector. The nomination of the national DAEs was demand-driven, and at least partly driven by the awareness generated by COP 22 in Marrakech. Nevertheless, interviewees felt that the DAEs were complementary, as each covered a unique niche of the market, be it sector, targeted clients for private sector activities and their financial needs, or subnational regions.

The Government of **Fiji** does not see the need for multiple DAEs, and thus a formal process for making nominating DAEs has not been established in the country. The decisions to date appear to be primarily driven by existing fiduciary capabilities, and lack of RPSP support to date has slowed the process. The Government has so far nominated one national DAE, the Fiji Development Bank, which has received conditional accreditation.

In **Indonesia**, according to GCF records, five entities were nominated by an early NDA that has now been replaced. One entity is accredited (PT-SMI), two applications are actively being pursued and two nominated entities are apparently no longer interested, according to informed country sources. The current NDA questions whether the remaining one accredited and two possible future DAEs are sufficient for the potential themes and investment sizes that the country may need.

Colombia had a strategic approach to the nomination and accreditation of DAEs. Based on diverse country needs, the Government actively identified the most relevant and capable agencies for the task. The three organizations selected were already represented in the Government's climate change structures, which made them an obvious choice to become the DAEs. The entity Findeter was selected for its territorial scope, Bancoldex for engagement of the private sector, and Fondo Acción for its relationship with civil society and communities.

Source: IEU Country Ownership case studies

b. Number of national DAEs

14. **Strategic guidance to countries on how to identify the right number or kind of DAEs has been insufficient.** This finding is supported by the evidence of the lack of long-term considerations in DAE nomination decisions, as well as the country interviews, in which this issue was repeatedly raised. The issue is especially central for countries given the high transaction costs in accreditation and some reported advice by the GCF Secretariat for countries to keep the number manageable. In several countries, the potential for a **divisive dynamic of resource competition among DAEs was raised**, especially given implied limits on the number of projects likely available to countries in the upcoming replenishment period.

15. Important arguments and factors identified for the optimal number of DAE included good coverage of various sectors, financial instruments and actors; enhanced opportunities and reduced risk of individual DAE failures; and political-economy motivations. Table VI-3 summarizes some considerations for and against capping the number of national DAEs.

Table VI-3. Considerations for and against capping the number of national DAEs

Issues	Considerations in favor of capping DAE nominations	Considerations against capping DAE nominations
Taking a strategic, country programme-based approach to nominations	Caps could help incentivize countries to take a more strategic, country programme-based approach to nominations. In contrast, a laissez-faire approach may lead to a high number of entities not necessarily strategically aligned with country priorities.	A higher number of DAEs could broaden the scope and reach of the GCF in countries. More nominated DAEs also could increase country chances for successful DAE accreditation and approved FPs with the GCF.
High transaction costs and manageability for DAEs	DAEs usually have high transaction costs for accreditation. Too many DAEs may reduce successfully approved FPs with the GCF. This could de-motivate entities to pursue accreditation.	Any interested entity should be able to weigh its own transaction costs and chances, provided there is sufficient information, clarity and transparency about process and opportunities.
High transaction costs and manageability for the GCF	The GCF has limited administrative capacity to process accreditations and deal with a high number of DAEs. No cap can lead to less pressure for DAE pre-selection by countries, with the potential result of poorly prepared or non-qualified DAEs that "clog" the system.	GCF administrative capacities could be increased to ensure manageability and targeted interaction with interested and qualified DAEs to ensure readiness for applications.
High transaction costs and manageability for countries	A large number of DAEs is more likely to reduce NDA capacity to interact with and monitor them. It could also lead to possibly divisive access competition at the national level.	Resources and information could be increased to ensure NDA manageability.
DAE capacity-building	Fewer DAEs would allow for better targeted capacity-building of these DAEs.	--
Country heterogeneity	A country cap for the number of national DAEs could be compensated for by direct access to regional DAEs.	The number of available and qualified entities varies by countries. Capping could be unfair to qualified entities.

Issues	Considerations in favor of capping DAE nominations	Considerations against capping DAE nominations
		Capping would have to consider diverse country circumstances, including size and vulnerability levels.
Coverage and opportunities	The more opportunities there are for organizations to work in GCF projects as executing entities with highly qualified and broad-based accredited national DAE, the lower the need for a large number of national DAEs to ensure coverage and access.	Limited coverage of current DAEs in terms of adaptation/mitigation, sectors, regions, size or risk. Current DAEs (accredited and already nominated) may not be in line with country priorities being considered in the latest CPs and long-term climate change strategies. Adequate private sector coverage with current DAEs has to be assured.
Country has the right to decide	--	Countries in principle have the right to decide for themselves how many DAEs to nominate.

16. **The evaluation identified three areas where potential conflicts of interest (COI) or appearance of COI may arise, which are relevant for nominating DAEs and may have implications for country ownership:**

- **When the NDA, or NDA host institution, seeks accreditation as a DAE.** In some countries, the desire of the Government to become a DAE was seen as perpetuating the strong role of the national government in the GCF country ownership approach, while marginalizing other non-state actors. Concerns were also raised given the lack of consultation to date in DAE nomination decisions, which are taken by the NDA/focal point. Portfolio analysis, however, shows that overlap between the NDA and nominated DAEs is so far only found in a few countries (Antigua & Barbuda, Zambia and Nicaragua). At least one NDA in the COA case study countries also expressed interest in seeking accreditation for the Ministry where it is located. The FPR country visit to Rwanda also illustrated the potential for grey areas, since the NDA and the nominated DAE are in the same Ministry but in different administrative organizational units; the part that houses the NDA benefits from a semi-autonomous status.
- **When DAEs serve as both the AE and the executing entity on a single project.** Although the accreditation framework states that an AE may also act as an executing entity, the framework is clear about the requirement for AEs to demonstrate institutional capacities to undertake overall management, implementation and oversight, including first-level due diligence functions, in an independent way. Across the GCF portfolio, currently 21 of 111 projects have AEs that are also acting as executing entities, of which 14 are PSF projects (see projects in Annex 5). The country case studies showed that many nominated DAEs have only partially considered and have plans to set up firewalls between the two functions of technical and fiduciary oversight and execution. While some DAEs indicated plans to set up clear demarcations, in interviews, other DAEs were clearly less informed about the potential issue.
- **When the NDA, or NDA host institution, also acts as an executing entity.** While this is not a COI in principle, there is an opportunity for potential capture if NoL decision-making processes are not consultative. The NDA host institution currently acts as the executing entity for 22 approved FPs, or one out of five projects. In 13 of these 22 cases, a ministry or entity concerned with the environment is the one that houses the NDA.

2. ACCREDITATION EFFICIENCY

17. **Although the accreditation process has been on average slightly shorter for DAEs than IAEs** (Figure VI-6)**, it is still lengthy and arduous by all accounts.** IAEs take longer to complete stage 1 (completeness check by the GCF Secretariat), although the median time for national and regional DAEs still exceeds a year and a half (Figure VI-7). Notably, IAEs also take nearly twice as long to complete stage 3 (legal arrangements) after Board approval. Although more IAEs are seeking accreditation for higher-risk categories (A/I-1) compared with DAEs, and more time could be expected to be spent for higher-risk level accreditation, IAEs still took longer to get accredited across all risk categories compared to DAEs.

18. **For DAEs, long accreditation timelines are explained by several factors.** DAE applicants and other stakeholders in case study countries reported that entities approached the process with limited knowledge of what it entails and some had misunderstandings about accreditation as the only option to work with the GCF, as mentioned above. Many DAEs needed substantial time and support to develop adequate policies for environmental and social safeguards, gender, and consultation, and some of those policies required upper political and management decisions. The need to work in English also caused a delay in several DAEs in case study countries. Furthermore, the accreditation requirements were not always clear to nominated DAEs and were perceived to be interpreted differently by various GCF staff, as well as over time, resulting in conflicting comments. As the FPR found, a key determinant for the length of time spent on stage 1 is the time an entity spends responding to the Secretariat's feedback.

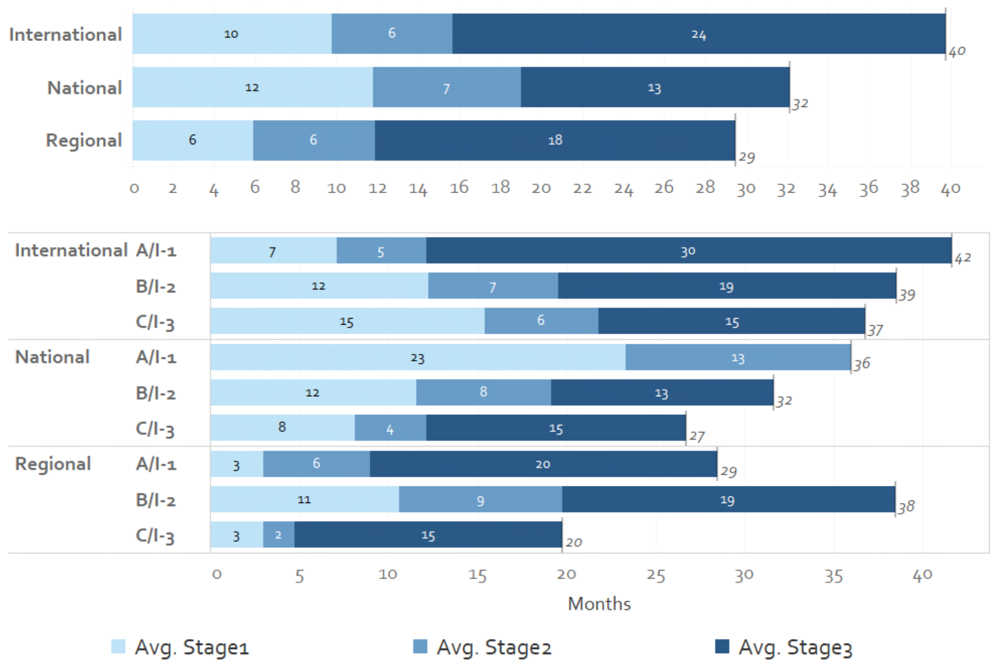

Figure VI-5. Average duration of accreditation stages by access modality and ESS category for 88 AEs

Notes: All duration values are calculated as means.
Source: Data from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU Datalab.

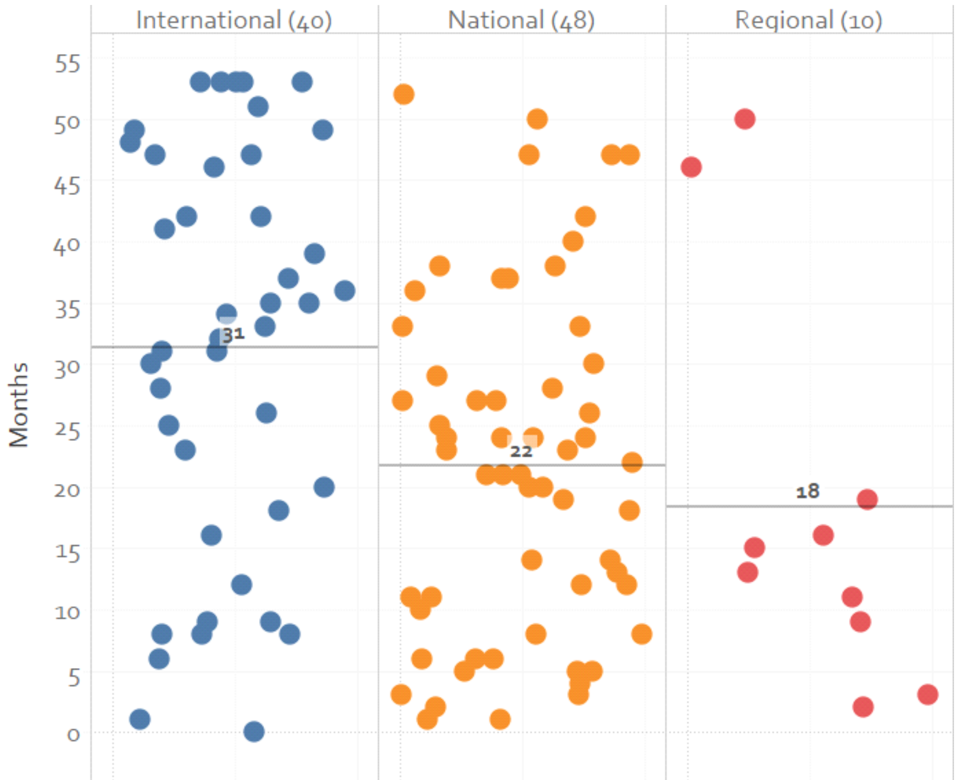

Figure VI-6. Application duration of 98 entities in Stage 1 by access modality

Notes: The dots represent individual durations for entities, while the line represents the mean values for the three different modalities.
Source: Data from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU Datalab.

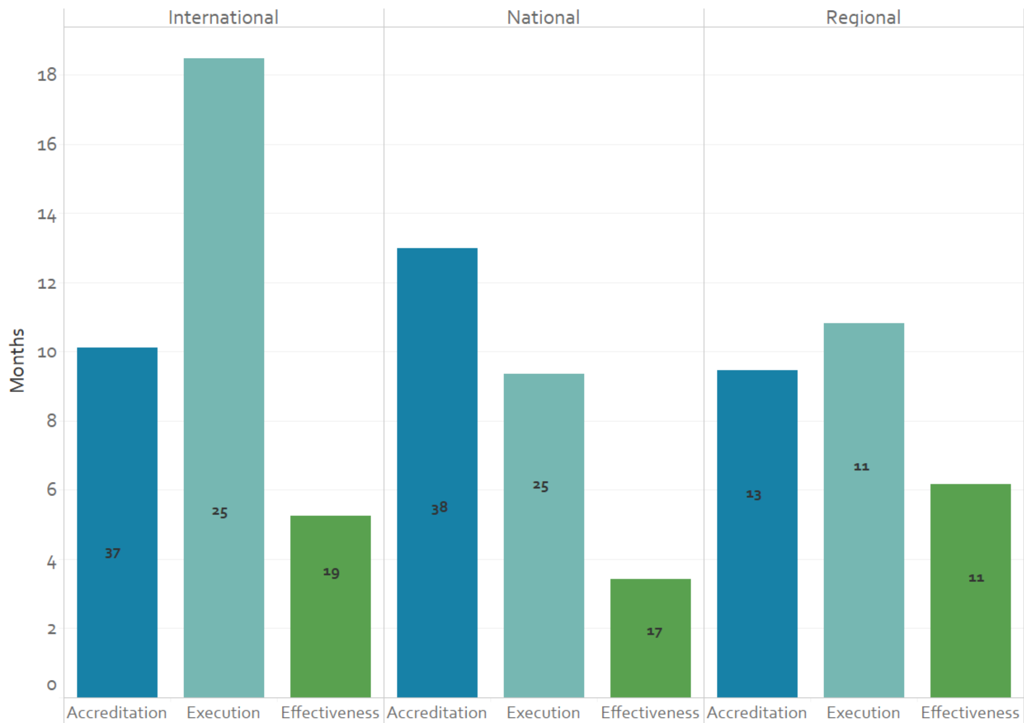

Figure VI-7. Average time for Board approval, AMA execution and AMA effectiveness, by access modality for 47 AMA effective entities

Notes: The numbers on the bar represent the number of entities that the number of months is true for.
Source: Data from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU Datalab.

19. **The impact of the arduous accreditation process has been perceived as largely negative on country ownership**, as the inefficiencies and delays have substantially frustrated applicants. In the case study countries, there were numerous accounts of nominated DAEs that were considering stopping the pursuit of their application for direct access.
20. **The lack of differentiation for DAEs in the accreditation process was a major issue for many country interview partners** and was perceived as a potential threat to assuming country ownership. In the words of one interviewee in Colombia, "The same criteria are used by the GCF to review DAEs as IAEs, while the former do not have the same capacity and experience as the latter." In some cases, some entities had to compromise some of their policies in view of the "inflexible" requirements of the GCF, such as on disclosure of internal audits. CSO representatives also clearly voiced that the GCF accreditation does not work well for less well-equipped entities from national CSOs (as illustrated in Box VI-3).
21. **Despite the hardship, some DAEs nevertheless felt that the accreditation exercise was useful in strengthening their internal structures and processes** (e.g. project cycle management, ESS, gender). For instance, for the Fiji Development Bank (FDB), going through the accreditation process was worth it, as the process has improved their capacity in terms of policies and finance, and recognition and visibility of the FDB have increased regionally. The FDB is putting in place completely new policies as a result of the accreditation – for example, on gender. A similar positive learning experience was reported by the Rwanda Development Bank, since other international agencies had never raised a climate or green investment focus with them. Likewise, in Namibia, local entities that are currently in the process of being accredited acknowledged the value of the accreditation process (e.g. around transparency in AgriBank), although the process itself is considered burdensome. In Morocco, the accreditation process has provided valuable capacity and skills, especially in areas less familiar to banks, such as gender, social and environmental safeguards, and management. This was observed across all the DAEs in Morocco.

Box VI-3. An unsuccessful attempt at CSO accreditation: the Samdhana story

Samdhana Institute is an Indonesian organization involved in indigenous and other communities, conflict resolution and leadership development. It also works in other South-East Asian countries. Samdhana tried to get accredited by the GCF but eventually stopped its attempt after two years, in 2017.

The Samdhana experience illustrates that many GCF accreditation requirements reflect the type of policies and procedures that one would expect to be in place in banks or financial institutions processing large loans; they are not common among small grants funders such as Samdhana. Language and the need to hire certified translators proved to be another major and costly challenge. And it even proved difficult to provide all the requested documents by the NDA to simply get nominated.

The time taken by other nominated DAEs for successful accreditation and the queue of organizations waiting for GCF Board approval was another discouraging factor. The case study concluded that CSOs should urgently advocate for a change in procedure or else it will take years before the important principle of local direct access is put into practice. In the words of one CSO interviewee in Indonesia, the GCF should "level the playing field."

Source: Soentoro et al., 2016

3. DAE CAPACITIES AND EXPERIENCE

a. Meeting recipient countries' needs and priorities

22. **Where they are available and accredited, national DAEs have the relevant capacity and experience to address their countries' climate change priority areas** (Figure VI-8).[77] To inform this analysis, the IEU DataLab conducted a comparative analysis of the 66 LDCs, SIDSs and African States countries' climate change priorities (as measured by their NDCs) with the DAEs' identified areas of experience and expertise. Among those countries with national DAEs accredited, most identify DAEs that meet the countries' NDC sector priorities.

23. **When looking at only regional DAEs, countries' needs and priorities map better to DAE capacities and experiences** (Figure VI-9). Given the wide country coverage of some regional DAEs, 70 per cent or more of the 66 LDCs, SIDS and African States countries have access for most sectors to at least one regional DAE (accredited or in the pipeline) that covers their priority areas. Mapping is weaker for the sectors of "Buildings, Cities, Industries and Appliances" and "infrastructure and built environment."

24. **IAEs are being utilized more frequently than DAEs to cover countries' priority areas in the GCF portfolio**. For example, for the LDC, SIDS and African States countries in the GCF portfolio that have identified "Infrastructure and Built Environment" as a priority area, almost half (25 countries) are utilizing IAEs in addressing this need.

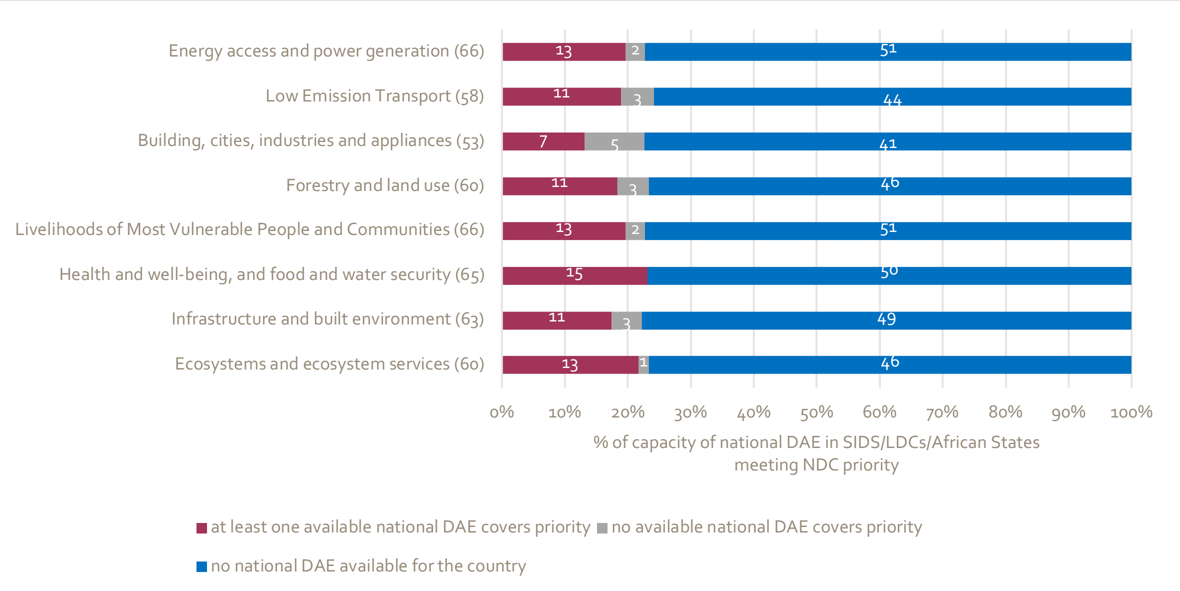

Figure VI-8. National DAE capacity alignment with country priorities

Notes: For this analysis, those 66 LDCs, SIDS, and African States were considered that already have a Board-approved FPs

Source: Country priorities are extracted from countries' latest official (i)NDC submissions to the UNFCCC, while data on entities is from relevant GCF Secretariat divisions. All data is as of 8 July 2019, and was analysed by the IEU DataLab.

[77] It should be considered that this is currently only the case in a relatively small number and percentage of all GCF eligible countries that are vulnerable (15 out of 66 countries, or 23 per cent).

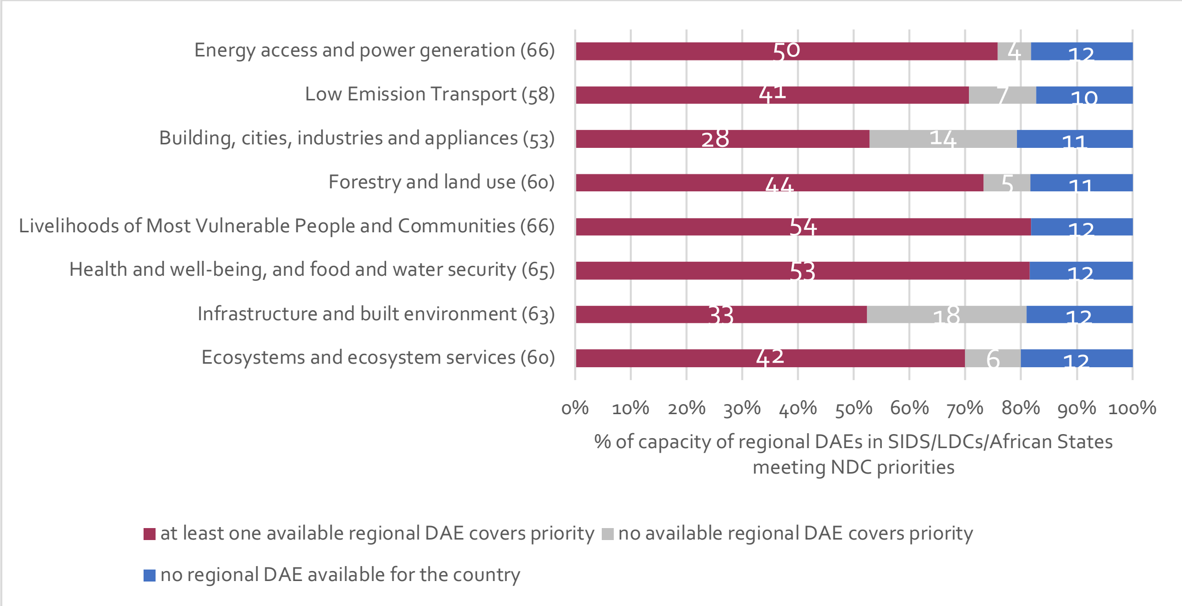

Figure VI-9. Regional DAE capacity alignment with country priorities

Notes: This analysis considered the 66 LDCs, SIDS and African States that already have Board-approved FPs.

Source: Country priorities were extracted from countries' latest official (i)NDC submissions to the UNFCCC, while data on entities are from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

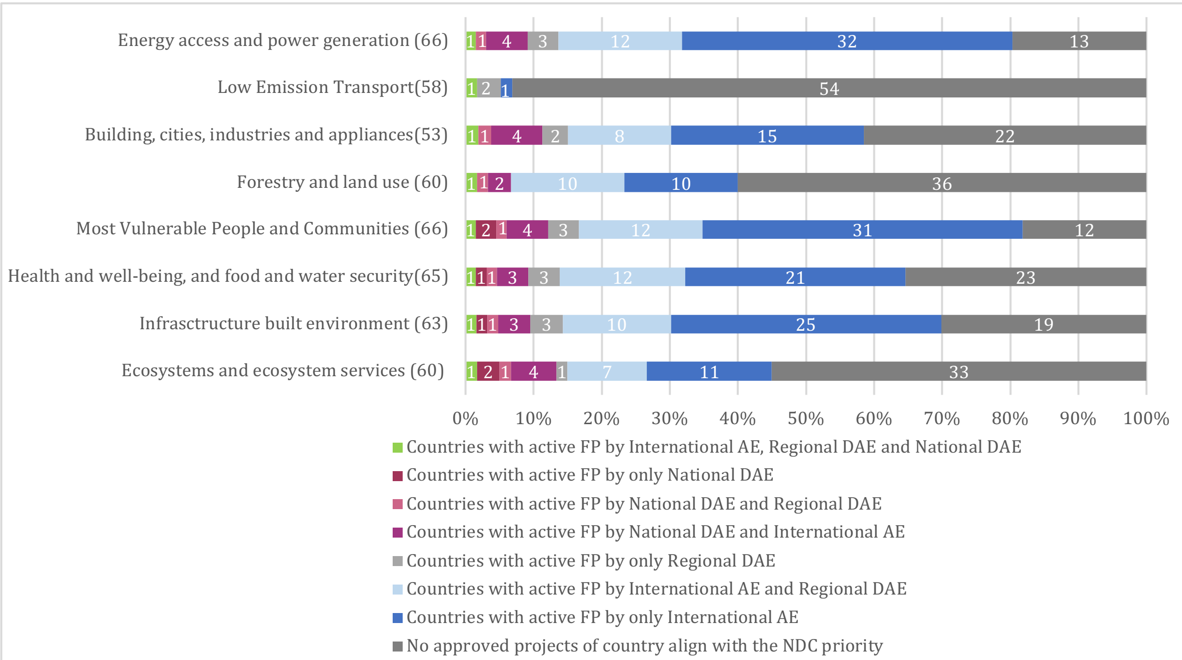

Figure VI-10. The coverage of countries' NDC priority areas by active FPs across the various entity modalities

Notes: This analysis considered the 66 LDCs, SIDS and African States that already have Board-approved FPs.

Source: Country priorities were extracted from countries' latest official (i)NDC submissions to the UNFCCC, while data on entities are from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

25. **DAEs have fewer opportunities to carry out large projects and higher-risk projects than IAEs.** The majority of DAEs are only accredited for micro and small project sizes, including regional entities, although there are also a few national DAEs among the medium-size category (Figure VI-11). However, less than one fifth of DAEs are accredited for large projects or for Risk Category A projects – equally shared between national and regional DAEs – compared with more than half of IAEs.

26. **DAEs also have lower accreditation levels for loans than IAEs.** About two thirds of DAEs are accredited for grants but only about half of them for loans. IAEs have a significantly higher accreditation level for loans than DAEs. The relative percentages for DAEs in LDCs, SIDS and African countries were not found to be significantly different from those for all countries.

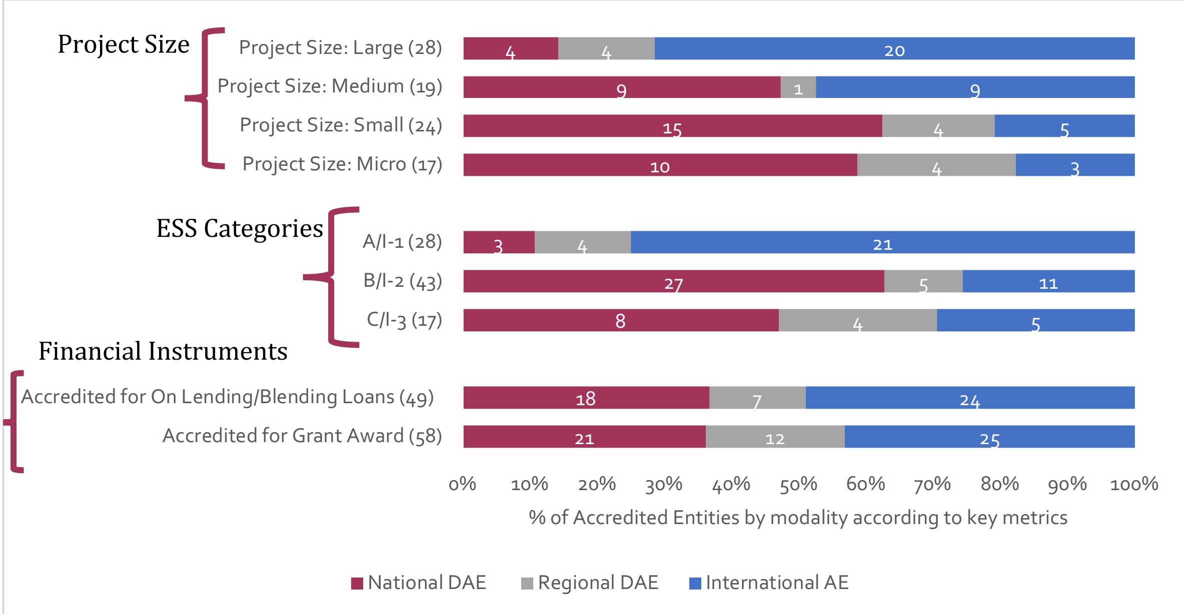

Figure VI-11. National DAEs, regional DAEs and IAEs accredited for project size, risk category and grants and loans

Source: Data from relevant GCF Secretariat divisions. Data as of 8 July 2019, analysed by the IEU DataLab.

27. **Among DAEs there is a predominance of banks**, including national development and commercial banks, **and organizations specialized in environmental issues**. The percentage of CSOs serving as DAEs is relatively low (see also Chapter IV on multi-stakeholder engagement).

Table VI-4. Types of accredited organizations, by accreditation modality and public/private sector (in per cent)

International AEs (37)		National AEs (38)		Regional AEs (13)		Private AEs (16)		Public AEs (72)	
Bilateral	27	Government ministry/agency	18	Regional development bank	31	Commercial bank	44	Bilateral	14
UN	16	Environmental fund	13	Environmental organization	23	Investment fund/ corporation	19	Government ministry/ agency	10
MDB	16	Development bank	11	NGO	15	Private bank	13	UN	8

INTERNATIONAL AEs (37)		NATIONAL AEs (38)		REGIONAL AEs (13)		PRIVATE AEs (16)		PUBLIC AEs (72)	
Commercial bank	14	National bank	8	Investment fund/corporation	8	Project developer	6	MDB	8
International NGO	8	Infrastructure development company	8	Development bank	8	Private equity fund	6	Environmental organisation	8
Other	19	Other	42	Other	15	Other	12	NGO	8
								Other	54

Source: Categorisation of types of accredited entities are based on data from relevant GCF Secretariat divisions, analysed by the IEU DataLab. Data as of 8 July 2019.

4. DAE PROJECT PIPELINES

28. **The missing link for pipeline development of FPs is clearly on the side of the national DAEs.** Only about a quarter to a third of all approved or submitted FPs and concept notes have been submitted by national or regional DAEs (Figure VI-12). Since DAEs represent a much higher proportion of all AEs (58 per cent), this presents a substantial gap for direct access in terms of FPs and CN development. Moreover, regional DAEs submit a far higher share of FPs and concept notes than national DAEs, which significantly exceeds their share of all accredited DAEs.[78] This finding is also supported by analysis of the pipelines presented in CPs, where national DAE projects account for a similar proportion of all FP ideas (33 per cent) (see Chapter IV for more detail).

29. There is no discernible trend in submitted FPs (that have not yet been approved) and concept notes by access modality (IAEs, national DAEs and regional DAEs) over time (Figure VI-13 and Figure VI-14 below).

30. **Only one DAE makes each of the top 10 lists for approved FPs and submitted concept notes.** Among the top 10 AEs with approved FPs, only one is a DAE: the Environmental Investment Fund of Namibia, with four approved projects (Table VI-6). Among those who submitted the most concept notes – including those converted into FPs – are 9 IAEs but only one DAE – that being ADA in Morocco with 14 concept notes.[79]

[78] 10 of 25 approved DAE FPs were submitted by regional DAEs, 14 of 33 submitted DAE FPs, and 52 of 116 DAE concept notes.
[79] By now, 56 out of the 88 AEs have submitted at least one concept note, and 66 entities have submitted at least one CN and/or a FP. The number is higher for the latter as not all FPs are preceded by a concept note.

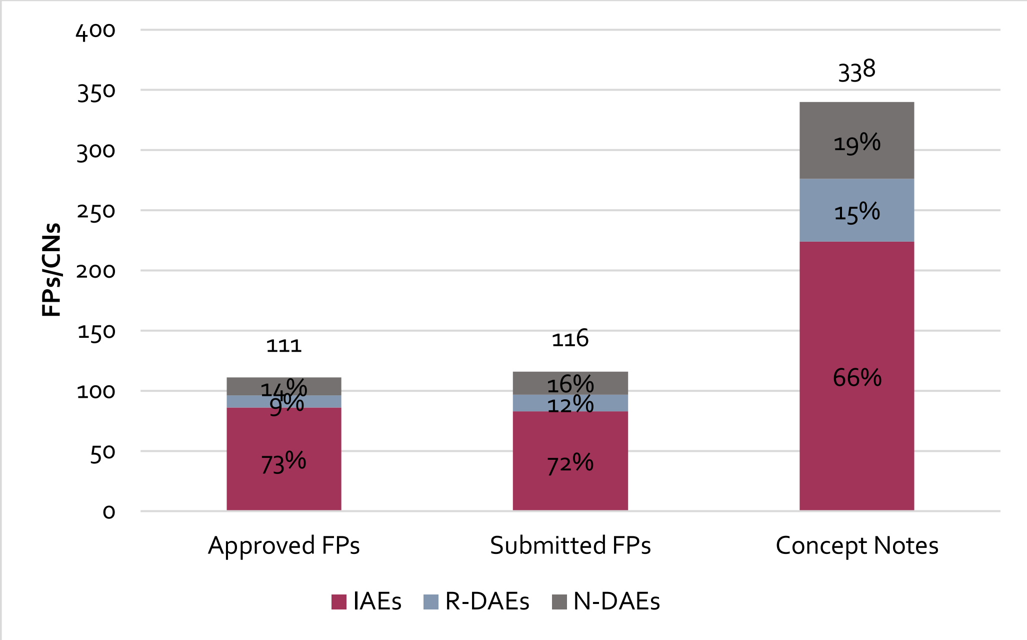

Figure VI-12. Approved FPs, submitted FPs, and concept notes, for IAEs, regional and national DAE

Notes: The three populations of approved FPs, submitted FPs and concept notes are all mutually exclusive. Submitted FPs consist of all FPs that were submitted but not yet approved as of 8 July 2019; this includes FPs that are still pending but also those that have been subsequently withdrawn/lapsed, etc. Concept notes only include those that have not yet been converted into FPs as of 8 July 2019 and that have an entity attached to them (there are another 62 concept notes that do not have any entity attached in the data).
Source: Data from iPMS, as of 8 July 2019, cleaned and analysed by the IEU DataLab.

Table VI-5. Approved FPs, submitted FPs and concept notes by country groups (per cent)

Approved FPs (111)			Submitted FPs (116)			Concept Notes (338)		
African States (45)	SIDS (23)	LDCs (40)	African States (43)	SIDS (18)	LDCs (32)	African States (135)	SIDS (66)	LDCs (117)
41	21	36	37	16	28	40	20	35

Notes: Due to the presence of multi-country projects, the three populations of African States, SIDs and LDCs are not mutually exclusive.
Source: Data from iPMS, as of 8 July 2019, cleaned and analysed by the IEU DataLab.

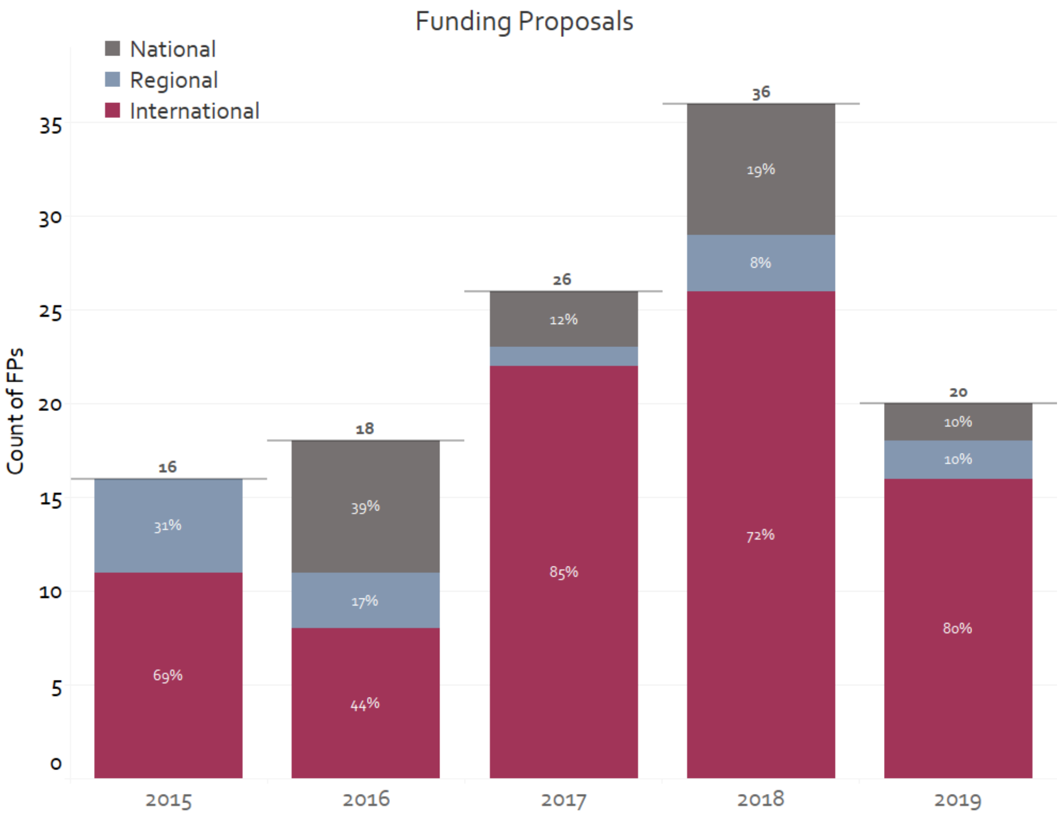

Figure VI-13. Submitted FPs (not yet approved, withdrawn or lapsed) over time, by access modality

Notes: Submitted FPs consist of all FPs that were submitted but not yet approved as of 8 July 2019, this includes FPs that are still pending as well as those that have been subsequently withdrawn/lapsed, etc. In total, there are 116 of these submitted FPs.The number for 2019 only counts up to the data cut-off point of 8 July 2019.

Source: Data from iPMS, as of 8 July 2019, cleaned and analysed by the IEU DataLab.

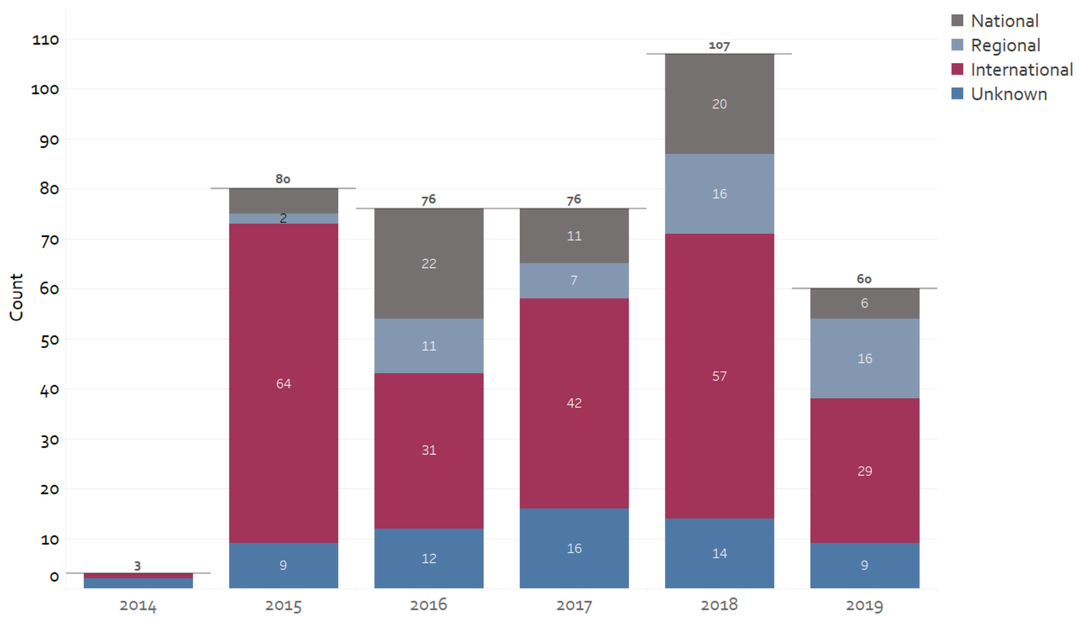

Figure VI-14. Submitted concept notes over time, by access modality

Notes: Concept notes only include those that have not yet been converted into FPs as of 8 July 2019. In total, there are 340 of these concept notes.The number for 2019 only counts up to the data cut-off point of 8 July 2019.
Source: Data from iPMS, as of 8 July 2019, cleaned and analysed by the IEU DataLab.

Table VI-6. ***Summary statistics for the top 10 AEs by approved FPs (number and value)***

Entity Acronym	Approved FPs	Approved FP Value (USD Millions)	Submitted FPs	Submitted FP value (USD Millions)	Concept Notes
UNDP	24	1,662.4	17	460.6	47
ADB	9	1,886.5	7	282.4	11
World Bank	9	2,385.3	9	318.9	10
EBRD	6	4,081.1	2	57	12
IDB	6	676	3	20*	19
AfDB	5	538.9	5	76	14
EIF	4	39	0	0	1
WFP	4	39.6	3	28	5
AFD	3	924	3	83	6
UNEP	3	37.8	8	199.4	18

Notes: This table does not include concept notes that were converted into FPs.
*IDB is missing total financing values for two of its submitted FPs.
Source: Data from relevant GCF Secretariat divisions, gathered and analysed by the IEU DataLab. Data as of 8 July 2019.

31. **The circumstances that determine the ability and success for accredited and nominated DAEs to develop FPs and concept notes are highly country and entity specific**. The country visits offered some insights into these experiences. Overall, nearly three quarters of in-country survey respondents felt that national DAEs have the capacity to develop projects that are aligned with national and GCF objectives. RPSP delivery partners – those responsible in many cases for providing readiness support to the DAE – had the lowest rate of agreement, at 44 per cent. They are clearly more sceptical about the capacity of DAEs to develop projects in the context of the GCF.[80]

Box VI-4. ***DAE experiences to develop GCF projects in case study countries***

The DAEs in **Colombia** have faced substantial challenges in identifying bankable projects for their pipeline. Only 3 out of 13 concept notes either submitted to GCF or under preparation have been initiated by DAEs. According to the NDA there are few organizations in Colombia that are able to meet GCF requirements in project preparation. Nominated DAEs do not necessarily have staff fully dedicated to the GCF. It is also challenging to convince management, particularly in banks, of the potential financial returns on investment. The transaction costs were perceived to outweigh the conditionality of GCF finance in a number of cases. As the GCF does not have a formal cooperation convention with Colombia, DAEs are subject to VAT and other taxes, unlike IAEs. This has pushed agencies to work through IAEs.

[80] In-country surveys were carried out with all persons met during the five country visits by the COA evaluation team. For the list of persons met in each country see annexes in country reports (Annex 4).

The **Fiji Development Bank (FDB)** faces challenges and constraints in moving from accreditation to developing a country-owned pipeline and ultimately to approved projects and implementation. A first challenge relates to areas of technical expertise and alignment with government priorities, as it has primarily been a niche player in Fiji for certain sectors. A second challenge for developing a project pipeline for FDB relates to the human resource capacity within the bank, as well as limited internal resources available for pre-feasibility and feasibility studies. Staffing is only part-time; full-time staff would be contingent on resources to support that position. So far, no PPF requests have been made that could help to alleviate FDB technical and human resource bottlenecks.

In **Rwanda**, the GCF project under implementation, submitted and managed by the accredited DAE (the Ministry of Environment, MoE), was based on similar projects in other locations. Still, it took about three years for its approval in March 2018, after it had first been submitted to the GCF in July 2015. MoE has submitted nine further concept notes but has decided to first focus on the one FP that was accepted.

In **Uganda**, the one GCF project under implementation involves a recently accredited DAE (MoWE), but as an executing entity. MoWE has not yet submitted a CN or FP but has so far focused exclusively on its accreditation process "without time to spare for thinking about proposals," in the words of one key stakeholder.

In **Georgia**, some of the DAEs would like to see increased government involvement, not only from the NDA but also from any other involved ministries, such as the Ministry of Finance or line ministries, to effectively develop concept notes and FPs, particularly when sovereign loans are involved in the financial instrument mix.

In **Morocco**, only one out of six GCF projects (FP022) under implementation was proposed by a DAE: ADA Morocco, a well-established government project implementation entity (SOE). ADA Morocco has also submitted 12 concept notes to GCF so far (plus two that were turned into FPs), and one more FP that has not yet been approved. Besides ADA, all other DAEs reportedly face challenges in identifying and submitting project concepts notes and FPs to the GCF. Readiness support is now foreseen through GIZ that will focus particularly on developing the GCF pipeline of projects. In Morocco, all interviewees emphasized the importance of identifying a comprehensive, rather than a GCF specific pipeline; not least due to the unpredictability of GCF priorities, processes and funding. There is a strong ambition to extend pipeline development to the subnational level. However, this requires the strategies, processes and skills to be in place at local level, with implications for capacity-building and setting up the necessary subnational coordination structures and project management skills.

There have been very few country-driven efforts to develop concept notes and FPs in **Indonesia**. Out of 14 known concept notes that have been prepared for the country, 12 are from IAEs, and the NDA has very limited knowledge about some of these. Several also have not yet been submitted to the GCF. PT-SMI developed the two DAE submitted concept notes but faced several hurdles. The entity was unaware that its GCF accreditation limit of USD 50 million applies to the total project size and not just the GCF contribution; problems were also faced on the climate rationale for a second project concept. PT-SMI recently obtained GCF PPF funding towards enhancing and finalizing one proposal.

The Indonesia NDA is currently carrying out a roadshow for soliciting more potential project ideas and matchmaking them with AEs. But initial results from this process indicate that few potential IAEs or DAEs are interested in such bottom-up project development efforts. The NDA would prefer to have a generic DAE, such as a fund, that could be used for the purpose of GCF direct access and other funding mobilization, but no Indonesian entity currently has this expertise and fits this purpose. Generating such a fund would be a long-term endeavour.

Source: Country case studies

a. RPSP and PPF capacity building for pipeline development

32. **GCF readiness programmes are expected to support pipeline development; this is further emphasized in the new *RPSP Strategy for 2019–2021*.** About a third (92 out of 290) of approved

RPSP grants had specific support for project preparation and a quarter (70) provided some resources for developing FPs. However, the amount of these resources is not known. Private sector FPs received special support in 32 RPSP grants. The identification of concept notes was included as an output in RPSP grants for CP development in 122 RPSPs. To what extent these RPSP grants indeed affected project pipeline development is not yet known.

33. **DAEs have received most of the PPF grant resources, although this has been skewed towards regional DAEs.** The GCF so far has also approved a total of 23 PPF grants for developing GCF FPs, of which the large majority went to DAEs. DAEs have received more than three quarters of PPF approved grants to date, although regional DAEs received disproportionately more funding than national DAEs, given their share among DAEs. Outstanding requests for further PPF funding substantially exceed approvals (by 42 per cent).

Table VI-7. PPF approvals and requests

Access Entity Type	Approvals		Outstanding Requests		All Requests to Date	
	Number of PPF	Amount (USD million)	Number of PPF	Amount (USD million)	Number of PPF	Amount (USD million)
DAE	16	11.5	19	16.3	35	27.8
National DAE	9	5.6	11	9.1	20	14.8
Regional DAE	7	5.9	8	7.2	15	13.1
IAE	7	3.5	25	17.0	32	20.5
Per cent						
DAE share	70	77	43	49	52	58
National share	40	38	25	27	30	31
Regional share	30	39	18	22	22	27
IAE share	30	23	57	51	48	42

Source: Data from relevant GCF Secretariat divisions, gathered and analysed by the IEU DataLab. Data as of 8 July 2019.

5. IAEs and country ownership

a. IAE approach to country ownership

34. **IAEs themselves commonly describe their approach to country ownership in the GCF as "business as usual" and a fundamental part of their programming model.** They point in particular to multi-year country engagement frameworks that are rooted in strong policy alignment and country demand, support for multi-stakeholder consultations, and capacity-building of local partners. In interviews, IAEs commonly pointed out that there has to be country demand and ownership for internationally financed projects, particularly for sovereign-backed loans. IAEs also acknowledge that country ownership in their projects means shared control over certain aspects of project management, particularly sensitive fiduciary, ESS and policy issues. IAEs assert that

national and regional institutional strengthening, such as in the form of DAE accreditation, is positive for country ownership and regional cooperation and fully consistent with their own objectives.

35. **Many country interviewees were at best ambivalent, and often outright critical about the interest and capacity of IAEs to promote country ownership, although these perceptions varied by country and entity.** Only about half of respondents to the in-country survey agreed that IAEs develop GCF projects that are fully country owned, with a slightly higher rate of agreement among AEs (two thirds) and a significantly lower rate of agreement among civil society and private sector (one fifth). IAEs were frequently perceived as deliberately or inadvertently promoting agendas shaped by their own priorities and as bringing pre-determined concepts to discuss with the NDAs. Some IAEs are perceived by country stakeholders as powerful in negotiations with client countries, particularly in LDCs, and many country stakeholders believed that IAEs tend to maintain substantial control during implementation. A number of interviewees also regard IAEs as more complicated in their requirements and processes, and sometimes not respecting countries' preference to utilize country systems. Country stakeholders also believe that it is more difficult for local consultants and the local private sector to get involved in IAE projects.

36. **At the same time, in the case study countries, interviewees widely acknowledge certain capacities and advantages of IAEs.** Notably, IAEs often have excellent technical and specialized expertise as well as financial capacities that they can bring to the table. Many stakeholders also see the value of an approach that leverages these advantages, including the generally higher project size and risk accreditation levels of IAEs. IAEs were also perceived as providing easier access to the full range of GCF financial instruments. And for some countries, as mentioned above, IAEs are the only option so far to access GCF investment resources. Yet, at the same time, there appears to be a certain enthusiasm gap among some IAEs for taking on more projects with the GCF, leaving some countries with a shortage of available IAEs willing to take on their priority projects. This can dilute country ownership if country-ideated projects are potentially retrofitted to attract an IAE.

37. **Stakeholder feedback on IAE country presence was mixed.** Some country stakeholders noted that collaboration and ownership are higher among IAEs with staff in the country. On the other hand, one of the most persistent criticisms of IAEs in the 22 country case studies was that IAE country offices are often not well involved and informed about GCF projects and procedures and that GCF projects are to a large extent developed and drafted at the head offices. This is seen to affect the capacity of IAEs to be truly country-oriented and country-driven. Relatedly, IAEs are sometimes perceived by national stakeholders to have asymmetric information and knowledge about GCF programming due to their global linkages that may give them advantages compared with DAEs.

38. **Perceptions of capacities and commitments of IAEs and DAEs are summarized in** Table VI-8**.** Some illustrative options for mitigation of weaknesses are also presented.

Table VI-8. Comparative capacities and commitments of IAEs and DAEs

Capacities and commitments	IAEs	DAEs	Opportunities to better support DAEs
Capacity to address NDC priorities	Many different IAEs with broad sector reach and instruments	In principle high, but still limited by current reach and number of DAEs	Strategic planning of DAE nominations
Funding larger and riskier projects	Many IAEs with risk category A	More likely through regional DAEs	DAEs to grow in expertise over time

Capacities and commitments	IAEs	DAEs	Opportunities to better support DAEs
Capacity to develop FPs	Familiarity with GCF; flexible resource use	Low, with large variations	PPF and other targeted GCF support for DAEs
Commitment to developing country-owned FPs	FPs often "pre-cooked", but depending on IAE	Country-driven, but not necessarily fully country-owned in a broader definition	GCF to formulate best practices
Commitment to country ownership	Business as usual, depending on extent of IAE specific policies, processes and operationalization of country ownership	Perceived as strong, but not necessarily committed to all aspects of country ownership in broader definition	For IAEs to involve country offices more strongly
Technical and specialized expertise	High	Medium to low, but DAE specific; stronger for regional DAEs	Capacity-building, including through IAE/ DAE twinning
Interest in the country priorities and ideas	IAEs perceived as coming in with own agendas and ideas; lower availability for bottom-up project ideas	High	Strategic planning through CPs
Knowledge of realities on the ground	Medium, but depending on IAE	High	Participatory FP design
Co-investment and leverage capacity	High	Low to medium, depending on DAE type	Strategic planning of DAE nominations
Use of country systems	Infrequently, but depending on countries and IAEs	Always	For IAEs, GCF to stipulate maximum country system use
Support for local firms and consultants	More reliant on international teams and bidding	Very likely as first preference	GCF to formulate best practices
Generating country capacities for GCF access and scaling-up	Theoretically high, but dependent on resources and country presence	Capability to build capacities of local partners and executing entities	GCF to provide structures, resources and incentives

b. IAE assistance for direct access capacities

39. **Overall, the evaluation did not find conclusive evidence for systematic support by IAEs to DAEs triggered by the GCF.** Decision B.10/06 requires that IAEs indicate how they will strengthen the capacities of potential DAEs to meet accreditation requirements, and the latest EWP template requires reporting on these efforts. Most country interviewees agreed that IAEs have much to offer in terms of supporting direct access, although only slightly more than half of respondents to the in-country survey agreed that IAEs contribute to capacity-building for direct access. Through the country case studies, the evaluation identified numerous examples of IAE capacity strengthening of DAE accreditation and FP development, as shown in Box VI-5. According to interviews, country

presence has been a critical enabler for IAEs in supporting DAE capacity development; lack of available own-budget resources for this purpose has been a major limitation.

40. **The evidence of IAE support in accreditation proposals and EWPs have also been mixed.** GCF Secretariat assessments of IAE accreditation applications suggest that only about one-third of IAE accreditation proposals provided to the Board explicitly discuss the IAEs' plans to support DAEs in accreditation. Of those that do not discuss them explicitly, about half contain plans for general support to local partners to build capacity. The proportion of IAEs who indicate support either given or to be given to DAEs in their EWPs is higher, at 73 per cent. Several IAEs confirmed that they take their contractual AMA obligations for direct access capacity support seriously. In contrast, one in four DAE EWPs (26 per cent) indicate support to be obtained from IAEs, although this could be explained by IAE support for DAEs who are still going through the accreditation process or have not yet submitted EWPs.

Box VI-5. Examples of IAE support to DAEs in case study countries

Examples of IAE support to DAEs in case study countries include capacity-building and support for meeting accreditation conditions for the FDB in Fiji by the ADB and UNDP; a long-term symbiotic relationship between the World Bank and PT-SMI in Indonesia; long-time accreditation and other capacity and technical support for the Uganda Ministry of Water and Environment and the Uganda Development Bank through UNDP. In Morocco, DAE training was organised by AFD, KfW and FAO. In the same country, EBRD and AFD have sizeable country portfolios for private sector support and have been working with several DAEs on innovative green finance for a while.

UNDP played a large role in early readiness, which in many cases extended to close working relationships with NDAs and capacity support for local DAE candidates and joint project development with executing entities. ADB reported technical assistance on GCF concept notes and for accreditation support for entities that are "too numerous to list" since this is core to ADB business in countries. AFD supports national agencies to help with their GCF accreditation process and FP development mainly through its ongoing adaptation facilities. Prominent examples for such support are APIA in Tunisia; CDG Capital in Morocco; CAF in Latin America; and PT-SMI in Indonesia.

Source: Country case studies

D. KEY FINDINGS AND RECOMMENDATIONS

1. KEY FINDINGS

41. **The GCF has been successful in ensuring that more than 58 per cent of its eligible countries have the opportunity to access a DAE (regional or national). But direct access through national DAEs is only 19 per cent**, with the potential of reaching 52 per cent should all national DAEs with pending applications be approved by the Board.

How effective has the DAE nomination process been?

42. **Overall and on average, DAE nominations by NDAs were often not driven by strategic, long-term considerations, nor by consultative processes.** They were rather determined by short-term interests in fast access to project funds, evident choices for nomination due to prior experiences, and the demand and initiatives of DAEs themselves. There is uncertainty about the optimal number of DAEs in each country to ensure coverage of country needs and priorities in climate change. Misunderstandings about what accreditation means and entails were widespread. There was insufficient guidance from the GCF on how to strategically approach DAE nomination or how many DAEs should be nominated.

Has the accreditation process been effective and efficient for direct access?

43. **The accreditation process for DAEs is arduous but is still shorter on average than that for IAEs.** Reasons are found in the readiness and capacity of DAEs themselves as well as accreditation requirements and GCF responsiveness. The impact has been perceived as largely negative on country ownership, as the inefficiencies and delays have substantially frustrated applicants.

44. **Differentiation in the accreditation process is seen as insufficient by many country stakeholders.** Many stakeholders and applicants question the perceived "one-size fits all" accreditation process. They see higher transaction costs for DAEs than for IAEs and the accreditation process more geared towards existing policies and business processes in IAEs. Some differentiation of accreditation requirements by size and private/public entities are acknowledged but seen as insufficient to allow efficient and equal access for DAEs, particularly smaller entities and CSOs with fewer resources. At the same time, relaxing accreditation requirements in such cases would create a dilemma as it may reduce GCF standards.

45. **Still, a number of DAEs regarded the accreditation process as valuable to enhance their capacities and develop their policies.** Though the number of DAEs are many, most of them did not access GCF resources for accreditation.

Are DAE capacities and experience adequate to address country priority needs?

46. **Wherever available, national DAEs have relevant capacity and experience to address their countries' climate change priority areas as expressed in their NDC**. However, mapping of DAE capacities with countries' priorities increases substantially when regional DAEs are considered.

47. **Countries have fewer opportunities to carry out large projects and higher-risk projects with DAEs than with IAEs.** On average, DAEs also have somewhat lower accreditation levels for loans than IAEs.

How effective is direct access in developing a country-pwned project pipeline?

48. **National DAE capacity to deliver concept notes and FPs is not in line with country and GCF expectations.** SIDS and to a lesser extent LDCs have a particular disadvantage in this area. Helpful factors for DAE pipeline development include DAE size and past project experience with climate change projects, previous and ongoing projects for the GCF, and the interaction and support from the GCF Secretariat and other partners.

49. **Over the last year, RPSP grants have started to address capacity bottlenecks and assist in pipeline development.** Evidence on its effectiveness is still meagre. PPF resources are another conduit for tailored capacity-building on FPs, but so far there have been relatively few PPFs.

How effectively do IAEs support country ownership?

50. **IAEs themselves commonly describe country ownership in the GCF programming cycle as "business as usual."** They point to extensive interactive country programming protocols that in their view are based on strong policy alignment and country demand, support for multi-stakeholder consultations and capacity-building of local entities. IAEs have different business models, objectives, presence and delegation of authority in countries. This affects their country ownership performance.

51. **IAE motivations and preferences for supporting country ownership are often viewed with scepticism by country stakeholders** and are perceived as deliberately or inadvertently promoting agendas shaped by their own IAE priorities. IAEs are sometimes perceived by national stakeholders to have asymmetric information and knowledge about GCF programming due to their global linkages that may give them advantages compared with direct access entities.

52. **The evaluation did not find any conclusive evidence for systematic support by IAEs to DAEs as a result of agreements between IAEs and the GCF in AMAs.** Some IAEs were found to support country ownership in different ways, including through working with DAEs on their accreditations, through training, and through sharing of technical and specialized expertise with country partners to help develop an independent project pipeline. But this is not done systematically, and where it is done, often not related to the GCF. Reportedly, IAEs sometimes do not have the necessary resources in countries to provide technical assistance to local institutions, unless explicitly included in project funding.

2. Key recommendations

53. If the GCF wants a greater proportion of its investments to be country owned, one critical contributor to this overall goal is to ensure greater effective participation of DAEs in GCF pipelines and implementation. There are two large constraints: opportunity and capacity. The GCF may deal with the opportunity constraint by using innovative choice architecture mechanisms. One may be to **ask "mature" IAEs to jointly develop and/or implement GCF investments with DAEs**. Such twinning efforts would require that the GCF provide the necessary incentives to IAEs to line up with DAEs for support (e.g. explicitly stated budgets for compensation, in FPs, FAAs or through other mechanisms), and equally for DAEs to work with IAEs to enhance their capacity (e.g. clearly stated functions and compensation as executing entities).
54. In addition, the **GCF should continue to provide DAE capacity support for pipeline development as a priority through PPF and RPSP**, but increase the speed at which this is provided and also increase awareness about PPF resources and eligibility.
55. The GCF may generate the second opportunity in this innovative choice architecture through the **planned GCF accreditation strategy**. Specifically, in this strategy, the GCF should undertake the following:
    - **Clarify the goal of the accreditation process.** (Is it to create a portfolio of entities that are climate-finance ready, or is it to create a portfolio of entities that are able to manage GCF investments?)
    - Clarify how the accreditation process can **ensure that potential conflict of interest is minimized** in the functions of oversight and execution.
    - Simultaneously, **continue to prioritize accreditation for national DAEs** of countries that do not yet have direct access through national DAEs.
    - Differentiate the accreditation process to **facilitate easier direct access for CSOs and smaller entities** or for smaller amounts, while avoiding the potential trade-offs of watering down GCF standards. The GCF Secretariat should commission a review of how GCF standards could be more efficiently applied to these entities and for smaller amounts, with the full participation of stakeholders from affected entities, or explore other modalities.
56. Once these and other main issues around the new GCF accreditation strategy are clarified, **GCF should encourage and incentivize countries and DAEs to take a more strategic approach to nominations for direct access for the medium- and longer-term future**. Country programmes and/or country climate finance strategies should drive the decision on type and number of entities nominated. More clarity on resource availability and priority focus areas from the GCF will also help.

Chapter VII. PRIVATE SECTOR AND COUNTRY OWNERSHIP

KEY RECOMMENDATIONS

1. The GCF should better integrate its various organizational modalities and instruments for private sector support in countries and regions, to be propagated through readiness support and other forms of capacity-building, technical assistance and communication.
2. There should be an intentional strategy by the GCF that provides the structure and incentives for all country-level stakeholders to engage according to their distinct and appropriate roles in the private sector, including DAEs and IAEs.
3. For multi-country projects, the GCF should ensure that there is a minimum standard for communication and consultation with NDAs and other country stakeholders, in project design, start-up and implementation.
4. The GCF should support best practices for no-objection procedures that pay attention to the special requirements of private sector projects. Specifically, NDAs should be supported to enhance their knowledge and understanding of private sector engagement and in defining their respective roles.
5. More intensive interactions and capacity-building would be required to identify and develop private sector project opportunities than can be provided through current RPSP activities. The GCF should carefully monitor and learn from ongoing capacity-building in its active FPs.

KEY FINDINGS

- Private sector support is not yet sufficiently integrated into the GCF to optimally serve country-owned and country-driven project development. GCF portfolio data do not make it possible to easily determine the exact projects and GCF funds going to private sector support.
- Country ownership has been weaker for multi-country PSF projects than for single-country ones.
- Many countries use the GCF readiness programmes to support private sector engagement, but readiness efforts are not sufficient to fully engage the private sector and assist with the necessary details on GCF access pathways and project development for interested private sector actors. There is much potential for the GCF and others to learn from ongoing capacity-building for private sector engagement in its active FPs.
- NDA/focal point knowledge and capacities for private sector engagement are often considered weak. This impedes NDAs/focal points' abilities to effectively take no-objection decisions and take strong leadership for innovative private sector approaches. As private sector projects move into implementation, NDAs are insufficiently aware of their status or the performance of active projects.
- CPs have not been successful in building private sector pipelines. Most CPs have included very few private sector projects, a result that is partially attributed to a government-led process. But most NDAs are also unclear on how to advance from general frameworks / sector priorities to a concrete private sector pipeline, due in part to the lack of a GCF private sector strategy.
- Relatively few accredited AEs in the GCF are private sector entities (18 per cent), but their share among pending applications is growing (32 per cent). A relatively large number of DAEs – including public and private sector banks, financial institutions and project developers – could support private sector engagement.
- High GCF transaction costs and long processes are a major hindrance for stronger engagement of private sector DAEs.

A. Introduction

1. This chapter responds to the overarching question: to what extent has the GCF supported country ownership in private sector[81] engagement? Specifically, the key questions discussed and analysed in this chapter are as follows:
   - What are country needs and challenges for engaging the private sector, and to what extent has GCF supported in-country capacities for private sector engagement?
   - How is country ownership for private sector projects assessed by GCF and how is it perceived by countries?
   - How effectively do NDAs and CPs support country-owned GCF private sector engagement?
   - To what extent do DAEs engage with the private sector?

B. Background and context

2. **Country ownership has been emphasized in relation to private sector investments in the GCF.** The COP at its twentieth meeting requested the GCF Board to accelerate the operationalization of the Private Sector Facility (PSF) through several actions, including *"emphasizing a country-driven approach*" (decision 7/CP.20). The COP also called for a transparent NoP to ensure "*a country-driven approach*" for effective "*public and private sector financing by the Fund*" (decision 3/CP.17).
3. **While all PSF projects are geared towards private sector investments, many projects managed by DMA in the GCF Secretariat also have private sector elements.** The GCF commits about 41 per cent of its funding through PSF and 59 per cent through DMA. Two thirds of PSF investments are non-sovereign loans, and another quarter are equity investments that are directly provided to private financial institutions and companies without government guarantees (Table VII-1). Complementary PSF grants are used for capacity-building and to identify investment opportunities in the majority of projects.
4. A considerable number of projects with private sector modalities are processed through DMA. Currently, available data do not readily allow the determination of the exact number of projects and GCF funds going to the private sector through DMA. However, some proportion of the loans provided through 17 DMA projects are likely to be geared towards the private sector, particularly those for renewable energy and energy efficiency, as well as some of the reimbursable grants and guarantees. These may include, for example, resources provided for public–private partnerships, for developing a favourable enabling environment for private investment.[82] Some DMA projects (nine) are also co-investments by private sources.

[81] Private sector, in general, is defined through corporate status (i.e., profit-making) and the degree of government ownership (i.e., government majority-owned doesn't qualify as private sector while minority-owned may). For this evaluation, we consider GCF classifications whereby entities self-identify themselves as private or public during accreditation stages. Private sector support can, however, be also provided either through private or public sector entities and channels.
[82] Examples for such projects include geothermal projects in Grenada and Indonesia (FP083), EBRD projects in Tajikistan and Morocco (FP040 and FP043), or IDB projects in the Eastern Caribbean (FP020), El Salvador (FP009) and Paraguay (FP063).

Table VII-1. Distribution of GCF financial instruments by PSF and DMA

Instrument Type	Number of Projects with the Instruments	Per cent of Projects with the instruments *	GCF Committed (USD M)	Per cent of GCF committed Amount (USD M) with the instruments**
PSF projects (25)				
Equity	7	28	477.4	22
Grants	18	72	137.8	6
Guarantees	1	4	1.5	0.001
Loan	18	72	1439.8	67
Reimbursable Grant	1	4	100.0	5
Result Based Payments	0	0	0.0	0
All Types	25	100	2156.5	100
DMA projects (86)				
Equity	0	0	0.0	0
Grants	83	97	1985.7	65
Guarantees	2	2	78.2	3
Loan	17	20	766.6	25
Reimbursable Grant	3	3	130.2	4
Result Based Payments	2	2	115.0	4
All Types	86	100	3075.7	100

Notes: *The column does not add up to 100 per cent because a single project may include more than one financial instrument. This column is calculated by dividing the number of projects with the use of financial instruments by the total number of PSF/DMA projects.
** The column is calculated by dividing the GCF committed amount via the specific financial instrument by the total amount committed to DMA/PSF projects.

Source: Data from relevant GCF Secretariat divisions, cleaned and analysed by the IEU DataLab. Data as of 8 July 2019.

C. Findings

1. Country needs and key challenges for engaging the private sector

5. **Countries show substantial interest in private sector mobilization for climate change investments, as evidenced by the demand for RPSP grants for private sector engagement**. As indicated in Table VII-2, 124 countries have received RPSP grants for private sector engagement. Three quarters of these countries intend to use RPSP resources to engage the private sector in general, often through assessing the most crucial investment barriers for climate change; 40 per cent plan to identify and crowd-in private sector investors, and about 22 per cent hope specifically to use these funds for developing FPs.

Table VII-2. Countries with RPSP grants with the expected outcome of private sector mobilisation

Country classification	Number of countries receiving RPSP grants	RPSP Sub-outcomes under private sector mobilisation							
		Private sector engagement		Crowding-in private sector investment		FPs developed by private sector		Private sector engagement in the GCF PSF call for proposals	
		Number of countries	Per cent	Number of countries	Per cen t	Number of countries	Per cent	Number of countries	Per cent
*African States	48	36	75	14	29	6	13	6	13
*LDCs	39	31	79	13	33	6	15	7	18
*SIDS	31	24	77	12	39	9	29	16	52
African States, LDCs & SIDS	82	63	77	30	37	15	18	16	20
Others	42	27	64	21	50	12	29	10	24
Total number of countries	124	90	73	51	41	27	22	26	21

Notes: The table covers 232 approved RPSP grants up to 8 July 2019. The table does not include RPSP grants supporting NAPs or RPSP grants for workshops / structured dialogues. The percentages are also calculated based on this. *Rows on "African States", "LDCs" and "SIDS" have countries that are included in more than one category. The row "African States, LDCs & SIDS" does not.
Source: Data from the RPSP proposals, collected, coded and analysed by the IEU DataLab. Data as of July 8 2019.

6. **Significant financial barriers exist for private sector investment in GCF eligible countries.** Analysis of country needs and barriers to finance shows that a shortage of adequate national lending is reported as by far the most important barrier for climate investments in the active FPs (Figure VII-1). The unwillingness of the private sector to invest is also frequently mentioned, as well as the lack of availability of long-term financing, high interest rates and lack of international lending. The unwillingness of the private sector to invest is most frequently reported as a barrier in projects in Africa and global projects, which may include African countries (see Annex 5).
7. Beyond financial barriers, a textual analysis of the barriers and needs reported in the 25 approved PSF FPs points to recurrent challenges related to technical supply chains, high set-up and transaction costs, market and other risks for renewable energy, energy efficiency and climate-resilient investments, the enabling environment, and knowledge about climate threats and measures to address them (see Annex 5 for some details by project).

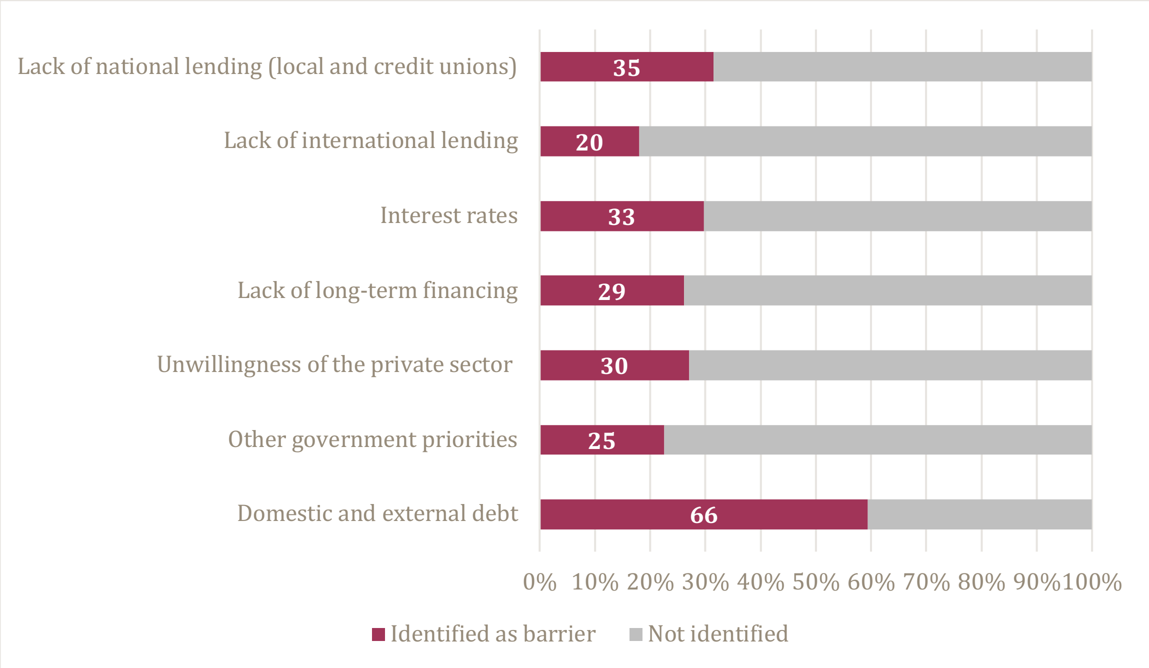

Figure VII-1. Barriers to Financing in 111 GCF active FPs

Notes: According to the GCF initial investment framework, adopted by the GCF Board in decision B.09/05, an indicative assessment factor for this investment criterion is the explanation of the existing barriers that create the absence of alternative sources of financing and how they will be addressed. The numbers on the bars represent the number of FPs with the specific barrier mentioned, while the y-axis represents their percentage compared to the entire portfolio. One FP can indicate multiple barriers to financing

Source: 111 active FPs extracted and analysed by the IEU DataLab.

8. **Funding proposals most frequently refer to grants as a way to overcome investment barriers, followed by public–private partnerships and targeted support for small-scale businesses** (see Annex 5). Funding proposals from Eastern Europe and Latin America pointed far more rarely to grants than those in Africa and Asia and the Pacific.
9. **Capacity-building is also a focus in 16 of 25 PSF approved FPs,** of which 11 are already FAA effective. Text analysis of these FPs shows that capacity-building is directed to a diverse set of recipients, with a strong emphasis on renewable energy companies,[83] MSMEs and financial institutions. Major areas of capacity support for these beneficiaries include the origination, structuring and analysis of climate change-related business proposals and production models, due diligence and monitoring procedures, and advisory support. Generating awareness and knowledge about climate change and developing environmental and social standards and gender action plans are also important activities. Capacity-building also focuses on those entities responsible for the policy, legal and regulatory framework, particularly energy ministries, a major barrier in most countries for expanded renewable energy and energy-efficient investments. Other beneficiaries and CSOs are also among the capacity-building target groups, such as on marketing, awareness and training of trainers.
10. **Such capacity-building could go a long way towards addressing two of the most pertinent and enduring constraints to private sector engagement: that awareness about GCF instruments and access modalities is low and that more long-term and structured engagement is needed to**

[83] 24 out of the 25 PSF FPs cover investments related to energy, with 14 being exclusively directed towards mitigation, 9 cross-cutting, and 2 towards adaptation.

develop project proposals. RPSP consultative processes around the private sector alone are not regarded as effective, unless major constraints on how to facilitate GCF processes; private sector capacity and resources to write proposals; loan conditionalities and concessional rates; and exchange rate agreements can be addressed.

2. COUNTRY OWNERSHIP IN PRIVATE SECTOR PROJECTS

11. Country ownership is particularly challenging for GCF private sector investments because many are programmatic and operating in multiple countries, with common themes that are not necessarily fine-tuned to country demand and priorities. **As of 8 July 2019, almost two thirds of PSF funds (USD 1307.2 million) have been allocated to multi-country projects.** Multi-country projects target between 2 and 29 different countries, covering a total of 60 countries among them. Single-country projects are spread over 11 countries,[84] of which the majority are larger and have more mature markets.[85] The PSF pipeline (defined as FPs submitted, that are not yet approved and not yet officially withdrawn) also includes 10 single-country and 7 multi-country projects.

Table VII-3. PSF projects by single-country, multi-country and access modalities

Multi/Single Country Projects	Access Modality	# PSF Projects	Names of AEs
Single	Direct	6	CAF, DBSA, XacBank, NABARD
Single	International	8	AFC, AfDB, CI/EIB, EBRD, MUFG Bank
Multi	Direct	5	Acumen, CABEI, DBSA and BOAD
Multi	International	6	AFD, Deutsche Bank, EBRD, EIB, FMO, IDB
Total	N/A	25	CAF, DBSA, XacBank, NABARD, AFC, AfDB, CI/EIB, EBRD, MUFG Bank, Acumen, CABEI, BOAD, AFD, Deutsche Bank, EIB, FMO, IDB

Source: Data from iPMS, analysed by the IEU DataLab. Data as of July 8 2019.

12. **Overall, country ownership in multi-country private sector projects has been low.** Multi-country PSF projects have received lower ratings on country ownership, on average, than single-country ones. Only 18 per cent of multi-country projects were rated high by both iTAP and the GCF Secretariat, in stark contrast to 64 per cent of single-country projects (Table VII-4).

Table VII-4. Country ownership ratings for projects, by multi- and single-country modality (total of 25 projects)

	Multi-country		Single-country		Total
	DMA projects	PSF projects	DMA projects	PSF projects	
Secretariat review ratings					
Not rated	1	4	26	4	35
Low	0	0	0	0	0
Low-Medium	0	0	0	0	0

[84] Chile, DRC, Egypt, Ghana, India, Kazakhstan, Madagascar, Mongolia, Nigeria, South-Africa, Zambia.
[85] The exceptions are the Democratic Republic of the Congo, Ghana, Madagascar and Zambia.

	Multi-country		Single-country		Total
	DMA projects	PSF projects	DMA projects	PSF projects	
Medium	2	3	4	0	9
Medium-High	1	0	13	0	14
High	3	4	36	10	53
Total	7	11	79	14	111
iTAP review ratings					
Not rated	1	1	23	3	30
Low	1	0	0	0	1
Low-Medium	0	0	0	0	0
Medium	0	4	2	1	7
Medium-High	0	1	2	1	4
High	5	3	52	9	69
Total	7	11	79	14	111

Source: Secretariat's reviews and iTAP assessments of FPs, as of 8 July 2018, extracted and analysed by the IEU DataLab.

13. Concerns about country ownership in multi-country PSF projects were also strongly echoed in the 22 case study countries. In general, **key in-country stakeholders felt that they had limited knowledge of and involvement in multi-country PSF projects.** Their main concerns were that (1) these projects had not originated in the countries and (2) AEs had undertaken no or very few consultations before the NoLs were sought. Several stakeholders perceived multi-country PSF projects as not being driven by the most urgent country climate needs and priorities for the private sector, even if they broadly aligned with national policies.
14. Moreover, **the specifics of these projects – including the specific interventions, national business partners, country budget allocation and ultimate country benefits – were not clear to NDAs/focal points, even at the time of the NoL.** NDA/focal point interaction and communication with the multinational IAEs tended to continue to be weak after NoLs were given. NDAs/focal points in several case study countries emphasized that future private sector GCF projects would have to come up with a more convincing role for local institutions and clear contributions to current programmatic sector priorities. Text analysis of all PSF FPs by this evaluation clearly showed that **single-country PSF projects had more interactions with and input from NDAs/focal points than multi-country PSF projects** (Table VII-5). NDA/focal point capacity to engage with the private sector also plays a role in this result, as discussed in the next section.
15. **Overall, however, across both single- and multi-country PSF projects, evidence of alignment with national policies and priorities and stakeholder engagement was weaker** (Table VII-5). In interviews, stakeholders noted that many private sector investments try to strike a balance between aligning with government priorities and interests and maintaining the autonomy required by the private sector to make commercial, market-based decisions. But the IEU online survey suggests that **even private sector respondents are not sure their projects are country-owned / aligned with national objectives.** Only half of private sector respondents agreed that private sector projects are in

line with national objectives (Figure VII-2). Half of the private sector FPs did not specify any stakeholder groups that were consulted during project preparation.

Table VII-5. Assessment of country ownership elements in private sector projects, by single- and multi-country modality

Project modality	All projects	Substantial attention to national alignment	Strong NDA engagement	Evidence of stakeholder engagement during project preparation*
Number				
All	25	7	12	13
Single-country	14	4	8	7
Multi-country	11	3	3	6
Per cent				
All	100	28	48	52
Single-country	100	29	57	50
Multi-country	100	27	27	56

Notes: *Including government, private sector and CSOs/NGOs/local communities and others.
Source: Evaluation analysis of 25 active PSF FPs by the evaluation team.

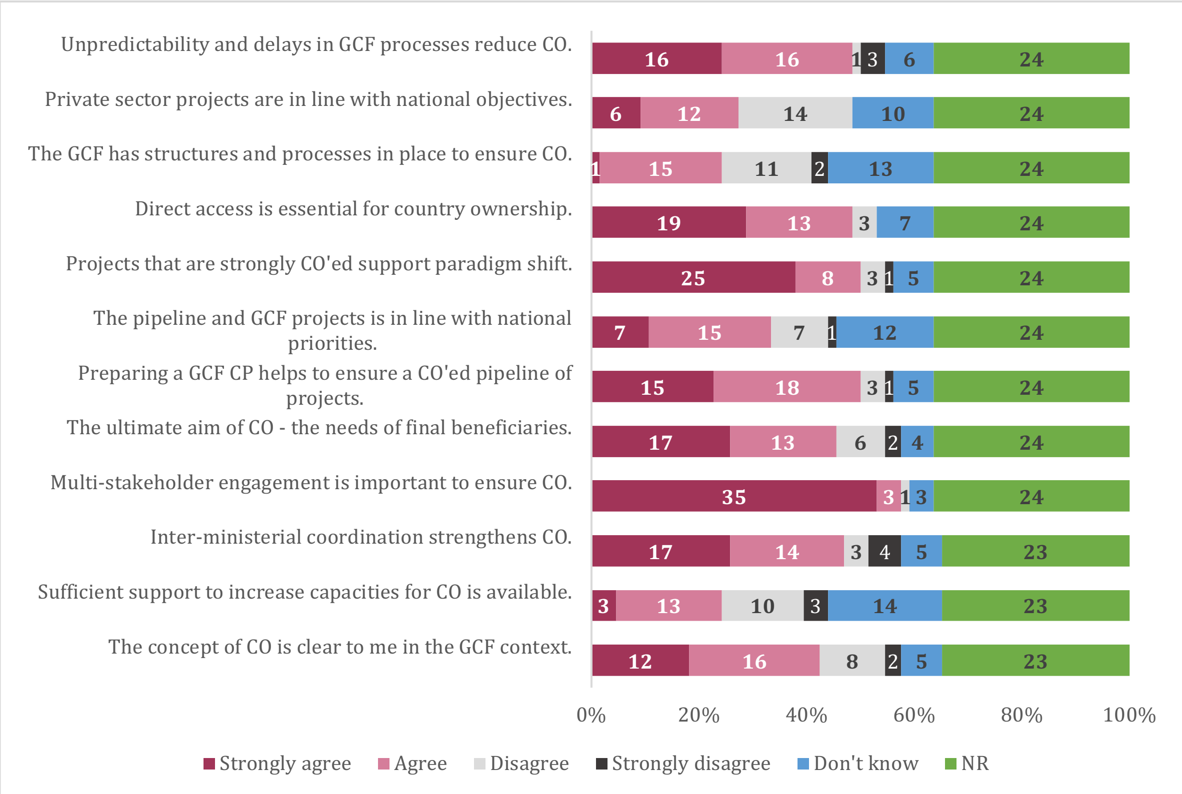

Figure VII-2. Responses to the COA online survey by respondents with private sector affiliation

Notes: Out of the 257 respondents, this sub-population represents the 66 respondents that indicated either under Question 2 that their organization belongs to the private sector or under Question 1 that they are members of a private sector organization. For more detail on the online survey, please refer to Annex 4.
Source: IEU online survey.

3. NDA/FOCAL POINT EFFECTIVENESS IN SUPPORTING COUNTRY-OWNED PRIVATE SECTOR PROJECTS

16. **NDA/focal point knowledge and capacities for assessing private sector needs, priorities, and capacity for paradigm shift are often considered as weak.** This impedes the ability of NDAs/focal points to effectively take no-objection decisions and take strong leadership for innovative private sector approaches. In the in-country survey, NDA capacity to engage with the private sector was seen as weakest, and RPSP delivery partners were most sceptical about the capacity of NDAs/focal points in this regard. Among the country case studies, government stakeholders in Mauritius, Senegal, Guatemala and Georgia called explicitly for more clarity and consistency about the types and merits of different financial instruments deployed by the GCF, as NDAs/focal points were not clear about them.
17. As private sector projects move into implementation, **NDAs are insufficiently aware of the status or performance of active projects** as these are mainly executed by international development banks as part of regional or global projects, and because there are no communication and/or reporting requirements between NDAs and the IAEs. In case study countries, NDAs reported difficulty in getting responses to questions from private sector AEs, once the NoL had been issued.
18. Overall, **NDAs/focal points located in ministries responsible for finance have had slightly more private sector projects, with higher co-investment ratios** – which may reflect a relatively greater capacity in these ministries to engage with certain types of private sector actors, compared to environment and natural resource ministries (Table VII-6 and Table VII-7).

Table VII-6. Distribution of NDA locations across PSF projects

NDA location	Number of countries with NDAs/focal point	Number of countries with projects*	Number of countries with PSF projects	Number of all projects*	Number of PSF projects	Number of PSF projects per country with projects**	Number of PSF projects per country with an NDA/focal points***
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	91	59	40	139	72	1.2	0.79
Ministries of finance, economy, treasury	26	20	12	45	24	1.2	0.92
Ministries of planning, development	14	11	6	21	6	0.5	0.43

NDA location	Number of countries with NDAs/focal point	Number of countries with projects*	Number of countries with PSF projects	Number of all projects*	Number of PSF projects	Number of PSF projects per country with projects**	Number of PSF projects per country with an NDA/focal points***
President/Prime Minister's office	10	5	3	11	5	1.0	0.50
Other	6	4	2	10	3	0.8	0.50
Total number	147	99	63	226	110	1.1	0.75

Notes: * Multi-country projects were double counted to avoid discounting a multi-country project for a country.
** The value is calculated by dividing the number of PSF projects by the number of countries that have approved GCF projects.
*** The value is calculated by dividing the number of PSF projects by the number of countries with an NDA/focal point.

Source: Information on the location of the NDAs, countries and projects is from iPMS. The actual NDA locations were categorized into the above six categories and analysed by the IEU DataLab. Data as of 8 July 2019.

Table VII-7. Analysis of PSF projects Co-investment Ratio by NDA location

NDA location	GCF amount committed (USD million) for PSF projects	Co-invstment amount committed (USD million) for PSF projects	PSF co-investment ratio	Total co-investment ratio
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	1593.2	4768.5	2.99	2.53
Ministries of finance, economy, treasury	362.5	1864.2	5.14	3.36
Ministries of planning, development	98.1	137.9	1.41	2.30
President/Prime Minister's office	63.1	120.3	1.91	1.09
Other	39.6	61.3	1.55	0.87
Total Number	2156.5	6952.2	3.22	2.58

Notes: Multi-country project funding amounts were allocated equally to each participating country, unless otherwise stated in FAA funding amounts were allocated equally to each participating country, unless otherwise stated in FAA.
*This column is generated by dividing the column titled "GCF amount committed (USD M) for PSF projects" and "Co-investment amount committed (USD M) for PSF projects". This co-investment ratio shows the amount of co-investment PSF projects are able to leverage for every dollar that goes into PSF projects.

** The total co-investment ratio shows the amount of co-investment that is leveraged for every dollar of GCF commitments for 111 projects.

Source: Information on the location of the NDAs, countries and projects is from iPMS, and financial data are from relevant GCF Secretariat divisions. The actual NDA locations were categorized into the above six categories and analysed by the IEU DataLab. Data as of 8 July 2019.

a. No-objection procedures

19. With few exceptions, such as in Rwanda, **the evaluation found little evidence for significant and systematic private sector participation and consultation in NoL decisions**. In some countries, the "private sector" representation was, in fact, a fully state-owned national development bank. In Rwanda, the national GCF coordinating mechanisms include a member from a private sector federation of private enterprises.

20. In interviews, **concerns were raised by AEs and the GCF Secretariat that the requirement for NDA/focal point NoPs could slow down or unduly influence decisions on developing private sector projects in countries**. Some NDAs indicated that they did not feel comfortable to provide an official NoL to an international or regional entity whose operations in the country are not fully clear. A few NDAs/focal points were also unclear about what an NoL "represented" in the context of a private sector project (e.g. a statement of government endorsement, or an assurance of "do no harm"). Data were not systematically available on how frequently NDAs/focal points did not issue NoLs when requested by private sector AEs or the length of time taken for issuing NoLs. However, the case studies offered some examples – for instance, in Indonesia and Namibia – with different outcomes (Box VII-1).

21. **The NoP has been the subject of intense discussion at GCF Board meetings, in relation to both public and private sector projects.** Options of letting countries choose whether NoLs should be mandatory for their own country or not, or of introducing a tacit, time-lapse option rather than the current explicit NoL, were not acceptable to some Board members. Several Board members saw NoLs as the core of country ownership for governments to maintain their right of sovereign decision-making; for others, the possibility of access to GCF finance from the international private sector and AEs made it extremely important to keep up the NoLs. Some emphasized the opportunity of NoLs to enable multiple country stakeholders to participate in and contribute to the process.

Box VII-1. Provision of NoLs in Indonesia and Namibia

Indonesia did not issue requested NoLs for two proposed private sector multi-country projects proposed by IAEs. According to interviews with several stakeholders involved, reasons included that projects were thought to be duplicating ongoing government programmes of issuing green bonds, that these projects may have been too much driven by IAEs' primary interest in providing loan finance, and that they provided too little technical support for identifying and developing on-lending sub-projects. Also, too many reporting requirements and too much paperwork were expected for executing banks, based on prior experience with the IAEs concerned. In one case, a contributing factor was that the IAE headquarters was primarily in charge of the project rather than the IAE country office. Namibia was the last country to issue a no-objection letter to AFD (FP095), but only after changes to the programme were made, notably the involvement of the national Environment Investment Fund (EIF) as an executing entity.

Source: Country case studies

4. Role of country programmes for private sector

22. **CPs have not yet been effective in mobilizing private sector finance**. Although most CPs mention consultation with private sector entities, less than 2 per cent of the projects identified in the pipelines of submitted CPs are private sector projects, as seen earlier in Figure IV-6. Less than half of the

respondents in the in-country survey agreed that GCF CPs enabled private sector participation, with RPSP delivery partners most sceptical on this point (just a third agreed). Although two thirds of submitted CPs mention strategies for engaging the private sector, a detailed review of the CPs revealed that these strategies are often very generic. **Most NDAs are unclear on how to advance from general frameworks / sector priorities to a private sector pipeline and investments**, due in part to the lack of a GCF private sector strategy.

23. **The lack of private sector projects in CP pipelines is partially seen as a result of a government-led process**. On the side of the government, NDAs/focal points are hesitant to allocate presumably scarce GCF funds to the private sector. And for the private sector and CSOs, interviewees noted that the CP process has actually discouraged these actors in some countries, because the CP is seen as a government engagement with the Fund, and they have not been successful in getting their ideas realized in the pipeline.

5. Accredited entities and private sector support

24. **Relatively few accredited AEs in the GCF are private sector entities, but this share may grow given the current accreditation pipeline**. In total, only 16 AEs in the GCF are private and fully commercial entities (i.e. not the majority or fully state-owned), the majority of which are IAEs, and just five of these have effective AMAs (Table VII-8). Out of the five private national DAEs, two are located in African States but none in SIDS, while both regional private DAEs operate in African States, but not in SIDS (Figure VII-3 and Figure VII-4). The private sector share of entities with pending accreditation applications is much higher than that among already accredited entities: 32 per cent versus 18 per cent.[86]

25. As a result, **only about a third of 25 PSF projects are carried out by AEs from the private sector**. About 85 per cent of approved PSF funding is managed by publicly owned and/or funded development banks or other entities, although these entities do have a private sector development focus.

Table VII-8. The 88 Accredited Entities by entity modality and entity sector

International			National			Regional		
Public	Private	Total	Public	Private	Total	Public	Private	Total
28	9	37	33	5	38	11	2	13

Notes: Entity modality refers to whether an entity is international, regional or national. Entity sector refers to the public or private sector they self-identify as during their accreditation process.
Source: Data from relevant GCF Secretariat divisions, analysed by the IEU DataLab. Data as of 8 July 2019.

[86] In total there are 110 entities that have submitted an application and are awaiting to complete stage 1 or stage 2.

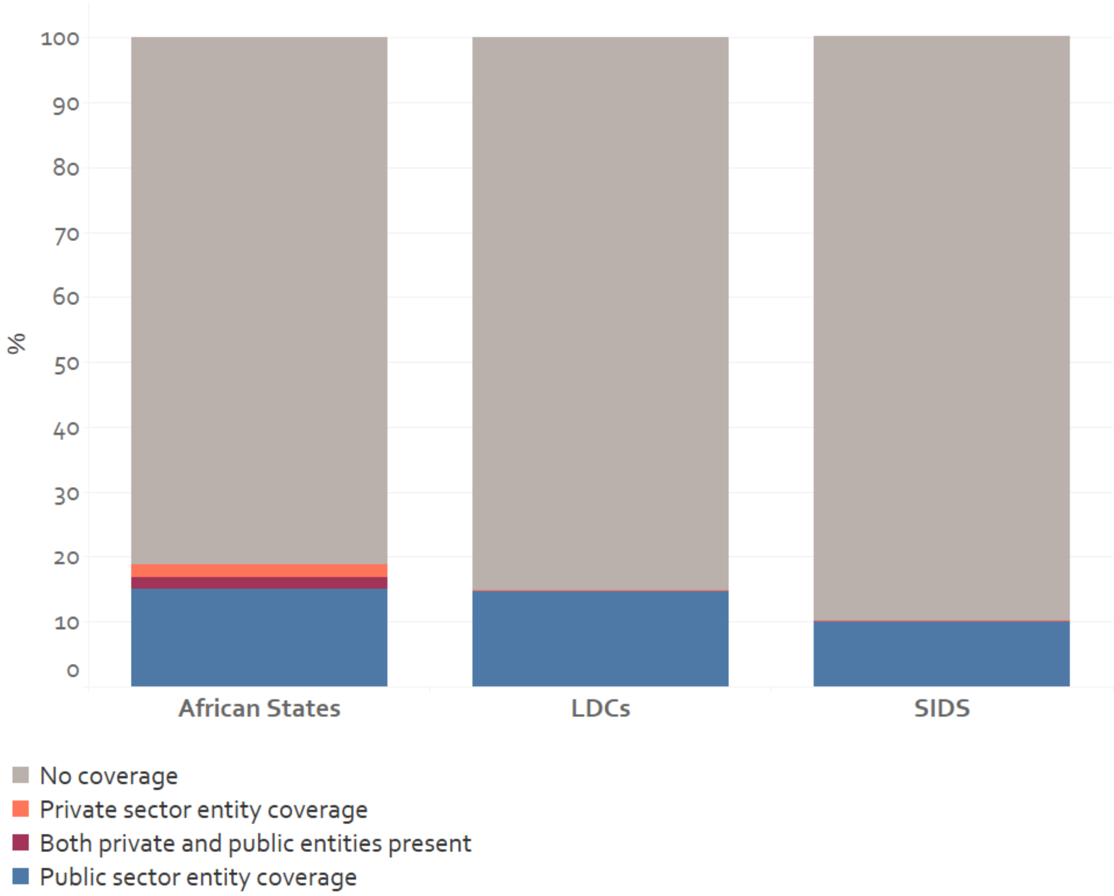

Figure VII-3. National accredited entities with public and private sector status, for African States, LDCs and SIDS

Notes: LDCs, SIDS and African States are not mutually exclusive categories
Source: Data from relevant GCF Secretariat divisions, analysed by the IEU DataLab. Data as of 8 July 2019.

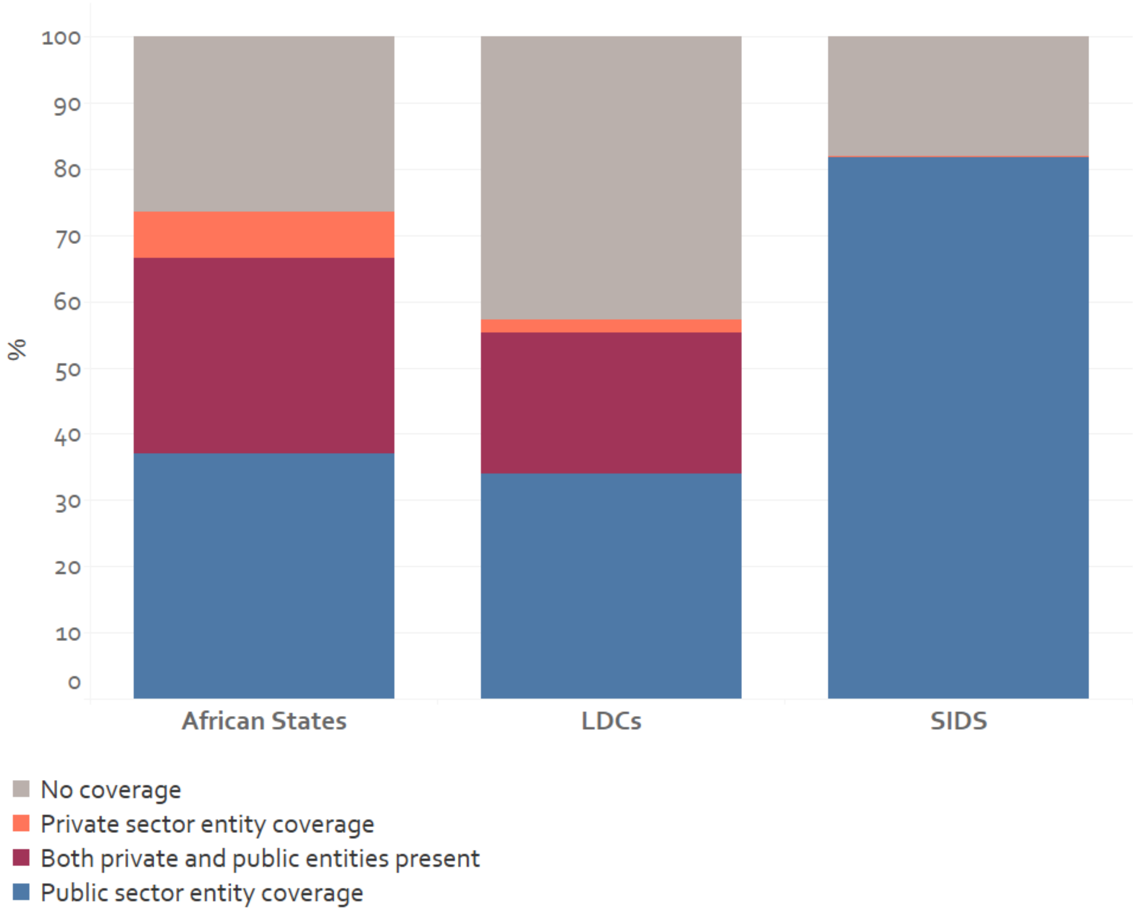

Figure VII-4. Regional accredited entities with public and private sector status, for African States, LDCs and SIDS

Notes: African States, LDCs and SIDS are not mutually exclusive categories. The list of specific countries considered for accredited regional AEs can be found in Annex 5.
Source: Data from relevant GCF Secretariat divisions, analysed by the IEU DataLab. Data as of 8 July 2019.

26. Although **most PSF funding is currently channelled through IAEs**, there is a relatively large number of national and regional DAEs, either accredited or with pending applications, that could channel GCF funds to the private sector (Table VII-9). DAEs include public and commercial banks, investment funds, project developers, infrastructure development companies and export/import banks. Currently, 74 per cent of PSF funding is channelled through IAEs, 20 per cent through regional DAEs and 6 per cent through national DAEs.

Table VII-9. Nominated DAEs, by public and private sector (including those already accredited, with pending applications and withdrawn)

DAE Category	Public or Private Sector		
	All	Public sector	Private sector
National DAEs			
Banks, Investment Funds	33	18	15
Project Developers, Infrastructure Development Companies, Export/Import Banks	12	7	5
Regional DAEs			
Banks, Investment Funds	9	5	4
Project Developers, Infrastrucutre Development Companies, Export/Import Banks	0	0	0
Total	54	31	23

Notes: The total population of DAEs included in this table are those 122 that have already submitted their accreditation application but are yet to complete stage I or stage II; entities that are past stage II; and entities that have submitted an application but have withdrawn, as of 8 July 2019. Organization types, as categorized by the GCF Secretariat, included in this table are investment fund/corporation; commercial bank; national bank; project developer; private; development bank; infrastructure development company; export–import bank/agency; regional development bank. Out of the 122, 54 entities fall into these categories. Another 55 entities, excluded from this table, are under the following organization types: bilateral; centre/foundation; environmental fund; environment-focused organization; government; NGO. The remaining 13 entities out of the 122 have not been allocated to any of these organization types.

Source: IEU DataLab. Data as of 8 July 2019.

27. A further barrier for DAE development of private sector projects is that **GCF transaction costs are widely perceived as high,** including in comparison to other multilateral financiers. This reduces the attractiveness of bringing a project to the GCF. For instance, a Bangladesh financial DAE stated that the uncertainty around GCF processes is adversely affecting involved parties, as the GCF fell short in providing key information to develop their business model. In Guatemala, entities acknowledged the laudable NDA efforts to engage the private sector, but GCF approval processes and legal uncertainties were seen as problematic. In Indonesia, state-owned and commercial banks are becoming sceptical of working with the GCF due to their perception of excessively high transaction costs. In Morocco, an accredited national bank showed similar impatience with the GCF after receiving critical comments on a funding proposal from iTAP (see Box VII-2).

28. Several interviews from country case studies and with global observers indicated that **the GCF comparative advantage for private DAEs is not always clear**, particularly in countries with more advanced financial markets. There are often local currency bond markets that offer capital for climate-related or green investments, through public and privately managed programmes. Some observers saw GCF comparative advantage more in another class of financial instruments, equity and guarantees, particularly in Asia. Others regard the Fund's disclosure requirements as the biggest constraint for expanded private sector GCF operations and interest by private DAEs.

Box VII-2. Private sector DAEs in Mongolia and Morocco: The tale of two countries

Mongolia – Private sector leadership and successful FP development

The private financial sector in Mongolia has shown leadership and strong ownership for GCF projects in the country. This highly motivated sector benefited from a positive enabling environment for green climate investments in Mongolia and extensive prior investments and experience with international finance institutions and others.

The NDA was fully supportive, despite some institutional challenges in the NDA itself. Mongolia currently has four private sector single-country projects (three by XacBank and one by ADB) and three private sector multi-country projects (two by EBRD and one by FMO). XacBank submitted an FP to the GCF in March 2018 to establish a Mongolia Green Finance Corporation, set up as a PPP, with capital raised from the Ministry of Finance (40 per cent), banks and the GCF (30 per cent each).

The initial private sector interest has been achieved without a readiness programme. Structured dialogues and close interaction with the GCF PSF have played a key role for XacBank to learn about GCF operations and develop its FPs.

Morocco – Much interest, but remaining weaknesses for developing FPs

GCF private sector mobilization in Morocco has successfully attracted several national banks, and nominations were fully supported by the NDA. Four private sector DAEs have either already been accredited in Morocco (CDG Capital and Attijari Waffa Bank) or are in the accreditation process. Appetite and potential exist for innovative financial models, but there is no DAE private sector project in Morocco yet.

CDG Capital prepared a funding proposal for adaptation, carried out an intensive process of due diligence and stakeholder consultations, and submitted it to the GCF in 2018. But the project was returned by iTAP for lack of a feasibility study, among other weaknesses. Reportedly, CDG Capital lost interest in pursuing this project. A new RPSP is expected to specifically help with project development now.

The main weaknesses of banks in Morocco are their capacities to assess risks and to develop the right products for specific markets, with difficulties in reaching small and medium-sized enterprises. The regulatory environment remains another major constraint, due to fixed tariffs and concessional terms by the national electricity provider. The banks themselves noted weaknesses in complying with GCF environmental and social requirements, and in their knowledge about how climate change projects are different from environmental ones.

Source: Country case studies

D. KEY FINDINGS AND RECOMMENDATIONS

1. KEY FINDINGS

29. **Private sector support is not yet sufficiently integrated into the GCF to serve country-owned and country-driven project development well.** The GCF private sector portfolio is more than the PSF projects; it includes projects also managed by DMA and efforts managed by the DCP, through RPSP and the CPs. GCF portfolio data do not make it possible to easily determine the exact projects and GCF funds going to private sector support.

How is country ownership for private sector projects assessed by GCF and how is it perceived in countries?

30. **Country ownership has been weaker for multi-country PSF projects than for single-country ones.** Some NDAs did not provide NoLs to multi-country projects because of the lack of transparency, detail of design and accountability, as well as insufficient communication with the

NDA. Consultation with NDAs/focal points has been substantially less for multi-country than single-country private sector projects. Even when NoLs were issued, many multi-country projects are often perceived by GCF stakeholders as weak on country ownership. GCF Secretariat and iTAP ratings have also been lower on country ownership for multi-country projects.

To what extent has GCF supported in-country capacities for private sector engagement?

31. **Many countries use GCF readiness programmes to support private sector engagement and resource mobilization.** But readiness efforts have not yet been successful in sufficiently engaging and mobilizing the private sector. The GCF access pathways are not clear for many interested private sector actors in the country.
32. **A large part of capacity-building and technical assistance for private sector support is already being provided through GCF-funded investment projects, directed towards multiple beneficiaries.** This is an appropriate modality that the GCF and countries can learn from.

How effectively do NDAs and CPs support country-owned GCF private sector engagement?

33. **NDA/focal point knowledge and capacities for private sector engagement are often considered as weak.** NDAs are often not clear on the range of GCF financial instruments, access and use of operational modalities for private sector development. This impedes NDAs/focal points' abilities to effectively take no-objection decisions and take strong leadership for innovative private sector approaches. As private sector projects move into implementation, NDAs are insufficiently aware of their status or the performance of active projects, largely because there are no communication and/or reporting requirements between NDAs and the IAEs. NDAs also reports that some IAEs are unresponsive to communications.
34. **CPs have not been successful in building private sector pipelines.** Most CPs have included very few private sector projects, a result that is partially attributed to a government-led process. But most NDAs are also unclear on how to advance from general frameworks/sector priorities to a private sector pipeline and investments, due in part to the lack of a GCF private sector strategy.

To what extent do DAEs engage with the private sector?

35. **Relatively few accredited AEs in the GCF are private sector entities (18 per cent), but their share among pending applications is growing (32 per cent).** A relatively large number of DAEs, such as development and commercial banks, financial institutions and project developers, could support private sector operations with GCF funds. High transaction costs and long processes are seen as hindrances for private sector entities to more strongly pursue accreditation and project development.

2. RECOMMENDATIONS

36. The following recommendations are made:
    - The GCF should better **integrate its various organizational modalities and instruments for private sector support in countries and regions**, to be propagated through readiness support and other forms of capacity-building, technical assistance and communication.
    - There should be an **intentional strategy by the GCF that provides the structure and incentives for all country-level stakeholders to engage** according to their distinct and appropriate roles in the private sector, including DAEs and IAEs.

- For multi-country projects the GCF should ensure that there is a **minimum standard for communication and consultation with NDAs and other country stakeholders**, in project design, start-up and implementation.
- The GCF should support **best practices for no-objection procedures that pay particular attention to the special requirements of private sector projects**. Specifically, NDAs should be supported to enhance their knowledge and understanding of private sector engagement and in defining their respective roles.
- More intensive interactions and capacity-building would be required to identify and develop private sector project opportunities than can be provided through current RPSP activities. **The GCF should carefully monitor and learn from ongoing capacity-building in its active FPs**.
- **Country programmes should more specifically point to private sector finance priorities for the GCF as well as** instruments and blending options and facilitation of an enabling environment. Further, they should also indicate ways to accomplish this with the GCF, both through innovative PSF and DMA projects and other support mechanisms.
- Reduce transaction costs and delays for private sector DAEs through **twinning them more strategically with interested IAEs**.

Chapter VIII. CONCLUSIONS AND RECOMMENDATIONS

1. This chapter compiles the conclusions on each of the questions and themes explored by the evaluation. Opportunities for the GCF are also identified. Observations for specific issues or avoiding potential risks are also outlined and recommendations also take advantage of insights from the benchmarking and meta-analysis of other global institutions. Recommendations are presented with two timeframes. Those marked **urgent** are for the Board to consider immediately, in most cases because they have the potential to address an important shortcoming or challenge for the GCF. Recommendations identified as **medium-term** are for the Board to consider over the next one to two years.

A. Conclusions

2. Country ownership is a core principle for the GCF. This is reflected in the Governing Instrument and Board decisions, and in decisions of the COP to the UNFCCC. Despite its widely recognized importance, it is a concept that has been difficult to define and one that country and global stakeholders interpret differently.
3. Overall, the GCF has identified many of the right elements for an approach to country ownership, but it has not sufficiently operationalized these elements through its policies, guidance, support, incentives, and accountability measures. In its policies the GCF has set a high ambition for itself: to set new standards with regard to country ownership. However, it has not yet met this standard.
4. Table VIII-1 provides a summary assessment of the GCF's progress toward country ownership, organised according to the pillars and dimensions set out in the evaluation's normative framework. This is also summarized in Figure VIII-1 below.

Table VIII-1. Assessment of GCF progress toward country ownership

Pillars of country ownership	Dimensions of country ownership	Assessment of GCF progress
Countries lead and engage: Country governments lead strategic processes to identify priority GCF investments, while ensuring alignment with national and other policies alignment, and undertaking meaningful consultation, through participatory processes with multiple stakeholders.	Recipient country leadership in strategic programming and prioritization for climate change and finance.	**Low/Moderate:** CP processes have not yet achieved their aims, although some countries have shown leadership in other ways. The aims of CPs are ill-articulated. Countries have increasingly established their climate policies, strategies, and institutional structures but this cannot be attributed to the GCF. CPs in their present form represent a reputational risk for the GCF.
	Alignment of GCF objectives, priorities and support, and national strategies and priorities.	**Strong**: GCF investments align with national strategies and priorities at the design level.
	Multi-stakeholder engagement including civil society and private sector.	**Low:** Guidance from GCF is deficient. Standards on what (and who) constitute multi-stakeholders engagement has not provided at the country-level..
Countries have institutional capacity: Country stakeholders have the capacity to plan, manage and	Institutional capacity to plan, manage and implement climate activities that are country owned and consistent with GCF priorities.	**Low/Moderate**: Substantial RPSP resources have been allocated to NDA/focal points and DAE capacity building. NDAs/focal points are generally seen to have the capacity to make informed planning decisions about

Pillars of country ownership	Dimensions of country ownership	Assessment of GCF progress
implement activities that address GCF objectives.		NoLs and NoPs for public sector investments but not private sector investments. There is so far very little oversight during implementation by NDAs/focal points and GCF systems have not been effective in ensuring this. National DAEs have struggled to develop GCF projects.
	Use of country systems, partners and co-investment including in-country implementing entities.	**Low/Moderate**: DAEs use country systems, but limited funding has so far been channeled through national DAEs; GCF relies on IAEs to use their own processes to make decisions on the use of country systems.
Mutual accountability: The GCF, AEs and recipient countries develop and adopt global best practices in planning, delivery and reporting on GCF investments (that help countries transition to low-emissions and high resilience pathways), and are accountable to each other for following and implementing these practices.	Predictability and transparency of funding allocation and decision making.	**Low**: GCF has not met its responsibilities to countries to provide predictable and transparent funding.
	Timeliness of commitment and disbursement of funding.	**Low/Moderate**: Countries have taken a long time on average to receive their first GCF dollar.
	IAE shared responsibilities.	**Low/Moderate**: IAEs provide some support to DAEs for accreditation, but not systematically.
	Sharing of results and experiences with national and international stakeholders.	**Low**: Results reporting is not required to be shared with country stakeholders, including NDAs/focal points, per current GCF rules. GCF has provided opportunities through regional events to share country experiences.

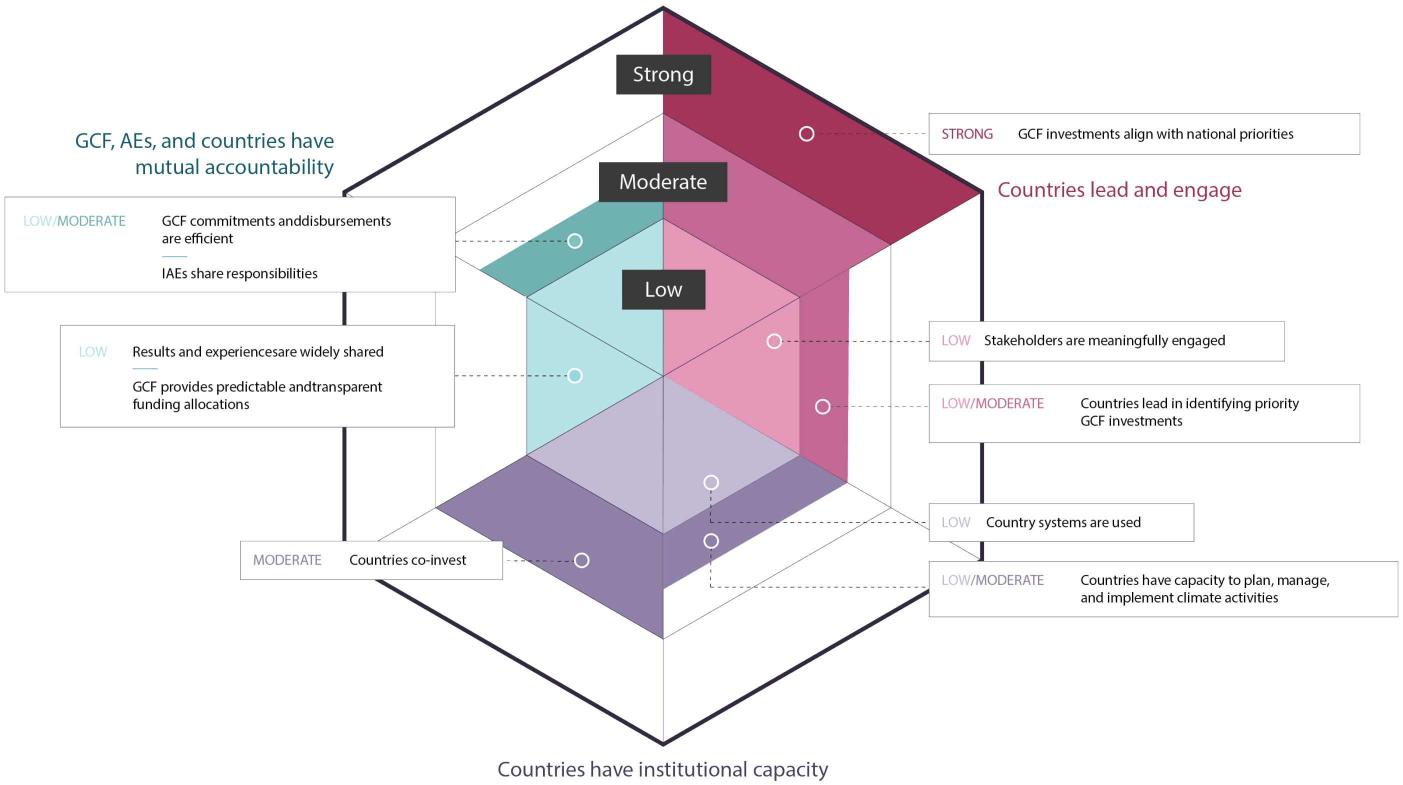

Figure VIII-1. Summary of the GCF progress toward country ownership

1. How does GCF conceptualize and operationalize country ownership from the strategic and policy perspective?

5. **The GCF has not defined country ownership and has opted for a flexible interpretation.** This approach focuses on establishing and supporting the NDA/focal point, engaging multiple stakeholders, developing CPs, and encouraging direct access. Although the GCF's approach relies significantly on NDAs/focal points and in some cases, engagement with ministries located in capital cities, GCF Board decisions show that country ownership is not intended to be synonymous with government ownership in the context of the GCF.
6. **Country ownership is important for GCF but having to respond to all of these creates potential tensions and tradeoffs**, and the GCF does not have a decision-making protocol to address them. Country ownership is also both a principle and an outcome (as laid out in the investment criteria) that creates confusion.
7. As an investment criterion, **country ownership is not currently useful for prioritization**.
8. The GCF has widely considered country ownership in its policies. Country ownership is mentioned prominently in the Fund's ISP and has been mentioned in Board decisions covering nearly all aspects of the business model and operational modalities. **But GCF policies are only partially sufficient for realizing country ownership.** GCF's policies on stakeholder engagement do not adequately support a definition of country ownership that extends beyond the national government.
9. **On paper, the GCF's approach broadly responds to the three attributes of country ownership most commonly identified by GCF stakeholders:** (1) alignment of GCF investments and policies with national policies and priorities; (2) meaningful engagement with non-state actors; and (3) having a greater say in the use of climate finance, including through national identification of project concepts and direct access.

Box VIII-1. Opportunities for policies and strategies

The GCF must find ways to address potential trade-offs between country ownership, paradigm shift, and an AE-driven business model. One opportunity is for the GCF Secretariat to provide more guidance on the type of programming it is seeking to achieve a paradigm shift (e.g. thematic areas, technologies, systems changes, geographies, portfolio level impact) and to require co-development of relevant country-owned ideas between IAEs and DAEs.

The experience of the GEF shows that social safeguard policies are insufficient for ensuring meaningful stakeholder engagement through the programme cycle. A recent overhaul of the GEF's policy for stakeholder engagement has been seen as a step in the right direction. GCF can learn from this and make significant advances by strengthening its guidance and requirements for wide and deep stakeholder engagement.

2. How does GCF contribute to country leadership and engagement?

10. **The GCF's investments have aligned with strategies and priorities to-date.** Promoting strong national development and climate change strategies and operational systems is a key pillar of country ownership. While all GCF-eligible countries have national climate change policies, strategies, or plans in place that have the potential to guide GCF investments, the quality varies, and more support for country capacities is needed. Given the multitude of climate-related planning activities in-country (NAPAs, NAPs, NDCs, etc.), it is important for the GCF to strategize how it

directs resources (such as readiness resources) assigned to strengthening in-country planning abilities.

11. In operationalizing country structures for engaging with the GCF, **the GCF's approach has largely relied on existing national climate change coordination institutional arrangements, rather than creating parallel structures. This supports country ownership.** However, targeted support and guidance on standards are clearly needed. A third of the 22 IEU case study countries still do not have climate change coordination structures in-country. The evaluation also finds that due to a lack of guidelines for engaging a multitude of stakeholders, GCF stakeholders have demonstrated this inadequately **during the GCF's programming cycle.**

12. **CPs have not yet adequately delivered on their aims, although significant RPSP resources have been committed for CP development**. The purpose of CPs has not been well articulated. The result is that in many countries the CP was viewed as merely a GCF administrative requirement, rather than as a real contribution to country planning. Some countries also saw greater value in a more comprehensive climate finance planning exercise, rather than a GCF-specific one. In the absence of any planning certainty, such as available funding or number of projects, countries often struggle to prioritize their climate change needs. In their current form, **CPs pose a reputational risk for GCF**, by creating an expectation among some country stakeholders that GCF will develop all projects included in the pipeline. CPs have also been unsuccessful in identifying private sector projects.

Box VIII-2. Opportunities for country leadership and engagement

The GCF should require – and in some cases contribute to – strengthening existing climate finance coordination structures, to support stronger ownership of countries' climate finance agenda. The experience of other funds has shown that creating parallel systems detracts from country ownership.

The GCF should develop a strategy for how CPs fit into its overall objectives, and articulate their role, along with their purpose, targets and timelines. In developing a strategy for CPs (as recommended below), the GCF should consider its overall objectives related to paradigm shift and country ownership, as well as its relative role in the climate finance ecosystem.

3. HOW EFFECTIVE IS GCF IN BUILDING COUNTRY INSTITUTIONAL CAPACITY?

13. As the institutions responsible for leading and coordinating the country's engagement with the GCF, NDAs/focal points play a critical role in the GCF's current approach for country ownership. **NDAs/focal points have been established in nearly all eligible recipient countries** (147 out of 154), and most have received, or are receiving, RPSP assistance to build their capacity. In-country stakeholders generally see NDAs/focal points as having the capacity to make informed decisions on NoLs and DAE nominations, although not for the private sector. However, it is well recognized that NDA/focal points' role and capacity for oversight during project implementation are weak.

14. NDAs/focal points are government institutions, but government and broader country ownership are not synonymous, and this can lead to tension. The GCF's guidance for NDAs/focal points and on multi-stakeholder engagement has been unable to resolve this tension. The **GCF also risks its reputation because NoPs are largely unformalized and not documented transparently** for the GCF or for in-country stakeholders. NoPs that are not consultative (including with CSOs/PSOs, indigenous peoples, and other vulnerable peoples) are not currently bridging the gap between government and broader country ownership.

15. **The common constraints to NDA/focal point capacity indicate the need for ongoing support for sustained training and strengthening.** This includes providing advice regarding human resources (e.g. number of dedicated staff, staff turnover, competing priorities for staff time), and strengthening limited management and technical skills. Filling permanent positions is critical to building in-country capacity and leadership.

16. **The GCF Secretariat and regional advisors have been important conduits of GCF-related information to countries. However, the GCF Secretariat's contact with countries is often seen as fragmented, inefficient, and sometimes lacking sufficient depth of country or regional knowledge to support NDAs/focal points.** The GCF Secretariat is also increasingly providing technical assistance for project development, which may lead to tensions between country ownership and other key objectives of the GCF, such as paradigm shift and impact, as well as the depth of the Secretariat's country and regional expertise.

Box VIII-3. Opportunities for building country institutional capacity

The GCF has an opportunity to revitalize its capacity building events to meet the evolving and increasingly differentiated needs of eligible countries.

The GCF also needs to think in a far more focused way about what it means by 'country' and 'country engagement'.

The GCF needs to galvanize the role of DAEs and their roles in the overall GCF theory of change. The GCF needs to think far more about creating the capacity, opportunity and motivation for countries to engage through their DAEs (rather than IAEs). Some countries have yet to nominate a DAE or put forward a FP, and others have multiple projects already under implementation.

One particular experience to learn from is the GF's new pilot initiative to strengthen the performance of their country coordination mechanisms. This pilot is directed at differentiating the country coordinating mechanism model to adapt to different country circumstances and uses a co-creation model between country and GF support teams.

4. How effective has direct access been for country ownership?

17. Direct access and accreditation are central to both the GCF's business model and its country ownership approach. **The accreditation process serves a critical function in the GCF, but one that is currently not fit for purpose for the GCF's needs, or the needs of countries and DAEs**.

18. **Differentiation in the accreditation process is seen as insufficient by many country stakeholders to allow efficient and equitable access for DAEs**, including for CSOs.

19. **Although countries are eager to have DAEs, nominations of DAEs are not driven by strategic, long-term considerations, nor** by consultative processes. Instead, decisions are motivated by short-term interests in gaining fast access to project funds or demands by the DAEs themselves. GCF has provided insufficient guidance on how to strategically approach DAE nomination or how many DAEs should be nominated.

20. Currently, **the extent to which countries can work through their DAEs to address their needs is limited.** National DAEs have the relevant capacity experience to address their countries' priority climate needs, where available. On average, countries have fewer opportunities to carry out large projects and higher-risk projects with DAEs than with IAEs. DAE capacities to develop effective CNs and FPs are often low, particularly in national DAEs. RPSP grants are starting to address these capacity and pipeline bottlenecks, but evidence on their effectiveness is meager.

21. Despite country ownership being an investment criteria and critical for climate programming and investments, the **GCF has currently adopted a passive role with respect to country ownership. Overall it has predominantly relied on IAEs and their operations and definitions.** However, this "business as usual" pathway is inadequate if GCF wants to significantly influence the way climate programming is considered, planned and delivered.
22. IAEs must strengthen or support DAE efforts to meet accreditation requirements (decision B.10/06), but they are not doing this systematically and are not necessarily catalysed by the GCF. IAEs do not always have the necessary resources in countries to provide such technical assistance to local institutions, unless they are embedded in project funding.

Box VIII-4. Opportunities for direct access entities

Many countries still do not have access through a national DAE. The GCF should continue to prioritize accreditation for national DAEs of countries that do not yet have such access.

Most DAEs need significant support to achieve accreditation and develop project proposals. The GCF's business model, which includes both IAEs and DAEs, offers an opportunity to better support national DAEs.

The GCF could consider requiring IAEs to twin with DAEs in proposing and implementing investments. This could also be done by, for example, building resources and requirements into an IAE's GCF-funded project for capacity building, with the nominated DAE serving as an Executing Entity. Such an arrangement could hold the IAE and DAE jointly accountable for demonstrating the results of capacity building.

5. To what extent has GCF supported country ownership in private sector engagement?

23. Country ownership has been emphasized in relation to private sector investments in the GCF, including in guidance from the COP. However, the extent of engagement by the 'true' private sector in GCF investments is modest. Additionally private sector engagement goes beyond projects managed by PSF and includes projects also managed by DMA, and efforts managed by the DCP, through RPSP and the CPs. Despite this support, the **private sector is not yet sufficiently integrated in the GCF to serve country-owned and country-driven project development adequately.**
24. Although more than a hundred countries have requested support for building and mobilizing their private sector, GCF readiness efforts have not succeeded in sufficiently engaging and mobilizing the private sector, nor in supporting NDAs/focal points to support such engagement.
25. NDA **knowledge and capacities in this area are often considered as weak.** This impedes their ability to effectively take no-objection decisions, show leadership for innovative private sector approaches, and develop country-owned pipelines that include private sector projects. This is also evidenced by the near absence of such projects in CPs. As a result, **country ownership has been weaker in private sector projects, but especially in multi-country PSF projects**.

Box VIII-5. Opportunities for private sector engagement

GCF private sector investments face multiple challenges with country ownership. Better informed and advised NDAs and integrated private sector strategies in CPs would go a long way to enhance country-owned and country-driven private sector projects and investments. The planned GCF private sector strategy should offer clear guidance to countries on the full range of private sector investment opportunities, models and capacity support modalities available through GCF.

B. RECOMMENDATIONS

26. **This evaluation makes two overall recommendations.** The first focuses on GCF's **ambition and vision** for country ownership. The second recommends actions that will help the GCF address the **opportunity, capacity and motivation** related constraints that countries face in taking stronger ownership of their engagement with the GCF. Country ownership is unlikely to be significantly strengthened by a single measure, for example, by issuing guidance or developing a policy or providing additional technical assistance. Instead, the GCF must think about multiple measures that provide the structure and incentives by setting up an innovative and aspirational **choice architecture** to achieve the Fund's ambition to set new standards for country ownership globally.

OVERALL RECOMMENDATION 1

27. **The GCF should *realize* the Fund's ambition for country ownership and fully embrace and operationalize an aspirational definition for country ownership, that goes beyond the national government.** These recommendations provide measures for the GCF to promote an ambitious definition of country ownership, and actions for GCF to fulfil that definition and be accountable to it.

***Recommendation 1a (Medium-term)*. Develop a normative standard for country ownership,** recalling GCF's ambition to set a new standard among other climate and development organizations. This evaluation has put forward a potential standard for assessing country ownership, which could be used by the GCF to weigh the policies and procedures it puts in place in light of this important principle. In this context, the GCF should consider its business model and overall objectives (including paradigm shift) in relation to country ownership, addressing tensions and potential tradeoffs. This may require, in some cases, a more directed and involved approach by the GCF Secretariat to ensure paradigm shift, while respecting country ownership.

***Recommendation 1b (Medium-term)*. Make country ownership an eligibility condition, not a prioritization criteria for investment decision-making**. More accountability around NoPs could help ensure that NoLs can be interpreted as a valid indicator of broader country ownership for investment decision-making. GCF could draw on the experience of other global funds and, for example, require transparent documentation of NoPs for both the GCF and for country stakeholders. To bridge the gap between government and country ownership, the GCF may also consider requiring consultative NoPs – recalling paragraph 71 of the Governing Instrument.

***Recommendation 1c (Urgent)*. Reformulate definitions and guidance on the GCF's approach to stakeholder engagement,** especially for non-state stakeholders within countries. Guidance should recognize the special need for engaging the minority, the disenfranchised and the vulnerable because they are most affected by climate change. It should also address the important role of sub-national actors. Guidance should also clearly define what is meant by terms like "civil society" and be more specific on what constitutes meaningful engagement. Tangible examples of best practices would also help. The GCF can set new standards in its approach to engagement.

***Recommendation 1d (Urgent)*. Promote the public release of documents.** The transparency and public release of key documents, such as CPs and APRs, is critical for public accountability, as well as to enable NDAs/focal points to provide oversight of their GCF portfolios.

***Recommendation 1e (Medium-term)*. Encourage AEs to use national systems**, such as public finance management systems, procurement systems, and results systems. The GCF should track progress in the use of country systems among AEs, with a goal towards increased reliance on such systems. This progress would be in line with the GCF's ambition to set a new standard for country ownership.

OVERALL RECOMMENDATION 2

28. **The GCF should strengthen strategies, capacities and provide opportunities for countries to better assume ownership of their engagement with the GCF.** As noted above, this recommendation recognizes that stronger country ownership must address a series of constraints. GCF needs to establish a choice architecture that motivates and incentivizes countries to make sovereign choices while providing the structure that promotes such ownership.

***Recommendation 2a (Medium-term).* Provide sustained and predictable financial support for a secretariat function in NDAs/focal points, with associated accountability measures in place**. The evaluation has shown that NDAs/focal points are often understaffed, with many competing demands on staff. Benchmarking analysis shows that country coordination mechanisms function best when they are supported over the long term, and when processes are standardized and transparent. The level of support may vary among countries and may not need to be substantial; the experience of other global funds has shown that these amounts can potentially be as small as USD 15,000 per year. Eligibility or accountability measures should be put in place, as a condition of continued disbursement of such financial support. These could include verifying that NDAs/focal points have at least one full-time staff member, and transparent documentation of the NDAs/focal points' terms of reference and NoP.

Recommendation 2b (Urgent). In the spirit of ongoing support to NDAs/focal points, the GCF should provide **ongoing opportunities for training of NDA/focal point key staff**, and a **living handbook of responsibilities and best practices for NDAs/focal points**. The initial guidance approved at B.08 is not sufficient, nor are periodic regional workshops. These actions can support regular onboarding of new key staff in NDAs/focal points, recognizing that government staff will turn over, and can help to support continuity in country knowledge of the GCF and its processes and expectations.

***Recommendation 2c (Urgent).* Pursue CPs *only* when significantly more purpose and clarity exist; a CP strategy is needed in this regard.** The GCF has put significant RPSP and staff resources toward developing CPs without a shared understanding of what value CPs add to the GCF, as well as to countries in leading and developing a country-owned portfolio. There is an opportunity for CPs to support country ownership; but this opportunity is largely being squandered. Such a CP strategy should provide:

- **A sound rationale for why CPs are being built and where they fit into the overall GCF strategy and TOC. What will they help deliver?**
- **Clear incentives for countries to develop quality CPs.** How CPs can contribute to a broader agreement among a range of government and non-government actors on the priorities for GCF investment, as well as to the identification of paradigm shifting and high-impact projects and programmes, should be key considerations.
- **An indication of the scale of resources that will be programmed over a period of time (e.g. 3-4 years) and its relationship to the programming cycle.** Benchmarking analysis shows the importance of this.

- **Clear guidance on GCF eligibility considerations, investment criteria, and funding modalities** to help ensure that CP pipelines are compatible with GCF objectives. Benchmarking analysis shows that when CP processes fall short on these points, they are not effective in identifying project ideas that are eligible for funding, especially where country stakeholder capacities are low.

Recommendation 2d (urgent). **Build a 'choice-architecture' that provides the capabilities, opportunities and motivations for countries and Secretariat staff to choose and use direct access entities.**

- One key opportunity is to ask '**mature' IAEs to co-develop and/or co-implement GCF investments jointly** with nominated DAEs. Such twinning efforts would require GCF to provide the necessary incentives to encourage IAEs to partner with DAEs when submitting proposals to the GCF. It could also include IAEs including support for building the capacity of DAEs .).
- GCF may generate the second opportunity through the planned **GCF accreditation strategy**. This strategy should address, among other issues, some critical questions around the goal of accreditation and direct access (beyond process) as identified through this evaluation:
  - Is accreditation mainly concerned with creating a portfolio of entities that are able to manage GCF investments or a portfolio of entities that are climate-finance ready, beyond GCF?
  - To what extent is accreditation indeed aimed at entities that are primarily focused on due-diligence functions, risk assessments and technical oversight?
  - How can sufficient opportunities be generated, possibly apart from accreditation, for entities that wish to primarily execute projects with GCF?
  - How can accreditation ensure that potential conflict of interest is minimized in the functions of oversight and execution?
  - What are the appropriate roles and functions for national and regional DAEs for ensuring direct access, given the heterogeneity of countries and conditions?
- The GCF should also **encourage and incentivize countries and DAEs to take a more strategic approach to nominations** for direct access for the medium- and longer-term future. CPs and/or country climate finance strategies should drive the decision on the type and number of entities nominated. More clarity from the GCF on resource availability and priority focus areas would also help encourage more strategic nominations. Throughout this process, the GCF should communicate critical information and guidance to countries to minimize misunderstandings about GCF accreditation and direct access.

Recommendation 2e (Urgent). **Strengthen and clarify the structure of the Secretariat and (its divisions) in supporting country ownership.** The GCF Secretariat should organize itself so that it provides the capability, motivation and opportunity to provide the best solutions and support to countries for the climate impact *they* need. In organizing itself, the Secretariat should recognize that countries need access to GCF representatives who have detailed knowledge of both the GCF and national and regional circumstances, and who can provide technical assistance to countries. NDAs/focal points can contribute to this role if provided sustained financial support (through salary top-ups for example). Internally the GCF Secretariat should better integrate its various organizational modalities and instruments for private sector support in countries and regions, along with regional or sectoral lines rather than on the basis of modalities. With the Secretariat currently undergoing restructuring, it should seize the opportunity now.

Conclusion: This evaluation outlines the important opportunity for the GCF to show leadership and set new standards for country ownership: a concept that has otherwise become enervated over time. Overall the evaluation recommends setting up a supportive architecture that builds the capabilities, opportunities and incentives for country ownership. None of the recommendations will themselves be sufficient. All are necessary if the GCF aspires to demonstrate and realize its own aspirations for ensuring that countries lead, own and manage their climate investments and development pathways. In taking on these recommendations, the GCF will lead in designing structures that incentivize leadership and ownership by countries and key stakeholders engaged in the climate value-chain.

ANNEXES - VOLUME I

ANNEX 1. APPROACH PAPER AND EVALUATION MATRIX

A. APPROACH PAPER

1. INTRODUCTION

a. Purpose and scope of the evaluation

The Green Climate Fund (GCF) was created in 2010 to support the efforts of developing countries to respond to the challenges of climate change. It advances and promotes a paradigm shift towards low-emission and climate-resilient development pathways in developing countries. As a designated operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), the GCF provides equal funding for climate change mitigation and adaptation projects and programmes to developing countries, and particularly to those most vulnerable to the adverse effects of climate change.

In pursuing these objectives, the GCF, as one of its core principles, is driven by countries' needs and priorities. The principle of country ownership and country drivenness is reflected in the Governing Instrument and various Board decisions (see section II.B). Country ownership can be considered both a principle of climate finance in the GCF and an outcome objective; as something that can be strengthened through the provision of readiness and preparedness support and climate finance support.

This independent evaluation of country ownership will examine the extent to which the GCF has conceptualized and operationalized the principle of country ownership, as well as the extent to which country needs and country ownership have been incorporated into both the design and the implementation of GCF policies and practices. It will also analyse the main factors that enable and detract from country ownership in terms of what works, why and where (including success stories), and what does not work. A third objective for the evaluation is to draw lessons from how country ownership is being interpreted and implemented in different contexts, and to use such lessons to inform the development of policies and programmes, stakeholder engagement and country programmes. Selectively benchmarking GCF's experience with country ownership models and approaches of other climate finance institutions and entities will also inform the evaluation. Finally, the country ownership evaluation will also inform the forward-looking performance review (FPR) of the GCF, carried out by the GCF Independent Evaluation Unit (IEU).

The principle of country ownership will be considered in the context of all GCF operational modalities and relevant related policies, including the Readiness and Preparatory Support Programme (RPSP) and the Project Preparation Facility (PPF), the proposal approval process, including the simplified approval process, the accreditation process, the direct access modality, and the overall project cycle, while recognizing that country ownership is an evolving and continuous process, and a principle that requires flexibility.

b. Key roles and responsibilities for the evaluation

The IEU leads this evaluation, and the consultancy firm ICF was selected through a competitive procurement process to carry out the evaluation in partnership with the IEU and will support the IEU. The overall evaluation team consists of IEU staff and ICF colleagues. The ICF country ownership approach (COA) evaluation team was responsible for developing this inception report, which uses the evaluation matrix and the approach paper developed by the IEU. The overall team consisting of IEU HQ and ICF members will be responsible for data collection and analysis and preparing the final evaluation report, under the oversight of and in full collaboration with the IEU. The IEU will bear full responsibility for the evaluation.

2. BACKGROUND ON COUNTRY OWNERSHIP

a. History of country ownership in development cooperation, the UNFCCC, and climate finance

The concept of country ownership gained prominence with the aid effectiveness agenda in the late 1990s. It has become a cornerstone of climate finance now, particularly with the 2015 Paris Agreement. As repeatedly highlighted during the negotiations around the UNFCCC, development cooperation and climate finance are distinct in many ways (development cooperation and climate finance respectively focus on eliminating poverty versus mitigation objectives, public versus private nature of financing, narrower Organisation for Economic Co-operation and Development [OECD] constituencies versus broader UNFCCC ones). However, there are also some close similarities and potential lessons to be gained from decades of development cooperation (both development cooperation and climate finance depend on public sources of finance, complementarity between poverty alleviation and building resilience) that may be useful for climate finance delivery and country ownership.

i. Country ownership in development cooperation

With an increase in development aid stemming from the Millennium Development Goals agreed in 2000 and the Monterrey Consensus in 2002, the focus of the international aid architecture began to shift from a one-way donor–recipient relationship, with donor-driven decision-making, towards empowering recipient countries and greater partnership. The First High-Level Forum on Aid Effectiveness was held in 2002 in Rome. In 2005, the Paris Declaration on Aid Effectiveness formalized five fundamental principles for making aid more effective and marked the first-time donors and recipients agreed to commitments and to holding each other accountable for achieving those commitments. The Accra and Busan Forums[87] in 2008 and 2011 took stock of progress against these commitments and set the agenda for further improvement. The Global Partnership for Effective Development Cooperation (GPEDC), which was agreed to at Busan and jointly managed by the OECD and the United Nations Development Programme (UNDP), institutionalized and regularly monitors the implementation of the now four crystallized country ownership and aid effectiveness principles:[88]

- Ownership of development priorities by developing countries
- Inclusive development partnerships
- Focus on results
- Transparency and accountability to each other

[87] The Busan Partnership Agreement (2011) emphasized the engagement and accountability structures and processes at country level, promoting more inclusive (including private sector and civil society engagement) and transparent dialogue and joint action. Busan introduced the concept of "democratic ownership" as a broader concept that encompasses the whole of society, beyond the government alone. The Busan Forum also formally recognized climate finance as a core development finance issue, with an objective to "support national climate change policy and planning as an integral part of developing countries overall national development plans, and ensure that – where appropriate – these measures are financed, delivered and monitored through developing countries' systems in a transparent manner."

[88] The five original Paris Declaration aid effectiveness principles were (1) support for national ownership of the development process, (2) promotion of donor harmonization, (3) alignment of donor systems with national systems, (4) management for results and (5) mutual accountability between donor and recipient.

The 2030 Agenda for Sustainable Development, adopted at the United Nations Sustainable Development Summit in 2015, has continued to highlight the complex and interdependent global challenges to address, and set much more ambitious goals for both developed and developing countries in partnership, notably through Sustainable Development Goal (SDG) 17, Partnership for the Goals.[89]

ii. Country ownership in climate finance and UNFCCC

In the area of climate change and climate finance, similar discussions have ensued regarding the relative responsibilities of developing and developed countries, which are relevant to the concept of country ownership. While climate finance principles derived from various texts emanating from the UNFCCC negotiations have not obtained the same degree of international acceptance as the Paris Declaration on Aid Effectiveness, they nevertheless do carry significant political weight.[90] Box A - 1 summarizes some of the respective principles, including national ownership.

Box A - 1. Principles of climate finance

Polluter pays
Additionality
Transparency
Accountability
Equitable representation
National ownership
Timeliness
Appropriate
Fair distribution
Complementarity
Source: Bird and Glennie, 2011

The UNFCCC holds a core principle of "common but differentiated responsibilities and respective capabilities" of countries in addressing climate change;[91] simply said, the "polluter pays." The original United Nations climate treaty divided countries into two groups, and only countries classified as Annex I (generally developed) countries were obliged to take new commitments to reduce their emissions. This approach changed at the Conference of the Parties (COP) in Durban in 2011, where it was agreed that the process to sign a legally binding agreement in Paris in 2015 would be under the Convention (meaning including its annexes and principle of differentiated responsibilities and capabilities) but would also be "applicable to all" (meaning obligations for all Parties).

The historic 2015 Paris Agreement tried to achieve this fine balance by better considering national capabilities and vulnerabilities and taking a bottom-up approach by allowing countries to individually determine their contribution to addressing greenhouse gas (GHG) emissions through a Nationally Determined Contribution (NDC). At COP24, differentiation remained the major sticking point between developed and developing countries, particularly emerging economies. Likewise, there was distrust about the sufficiency and predictability of financial support to developing countries that manifested particularly in debates about Article 9.5 (indicative information on the

[89] GPEDC does the formal monitoring of targets 17.15 (Respect national leadership to implement policies for the SDGs), 17.16 (Enhance the global partnership for sustainable development) and 5.c., which measures the adoption and strengthening of policies and enforceable legislation for gender equality.
[90] Bird and Glennie, 2011
[91] United Nations, United Nations, and Canada, 1992, 1

provision of finance) and the process to establish a new long-term finance goal. The final Paris Agreement rulebook agreed in Katowice, Poland, in December 2018 balanced more uniform and mitigation-centric NDC guidance with improved processes for financial support for developing countries.[92]

The common but differentiated concept remains a point of tension, as do other related issues such as equity in terms of historic versus current responsibilities for climate change. These tensions carry over into climate finance and are relevant for understanding the broader context of country ownership in the GCF.

Concept and definition

The UNFCCC considers that country ownership remains a critical factor in the delivery of effective climate finance. A broad concept of ownership encompasses the "consistency of climate finance with national priorities, the degree to which national systems are used for both spending and tracking, and the engagement of a wide range of stakeholders, from ministries and other governmental bodies, as well as from the private sector and civil society."[93] Further, according to the Paris Agreement Article 11, capacity in countries should be built to take effective climate change action, including implementing both adaptation and mitigation actions. Each of these dimensions is discussed in turn below.

Consistency of climate finance with national priorities

In terms of mitigation targets, the Paris Agreement rulebook has now enshrined the shared commitment of all countries to defining their NDC, versus separate, differentiated demands on developed versus developing countries, which had been supported by the Like-minded Developing Countries and Arab Group.[94] A 50:50 balance was negotiated for the GCF in terms of allocations for mitigation versus adaptation, and the GCF also aims to ensure that at least 50 per cent of adaptation funding goes to particularly vulnerable countries, including the least developed countries (LDCs), small island developing States (SIDS) and African States. Tension remains between the resources assigned for mitigation versus adaptation, with developing countries rallying particularly for additional support to the latter efforts.

Using national systems for accountability, results and financial tracking

With greater ownership by national institutions come obligations related to responsibility and accountability, which need to be fulfilled, too, in order to ensure that the funds achieve maximum impact.[95] For the Paris Agreement, the principle of pledge-and-review, with the accompanying global stock take every five years, is the main mechanism for progress monitoring. Transparency is considered a key mechanism of accountability, although underlying assumptions have been questioned by some.[96]

On financial accountability, according to the UNFCCC, "there has been a greater commitment by ministries of finance and planning to integrate climate finance into national budgetary planning, this is often not done fully."[97] Relevant national institutions, such as ministries of finance and planning, can still play a greater role in managing climate finance, such as through domestic tracking systems. NDCs that require further financial resources to fully implement are emerging as a platform that

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[92] IISD, 2018
[93] UNFCCC, 2018, 11
[94] IISD, 2018
[95] UNFCCC, 2018
[96] See, for example, Gupta and van Asselt, 2017
[97] UNFCCC, 2018, 11

governments can use to stimulate engagement and strengthen national ownership of climate finance.[98]

With regard to accountability for results, while reporting on concrete deliverables has increased, their influence on outcomes, and the ultimate impact upon beneficiaries remains a challenge. The reduction of GHG emissions remains the primary impact metric for climate change mitigation.

Likewise, developed countries have an obligation to follow through on their Paris commitments and provide sufficient funding to tackle climate change. COP24 saw fewer announcements of new climate finance than at previous COPs, which some Parties felt signaled reduced commitment by developed countries to support the ambition of developing countries.

Finally, there is a need for donor coordination, to ensure that multilateral, bilateral and philanthropic organizations complement rather than substitute or duplicate UNFCCC efforts in relation to key gaps and needs.[99]

Stakeholder engagement

Following COP15 in Copenhagen in 2009, there was a fundamental change in the scope and depth of civil society engagement on climate policy and finance. "Civil society was more effective in exercising multiple channels of influence around the negotiations for the Paris Agreement in 2015."[100] The effective implementation of the Paris Agreement will require a recalibration of the role of civil society to increase global coordination, as well as effective engagement at country level, particularly around the revision of the NDCs by 2020.[101]

Capacity-building

Article 11 of the Paris Agreement explicitly calls for national ownership of capacity-building efforts in developing countries, particularly LDCs and SIDS. Like ownership, capacity-building has no agreed definition of conceptual framework, but stems from the post-WWII experience with the Marshall Plan and belief that "development could be pursued in the newly decolonised developing countries through building and strengthening their national institutions."[102] Over time, the following key lesson has been reinforced: "[e]ffective capacity building is an endogenous process, which must grow from within the country. International actors can play a supporting and facilitative role, but not an ownership or managerial role."[103] The Paris Agreement Article 11 instructs that capacity-building "should facilitate technology development, dissemination and deployment, access to climate finance, relevant aspects of education, training and public awareness, and the transparent, timely and accurate communication of information."

iii. The case for country ownership

Evidence from both decades of official development assistance and more recent work on climate finance effectiveness indicate that country ownership – including dimensions such as alignment with country priorities and plans, stakeholder engagement, use of country systems, appropriate capacities, institutional arrangements, and accountability systems – is critical for more effective development results and the deployment of finance towards low-carbon, climate-resilient development.[104]

[98] UNFCCC, 2018
[99] Khan, M., Sagar, A., Huq, S., and Thiam, P.K., 2016
[100] Guy, 2018, 1
[101] IISD, 2018
[102] Khan et al., 2016, 5
[103] Khan et al., 2016, 3
[104] Brown, Polycarp, and Spearman, 2013; Zou and Ockenden, 2016; Lundsgaarde. E., Dupuy, K., Persson, A., 2018

Based on the experience from development cooperation, while there has been progress in establishing robust development strategies and multi-stakeholder consultation processes, partner countries have struggled in their actual operationalization into prioritized programmes and budgets. Partner countries have also faced challenges in defining measures, standards of performance and accountability in public financial management, procurement, fiduciary standards, and environmental assessments. These tendencies were echoed through more recent, although less comprehensive, climate change reviews. Climate considerations have been integrated to a much lesser degree in broader development planning and national budgeting processes.[105] Technical and managerial capacity constraints were a major concern, but progress was also inhibited by larger forces, including corruption and external crises.[106]

In development cooperation, according to the Paris Declaration evaluation, donors have made substantially less progress in implementing the country ownership principle, hence the need for donor harmonization and mutual accountability. Donors remained reluctant to use planning and budget preparation systems, with often legitimate concerns about the quality of recipient country systems and concerns about corruption. Data from the OECD shows that budget support (the primary aid instrument that uses country systems by default) has decreased to less than half the amount disbursed in 2009.[107] While donors had made substantial efforts to support ownership capacity, these were not well coordinated, with minimal results to date, according to the Paris Declaration evaluation. Apparently, country strategies and priorities for capacity-building have not been clear, donors have identified their own related priorities and there has been a frequent turnover of staff.

Sequencing time horizons and programming cycles were also identified as a substantial concern by the Paris Declaration evaluation. Program-based approaches and multi-donor trust funds facilitated alignment. Not everyone agrees, however. Critics see harmonization among donors as a potential recipe for "ganging up", with negative consequences for domestic decision-making processes and country ownership.[108]

iv. Towards a conceptual framework for country ownership

Although many agreements and organizations have considered the concept of country ownership, there is no agreement on a single definition, core elements or measurable indicators for the concept. Essentially, it deals with the inequalities in the power and capacity between countries to influence and benefit from global governance. A long-standing assumption of both climate finance and development aid has been the equitable sharing of resources between the developed and developing countries.

To support the development of a conceptual framework for country ownership for this evaluation of the GCF COA, a wide range of international agreements and academic and grey literature was reviewed. Principles, elements, and dimensions of country ownership are presented in Table A - 1 below for key sources identified.

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105 Brown et al., 2013.
106 Brown et al., 2013; Zou and Ockenden, 2016.
107 Koch, S., Leiderer, S., Faust, J., and Molenaers, N. 2017.
108 Booth, 2011.

Table A - 1. Principles, elements and dimensions of country ownership

SOURCES	UNFCCC AND PARIS AGREEMENT	PARIS, ACCRA AND BUSAN PRINCIPLES: GLOBAL PARTNERSHIP FOR EFFECTIVE DEVELOPMENT COOPERATION	WATSON-GRANT, XIONG, AND THOMAS (2016)	BROWN ET AL. (2013)
Description and rationale of source	Qualitative analysis of the Paris Agreement, as well as COP proceedings	A multi-stakeholder platform that brings together all types of development actors to advance the effectiveness of their development efforts, to deliver results that are long-lasting and to contribute to the achievement of the SDGs. The five key principles from Paris (2005) have been condensed into four, agreed at Busan (2011).	Meta-analysis of 30 peer-reviewed and grey publications on country ownership and development, based on systematic literature search and inclusion criteria	Working paper on climate finance informed by research and seven consultative workshops and events with developing countries
Core principles	Consistency with national priorities and capabilities: Commitment to the definition of the NDC and equal treatment of adaptation and mitigation	Ownership of development priorities by developing countries: Partnerships for development can only succeed if they are led by developing countries. Implementing approaches that are tailored to country-specific situations and needs.	Power and legitimacy: Country governments have the power and legitimacy (the right) to set priorities and make decisions that are respected by the donors. Other national actors (e.g. civil society) participate.	International climate finance is aligned with recipient country strategies and priorities. Decision-making responsibilities are vested in recipient country institutions.
	Stakeholder engagement: Engagement of, particularly, civil society in negotiation and implementation of the Paris Agreement Principle of "common but differentiated responsibilities and respective capabilities"	Inclusive development partnerships: Openness, trust, mutual respect, and learning lie at the core of effective partnerships, recognizing the different and complementary roles of all actors.		
	Capacity-building: Enhancing the capacity of developing country Parties (particularly LDCs and SIDS)	Focus on results: Development efforts must have a lasting impact on eradicating poverty and reducing inequality, and on enhancing developing countries' capacities, aligned with their own priorities.	Commitment and responsibility: Political stakeholders in recipient countries commit to take responsibility for aid-funded programmes that address an identified need.	

Sources	UNFCCC and Paris Agreement	Paris, Accra and Busan Principles: Global Partnership for Effective Development Cooperation	Watson-Grant, Xiong, and Thomas (2016)	Brown et al. (2013)
			Capacity: Donors and recipients have the capacity to sustain initiatives and programmes.	
	Accountability, results and financial tracking: Developing countries commit to tracking results of adaptation and mitigation efforts, as well as spending. Donors to provide sufficient funding to tackle climate change.	Transparency and accountability to each other: Mutual accountability and accountability to the intended beneficiaries of development cooperation, as well as to respective citizens, organizations, constituents, and shareholders is critical to delivering results. Transparent practices form the basis for enhanced accountability.	Accountability: Recipients and donors are accountable to each other and to their citizens for programmes, systems, and strategies.	National systems are used for ensuring accountability in the use of climate finance.

Source: GCF/B.22/Inf.05: Status of the initial resource mobilization process (February 1, 2019)

b. GCF mandate and context

The principle of country ownership and country drivenness is reflected in the Governing Instrument of the GCF, guidance from the COP to UNFCCC, as well as numerous Board decisions, discussions, and documents. These mandates and history are traced below, to provide context for the evaluation.

i. Governing Instrument

The Governing Instrument provides specific guidance on several country-ownership-related features of the GCF, including involvement of relevant stakeholders; simplified and improved access to funding, including direct access; support for programmatic approaches in accordance with country strategies and plans; and national designated authorities (NDAs). The specific guidance by paragraph is provided in Box A - 2.

Box A - 2. Guidance on country-ownership related features of the GCF

Paragraph 3: "The Fund will pursue a country-driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders."

Paragraph 31: "The Fund will provide simplified and improved access to funding, including direct access, basing its activities on a country-driven approach and will encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects."

Paragraph 36: "The Fund will support developing countries in pursuing project-based and programmatic approaches in accordance with climate change strategies and plans, such as low-emission development strategies or plans, nationally appropriate mitigation actions (NAMAs), national adaptation plans of action (NAPAs), national adaptation plans (NAPs) and other related activities."

Paragraph 46: "Recipient countries may designate a national authority. This national designated authority will recommend to the Board funding proposals in the context of national climate strategies and plans, including through consultation processes. The national designated authorities will be consulted on other FPs for consideration prior to submission to the Fund, to ensure consistency with national climate strategies and plans."

Paragraph 47: "Recipient countries will nominate competent subnational, national, and regional implementing entities for accreditation to receive funding. The Board will consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes."

Paragraph 53: "The Fund will have a streamlined programming and approval process to enable timely disbursement. The Board will develop simplified processes for the approval of proposals for certain activities, in particular, small-scale activities."

ii. COP guidance

Launching the GCF at its seventeenth meeting, the COP requested (decision 3/CP.17) that the GCF Board "develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the Governing Instrument, in order to ensure consistency with national climate strategies and plans, and a country-driven approach, and to provide for effective direct and indirect public and private sector financing by the Fund."[109]

Subsequent decisions have emphasized the country-driven approach. The nineteenth COP requested the GCF "to pursue a country-driven approach" and "to consider important lessons learned on country-driven processes from other existing funds" (decision 4/CP.19). The COP at its twentieth meeting requested the GCF Board to accelerate the operationalization of the private sector facility through several actions, including "emphasizing a country-driven approach" (decision 7/CP.20).

[109] At the eighteenth COP, the GCF Board was requested to report on implementation of the above decision.

Some COP decisions have also focused on the NDAs. The COP has invited "developing country Parties to expedite the nomination of their national designated authorities and focal points as soon as possible, as well as the selection of their national and subnational implementing entities, to facilitate their engagement" with the GCF (decision 7/CP.20). At its twenty-second meeting, the COP also invited NDAs and focal points "to utilize the readiness and preparatory support programme, and to collaborate with accredited entities to use the project preparation facility, where appropriate, to prepare adaptation and mitigation proposals of increasing quality and impact potential" (decision 10/CP.22).

iii. Board decisions and discussions

At its third meeting, in March 2013, the GCF Board noted convergence that the GCF should "recognize that a country-driven approach is a core principle to build the business of the Fund" (decision B.01-13/06). This principle of country ownership has been reaffirmed and refined in numerous Board decisions, and is interwoven into many aspects of the GCF business model and GCF modalities, policies and procedures.

In particular, the principle of country ownership was carried through to many of the elements of the business model framework that were discussed beginning at the fourth meeting of the Board, including those related to the GCF structure and organization; access modalities; objectives, results and performance indicators; allocation and proposal approval process; modalities for readiness and preparatory support; and gender and indigenous peoples policies. In addition to weaving country ownership into these aforementioned areas, country ownership has also been a stand-alone agenda item at many Board meetings, which focused initially on NDAs/focal points and no-objection procedures but has broadened to cover operational modalities, country programmes, and structured dialogues. The history of Board decisions and deliberations in each of these areas are traced below.

Country ownership

At its fourth meeting, in discussing country ownership as a component of the business model, the Board reaffirmed this core principle, noted convergence on the importance of readiness and preparatory support for country ownership practices, and provided guidance around NDAs. The Board noted that countries may designate an NDA or a country focal point to interact with the GCF while confirming that establishing an NDA was not mandatory and that countries retain flexibility in terms of the location, structure, operation, and governance of NDAs or focal points. The Board also set out guidance on some of the functions and actions of an NDA. The initial functions of the NDA or focal point were originally set out in decision B.04/05 (and were further expanded in best-practice guidelines and the monitoring and accountability framework described further below):

- recommend to the Board focal points in the context of national climate change strategies and plans, including through consultation processes;
- facilitate the communication of nominations of entities to the Fund;
- seek to ensure consistency of focal points from national, subnational, regional and international intermediaries and implementing entities with national plans and strategies;
- implement the no-objection procedure; and
- act as the focal point for Fund communication.

At its fifth meeting, the Board reviewed guidelines for a no-objection procedure (NoP) and provided guidance to the Secretariat to revise the document in view of that guidance (decision B.05/06). The Board's concerns were related to the full incorporation of the spirit of paragraph 7 of decision 3/CP.17, whether a separate NoP was needed for intermediaries, and what would be the subject of the NoP, such as individual projects, bundles of activities and nominations for accreditation.

The Board continued deliberations on country ownership at its sixth meeting, where a proposed revised NoP and best-practice guidelines for establishing NDAs and focal points were presented in document GCF/B.06/07. Many Board members expressed a view that country ownership should not be reduced to an NoP but should also include bottom-up approaches; several Board members emphasized strengthened stakeholder consultation in the guidelines. There were divergent opinions around the proposed tacit no-objection and the possibility of separate public and private NoPs. Following this discussion, the Board requested four Board members/Alternate Board members to continue deliberations and report back (decision B.06/10).

At the Board's eighth meeting, the NoP and best-practice guidelines for NDAs and focal points were revisited. Differences of opinion between developing and developed country positions were noted, with the former in consensus on the need for a written NoP. A compromise was reached that clarifies what the GCF would do in cases where focal points were not accompanied by a no-objection letter – specifically that a 30-day period would be given to the NDA/focal point to reply to the Secretariat, after which the project would be cancelled in the absence of a no-objection letter. In decision B.08/10, the Board approved the initial NoP in Annex XII of the Meeting Report. The Board also endorsed the initial best-practice guidelines for establishing NDAs/focal points as contained in Annex XIII, as well as the initial best-practice options for country coordination and multi-stakeholder engagement, set out in Annex XIV. The NDA/focal point guidelines address the following points:

- Placement of the NDA/focal point in an institution that ideally has a mandate related to economic policy and development, with appropriate leverage over climate change and related priorities, strategies, and plans
- Ideal capacities of the NDA/focal point, which include, among others, familiarity with mitigation and adaptation efforts and needs in the country (including other climate finance); capacity to facilitate country coordination mechanisms and multi-stakeholder engagement and to interact with other focal points and sources of climate finance; and the ability to monitor and evaluate according to Fund requirements, and the ability to interact with private sector actors
- The legal authority of the NDA/focal point to be established at a senior level, and the responsibility for the NDA/focal point to lead the country's efforts to prepare a country programme
- Funding for the establishment and operation of NDAs to be determined based on Board decisions on readiness and preparatory support

The best-practice options for country coordination and multi-stakeholder engagement cover the following:

- Encouragement for country coordination for an ongoing consultative process that uses existing country meetings or exercises; establishes a dedicated country coordination mechanism for the country's identification of its strategic framework in the context of the GCF, where possible; is integrated into other relevant national consultation or programming processes; and is inclusive of all relevant actors within the government, the private sector, academia, civil society and other relevant stakeholder groups or sectors
- Country coordination and multi-stakeholder engagement in the development of FPs and ongoing monitoring and evaluation after approval, in alignment with GCF environmental and social safeguards (ESS); country coordination and multi-stakeholder engagement processes may facilitate forums, meetings or workshops to review progress against results frameworks, discuss best practices and challenges, identify opportunities for enhancing coherence, and integrate lessons learned into relevant plans and priorities

The Monitoring and Accountability Framework for Accredited Entities (B.11/10) also set out an expectation for the NDA/focal point: "For participatory monitoring of the overall portfolio of GCF-funded projects and programmes in each country, the NDA/focal point is encouraged to organize an annual participatory review for local stakeholders, notably project-affected people and communities, including women and civil society organizations."

Decision B.10/10 provided guidance to strengthen the role of NDAs/focal point, requested the Secretariat to prepare a proposal of guidelines to this effect and reaffirmed the role of the RPSP in supporting country ownership, as follows:

- Recognizes the importance of enhancing country ownership, country drivenness and the role that NDAs/focal points can play in this regard;
- Affirms that all efforts should be undertaken to:
  - Strengthen the key role of NDAs/focal points in the formulation of country programme/project pipelines, the consideration of implementation partners, and financial planning, and enhance capacity, including through the programme on readiness and preparatory support;
  - Also, strengthen the role of NDAs/focal points in monitoring and providing feedback regarding the impact of Fund operations within countries in terms of the degree to which the Fund's initiatives add value to national development priorities, building institutional capacity, and promoting a paradigm shift towards low carbon and climate resilient development; and
  - Promote a central and leading role of NDAs/focal points in the coordination of the Fund's engagements within countries while highlighting the importance of the differentiation of roles between the Secretariat, accredited entities and NDAs/focal points in relation to country programming;
- Recognizes that NDAs/focal points should facilitate country coordination and engagement with representatives of relevant stakeholders such as the private sector, academia, and civil society organizations and women's organizations, taking into account the best practice options adopted by the Board in decision B.08/10 and supported as needed by the Secretariat.

Consultation among Board members and preparation of the guidelines for enhanced country ownership and country drivenness continued to the seventeenth meeting of the Board, where such guidelines were adopted through decision B.17/21, in Annex XX of the Meeting Report. The Board also requested the Secretariat, accredited entities (AEs), delivery partners, and NDAs/focal points to follow these guidelines, and the Secretariat to annually assess the experiences in applying these guidelines with a view to continually improving them. To that end, the Board decided to undertake a review of the implementation of the guidelines as needed, or at least every two years. These guidelines describe the following:

- Submissions from Board/Alternate members on important components of country ownership, such as flexibility in guidelines, importance of sufficient capacity, the need for country ownership to continue throughout the project cycle, and the importance of engagement and ownership by relevant national and subnational stakeholders, including private sector, local communities, academia and civil society organizations (CSOs);
- How to build country ownership through country programmes and structured dialogues; and
- Reflecting country ownership in operational modalities, including the RPSP, PPF, proposal approval process and accreditation process, as well as the key role of NDAs/focal points in these processes.

Readiness and preparatory support

In 2013, decision B.05/14 reaffirmed that GCF-related readiness and preparatory support is a strategic priority for the GCF to enhance country ownership and access during the early stages of its operationalization. The Board decided that the GCF will provide readiness and preparatory support for the following purposes:

- To enable the preparation of country programmes providing for low-emission, climate-resilient development strategies or plans;
- To support and strengthen in-country, GCF-related institutional capacities, including for country coordination and the multi-stakeholder consultation mechanism as it relates to the establishment and operation of national designated authorities and country focal points;
- To enable implementing entities and intermediaries to meet GCF fiduciary principles and standards, and ESS, in order to directly access the GCF.

At its fifth meeting, the Board also noted the importance of readiness and preparatory support for effective private sector engagement.

At its eighth meeting, the Board operationalized the RPSP and defined the modalities of the RPSP, which were updated at the thirteenth meeting. In subsequent years, at nearly every Board meeting, the GCF Board has discussed progress reported by the Secretariat and made further decisions about the programme's implementation, while reaffirming its principles. At its tenth meeting, the GCF Board affirmed that the RPSP is a mechanism to enhance country ownership.

Following the IEU's independent evaluation of the RPSP, as well as reviews by Dalberg and the Secretariat, a new strategy for the RPSP was approved at the twenty-second meeting of the Board. This revised strategy is aimed at guiding countries towards a longer-term approach by providing a vision and outcome-based objectives at the programme level, while moving away from siloed and input-based approaches. New or improved modalities were also introduced, including country readiness assessments and country readiness plans; multi-year allocation grants; standardized packages of readiness support; longer-term direct support to NDAs; enhanced institutional support to direct access accredited entities; and sector-specific planning and project preparation technical clinics.

Structure and organization

Regarding GCF structure and organization, the Board's discussion at its fourth meeting on options for the structure of the GCF and Secretariat touched on country ownership, with suggestions ranging from support for a specific country ownership unit to improve access, to integrating country ownership into the mitigation and adaptation units. The Board decided that the initial structure and organization should be thematic with a strong country and programmatic focus (decision B.04/09).

Access modalities

At its fourth meeting, the Board (decision B.04/06) noted that, in accordance with the Governing Instrument, it would consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes; and that the GCF will provide for readiness and preparatory activities and technical assistance, and for in-country institutional strengthening in order to enable countries to directly access the G.10/04, the Board approved the terms of reference for a pilot phase to enhance direct access. Country ownership played a key role in the justification for such a modality: "Enhancing direct access is necessary mainly because decision-making on the specific projects and programmes to be funded will be made at the national or subnational level and such direct access is a means by which to increase the level of country ownership over those projects and programmes" (Annex I, Tenth Meeting Report).

In decision B.10/06, the Board further decided that, recalling decision B.08/03, all international entities, as an important consideration of their accreditation application, shall indicate how they intend to strengthen the capacities of, or otherwise support, potential subnational, national and regional entities to meet, at the earliest opportunity, the accreditation requirements of the GCF in order to enhance country ownership and that they report annually on these actions.

At its fourteenth meeting, the Board reaffirmed in decision B.14/08 the importance of direct access for country ownership in its strategy on accreditation, which states the following:

- Direct access entities are important for promoting country ownership and understanding national priorities and contributions towards low-emission and climate-resilient development pathways.
- The accreditation process can be an effective way of setting high standards in country ownership. NDAs are encouraged to engage with the Secretariat in order to identify which entities are a good fit to advance GCF objectives and which should be nominated in their countries. When reviewing their applications, the Secretariat should encourage NDAs to develop guidelines that facilitate inter-agency coordination and coherence at the national level, as well as to engage in effective and broad stakeholder engagement.
- Country ownership includes ownership by local communities, civil societies, private sector, women's groups, indigenous peoples' organizations, municipal-/village-level governments, etc. Meaningful input provided by such stakeholders should be used, as necessary, during the identification of entities to be accredited. This approach aims to ensure that AEs nominated by NDAs have a high potential to bring forward projects and programmes that demonstrate high country ownership, are consistent with country priorities and accurately reflect their commitments to climate change agreements.

Investment and results frameworks

At its fourth meeting, the Board reviewed document GCF/B.04/03 that, among other topics, explored how operationalizing the principle of a country-driven approach interacted with other principles, such as co-benefits and paradigm shift, and proposed a series of options for later prioritization in the strategic foci of the GCF. Ultimately, the Board reaffirmed country ownership as a core principle of the GCF business model and that countries will identify priority results areas in line with their national strategies and plans (decision B.04/04).

At its fifth meeting, the Board took multiple decisions that link country ownership to resource allocation and results. Decision B.05/03 "notes convergence that ownership and access to Fund resources could be enhanced by the inclusion of indicators capturing country-driven policies that have the potential to promote a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development." Decision B.05/05 requested the Secretariat to develop and present to the Board a resource allocation system that, among other objectives, facilitates a country-driven approach.

In decision B.07/06, the Board adopted an initial investment framework that includes six criteria, of which one is country ownership, defined as "[b]eneficiary country ownership of and capacity to implement a funded project or programme (policies, climate strategies and institutions)." At its ninth meeting, the Board adopted a more detailed investment framework, including sub-criteria and indicative assessment factors. Table A - 2 shows the coverage areas, activity-specific sub-criteria and indicative assessment factors that the GCF Secretariat uses for the country ownership investment criterion.

Table A - 2. Coverage areas, sub-criteria and indicative assessment factors for the country ownership criterion

Coverage area	Activity-specific subcriteria	Indicative assessment factors
Existence of a national climate strategy	Country has a current and effective national climate strategy or plan, nationally appropriate mitigation action (NAMA), national adaptation plan (NAP) or equivalent, as appropriate	Proposal addresses the country's existing and effective climate priorities and national, local or sectoral plans, and attracts sustained high-level political support in implementing countries
Coherence with existing policies	Proposal has not been objected to by the country's NDA/focal point	Proposal received no objection by NDA/focal point in accordance with the GCF no-objection procedure
	Objectives are in line with priorities in the country's national climate strategy	Proposal demonstrates coherence and alignment with one or more priority areas identified in the country's national climate strategy, including in the context of NAMAs or NAPs, as appropriate and applicable Degree to which the activity is supported by a country's enabling policy and institutional framework, or includes policy or institutional changes Project/programme sponsor identified as a credible champion
Capacity of accredited entities (AEs) or executing entities to deliver	Experience and track record of the AE or executing entities in key elements of the proposed activity	Proponent demonstrates a consistent track record and relevant experience and expertise in similar or relevant circumstances as described in the proposed project/programme (e.g. sector, type of intervention, technology)
Engagement with civil society organizations and other relevant stakeholders	Stakeholder consultations and engagement	Proposal has been developed in consultation with civil society groups and other relevant stakeholders, with particular attention being paid to gender equality, and provides a specific mechanism for their future engagement in accordance with GCF ESS and stakeholder consultation guidelines Proposal places decision-making responsibility with in-country institutions and uses national systems to ensure accountability

In decision B.11/11, the Board noted country ownership and effective stakeholder engagement as a common area where projects could provide a better demonstration of how they meet existing GCF policies and noted convergence on the need within the approval process to enhance country ownership, including by actively seeking the participation of NDAs/focal points and relevant stakeholders in the early stages of the project cycle and beyond the provision of the no-objection letter.

In decision B.17/09, the Board considered the review of the initial proposal approval process and endorsed immediate actions by the Secretariat to improve the effectiveness, transparency and country ownership of the process – including encouraging and supporting NDAs to solicit AEs to support country programmes and the preparation of the pipeline based on the principle of country ownership (Annex III). The Board also agreed, in the context of decision B.11/11, paragraph (p), to insert the following new stage into the project and proposal activity cycle: "On receipt of a concept note submission from an accredited entity, the Secretariat will seek confirmation from the national designated authority or focal point that the concept note fits under national priorities and country ownership."

At its twenty-second meeting, the Board approved revisions to the investment criteria indicators, which for country ownership are (a) alignment with NDCs, relevant national plans, and/or enabling policy and institutional frameworks; and (b) explanation of engagement with relevant stakeholders, including NDAs.

Environment, social, gender and indigenous people's policies

The GCF safeguards system is also relevant for country ownership and is the subject of a separate IEU evaluation.

The Environmental and Social Policy was approved in decision B.19/10 and applies to all GCF-financed activities. The policy sets out GCF requirements for ESS, while also allowing that "[a]dditional country requirements on environmental and social safeguards and sustainability may be integrated with GCF requirements at the activity level, provided that the accredited entities establish that the additional requirements are consistent with and at least as rigorous as the ESS standards of GCF and this policy." The policy also requires broad multi-stakeholder support and participation throughout the lifecycle of GCF finance activities. Roles and responsibilities are described for the GCF Secretariat and AEs, including intermediaries.

In decision B.09/11, the Board adopted a gender policy (Annex XIII of the Ninth Meeting Report). The section of this policy on country ownership states:

> *"The Fund informs national designated authorities (NDAs) and focal points that proposed projects or programmes submitted to the Fund are required to be aligned with national policies and priorities on gender and with the Fund's gender policy. The Fund requires that women and men be provided with equitable opportunity to be included in stakeholder consultations and decision-making during project and programme preparation, implementation and evaluation."*

The Board's approved indigenous people's policy also addresses elements of country ownership (decision B.19/11):

> *"This Policy supplements the best practices for country coordination and multi-stakeholder engagement processes for developing national strategic frameworks and FPs and will apply to these and any future engagement processes of GCF. Specifically, this Policy informs national designated authorities and focal points that any consultative process through which national climate change priorities and strategies are defined must also consider applicable national and international policies and laws for indigenous peoples. Furthermore, the criteria and options for country coordination through consultative processes should include indigenous peoples in an appropriate manner. The requirements of this Policy form part of the relevant GCF ESS standards that accredited entities and states need to take into account when developing proposals, as well as ongoing monitoring and evaluation after approval."*

c. Existing evaluative evidence on country ownership from GCF IEU studies

The recent IEU evaluations of the GCF RPSP and Results Management Framework (RMF) include several findings, conclusions, and recommendations that are highly relevant for this COA evaluation. These are summarized below.

i. RPSP evaluation findings on country ownership

The RPSP evaluation found that, overall, the RPSP has not yet strongly contributed to ensuring country ownership, but that the programme had some successes in strengthening the role of NDAs/focal points, on direct access entities (DAEs), stakeholder engagement and the NoP process. CSO participation and private sector support have been rudimentary so far.

The RPSP scored seven attributes of country ownership and drivenness on a scale from 0 to 3. This was done in nine country case studies and for the following indicators: (i) the NDA/focal point is established and functional; (ii) stakeholder consultations are organized by the NDA/focal point; (iii) an NoP has been established and is operational; (iv) a country programme has been developed, includes a pipeline of concrete projects and is agreed upon with the major stakeholders; (v) one (or more) DAE(s) has/have been accredited; (vi) one (or more) DAE(s) has/have submitted funded project proposals and/or seen it/them approved; and (vii) (as of 2016) progress has been made on NAP planning and completion. The aggregate measurement index of country ownership showed three out of nine countries scoring in the upper tier (15–21 points), five in the medium tier (8–14 points) and one in the lower tier (0–7 points). The RPSP evaluation also points out that achievements may have occurred because of the presence of other support mechanisms beyond the GCF.[110]

In detail, the RPSP evaluation reported that the functioning of the NDAs/focal points is still frequently an obstacle to greater country ownership, despite progress. The evaluation often found weak staffing, with much time spent on project preparation and reporting, and there was "far greater need to further strengthen NDA/focal points, their capacity and focus on GCF." RPSP support for high-level political commitments and coordination mechanisms is not yet clear. Up to August 2018, the RPSP also had made limited contributions to finalizing GCF country programmes (CPs), although many are under preparation in various drafts. The goals of CPs under development remain unclear, and they often have vague climate rationales, particularly for adaptation. Moreover, the RPSP-supported CPs focused primarily on GCF engagement, not more broadly on climate change architecture, policies, priorities and climate finance.

RPSPs have been least effective on accreditation of DAEs, relative to other support areas, and international accredited entities (IAEs) retain a large role. On the other hand, one or more DAEs were accredited in six out of eight RPSP sample countries, although some of these entities benefited from prior experience with non-GCF support mechanisms. According to the RPSP evaluation, the particular RPSP support for DAEs has not always been clear, nor so the recommended number of DAEs per country. The accreditation process remains lengthy and complicated, despite well-appreciated support by PricewaterhouseCoopers in some countries. The RPSP provided more support for identifying and nominating candidates for accreditation than to the process of accreditation itself.

The evaluation also raised doubts whether overall RPSP support and project preparation funds were sufficient for transformative project pipeline development, particularly by DAEs, and to ensure innovation and scaling-up potential. This is an area that would require deeper examination, including in this evaluation of the COA.

RPSP support is seen as most effective in facilitating information-sharing events through structured dialogues and other workshops, to enable country GCF engagement and sharing and learning from other countries' experiences. NAPs reportedly are progressing in many countries, but most do not provide sufficient evidence of country ownership yet. The report also wondered whether the

[110] This Evaluation of the GCF Country Ownership Approach will build on these seven attributes from the IEU RPSP evaluation; it will go in-depth and broaden them as discussed below in section III B. of this report.

provision of smaller amounts for learning events would potentially be more useful than the usual amount of USD 3 million provided under the fairly recent NAP window.

It is not yet clear whether compliance with country and GCF ESS is really happening ("once GCF funding proposals start to get implemented [things] will become clearer"). Little has been done through RPSP to improve the incentive environment for crowding in private sector investments and "government authority is supported over other stakeholders, thus marginalizing CSOs, with unintended effects on the political balance of power, causing some discord."

The GCF business model is based on partnership, but long delays in approvals and lack of clarity and consistency in GCF guidance caused frictions and inefficiencies in partnerships.

RPSP management is improving (e.g. the revised RPSP Guidebook and longer-term contracts for Regional Advisors) but processing times and Standard Operating Procedures are not yet sufficiently defined. There is no monitoring of RPSP achievements by the GCF's Division of Country Programming (DCP), and "it is highly challenging to report on country ownership across the portfolio."

Differences across countries

The evaluation underlines the importance of country context (needs and capacities) in the country ownership principle and its application. It finds that readiness varies greatly between countries (and so do RPSP results), depending on overall vulnerability, prior readiness support from other institutions, institutional capacity, and strength of national leadership and commitment at high levels of government. Prior financial and technical support helped some countries to engage with the GCF, including on DAEs. RPSP is least effective in LDC, SIDS and African States, but more effective with accreditation in SIDS. Gender-sensitive considerations have varied considerably among countries, with less integration in the GCF Africa portfolio than elsewhere.

Country flexibility to define and pursue country ownership

The GCF is deliberately flexible in its RPSP support, including for country ownership, which reflects the variability in the context and situation of individual countries. It offers fairly standard instruments that promote country ownership.[111] The GCF has delegated many critical decisions on GCF-related country architecture and procedures to the countries themselves. Countries are free to decide on (and ask RPSP and other support for) the following: (i) choice of IAEs and DAEs and funding sources, depends on preferences of the country, although there is a GCF preference for DAEs; (ii) NDA/focal point set up and location in government, as well as the composition of the coordinating body that attests on project no-objection and participates in nominating DAE candidates for accreditation; (iii) extent of involvement of CSOs; and (iv) operationalization of gender, indigenous peoples and other ESS considerations. Further, there is no requirement or template for CPs, nor a requirement for FP concept notes.

The RPSP evaluation notes that the less prescriptive approach of the GCF is also reflective of a relatively new fund, still to "define its policies in light of experiences gained and the demands of its member countries." The evaluation suggests that in the future, the GCF might consider other models on ownership, country coordinating mechanisms and firewalls, possibly similar to those in the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

With reference to the NDA/focal point location in government, the RPSP evaluation found tensions between environment and finance ministries in some countries, and ineffectiveness and inefficiencies arising due to potentially limited political influence of Ministries of Environment, lack

[111] Three quarters of eligible countries (113 of 145) requested RPSP grants. Non-participation (n=35) has diverse reasons that are further explained in the report.

of strong leadership to develop project pipelines, and influence with other line ministries. It notes that "it is almost only with the GCF that environment ministries play such a high-profile and coordinating role."

On a different issue, the evaluation identifies limited flexibility in adjusting approved project plans to changing circumstances as an obstacle to country ownership.

ii. RMF evaluation findings on country ownership

Box A - 3. RPSP evaluation recommendations (summarized)

1. Administrative changes and enhanced in-country support
   1.1. Carry out various administrative changes and processes, including real-time project status monitoring.
   1.2. Provide more in-country support for results-oriented CPs, accreditation and coordination mechanisms.
2. Refining RPSP vision, strategy and results
   2.1. Better define "readiness" and how it is measured. Make choices whether RPSP should be oriented mainly for GCF interventions or broader.
   2.2. Clearly determine RPSP role, comparative advantage and niche compared with other bi- and multilateral climate finance programmes.
   2.3. Communicate better with countries.
3. Move beyond "business-as-usual"
   3.1. Scenario 1: "Business-as-usual plus": Focus RPSP on critical areas to ease access, decrease transaction costs and increase overall effectiveness and efficiency.
   3.2. Scenario 2: Customize support and strategic focus to national needs, contexts and intended results, and provide differentiated services based on country needs and types.
   3.3. Request countries to self-identify into several categories, based on needs and capacities.

The IEU's evaluation of the GCF RMF points to several critical aspects with respect to country ownership, with strong reference to the respective roles of the GCF, AEs, NDA/focal points, and other country stakeholders in results-based programming and project management.

RMF indicator formulation and theories of change

The RMF flexible menu of 43 core, impact, and outcome indicators to some extent assists countries in focusing their project proposals on result areas that the GCF "prizes". But there is limited clarity and guidance for countries and AEs on how core RMF indicators are defined. Also, GCF Theories of Change are not yet well formulated, consolidated and finalized, including those for key thematic areas. The GCF has laid out specific objectives and desired results in many frameworks and documents, but there is no single document that ties these together.

Alignment of GCF and country RMFs

Usefulness and relevance of the GCF RMF are higher when aligned with local country RMFs and monitoring, reporting, and evaluation (MR&E) systems, to the extent possible. Currently, GCF RMF indicators do not inform and are not informed by national monitoring systems. The GCF RMF has not been instrumental for countries to develop their own climate change indicators.

Clarity of NDA role in MR&E throughout the project cycle

The RMF evaluation notes "although the RMF reaffirms that country ownership is an essential principle for Fund operations the GCF has not produced guidance for the NDAs' role beyond granting non-objection letters."[112] As a result, the NDA role in MR&E is marginalized, and NDAs are kept out of the loop in management of GCF-funded projects. The RMF does not provide an avenue for NDAs to manage or provide oversight for GCF investments. "This is critical since the NDAs are mandated to be central in ensuring that countries own the results of GCF investments. […] This has become a source of confusion and tension between the NDAs and AEs and represents a loss of opportunity to improve coordination, use, management and reporting for results. Also, presently, results reporting systems for GCF projects completely bypass national monitoring and evaluation systems and capacities."[113] In the short-term, this prevents GCF projects from being included in national systems reporting and long-term (sustainable) application of GCF project-initiated systems.

Involvement of multiple stakeholders

The RMF evaluation concludes that the involvement of multiple stakeholders in countries is critical to ensure relevant project objectives and indicators are formulated and achieved, including through country coordination and project mechanisms. The RMF evaluation recommends, among other things, that the Secretariat should initiate a dialogue with the NDAs, AEs and other key stakeholders to define the appropriate role of the NDAs throughout the project cycle, and where possible GCF indicators should link with country monitoring indicators and SDG reporting.

3. Methods

a. Process followed to date

An initial kick-off call between the ICF COA evaluation team and the IEU was held on 14 February 2019.[114] The evaluation team immediately began initial document review, including relevant GCF Board decisions and documents as well as external academic and grey literature on country ownership, development aid and climate finance. An initially structured bibliography (list of documents consulted for the preparation of this inception report) is provided at the end of this report. The team also began reviewing GCF portfolio data to inform its country case study selection process.

From March 4 to 8, the ICF Team Leader and Deputy Team Leader for this evaluation (Detlev Puetz and Jessica Kyle) participated in a five-day inception mission at the GCF headquarters in Songdo, South Korea. This mission enabled the evaluation team to identify clear priorities for this evaluation, finalize key elements of the approach and methods, and generally establish a working relationship. During this week, a series of meetings were also held with GCF Secretariat and Independent Unit staff across numerous offices and divisions, including the Office of the Executive Director (OED), Office of General Counsel (OGC), Office of Governance Affairs, Office of Risk Management and Compliance (ORMC), Office of Portfolio Management (OPM), Department of External Affairs, Private Sector Facility (PSF), Division of Mitigation and Adaptation (DMA), DCP, Office of Internal Affairs, Independent Redress Mechanism (IRM), and Internal Audit Unit. During this week and the one following, the evaluation team also held virtual consultations with two Regional Advisors and one active CSO observer[115] to inform the design of the evaluation matrix and identification of key issues and tensions.

[112] GCF IEU, 2018, viii
[113] Ibid.
[114] The contract was fully executed on February 11, 2019.
[115] Florence Richard for Africa; Binu Parthan for Asia; and Liane Schalatek of Heinrich Boell Foundation.

Box A - 4. Initial observations from the scoping phase to date

Initial document review and scoping consultations indicated that country ownership is not only a fundamental principle and an outcome for the GCF but importantly is also a key instrument to achieve its major vision and strategic objectives. Country ownership is seen as playing a critical role in bringing out long-term institutional and behavioral transformational change and paradigm shift to low emissions and climate-resilient development, with broad participation and calculated risk-taking in the design of innovative projects that have optimal long-term climate change rationale and outcomes.

During the inception mission some key questions were raised as to what extent country ownership is compatible with these and other ambitious GCF objectives and principles, why country ownership may sometimes be in the way, and whether the GCF is effectively supporting the right institutional capabilities and capacities and applying the right business model for countries to assume full ownership and leadership for transformational change. Specifically, the following "pressure points" were identified, for further exploration:

- Country ownership may not necessarily produce projects and other activities that maximize climate change **additionality, impact** and **paradigm shift**.
- Country ownership that is vested too much in public authorities with limited strategic vision and convening power may not lead to the **multi-stakeholder participation model** for country ownership favored by the GCF that would bring together a broad coalition of stakeholders and partners, including relevant line ministries, CSOs, and the private sector.
- Countries may prefer to have **faster and easier access to GCF resources** than GCF business processes and quality requirements for direct access accreditation and FPs permit. Capacity support may not be sufficient to accelerate access. This could lead to less interest in countries, and thus assumption of country ownership, in accessing the Fund and developing strategic GCF programmes and project pipelines.
- Country ownership is apparently particularly critical, but still deficient, in **identifying and supporting private sector solutions** to climate change. Institutional cultures of public and private sector operations differ significantly.
- A key question is around the added value of **GCF CPs** in ensuring country ownership and in turn delivering high-quality, innovative projects with paradigm shift potential.

In addition, the intersection of country ownership and ESS came up during inception meetings. ESS is currently the subject of another ongoing IEU evaluation; the COA evaluation will closely link up with this evaluation and address ESS issues mainly where they are raised by country partners.

This evaluation will analyze the relevance, importance and possible mitigation measures with regard to the five pressure points identified above and explore the evidence and success stories related to them. Related issues are also well reflected in the questions of the evaluation matrix and the evaluation's normative framework.

b. Methodological approach

i. Key evaluation questions and matrix

The evaluation questions are structured around four themes and areas of interest: GCF strategic and policy environment, country capacities and readiness, accreditation and direct access, and the project cycle (see Table A - 3). First, how is country ownership understood, operationalized and mainstreamed in GCF policies and instruments, access modalities and project cycle; how well are GCF and country climate change policies aligned and how well are GCF overall priorities aligned with country ownership; and how does the conceptualization and application of country ownership in the GCF compare with other climate finance institutions? Second, how is country ownership for climate change understood and applied by recipient countries, how have critical country capacities for country ownership been supported by the GCF, and to what extent are country systems being used? Third, how relevant and effective are the GCF accreditation process and direct access modality for countries' needs and priorities, in view of country ownership? And fourth, how is country ownership operationalized throughout the project cycle, from origination to design to implementation to monitoring?

The themes of the private sector and multinational projects and country ownership implications are planned to receive special attention as cross-cutting themes. For a detailed evaluation matrix with key methods and source/type of data, see Appendix I.B.

Table A - 3. Key evaluation questions

Areas	Evaluation questions
Country ownership in the strategic and policy environment	**GCF policies**. How does the GCF define and operationalize country ownership? How coherent and sufficient are GCF policies and investment criteria on country ownership? How well are GCF overall priorities (e.g., investment criteria) aligned with country ownership? **GCF and country policy alignment**. To what extent are GCF and country level policies aligned, especially with respect to the GCF investment criteria? ? Do GCF CPs reflect country-level policies and strategies (NDCs, NAMAs, NAPs, etc.), as well as major GCF objectives and concerns, including the GCF investment criteria? To what extent are country policies and priorities given primacy? **Roles and responsibilities**. Are institutional roles and responsibilities of NDAs/focal points, AEs, the GCF Secretariat and other stakeholders clearly and appropriately defined to support country ownership? **Benchmarking**. What are we learning from the experiences of other climate finance organizations in terms of country ownership?
Country capacities and readiness	**Recipient country understanding and operationalization of country ownership**. How do recipient countries understand and conceptualize country ownership and use it in formulating CPs, NAPs and other climate change related policies? How well is country ownership reflected in country governance (institutions, country coordinating mechanisms, technical consultations, etc.)? To what extent do CPs strengthen country ownership and support the achievement of other GCF objectives, such as paradigm shift? **Overall GCF capacity-building**. To what extent have critical country capacities for country ownership been established and strengthened by the GCF (NDAs, NoPs, multi-stakeholder country coordinating mechanisms, national consultants, Structural Dialogue (SD), conferences, workshops, etc.)? Are they effective and efficient, and addressing country needs? **Country systems**. To what extent are country-level systems for programme and project management used and supported by the GCF?
Country ownership through accreditation and direct access	**Accreditation process**. How effective and efficient is the accreditation process in terms of country ownership and drivenness, and does it meet recipients' needs? To what extent do international AEs support the concept of country ownership, and how do they compare to DAEs? **Direct Access**. How relevant and effective is Direct Access (and Enhanced Direct Access (EDA)) to countries' needs and priorities and in promoting country ownership? Do IAEs contribute to capacity-building for direct access, for public and private sector development projects and programmes?
Country ownership in the project cycle	**Country stakeholder engagement in project origination**. How engaged are countries in initiating and supporting FPs, matching and nominating AEs, co-investment and broad stakeholder consultations? What role does GCF CPs play in this process? **Funding proposal preparation and approval**. How well do FPs address the GCF investment criteria on country ownership and facilitate country ownership? How effective and efficient is the funding proposal preparation and approval process and related GCF support mechanisms (in particular PPF, Simplified Approval Process (SAP) and NoP), in view of country ownership?

AREAS	EVALUATION QUESTIONS
	Country ownership in implementation. How effectively and efficiently is country ownership applied throughout implementation, particularly in involving all relevant stakeholders at critical activities and stages? **Monitoring, reporting & evaluation**. To what extent does the GCF leverage and strengthen country MR&E capacities? How well are GCF RMF and project MR&E aligned with country systems? Are NDA roles and responsibilities in MR&E well defined throughout the project cycle?

ii. Normative framework for assessing country ownership

In addition to the evaluation matrix, the evaluation team has developed a draft normative framework for assessing country ownership, which is rooted in understanding and contextualizing the GCF COA in its broader landscape at the global and local levels. This framework sets out broad pillars and dimensions of country ownership, as shown in Table A - 4 below, based on a review of external literature and GCF documentation. It seeks to go into more depth and beyond the seven attributes of country ownership that were set out in the IEU RPSP evaluation as mentioned earlier, to provide a closer and more comprehensive look at the principle of country ownership, from the recipient country perspective.

The framework will serve multiple purposes over the course of the evaluation:

- It will be used to gauge stakeholders' perceptions on how country ownership is faring at the recipient country level. For this purpose, it will be adapted into a tool, with a scoring system, as is laid out in the draft form in appendix II.
- It will also help inform broader analysis on the extent to which, and how effectively, GCF policies, processes and modalities currently support and strengthen each of the dimensions of country ownership, in partnership with other climate finance and development organizations. The framework can also help inform an understanding of where there could be more emphasis of GCF support, to better contribute to GCF objectives.
- Finally, and importantly, the normative framework can be used to try to disentangle the concept of country ownership for the GCF and contribute to an understanding that could be carried forward and possibly used in the future to gauge or monitor progress towards this principle and outcome. The framework will be revisited and revised at the end of the evaluation, based on the learnings.

The normative framework shown below was developed based on an in-depth review of the academic and grey literature on country ownership, the UNFCCC, and effective development aid, as well as a review of GCF documents. First, major attributes of country ownership were identified from key sources that represented either extensive international multi-stakeholder consultative processes or academic literature syntheses (see section 2.a and Table A - 1 above). Then common themes were sought from among these attributes to develop the "pillars" of country ownership. The "dimensions" were further developed based on (1) an elaboration of the attributes in the literature reviewed, and (2) a mapping of attributes to key GCF elements (such as Fund-level objectives, policy alignment, CPs, NDCs, NAPs, accreditation and direct access, NDAs/focal points, NoP, RPSP, project cycle, and multi-stakeholder engagement), to ensure coverage.

Table A - 4. Normative framework for country ownership

Pillars of country ownership	Dimensions of country ownership
Leadership and consultation: Country governments lead strategic programming and prioritization processes, ensuring policy alignment, and in broad consultation, through a multi-stakeholder participatory process	Recipient country leadership in strategic programming and prioritization for climate change and finance
	Alignment of GCF objectives, priorities, and support and national strategies and priorities
	Multi-stakeholder engagement including civil society and private sector
Institutional capacity and commitment: Country stakeholders commit to funded activities that address GCF objectives and priorities, and have the capacity to do so	Institutional capacity to plan, manage and implement climate activities that are country-owned and consistent with GCF priorities (such as paradigm shift and impact)
	Institutional commitment through pipeline development, country co-investment and local execution
	Use of country systems and expertise
Mutual responsibilities: The GCF, accredited entities and recipient countries adopt global best practices in planning, delivery, and reporting, and are accountable to each other for these practices	Predictability and transparency of funding allocation
	Timeliness of commitment and disbursement of funding
	Sharing of results and experiences with national and international stakeholders

iii. Utilization-focused, participatory and collaborative approach

The evaluation will focus on the utility of both the evaluation process and products to key stakeholders, with the objectives of providing learning, informing decision-making and improving overall performance. Key planned actions are as follows:

- **Clearly identify and engage primary users at the beginning of the evaluation – and use that input to guide the evaluation**. As noted earlier in this section and in section a above, the evaluation team has sought and considered the input of the key GCF stakeholders in designing this evaluation.
- **Continue to engage with GCF stakeholders and evaluation users throughout the evaluation** process with the objective of a consultative and participatory process. Engagement is planned through several channels: through extensive consultation using interviews, focus groups, and surveys; and through evaluation team presence and active engagement at key GCF events (e.g. the twenty-third meeting of the Board).
- **Actively involve the NDAs/focal points in the conduct of the country case studies**, to support ownership, learning, and validation. NDAs/focal points will be engaged in the planning process, as well as have the opportunity to review the case study reports, to ensure factual accuracy and opportunity for improvement.
- **Actively engage with the team conducting the FPR**, as an important user of the country ownership evaluation (see also section 4.a.).
- **Write and share the evaluation findings and recommendations in a manner that promotes uptake and facilitates use** by a diverse audience. Findings and conclusions will be appropriately contextualized within the wider landscape of the GCF, and the evidence base for each finding will be clearly and systematically presented, to ensure credibility. Recommendations will be linked to the findings and actionable; this may include presenting

scenarios for recommendation uptake and potential change pathways that the GCF could follow to better support the principle and process of country ownership. A series of presentations/webinars on the emerging results of the review will be held, tailored to different audiences to support learning.

c. Detailed methods

This section presents the methods for this evaluation, including document review, portfolio analysis, meta-analysis and benchmarking, stakeholder consultation (key informant interviews and survey) and country case studies.

i. Document review

The evaluation team will conduct a comprehensive document review to inform our understanding and assessment of the COA in the GCF, drawing on the following documents:

- GCF policies, Board decisions, and meeting reports
- UNFCCC decisions and guidance to the GCF
- GCF Secretariat administrative/operational documents, audits, and reviews
- Readiness documents, including proposals, CPs, NAPs and progress reporting
- Accreditation documents, including nominations, proposals and entity workplans
- Project cycle documents, including concept notes, PPF proposals, FPs, Secretariat and the independent Technical Advisory Panel (iTAP) reviews, CSO comments, funded activity agreements, and annual performance reports
- External resources, including academic and grey literature on country ownership and climate finance, grey literature on country ownership and the GCF (such as reports and blogs prepared by NGOs), and country-level documentation for the case studies (such as NDCs, climate change policies and strategies, newspaper articles, national political economy assessments, and so on)

ii. Portfolio data analysis

Portfolio-wide data analysis will be critical evidence for this evaluation. The evaluation team will work closely with the IEU DataLab team to identify what data analyses could inform the key evaluation questions (see Box A - 5), what data would be needed for those analyses, and the respective roles and responsibilities of the evaluation team and the IEU DataLab. Data analysis will also be an important input into the interview process, using the data to identify trends and potential bottlenecks and the interviews to help understand and explain these findings.

The data sets to be used will be valid through 8 July 2019.

Box A - 5. Examples of relevant data analyses

- Analysis of key parameters of RPSP support
- Qualitative content analysis of SD and DAE workshop reports
- Key variable analysis of FP sections on country ownership (E5) and recipient needs (E4)
- Analysis of alignment of FP results/needs areas with CP priorities and NDC priorities/needs
- Analysis of the status and distribution of entities in the accreditation process
- Analysis of what direct access entities are accredited for and the sectors/areas in which they have experience; comparison against NDC priority areas for GCF priority countries
- Analysis of number and proportion of PPF grants being accessed and executed by entity type
- Project cycle time-lag analysis by AE type, NDA location, and other parameters

- Government co-investment analysis by AE type, project type, and other parameters
- Cross-tabular analysis of the iTAP and Secretariat review scores on country ownership and other investment criteria

iii. Meta-analysis and benchmarking

A meta-analysis and benchmarking exercise will be conducted to learn from the experience of other global climate finance organizations. The organizations to be reviewed are the Global Environment Facility (GEF), the Climate Investment Funds (CIF), the Adaptation Fund (AF), the Multilateral Fund for the Implementation of the Montreal Protocol (MLF), and the Global Fund.

A benchmarking tool will be developed to enable systematic extraction and comparative analysis of information from policy and operational documents, as well as through key informant interviews (KIIs). The tool will align with the key thematic areas in the evaluation matrix, including definitions and policies relevant to country ownership, access modalities, capacity support, and country ownership in the project cycle. Evaluative information will also be reviewed, to the extent that it exists and can inform a better understanding of whether certain features (e.g. government focal points, country coordination mechanisms, local stakeholder consultation) are working well or not working well, and why.

iv. Stakeholder consultation

A wide range of stakeholders will be consulted via KIIs and surveys.

Key informant interviews

To guide the interviews, semi-structured interview protocols will be developed, tailored by stakeholder type, and iteratively tested and improved. KIIs will be held in person when feasible, or via telephone or videoconference when not feasible. Interviewers will take detailed, typed interview notes, which will be anonymized and coded in Dedoose to facilitate qualitative analysis. shows the types of stakeholders that will be consulted and the sampling approach.

Table A - 5. Stakeholders to be consulted

Type of stakeholder	Sampling
GCF Board Members and Active Observers (CSOs, Private Sector Organisations (PSOs))	Approach all; 24
UNFCCC	Key actors; 2
GCF Secretariat Staff, across key offices and divisions, including DCP, DMA, PSF, IRM, OED, ORMC and OPM	Key actors, plus snowballing approach; approximately 20
NDAs/focal points	2 per country case study (14); purposive selection of 11 more NDAs for remote KIIs; all NDAs approached through an online survey
Entities that are nominated, or have achieved accreditation, for national and regional direct access (DAEs)	Selection on the basis of country case studies; 10 more DAE KIIs; all DAEs approached through an online survey
IAEs	Representative of approved projects; 6
Regional Advisors	One per region; 6
Delivery Partners (DPs)	Key actors; 10
Accreditation Panel	Key actors; 6

TYPE OF STAKEHOLDER	SAMPLING
iTAP	Key actors; 6
Additional country-level stakeholders, including public and private implementing partners, accreditation stakeholders, CSOs, PSOs, potential beneficiaries, academia, UNFCCC focal point	Key actors, plus snowballing approach; minimum of 12 per country case study
Additional external actors and experts (e.g. GEF, CIF, MLF, AF)	Key actors, plus snowballing approach; approximately 10

Perceptions survey

The evaluation team will administer two surveys. A short perceptions survey will be administered through an online platform (Survey Monkey) to key GCF stakeholders, including NDAs/focal points, AEs, and CSOs/PSOs, using integrated skip logic to ensure questions are targeted to the specific audience. This online survey will be administered jointly with the survey planned for the IEU evaluation on ESS in the GCF. A second short survey will be administered in person, during KIIs conducted as part of the country case study visits (see next section). The purpose of this survey will be to inform the measurement of some indicators in the normative framework, and it will be designed as part of the country protocol.

v. Country case studies

Country case studies will be used to take a more intensive look at the conceptualization and operationalization of country ownership in GCF recipient countries. These case studies are not intended to be representative of the overall GCF portfolio or experience, nor will they be sufficient to make GCF-level conclusions on country ownership. Instead, the country studies will be important to inform a more in-depth and grounded understanding of how recipient countries view country ownership and its issues and tensions, as well as to provide compelling examples that can be used in the final evaluation report to illustrate GCF-wide findings.

Country case study selection

The terms of reference provide for five country case studies to be led by the COA evaluation team. These five countries will be complemented by two additional country studies being led by the FPR evaluation team and IEU in Rwanda and Grenada. In addition to these seven countries, 11 additional countries will be selected for remote KIIs.[116]The five countries to receive evaluation team visits (Colombia, Fiji, Indonesia, Morocco, and Uganda) were purposively selected, according to the following criteria and considerations. Table A - 6 below shows the attributes of the countries selected against these key criteria.

- Ensure geographic coverage, including GCF priority countries, of two African States; one SIDS country; one country from LAC; one country from Asia-Pacific.
- Exclude countries that do not yet have approved projects.
- Exclude the 12 countries selected by the FPR.
- Ensure diversity across key criteria, including whether a DAE has been accredited; whether countries have participated in the RPSP and whether they have a GCF country programme; where in the government structure the NDA/focal point is located; and project dimensions,

[116] These countries will be purposively selected using similar criteria to those shown below for the five COA case study countries. In each country, the evaluation team will approach at minimum the NDA and RPSP DP for remote KIIs.

including public/private, national/multinational, and the IAEs (ensuring coverage of those that have the greatest volume of GCF projects to date.

Table A - 6. Selected country cases and key attributes

Country	Region	Priority Country category	Number of projects approved	Have a DAE?	Accessed PPF?	Accessed RPSP?	Have submitted a CP?	Have private sector projects?	Have multi-national projects?	NDA location	IAEs with approved projects
Countries to receive visits from the COA evaluation team											
Colombia	LAC	--	1	Yes	Yes	Yes	No	No	No	National Planning Department	UNDP
Fiji	Asia-Pacific	SIDS	1	Yes	Yes	No	No	No	No	Ministry of Economy	ADB
Indonesia	Asia-Pacific	--	2	Yes	Yes	No	Yes	Yes	Yes	Ministry of Finance	FMO; World Bank
Morocco	Africa	African State	6	Yes	Yes	Yes	Yes	Yes	Yes	Ministry of Energy, Mining, and Environment	FMO; AFD; EBRD
Uganda	Africa	African State; LDC	5	Yes (in pipeline)	Yes	Yes	No	Yes	Yes	Ministry of Finance	FMO; AFD; EIB; UNDP
Countries to receive visits from the FPR team, along with a GCF IEU COA evaluation team member											
Rwanda	Africa	African State; LDC	2	Yes	Yes	Yes	Yes	Yes	Yes	Rwanda Environment Management Authority	Acumen
Grenada	LAC	SIDS	4	No	No	Yes	No	Yes	Yes	Ministry of Finance, Planning, Economic Development, and Physical Development	GIZ; EIB; IDB

Source: IEU DataLAB, February 2019

Country protocol for planning, implementing, reporting and validation of country visits

A protocol for the country case studies will be prepared to ensure that evaluators plan, implement, report and validate country visits in a consistent manner. The protocol will be piloted in one country first (Uganda), reviewed and refined, and then applied in the remaining four countries. The country protocol will cover the following aspects:

- **Planning** – Some of the planning elements to be covered in the country protocol, as well as the summarized guidance, are provided in Table A - 7 below.
- **Implementation –** The country protocol will cover how the ICF team should represent itself (i.e. as a representative for the IEU), the conduct of KIIs (according to the interview protocols), the requirement for typed interview notes, and the procedure for administration of a short survey, among other areas.
- **Reporting** – A template will be provided for the country case study reports, and will be aligned with the four thematic areas of the evaluation matrix. Annexes will include a brief overview of the GCF portfolio, documents reviewed, and stakeholders consulted, at minimum. The report for Uganda will be prepared first and shared with the rest of the team, as an example. Guidance will be provided on the timeline for preparation of a draft of the country case study (e.g. within two weeks of return to office).
- **Validation** – Draft country case study reports will be shared with the NDA for factual validation.

Table A - 7. Summarized planning guidance for country protocol

PLANNING ELEMENT	ABBREVIATED GUIDANCE
Country visit duration and timing	Five working days in-country
Fieldwork team composition	One ICF core team evaluator, plus a local consultant; IEU staff to join three of five visits
Notification approach	IEU to send out an official notification letter to the NDA/focal point representative; ICF evaluators to follow up with the NDA/focal point to confirm country visit timing
Document review	Review relevant GCF documents (readiness documents, CPs, accreditation proposals, entity work programmes, Concept Notes (CNs), PPF proposals, FPs, Secretariat, iTAP, and CSO/PSO comments on FPs, Annual Performance Reports (APRs) as well as external and secondary literature (e.g. NDCs, papers on climate change coordination or political economy)
List of key informants and interview scheduling	ICF evaluator to identify initial priority list of key informants based on the document review and request for suggestions to the relevant Regional Advisor; list should include GCF Board member (if applicable), NDA/focal point, AE, implementing and executing entities, accreditation stakeholders, CSOs, PSOs, academia, potential beneficiaries, the UNFCCC focal point, among others; ICF evaluator to share initial list with the NDA for input; local consultant to work directly with the NDA to arrange the schedule of interviews
Site visit	Possibility for a site visit to an active GCF project to be assessed on a case-by-case basis, depending on logistical considerations (whether a project site can be reached and visited within one day) and the potential to speak with local beneficiaries that may have been consulted, for example, as part of project preparation or as part of a priority region in the country programme

4. Workplan

The evaluation process has been divided into three general phases:

- **Inception and planning phase** (February–March 2019) – This phase involves the process followed to date (as described in section 3.a) and culminates in the final Inception Report (see also Table A - 8 below).
- **Data collection and analysis phase** (March–June 2019) – This phase involves the planning and implementation of the data collection and analysis methods described above in section 3c.
- **Reporting phase** (June–October 2019) – During this phase, the evaluation report will be drafted, shared and socialized; feedback will be received and responded to, and the report will be finalized and widely communicated.

The key deliverables for the evaluation are described below, followed by a detailed workplan for the evaluation.

a. Key deliverables

The evaluation team will produce three key deliverables, as shown in Table A - 8 below. In addition to these key deliverables, other work products will include tools and protocols (country case study protocol, interview protocols, benchmarking tool, normative framework tool), online survey, data sets produced or analyzed in collaboration with the IEU DataLab, presentations, and learning products. All outputs produced by the evaluation team will go through a thorough quality assurance process prior to delivery to the IEU.

Table A - 8. Key deliverables and deadlines

Key deliverable	Description	Date
Inception Report	Describes the approach, methods, and workplan for the evaluation	Draft Inception Report (15 March 2019) Final Inception Report (based on receipt of comments)
Written Input to the FPR	Provides the emerging findings in each key thematic area of the evaluation matrix, to support alignment between the FPR's findings on country ownership, and the COA evaluation Draws on the two country case studies to be completed by end of April, among other evidence	Written Input to the FPR (3 May 2019)
Evaluation Report	Provides the evaluation's key findings, lessons learned, conclusions and recommendations; a draft outline for this report is provided in Appendix III Will also include annexes that ensure the transparency of the evidence base, such as the list of stakeholders consulted, structured bibliography, country case study reports, portfolio analysis results, meta-analysis and benchmarking results, and survey results	Zero-draft Factual Report (28 June 2019) Revised Report (based on receipt of comments) Final Report (30 August 2019)

b. Detailed workplan

Table A - 9 presents a detailed workplan for the evaluation. In addition to these activities, the ICF evaluation team will hold weekly calls with the IEU.

Table A - 9. Detailed workplan for the evaluation

Activities		Feb.		March				April					May				June				July					August			
		W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 5	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 5	W 1	W 2	W 3	W 4
Phase 1: Inception and planning																													
1	Initial document review	■	■	■																									
2	Country case study sampling		■	■																									
3	Evaluation matrix and normative framework development		■	■																									
4	Inception mission to Songdo			■																									
5	GCF stakeholder scoping interviews			■	■	■																							
6	Draft Inception Report and review process				■ •	■																							
7	Revision and submission of Final Inception Report						■ •																						
Phase 2: Data collection and analysis																													
8	Preparation of protocols and tools					■	■																						
9	Continued document review					■	■	■	■	■	■	■	■	■	■	■													
10	Portfolio analysis							■	■	■	■	■	■	■	■	■	■	■	■	■	■	■							
11	Key informant interviews								■	■	■	■	■	■															
12	Meta-analysis and benchmarking									■	■																		
13	Team leader joins FPR mission to Rwanda					■																							

Activities		Feb.		March				April					May				June				July					August			
		W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 5	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 5	W 1	W 2	W 3	W 4
14	Pilot country visit to Uganda							■																					
15	Four additional country visits (to be confirmed)										■	■	■	■	■	■													
16	Written input to the FPR											■ •																	
17	Online survey													■	■														
18	Data synthesis and triangulation														■	■	■												
Phase 3: Reporting																													
19	Factual Draft Report and review process																	■	■	■ •	■	■							
20	Webinars, slide decks, and B.23 for socialization																				■	■	■	■					
21	Revised Draft Report and review process																						■	■ •	■	■	■		
22	Final report to Board for B.24																											■	■ •

Note: Dark grey denotes review time; dots indicate deliverables

B. EVALUATION MATRIX

AREAS AND CATEGORIES	SUB-QUESTIONS	METHODS	SOURCE/ TYPE OF DATA
Country ownership in the GCF strategic and policy environment *Evaluation criteria: relevance, coherence, gender equity, paradigm shift, recipient needs, impact potential, sustainable development*			
GCF policy environment and coherence	How does the GCF policy environment define and operationalize country ownership? How coherent is the operationalization of country ownership with the rest of the GCF, in terms of its priorities and objectives (including paradigm shift and the climate rationale)?	Desk review KIIs with Secretariat, NDAs, Board members and observers Analysis of Secretariat view on country ownership	Relevant Board documents, decisions, CSO and Government Organisations (GO) comments
	Are GCF policies sufficient and appropriate to deal with country ownership?	Desk review KIIs with Secretariat, NDAs, Board members and observers Policy gap analysis	Relevant Board documents, decisions, CSO and GO comments
GCF and country policy alignment	To what extent are GCF policies aligned with country-level policies (NDCs, NAMAs, NAPAs, NAP, SDGs, CPs, etc.), as well as major GCF objectives and concerns, including the GCF investment criteria?	Desk review KIIs with NDAs, Secretariat and other country-level stakeholders (gov't agencies, CSOs) Country case studies	GCF policies National climate strategies/plans of priority regions (SIDS, African States, LDC)
	To what extent are country policies and priorities given primacy? Is this optimal? How well are country priorities aligned with GCF objectives?	Desk review KIIs with NDAs, Secretariat and other country-level stakeholders (gov't agencies, CSOs) Country case studies	GCF policies National climate strategies/plans of priority regions (SIDS, African States, LDC) CSO and GO comments

Areas and Categories	Sub-questions	Methods	Source/ Type of data
Clarity of roles and responsibilities	Are roles and responsibilities clear and appropriately defined (Secretariat, AEs, NDAs, Executing Entities/Development partners, other country stakeholders, such as CSOs)?	Desk review / Responsible, Accountable, Consulted, and Informed (RACI) matrix KIIs with NDAs, Secretariat, AEs, Executing entities/DPs, and other country-level stakeholders (gov't agencies, CSOs) Country case studies	Relevant Board documents and decisions Secretariat administrative instructions
Learning from other climate finance institutions	What are we learning from the experience of other climate finance organizations in terms of country ownership?	Desk review of various definitions of country ownership across institutions, including GCF IAEs Benchmarking/meta-analysis	Relevant document from global climate finance – GEF, AF, CIF, MLF, Global Fund, IAEs
Country capacities and readiness *Evaluation criteria: relevance, effectiveness, efficiency, gender equity, paradigm shift, recipient needs, impact potential, sustainable development*			
Recipient country understanding and operationalization of country ownership in policies and programming (CPs, NAPs, etc.)	How do recipient countries understand and conceptualize country ownership in climate change? How is country ownership supported through country policy commitment, climate change structures, processes, and stakeholder participation?	Desk review KIIs with NDAs, AEs and other country-level stakeholders (gov't agencies, CSOs), other international and national stakeholders, in-country academia Country case studies	National climate strategies/plans National climate change leadership and coordination structures
	To what extent does country programming strengthen country ownership? To what extent do CPs support the achievement of other GCF objectives, such as paradigm shift? Under what circumstances are such efforts effective and efficient? How has the RPSP contributed?	Desk review of submitted country programming documents; comparison of submitted projects to CPs Country case studies KIIs with NDAs, AEs other country-level stakeholders (gov't agencies, CSOs), Secretariat	Country programming documents (requested/approved/disbursed, time-lag data, country classification, region) RPSP data set

Areas and categories	Sub-questions	Methods	Source/ Type of data
	To what extent have NAPs contributed to strengthening country ownership (e.g. through informing priority country-driven actions for GCF funding)? How has the RPSP contributed?	NAP portfolio analysis Time-lag analysis Desk review of NAP guidelines, Board meetings decisions KIIs with NDAs, AEs and other country-level stakeholders (gov't agencies, CSOs), Secretariat Country case studies	NAP proposals (requested/approved/disbursed, time-lag data, country classification, region) Available country plans/strategies for selected countries (NAMA/NAPA/NDC, policies) NAP guidelines, relevant documents
Establishing and strengthening capacities for CO	To what extent are NDAs established and functional? And how has the RPSP contributed to strengthening them?	Desk review/synthesis of RPSP evaluation report on NDAs KIIs with NDAs, AEs, Secretariat, Country case studies	RPSP data set
	To what extent is an NoP established and functional and enhances country ownership?	Desk review/synthesis of RPSP evaluation report on NoPs KIIs with NDAs, AEs, other country-level stakeholders (gov't agencies, CSOs), Secretariat Country case studies	RPSP data set
	To what extent are multi-stakeholder coordination and consultation mechanisms established and effective? How has the RPSP contributed to strengthening them? How are different stakeholders represented in coordination mechanisms and are their roles clearly defined? Is there sufficient opportunity for multi-stakeholder participation and influence in programming in general?	Desk review/synthesis of RPSP evaluation report on coordination mechanisms KIIs with NDAs, AEs, other country-level stakeholders (gov't agencies, CSOs), Secretariat Country case studies	RPSP data set

Areas and Categories	Sub-questions	Methods	Source/ Type of data
	To what extent are country-level capacities leveraged at different levels with country/ regional engagement?	Desk review (synthesis of RPSP) KIIs with NDAs/focal points, DPs Country case studies	RPSP data sets KII: information on hired consultants for RPSP/FP/capacity-building (international/national)
	To what extent are GCF capacity-building and engagement initiatives in the form of conferences, workshops, structural dialogue and online materials appropriate and sufficient to enhance the GCF country-driven approach?	Surveys during SDs/events KIIs with SD/event participants, NDAs/focal points, Secretariat, Regional Advisors (RAs) IEU data gathering Town Hall meeting at SDs/events Desk review of SD/event reports Desk review/synthesis of RPSP evaluation report Country case studies	SD/event reports SD coverage data (none) participant countries/regions) List of past events from Secretariat RPSP data sets KII key variables: Country baseline information (capacity level before GCF); type of engagement; alignment with needs, etc.
Country systems	To what extent are country-level systems used and supported by the GCF?	Desk review KIIs with NDAs, AEs, Secretariat, Executing Entities Country case studies	Funded Activity Agreement (FAA)
Country ownership through accreditation and direct access *Evaluation criteria: relevance, effectiveness, efficiency, coherence, paradigm shift, recipient needs, impact potential, sustainable development*			

Areas and Categories	Sub-questions	Methods	Source/ Type of data
Accreditation process	How does the accreditation process affect the country drivenness of the GCF? Do accreditation processes meet recipients' needs? To what extent do international AEs support the concept of country ownership (CO)? How do they compare to direct access?	Desk review KIIs with NDAs, AEs, and Secretariat Country case studies	Meta-level question: all sources and findings from the evaluation to be used for triangulation
	What is the balance of composition in terms of types of entities (national, regional, international), sector (private and public) and portfolio focus (mitigation and adaptation)? What explains the balance of composition?	Desk review Process and time-lag analysis KIIs with NDAs, AEs, Secretariat (DCP, OGC) etc. Time-lag analysis Country case studies	Relevant Board documents, decisions, CSO comments for accreditation Accreditation data (country, region, category) Review of Accreditation Framework GCF/B.21/08 Performance review of the Accreditation Panel (GCF/BM-2017/03, GCF/BM-2018/02)
	How long does the accreditation process take from application to accreditation? Does the time vary by types of accreditation (e.g. DAE/International, private/public) and region?		
Access and EDA	Is Direct Access responsive to the needs and priorities of developing countries? Do IAEs contribute to capacity-building for direct access, for instance in private sector activities?	Desk review KIIs with DAEs at different stages of the accreditation process KIIs with accreditation stakeholders, Accreditation Panel, DCP KIIs with NDAs Process analysis Country case studies Survey	Relevant Board documents, decisions, CSO comments for Direct Access

AREAS AND CATEGORIES	SUB-QUESTIONS	METHODS	SOURCE/ TYPE OF DATA
	What are the DAEs' capacities and bottlenecks for developing FPs?	KIIs with Secretariat, DAEs, NDAs, RAs, other country-level stakeholders (gov't agencies, CSOs) Time-lag analysis Entity case studies Survey	Pipeline time-lag data (SAP phase timestamps)
	Do DAEs meet the needs and priorities of developing countries? Does this vary for public versus private DAEs?	Portfolio analysis Time-lag analysis Desk analysis of CP priorities mapped against DAE key competencies/business areas Country case studies KIIs with DAEs, NDAs, RAs Survey	IEU data set (entity, accreditation time-lag analysis data) Submitted CNs, submitted FPs (pipeline), approved FPs + time stamps
	To what extent has EDA been successful at promoting country ownership?	Portfolio analysis Time-lag analysis Country case studies KIIs with DAEs	EDA concept notes EDA FPs APRs
Country ownership in the project cycle *Evaluation criteria: effectiveness, efficiency, paradigm shift, recipient needs, impact potential, sustainable development, gender equity*			
Country stakeholder engagement in project origination	What factors drive country-AE matching for FPs, i.e. origination? Is it in line with a country-driven approach (selection of AE/DPs etc.)? How does this relate to other GCF objectives, such as paradigm shift?	KIIs with NDAs, AEs, Regional Advisors, Secretariat, CSOs Desk analysis of CP priorities mapped against DAE key competencies/business areas Country case studies	IEU data set (country, entity, NDA) Concept note (entity/non)
	To what extent are countries co-investment projects?	Portfolio analysis	FP (Section B.2 Project financing information; type of institutions co-investment)

AREAS AND CATEGORIES	SUB-QUESTIONS	METHODS	SOURCE/ TYPE OF DATA
	To what extent are various country stakeholders involved in project origination?	KIIs with NDAs, AEs, country-level stakeholders (gov't agencies, CSOs), Regional Advisors, Secretariat, CSOs, PSOs Desk review to identify the roles and responsibilities of NDAs, AEs, Secretariat, other country stakeholders	Relevant Board documents, decisions, CSO comments
FP preparation and approval (including PPFs, NoP, and SAP)	To what extent does PPF respond to and meet country needs and build country capacities?	PPF portfolio analysis Time-lag analysis Desk review of PPF guidelines, BM decisions KIIs with NDAs, Secretariat, DAEs Country case studies	PPF proposals (requested/approved/disbursed, time-lag data, country classification, region) PPF guidelines and corresponding Board Decisions
	To what extent are the funded projects coherent with national climate strategies, policies and plans (including post-implementation sustainability prospects)? How well do FPs address the GCF investment criteria on CO and facilitate CO? How do major IAEs understand CO in their operations?	Country case studies Desk review of the sampled countries' national plans and strategies Desk review of IAEs country ownership definitions and approach; KIIs with IAEs Portfolio analysis KIIs with NDAs, RAs, implementing partners (public), iTAP KIIs with country-level stakeholders (gov't agencies, CSOs)	FP data sets (requested/approved/disbursed, time-lag data, country classification, region, Section D "rationale for GCF involvement", Section E.4 "recipient needs", E.5 "country ownership") Available country plans/strategies for selected countries
NoP	How effective and efficient is the NoP in determining whether the proposed project/concept notes are in line with country needs and priorities?	Desk review of relevant GCF documents KIIs with NDAs, Secretariat	Relevant Board documents, decisions, CSO comments on NoP
SAP	To what extent has the GCF succeeded at providing simplified access to funding through a country-driven approach?	Desk review of relevant GCF documents and Board decisions SAP portfolio analysis	SAP pipeline concept notes (iPMS variables) SAP FPs (requested/ approved/ disbursed amount, time-lag analysis data, country classification, region)

Areas and Categories	Sub-questions	Methods	Source/ Type of data
		KIIs with Secretariat, SAP countries	SAP FAA, if available (conditions) Relevant Board meeting discussion documents, decisions, CSO comments from Board meeting reports
Efficiency of the approval process	How long does it take to process funded project proposals for approval by the Secretariat and iTAP? Does the time vary by DAEs and non-DAE as well as by regions?	Portfolio analysis Time-lag analysis Desk (content/pattern) analysis of Secretariat and iTAP comments on FPs Country case studies KIIs with AEs, NDAs, RAs, iTAP	IEU data set (entity, accreditation time-lag analysis data) Submitted CNs, submitted FPs (pipeline), approved FPs + time stamps
Country ownership in project implementation	To what extent are CO principles and best practices upheld throughout the project cycle, such as in restructuring and extensions?	Desk review of GCF policies on restructuring/cancellation KIIs with NDAs, AEs, country-level stakeholders (gov't agencies, CSOs), Regional Advisors, Secretariat, CSOs, PSOs	
MR&E	To what extent does the GCF leverage and strengthen country MR&E capacities?	Desk review/synthesis of RMF evaluation Country case studies KIIs with implementing entities, DPs, OPM, NDAs, AEs Desk review of available GCF APRs	FPs Section H.2 Arrangement for MR&E Accreditation Master Agreements (AMAs') monitoring responsibilities FAA conditions (if any) on monitoring
	How well are GCF RMF and MR&E requirements aligned with country priorities, needs, and systems?	Desk review/synthesis of RMF evaluation Desk review of relevant GCF documents, APRs KIIs with OPM, NDAs, AEs, implementing partners, delivery partners	Relevant Board documents, decisions, CSO comments on reporting APRs AMAs monitoring clauses

Areas and Categories	Sub-questions	Methods	Source/ Type of data
	To what extent are the roles and responsibilities of NDAs defined in the MR&E processes?	Desk review/synthesis of RMF evaluation Desk review / RACI matrix KIIs with NDAs, AEs, Implementing Entities (IEs), OPM Country case studies	Relevant Board documents, decisions, CSO comments

ANNEX 2. PROTOCOLS AND INSTRUMENTS FOR COUNTRY VISITS, INTERVIEWS, AND QUALITATIVE DATA MANAGEMENT

A. COUNTRY CASE STUDY PROTOCOL

The Country Case Study Protocol summarizes the process and deliverables resulting from the country visits. It considers the different stages of country visit planning, implementation, and follow-up, as well as summarizes the team composition, timing, and deliverables from this process. An outline for the country case study reports is provided at the end.

1. SELECTED COUNTRIES

The evaluation team composed of IEU and ICF staff will conduct five country case studies in Colombia, Fiji, Indonesia, Morocco and Uganda. These five country studies will be complemented by two additional country studies being led by the FPR evaluation team in Rwanda and Grenada. (See Inception Report for further detail on sampling approach.)

The purpose of the country case studies is to inform the broader analysis and to ultimately answer the evaluation questions. They will be used to test and triangulate the information gathered by other methods. Finally, they will also contextualize the findings in different regional and national contexts.

The case studies will contribute to all four of the main themes of the evaluation questions (see Inception Report for further detail on the evaluation matrix):

- Country ownership in the GCF strategic and policy environment.
- Country capacities and readiness.
- Country ownership through accreditation and direct access.
- Country ownership in the project cycle.

2. TIMING AND DURATION

The country visits will take place from April to June, and each visit will last for approximately five working days, depending upon the complexity of the given country's portfolio and other constraints, such as requirements for local travel to project sites. A preliminary plan has been established in the Inception Report's Work Plan, but the exact schedule will be agreed together with the IEU and respective country NDAs, depending also upon the availability of local stakeholders and any particular contextual constraints (such as national holidays).

3. TEAM COMPOSITION AND RESPONSIBILITIES

In general, the country case study visits will be conducted by at least one member of the ICF core evaluation team, together with a local consultant, although the team composition may depend on the needs for each individual country.[117] Staff from the IEU will join up to three of the five country visits; the ICF core team member, ICF local consultant, and IEU staff will comprise one evaluation team representing the IEU.

The key roles and responsibilities of each team member is summarized below:

[117] For Rwanda, the ICF Team Leader will join the FPR team to observe and collect data relevant to the COA evaluation, while giving primacy to the FPR's data collection needs. In Grenada, the COA evaluation team will rely upon the support of the IEU team member for relevant data collection.

- The ICF COA evaluator will take primary responsibility for organizing, leading, and reporting on the country case studies. This includes developing the initial list of stakeholders to be interviewed, leading the KIIs, and writing the country case study. (See also the tasks listed in the Work Plan below.) The ICF team is also responsible for arranging their own travel and lodging.
- IEU staff are full members of the evaluation team and will engage as such during the preparation and conduct of the country case study, including suggesting stakeholders to interview, posing questions during interviews, and participating in team discussions to verify what was heard and to prepare initial observations. IEU staff will be responsible for arranging their travel and lodging.
- The local consultant, to be identified and sub-contracted by ICF, will take primary responsibility for arranging the mission agenda and scheduling interviews, in coordination with the government liaison identified by the NDA. This consultant will also be responsible for local operational logistics, such as arranging a car and keeping track of meeting times and locations.

Mission preparation and organisation will require full support from the IEU, NDAs, and relevant AEs, such as the timely sharing of documentation and suggestions for key stakeholders for interviews and related contact details.

4. WORK PLAN

a. Pre-visit

We aim to begin mission planning at least 3 weeks prior to the planned dates, to allow for sufficient time in preparation and organisation on all sides. The initial communication of the mission purpose, team introduction and timeline will be made by the IEU to the NDA, which will confirm acceptance and availability for the proposed mission and dates. After receipt of formal confirmation, the ICF team will take over planning and organisation. Preparation will consist at least of the following:

- **Initial (skype) call** with the NDA, to agree on the purpose of the visit and to request relevant information, including an initial list of relevant stakeholder and contact details. An initial communication from the NDA to these stakeholders may facilitate the subsequent direct scheduling of meetings by the COA evaluation team. The initial call should also establish an initial impression of the particular context, understanding of country ownership, and resonance of the concept within the NDA.
- **Portfolio and document review**, including the status of GCF projects and relevant GCF documents (readiness documents, country programmes, accreditation proposals, entity work programmes, CNs, PPF proposals, FPs, Secretariat, iTAP, and CSO/PSO comments on FPs, APRs), as well as external and secondary literature (e.g., NDCs, NAPs, papers on climate change coordination or political economy). A country portfolio package will be assembled by ICF with critical support from the IEU DataLab.
- **Stakeholder identification**, the ICF evaluator will develop an initial priority list of key informants based on review of the document review and request for suggestions to the relevant Regional Advisor; the list should include GCF Board member (if applicable), NDA/focal point, AE, implementing and executing entities, key donors, accreditation stakeholders, CSOs, PSOs, academia, potential beneficiaries, and the UNFCCC focal point, among others. The list should include both those engaged in GCF processes as well as informed "outsiders." The ICF evaluator will share the initial list with the NDA for input. Subsequently, the local consultant

will work directly with the NDA to arrange the schedule of interviews. Approximately 15 – 20 individuals will be consulted per country.

- **Consideration for site visit** will be assessed on a case-by-case basis, where relevant (e.g. sufficient extent of implementation, availability of final beneficiaries) and logistically feasible (whether a project site can be reached and visited within one day) in the timeframe. Any site visits will be coordinated with the NDA and the AE, and standard local protocols will be observed in terms of informing local government representatives. Interviews may be conducted with relevant local government representatives, private sector, and civil society representatives. Focus group discussions will be organised with beneficiary populations, with appropriate measures taken to also reach more vulnerable groups, including women.
- **Agenda preparation**, based on the information received, a draft agenda will be prepared and a second teleconference may be scheduled to agree on the agenda, including any practical details. The agenda should begin with an in-brief and longer interview with the NDA, to reconfirm the purpose and mission agenda. Interviews with relevant AEs should also be scheduled for earlier in the week. Site visits should ideally be scheduled for later in the week (e.g., Wednesday or Thursday). The agenda should conclude with a debriefing with the NDA, to discuss mission experience, any remaining data gaps, and preliminary observations, as well as the way forward for the rest of the evaluation, including the process and timetable for sharing the draft country case study report.

b. Visit

The country visit will consist primarily of interviews, an in-person survey, and focus group discussions (used principally for site visits to local communities). Interviews will be conducted following standard semi-structured discussion guides (see KII and Data Management Guidelines) that are tailored for key stakeholder groups. The in-country survey is provided in Appendix A. Photographic evidence will also be gathered (based on consent of subjects). Detailed, written notes will be gathered, with a view to their analysis. Notes will be typed up, ideally immediately following the interview and prior to leaving the country. (See also the KII and Data Management Guidelines for more detail on managing qualitative data.).

Preliminary observations will be compiled at the end of the mission and used to debrief the NDA.

c. Post visit

The main deliverable of the country case study is the country case study report (see below), with standard annexes, including a list of references and stakeholders consulted. The country case study report structure mirrors the evaluation matrix and key questions, as well as the normative framework, and feeds into the structure of the overall evaluation report structure. Draft case reports will be prepared within two weeks after the end of the mission. The pilot report from Uganda will be shared and will set the reporting standard within the team.

The draft country case study will be shared with the NDA for the correction of factual errors, ideally with a 1 week turnaround time.

Learning from the mission, relating to findings, methods or logistics, will be included in the agenda of regular ICF and IEU team calls.

The five country case study reports will be annexed to the final evaluation report.

5. Country case study report annotated outline

Below is the draft outline (annotated) that each of the country case studies should follow. This outline will be pilot-tested, adapted, and further guidance issued following the pilot mission to Uganda.

1. **Background and Context (2-3 pages)**
    A. Climate change policy and strategic context

This section will describe the existing climate change policies and strategies in place, such as national climate change policies, NDCs, NAPs, and so on.

    B. Climate change institutional and coordination context

This section will describe the broader institutional context for addressing climate change in the country, such as which government institutions have the mandate to coordinate climate change activities, where the UNFCCC focal point is located, what inter-ministerial bodies exist to coordinate climate change, and so on—so that the institutional arrangements to engage with the GCF can be understood in this broader context.

    C. GCF portfolio and institutional arrangements

This section will provide an overview of the country's GCF activities, AEs, and institutional arrangements for engaging with the GCF.

    D. Country ownership in country context

This section will provide overall information about country ownership in-country, reflecting particularly the latest GPEDC data and comparison with regional and global trends.

2. **Key Findings (5-7 pages)**

These sections will provide country-level findings and observations against key questions in each of the four thematic areas of the evaluation matrix.

    A. GCF strategic and policy environment: country alignment and clarity of roles
    B. Country capacities and readiness
    C. Country ownership through accreditation and direct access
    D. Country ownership in the project cycle

Annex A: Stakeholders Consulted

Annex B: List of Documents Consulted

Annex C: Normative Framework for Country Ownership

6. Research ethics

The evaluation will comply with basic principles of research ethics in the humanities and social sciences relating particularly to: (1) respecting the autonomy of research subjects, (2) avoiding harm, and (3) privacy and data protection. Participation in the evaluation and related data collection efforts will be strictly voluntary, with an opportunity to refuse or opt out, at any point in the process. Voluntary, informed consent for participation will be sought for all data collection tools, with all stakeholder groups in the most appropriate manner. The principle of doing no harm will guide the planning, implementation and reporting of the evaluation, which will apply particularly in sensitive contexts. All data collection tools will also ensure the anonymity of the research subjects and will seek consent for the safe collection, storage, and use of related data, in an anonymised form in evaluation deliverables. All data will be anonymised, separating identifiers from the data itself. Primary research (e.g., interview notes) will be carefully anonymised and will not be shared outside the evaluation team (comprised of the ICF team and IEU).

B. Data management guidelines

The data analysis process will utilise both quantitative and qualitative means to strengthen the understanding of country ownership in the context of the GCF from the data collection tools, the document review, portfolio analysis, meta-analysis and benchmarking, stakeholder consultation (key informant interviews and survey), and country case studies. The concept of country ownership for the GCF will be iteratively developed throughout the evaluation, first based on desk-analysis and then filling in data-gaps through primary data gathering through stakeholder consultations at both the global and regional level and through the country case studies. This section focuses on how more qualitative sense-making will take place.

1. Interview notes

Ideally, interview notes will be directly typed (lightly transcribed) during interviews, as the most efficient way to capture rich data. When this is not possible (e.g., in focus group discussions with groups of final beneficiaries during site visits), hand-written notes will be typed up soon after the session.[118]

Interview notes should be organised according to the broad categories of the interview guides (see below) and the evaluation matrix. They should be sufficiently detailed, capturing the interviewees' perspectives, including specific quotations. The interview notes should not be influenced by the interpretations of the interviewer, but should rather transcribe the interview.

Interview notes should be saved on the ICF OneDrive in the folder "Interviews/Interview Notes." They should be labelled with the interviewees' name, affiliation, and date of the interview. Interview notes saved into this folder will be anonymized and coded into Dedoose by the ICF COA evaluation research and data team (see also next section). Interview notes will be assigned a classification number (e.g., Civil Society 45), which will be appropriately and safely classified in a master spreadsheet, with a view to ensuring the confidentiality of the interviewees. The date of the interview will not be included, as this may jeopardise confidentiality.

2. Dedoose and coding

The evaluation team will use a user-friendly software platform, Dedoose, to ease the management and analysis of data gathered through stakeholder consultations. Data processing consists of simply highlighting excerpts of text and assigning codes from the coding tree structure. A draft coding structure is shown in Table A - 10, and will be refined and agreed with the GCF IEU. The coding structure is currently aligned with the four areas of the evaluation matrix, which also align with the country case study report templates and the overall evaluation report outline. These areas can also be mapped to the normative framework, to support analysis in the final report.

The team will pilot the coding scheme on a readily available set of data, such as the Rwanda country mission interview notes, RPSP country case studies, as well as the interview data from Uganda to ensure its veracity and simplicity. We will also blind-code samples of data by multiple team members to ensure consistency in coding, as well as to resolve any remaining discrepancies and ensure the robustness of the coding scheme as it is rolled out across the rest of the evaluation.

The aim is not to exceed approximately 30 codes, but we will also remain open to the addition of more organically derived codes that emerge from the evidence. These will be included in the coding scheme and systematically applied across the evidence in an iterative fashion. We will stop adding

[118] While audio recording can be helpful, especially in case of data losses, we work on the assumption of preparing detailed, typed up interview notes, with a view to their analysis.

new codes at the point of data saturation, where no additional, substantially different, recurrent themes emerge from the data.

Table A - 10.   Draft coding structure

STRATEGIC AND POLICY ENVIRONMENT	COUNTRY CAPACITIES AND READINESS	ACCESS AND ACCREDITATION	PROJECT CYCLE
Policy alignment	NoP	Direct access nomination	Project origination / pipeline
Roles and responsibilities	Country coordination	Direct access accreditation	Project design / concept notes
Climate rationale	Country programme / prioritization	EDA	PPF
Paradigm shift / innovation	Country systems	Regional access entities	SAP
	Stakeholder engagement	International access entities	Monitoring, reporting, and evaluation
	Private sector	Stakeholder engagement	Country systems
	NAP		Stakeholder engagement
			Private sector

Note: Some codes apply to multiple areas of the evaluation matrix; these are shown in italics.

3. SECONDARY DATA MANAGEMENT

Secondary data that is reviewed and referenced by team members should be uploaded into ICF's OneDrive, so that the ICF COA evaluation research and data team can add each uploaded document to the overall Structured Bibliography. Non-country specific secondary data should be uploaded into the overall "Library" folder, in the appropriate sub-folder. Country-specific secondary data should be uploaded into the country folders (e.g., "Country Case Studies/Uganda/Secondary Sources").

C. INTERVIEW PROTOCOLS

Tailored interview protocols have been developed for key stakeholder groups, as follows, and are presented further below:

- NDAs/focal points.
- Accredited Entities and Executing Entities.
- Other Country Stakeholders (e.g., other government ministries, bilateral and multilateral development partners, CSOs, PSOs, academia, local stakeholders and beneficiaries).
- GCF Secretariat, Board Members, Regional Advisors.

Interviewers should follow these guidelines in conducting interviews:

Introducing the evaluation. Interviewers should introduce themselves as representing the GCF IEU and should briefly explain the purpose of the COA evaluation and objective of the interview. The two-page COA brief should be handed to key informants that are being interviewed in-person.

Seeking consent and assuring anonymity. Interviewers should assure interviewees that all responses will be held anonymously and obtain verbal consent that the information shared during the interview can be used in the overall analysis and reporting for the COA evaluation.

Conducting the interview. Questions should be asked in plain English and tailored to the knowledge and experience of the interviewee. In particular, the KII protocol for the GCF Secretariat will need to be significantly tailored to the responsibilities of the individual being interviewed (e.g., on accreditation, country programs, redress mechanisms, portfolio management, and so on). For country case studies, an in-person survey will be administered in the last 15 minutes of the interview.

1. NDAs/focal points

Name of interviewee:

Interviewee contact information (email):

Interviewee institutional affiliation:

Interviewee position:

COA team interviewer(s):

Interview date:

Interview location:

Introductory question

1. Please tell me your name, position, and how long you have been involved with the GCF.

NDA/focal point roles, responsibilities, and processes

2. What do you see as your **key roles and responsibilities** as the NDA for the GCF? *Prompts:*
    - 2.1. How many staff are in the NDA (full-time equivalents)?
3. Which ministry/agency in your government has primary responsibility for **coordinating climate change activities** and strategies? Is there a national coordination or steering committee that supports or oversees the work of the NDA/focal point? *Prompts:*
    - 3.1. How does the NDA coordinate with that ministry/agency?
    - 3.2. Is a multi-stakeholder coordination and consultation mechanism (on climate change or otherwise) active in your country?
    - 3.3. Do you organize an annual stakeholder forum to review your country's GCF portfolio (according to monitoring and accountability framework)? If so, what stakeholders are engaged?
4. What is your process for issuing **no-objection letters**? *Prompts:*
    - 4.1. How do you determine whether a proposed project is in line with country needs and priorities? How are projects prioritized? Does this vary for public versus private sector projects?
    - 4.2. Are other stakeholders engaged in the no-objection procedure? Which ones (e.g., other government ministries, CSOs, PSOs, affected subnational governments and local communities)? Describe their engagement (e.g., informed, consulted, decisions made in partnership).
    - 4.3. Who has legal authority / signing capacity in your NDA?
5. How do you manage to **involve the private sector** in your country? For example, through freestanding projects or through blending in public sector projects?

Access and accreditation

6. What is your process for nominating **direct access entities** for accreditation? *Prompts:*

6.1. How many direct access entities would you prefer to have in the country? And what type of direct access entities?

6.2. How do you determine whether a DAE is in line with country needs and priorities?

6.3. Are other stakeholders engaged in the nomination decision? Which ones (e.g., other government ministries, CSOs, PSOs, affected subnational governments and local communities)? Describe their engagement (e.g., informed, consulted, decisions made in partnership).

6.4. Have any DAEs sought accreditation that were not ultimately nominated? If so, why not?

7. How do you decide **whether to use international or direct access** for specific projects?

8. In your opinion, to what extent do **international and regional AEs** support the principle of country ownership? How do they compare to direct access?

Project cycle

9. What has been the NDA's involvement at various stages of the **project cycle**? *Prompts:*

9.1. Have any project ideas originated with the NDA and been matched with accredited entities?

9.2. Has the NDA reviewed concept notes?

9.3. Has the NDA been engaged in PPF discussions?

9.4. Has the NDA been engaged in monitoring, reporting, and evaluation? Are APRs shared with the NDA?

Capacity and readiness support

10. What are the most significant changes (positive and negative) you've observed as a result of **RPSP support**? *Prompts for the areas of RPSP support:*

10.1. Strengthening the NDA/focal point to lead effective country coordination mechanisms

10.2. Establishing an NoP

10.3. Engaging stakeholders in the preparation of a country programme

10.4. Supporting accreditation for DAEs

10.5. Formulating NAPs

11. Was your readiness support implemented using local expertise?

12. [*If your country did not seek readiness support from the GCF, why not?*]

13. Did the **country programming** process strengthen country ownership of climate finance? How, or how not? Did country programming help you identify project concepts that support **paradigm shift**?

14. Have you participated in **GCF events such as SDs and NDA trainings**? Did you find these helpful to support stronger country ownership?

Big picture of country ownership

15. How do you understand the **principle of country ownership**? *Prompt:*

15.1. In your opinion, what evidence would show that GCF activities are "country-owned"?

15.2. Are your country's priorities and policies aligned with GCF objectives? Whose policies have primacy – the country's or the GCF's?

16. How do you understand the GCF objectives of **paradigm shift** (transformational change) and innovation in your projects? To what extent are you able to apply these objectives in reality? Can you give us some examples?

17. In evaluation, we often ask "is an organization **doing the right things**, and are they **doing things right**?"
    17.1. In your opinion, is GCF doing the "right things" to support country ownership? What are the most helpful things the GCF has done to support country ownership? [*Prompts: NDAs, direct access, readiness program*] What things is the GCF not doing that would be helpful?
    17.2. And is GCF doing "things right" to support country ownership? What modalities and processes are and aren't working well to support country ownership? [*Prompts: NoP, accreditation, stakeholder consultation, readiness program*] Does your NDA's relationship with the GCF Secretariat support country ownership?
18. Overall, has the role of the NDA been appropriate and sufficient to support strong country ownership?

2. Accredited Entities and Executing Entities

Name of interviewee:

Interviewee contact information (email):

Interviewee institutional affiliation:

Interviewee position:

COA team interviewer(s):

Interview date:

Interview location:

Introductory question

1. Please tell me your name, position, and how you are involved with the GCF.

Access and accreditation

2. In your opinion, does the process for **nomination of Direct Access Entities (DAEs)** support country ownership? How so, or how not?
3. In your opinion, does the process for **accreditation of DAEs** support country ownership? How so, or how not?
4. To what extent do **international AEs** support the concept of country ownership? Have IAEs strengthened the capacity of potential DAEs to meet the accreditation requirements?
5. To what extent do **DAEs** meet the needs and priorities of developing countries?

Project cycle

6. What steps have you taken to ensure country ownership throughout the GCF **project cycle**? *Prompts:*
    6.1. How have you engaged with the NDA at various stages of the project cycle (e.g., project origination, review of concept notes, NoL, PPF discussions, monitoring and reporting, APRs?)
    6.2. How have you ensured policy and institutional alignment with Government priorities? To what extent may such alignment have affected innovative or paradigm shifting project ideas?
    6.3. How have other stakeholders been engaged in project design? Which ones (e.g., other government ministries, CSOs, PSOs, affected subnational governments and local communities)? Describe their engagement (e.g., informed, consulted, decisions made in partnership).

7. What are DAEs' capacities and bottlenecks for **developing FPs**?
8. To what extent do you think the **PPF** responds to and meets country needs and builds country capacities? To what extent does the PPF effectively support the project pipeline?
9. To what extent are **country level systems** (in project financial management, procurement, and monitoring, reporting, and evaluation) used and supported by GCF?

Capacity and readiness support

10. Did you participate in the **country programming** process? In your opinion, did country programming strengthen country ownership? How, or how not? Did the country programming process help identify project concepts that support **paradigm shift**?
11. In your opinion, how **effective is the NDA** and any other country coordination or Steering Committee mechanism in ensuring country ownership?
12. How do you assess the capacity and mechanisms of the GCF to help you with **engaging the private sector** in your projects and in the GCF programme in general?

Big picture of country ownership

13. How do you understand the principle of country ownership in climate finance? *Prompt:*
    13.1. In your opinion, what evidence would show that GCF activities are "country-owned"?
14. To what extent are the roles and responsibilities of various partners in the GCF clear and appropriately defined, particularly in view of country ownership? (E.g., those of the GCF Secretariat, AEs, NDAs, Executing Entities and other country stakeholders)
15. In evaluation, we often ask "is an organization doing the right things, and are they doing things right?"
    15.1. In your opinion, is GCF doing the "right things" to support country ownership? What are the most helpful things the GCF has done to support country ownership? [*Prompts: NDAs, direct access, readiness program*] What things is the GCF not doing that would be helpful?
    15.2. And is GCF doing "things right" to support country ownership? What modalities and processes are and aren't working well to support country ownership? [*Prompts: NoP, accreditation, stakeholder consultation, readiness program*]

3. Other country stakeholders

Name of interviewee:

Interviewee contact information (email):

Interviewee institutional affiliation:

Interviewee position:

COA team interviewer(s):

Interview date:

Interview location:

Introductory questions

1. Please tell me your name, position, and how you are involved with the GCF.

Access and accreditation

2. Does the process for **nomination of DAEs** support country ownership? How so, or how not?
3. In your opinion, does the process for **accreditation of AEs** support country ownership? How so, or how not?

4. To what extent do **international AEs** support the concept of country ownership?
5. To what extent do **direct access AEs** meet the needs and priorities of developing countries?

Role of the NDA, capacity and readiness support

6. Did you participate in the **country programming** process? In your opinion, did country programming strengthen country ownership? How, or how not? Did the country programming process help identify projects concepts that support **paradigm shift**?
7. Are there any **Country Coordination or Steering Committee mechanism** that the NDA relies on? How effective and useful are they?
8. In your opinion, how **effective is the NDA** in ensuring country ownership? *Prompts:*
   - 8.1. Does the process of the NoP engage the right stakeholders?
   - 8.2. How effective is the NoP in ensuring that FPs are put forward that are aligned with country needs and priorities?
   - 8.3. Overall, does the NDA have the capacity to sufficiently convene multi-stakeholder coordination and consultation mechanisms?

Project cycle

9. Is there sufficient opportunity for **multi-stakeholder participation and influence** in programming in general? *Prompts:*
   - 9.1. How have you been engaged at various stages of the project cycle (e.g., project origination, review of concept notes, NoL, PPF discussions, monitoring and reporting, APRs)?
   - 9.2. Describe your engagement (e.g., informed, consulted, decisions made in partnership).
10. What are DAEs' capacities and bottlenecks for **developing FPs**?
11. How well do you think the FPs **align with national climate change strategies, policies, and plans**? (including **NAPs** and **NDCs**)
12. How do you assess the capacity and mechanisms of the GCF to help with engaging the **private sector** in projects and in the GCF programme in general?

Big picture of country ownership

13. How do you understand the principle of country ownership in climate finance? *Prompt:*
   - 13.1. In your opinion, what evidence would show that GCF activities are "country-owned"?
   - 13.2. How well does the country promote the GCF objectives of paradigm shift (transformational change) an innovation in its projects? Can you give us some examples? In your view, are there any potential conflicts between country ownership and these objectives?
14. To what extent are the roles and responsibilities of various partners in the GCF clear and appropriately defined, particularly in view of country ownership? (E.g., those of the GCF Secretariat, AEs, NDAs, Executing Entities and other country stakeholders)
15. In evaluation, we often ask "is an organization doing the right things, and are they doing things right?"
   - 15.1. In your opinion, is GCF doing the "right things" to support country ownership? What are the most helpful things the GCF has done to support country ownership? [*Prompts: NDAs, direct access, readiness program, GCF policies*] What things is the GCF not doing that would be helpful?

15.2. And is GCF doing "things right" to support country ownership? What modalities and processes are and aren't working well to support country ownership? *[Prompts: NoP, accreditation, stakeholder consultation, readiness program]*

4. GCF Secretariat, Board Members, and Regional Advisors

Name of interviewee:

Interviewee contact information (email):

Interviewee institutional affiliation:

Interviewee position:

COA team interviewer(s):

Interview date:

Interview location:

GCF strategic and policy environment

1. How well do you think GCF has **operationalized the principle** of country ownership? *Prompts:*
   - 1.1. Do you think that GCF policies are sufficient and appropriate to deal with country ownership?
   - 1.2. How coherent is the operationalization of country ownership with the rest of the GCF, in terms of its priorities and objectives (including paradigm shift and the climate rationale)?
   - 1.3. To what extent are country policies and priorities given primacy?
   - 1.4. How does GCF consider country ownership in operationalizing **private sector support**?
2. Are **roles and responsibilities** vis-à-vis country ownership clear and appropriately defined? (E.g., Secretariat, AEs, NDAs, Executing Entities/Development partners, other country stakeholders, such as CSOs, PSOs, local stakeholders)

Capacity and readiness support

3. In your opinion, how **effective are the NDAs** as a mechanism to ensure country ownership? *Prompts:*
   - 3.1. Effectiveness of NoP, nomination of AEs, convening multi-stakeholder coordination and consultation mechanisms?
   - 3.2. Under what conditions are NDAs more or less effective?
4. Are you aware of any countries with **Country Coordination and Steering Committees or mechanisms** that support, inform or oversee the NDAs? Does this make NDA work more effective and efficient? Does it help with broadening stakeholder engagement?
5. To what extent do you think **country programming** strengthens country ownership? When and how?
6. How effective has the **RPSP** been in building critical country capacities for country ownership?
7. To what extent are GCF **capacity building and engagement initiatives** (e.g., conferences, workshops, structural dialogue and online materials) appropriate and sufficient to enhance the Fund's country-driven approach?
8. To what extent are **country level systems** used and supported by GCF?

Accreditation and access

9. In your opinion, does the process for **accreditation of AEs** support country ownership? How so, or how not? Does the process meet recipient needs?
10. To what extent do **international AEs** support the concept of country ownership? *Prompt:*
    10.1. Do international AEs contribute to capacity building for direct access, for instance in private sector activities?
11. To what extent does **direct access** meet the needs and priorities of developing countries?
12. To what extent has **EDA** been effective in promoting country ownership?
13. What are DAEs' capacities and bottlenecks for **developing FPs**?

Project cycle

14. To what extent are **countries engaged in developing FPs**, including through multi-stakeholder participation and consultation (e.g., project origination, review of concept notes, NoL, PPF discussions)?
15. How do you assess the capacity and mechanisms of the GCF to help with engaging the **private sector** in projects and in the GCF programme in general?
16. To what extent do you think the **PPF** responds to and meets country needs and builds country capacities?
17. To what extent has the **SAP** been effective in promoting or supporting country ownership?
18. To what extent does the GCF leverage and strengthen country **MR&E** capacities? Are NDA roles and responsibilities in MR&E well defined throughout the project cycle?

Big picture of country ownership

19. How do you understand the principle of country ownership in climate finance? *Prompt:*
    19.1. In your opinion, what evidence would show that GCF activities are "country-owned"?
20. In evaluation, we often ask "is an organization doing the right things, and are they doing things right?"
    20.1. In your opinion, is GCF doing the "right things" to support country ownership? What are the most helpful things the GCF has done to support country ownership? [*Prompts: NDAs, direct access, readiness program, GCF policies*] What things is the GCF not doing that would be helpful?
    20.2. And is GCF doing "things right" to support country ownership? What modalities and processes are and aren't working well to support country ownership? *[Prompts: NoP, accreditation, stakeholder consultation, readiness program]*

ANNEX 3. LIST OF STAKEHOLDERS CONSULTED

COUNTRY VISITS AND REMOTE COUNTRY INTERVIEWS		
Name	**Affiliation**	**Country**
Anibal Pérez	Fondo de Adaptación	Colombia
Mónica Linares	Fondo de Adaptación	Colombia
Luis Bejarano	Fondo de Adaptación	Colombia
Diego Dorado	Departamento Nacional de Planeación (DNP)	Colombia
Carolina Díaz Giraldo	Departamento Nacional de Planeación (DNP)	Colombia
Carolina Kitchen Fabre	Departamento Nacional de Planeación (DNP)	Colombia
Laura Lanz Pombo	Bancoldex	Colombia
Ximena Barrera	WWF	Colombia
Javier Sabogal Mogollón	Ministerio de Hacienda y Crédito Público	Colombia
Andrea Prada	Ministerio de Hacienda y Crédito Público	Colombia
Javier Gómez Maluchi	FEDEPANELA	Colombia
Gloria Visconti	Banco Interamericano de Desarrollo - BID	Colombia
Darío Mejía	Organización Nacional Indígena de Colombia (ONIC)	Colombia
José Francisco Charry	Ministerio de Medio Ambiente y Desarrollo Sostenible (MADS)	Colombia
Érika Amaya	Ministerio de Medio Ambiente y Desarrollo Sostenible (MADS)	Colombia
Sandra Liliana Bonilla	Agencia Presidencial de Cooperación Internacional (APC)	Colombia
María Alejandra Mateus Sánchez	Agencia Presidencial de Cooperación Internacional (APC)	Colombia
Carlos Augusto Castaño Charru	Agencia Presidencial de Cooperación Internacional (APC)	Colombia
Fabiola Moreno Torres	Agencia Presidencial de Cooperación Internacional (APC)	Colombia
Susana Ricaurte	Metro de Bogotá	Colombia
Isabel Teresa Mantilla	Asobacaria	Colombia
Juliana Chaves	Findeter	Colombia
Lily Torres	Findeter	Colombia
Daniela Salazar Canabal	Findeter	Colombia
José Luis Rivera	ASOCARBONO	Colombia
Federico López	ASOCARBONO	Colombia
Martha Castillo	Corporación Andina de Fomento (CAF)	Colombia
Camilo Rojas	Corporación Andina de Fomento (CAF)	Colombia
Rocío Casas	Corporación Andina de Fomento (CAF)	Colombia
Ubaldo Elizondo	Corporación Andina de Fomento (CAF)	Colombia
Edgar Salina	Corporación Andina de Fomento (CAF)	Colombia

Country visits and remote country interviews		
Jimena Puyana	Entrevista con el Programa de las Naciones Unidas para el Desarrollo (PNUD)	Colombia
Diana Díaz	Entrevista con el Programa de las Naciones Unidas para el Desarrollo (PNUD)	Colombia
Pedro Caraballo	Universidad de Sucre	Colombia
Liliana Quiroz	Corpomojana	Colombia
Elizabeth Valenzuela	Fondo Acción	Colombia
Carolina Kitchen Fabre	Departamento Nacional de Planeación (DNP)	Colombia
Espen Ronneberg	SPREP	Fiji
Katerina Syngellakis	GGGI	Fiji
Mason Smith	IUCN	Fiji
Ken Kassem		Fiji
Semisi Tawake		Fiji
Erik Aelbers	Asian Development Bank	Fiji
David Fay		Fiji
Kristina Katich		Fiji
Manasa Tusulu	Water Authority of Fiji	Fiji
Akesa Lagilagi		Fiji
Rayan Kumar		Fiji
Kevin Kumar		Fiji
Joseira Kavoilavesau		Fiji
Leigh Chan		Fiji
Sylvia Wilson		Fiji
Sereseini Dikalauniwai		Fiji
Sandeep Chauhan	Fiji Business Resilience Council of the Fiji Commerce and Employers Federation	Fiji
Nesbitt Hazelmann		Fiji
Nilesh Prakash	Ministry of Economy, Climate Change Division	Fiji
Vineil Narayan		Fiji
Prashant Chandra		Fiji
Mark Clough	Fiji Development Bank	Fiji
Setaita Tamanikaiyaroi		Fiji
Nafitalai Cakacaka		Fiji
Vuki Buadromo	Pacific Community	Fiji
Kevin Petrini	UNDP	Fiji
Habiba Gitay	World Bank	Fiji

Country visits and remote country interviews		
Lasse Melgaard		Fiji
Trevor Ole	AECOM (Contractor for USAID Climate Ready)	Fiji
Noa Seru		Fiji
Exsley Taliobburi	Pacific Islands Forum Secretariat	Fiji
James Macbeth Forbes	GiZ	Fiji
Christine Fung		Fiji
David Rarakolotu	Alliance for Future Generations	Fiji
Fhreen		Fiji
Peter Johansen	World Bank Group	Indonesia
Jeb Victorino	Climate Fund Management (CFM) Singapore	Indonesia
Reynaldi Hermansjah,	PT Indonesia Infrastructure Finance	Indonesia
Y. Bayu Wirawan		Indonesia
Tadila Putra Bob Hernoto		Indonesia
Agus Iman Solihin	PT Sarana Multi Infrastruktur (Persero)	Indonesia
Mohamad Ajie Maulendra		Indonesia
Yuni Iswardi		Indonesia
Dadang Purnama		Indonesia
Adi Pranasatrya		Indonesia
Puti Faranzia	PT Sarana Multi Infrastruktur (Persero)	Indonesia
Darwin Trisna Djajawinata	Ministry of Environment and Forestry (KLHK)	Indonesia
Dr. Ir. Ruandha Agung Sugardiman	IFC	Indonesia
Rahajeng Pratiwi	Fiscal Policy Agency (BKF)	Indonesia
Dudi Rulliadi	Center for Climate Finance and Multilateral Policy	Indonesia
Merryn		Indonesia
Dina		Indonesia
Ines	GGGI – seconded to BKF	Indonesia
Ilmi		Indonesia
Tita		Indonesia
Sophie Kemkhadze	UNDP	Indonesia
Andrys Erawan		Indonesia
Christian Usfinit		Indonesia
Marcel Silvius	GGGI	Indonesia
Titaningtyas		Indonesia
Dessi Yuliana		Indonesia

Country visits and remote country interviews		
Dagmar Zwebe		Indonesia
Ketut Sarjana Putra	Conservation International Jakarta	Indonesia
Nassat Idris		Indonesia
Atiqah Anugrah		Indonesia
Marhaini Nasution	Aksi! For gender, social and ecological justice	Indonesia
Titi Soentoro	Solidaritas Perempuan	Indonesia
Puspa Dewy		Indonesia
Dr. Ir. Medrilzam, MPE	Ministry of National Development Planning/National Development Planning Agency (Bappenas)	Indonesia
Stephan Garnier	World Bank Group Country Office	Indonesia
Muchsin Chasani Abdul Qadir		Indonesia
Monica Tanuhandaru	Kemitraan Partnership	Indonesia
Dewi Rizki		Indonesia
Abimanyu S, Aji		Indonesia
Jean-Hugues de Font-Réaulx	Agence Française de Développement	Indonesia
Thres Sanctyeka	GIZ	Indonesia
Ida Nuryatin Finahari	Ministry of Energy, Directorate General of New, Renewable Energy and Energy Conservation	Indonesia
Bryan Taylor	Tropical Landscapes Finance Facility (TLFF)	Indonesia
Rachid Firradi	NDA	Morocco
Souad El Asseri		Morocco
Nassira Rheyati		Morocco
Tahiri Rachid		Morocco
Siad Aicha		Morocco
Mr Ahmed Felus Amrani	ANZOA	Morocco
Ariba Abdelhakim	ADA	Morocco
Mme Meryem Andaloussi		Morocco
Jinar Farid		Morocco
Faik Hamid		Morocco
Mr. Belghiti	Direction de l'irrigation et de l'aménagement de l'espace agricole	Morocco
Mr. Bouir		Morocco
Maélis Borghèse	AFD	Morocco
Mokhtar Chemaou		Morocco
Mathieu Artiguenave		Morocco
Abdelhak Laiti	FAO	Morocco

Country visits and remote country interviews		
Abderrahim Ksiri	L'association des enseignants des sciences de la vie et de la terre	Morocco
Jamal Eddine El Jamali	La Banque Crédit Agricole du Maroc (CAM)	Morocco
Meriem Dkhil		Morocco
Mohammed Zahidi	Office National de l'electricite et de l'eau(ONEE)	Morocco
Mohammed Redouane ALJ	Attijjari Wafa Bank (TWB)	Morocco
Ghita Benhaioun		Morocco
Leila Mikou	La Caisse de Depots et de Gestion (CDG GROUP)	Morocco
Marie –Alexandra Veilleux-Laborie	EBRD	Morocco
Denise Angel	GIZ	Morocco
Mustapha Mokass	Beya Capital	Morocco
Pascal Okello	Consultant	Uganda
Dr. Revocatus Twinomuhangi	Makerere University	Uganda
Andrew Masaba	Ministry of Finance, Planning, and Economic Development	Uganda
Juvenal Muhumuza		Uganda
Onesimus Muhwezi	UNDP	Uganda
Jascinta Nalwoga		Uganda
Sophie Kutegeka	IUCN	Uganda
Cotilda Nakyeyune		Uganda
Onesmus Mugyenyi	ACODE (Advocates Coalition for Development and Environment)	Uganda
Robert Bakiika	EMLI (Environmental Management for Livelihood Improvement Bwaise Facility)	Uganda
Annet Kandole	CARE	Uganda
Anthony Wolimbwa	CAN-U (Climate Action Network Uganda)	Uganda
James Kaweesi	Ministry of Water and Environment	Uganda
Dagmar Zwebe	GGGI	Uganda
George Asiimwe		Uganda
Henry Bbosa	Ministry of Water and Environment, Climate Change Department	Uganda
Edison Masereka	Kampala Capital City Authority (KCCA)	Uganda
Mr. Saddam		Uganda
Eleth Nakazi		Uganda
Godfrey Mujuni	Uganda National Meteorological Authority (UNMA)	Uganda
John Ssemulema Kasiita	GiZ	Uganda
Ronald Kato Kayizzi	Ministry of Agriculture, Animal Industry and Fisheries	Uganda

Country visits and remote country interviews		
Andrew Katto		Uganda
Moses Ebitu	Uganda Development Bank	Uganda
Abibi Odongo Francis		Uganda
Benson Mwesigwa	KPMG	Uganda
Nina Baliruno Turyamuhabwa		Uganda
Phares Kakuru	Bwindi Mgahinga Conservation Trust	Uganda
Tom Okurut	National Environment Management Authority	Uganda
Allan Kasagga		Uganda
Mike Nsereko		Uganda
Edith Kateme Kassajja	National Planning Authority	Uganda
Kaggwa Ronald		Uganda
Grace Bunanukye Bwengye		Uganda
Maira Nwakasa Joseph	Pallisa District Government	Uganda
Ongwara Michael		Uganda
Omasai Abram		Uganda
Otto Charles		Uganda
Olebo Emmanuel		Uganda
Dr. Okot Bodo		Uganda
Wamise Dawson		Uganda
Akello Priscilla		Uganda
Kabaalu Deo	Ministry of Water and Environment	Uganda
Paul Mafabi	UNDP	Uganda
Approximately 10 local community members	Pallisa District	Uganda
Kennedy Igbokwe	FAO	Uganda
Tim Mahler	GiZ	Thailand
Shanti Kajanit	UNDP	Nepal
Nawa Raj Dhakal	Alternative Energy Promotion Centre	Nepal
Irina Kaplan	Ministry of Nature Protection	Armenia
Meruzhan Galstyan	Environmental Project Implementation unit, State Agency of the Ministry of Nature Protection	Armenia
Rubik Shahazizyan		
	Fundacion Avina	Paraguay
	UNDP	Benin
	Caribbean Community Climate Change Centre	Jamaica

Additional AEs, CSOs, and PSOs		
Name	**Position**	**Affiliation**
Margaret-Ann Splawn	Active Observer, PSO	CMIA
Alexandra Tracey	Director	Netvigator
Liane Schalatek	Associate Director, Heinrich Böll Stiftung North America	GCF CSO Network
Carolina Aguirre		Center for Clean Air Policy
Daan Robben		Both Ends
Julius Cainglet		FFW – ITUC
Naome Chakanya		International Trade Union Confideration (ITUC)
Francis Kim		International Trade Union Confideration (ITUC)
Christian Ellermann	Climate Change Specialist	ADB
Estelle Mercier		AFD
Timothé Ourbak		AFD
Jeb Victorino	Climate Fund Management	FMO
Pradeep Kurukulasuriya	Executive Coordinator and Director, Global Environmental Finance	UNDP

GCF Secretariat, Board, Independent Units, Panels, and Advisors		
Name	**Position**	**Affiliation**
Kilaparti Ramakrishna	Head of Strategic Planning	OED
George Zedginidze	Knowledge Manager	OED
Selina Wrighter	Senior Adviser to the ED	OED
Ramona Calin	Outreach Associate	OED
Carolina Fuentes	Secretary to the Board and Head of Governance Affairs	OGA
Lalit Dwivedi	Board Information Manager	OGA
Douglas Leys	Head of General Counsel	OGC
Sohail Malik	Head of Portfolio Management	OPM
Lilian Macharia	Senior Program Management Specialist	OPM
Linus Ikpyo Hong	Portfolio Analyst	OPM
Kayla Keenan	Monitoring and Evaluation Senior Specialist	OPM
Mitch Carpen	Head of Risk Management, Compliance	ORMC
German Velasquez	Director of DMA	DMA

GCF Secretariat, Board, Independent Units, Panels, and Advisors		
Andreas Biermann	Former Deputy Director of Mitigation	DMA
Ania Grobicki	Deputy Director for Adaptation	DMA
Timothy Breithbarth	Economic and Financial Analyst	DMA
Pierre Telep	Renewable Energy Senior Specialist	DMA
Sabin Basnyat	Senior Energy Efficiency Specialist	DMA
Joseph Intsiful	Climate Information and Early Warning Systems Senior Specialist	DMA
Ayaan Adam	Director of PSF	PSF
Tony Clamp	Deputy Director	
Sandra Freitas	Senior Climate Change Specialist	PSF
Pa Ousman Jarju	Head of Division	DCP
Clifford Polycarp	Deputy Division Head	DCP
Eduardo Freitas	Country Relations Manager	DCP
Jason Spensley	Senior Specialist, PPF and NAPs	DCP
Stephanie Kwan	Senior Accredited Entities Specialist	DCP
Oyun Sanjaasuren	Director	DEA
Mark Jerome	Head of Internal Audit	Independent Audit
Ibrahim Pam	Head, Independent Integrity Unit	IIU
Lalanath de Silva	Head, Independent Redress Mechanism	Independent Redress Mechanism
Susana Rodriguez	Compliance and Dispute Resolution Specialist	Independent Redress Mechanism
Anastasia Northland	Accreditation Panel	Accreditation Panel
Antonio Gabriel M. La Vina	Accreditation Panel	Accreditation Panel
Godfrey Tumusiime	Accreditation Panel	Accreditation Panel
Louise Grenier	Accreditation Panel	Accreditation Panel
Mark Alloway	Accreditation Panel	Accreditation Panel
Max Contag	Accreditation Panel	Accreditation Panel
Peter Maertens	Accreditation Panel	Accreditation Panel
Yogesh Vyas	Accreditation Panel	Accreditation Panel
Florence Richard	GCF Regional Advisor	Regional Advisor
Binu Parthan	GCF Regional Advisor	Regional Advisor
Coral Pasisi	GCF Regional Advisor	Regional Advisor
Kate Hughes	GCF Alternate Board Member	United Kingdom DFID

Others		
Name	**Position**	**Affiliation**
Mikki Ollikainen	Manager	Adaptation Fund
Fisseha Tessema Abissa	Operations Officer	CIF
Juha Oitto	Director	GEF IEO
Geeta Batra	Deputy Director	GEF IEO
Mercedes Garcia	CCM Coordinator	Global Fund
Eduardo Ganem	Chief Officer	Multilateral Fund
Alejandro Ramirez-Pabon	Senior Programme Management Officer	Multilateral Fund

ANNEX 4. SURVEY RESULTS

A. ONLINE SURVEY

The online survey was sent to the IEU mailing list, which contains the broader GCF network, and it was also published online through the IEU's website. It was open for responses from 29 June 2019 to 28 August 2019. The survey responses were also collected on a hard copy during the GCF's Global Programming Conference in Songdo, during 19-23 August 2019. A total of 270 responses were received through online submissions and an additional 47 in hard copy. A total of 317 respondents started the survey. After data cleaning, 258 responses were considered for further analysis.

The survey consisted of four multiple-choice self-identification questions querying the affiliation of the respondents, and an additional 12 multiple-choice questions related to specific issues around country ownership. All 16 questions had an additional comment field to allow the respondents to elaborate further on their answers.

The cleaning of the data followed the following processes:

- Exclusion from the respondents' population those who have not responded to any of the four self-identification questions. This reduced our respondent's pool from 317 to 258.
- Recoding of missing answers as "NR" to signify "not responded".

Respondents

The respondent's affiliation was queried through questions 1-4.

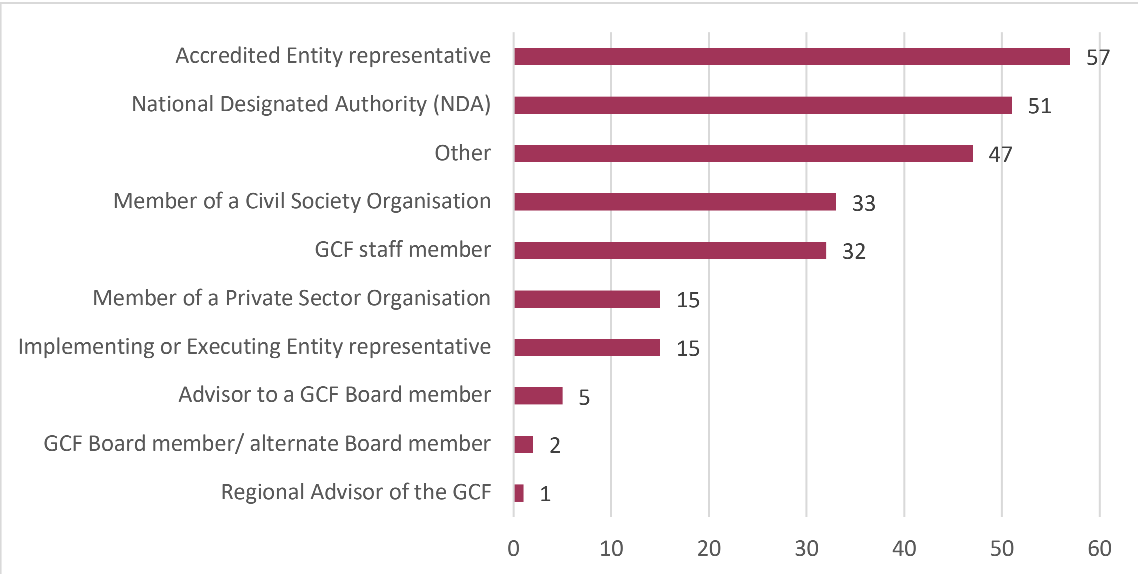


Figure A- 1. Question 1: Please choose the group that best describes you

The respondents in the category "Other" represent the following categories: international organizations, consultants, academia, members of the evaluation community and staff of development agencies.

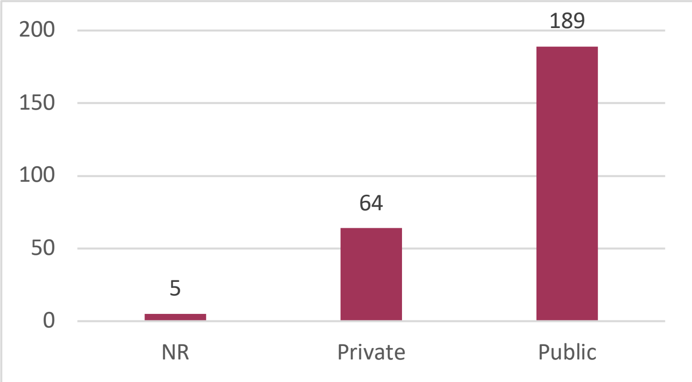


Figure A- 2. Question 2: To which sector does your organisation belong?

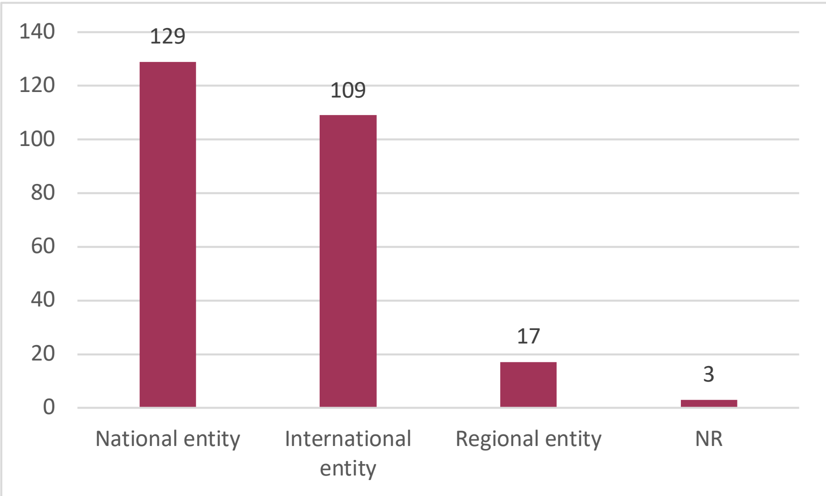


Figure A- 3. Question 3: Which of the following best describes your organisation?

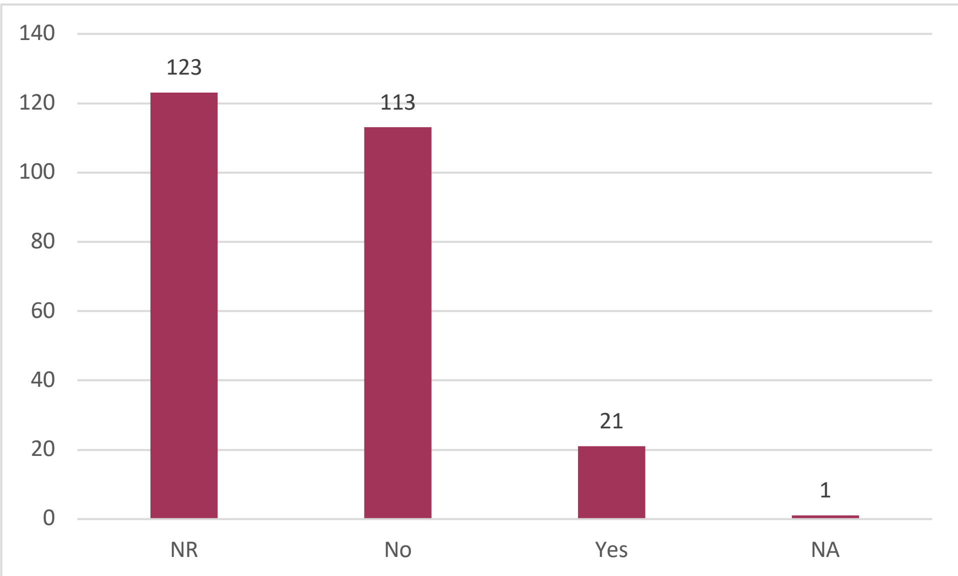


Figure A- 4. Question 4: Are you currently in the process of accreditation?

B. Overview of survey results

Respondents were requested to indicate their level of agreement with the 12 statements. The results from the 258 survey respondents are visualised in Figures A – 1 to A - 12.

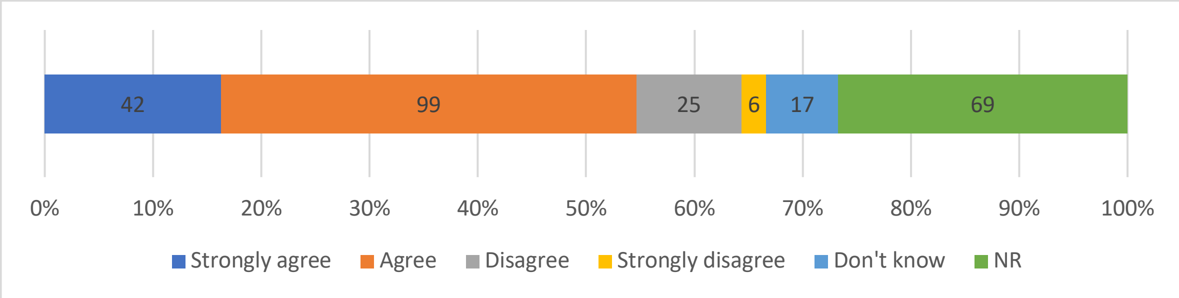


Figure A - 1. Statement 1: The concept of country ownership is clear to me in the GCF context

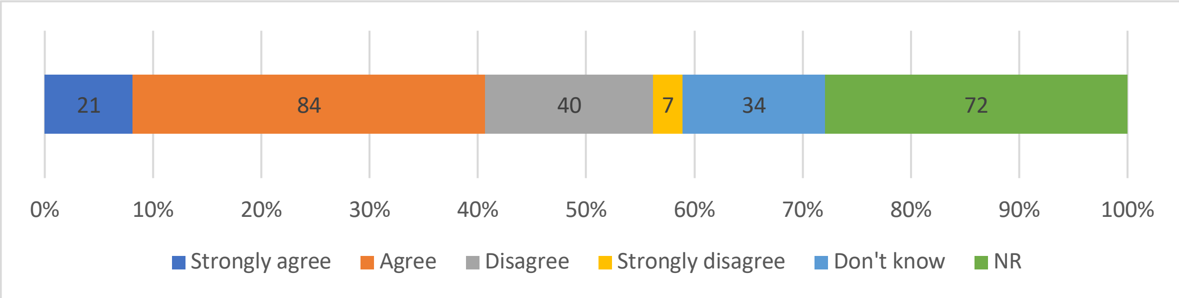


Figure A - 2. Statement 2: Sufficient support is available through the GCF to increase capacities for country ownership in climate finance

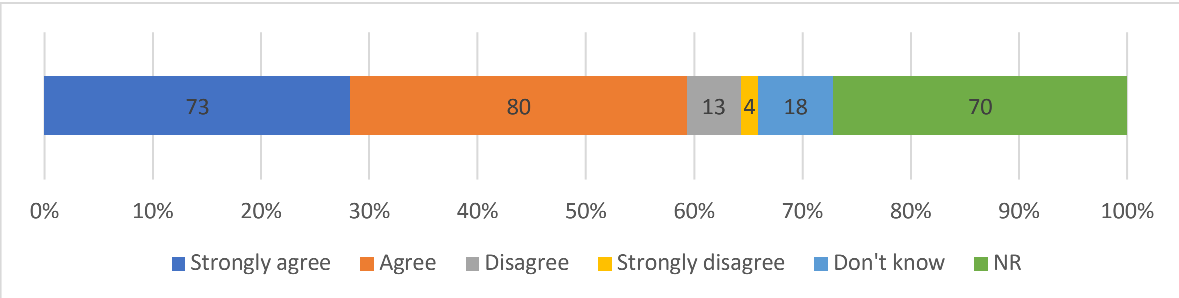


Figure A - 3. Statement 3: Inter-ministerial coordination strengthens country ownership

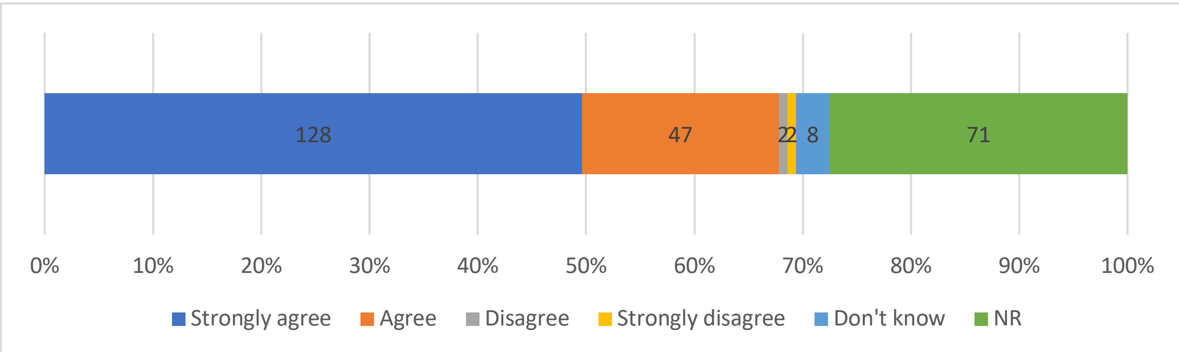


Figure A - 4. Statement 4: Multi-stakeholder engagement (including non-state actors, like civil society and private sector organizations) is important to ensure country ownership

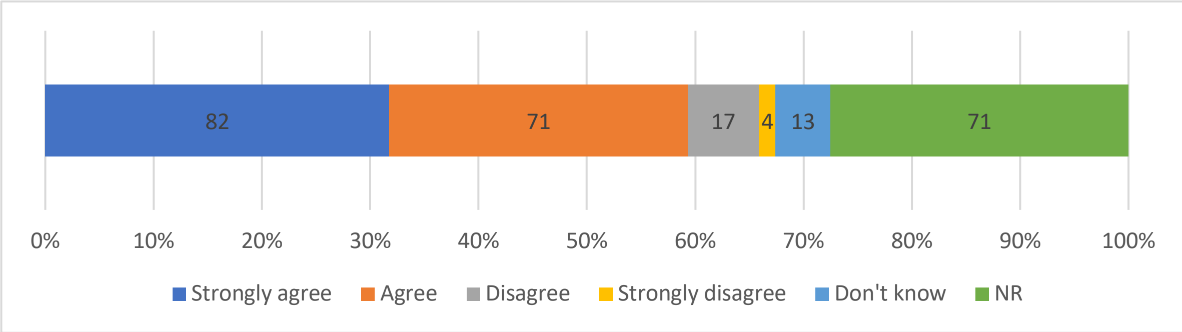


Figure A - 5. Statement 5: The ultimate aim of country ownership is meeting the needs of final beneficiaries

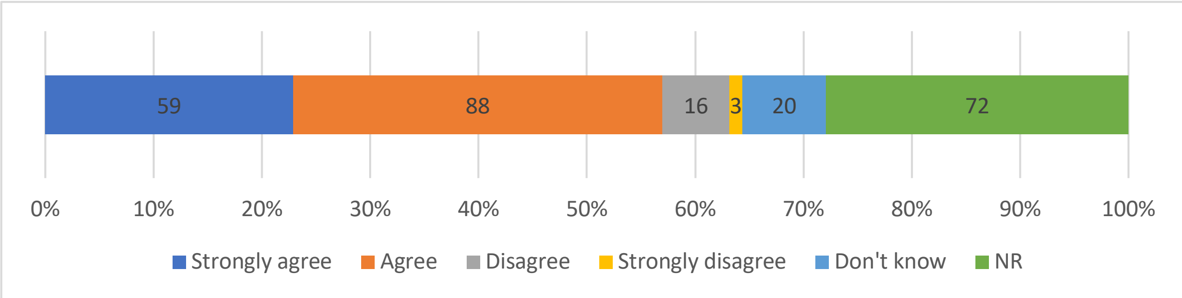


Figure A - 6. Statement 6: Preparing a GCF country programme helps to ensure a country-owned pipeline of projects

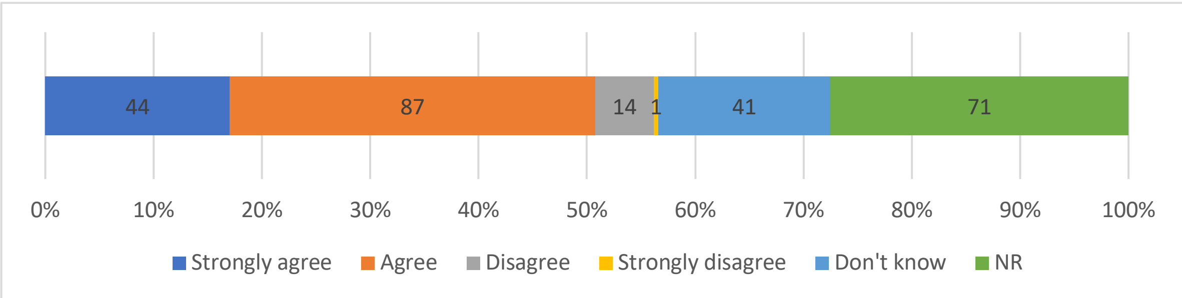


Figure A - 7. Statement 7: The pipeline and approved portfolio of GCF projects is in line with national objectives and priorities

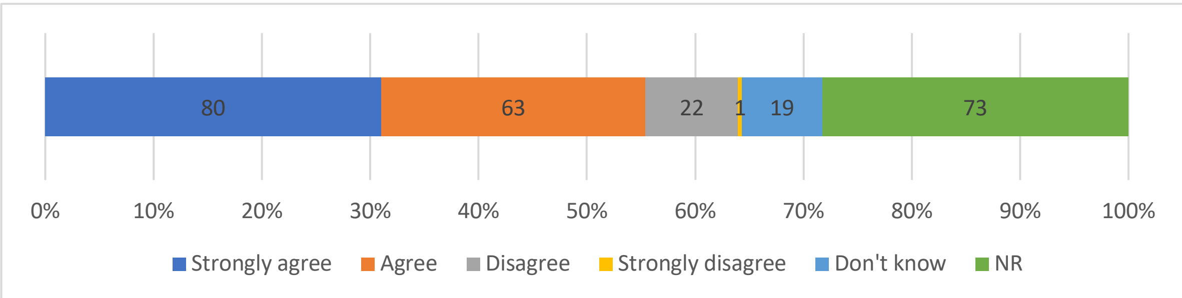


Figure A - 8. Statement 8: Projects that are strongly country-owned are more likely to support paradigm shift

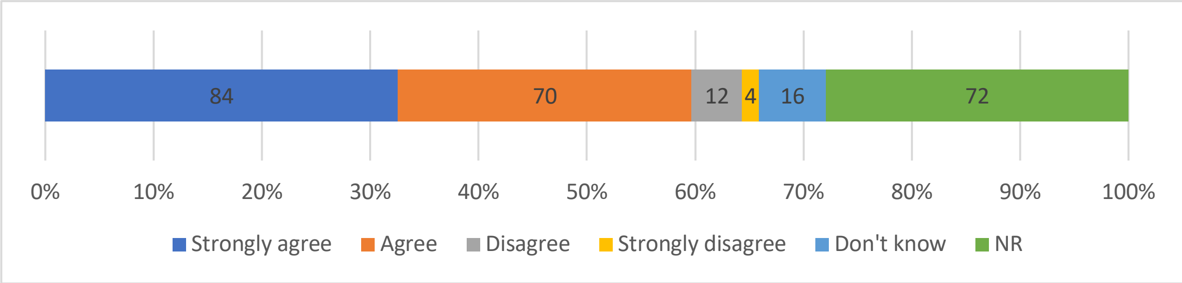


Figure A - 9. Statement 9: Direct access is essential for country ownership

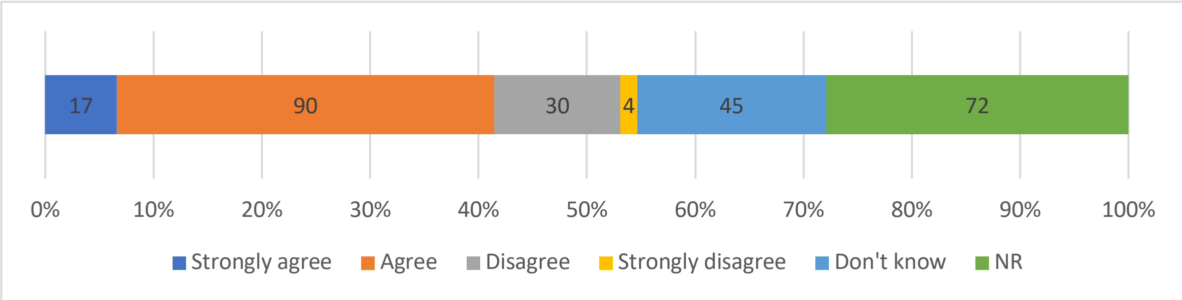


Figure A - 10. Statement 10: The GCF has structures and processes in place to ensure country ownership

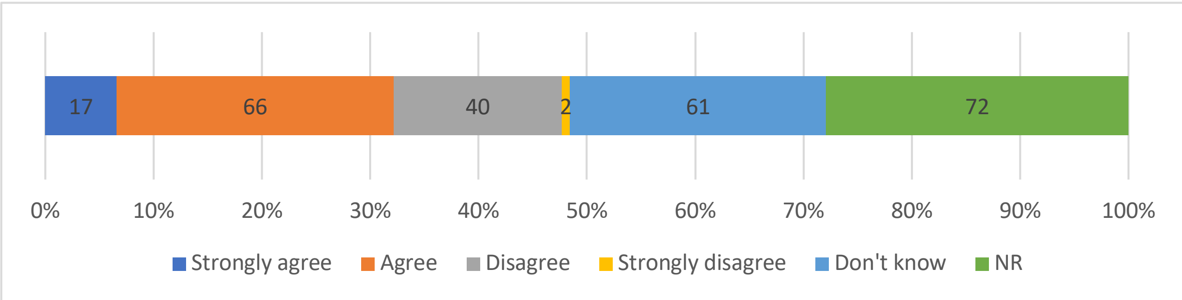


Figure A - 11. Statement 11: Private sector projects are in line with national objectives

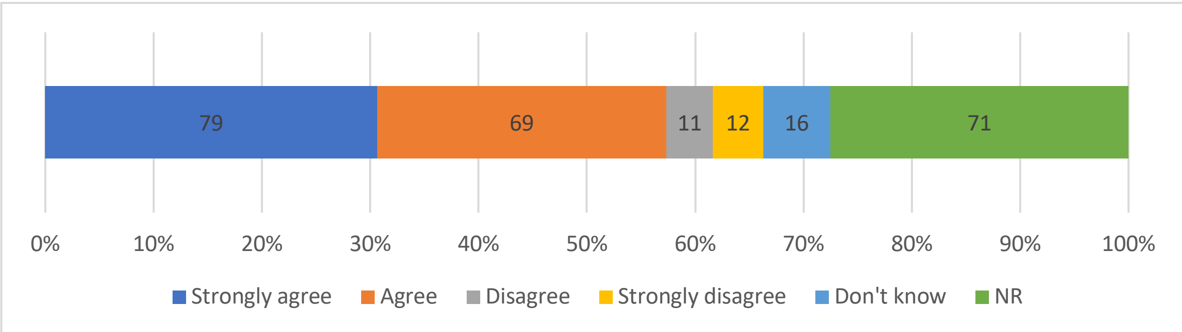


Figure A - 12. Statement 12: Unpredictability and delays in GCF approvals and processes may reduce country ownership

C. In-country survey

1. Respondents

A total of 125 respondents started and completed the survey, out of a total population of 125 respondents. Because the survey was administered in-person, during country visits, the response rate was complete.

The profile of respondents was established through an initial identification question, which established affiliation, shown here:

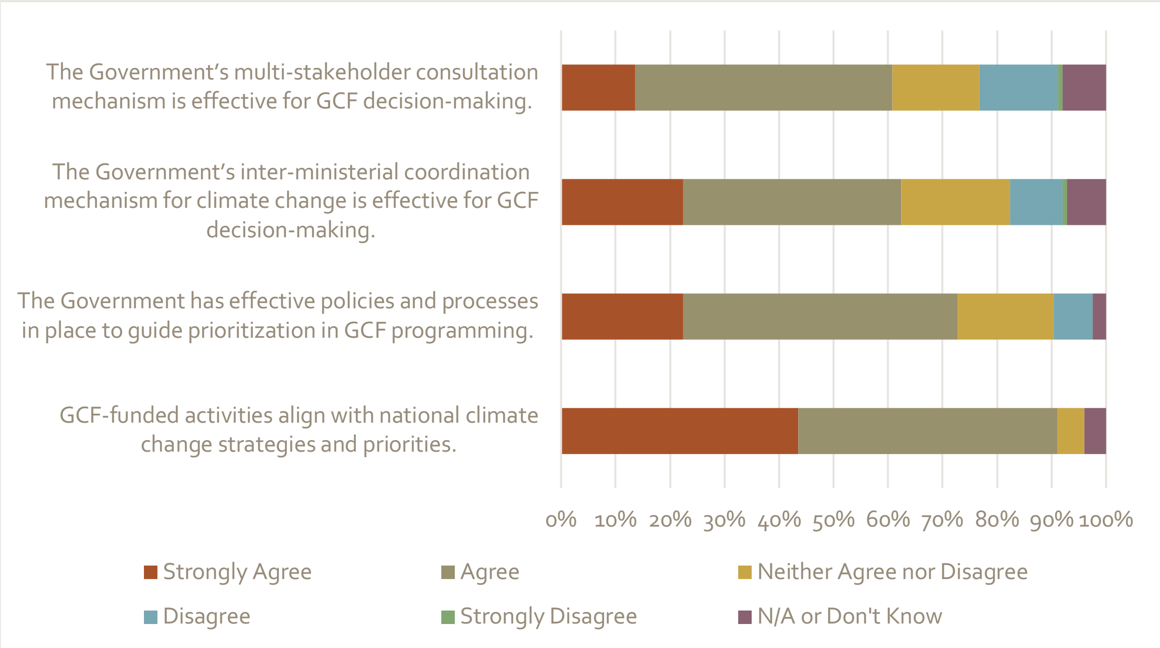
AFFILIATION	NUMBER	PER CENT
Government	32	26
Accredited or Nominated Entity	55	44
Delivery Partner	9	7
Civil Society	12	10
Private Sector	5	4
Other	12	10

The survey was comprised of mostly closed perceptions-based questions, but each section also included an open question for additional comments.

2. Results by question

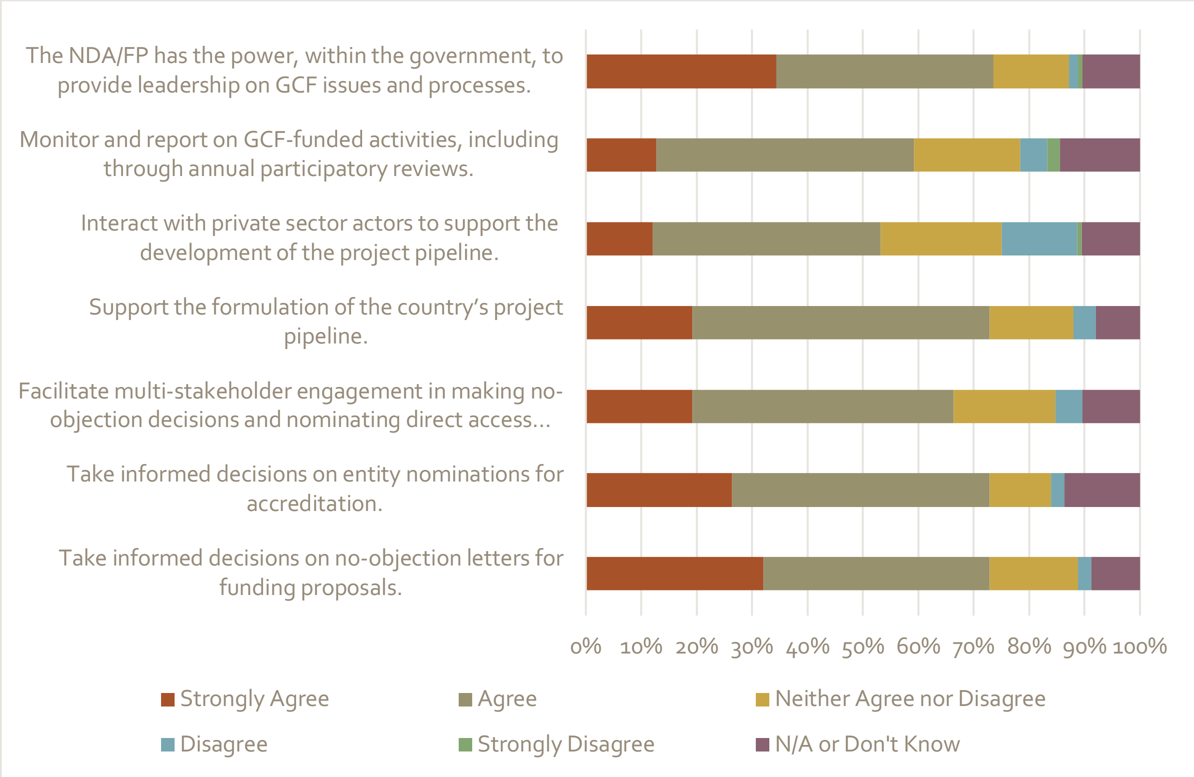
Please indicate the extent of your agreement with the following statements.

Section I: Alignment and coordination

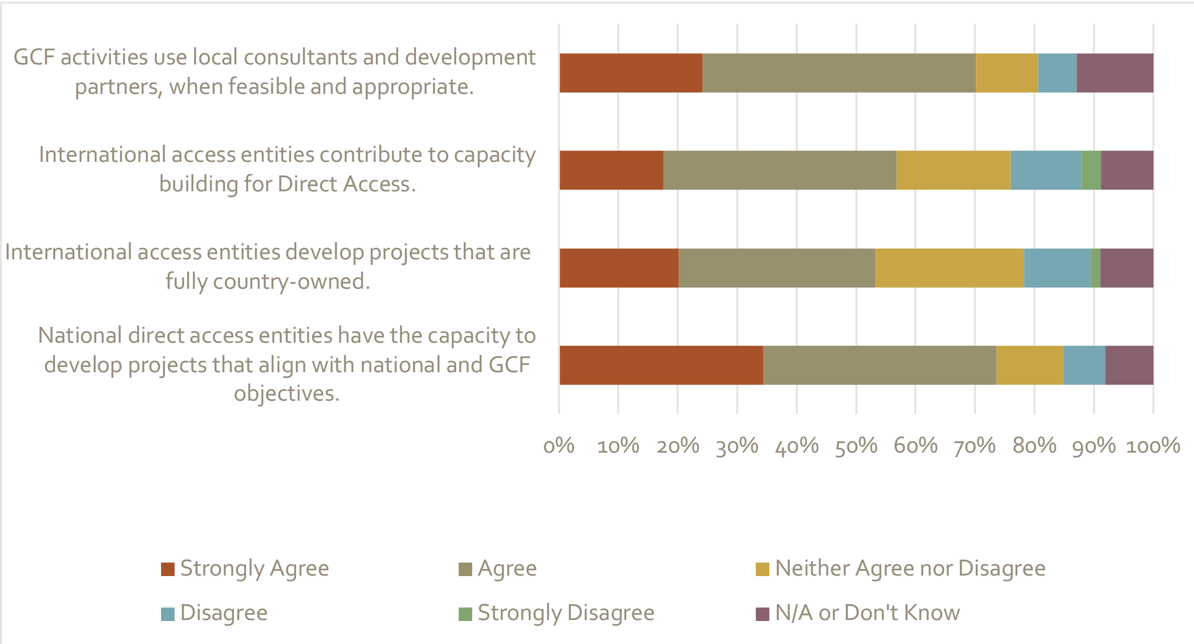


Section II: NDA institutional capacity

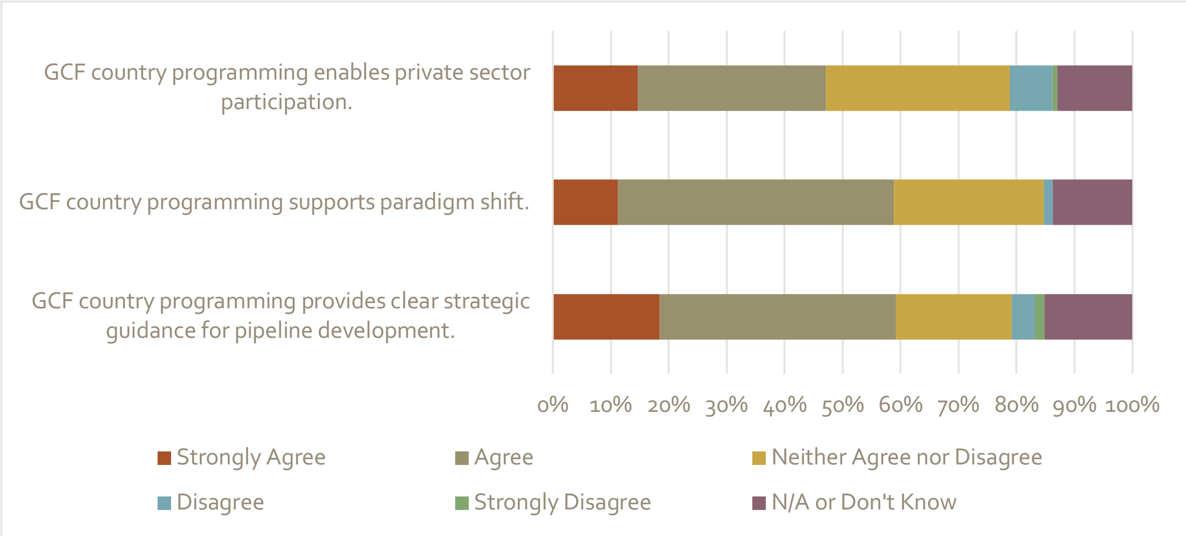
The NDA)/ focal point has the institutional capacity and skills to:



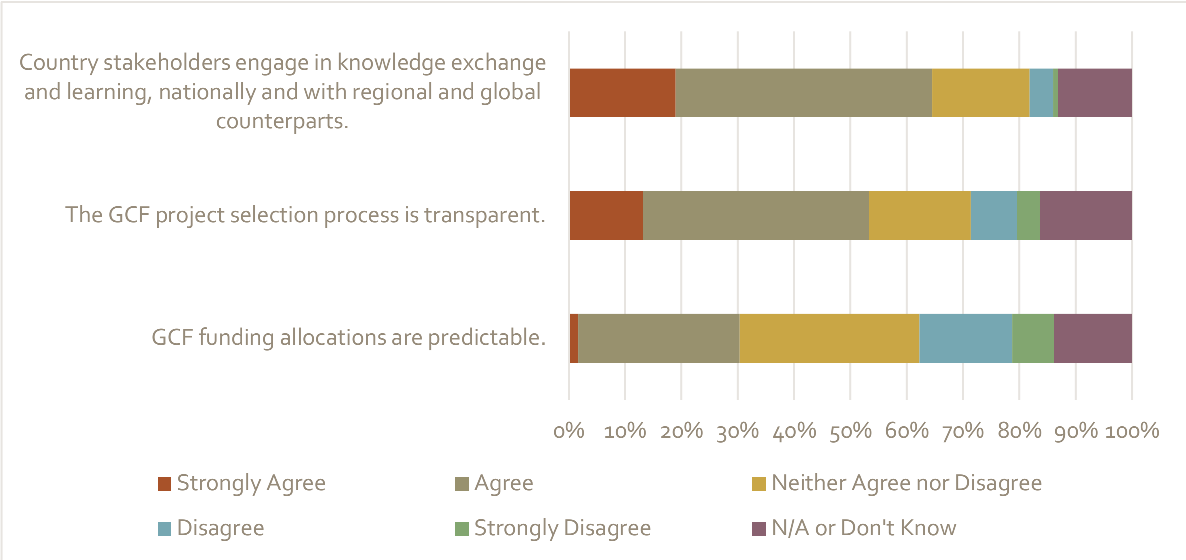
Section III: Accredited Entities and local partners



Section IV: GCF Country Programming



Section V: Mutual responsibilities



ANNEX 5. ADDITIONAL DATA ANALYSIS

A. GCF PIPELINE AND PORTFOLIO

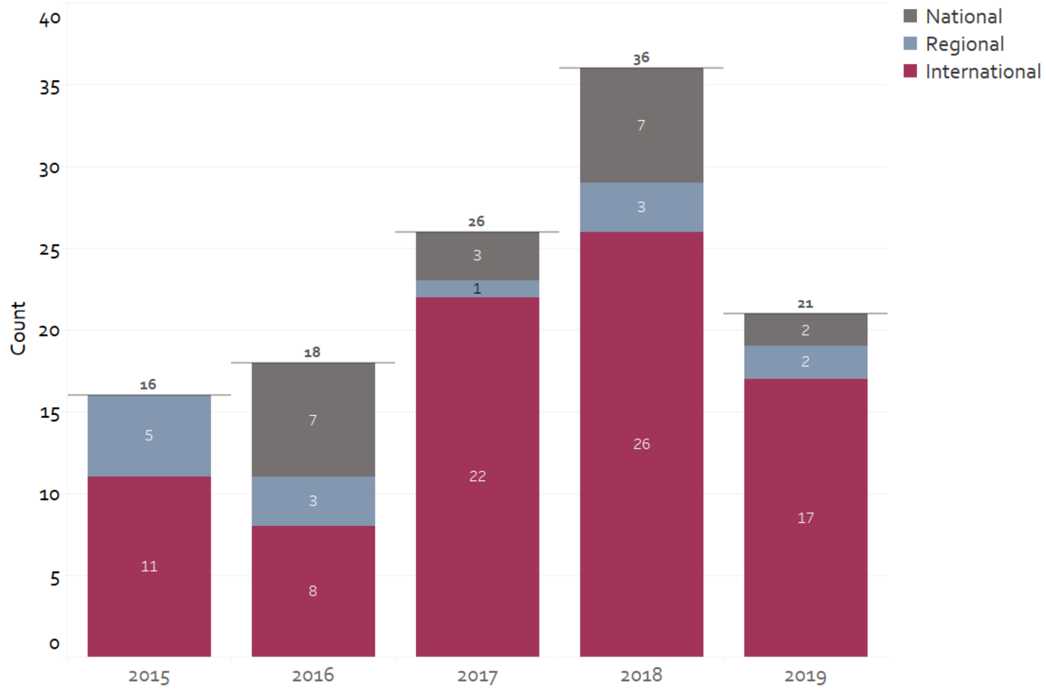


Figure A - 13. Submitted FPs over time, by access modality

Notes: The total population of the figure consists of 117 FPs that were ever submitted to the GCF Secretariat, including lapsed or not approved FPs, and excluding the 111 FPs that are in the active portfolio of the GCF, as of 8 July 2019.

Source: Data from iPMS, analysed by the IEU DataLab.

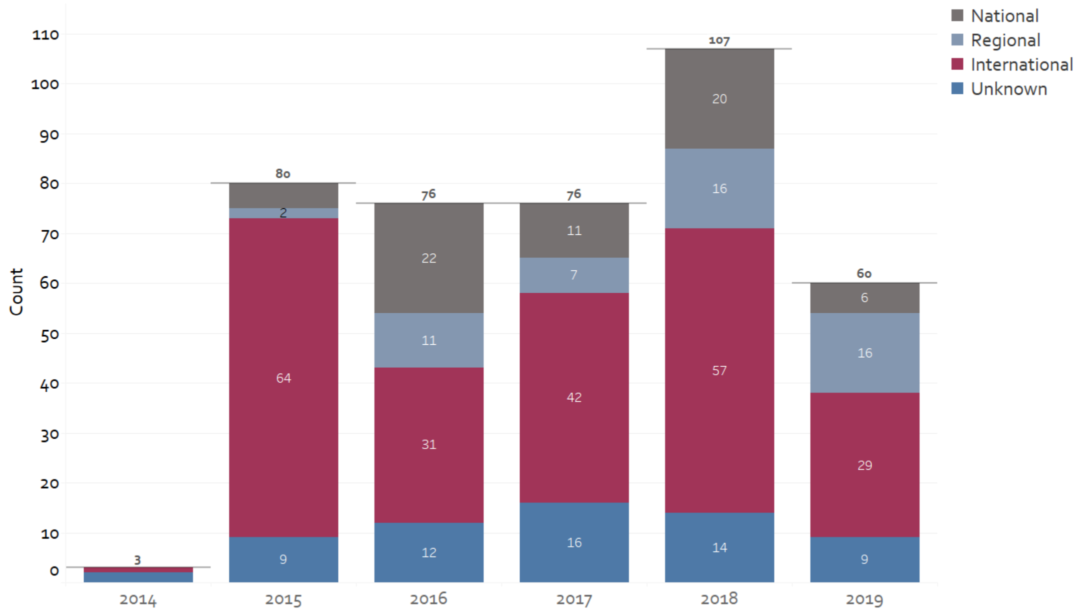


Figure A - 14. Submitted Concept Notes over time, by access modality

Notes: The total population of the figure consists of 340 Concept Notes that were ever submitted to the GCF Secretariat, and as of 8 July 2019, have not been transformed into FPs.

Source: Data from iPMS, analysed by the IEU DataLab.

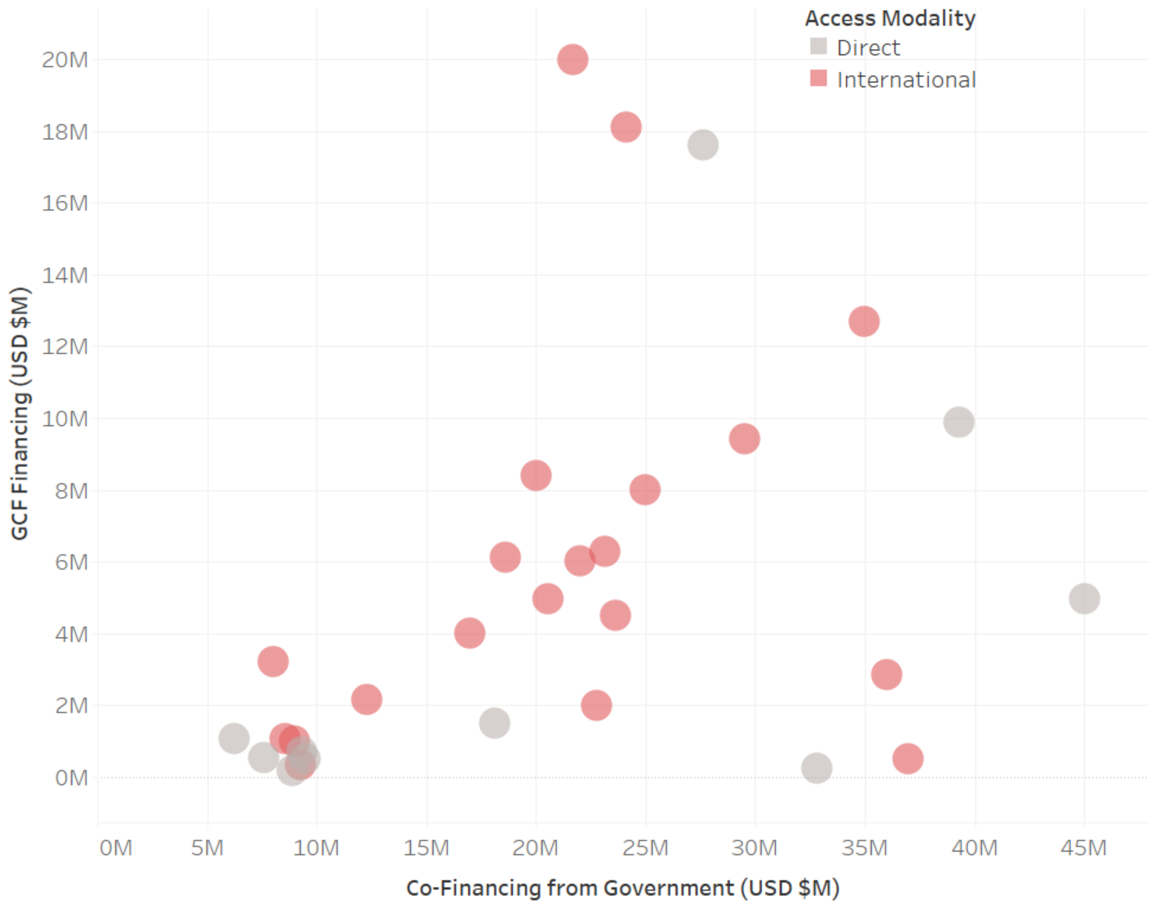


Figure A - 15. Co-investment ratio of the 30 micro and small sized DMA projects, by access modality

Source: Financial information from the relevant Secretariat divisions, analysed by the IEU DataLab. Data as of 8 July 2019

Table A - 11. Distribution of NDA/focal Point locations across GCF regions

NDA location	Distribution of NDA locations across GCF regions (per cent)					
	All eligible countries (154)	Africa (54)	Asia-Pacific (55)	Latin America and the Caribbean (33)	Eastern Europe (9)	Western Europe and Others (3)
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	59	69	62	36	89	0
Ministries of finance, economy, treasury	17	15	16	27	0	0
Ministries of planning, development	9	4	4	30	0	0
President/Prime Minister's office	6	7	7	3	11	0
Other	4	6	5	0	0	0

NDA location	Distribution of NDA locations across GCF regions (per cent)					
	All eligible countries (154)	Africa (54)	Asia-Pacific (55)	Latin America and the Caribbean (33)	Eastern Europe (9)	Western Europe and Others (3)
No NDA/focal point located yet	5	0	5	3	0	100

Notes: The numbers in the brackets represent the number of countries within each GCF region. All values in the table are in percentages, where the 100 per cent is represented by the population of each region.
Source: NDA location data from iPMS. Types of NDA locations categorised and analysed by the IEU DataLab. Data as of 8 July 2019

Table A - 12. Distribution of government co-investment ratios across NDA/focal point locations

NDA/focal point location	Number of countries with projects	Number of countries with government co-investment in projects	Number of projects with government co-investment	GCF amount committed (USD M) for 111 projects	GCF amount committed (USD M) for the 65 projects with government-co-investment	Government co-investment (USD M)	Overall government co-investment ratio for countries with projects*	Government co-investment ratio for countries with NDA/focal points**
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	59	33	37	3079.6	1041.5	894.5	0.3	0.9
Ministries of finance, economy, treasury	20	12	13	1226.1	377.1	398.4	0.3	1.1
Ministries of planning, development	11	6	7	503.2	185.0	254.8	0.5	1.4
President/Prime Minister's office	5	3	3	250.3	126.1	35.1	0.1	0.3
Other	4	4	5	173.0	104.0	45.3	0.3	0.4
Total Number	99	58	65	5232.2	1833.6	1628.0	0.3	0.9

Notes: GCF committed amounts in multi-country projects are allocated to individual countries with equal distribution, unless otherwise stated in the FAA.

*The ratio is calculated by the division of the column titled "Government Co-investment (USD M)" and another column titled "GCF Amount Committed (USD M) for 111 projects". This co-investment ratio shows the amount of government co-investment leveraged from every dollar of GCF projects at the overall GCF portfolio level.
** The ratio is calculated by the division of the column titled "Government Co-investment (USD M)" and another column titled "GCF Amount Committed (USD M) for the 65 projects with government-co-investment". This co-investment ratio shows the amount of government co-investment leveraged from every dollar of GCF projects when only looking at projects with government co-investment.

Source: NDA location data from iPMS. Types of NDA locations categorised and analysed by the IEU DataLab. Data as of 8 July 2019.

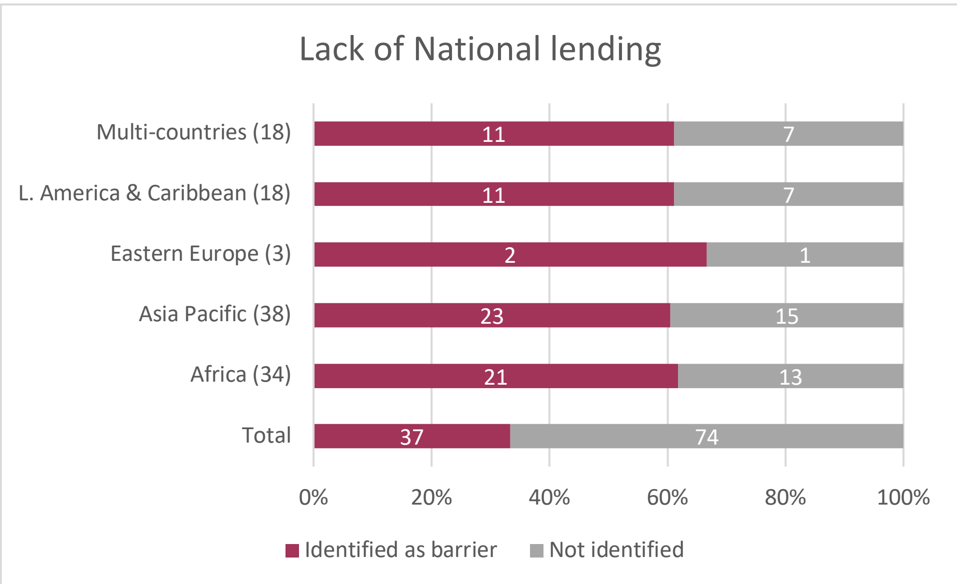
Table A - 13. Distribution of co-investment ratios across NDA/focal point locations by regions

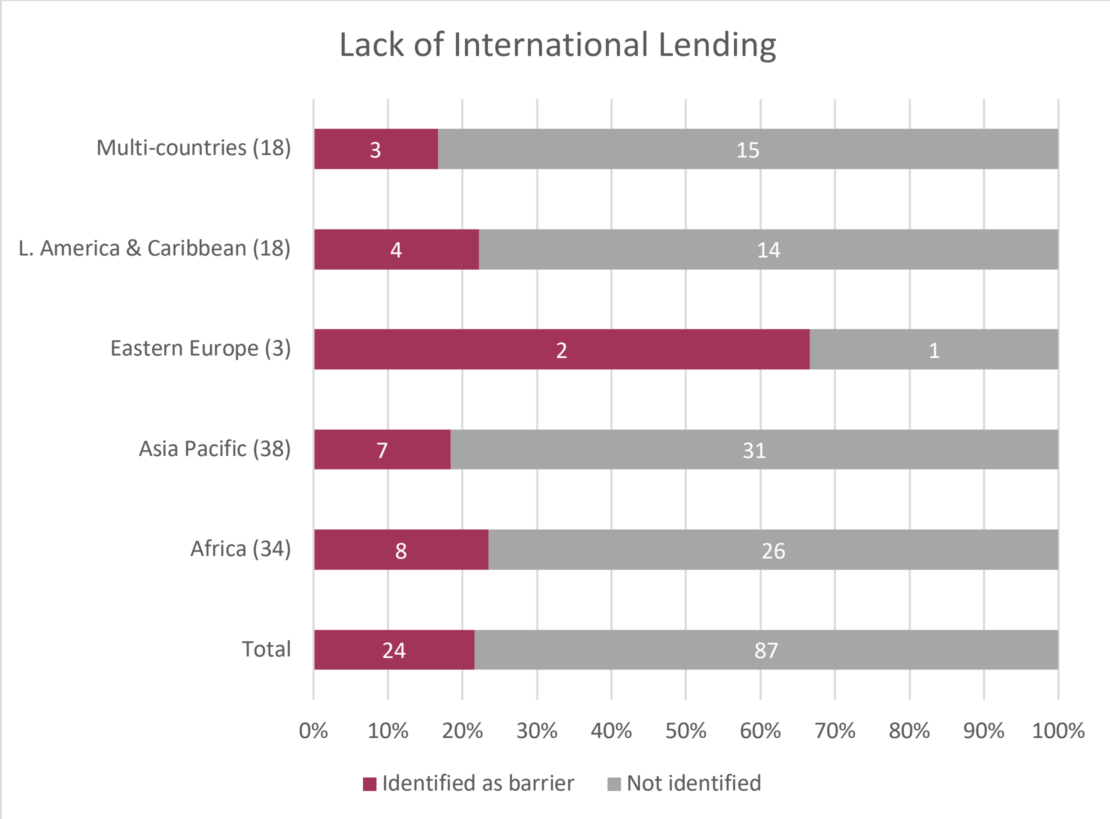
NDA/focal point location	Number countries	Number projects	GCF Amount Commited (USD M)**	Co-investment Amount Committed (USD M)**	Co-investment Ratio
Ministries or agencies of environment, energy, forestry, agriculture, water, natural resources, climate change	59	73	3079.6	7795.5	2.53
SIDS	*13*	*13*	*337.5*	*362.9*	*1.08*
LDCs	*20*	*24*	*622.7*	*970.6*	*1.56*
African States	*25*	*33*	*1455.7*	*3931.6*	*2.70*
*SIDS/LDCs/African States**	*37*	*44*	*1770.6*	*4348.0*	*2.46*
Others	*22*	*29*	*1309.0*	*3447.5*	*2.63*
Ministries of finance, economy, treasury	*20*	*31*	*1226.1*	*4116.6*	*3.36*
SIDS	*8*	*11*	*264.8*	*733.3*	*2.77*
LDCs	*4*	*13*	*197.0*	*277.9*	*1.41*
African States	*5*	*12*	*290.2*	*637.8*	*2.20*
*SIDS/LDCs/African States**	*13*	*23*	*575.1*	*1253.5*	*2.18*
Others	*7*	*8*	*651.0*	*2863.1*	*4.40*
Ministries of planning, development	*11*	*15*	*503.2*	*1159.6*	*2.3*
SIDS	*5*	*5*	*155.3*	*177.0*	*1.14*
LDCs	*3*	*6*	*145.5*	*396.7*	*2.73*
African States	*2*	*4*	*93.6*	*272.4*	*2.91*
*SIDS/LDCs/African States**	*8*	*10*	*300.8*	*573.8*	*1.91*
Others	*3*	*5*	*202.4*	*585.8*	*2.89*
President/Prime Minister's office	*5*	*10*	*250.3*	*273.7*	*1.09*
SIDS	*2*	*4*	*11.6*	*18.5*	*1.60*

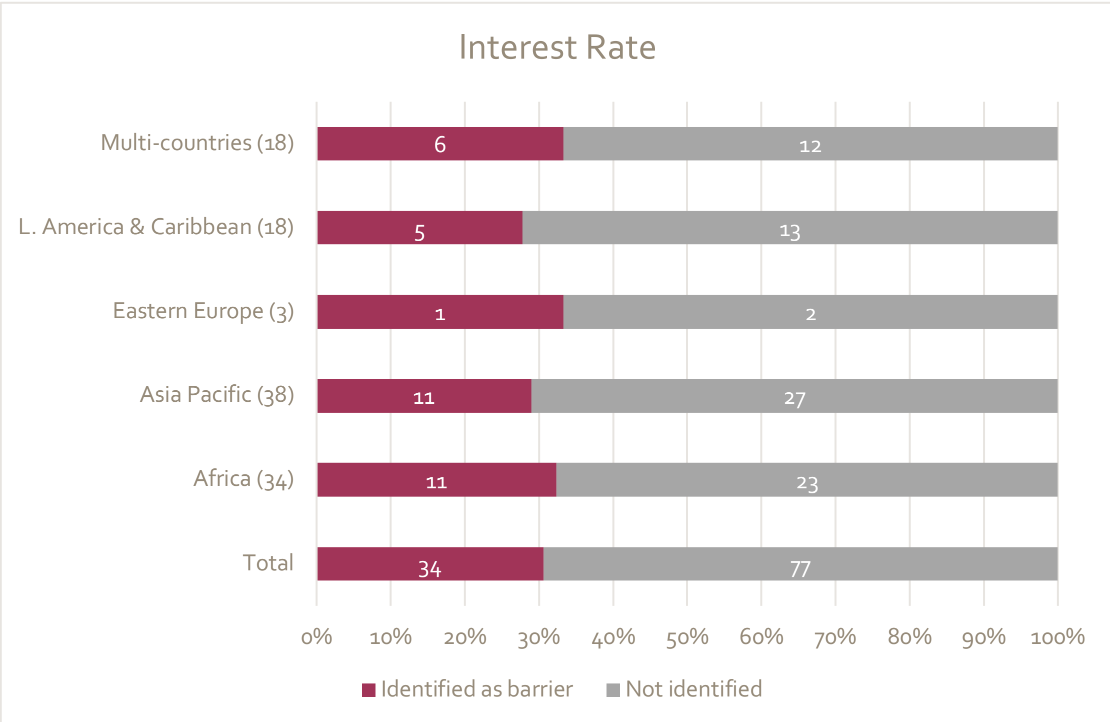
NDA/focal point location	Number countries	Number projects	GCF Amount commited (USD M)**	Co-investment amount committed (USD M)**	Co-investment ratio
LDCs	*2*	*2*	*227.7*	*199.1*	*0.87*
African States	*2*	*0*	*227.7*	*199.1*	*0.87*
*SIDS/LDCs/African States**	*4*	*5*	*239.3*	*217.6*	*0.91*
Others	*1*	*5*	*11.0*	*56.1*	*5.10*
Other	*4*	*9*	*173*	*150.9*	*0.87*
SIDS	*2*	*5*	*65.3*	*42.4*	*0.65*
LDCs	*2*	*7*	*109.0*	*47.7*	*0.44*
African States	*2*	*6*	*107.7*	*108.5*	*1.01*
*SIDS/LDCs/African States**	*4*	*9*	*173.0*	*150.9*	*0.87*
Others	*0*	*0*	*0.0*	*0.0*	*0.00*
Total Number	*99*	*111*	*5232.2*	*13496.2*	*2.58*
SIDS	*30*	*23*	*834.5*	*1334.2*	*1.60*
LDCs	*31*	*40*	*1301.9*	*1892.0*	*1.45*
African States	*36*	*45*	*2174.9*	*5149.3*	*2.37*
*SIDS/LDCs/African States**	*66*	*68*	*3058.8*	*6543.8*	*2.14*
Others	*33*	*43*	*2173.4*	*6952.5*	*3.20*

Notes: * LDCs, SIDS, and African States are not mutually exclusive categories in their individual columns. The combined SIDS/LDCs/African States category is their aggregate without duplications. **GCF committed and co-investment amounts in multi-country projects are allocated to individual countries with equal distribution, unless otherwise stated in the FAA.

Source: NDA location data from iPMS. Types of NDA locations categorised and analysed by the IEU DataLab. Data as of 8 July 2019.




Lack of International Lending
Multi-countries (18)
L. America & Caribbean (18)
Eastern Europe (3)
Asia Pacific (38)
Africa (34)
Total
3
15
4
14
2
1
7
31
8
26
24
87
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Identified as barrier
Not identified


Interest Rate
Multi-countries (18)
L. America & Caribbean (18)
Eastern Europe (3)
Asia Pacific (38)
Africa (34)
Total
6
12
5
13
1
2
11
27
11
23
34
77
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Identified as barrier
Not identified

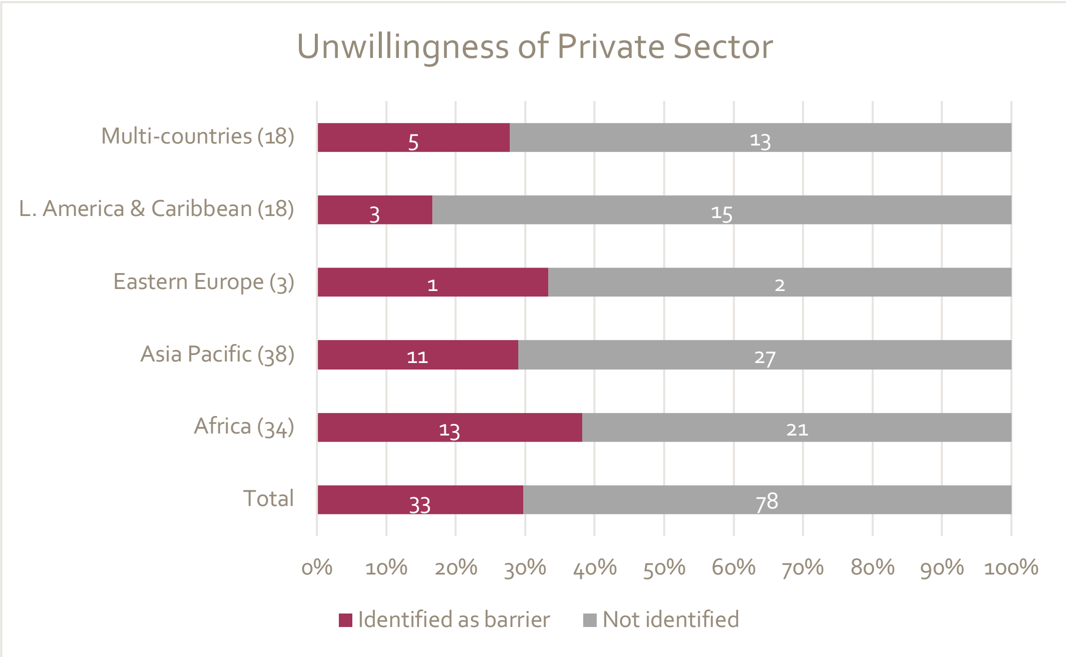


Figure A - 16. Barriers to financing in GCF active funding proposals, by region

Notes: According to the GCF's initial investment framework, adopted by the GCF Board in decision B.09/05, an indicative assessment factor for this investment criterion is the explanation of the existing barriers that create the absence of alternative sources of financing and how they will be addressed. The numbers on the bars represent the number of FPs with the specific barrier mentioned, while the y-axis represents their percentage compared to the entire portfolio. One FP can indicate multiple barriers to financing.

Source: 111 active FPs, as of 8 July 2019, extracted and analysed by the IEU DataLab.

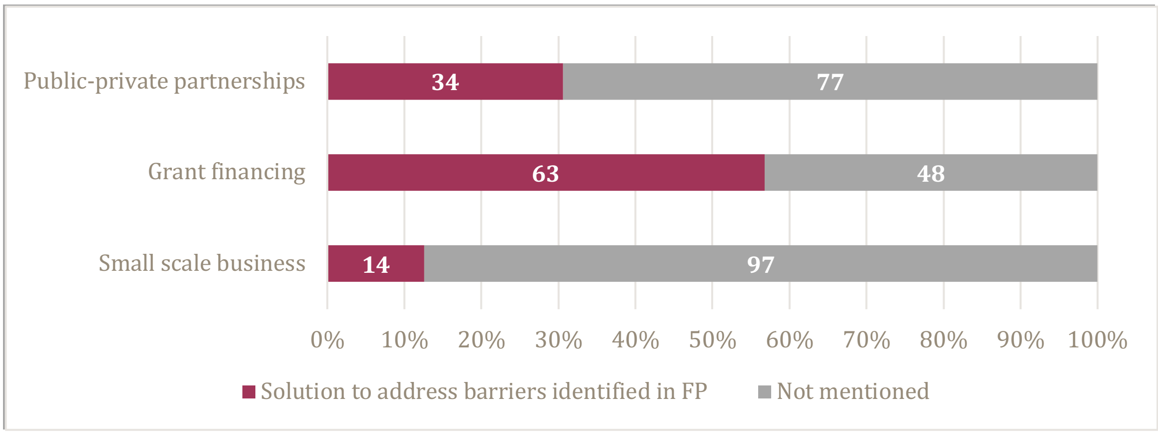


Figure A - 17. Addressing barriers through PPPs, grant financing, and small-scale businesses

Notes: According to the GCF's initial investment framework, adopted by the GCF Board in decision B.09/05, an indicative assessment factor for this investment criterion is the explanation of the existing barriers that create the absence of alternative sources of financing and how they will be addressed. The numbers on the bars represent the number of FPs with the specific solutions identified in the FP, while the y-axis represents their percentage compared to the entire portfolio. One FP can indicate multiple solutions to address barriers.

Source: 111 active FPs, as of 8 July 2019, extracted and analysed by the IEU DataLab.

B. Readiness and Preparatory Support Programme

Table A - 14. Most common RPSP delivery partners

No.	Delivery Partner	Number of RPSP grants
1	UNDP	39
2	PricewaterhouseCoopers (PwC)	38
3	UNEP	31
4	FAO	18
5	GGGI	13
6	GIZ	11
7	CCCCC	9
8	CAF	6
9	CSE	6
10	Sahara and Sahel Observatory (OSS)	4

Source: Data on RPSP grants from Fluxx, analysed by the IEU DataLab. Notes: The figures consider RPSP grants approved until 8 July 2019. RPSP grants for workshops are excluded.

Table A - 15. RPSP grants by GCF regions

Region	Number of countries receiving grants	Requested amounts (USD)	Approved amounts (USD)	Disbursed amounts (USD)
Africa	49	52,544,405.1	27,012,147.0	18,808,095.2
Asia-Pacific	37	41,936,134.3	37,185,392.9	15,427,169.4
Eastern Europe	9	8,526,819.0	56,912,897.0	2,719,611.9
Latin America and the Caribbean	31	55,574,515.0	35,502,743.0	19,735,291.4
Total	126	158,581,873.4	156,613,179.9	56,690,167.9

Notes: The table covers 261 approved RPSP grants up to 8 July, 2019. RPSP grants for workshops are not included. Disbursement amounts are up to 8 July 2019.
Source: Data on RPSP grants collected from Fluxx, financial information from responsible Secretariat divisions, analysed by the IEU DataLab.

Table A - 16. Summary of overall RPSP approvals and disbursement

RPSP funding type	Amount approved(USD)	Amount disbursed (USD)	Amount disbursed (per cent)
RPSP Grants	155,162,675	55,572,334	35.8
PwC Direct Access entity grants	1,450,505	1,117,834	77.1
Workshops, events and Structured Dialogues	10,698,053	5,494,872	51.4
Total	167,311,233	62,185,040	37.2

Notes: The amount of approved grants and disbursement is up to 8 July 2019.
Source: Data on RPSP from Fluxx, financial data from responsible Secretariat divisions, analysed by the IEU DataLab.

Table A - 17. Approved RPSP grants related to the establishment of a NOP, by GCF Regions

GCF Regions	Number of eligible countries	Grants approved with the expected outcome of the establishment of a NOP		
		Number of countries receiving a grant for NoP	Percentage of countries receiving a grant for NoP (per cent)	Number of grants for NoP
Africa	54	32	59	34
Latin America and the Caribbean	33	20	61	28
Asia Pacific	55	32	58	36
Eastern Europe	9	6	67	6
Others	3	0	0	0
Total	154	90	58	104

Notes: The table covers 232 approved RPSP grants up to 8 July 2019. RPSP grants supporting NAPs and RPSP grants for workshops are not included.
Source: Data on expected outcomes of RPSP are extracted from 232 RPSP grant proposals and analysed by the IEU DataLab.

C. Accreditation and AEs

Table A - 18. Indicative list of countries of operation for accredited regional DAEs

Entity	Countries
Acumen	Colombia, Ethiopia, Ghana, India, Kenya, Nigeria, Pakistan, Peru, Rwanda, Tanzania, Uganda
AWB	Benin, Burkina Faso, Cote d'Ivoire, Cameroon, Congo, Gabon, Morocco, Mali, Mauritania, Niger, Senegal, Togo, Tunisia
BOAD	Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo
CABEI	Argentina, Belize, Colombia, Costa Rica, Cuba, Dominican Republic, Guatemala, Honduras, Mexico, Nicaragua, Panama, El Salvador
CAF	Argentina, Bolivia, Brazil, Barbados, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Panama, Peru, Paraguay, Trinidad and Tobago, Uruguay, Venezuela
CCCCC	Antigua and Barbuda, Bahamas, Belize, Barbados, Dominica, Grenada, Guyana
CDB	Antigua and Barbuda, Bahamas, Belize, Barbados, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Suriname, Trinidad and Tobago, Saint Vincent and the Grenadines
DBSA	Angola, Botswana, Democratic Republic Congo, Ghana, Lesotho, Mozambique, Namibia, Nigeria, Eswatini, Tanzania, South Africa, Zambia, Zimbabwe
Fundacion Avina	Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Mexico, Nicaragua, Panama, Peru, Paraguay

ENTITY	COUNTRIES
MCT	Micronesia, Marshall Islands, Palau
OSS	Benin, Burkina Faso, Cote d'Ivoire, Cabo Verde, Djibouti, Algeria, Egypt, Ethiopia, Ghana, Gambia, Guinea-Bissau, Jordan, Kenya, Libya, Morocco, Mali, Mauritania, Niger, Nigeria, Sudan, Senegal, Somalia, Chad, Togo, Tunisia, Uganda
SPC	Cook Islands, Fiji, Micronesia, Kiribati, Marshall Islands, Niue, Nauru, Palau, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa
SPREP	Cook Islands, Fiji, Micronesia, Kiribati, Marshall Islands, Niue, Nauru, Palau, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa

Source: The countries of operation were collected by the IEU DataLab from the introduction statements of relevant entities, submitted during their accreditation application process. In the absence of such data, further research was conducted of publicly available, online information from sources affiliated with the organisations.

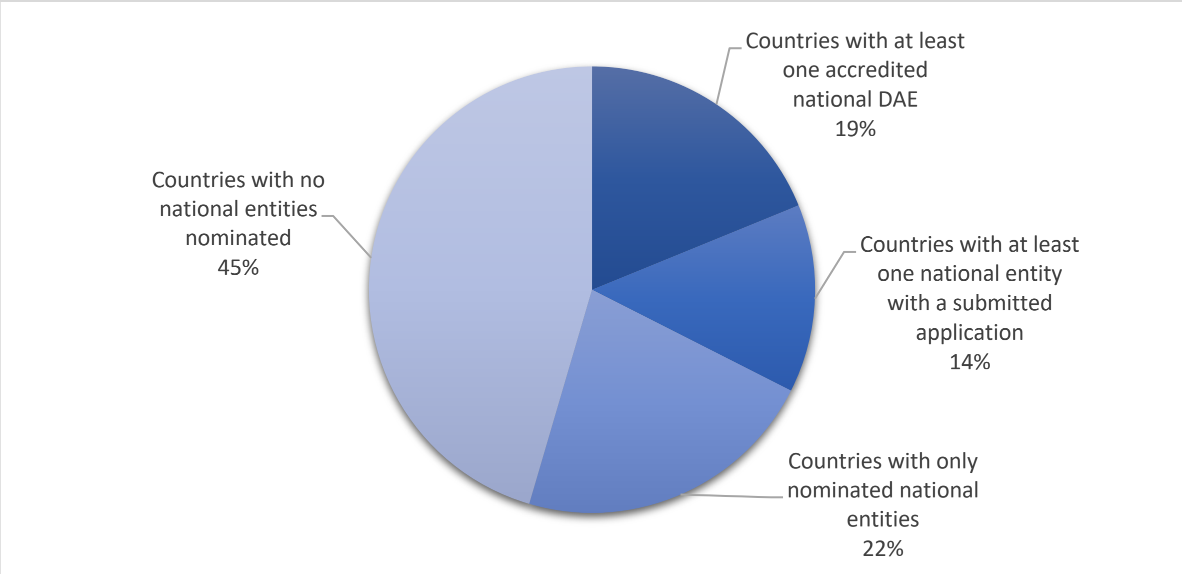


Figure A - 18. Share of countries with national access entities, nominated, in application, or already accredited

Notes: The total population of countries represents all 154 eligible countries
Source: Data from relevant GCF Secretariat divisions, cleaned and analysed by the IEU DataLab.

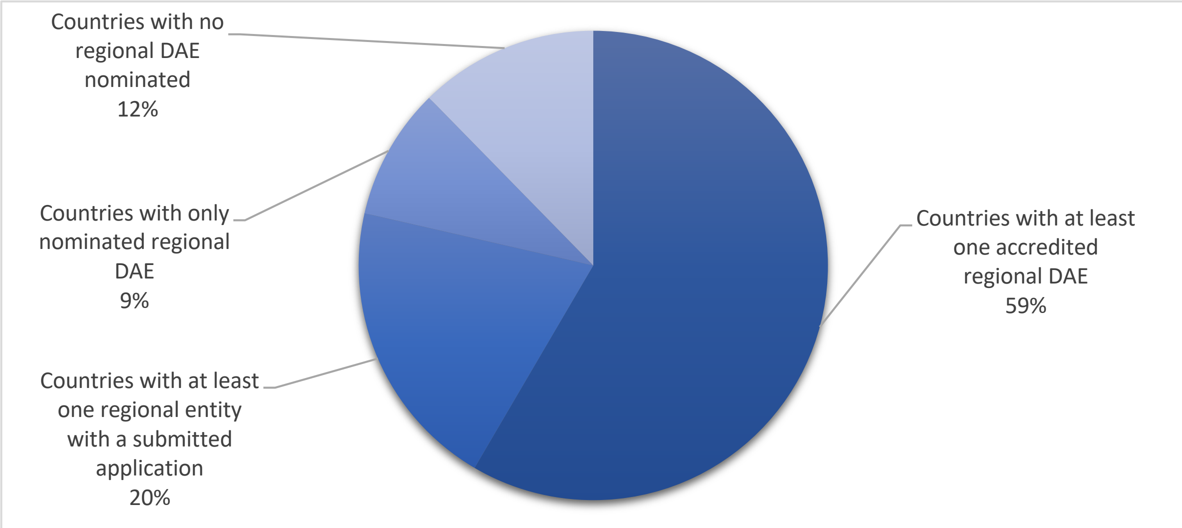


Figure A - 19. Share of countries with regional access entities, nominated, in application, or already accredited

Notes: The list of specific countries considered for accredited regional AEs can be found in Annex 5. Due to confidentiality considerations regarding the accreditation pipeline, the list of not yet accredited regional entities cannot be disclosed

Source: Data on countries of operation for regional entities were collected by the IEU DataLab from the introduction statements of relevant entities, submitted during their accreditation application process. In the absence of such data, further research was conducted of publicly available, online information from sources affiliated with the organisations. All data is as of 8 July 2019.

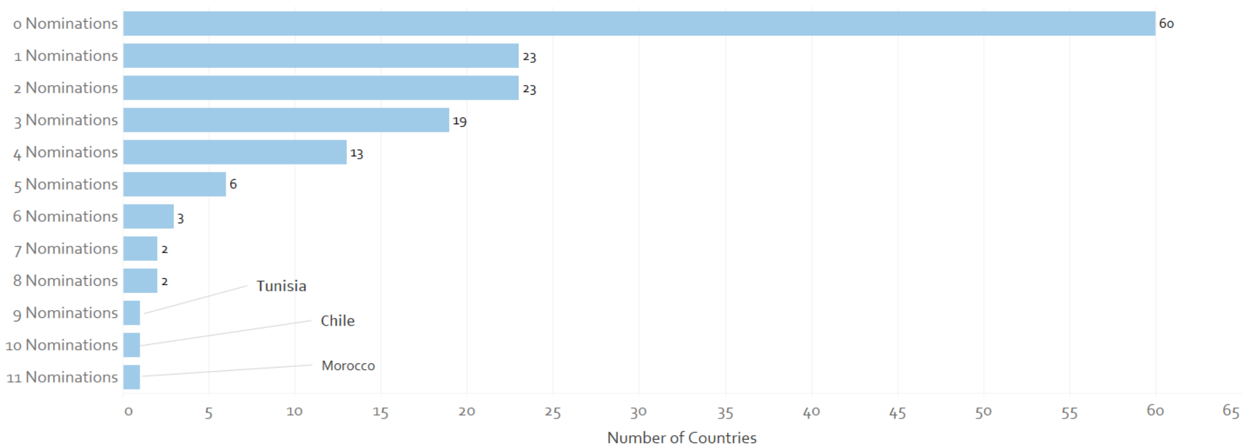


Figure A - 20. Count of countries and NDA nominations for national and regional DAEs

Source: Information on entities' countries of nomination is from relevant GCF Secretariat divisions. Data gathered and analysed by the IEU DataLab. Data as of 8 July 2019.

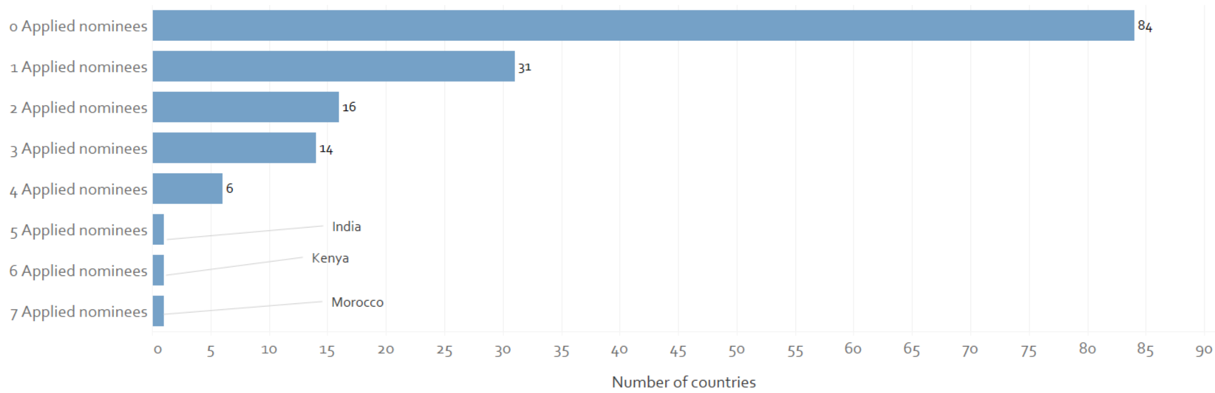


Figure A - 21. Count of countries and nominated national and regional DAEs that have ever applied for accreditation

Source: Information on entities' countries of nomination is from relevant GCF Secretariat divisions. Data gathered and analysed by the IEU DataLab. Data as of 8 July 2019.

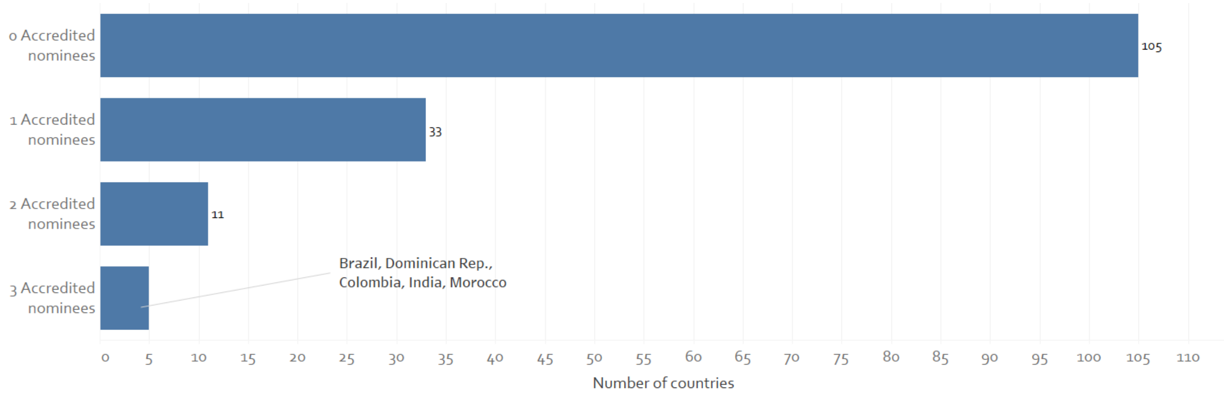


Figure A - 22. Count of countries and nominated national and regional DAEs that were successfully accredited

Source: Information on entities' countries of nomination is from relevant GCF Secretariat divisions. Data gathered and analysed by the IEU DataLab. Data as of 8 July 2019.

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ANNEXES - VOLUME II (COUNTRY CASE STUDIES)

ANNEX 7. COLOMBIA COUNTRY CASE STUDY REPORT

A. BACKGROUND AND CONTEXT

1. COUNTRY AND CLIMATE CHANGE CONTEXT

Due to the location and physical and climatic characteristics of Colombia, the country is highly vulnerable to climate change. It is located under the influence of the intertropical confluence zone and is divided into five natural regions, with very diverse and complex physiographical characteristics, including the Andes mountain range. It is the second-most populous country in South America, with a population of 48,228,704 inhabitants (GoRC, 2017a). The country is considered an upper-middle-income economy, with mid-level human development, placing 90 out of 189 countries and territories in the Human Development Index.

Climate change is an immediate national security issue in the country, in the context of the implementation of the peace agreements. There are strong links between deforestation, violence and high natural capital areas, including the National System of Protected Areas and National Parks (SINAP). These areas also tend to be populated by indigenous peoples. Peace may paradoxically represent a further risk to deforestation and sustainable land management if adequate safeguards, policies and investments are not in place in the post-conflict context. The increased value of newly accessible land, the expected associated expansion of infrastructure and the potential expansion of extractive industries into these territories may pose further threats to the ecosystems of previously inaccessible areas.

2. GCF PORTFOLIO AND INSTITUTIONAL ARRANGEMENTS FOR ENGAGING WITH THE GCF

National designated authority (NDA). The NDA is located in the National Planning Department, where the General Territorial Deputy Director has legal power of signature. (See Section II.B below for more detail on the NDA.)

Readiness and Preparatory Support Programme (RPSP). With seven projects totalling over USD 4 million, Colombia has the largest number of RPSP projects among all GCF eligible countries. This support has been directed particularly to accreditation of direct access entities (DAEs) and the mobilization of the private sector. The NDA, two DAEs, and an association of banks (Asobancaria) have benefited from RPSP support. The latest DAE to receive accreditation and pipeline development support is Bancoldex, where readiness support was approved after the evaluation mission in June 2019. (See Section II.B below for more detail on readiness.)

Accredited entities. Three national DAEs have been nominated (Findeter, Fondo Acción and Bancoldex), with the first two already accredited. The Inter-American Development Bank (IDB), United Nations Development Programme (UNDP), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the World Wildlife Fund (WWF) are the main international accredited entities (IAEs). A regional DAE, the Development Bank of Latin America (Corporación Andina de Fomento, or CAF), is also active in the country. (See Section B.3 below for more detail on direct access and accreditation.)

Funding proposals and pipeline. There is only one project under implementation: *Scaling Up Climate Resilient Water Management Practices for Vulnerable Communities in La Mojana* (FP056). This project is implemented by UNDP and has a total project value of USD 117.2 million, of which USD 38.5 million is a GCF grant and the remainder (67 percent) is co-invested by public entities in

Colombia, including national funds and agencies, universities and institutes, and local districts and municipalities. Twenty percent of GCF financing has been disbursed to date.

Colombia has a substantial pipeline of concept notes (CNs), as summarized below, including the accredited entity (AE) when known:

- Low emission cattle ranching, Fondo Acción
- REDD+, AE to be determined
- Insurance market development in the agriculture and fisheries sector, IDB
- Scaling up climate resilient water management practices for vulnerable communities in La Mojana, UNDP
- Adaptation plan for climate change and variability in the agricultural sector, CAF
- Sustainable transportation in intermediate cities, CAF
- Energy efficiency in the Caribbean region, CAF
- Catalysing energy efficiency in the Colombian private sector, AE to be determined
- Municipal waste nationally appropriate mitigation action, Findeter
- Resilience of ecosystems and vulnerable producers, Bancoldex
- Colombian heritage, WWF
- Programme for promoting electric buses (e-bus), GIZ
- First metro line, IDB

3. CLIMATE FINANCE AND DEVELOPMENT COOPERATION CONTEXT

Colombia has received substantial climate finance from dedicated climate finance funds. Eleven projects have been funded by the Climate Investment Funds' Clean Technlogy Fund portfolio, focused on energy efficiency, renewable energy and sustainable public transport, and totalling more than USD 1 billion. The Adaptation Fund provided funding to the predecessor of FP056. Through the Global Environment Facility, Colombia has had projects focused on the SolarChill household and commercial refrigerator, as well as several multifocal area projects focused on water and sustainable landscapes.

As a middle-income country, Colombia has greater access to both domestic funds and international private financial sources, relying less on external public finance in the form of aid. Colombia therefore has substantially more government resources to dedicate to its own priority development areas (e.g. see the high proportion of co-investment in the single GCF project) and is much less reliant on traditional development aid – grant support in particular. The Government is interested in exploring innovative financing models and blended instruments, with a particular interest in guarantees and equity finance to balance the current GCF CN pipeline, which is tilted towards credit.

In addition to climate finance, development finance is still present in the country. In 2017, Colombia received almost USD 3 billion in official development assistance. The main donors are the United States, Germany, France and the European Union. Colombia did not take part in the latest Global Partnership for Effective Development Co-operation monitoring exercise.

B. KEY FINDINGS

1. COUNTRY LEADERSHIP AND ENGAGEMENT

a. Climate change policies and strategies

Colombia has a well-established legislative and policy framework that is aligned with its international commitments, including the nationally determined contribution (NDC), and provides effective guidance for climate finance and GCF programming. This finding is supported by a review of its climate-specific policies and strategies, the stakeholder survey and interview data, as described below.

In the Latin America region, besides the early ratification of the Paris Agreement, Colombia sets an example to follow in terms of a strategic framework, as well as related structures and processes. The overall strategic frameworks for supporting climate action and mobilizing climate finance in the country are the Colombian Climate Change Policy and the NDC. The country also has a Climate Change National Adaptation Plan (PNACC). These national frameworks provide clear guidance and priorities for GCF programming. Over 95 percent of the survey respondents agreed or strongly agreed that the GCF funded activities aligned with national priorities.

Because the Government has recently changed – an event that is usually associated with substantial changes in policy direction in Latin America – the continuity of these climate change commitments is not assured, but early signs seem positive. In interviews there were mixed opinions, some fully convinced of continuity, while others expected changes. The recently released Colombia National Development Plan 2018–2022 and Sustainability Pact also appears to have a commitment to addressing climate change, while attempting to balance productivity with sustainability. Due to the link between the peace agreement and forestry, this may be a key theme of divergence with the previous Government, according to one interviewee.

In its NDC, Colombia has set a reduction target of 20 percent of its greenhouse gas (GHG) emissions with respect to the projected business-as-usual scenario by 2030. This target could be increased to 30 percent, subject to the provision of international support (GoRC, 2015). Adaptation measures have also been included in the intended NDC for Colombia so as to reduce its vulnerability in the transport, housing, energy, agriculture and health sectors, and more particularly in the Caribbean and Andean regions.

b. Institutional structures to coordinate climate change

The National Climate Change System (SISCLIMA) provides a pioneering government climate change coordination structure. The SISCLIMA oversees the design, implementation and review of the main climate change related strategies of the Government, including low-carbon development, forestry, disaster management and adaptation. The SISCLIMA is led by a high-level Intersectoral Commission for Climate Change (COMICC), supported by a Climate Finance Committee, as well as a committee on investigation, information production and communication. There are also a number of subcommittees focusing notably on external relations, sector and subnational issues.

The Climate Finance Committee is composed of six main ministerial bodies, as well as the National Adaptation Fund (Fondo Adaptación); Institute of Hydrology, Meteorology and Environmental Studies (Instituto de Hidrología, Meteorología y Estudios Ambientales, or IDEAM); Bancoldex; Findeter; Agriculture and Fisheries Fund (El Fondo para el Financiamiento del Sector Agropecuario, or Finagro); and Protocolo Verde (Green Protocol, a private sector initiative, coordinated by Asobancaria). Asobancaria is a guild, a representative association of 20 member banks, including national development banks, among others.

Referring to the continued commitment to climate change by the new Government, many interviewees suggested that the strong institutionalization of the international commitments, along with the SISCLIMA structures and coordination processes, may be providing critical support in this regard.

Government interlocutors emphasized that the SISCLIMA was established prior to the GCF. Over 90 percent of survey respondents felt it provided a mechanism for effective GCF decision-making. There was great confidence among all interviewees – across government, private sector and civil society – in the SISCLIMA structures and processes, particularly with a view to government mainstreaming of planning and decision-making across the climate change agenda.

Colombia has also set up a GCF-specific decision-making forum inside the SISCLIMA structure. The Cuerpo Colegiado is the coordination mechanism aimed at securing effective access to GCF funding. The members of this body are the National Planning Department, host to the NDA, the Environment Ministry, the Finance Ministry, the Presidential Agency for International Cooperation and the Foreign Affairs Ministry. However, the collegiate body contains only governmental representatives; it does not include civil society organizations (see section on multi-stakeholder engagement below).

The Cuerpo Colegiado has developed the GCF country programme and established tools, such as the call for proposals / selection criteria for project ideas. In addition, the Cuerpo Collegiado "has access to all of the (SISCLIMA) planning mechanisms," according to an interviewee. While the design of the GCF procedures did include input from technical committees, ultimately decisions were taken by the interministerial Cuerpo Colegiado.

Among interviewees, there were mixed opinions on the actual operation of the GCF-specific structure. According to one interviewee, based on the latest meeting "The Cuerpo Colegiado was efficiently run and it was clear that participants had prepared in advance." Participants had received and reviewed documentation in advance and contributed to discussion with informed opinions. However, according to another, "There was a problem in the smooth flow of information within the Cuerpo Collegiado." This does suggest that even in the case of Colombia, with well-established and functioning structures, issues around interministerial coordination and communication persist.

c. Understanding country ownership

At least in Colombia, it is clear that the concept of country ownership needs to extend beyond formal government procedures, to embrace meeting needs at the local level, including the beneficiary, and even ecosystem needs.

Based on interactions during the country visit, the definition of country ownership is very ambiguous and intangible, with views ranging from embracing the spirit of the land, to the NDC. A number of interviewees emphasized the need to "translate" GCF concepts into the national and even local context – or, even more simply, into Spanish.

Very few interviewees actually defined ownership in terms of more conventional national needs, institutional structures and processes. However, one interviewee did state that "it is an opportunity to leave capacity in key institutions, that the resources are allocated in a national and subnational frame and that they are able to use the capacity"; another interviewee referred specifically to the DAEs. According to yet another interviewee, "There is nothing unique about the GCF structures supporting country ownership that have not already been tried and tested elsewhere." At the project level, according to an international interlocutor, ownership entailed the participation of local entities in the formulation and development of project ideas and development of projects.

Almost all interviewees noted the need to empower the regions and local government, suggesting that country ownership needed to extend to the subnational level (see also multi-stakeholder engagement below). In the project in La Mojana, ownership was understood as the active monitoring and participation by the communities through technical meetings. Ultimately, therefore, country ownership could be defined based on relevance for final beneficiaries, including more vulnerable populations.

d. Multi-stakeholder engagement

Colombia remains characterized by highly centralized decision-making, with more limited consultation, particularly among civil society. Engagement with the private sector is stronger. All interviewees placed great emphasis upon engagement and the decentralization of decision-making to the subnational level.

This traces its roots to the longest-running internal conflict in the western hemisphere and related intimidation and violence directed at civil society, according to Freedom House. Civil society organizations do not have a regular seat in the SISCLIMA national coordination structures. According to multiple interviews, civil society does not feel that the Government is open to their participation in national decision-making on climate change. According to one respondent, "This may be due to fear of criticism."

Broader consultations are nevertheless held regularly (annually), and non-governmental actors are active in the technical committees and other, more ad hoc bodies (e.g. the technical committee for the development of adaptation indicators).

There is also no permanent civil society or private sector representation in the Cuerpo Colegiado. The accredited entities and other stakeholders are invited to the meeting on the basis of need, on a case-by-case basis.

Sub-national reach. Strategic documentation, as well as all interviewees, emphasized the importance of subnational reach and decentralization for promoting country ownership. SISCLIMA also has ambitions to become more operational at the subnational level, through a network of regional climate change nodes, which mirrors the national structure. All government interlocutors emphasized the importance of the subnational dimension for country ownership and sustainability of efforts.

However, most interviewees also agreed that while this structure existed in theory, it was not yet fully operational. There was little understanding, for example, of the NDC at the subnational level, according to one interview. It was particularly challenging to identify bankable projects at the local level by approaching communities. For example, the CN on intermediate cities apparently enjoyed full support from local mayors, along with the central government. However, local authorities lacked the operational capacity for actual implementation, according to another interview. A particular challenge is political turnover. Due to local elections, the governors and mayors are to change in January 2020.

Private sector engagement. The private sector has its own initiative, the "Green Protocol," for the coordination of the sector, including an annual workplan. Prior to GCF support, the initiative was started and owned by the banking sector, which was investing substantial own-resources in its design and implementation. The GCF approved RPSP support for the implementation of the final phase of the Green Protocol in February 2018. The initiative focuses on six prioritized sectors, including housing & construction, agriculture & fisheries, industry, energy, transportation and water, and works with leading banks and financial institutions (e.g. Davivienda, Bancoldex, Findeter, the national development bank [Financiera de Desarollo Nacional, FDN]) that are specialized in each of these sectors. Each of the sector groups meets approximately three times per year. Other sectors and ministries are copying and replicating the Green Protocol structure to leverage private finance in their specific initiatives.

e. Country programming

The overall perception, based on both interview and survey data, is that the existing strategic framework, as well as the structures and processes in Colombia, provide adequate guidance to broader climate finance commitments, of which the GCF is only one component.

A Colombia GCF country programme has not been formally submitted to the GCF Secretariat. A draft document does exist since 2017, namely with a view to establishing country priorities and needs specifically in the context of the GCF, but it remains brief and a "work in progress." The country programme was discussed by the Cuerpo Colegiado, but it was not subject to a further, participatory approach. Very few of the interviewees had actually taken part or were even aware of the draft document. A number of interviewees emphasised that the main driver of the CP was alignment with the National Development Plan, the NDC and particularly the inter-sectoral priorities, with a view to the priorities of the current government; which was fully in line with firm ownership by the government of the climate agenda. One interviewee also mentioned that the country programme was also being revisited due to pressure from the GCF and the exigencies of the upcoming GCF replenishment. Nevertheless, according to one interviewee, "unlike in the case of the CIF [Climate Investment Funds], the country programme is not an absolute requirement." It is clear that the country programme simply identified specific priorities in the GCF context, drawing on the government's own climate change policy framework.

Nevertheless, some interviewees saw opportunities in the country programme preparation process. It could provide an opportunity to institutionalize GCF-related priorities, processes, timelines and even templates. It could also potentially further institutionalize climate action, even across government changes. According to one interviewee, "The country programme provides another opportunity to cement climate action, beyond being a source of climate finance. It institutionalized priorities and commitments, supporting also the continuity of policies across changes of government." For the moment, it provides an overall description of the portfolio and the pipeline of projects.

The in-country survey data present a similarly mixed picture of the usefulness of the GCF country programming exercise, with less than 60 percent of respondents agreeing that country programming provides clear strategic guidelines for pipeline development, and 17 percent being either neutral or not sufficiently aware of the document to have an opinion. The survey and interview data suggest that stakeholders feel that the existing policy and strategic frameworks and structure provide sufficient guidance for programming climate finance projects, and that the GCF country programme can play some role in helping to institutionalize it.

f. Alignment with national priorities and needs and GCF objectives (paradigm shift)

Most interviewees felt that GCF objectives, whether climate rationale or paradigm shift, were well represented through the GCF investment criteria. Interviewees considered it simply too early in their engagement with the GCF to describe real examples of paradigm shift, but many were able to point to related potential through GCF support. There were a variety of perspectives on what could constitute a paradigm shift, from innovative finance mechanisms (e.g. Asobancaria) to behaviour change (e.g. La Mojana, work with girls). Of the survey respondents, 67 percent either agreed or strongly agreed that GCF country programming supported paradigm shift, with the remaining 33 percent being either neutral or unaware. This may be at least partly due to the elusive nature of the concept.

Considering that Colombia is a transitional economy, interviewees pointed to a need to explore alternative sources of finance to traditional development grants, in order to be paradigm-shifting. This also requires new structures and innovative processes to be in place, notably for engaging private sector finance. The RPSP has supported Asobancaria in communicating about climate change within the financial sector: both the opportunities and the challenges/risks. There is a great opportunity now to leverage private finance, as banks understand that there are financial returns from the green economy. The potential ability of the GCF to catalyse innovative blending models and generally to leverage private finance was considered to have great paradigm shift potential.

As another example, the La Mojana project is perceived to be changing the mentality surrounding infrastructure, which is now more in line with the broader ecosystem and natural flow of water, in a region and among a population that has been afraid of water, particularly since the 2010 floods. According to various interviews, critical actors started to view the risk management from the perspective of adaptation, rather than building infrastructure that exacerbated climate risks. One interviewee said: "the population is beginning to understand and adapt their lifestyle to the ecosystem in which they live; it is a new way to think and understand their territory." Perhaps ironically, the embracing of ancestral knowledge and practices by the Government was considered innovative and paradigm-shifting.

g. Government co-investment

Colombia has demonstrated clear ownership through a substantial commitment of government funding in the FP056 project under implementation, at 67.2 percent of the total grant of USD 117.2 million. This is also in line with the middle-income status of its economy. This ratio is well above the average co-investment ratio across the whole GCF portfolio. Public co-investment in Colombia is obtained from an impressive variety of national, regional and non-governmental sources, with USD 61.8 million set aside by the National Adaptation Fund (a Colombian entity). Some of these contributions are monetized in-kind co-investment from government staff and local communities, provided through staff time and facilities.

In the first metro line project, which remains at project concept phase, the central government intends to secure financing for 70 percent of the mega-project and the local government has committed to financing 30 percent of the budget. In major infrastructure investments, such as this one, this financial commitment provides an encouraging indication of the potential sustainability of the operations of the project.

2. Country institutional capacity and readiness

a. NDA capacities (relationships, structures, processes and skills)

Within the context of the broader strategic framework for climate finance, the established structures and procedures, as well as the demonstrated technical ability, Colombia has substantial institutional capacity to identify and implement relevant and feasible climate change interventions. Specifically for the GCF, this includes a strong and well-respected NDA, a no-objection procedure rooted in project selection criteria and processes, as well as monitoring, reporting and evaluation procedures that are linked back to national systems to monitor both adaptation and mitigation impacts.

The NDA is hosted at the National Planning Department. The National Planning Department has oversight over the national development plan, with a "vision over all of the sectors in a cross-cutting manner," according to a government interlocutor. There are also 15 technical units with a sectoral focus that work in a specific way on the implementation of the national development plan. According to a number of interviewees, the main focus of the NDA is on the alignment of the GCF with the Government's vision and objectives, as defined in the national development plan and climate change strategy.

There is an almost unanimous sense that the National Planning Department and NDA are the most relevant and effective coordination body for the GCF among respondents across government, the private sector and civil society; this finding was also supported by the stakeholder survey. Apparently, there may be some tension between the National Planning Department and the Ministry of Environment, as responsibilities had been and would continue to be passed from the former to the latter; particularly by the new Government.

Structures and processes, including no-objection procedure. Generally, the NDA has the operational structures and processes, as well as the staff, in place to operate effectively and efficiently. The NDA applies general government structures and processes, as well as human resource policies, to all of its operations. Some operational structures and processes in relation to the GCF are less well defined. The country programme would provide an opportunity to institutionalize and document them.

The no-objection procedure (NoP) is well established and managed by the NDA, although with the involvement of the Cuerpo Colegiado, according to both interview and stakeholder survey data. There is a detailed process flow with clear decision points, based on the character of the project (national versus regional) as well as established and agreed viability criteria and a scoring system, which allows for the objective selection of the projects with the best scores on these criteria. Projects are also assessed on their maturity, with a view to directing them towards resources for further development (e.g. RPSP, Project Preparation Facility (PPF)). The no-objection letter is a formal approval, after a much more thorough process of vetting by the SISCLIMA structure. While the NoP functions smoothly, the La Mojana project was a victim of the change in government and a resulting delay in formal approval. According to an interviewee, "These delays have a substantial impact on the ownership of the project by local stakeholders."

The NDA has specifically requested the GCF Secretariat not to proceed with applications that have not received the no-objection letter. There was a case of a regional project where the private sector entity was in direct contact with the GCF, but not the National Planning Department. The NDA withheld the no-objection letter in this case.

NDA staffing and skills. Three full-time consultancy positions, funded through the RPSP, support GCF implementation inside the NDA. However, a total of 8 to 10 staff members are in some way involved in GCF-related support. Likewise, there are climate change focal points, also funded through the RPSP in all the relevant ministries; the Ministries of Environment (1 consultant), Development cooperation (1 consultant) and the Treasury (1 consultant). Altogether, this represents about six full-time positions, filled by long-term, local consultants. Overall, staff appear highly qualified. According to one interviewee, "It is very valuable that there is dedicated, technical expertise in the core ministries on climate change." However, the technical scope of climate change issues is vast, and the staff complement at the NDA cannot cover all technical areas. The readiness support administered by the Colombian Presidential Agency of International Cooperation is in the process of recruiting consultancy support (two staff positions) to the NDA, as well as to other key institutions, such as the Ministry of Environment and the Presidential Agency of International Cooperation itself.

Capacity nevertheless has been challenged due to staff turnover. The GCF focal point at the NDA is in transition and key coordinating staff members have recently rotated to other functions. Contact persons have also changed in almost all key ministries, presumably also as a part of the change of government. This was, however, not the case for the person responsible for the La Mojana project, where continuity of responsibility at the National Planning Department has played a major facilitating role in implementation.

The GCF regional structured dialogue hosted in Colombia was catalytic in increasing awareness and understanding of the GCF. However, even among immediate target groups, awareness remains extremely low, if existing at all. Access to information appears to also be very personified, depending upon direct relationships with the GCF.

b. Project cycle

Project origination was strongly linked to predecessor programmes, due particularly to the substantial GCF requirements that were difficult to fulfil without previous implementation experience. The La Mojana idea stemmed from an existing, regional "Master Plan" and predecessor project, supported by the National Adaptation Fund. As projects are often follow-on phases of earlier interventions, they may be less innovative in nature but could contribute to the scaling dimension of paradigm shift.

Project identification is rather formalized, based on annual calls for proposals that have been launched since 2016. The priorities are defined by the Cuerpo Collegiado and National Planning Department, and the calls are sent by email, not an open competition. There is little awareness of these opportunities among a broader group of relevant stakeholders, according to one interview. The annual priorities of the calls are also not always in line with new project ideas, according to another interviewee. At times, DAEs are even encouraged to take on projects that are not their priority.

Prioritization criteria and a process flow have been developed for project selection. The viability criteria are fully aligned with the six GCF investment criteria. The process of obtaining approval is the same for CNs and full proposals. Submissions can also be directed and approved for application to the PPF. Only CAF has accessed the PPF for two projects in Colombia (transportation and intermediate cities), with both having experienced substantial delays attributed to the recent elections and GCF procedures.

Interviewees in Colombia perceive GCF Secretariat project cycle processes as ill-defined and opaque, lacking clear responsibilities and timelines, and subject to substantial delays. According to one interviewee, for example, the GCF process of developing CNs is not defined. There are no flow charts or approval circuits to help them understand the process. Information is generally not shared broadly and equitably across a variety of stakeholders, whether by the NDA or directly by the GCF Secretariat. The challenges seem to stem from the fact that the GCF itself is a new institution and capacities are spread thinly at the Secretariat.

c. Use of country systems and expertise

Colombia has made substantial efforts to also develop the national monitoring, reporting and evaluation system for climate finance and to effectively monitor the implementation of the GCF portfolio. Individual projects are implemented in accordance with the respective procedures of each AE. International consultants are rarely used, and dissatisfaction has been recorded with their understanding of the local context. In the framework of the readiness support provided by PricewaterhouseCoopers, according to one interviewee, "international consultants do not work, as they are not familiar with the local regulatory environment."

The Government has the ambition to develop a single climate change monitoring system, within the larger climate change national system. For the moment, this is already well established for mitigation efforts. Similar ambitions exist to develop shared indicators and a monitoring system for adaptation efforts. There is a voluntary working group on related indicators. Ideally, any GCF or AE indicators would be aligned with these systems.

At the project level in La Mojana, UNDP implementation structures and procedures are applied. There is a steering committee at both the political and technical level. At the political level, there is representation from the National Adaptation Fund, National Planning Department and Ministry of Housing. There is a participatory structure for regular monitoring, including indicators that measure the empowerment of more vulnerable actors and communities, with a view to project sustainability, according to an interviewee. Financial management and oversight are exercised by the same structure.

Over 90 percent of survey respondents felt that the NDA had the capacity to monitor and report on GCF activities, also through annual participatory processes. An annual GCF review was conducted in a participatory way. This was confirmed by a number of interviewees, also from the private sector and civil society.

3. Country ownership through accreditation and direct access

a. Nomination and accreditation of direct access entities

Colombia had a very strategic and coordinated approach to the nomination and accreditation of DAEs. Based on country needs, which were very diverse, the Government actively identified the most relevant and capable agencies for the task. According to one government representative, "As these three organizations (including both banking and civil society) were represented in the SISCLIMA structures, it was obvious that they would also become the DAEs."

Fostering country ownership also requires that the GCF structures and procedures that are designed to support this principle and objective do indeed function. This has been a particular challenge for the accreditation process but has also been challenging for other processes.

Findeter was selected for its geographic scope, Bancoldex for engagement of the private sector, and Fondo Acción for its relationship with civil society and experience with communities. Of the survey respondents, 80 percent believe the DAEs have the capacity to develop projects that align with national and GCF objectives. According to one interviewee, "National DAEs may have a comparative advantage, when local knowledge is required." There is nevertheless concern that vulnerable groups, such as indigenous peoples, are not sufficiently represented by the DAEs. A number of interviewees thought it would be useful to have a DAE to meet these specific needs. However, all considered the GCF requirements too onerous for institutions representing these groups. While accreditation may be beyond the capacity of organizations such as the national organization of indigenous peoples (Organizacion Nacional Indigena de Colombia, ONIC), according to one interview efforts are being made to ensure they can serve as implementing agencies for projects.

Additional nominations are therefore unlikely, as there are few organizations that meet GCF requirements and are willing to undertake the arduous accreditation process, based on the experience to date. The accreditation requirements were not very clear and were perceived to be interpreted differently by various GCF staff as well as differently over time. This incertitude may result in DAE candidates not actively pursuing the accreditation process. Leveraging private finance is fundamentally threatened by unpredictable and lengthy GCF processes, which may negate its concessional terms. Some DAEs nevertheless felt that the accreditation exercise was useful in pointing out weaknesses in their internal structures and processes (e.g. project cycle management, environmental and social safeguards, gender) and establishing these.

The capacity of the DAEs to match the requirements imposed on IAEs was a major issue. According to one interviewee, "The same criteria are used by the GCF to review DAEs as IAEs, while the former do not have the same capacity and experience as the latter." Furthermore, Secretariat feedback focused on application gaps, rather than constructive recommendations and was not very efficient, with substantial delays. The requirement to translate documentation into English was also a substantial burden.

b. Direct access entity contributions to a country-owned pipeline and portfolio

The aim now is to achieve a robust portfolio of projects for each of the DAEs. There is at least a perceived desire by the Government to channel GCF funding through the DAEs, rather than larger, international contracts. The DAEs have nevertheless faced substantial challenges in identifying bankable projects for their pipeline. Only 3 out of 13 CNs have been initiated by DAEs, and 1 is not yet accredited. According to one interviewee, "There are few organizations in Colombia that are able to meet GCF requirements in project preparation." Nominated DAEs do not necessarily have staff 100 percent dedicated to the GCF. It is also challenging to convince management, particularly in banks, of the potential financial returns on investment. In a number of cases, the preparation costs were perceived to outweigh the conditionality of GCF finance. Only the Development Bank of Latin America, CAF, has successfully obtained about USD 2 million in PPF support to date (for two projects).

In many countries, international treaty level agreements on privileges and immunities are required to obtain tax-free status. Most IAEs negotiated these many years ago. The GCF does not have a formal cooperation convention with Colombia, meaning that projects implemented by DAEs are subject to taxes of up to 19 percent (VAT) and 10 percent (renta). The process of agreeing on a formal convention is very demanding and requires time, as it entails an international treaty and congressional approval. This has pushed agencies to work through IAEs (e.g. UNDP), according to a number of interviewees.

c. International access entities and country ownership

Besides the IAEs themselves, many other interviewees felt the IAEs inherently could not promote country ownership. A small percentage of survey respondents believed that IAEs were not able to develop projects that are fully country owned.

Some, particularly the IAEs themselves, insisted that the distinction between DAEs and IAEs was straightforward and obvious, as the former had lower requirements and budget thresholds. The choice depended upon the budgetary needs of a given project. The lack of predictability in GCF finance may be another reason to rely on IAEs. According to one governmental representative, "The available resources are so limited that it may simply be more efficient to use IAEs."

Of the survey respondents, seventeen percent did not believe that IAEs were supporting capacity for direct access. IAEs had little incentive to support the accreditation of DAEs, even though they report regularly on these efforts. Ultimately, the accredited entities compete for resources.

One government representative did suggest that international agencies have always been attentive to country ownership. Even the agencies themselves referred to the decades of experience in implementing programming aligned with the principle of country ownership. This was rather "business as usual."

4. Private sector and multinational projects

There are no private sector projects under implementation in Colombia, beyond the readiness support provided and a single CN in the pipeline.

Perhaps uniquely in the Colombia case, multi-country, regional initiatives were frequently considered to challenge country ownership. While IAEs felt that regional projects were ideal from the point of view of administrative efficiency and limited capacity (especially in small countries), most government interlocutors were critical of their value in Colombia. Frequently, multi-country initiatives are not based on a sufficiently detailed problem analysis at the national level, according to one interlocutor. One AE failed to get approval for a sovereign guarantee for a regional project.

Country ownership through regional projects was considered a contradiction in terms. Regional projects were perceived as inherently misaligned with country ownership, not included in national coordination structures and resulting in the diffusion of resources. According to one government official, "as regional projects are defined in various countries and the GCF adjusts relative percentages of budget contribution, all country efforts are lost in these adjustments."

C. Colombia appendices

1. List of stakeholders consulted

No.	Name	Position	Organization
1	Anibal Pérez	Subgerente de gestión del riesgo	Fondo de Adaptación
2	Mónica Linares	Asesora – Abogada	Fondo de Adaptación
3	Luis Bejarano	Secretario Ejecutivo	Fondo de Adaptación
4	Diego Dorado	Subdirector General Territorial - Punto Focal ante el GCF	Departamento Nacional de Planeación (DNP)
5	Carolina Díaz Giraldo	Directora de Ambiente y Desarrollo Sostenible [e] y Subdirectora de Gestión del Riesgo y Cambio Climático	Departamento Nacional de Planeación (DNP)
6	Carolina Kitchen Fabre	Coordinadora del Programa de Financiamiento Climático	Departamento Nacional de Planeación (DNP)
7	Laura Lanz Pombo	Jefe Oficina Cooperación y Relaciones Internacionales	Bancoldex
8	Ximena Barrera	Directora de Política Pública	WWF
9	Javier Sabogal Mogollón	Asesor	Ministerio de Hacienda y Crédito Público
10	Andrea Prada	Consultora	Ministerio de Hacienda y Crédito Público
11	Javier Gómez Maluchi	Director del área técnica	FEDEPANELA
12	Gloria Visconti	Climate Change Lead Specialist	Banco Interamericano de Desarrollo – BID
13	Darío Mejía	Asesor equipo de apoyo de la consejería	Organización Nacional Indígena de Colombia (ONIC)
14	José Francisco Charry	Director de Gestión del Riesgo y Cambio Climático	Ministerio de Medio Ambiente y Desarrollo Sostenible (MADS)
15	Érika Amaya	Director de Gestión del Riesgo y Cambio Climático	Ministerio de Medio Ambiente y Desarrollo Sostenible (MADS)
16	Sandra Liliana Bonilla	Profesional de Dirección Administrativa y Financiera - Representante ante Cuerpo Colegiado Nivel Técnico	Agencia Presidencial de Cooperación Internacional (APC)
17	María Alejandra Mateus Sánchez	Agencia Presidencial de Cooperación Internacional (APC)	Agencia Presidencial de Cooperación Internacional (APC)
18	Carlos Augusto Castaño Charru	Director Administrativa y Financiera	Agencia Presidencial de Cooperación Internacional (APC)

No.	Name	Position	Organization
19	Fabiola Moreno Torres	Contratista Dirección coordinación interinstitucional	Agencia Presidencial de Cooperación Internacional (APC)
20	Susana Ricaurte	Gerente de Sostenibilidad	Metro de Bogotá
21	Isabel Teresa Mantilla	Directora Educación Financiera y sostenibilidad	Asobacaria
22	Juliana Chaves	Jefe de Banca Internacional	Findeter
23	Lily Torres	Profesionales de la jefatura de Banca Internacional	Findeter
24	Daniela Salazar Canabal	Profesionales de la jefatura de Banca Internacional	Findeter
25	José Luis Rivera	Director de Operaciones	ASOCARBONO
26	Federico López	Director de proyectos	ASOCARBONO
27	Martha Castillo	Ejecutivo Principal - Unidad de Cambio Climático (a cargo del proyecto PPF LECRA)	Corporación Andina de Fomento (CAF)
28	Camilo Rojas	Ejecutivo Principal - Unidad de Cambio Climático (a cargo del proyecto PPF STIC)	Corporación Andina de Fomento (CAF)
29	Rocío Casas	Ejecutivo Principal – Oficina de Representación Colombia (parte del equipo proyecto PPF STIC y LECRA)	Corporación Andina de Fomento (CAF)
30	Ubaldo Elizondo	Coordinador Unidad de Cambio Climático	Corporación Andina de Fomento (CAF)
31	Edgar Salina	Ejecutivo Principal - Unidad de Cambio Climático	Corporación Andina de Fomento (CAF)
32	Jimena Puyana	Gerente del área Desarrollo Sostenible	Entrevista con el Programa de las Naciones Unidas para el Desarrollo (PNUD)
33	Diana Díaz	Coordinadora de proyecto en la Mojana	Entrevista con el Programa de las Naciones Unidas para el Desarrollo (PNUD)
34	Pedro Caraballo	Docente Universidad de Sucre	Universidad de Sucre
35	Liliana Quiroz	Directora de la Corporación	Corpomojana
36	Elizabeth Valenzuela	Directora Técnica	Fondo Acción
37	Carolina Kitchen Fabre	Coordinadora del Programa de Financiamiento Climático	Departamento Nacional de Planeación (DNP)

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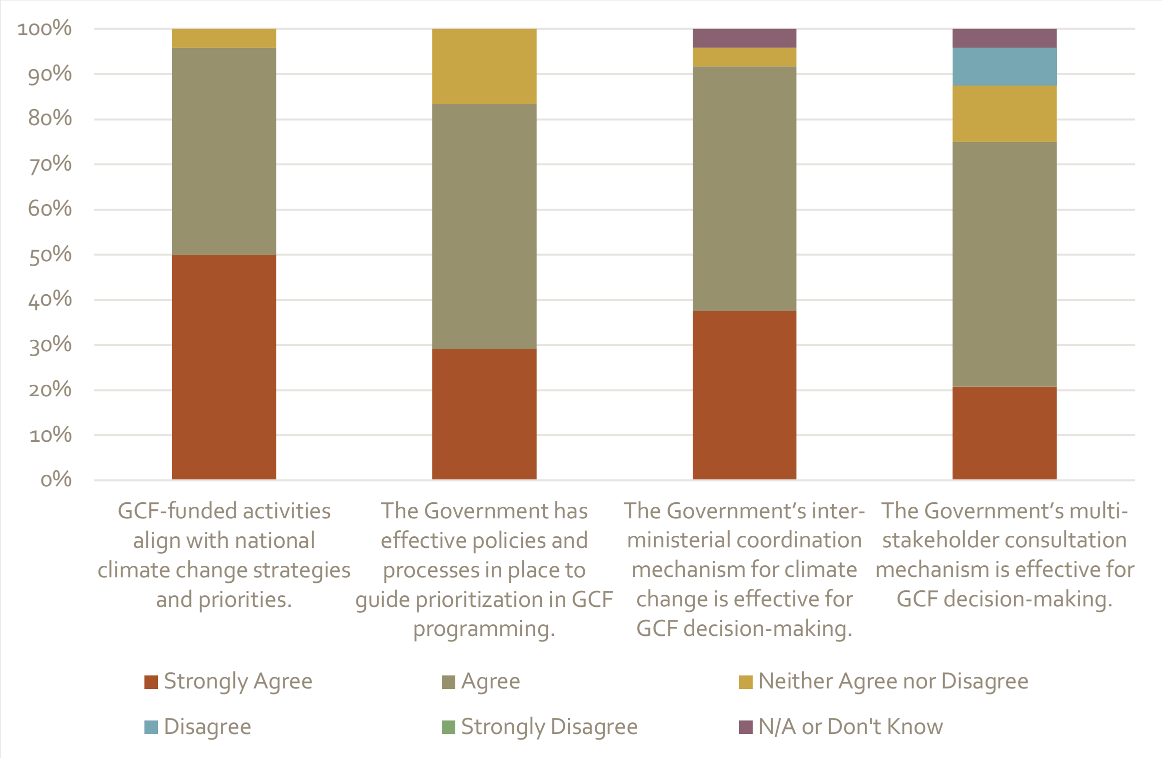
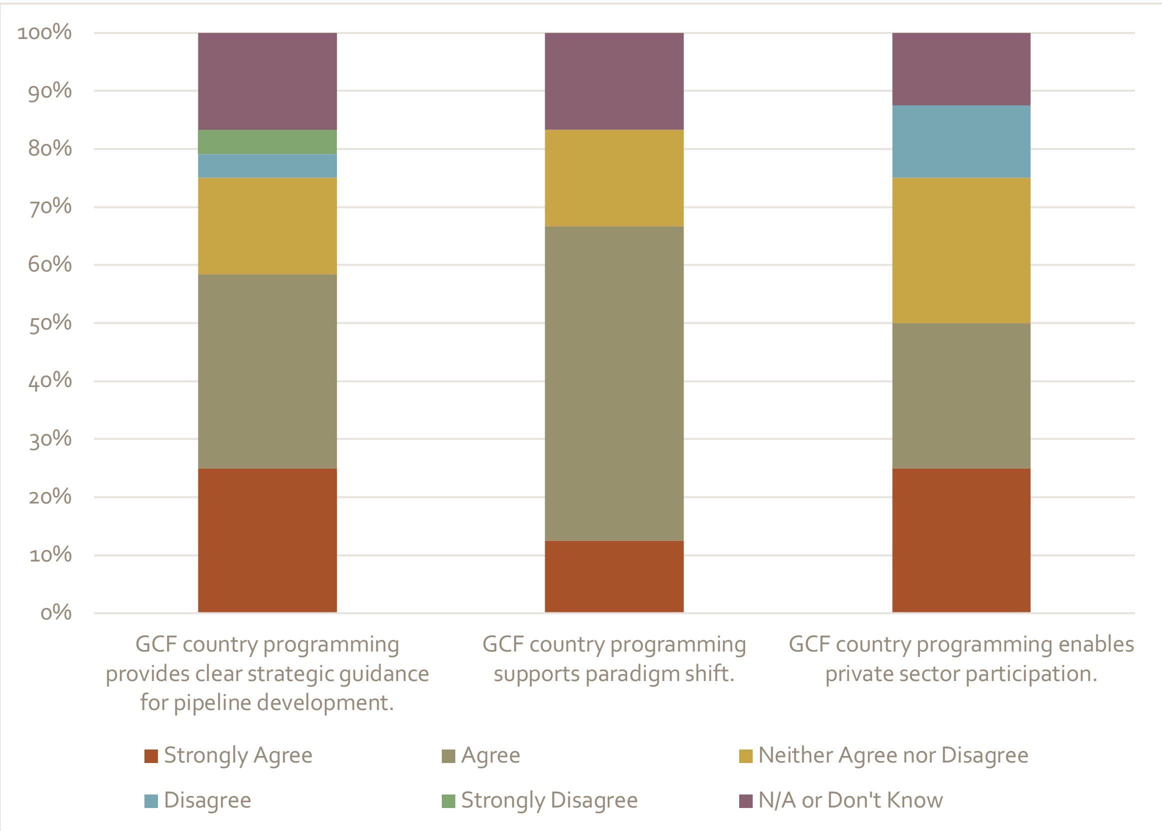
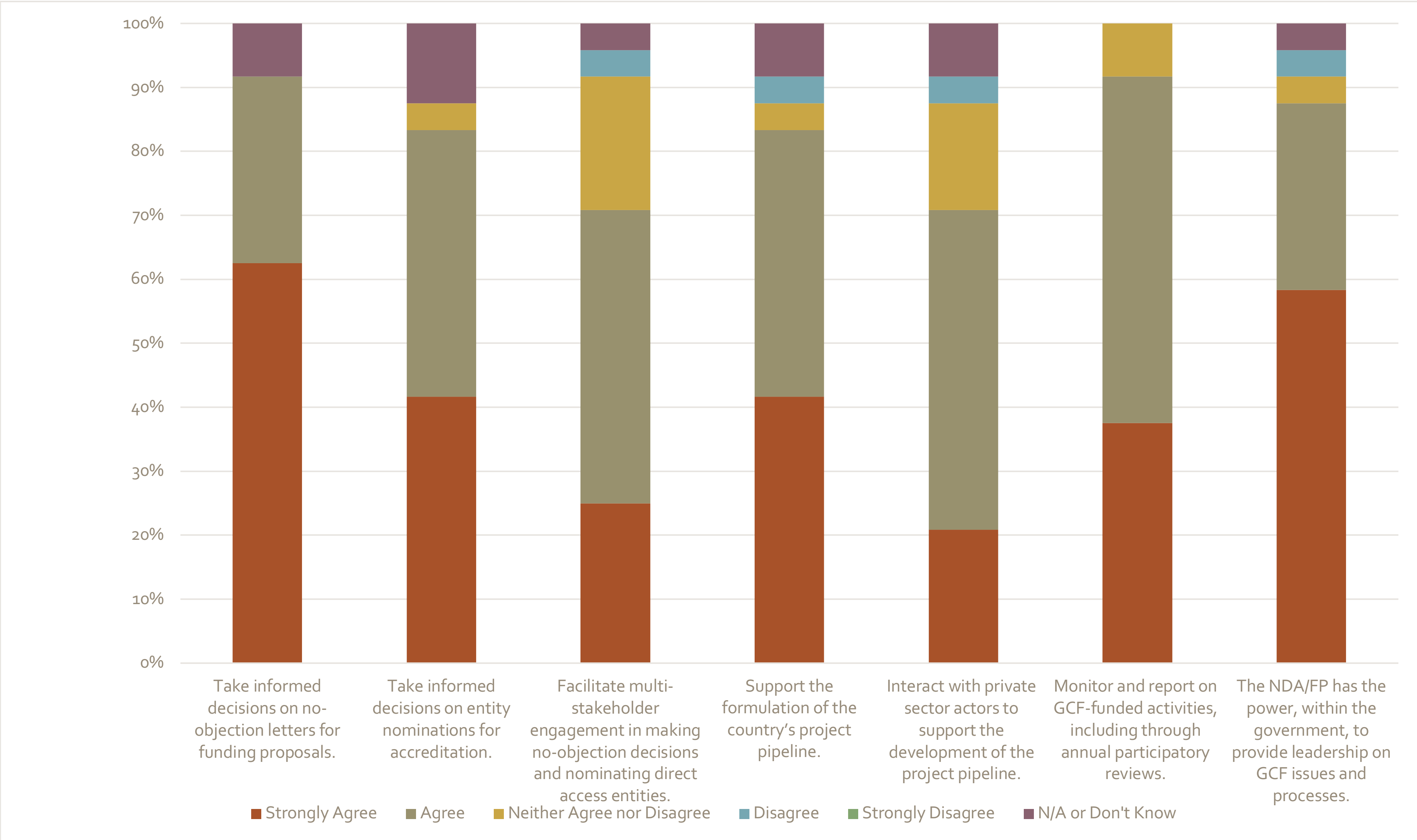
3. Results of the in-country survey in Colombia

The in-country stakeholder survey was administered to 24 people at the end of each interview conducted during the country visit to Colombia. The largest proportion of respondents were government (44 percent) and accredited or nominated entities (44 percent), followed by delivery partners, civil society, other and none, in equal proportion (4 percent each) The results are shown below.



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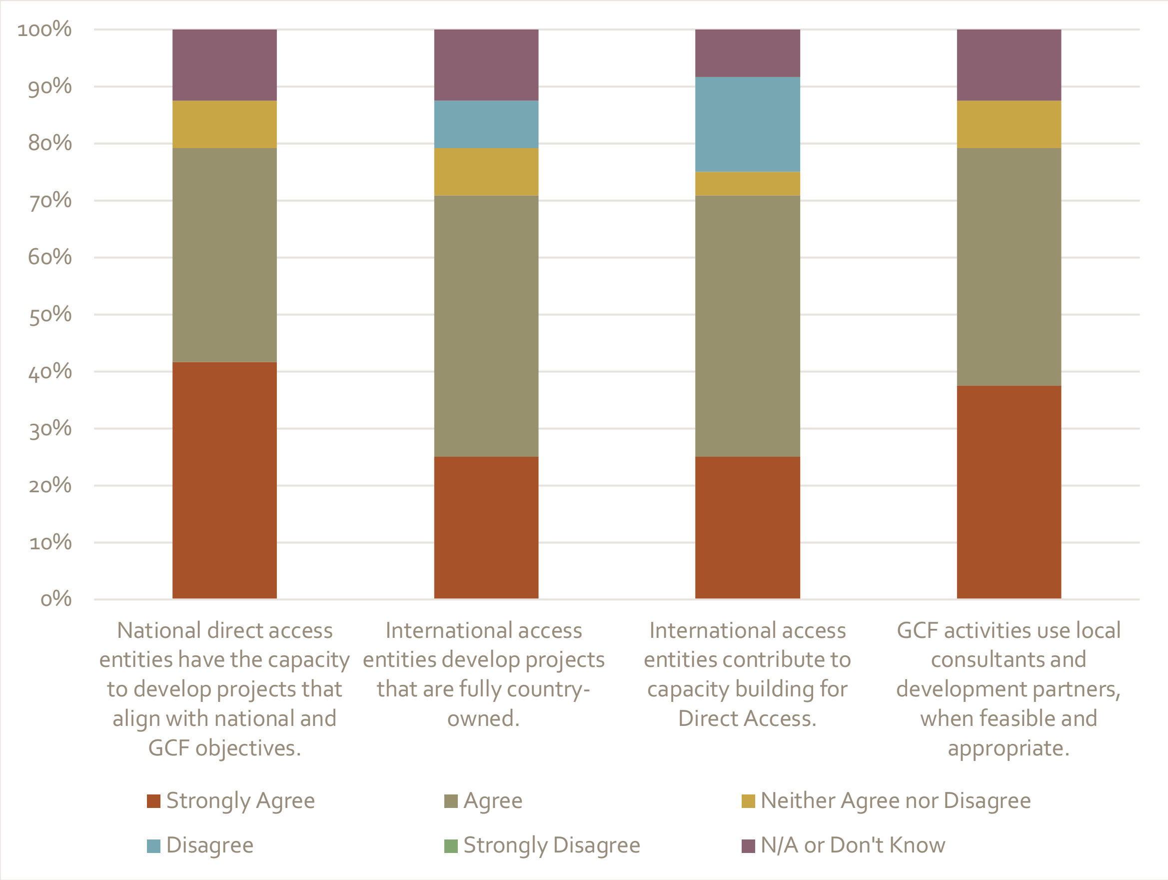
Take informed decisions on no-objection letters for funding proposals.
Take informed decisions on entity nominations for accreditation.
Facilitate multi-stakeholder engagement in making no-objection decisions and nominating direct access entities.
Support the formulation of the country's project pipeline.
Interact with private sector actors to support the development of the project pipeline.
Monitor and report on GCF-funded activities, including through annual participatory reviews.
The NDA/FP has the power, within the government, to provide leadership on GCF issues and processes.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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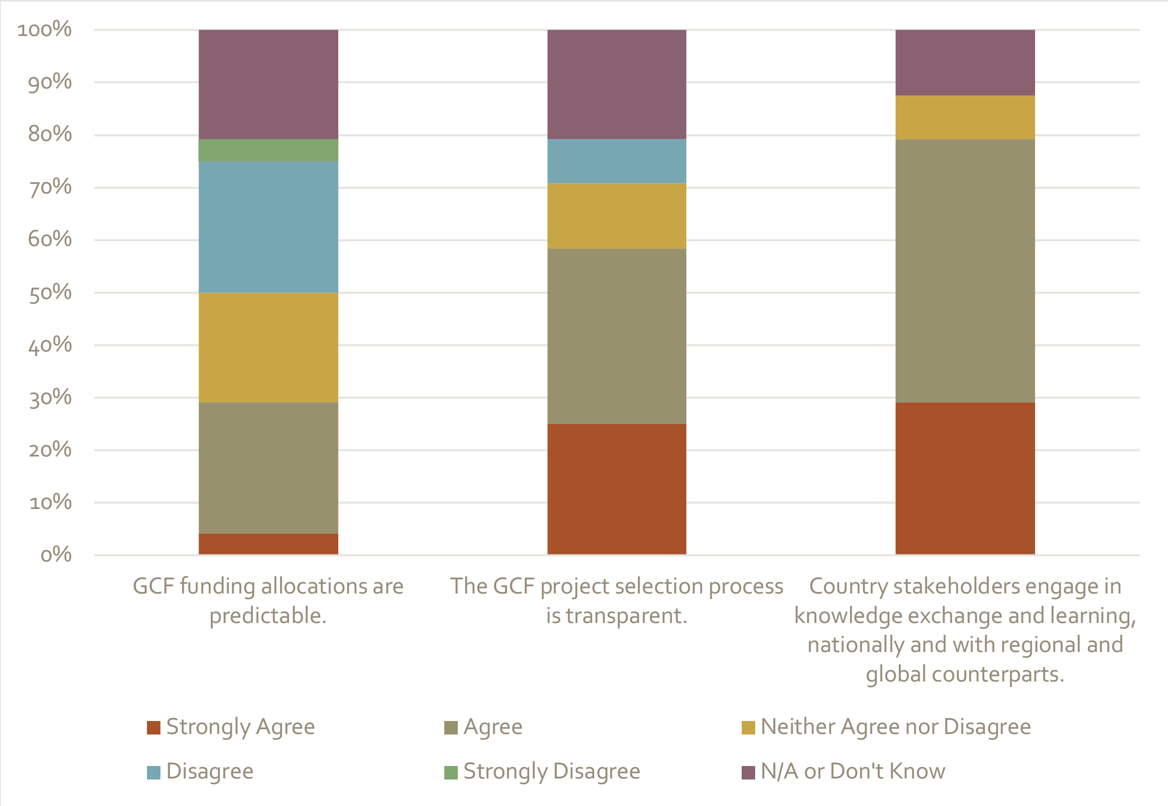
National direct access entities have the capacity to develop projects that align with national and GCF objectives.
International access entities develop projects that are fully country-owned.
International access entities contribute to capacity building for Direct Access.
GCF activities use local consultants and development partners, when feasible and appropriate.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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GCF funding allocations are predictable.
The GCF project selection process is transparent.
Country stakeholders engage in knowledge exchange and learning, nationally and with regional and global counterparts.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know

4. Normative framework for country ownership

For the country case studies, the framework was adapted into a tool with a scoring system, drawing heavily on the in-country survey results to provide the numerical scores. The results are shown in the table below.

Pillars of country ownership	Dimensions	Maximum possible score	Colombia score	Colombia ratio (Colombia score ÷ maximum score)
Leadership and consultation: Country governments lead strategic programming and prioritization processes, ensuring policy alignment, and in broad consultation, through a multi-stakeholder participatory process.	Recipient country leadership in strategic programming and prioritization	18	14.6	0.81
	Alignment of GCF objectives and support with national strategies and priorities	9	7.2	0.80
	Multi-stakeholder engagement including civil society and private sector	9	5	0.56
	Subtotal	***36***	***26.8***	***0.74***
Institutional capacity: Country stakeholders have the capacity to plan, manage and implement activities that address GCF objectives.	Capacity to plan, manage and implement climate activities	35	29.4	0.84
	Use of country systems, partners and co-investment	6	5.4	0.90
	Subtotal	***41***	***34.8***	***0.85***
Mutual responsibilities: The GCF, AEs and recipient countries adopt best practices in planning, delivery, and reporting, and are accountable to each other for these practices.	Predictability and transparency of funding allocation	6	3.9	0.65
	Timeliness of commitment and disbursement of funding	NR	0	NR
	Accredited entity mutual responsibilities	6	4.8	0.80
	Sharing of results and experiences with national and international stakeholders	6	5.4	0.90
	Subtotal	***18***	***14.1***	***0.78***
TOTAL - UNWEIGHTED		**95**	**75.7**	**0.80**
TOTAL - WEIGHTED		**95**	**73.1**	**0.77**

ANNEX 8. FIJI COUNTRY CASE STUDY REPORT

A. BACKGROUND AND CONTEXT

1. COUNTRY AND CLIMATE CHANGE CONTEXT

The Republic of Fiji is a small island developing state (SIDS) in the Pacific Islands and considered an economic and logistical hub for the region. Fiji is an archipelago with two large islands on which the large majority of its population of nearly 1 million live. The country is considered an upper-middle-income economy, with mid-level human development, placing 92 out of 189 countries and territories in the Human Development Index.

Fiji faces substantial development challenges and has set ambitious objectives to meet them in its national development plan, including providing universal access to all services, including housing, electricity, clean and safe water and sanitation, high-quality education, and health care (GoF, 2017).

Climate change and natural disasters present significant challenges to achieving these objectives. Fiji is particularly vulnerable to floods and tropical cyclones. In 2016, Fiji was severely damaged by the category 5 Cyclone Winston, with losses estimated at almost one-third of the country's GDP. Socioeconomic resilience is relatively higher in Fiji than in many other SIDS, strengthened by relatively low poverty levels, high financial inclusion and strong social protection systems (GoF, 2017).

2. GCF PORTFOLIO AND INSTITUTIONAL ARRANGEMENTS FOR ENGAGING WITH THE GCF

National designated authority (NDA). The NDA is located in the Ministry of Economy. The Permanent Secretary has legal signing authority on behalf of the NDA.

Readiness and Preparatory Support Programme (RPSP). The Government of Fiji submitted a readiness proposal to the GCF Secretariat in February 2018, but ultimately withdrew this proposal after prolonged negotiations with the GCF Secretariat, including over the cost of using international consultants as delivery partners. A second proposal was submitted in May 2019, in collaboration with the Global Green Growth Institute (GGGI).

Accredited entities. The Fiji Development Bank (FDB) is conditionally accredited as a national direct access entity (DAE) to the GCF and signed its accreditation master agreement in November 2018; pending conditions to be met prior to submission of a funding proposal to the GCF include gender, procurement, and environmental and social safeguards. Fiji also has access to an accredited regional DAE: the Secretariat of the Pacific Regional Environment Programme (SPREP). Fiji also nominated a second regional DAE for the Pacific: the Secretariat of the Pacific Community, which is in Stage 2 of the accreditation process. Many international accredited entities (IAEs) are active in Fiji, including the Asian Development Bank (ADB), United Nations Development Programme (UNDP), World Bank, and International Union for Conservation of Nature (IUCN), although only ADB has an approved project with the GCF (see below).

Funding proposals and pipeline. One funding proposal for Fiji has been approved by the GCF Board: the *Fiji Urban Water Supply and Wastewater Management Project* (FP008), approved in November 2015, implemented by ADB and executed by the Ministry of Economy through the Water Authority of Fiji. This is a public sector project with a total project value of USD 405.1 million (USD 31 million from a GCF grant).

3. Climate finance context

GCF funding represents a significant new source of climate finance in Fiji. Other climate finance has focused on climate resilience and renewable energy. From 2010 to 2014, a total of USD 32 million in grant or grant-equivalent climate finance was allocated for climate change activities in Fiji, primarily from Japan (mainly for disaster prevention and preparedness), the United Arab Emirates (solar energy), and the Global Environment Facility (SEI, 2017).

In 2017, a USD 4.2 million project with the Adaptation Fund was approved, addressing the resilience of informal urban settlements, implemented by UN-Habitat. With the World Bank, a development policy operation was approved in 2018 that included structural reforms to improve resilience to climate change of all new buildings by adopting more stringent building standards. With International Finance Corporation support, Fiji issued the first developing country sovereign green bond, raising USD 50 million to help create a market in Fiji for private capital seeking investment opportunities, primarily for climate resilience and adaptation.[119]

4. Progress towards effective development cooperation in country context

Following the recovery of its democracy, Fiji has been establishing development policies, including 5-Year and 20-Year National Development Plans and the Green Growth Framework, mentioned above. The 2016 monitoring profile on aid effectiveness by the Global Partnership for Effective Development Co-operation (GPEDC) found that most coordination between the Government and development partners takes place at bilateral levels (GPEDC, 2016). In 2015, slightly more than half of development cooperation in Fiji was aligned to country-led objectives and results, a finding that was attributed to the prevalence of civil society support and the existence of the Roadmap for Democracy and Sustainable Socio-Economic Development 2010–14.

No development cooperation was recorded in the government budget (i.e. subject to parliamentary scrutiny) in 2015, down 95 percent from 2010. In addition, all development cooperation reported in 2015 was channelled entirely outside the national public financial management systems. Development partners largely chose to provide aid as technical assistance and support to non-state actors, due to the political instability that was only recently resolved in the general elections in late 2014. Untied aid increased from 53 percent to 76 percent from 2013 to 2014, reflecting an increasing willingness to collaborate with the public sector in Fiji (GPEDC, 2016).

The recovery of democracy in Fiji has helped inclusive partnerships for development to flourish again, with civil society organizations (CSOs) and private sector organizations (PSOs) playing roles in policy design and as implementing partners (GPEDC, 2016).

B. Key findings

1. Country leadership and engagement

a. Climate change policies and strategies

The Government of Fiji has adopted national climate change policies, strategies and plans that can effectively guide prioritization for climate finance, including GCF programming. This finding is

[119] https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/cm-stories/fiji-green-bond-for-a-greener-future

supported by interviews, the stakeholder survey and review of the climate-specific policies and strategies of Fiji.

The Government of Fiji has demonstrated leadership in climate change and climate finance at global, regional and national levels. At the global level, Fiji held the COP 23 presidency in 2017, the first Pacific SIDS to do so, and helped move forward the implementation of the landmark Paris Agreement. At the regional level, Fiji is a signatory to multiple agreements that focus on the vulnerability of SIDS to climate change, including the 1994 Barbados Plan of Action, 2005 Mauritius Strategy for Implementation, and 2017 Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management (which incorporates early frameworks). Fiji also serves as the host country and a steering committee member for the recently established Pacific Regional NDC Hub (GoF, 2018a). At the national level, Fiji has several climate-specific policies and strategies. A National Climate Change Policy (NCCP) was passed in 2012 and revised in 2018 (approved May 2019), with the intention of scaling up adaptation and mitigation actions and strengthening subnational climate planning.

An initial nationally determined contribution (NDC) was submitted in 2015, followed by a 2017 NDC Implementation Roadmap that further analysed the specific actions and financing needed to achieve the NDC targets. The NDC covers the renewable energy and energy efficiency sectors, and efforts are ongoing to develop an enhanced NDC (GoF, 2018a). Fiji has also developed a low-emission development strategy for 2018–2050, with support from GGGI, that covers all sectors of the economy. On adaptation, Fiji developed a national adaptation plan (NAP) framework and a Climate Vulnerability Assessment in 2017 and finalized its NAP in 2018. The NAP is intended to operationalize the adaptation-related components of the NCCP. It sets out prioritized systems and sectoral components and actions. These include climate information services and management; horizontal integration; vertical integration; climate change awareness and knowledge; resource mobilization; food and nutrition security; health; human settlements; infrastructure; and biodiversity and the natural environment (GoF, 2018b).

In addition to climate-specific policies and strategies, climate change has been considered in national planning and growth policies. The NAP is closely aligned with the Fiji national development plan (NDP), consistent with the Government's stance that there is no "adaptation planning" but only "climate-resilient development planning" (GoF, 2018b). In October 2017, the Cabinet endorsed the latest NDP, which provides a five-year plan and a 20-year vision for development (GoF, 2018a). A Green Growth Framework was also endorsed in 2014 and focused on accelerating integrated and inclusive sustainable development.

b. Institutional structures to coordinate climate change

A strong, central ministry holds the institutional mandate for climate change in Fiji (the Climate Change and International Cooperation Division of the Ministry of Economy, where the NDA is also located, as discussed in Section II.B below). This institutional mandate has been moving towards increasingly stronger ministries, as it was originally located in the Department of Environment, then moved to the Ministry of Foreign Affairs, and most recently to the Ministry of Economy – moves that are seen to reflect the importance of climate change and accessing climate finance to the Government of Fiji.

Fiji does not currently have an active formal interministerial coordination mechanism or multi-stakeholder consultation mechanism for climate change at the national level. There is some indication that the new NCCP (approved in May 2019) may reinvigorate such a committee (GoF, 2018b). The 2015 Climate Public Expenditure Implementation Review found that a system of committees, units, offices and other entities had been established to coordinate climate change, but that weak connections between these entities was resulting in a fragmented approach marked by a lack of communication and coordination (GoF, 2014). This is further validated by the in-country survey, which found than less than 40 percent of respondents strongly agreed or agreed that the Government has an effective interministerial coordination or multi-stakeholder consultation mechanism for GCF decision-making. These findings held across different respondent groups, including government, accredited entities and non-state actors.

c. Understanding country ownership

Among stakeholders in Fiji, country ownership is seen as linked to projects that tie into the national government approved strategies, including the NDP, NDC and NAP, as well as country-driven pipeline development (national origination of project concepts). Most non-state interviewees also emphasized that country ownership is not equivalent to government ownership, and that multiple stakeholders must be engaged and consulted, from CSOs and PSOs, to community groups and indigenous peoples.

Government and several non-state interviewees also emphasized direct access as a key pillar of country ownership. In the words of one interviewee, country ownership is having a "greater say in the implementation and management of the resources." Among the IAEs, country ownership was seen as a fundamental principle that already drives their programming and project cycle, regardless of the source of funding (GCF or own).

Two interviewees also expressed the importance of the use of country systems and putting funding on-budget for supporting ownership, emphasizing the need for a mutual relationship of accountability and trust between the country, accredited entity and GCF.

d. Multi-stakeholder engagement

As noted above, there is currently no standing multi-stakeholder engagement process on climate change in Fiji, although major climate change policies and strategies, such as the NDC, NAP and other climate-related plans, have gone through consultation processes that included non-state actors. The NAP (not GCF-funded) was mentioned by several stakeholders as having a particularly inclusive consultation process, driven by the efforts of an international consultant.

Stakeholders strongly cautioned that, in general, stakeholder engagement must be meaningful and that their inputs should be taken on board in any policy and strategy formulation. The participation should also go beyond organizations that have close relationships with the Government. The current environment in Fiji was seen as less conducive to frank contributions from both line ministries and non-state actors, compared to other countries in the Pacific Islands.

Overall, broader stakeholder engagement on GCF-related issues is currently seen as insufficient in Fiji – a message that was strongly articulated through interviews and the stakeholder survey. Several interviewees noted that, in practice, country-owned means government-owned in Fiji. One regional interviewee pointed to lessons learned from the designated authority role in the Adaptation Fund – namely, that the emphasis on this government role and the no-objection procedure is good but disincentivizes other stakeholders' participation. In Fiji, the Adaptation Fund designated authority is housed in the Climate Change Division in the Ministry of Economy, just like the NDA.

Broader stakeholders, including CSOs and PSOs, as well as development partners, lamented the lack of information being shared out by the NDA (or the GCF) on the GCF. In the other direction, interviewees did not see a pathway for CSOs to get GCF project ideas to the Government.

e. Country programming

The view of the Government of Fiji is that the GCF represents just one source of climate finance for Fiji, and thus country programming for climate finance should be done with a broader lens, rather than individually for each finance source. Accordingly, Fiji has not prepared a GCF country programme, nor has it requested RPSP resources to do so under its current proposal with GGGI. Instead, the Government plans to prepare a national strategy for effective use of domestic and international sources of climate finance with non-GCF funding, supported by an international adviser from the World Resources Institute embedded in the Ministry of Economy for the next three years. This national plan will build from the NDP and will look at the GCF as well as other sources of climate finance, including domestic, regional and international.

Non-government stakeholders generally support the idea of a GCF or broader country programming exercise as a means of meaningfully engaging a wider range of stakeholders in the prioritization and country-owned pipeline development processes, and in matching financiers to priorities – essentially, of opening up those discussions. A lack of visibility into the NDA's priorities for accessing the GCF was mentioned by several accredited entities, who would welcome a country programming exercise to better understand and more strategically devote resources to developing concepts and projects that align with the Ministry of Economy's vision. Interviewees noted that their interactions with the Government on GCF projects and priorities is piecemeal, and that the Government is fielding many approaches from IAEs on project concepts. Stakeholders saw the GCF country programming exercise as a potential opportunity to overcome those challenges. In other words, stakeholders saw the GCF country programming exercise as a potential means of supporting broader country ownership of the GCF process in Fiji, beyond the Ministry of Economy.

The view of the Government of Fiji is that the climate-mainstreamed NDP will be the starting point for country-led project origination moving forward, and that the public sector investment process will help identify projects that could be matched with the GCF for funding. The main constraint is staff capacity and high turnover, which resulted in low institutional memory.

Generally, however, there is limited understanding among stakeholders around what a GCF country programme is and what value it could offer. The NDA expressed its own desire to better understand what a GCF country programme is, the guidelines for it and its purpose. Many stakeholders noted that Pacific Island countries had the perception that (a) preparing a GCF country programme will help them mobilize resources, and (b) there was a strong likelihood that if a project is not in the country programme, it will not be funded. These stakeholders voiced concerns that because countries believe they will get funding for the projects that are in their country programmes, if the reality does not match that expectation, then the credibility of the Fund will be at risk.

Stakeholders also cautioned of three additional issues in the context of country programmes. First, the danger of diverting scarce human resources in government – especially in Pacific SIDS where staff are few and the capacity is thin – to yet another planning process when the climate change needs are urgent. Second, the important thing is how a country arrives at its country programme (i.e. the process, rather than the outcome). One stakeholder noted that in other Pacific SIDS, the country programming process has discouraged CSOs and PSOs, who see it as a government engagement with the Fund and have not been successful in getting their ideas into the pipeline. Put differently, the value of the country programme is seen to be in the inclusivity and meaningfulness of its consultative process. And third, it is acknowledged that many NDCs were prepared quickly in the build-up to the Paris Agreement, and that NDCs are an important input to the GCF country programmes. At the same time, countries are looking to enhance their NDCs – including Fiji, which is working with an Indian institute to do so – and stakeholders questioned how GCF country programmes will reflect these revisions.

f. Alignment with national priorities and needs and GCF objectives (paradigm shift)

The GCF cofounded water supply project in Fiji is seen as strongly linked to the Government's development priorities (ensuring safe, reliable, sustainable, and affordable water supply) and originating with the sector master plan, but not necessarily as using innovative technologies or approaches. Stakeholders generally agreed that paradigm shift has tension with country ownership, since governments can generally be hesitant to adopt disruptive ideas.

Interviewees were familiar with the general objective of paradigm shift but noted that the concept was a subjective one and had not been well defined by the GCF. Importantly for country ownership, several stakeholders felt that there were differences in interpretation in terms of what actions might be seen as transformational by country stakeholders, and what might be perceived as transformational at the international level.[120] Thus, it is apparent from interviewees that the concept of paradigm shift is context and project specific and should be interpreted accordingly.

Several stakeholders also shared the opinion that because of the urgency of climate change, especially in the SIDS, countries may wish to pursue their priorities and access resources more quickly, rather than take the additional time and preparation resources that may be required to develop more transformative or innovative projects. Two stakeholders also expressed the opinion that too much focus on innovation as an objective can cause undue delay in project development, sharing the example of technical discussions with the GCF Secretariat around targeting hybrid or electric buses for a new e-mobility concept note (CN) in Fiji. The point was also made that innovative technologies can exclude the local private sector – and work against country ownership – if international providers are required to install, operate and maintain the technology.

A view from the Government was that the NDP – and later the national climate finance strategy – could be used to determine whether proposed projects could be paradigm-shifting, since the NDP already describes envisioned transformational actions in priority sectors.

g. Government co-investment

The Government of Fiji is providing significant co-investment to its one approved project (with ADB), of USD 85.26 million, representing about 38 percent of the total project value of USD 222 million. According to interviewees, this reflects the priority of the Government on water infrastructure. For this project, the Government will finance taxes and duties, land acquisition, and operation and maintenance costs included in the design-build-operate contracts as well as mitigation and ecosystem conservation activities.

The Government is considering co-investment at the project concept phase, and has rejected projects on the basis of their perception of GCF expectations for co-investment; for example, one project concept on water, sanitation and hygiene was brought forward to the NDA and rejected, in part because the Government was not willing to commit co-investment for this project, given that similar on-budget efforts were already being supported through the Ministry of Health and Medical Services.

2. Country institutional capacity

a. NDA capacities (relationships, structures, processes and skills)

The Permanent Secretary of the Ministry of Economy serves as the GCF NDA/focal point. Functionally, the work of the GCF is carried out by the Climate Change and International Cooperation Division of the Ministry of Economy, led by the Head of that division with support from a key officer and several additional staff.

[120] An illustrative example shared was for a SIDS project that would transform the island's energy generation to 100 percent renewables, but the reaction from the international community was that the island's GHG emissions were not significant and because the project proposed to use tried-and-true technologies, it was seen as not innovative, and therefore not transformational.

In Fiji, the NDA is generally seen as having the institutional power, within the Government, to provide leadership and coordinate GCF issues and processes. This view is supported by both interviews and 71 percent of survey respondents, who strongly agreed or agreed with this statement. The respondents who neither agreed nor disagreed with this statement, or indeed disagreed with this statement, were accredited or nominated entities. Because of its responsibilities for national planning and treasury, the Ministry of Economy is the recipient of proposals from other ministries for public sector investment projects and aware of development needs and priorities. The Climate Change Division in the Ministry of Economy is also aware of other Convention-required and donor-funded climate change activities in the country, by serving as the UNFCCC focal point and the Adaptation Fund designated authority.

In terms of organizational structure and processes, the NDA in Fiji operates fairly independently; there is no interministerial or multi-stakeholder committee that advises the NDA on key decisions, such as on no-objection letters (NoL) or DAE nominations. Many interviewees pointed to the political economy dynamics active in Fiji in discussing the role of the NDA. Stakeholders refer to strong government ownership by the Ministry of Economy, while acknowledging that there is space for significant improvement in terms of the engagement of and communication with other ministries and non-state actors regarding the GCF. Related to this, there was also some concern expressed over the extent of control (rather than acting in partnership) exercised by the Ministry of Economy in terms of directing pipeline development. The experience of Fiji illustrates a tension for country ownership as it relates to strong central leadership versus inclusive processes and information-sharing – a question of "whose ownership."

The Government of Fiji has some elements of the process in place for issuing NoLs, although the process is not yet formalized. Currently, the NDA is reviewing and issuing NoLs at the CN stage, as well as for funding proposals. When a CN is submitted to the NDA, consultation and decision-making on the NoL happens fully within the bounds of the Ministry of Economy. The Climate Change Division does an initial vetting and sends the CN to the Budget Planning Division and Treasury within the Ministry for feedback, given their respective responsibilities for the NDP and co-investment. Comments are sent back to the submitter, and if those comments are addressed, and with the approval of the Minister, an NoL is signed by the Permanent Secretary (the official NDA/focal point).

The NDA has reportedly declined to issue an NoL for several national and regional projects that it felt did not align with its priorities for accessing the GCF. Asymmetries in information among the NDA and accredited entities (AEs) were seen to be causing messiness in the country-led pipeline development in Fiji, however. For example, while the Ministry of Economy stated that water, sanitation and hygiene (WASH) was not a priority for the Government for accessing the GCF, the FDB is reportedly working with UNICEF to develop a WASH CN to include in its GCF pipeline. One IAE also mentioned challenges with being asked by the Government to develop a GCF CN for a topic that was a priority of the Government but that the IAE felt the GCF would be unlikely to approve. Many of these issues are targeted by the recent RPSP proposal, which is intended to help the NDA develop a platform to improve information flow between the Government, AEs and the private sector on priorities for projects, and to help the FDB develop an entity work programme (EWP). In summary, there is evidence that the absence of the RPSP from the start in Fiji has adversely affected the engagement of stakeholders, as well as the timeline for accreditation (see section C below).

An RPSP proposal submitted with GGGI in May 2019 aims in part to establish a formal no-objection procedure (NoP). For the future NoP, the RPSP proposal describes the development of an evaluation tool that includes gender and social inclusion considerations and awareness-raising on the NoP with government agencies, the private sector, accredited and potential DAEs, and key external stakeholders. The RPSP proposal gives no indication that the future, formal NoP will include consultation or participation in decision-making by stakeholders outside of the Ministry of Economy, although the Government noted that in future a multi-stakeholder process would be in place before issuing NoLs.

The new RPSP proposal also aims to establish a platform (a working group) for climate action, led by the NDA. This working group would have dedicated resources and an online collaboration site to regularly coordinate information flow to and from the NDA and to relevant national and regional stakeholders (AEs and delivery partners), as well as the private sector (through the Fiji Commerce and Employers Federation). Notably, there is no mention of the role of CSOs or sector/line ministries in the membership of this platform. The platform will help socialize the country's climate priorities (as articulated in the NAP, NDC Roadmap and low-emission development strategy) to these stakeholders to promote alignment of new projects with these priorities. The Government also spoke about conducting donor roundtables, to help development partners understand the kind of projects the Government might be interested in bringing to the GCF.

Skills for planning, managing and implementing climate activities by the Climate Change Division in the Ministry of Economy were described by stakeholders as "thin" – meaning that good capacity and experience exists in a few individuals at senior levels but requires more support in the broader division. This situation was seen to be partly due to staff turnover, as a result of frequent changes in leadership in the division, as well as the movement of the division across three ministries in the past handful of years. In the stakeholder survey, the NDA's capacity and skills were seen as lowest in the areas of (a) facilitating multi-stakeholder engagement in making no-objection decisions and nominating DAEs, and (b) monitoring and reporting on GCF-funded activities, including through annual participatory reviews. In interviews, stakeholders expressed a belief that the limited levels of stakeholder and interministerial engagement to date was partially a result of lack of skills and experience among the staff in the Climate Change Division. To this end, the NDA plans to develop a project management unit within the division, to increase its capacity to implement projects.

Stakeholders across the board praised the value of GCF regional dialogues and meetings, as well as of the Pacific regional adviser, for building an understanding of how to engage with the GCF and the Fund's processes, particularly in the NDA and DAEs. In interviews, these elements were cited most frequently as the most helpful things the GCF was doing to support country ownership.

Several interviewees also strongly emphasized the importance of long-term and consistent capacity support to the NDAs – in the form of people – to support country ownership, especially in the Pacific SIDS where the number of government staff members in a given division or department is relatively low. Interviewees supported the approach of seconding a long-term (multi-year) consultant to the NDA through readiness funding, preferably from the local base (although national expertise and capacity can be limited on certain topics), with a view to subsequent readiness proposals employing the same individual – and eventually moving towards the Government taking that position on in a permanent capacity. The experiences of Kiribati and Cook Islands were pointed to as examples in this regard.

b. Project cycle, including use of country systems

No Project Preparation Facility requests have been submitted that include Fiji. SPREP submitted its CN under the simplified approval procedure modality, and the FDB intends to do the same.

The GCF-related experience in project implementation is limited in Fiji, with one project approved and just finalizing the inception phase: the Fiji Urban Water Supply and Wastewater Management Project (GCF grant of USD 31 million; total project value USD 405.1 million). The project is implemented by the ADB and executed by the Ministry of Economy, with the Water Authority of Fiji responsible for day-to-day implementation. A project steering committee should be set up, according to the project proposal, engaging various government ministries, as well as the iTaukei Land Trust Board and the Water Authority of Fiji. However, the project team was not aware whether any CSOs or PSOs would be members of this steering committee.

From the IAE side, the project is implemented according to their own policies and protocols, while ensuring that GCF reporting requirements are met.

The project is being implemented using ADB rather than country systems (e.g. for procurement). The perception of interviewees on the implications for country ownership were mixed. Those agencies responsible for project execution did not object to this arrangement, noting that it was more expeditious from a process perspective; however, two regional interviewees emphasized the importance of bring development assistance within country systems for ownership, and pointed out that the country of Fiji has less say in procurement by following ADB procedures.

3. Country ownership through accreditation and direct access

a. Nomination and accreditation of direct access entities

The Government does not see the need for multiple DAEs, and thus a formal process for making strategic decisions on DAE nominations has not been established in the country. The decisions to date appear to be primarily driven by existing fiduciary capabilities, and lack of RPSP support to date has slowed the process.

The Government of Fiji has so far nominated one national DAE – the FDB, in December 2015 – which successfully achieved conditional accreditation in October 2017 and signed its accreditation master agreement in November 2018. Interviewees generally saw the FDB as a strategic choice for the NDA, being one of the few entities with the necessary fiduciary capacity in Fiji.

Likely due to limited institutional memory, interviewees shared differing accounts of how the FDB was identified for nomination, and the evaluation team was not able to fully triangulate these accounts. According to one stakeholder, a notice in the local paper was posted asking for interested entities to submit an expression of interest be nominated for direct access to the GCF. After submitting such an expression of interest, the FDB was selected through a mapping and assessment exercise that reviewed the fiduciary capabilities of national and regional entities supported by the German-funded Climate Finance Readiness programme, implemented in Fiji from 2014 to 2017 (USD 960,000). Another stakeholder recalled that the FDB was initially identified as a potential national implementing entity for the Adaptation Fund but was invited by the Government to instead be nominated for GCF accreditation. From a process perspective, it appears that the nomination was based more on fiduciary capabilities than on capacity to address the climate change priorities of the country of Fiji.

Lack of information and understanding of what the GCF wanted slowed the early part of the process for accreditation of the FDB; the FDB was not immediately aware that readiness funding was available through the GCF. Initially, the accreditation process was supported by the German-funded readiness programme. After the FDB learned about GCF-funded readiness support from the regional adviser, additional support was requested from the GCF RPSP, but the proposal was ultimately withdrawn after prolonged negotiation with the GCF Secretariat on cost, primarily related to the use of international consultants (who had previously supported the Ministry of Economy in their presidency of the UNFCCC Conference to the Parties). A readiness proposal was submitted in May 2019 with GGGI as the delivery partner; this proposal includes support for the FDB in pipeline development. In the interim, lacking support from the GCF, the FDB has been patching together support to meet its accreditation conditions (including gender, procurement, and environmental and social safeguards) from USAID's Climate Ready programme and ADB.

The FDB's view has been that going through the accreditation process was worth it because the process has improved their capacity in terms of policies and finance, and the FDB's recognition and visibility has increased regionally. The FDB is putting in place some completely new policies as a result of accreditation, such as on gender. They also felt very proud to be the first national DAE accredited for the GCF regionally, and as a result of the accreditation they have been receiving many institutional requests to share their experience.

In a recent development, the Ministry of Economy is now also seeking readiness support under the recently submitted RPSP proposal to seek its own accreditation, although it has not been formally nominated. The Ministry's premise is that its accreditation would help meet the immense need for Fiji to access GCF funding through multiple projects that would be too much for FDB to handle alone.

The Ministry also believes they will be able to make better headway than the FDB, for several reasons. They expect to have more resources to hire experts to support the process, to have more traction with private sector actors since they control taxation, and to have the political power to meet the GCF paradigm shift objective. The Ministry envisions that the FDB would pilot smaller projects, which could be scaled up by the Ministry, with a higher targeted project size accreditation status. The Ministry's vision is also that the FDB may handle its core sectors (e.g. agriculture and housing), while the Ministry manages transportation, electricity, infrastructure and other areas. The Ministry reports that they plan to make a clear demarcation between the NDA and the DAE within the Ministry, to address potential conflict of interest issues if accredited.

b. Direct access entity contributions to a country-owned pipeline and portfolio

The FDB faces challenges and constraints in moving from accreditation to a country-owned pipeline and ultimately to approved projects and implementation. A first challenge relates to areas of technical expertise and alignment with government priorities. Several interviewees noted that the FDB has primarily been a niche player in Fiji for certain finance, such as in the agricultural sector and housing, and it is challenging if agencies come to the FDB for GCF projects that are outside of its niche. FDB is in the process of developing a concept note on electric mobility (public bus transport), identified from the national budget and development priorities, and has signed a memorandum of understanding with GGGI to provide technical capacity to develop such a CN. In the current absence of readiness funding from the GCF, the FDB is paying GGGI for this technical support. A CN on a climate-friendly house loan programme that was submitted to the GCF in 2016 is not being developed further at this moment.

A second challenge relates to the human resource capacity within the FDB, as well as limited internal resources available for pre-feasibility and feasibility studies. Currently, one FDB staff member works part-time on supporting the development of GCF CNs, and a GGGI staff member will be seconded to the FDB under the memorandum of understanding to develop the e-mobility CN. The FDB would like to hire a full-time staff member to work on the GCF, but this must be contingent on resources to support that position. As noted above, no Project Preparation Facility funding requests have been made to date.

At this time, the FDB does not yet have an EWP, although it reportedly faces some pressure from the GCF Secretariat to prepare this and the new RPSP proposal includes activities to this effect. The FDB was initially looking at country priority and strategy documents, such as the NDP and Sustainable Development Goals, to inform their EWP, but learned from their participation in a GCF regional dialogue that it should be a more extensive exercise involving consultation with communities and commitment to concepts. This realization drove the FDB to seek more readiness funding to develop its EWP.

In interviews, a soft pipeline of ideas was described, but formal processes for identifying project concepts or making a final determination of what to include in an EWP are not yet established. In addition, there were some differences among key actors in terms of awareness of project ideas and priorities. For example, in the case of the WASH concept, UNICEF brought the idea to the FDB, which was welcomed from the perspective of alleviating some of the burden on the DAE to develop the CN, but also brings into question the hypothesis that direct access will facilitate country-originated project ideas. The FDB is not currently soliciting project concepts from the bottom up, such as through requests to CSOs and PSOs, or through an open call. The role of an international development partner was also mentioned in coming up with the idea of a second priority concept for the FDB on agro-PV installations. In contrast, the FDB's project concept on resilient housing originated with their participation in an association of development finance institutions in the Pacific and a trip to Palau to visit a similar programme. The NDA issued a NoL for this CN, but the FDB is not currently developing it.

c. International access entities and country ownership

Several stakeholders mentioned that IAEs had been approaching the FDB and the NDA with ideas, especially after the international exposure associated with Fiji holding the COP 23 presidency. The NDA has reportedly turned down several national and regional projects from IAEs that it felt did not align with its priorities for accessing the GCF. Other IAEs that have significant GCF portfolios, including UNDP and the World Bank, do not have a GCF pipeline in Fiji, given the priorities and preferences of the Government and of the agencies themselves.

Country ownership in the GCF project cycle is described as business as usual by the IAEs, while also accommodating GCF procedures, such as consultation with the NDA and obtaining the NoL, and meeting GCF reporting requirements. With only one approved project in Fiji, executed by the NDA, there is limited experience to review.

As noted, in the absence of support from the GCF to the FDB, IAEs, including ADB, have been providing direct support to the FDB to meet its accreditation conditions.

d. Direct access as a modality to support country ownership

Overall, the Government as well as non-state actors see direct access as an essential component of country ownership. As the implementing rather than executing entity, the Ministry of Economy expects to have more control in the design phase and better tailoring to the needs and realities of the Fijian situation. Saving the fee paid to an IAE is also a positive factor. Further, the Ministry of Economy anticipates better knowledge-sharing and retention, and more consultation within government, for projects that it implements rather than executes. Whether the Ministry of Economy would indeed share information more widely in a role as implementing entity, rather than executing entity as it currently is for the ADB project, cannot be known. Another interviewee also suggested that the direct access modality would give more opportunities for involvement by local consultants, CSOs and PSOs, since IAEs typically post procurements in online platforms of which local actors may not be aware.

The predominant view outside of government is that the dichotomy between international and direct access in terms of supporting country ownership is a false one, and that countries can have a country-owned pipeline that builds on the relative strengths and accreditation statuses of different entities (e.g. by project size, financial instrument, risk category).

The dissenting view shared by two IAEs is that direct access is simply a financial modality; what is important is the extent to which end beneficiaries have a system by which their voices are heard and resources reach these beneficiaries. One other stakeholder expressed the presumption that with direct access for adaptation activities, projects would be one step closer "to the ground". In Fiji, with only one project in implementation, it is not yet possible to assess the difference between national direct access and international access along these parameters.

4. Private sector and multinational projects

No private sector projects have been approved in Fiji, and none are in the firm pipeline. However, in 2017, Fiji issued the first developing country sovereign green bond, raising USD 50 million; this (non-GCF supported) project with the International Finance Corporation is intended to help create a market in Fiji for private capital seeking investment opportunities, primarily for climate resilience and adaptation.[121]

Fiji has one multi-country project in the pipeline through the regional DAE, SPREP. The project title is Strengthened Weather and Climate Services for Resilient Development for Pacific Islands, and a simplified approval procedure CN has been submitted. The origins of this multi-country CN were regional policy decisions around the regional meteorology strategy and roadmap for climate services. Stakeholders reported that a complicating factor is that other agencies are now proposing climate information services projects in the Pacific, and some rationalization is needed to determine which agencies will focus on which issues and which countries, to enhance prioritization and avoid duplication.

[121] https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/cm-stories/fiji-green-bond-for-a-greener-future

C. FIJI APPENDICES

1. LIST OF STAKEHOLDERS CONSULTED

NAME	POSITION	ORGANIZATION
Espen Ronneberg	Climate Change Advisor	SPREP
Katerina Syngellakis	Pacific Regional Representative	GGGI
Mason Smith	Regional Director	IUCN
Ken Kassem	Strategic Partnerships Officer	
Semisi Tawake	Regional Head of Finance and Administration	
Erik Aelbers	Unit Head, Economics and Programming	Asian Development Bank
David Fay	Unit Head, Project Administration	
Kristina Katich	Urban Development Specialist	
Manasa Tusulu	Senior Business Analyst	Water Authority of Fiji
Akesa Lagilagi	Senior Quality Assurance Analyst	
Rayan Kumar	Engineer	
Kevin Kumar	Engineer	
Joseira Kavoilavesau	Engineer	
Leigh Chan	Engineer	
Sylvia Wilson	Graduate Engineer	
Sereseini Dikalauniwai	Project Manager Environment	
Sandeep Chauhan	President	Fiji Business Resilience Council of the Fiji Commerce and Employers Federation
Nesbitt Hazelmann	CEO	
Nilesh Prakash	Head of Climate Change and International Cooperation	Ministry of Economy, Climate Change Division
Vineil Narayan	Climate Finance Specialist	
Prashant Chandra	Climate Finance Officer	
Mark Clough	Chief Executive Officer	Fiji Development Bank
Setaita Tamanikaiyaroi	Manager, Enterprise Risk & Business Development	
Nafitalai Cakacaka	General Manager Business Risk Services	
Vuki Buadromo	Project Manager	Pacific Community
Kevin Petrini	Fiji Team Leader for Resilience and Sustainable Development	UNDP
Habiba Gitay	Senior Climate and Disaster Resilient Development Specialist	World Bank
Lasse Melgaard	Resident Representative – South Pacific	

NAME	POSITION	ORGANIZATION
Trevor Ole	Chief of Party	AECOM (Contractor for USAID Climate Ready)
Noa Seru	Senior Policy and Finance Advisor	
Exsley Taloiburi	Climate Change Finance Advisor	Pacific Islands Forum Secretariat
James Macbeth Forbes	Director Programmes – Pacific Islands	GIZ
Christine Fung	Deputy Team Leader	
David Rarakolotu	--	Alliance for Future Generations
Fhreen	--	
Coral Pasisi	--	GCF Regional Adviser

2. LIST OF DOCUMENTS CONSULTED

National and external documents

Global Partnership for Effective Development Co-operation (GPEDC). (2016). *Monitoring Profile – October 2016: Fiji*.

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Pacific Climate Change Round Table: Session 2 (2017). *Update on Climate Change Finance in the Pacific*.

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Samuwai, J., & Maxwell Hills, J. (2018). Assessing climate finance readiness in the Asia-Pacific region. *Sustainability, 10*(4), 1192.

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GCF documents

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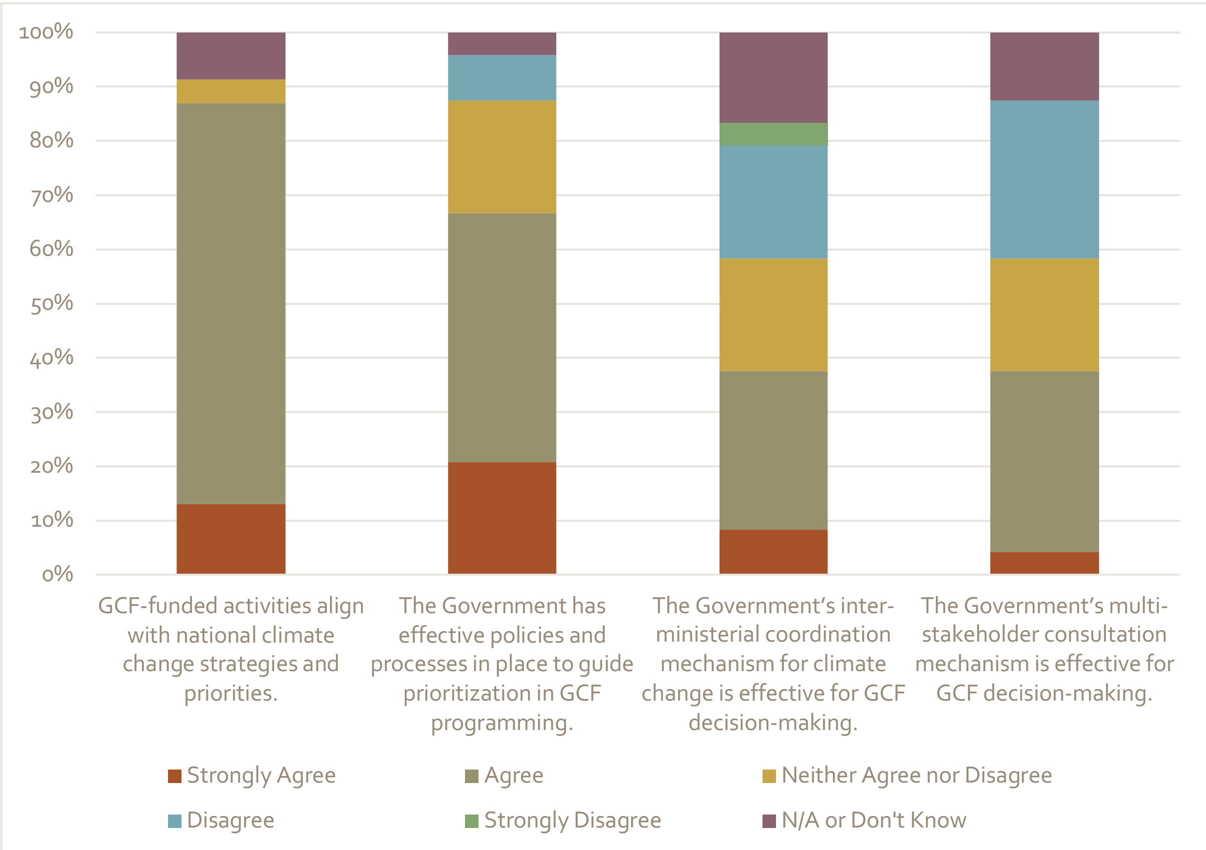
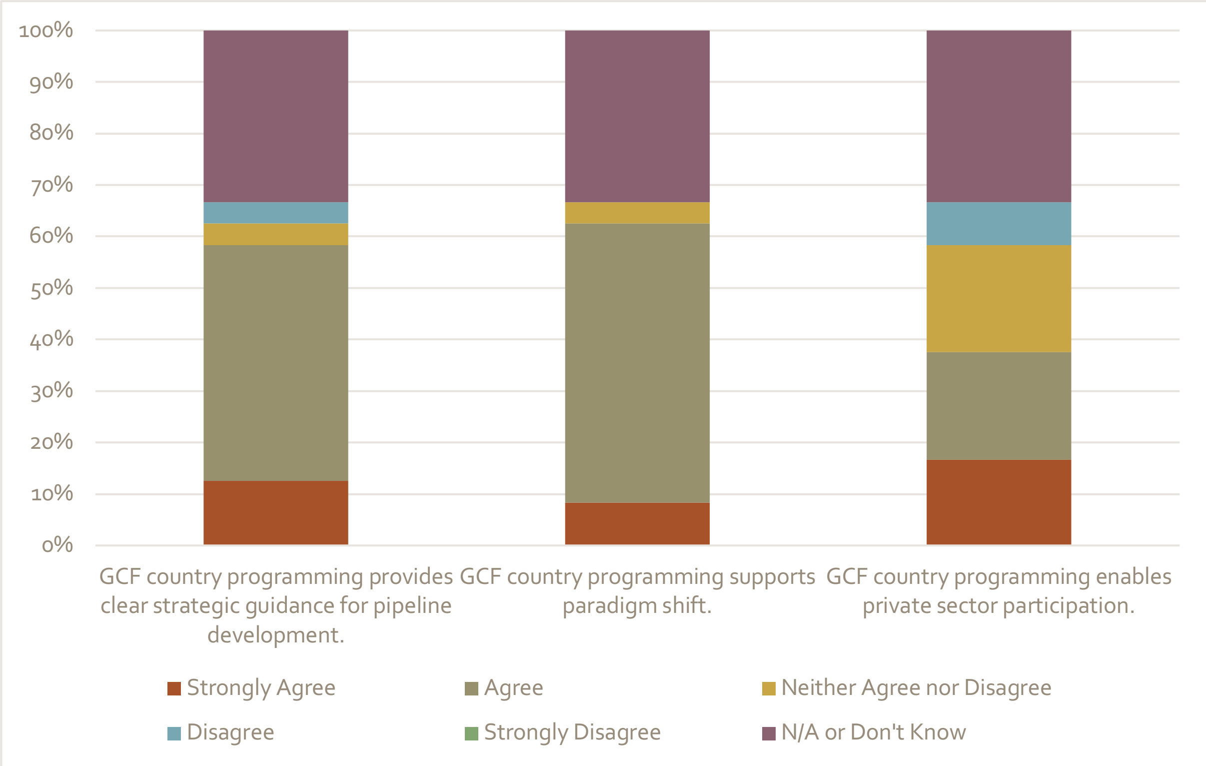
Concept Notes for *Fiji Climate Friendly House Loan Programme* (Fiji Development Bank, 31 August 2016) and *Strengthened Weather and Climate Services for Resilient Development for Pacific Islands* (SPREP, 4 August 2018).

RPSP proposal for *Enhancing Direct Access to Climate Finance in Fiji* (submitted 1 May 2019). NDA: Climate Change Division, Ministry of Economy; implementing institution: Global Green Growth Institute.

3. RESULTS OF THE IN-COUNTRY SURVEY IN FIJI

The in-country survey was administered to 24 people at the end of each interview conducted during the country visit to Fiji. The largest proportion of respondents were accredited or nominated entities (39 percent), followed by government (22 percent), private sector (13 percent), delivery partners (9 percent), and other respondents (17 percent). The results are shown below.

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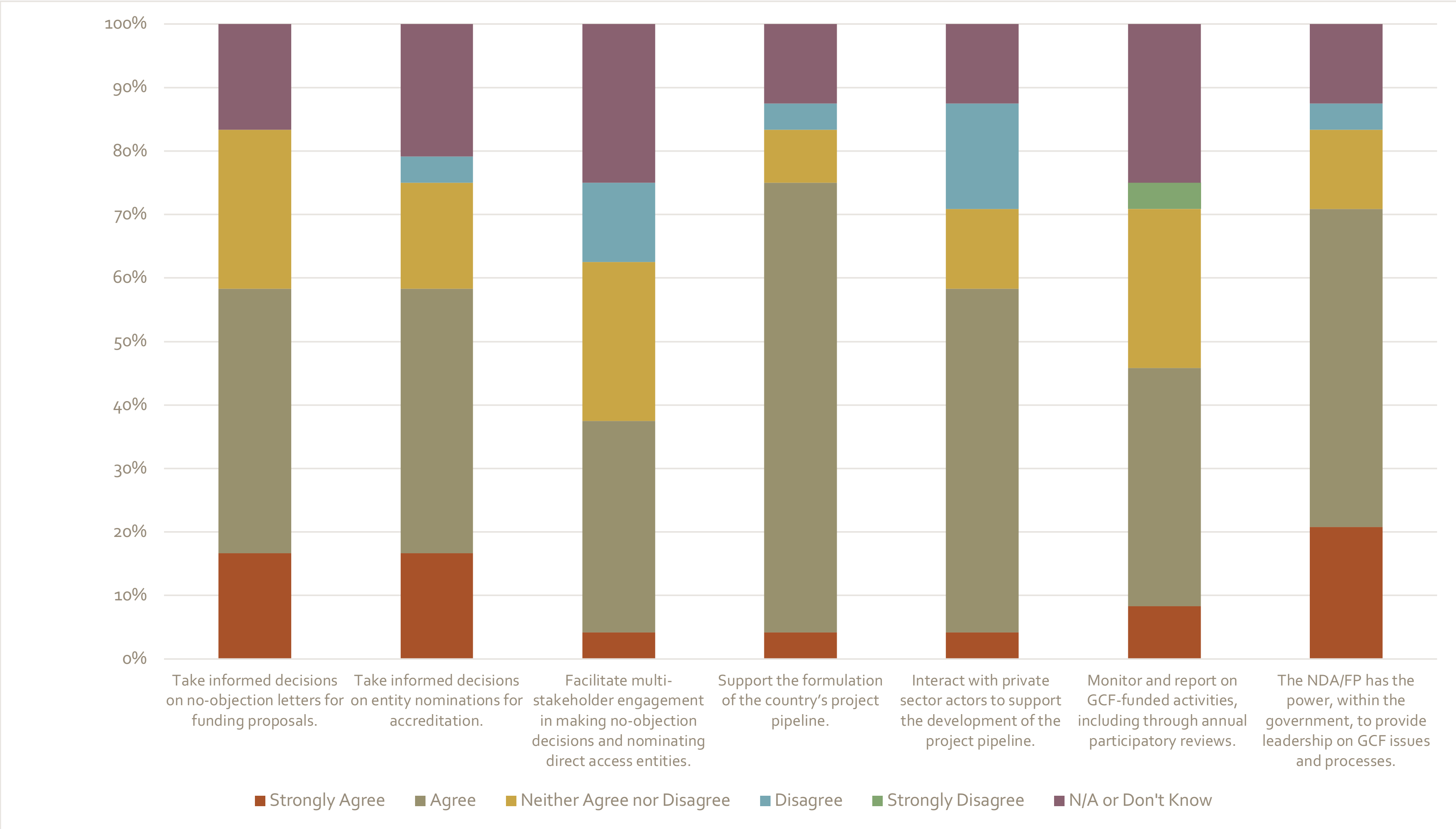
GCF country programming provides clear strategic guidance for pipeline development.
GCF country programming supports paradigm shift.
GCF country programming enables private sector participation.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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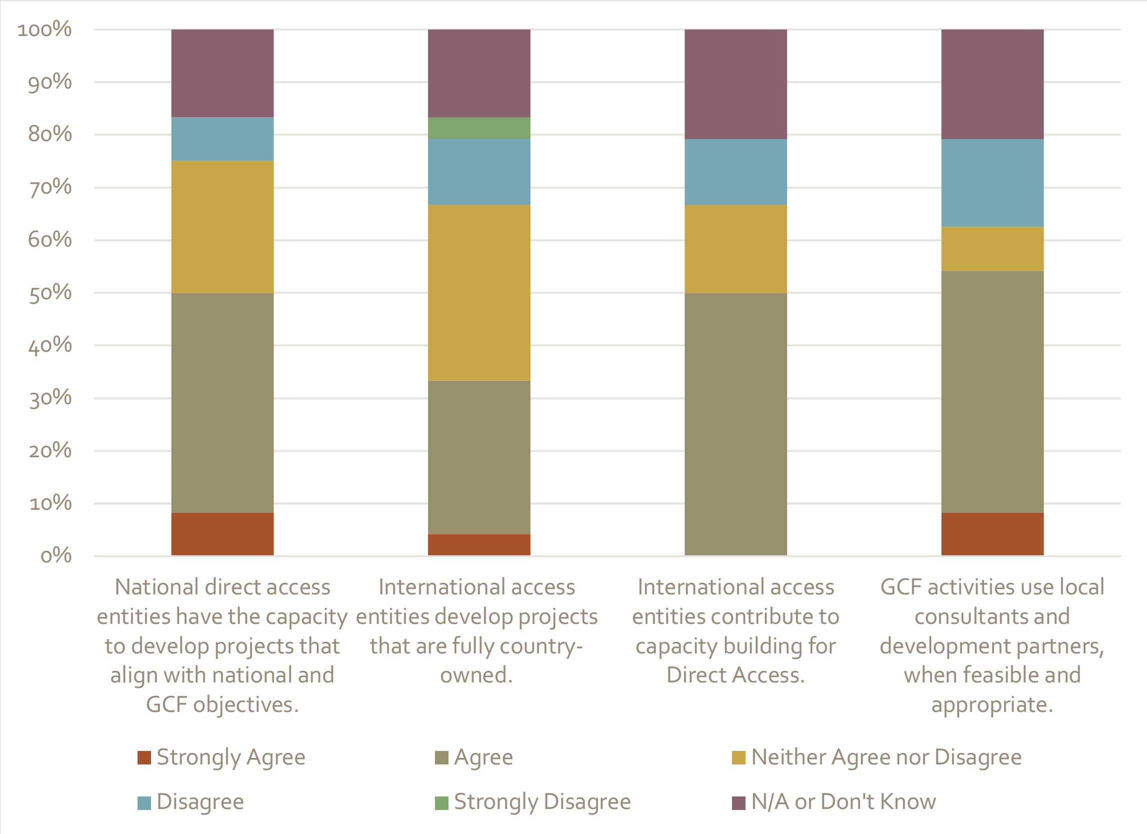
Take informed decisions on no-objection letters for funding proposals.
Take informed decisions on entity nominations for accreditation.
Facilitate multi-stakeholder engagement in making no-objection decisions and nominating direct access entities.
Support the formulation of the country's project pipeline.
Interact with private sector actors to support the development of the project pipeline.
Monitor and report on GCF-funded activities, including through annual participatory reviews.
The NDA/FP has the power, within the government, to provide leadership on GCF issues and processes.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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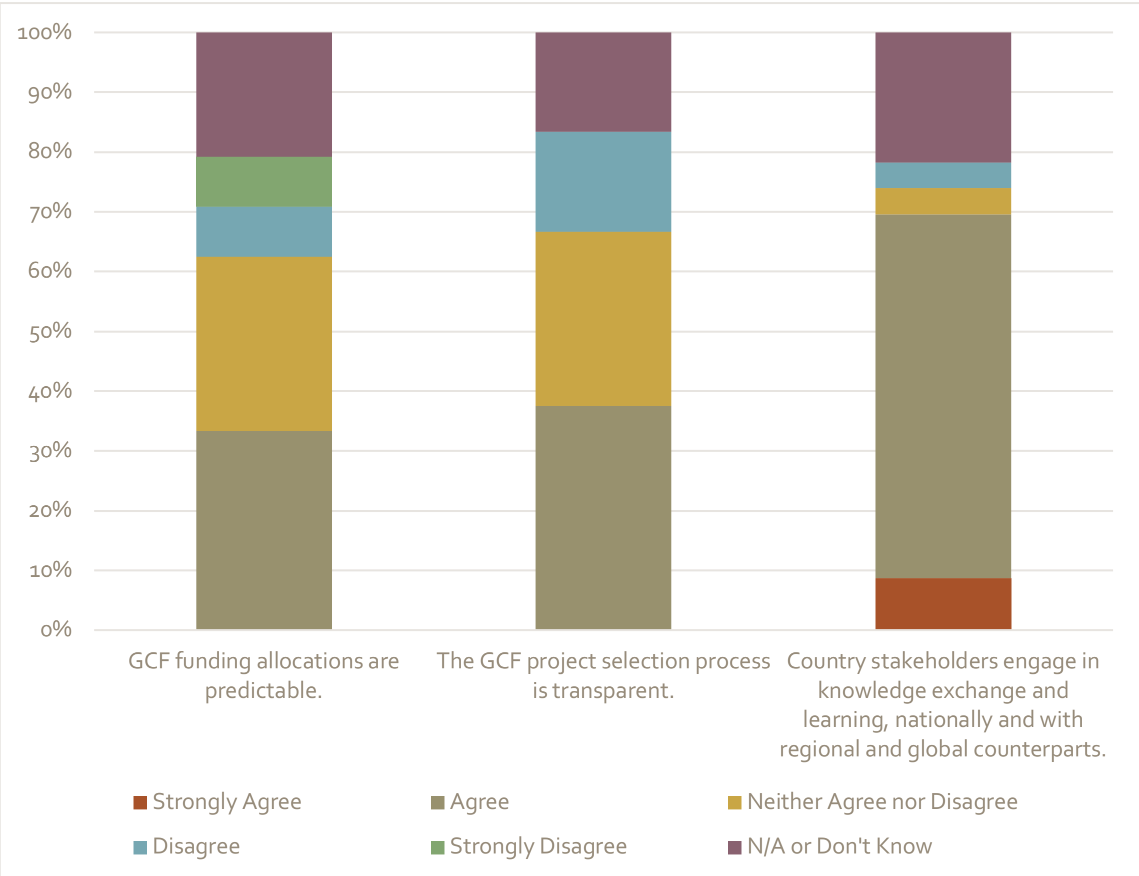
National direct access entities have the capacity to develop projects that align with national and GCF objectives.
International access entities develop projects that are fully country-owned.
International access entities contribute to capacity building for Direct Access.
GCF activities use local consultants and development partners, when feasible and appropriate.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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GCF funding allocations are predictable.
The GCF project selection process is transparent.
Country stakeholders engage in knowledge exchange and learning, nationally and with regional and global counterparts.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know

4. NORMATIVE FRAMEWORK FOR COUNTRY OWNERSHIP

For the country case studies, the framework was adapted into a tool with a scoring system, drawing heavily on the in-country survey results to provide the numerical scores. The results are shown in the table below.

PILLARS OF COUNTRY OWNERSHIP	DIMENSIONS	MAXIMUM POSSIBLE SCORE	FIJI SCORE	FIJI RATIO (FIJI SCORE ÷ MAXIMUM SCORE)
Leadership and consultation: Country governments lead strategic programming and prioritization processes, ensuring policy alignment, and in broad consultation, through a multi-stakeholder participatory process.	Recipient country leadership in strategic programming and prioritization	18	11.4	0.63
	Alignment of GCF objectives and support with national strategies and priorities	9	6.6	0.73
	Multi-stakeholder engagement including civil society and private sector	9	6	0.67
	Subtotal	***36***	***24***	***0.67***
Institutional capacity: Country stakeholders have the capacity to plan, manage and implement activities that address GCF objectives.	Capacity to plan, manage and implement climate activities	35	24.7	0.71
	Use of country systems, partners and co-investment	6	4.4	0.73
	Subtotal	***41***	***29.1***	***0.71***
Mutual responsibilities: The GCF, AEs and recipient countries adopt best practices in planning, delivery and reporting, and are accountable to each other for these practices.	Predictability and transparency of funding allocation	6	3.6	0.60
	Timeliness of commitment and disbursement of funding	NR	NR	NR
	Accredited entity mutual responsibilities	6	3.9	0.65
	Sharing of results and experiences with national and international stakeholders	6	2.4	0.40
	Subtotal	***18***	***9.9***	***0.55***
TOTAL - UNWEIGHTED		**95**	**63**	**0.66**
TOTAL - WEIGHTED		**95**	**60.5**	**0.64**

ANNEX 9. INDONESIA COUNTRY CASE STUDY REPORT

A. BACKGROUND AND CONTEXT

1. COUNTRY AND CLIMATE CHANGE CONTEXT

Indonesia is one of the largest emitters of greenhouse gases (GHGs) in the world and is also severely affected by the impacts of climate change. Land-use changes, peat fires and deforestation have been the largest sources of GHG in the country in the past. Expanded use of coal for power production could shift GHG emissions to the energy sector over the next decade unless major steps are taken towards renewable energy (RE) sources. The shocks of climate change are already being felt in Indonesia, with more frequent droughts, heat waves and floods, and are expected to pose an increasing threat to the country's development. By 2100, climate change impacts will cost an estimated 2.5–7 percent of GDP (World Bank, 2014).

This situation carries major challenges along with it. In 2007, the Government of Indonesia started to draw up a comprehensive climate policy framework to respond to these challenges, and Indonesia has repeatedly contributed to the international climate negotiations. In November 2016, the country submitted its nationally determined contribution (NDC) under the Paris Agreement, announcing the reduction of GHG emissions by 29 percent by 2030 through its own efforts. With international support of USD 6 billion, reductions could rise further to 41 percent (Federal Ministry for the Environment, 2017).

Mitigation and adaptation are seen in Indonesia as an integrated concept essential for building resilience and safeguarding food, water and energy resources. The Government considers low-carbon development in accordance with the Sustainable Development Goals (SDGs) and its NDC as the spirit of future national development. Climate change adaptation, the environment and disaster resilience are now a major priority in the latest National Medium-Term Development Plan (*Rencana Pembangunan Jangka Menengah Nasional* [RPJMN]), which covers the period 2020–2024.

2. GCF PORTFOLIO AND INSTITUTIONAL ARRANGEMENTS FOR ENGAGING WITH THE GCF

National designated authority (NDA). Early on the GCF portfolio has been struggling to get off the ground in Indonesia but has shown significant improvement over recent years. A major reason had been the 2016 dissolution of the previous institution that temporarily housed the NDA as part of a government restructuring. Since 2016, the NDA has been based in the Fiscal Policy Agency *Badan Kebijakan Fiskal* (BKF) in the Ministry of Finance.

Readiness and Preparedness Support Programme (RPSP). Indonesia has so far requested finance for one RPSP project from the GCF. This readiness programme has been implemented since June 2018, with Global Green Growth Institute (GGGI) as a delivery partner and was initially planned to end in December 2019. The total amount was USD 852,322. This RPSP was preceded by a two-year readiness programme to support NDA capacities, carried out by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and financed through German funds.

Accredited entities. In terms of direct access, the semi-autonomous, state-owned infrastructure development enterprise PT-Sarana Multi Infrastructure (PT-SMI) has been accredited as a national direct access entity (DAE) to the GCF. PT-SMI signed its accreditation master agreement in March 2017 and has submitted two concept notes (CNs) to the GCF, for which it received GCF Project Preparation Facility (PPF) grants to finalize FPs. Indonesia also nominated two other DAEs that are in stage 1 of accreditation: a semi-public institution for infrastructure investments; and a civil society organization (CSO) specialized in support for local communities, non-governmental organizations (NGOs) and policy studies. The status and continued interest of three other nominated DAEs is currently not clear. In addition to DAEs, at least ten international accredited entities (IAEs) have submitted CNs or funding proposals for Indonesia, or included Indonesia in multi-country programmes (World Bank, International Finance Corporation [IFC], Asian Development Bank [ADB], Agence Française de Développement [AFD], Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. [FMO], United Nations Development Programme [UNDP], United Nations Environment Programme [UN Environment], International Union for Conservation of Nature [IUCN], Korean Development Bank and BNP Paribas[122]).

Funding proposals. Two IAE-implemented FPs have been approved by the GCF Board for Indonesia. The first is the *Indonesia Geothermal Resource Risk Mitigation Project* (FP083), approved in October 2018 and to be implemented by the World Bank as IAE and executed by PT-SMI of Indonesia. The project is not yet operational. The World Bank-financed component still has to be approved by the Government and the World Bank Board. This is a public sector project promoting private sector engagement, with a planned total value of USD 695 million (of which USD 185 million are from a GCF grant[123]). Second, the multi-country *Climate Investor One (CIO) Project* (FP099), with the Dutch semi-public bank FMO as IAE, targets private sector investments in RE and was approved in October 2018. The funded activity agreement is still being negotiated. The project's global value is USD 821.7 million (of which USD 100 million are from GCF), to be invested in 11 countries.

Project pipeline and concept notes. Although the list of CNs and pipeline projects in the GCF database appears long (about 15), several of these are apparently not actively pursued (see the list of CNs in Annex C). Two IAEs (IFC and ADB) submitted multiple CNs that were answered by the GCF. The status of these CNs is not known among stakeholders in Jakarta, either at the NDA or the respective country offices of IFC and ADB that were contacted. The NDA so far has formally reviewed five CNs and FPs. The NDA is currently in the process of soliciting new project ideas and CNs originating in the country and with beneficiaries themselves.

3. CLIMATE FINANCE CONTEXT AND PROGRESS TOWARD EFFECTIVE DEVELOPMENT COOPERATION

Indonesia is a lower-middle-income country with relatively strong personnel, institutional and planning capacities. The country has a long tradition of five-year medium-term national development plans, supported through a long-term vision and clear guidelines for project investments in line with planned priorities. Indonesia did not take part in the latest Global Partnership for Effective Development Co-operation (GPEDC) monitoring exercise. Given the country's important economic role in South-East Asia and prominence in terms of climate change emissions, many international and bilateral donors have sizeable and well-equipped country offices in Indonesia, with programmes that are well aligned with the Government's medium- and long-term priorities, including for climate change mitigation and adaptation.

Climate finance in Indonesia has developed in many different facets over the past 15 years, involving numerous public and private partners in Indonesia itself, as well as international financiers. Indonesia is a democracy, presidential power changed in 2014 and the current incumbent

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[122] In their latest comments, a key stakeholder in Indonesia pointed out that BNP Paribas may not continue their accreditation process with GCF which has not yet been confirmed by GCF yet.
[123] Of which a first GCF tranche of USD 100 million has been approved by the GCF Board under the condition that World Bank co-investment will be forthcoming (this is not yet approved by the World Bank Board).

was reconfirmed in elections in 2019.[124] The change of power in 2014 also led to several changes in the institutional landscape for climate finance and coordination in the country, as will be further elaborated in this report.

Climate finance was analysed in detail in a now somewhat outdated report of 2014 (Indonesia Ministry of Finance, 2014). Based on a detailed analysis of tracking public climate finance, the report concluded that domestic public finance is playing a crucial role in achieving the green economy goals of Indonesia, and is complemented by international finance, which was seen as a minor part of the overall landscape in 2011. It was acknowledged though that some major planned international climate funds and initiatives had not yet started, including the GCF, at that point in time. Among the major dedicated multilateral climate funds, the Climate Investment Funds support the geothermal energy subsector with USD 400 million through the Clean Technology Fund, and forest management with USD 70 million through the Forest Investment Program. The Global Environment Facility (GEF) has so far invested around USD 730 million in Indonesia, with close to USD 4 billion of additional co-investment. As of the end of 2018, the Adaptation Fund had not yet approved its one pipeline project in Indonesia, on governance reform, with Kemitraan as implementing agency.

Some more recent reflections on climate finance in Indonesia by the international Climate Policy Initiative point to some major progress in setting up an environmental fund to receive revenues from multiple sources, public and private, and including international donors, to channel payments for emissions reductions (Climate Policy Initiative, 2019). Blended finance instruments for green development are also receiving much attention. The Ministry of Finance and PT-SMI have launched a first initiative, the SDG Indonesia One Fund, attracting commitments of up to USD 2.3 billion.

B. KEY FINDINGS

1. COUNTRY LEADERSHIP AND ENGAGEMENT

a. Climate change policies and strategies

Indonesia has made substantial commitments to address climate change mitigation and adaptation, through ambitious NDCs, mainstreaming climate change in its National Medium-term Development Plan and mobilizing climate finance. This section reviews to what extent Indonesian climate change goals are compatible with other national socioeconomic priorities, such as low-energy prices and poverty reduction; how effective interministerial coordination and multi-stakeholder engagement are for addressing climate change; and how well the GCF country programming and portfolio are aligned with national needs and priorities, and with GCF principles of multi-stakeholder engagement. Some views on country stakeholder understanding of critical dimensions of country ownership are presented, also drawing on the in-country survey carried out by this evaluation.

i. Nationally determined contributions

Indonesia submitted its first NDC to the United Nations Framework Convention on Climate Change (UNFCCC) in November 2016. The NDC and its main goal of a 29 percent reduction of GHGs is built on the four strategic principles of (i) employing an integrated, multi-sectoral landscape approach to mitigation and adaptation; (ii) highlighting best practices through scaling up traditional wisdom and innovative approaches; (iii) mainstreaming the climate agenda into development

[124] Indonesia ranks #68 on the Economist Intelligence Unit Democracy Index.

planning; and (iv) promoting climate resilience and restoring terrestrial, coastal and marine ecosystems. The NDC targets the five sectors of forestry, energy, industry, waste and agriculture.

More concrete goals and actions are specified in two documents on mitigation and adaptation, as well as in several presidential decrees and sector strategies. On mitigation, the GHG reduction target is stipulated in the 2011 Presidential Regulation Number 61 on the National Action Plan for Green House Gas Emission Reduction (or RAN-GRK). This regulation specifies GHG emission reduction targets by sector. In 2014 the Government of Indonesia published the national action plan for climate change adaptation (RAN-API), which aims to provide guidance in mainstreaming climate change adaptation into national, local and sectoral development planning. While planning for mitigation has somewhat advanced, planning for adaptation is still a work in progress, and there is no national adaptation plan yet.

ii. National Medium-Term Development Plan 2020–2024

More recently, low-carbon development policies have been fully internalized into the latest National Medium-Term Development Plan, for the period 2020–2024, published by the Ministry of National Development Planning (BAPPENAS). This key five-year planning document for the Government of Indonesia benefited significantly from the country's Low Carbon Development Initiative and a related 2019 report titled *Low Carbon Development: A Paradigm Shift towards a Green Economy in Indonesia*, which was prepared in collaboration with the World Resources Institute. The Low Carbon Development Initiative is coordinated by BAPPENAS and aims to maintain economic growth through low-emissions development and to prioritize development policy interventions that have the co-benefit of emissions reductions or climate resilience. It brings together several government institutions, the international donor community, local and international partners, distinguished experts and civil society.

According to a government interviewee, "climate change is now a national priority and a development issue," and more so than before, as it now has a chapter title in the National Medium-Term Development Plan. The new climate economy would be driven by fiscal constraints and carrying capacity constraints or planetary boundaries. Overall planning and budgets for climate change would have to be better synchronized through "smart mainstreaming" and operationalizing climate change in sector budgeting. Indonesia needs to urgently move from broad programmes to bankable projects, to the identification of national priority projects and to the development of project pipelines. Although there are already some prominent national programmes in support of climate mitigation, resilience and the green economy, such as the Government's green bonds and sharia bonds for facilitating private sector investments, the real problem is the lack of demand, awareness, know-how and bankable projects, at local banks and with private investors.

BAPPENAS next plans to develop a Climate Resilience Programme that would constitute the Indonesian national adaptation plan, in consultation with the four main sector ministries that are concerned with water, agriculture, forestry, marine/coastal and health. This would include the development of more specific loss and damage key performance indicators, such as avoidance of GDP losses in the sectors and the impact measurement of specific programmes.

iii. Climate sensitivity and other objectives

Although a low-carbon and climate-resilient policy direction has by now been firmly established in Indonesia, it is evident from the interviews conducted that much remains to be done to effectively operationalize the goals across the economy and its sectors.

For instance, first and foremost, the monopoly of the Indonesian power utility, PLN, and its priorities are still a hurdle for more climate sensitivity in the energy sector. The Government of Indonesia does not provide subsidies for investments in RE, and non-renewable energies are not taxed. Therefore, the goal of 29 percent emissions reduction by 2030 and of 23 percent RE in 2025 will be hard to achieve, as the average costs of RE, including solar photovoltaic and geothermal, are still substantially higher than those of coal (diesel is more expensive, though). There are strong interests in the Ministry of Energy and Mineral Resources and the Coordinating Ministry of Economic Affairs (CMoEF) to hold on to carbon-based solutions in order to keep energy prices low.

Second, the biggest GHG emitting sector in Indonesia is still forestry, but most of the government budget is allocated towards infrastructure investment, rather than land-based sectors. This is an indication of the ongoing mismatch of policy priorities and is also a result of the non-existent climate finance strategy.

Third, inequalities remain high in Indonesia, and there is a widespread perception that action on climate change will impair efforts to reduce poverty, as it may increase energy prices for the poor and negatively affect economic growth and employment (Piesse, 2018). The Government aims to strike a balance between economic development and environmental sustainability and climate change.

And last, during a recent national workshop on potential economic losses from climate change, participants from academia and from the ground expressed their concerns about the challenges of translating high-level policy documents into adaptation actions in the sectors and on the ground (USAID-APIK Program, 2019). They called for BAPPENAS and other ministries to provide more and better guidance from policy to planning and to concrete activities on the ground. Better communication and coordination among ministries and institutions, and also within each of them, would be necessary.

iv. Mobilizing and utilizing climate finance

According to a Dutch analysis, Indonesia has been relatively successful in mobilizing funding as its focus on mitigation resonates with current climate finance priorities (Netherlands Ministry of Foreign Affairs, 2018). But the success of both mitigation and adaptation activities depends to a large extent on the readiness of Indonesia to not just mobilize climate funds but also to use them effectively. The analysis concludes that it would be particularly important in Indonesia to support capacities for multilevel planning, programming and coordination, including at subnational level; institutional strengthening to meet financial access requirements; good financial governance, including sound measurement, reporting and verification systems; and increased efforts to engage the private sector.

b. Institutional structures to coordinate climate change

There is no single ministry in Indonesia that holds the institutional mandate for coordinating all climate change aspects in the country. The three key institutions for planning, coordinating and monitoring climate change and climate finance in Indonesia are BAPPENAS, the Ministry of Finance, and the Ministry of Environment and Forestry. Execution of activities is mostly in the hands of line ministries, state-owned enterprises (SOEs), and subnational provincial and local authorities, with the Ministry of Environment and Forestry also being involved in this.

The **Ministry for Development Planning (BAPPENAS)** holds the key for overall planning and integrating climate change in medium-term government programming, budgets and mainstreaming climate change in sectors and subnational governments.

The **Ministry of Finance (MoF) –** as the authority that manages macroeconomic stability and fiscal balance, the development of economic and fiscal instruments, and the development of national financing strategies – is expected to play a paramount role in mobilizing and coordinating national and international sources of climate change funding and to channel them to the prioritized areas of infrastructure, human and technological capacity development.

The **Ministry of Environment and Forests (MoEF)** is in charge of the NDC road map and has special responsibility for integrated solutions in land-based sectors and REDD+, as it encompasses the important forestry department. MoEF has also been mandated to coordinate climate change across government institutions but lacks the capacity to do so.

There is a qualified and committed staff to promote and advocate for the climate change agenda in these three key ministries, but communication and coordination have not been working very well so far. Some dialogue was started in the context of preparing the Medium-Term Development Plan through BAPPENAS and an NDA-organized participatory workshop in early 2019. Interview partners agreed that interministerial coordination in Indonesia is very hard due to a silo mentality and competing interests. Only 50 percent of in-country survey respondents regard the Government's interministerial coordination mechanism for climate change as effective for GCF decision-making; the remainder either disagreed (10 percent) or were without either an opinion on this question or a strong view one way or the other (combined 40 percent). Indonesia still needs to do much work to better align and coordinate its government agencies, not only for addressing climate change. Development partners can play a role here by providing well-targeted **technical support and learning opportunities for key staff and institutions.**

i. Climate change coordinating mechanism

Indonesia does not currently have an active formal interministerial coordination mechanism or multi-stakeholder consultation process for climate change at the national level. The previous multi-institutional National Council for Climate Change, established in 2000 and presided by the President of Indonesia, was dissolved in 2015 to streamline government. Its functions were transferred to the Ministry of Environment, which was strengthened through its merger with the Ministry of Forestry to create the MoEF.

Several interview partners were of the view that any new coordination mechanisms for climate change should not be set up separately for the GCF but should be part of a broader climate change agenda and climate finance policy. They also believed that any programming-oriented coordination mechanism should include implementation-oriented agencies in addition to policy-oriented ministries.

ii. Institutional climate change landscape and GCF role

Indonesia has many international partners with a strong interest in climate change, particularly certain bilateral donors such as Norway, Germany, Japan and Australia, AFD, GIZ and the GGGI, but also various international financial and climate change institutions. The MoEF works extensively with United Nations-related agencies in climate resilience and mitigation, such as FAO, UN Environment and UNDP, as well as with the GEF. These international institutions work on a number of technical and capacity-building issues, climate change governance, project pipeline development in selected sectors and project execution.

Some interview partners pointed out that GCF climate change funding for Indonesia is likely to be small compared to the country's own resources and those of other development partners. For this reason, the money should be invested wisely and where it could get the most leverage. At the same time, there is a high demand for technical advice and capacity-building on climate change, not just for the funding of investment projects. Much more would also be needed in terms of coordination and partnerships for climate change in view of the SDG agenda. According to interview partners, these are areas that the GCF may wish to support more, as it appears to have the means for it. Another positive GCF role would be to share the experiences of different countries and play a supportive and clarifying role for effective development of bankable projects, for its own finance or that of others. One IAE representative summed it up in the following: "The time to be focused on our own [institution's] pipeline is over – we need to apply a bigger picture to climate change."

c. Understanding country ownership

How do stakeholders in Indonesia understand the term "country ownership" and what do they see as possible tensions around the concept and its applications? For most interview partners, country ownership first means government ownership of and commitment to climate change as a priority and cross-cutting objective in general, and not just as country ownership of the GCF programme and portfolio. In this broader sense, country ownership is seen as being intimately linked to high-level policy commitment to climate change mitigation and adaptation, from the President down, as well as the development of the necessary policies and guidelines. Second, it is seen as the systematic integration of climate change into medium-term national planning and "smart mainstreaming" throughout the administration, and third, as the linking of the government budget with climate change, and a good understanding of climate expenditures, finance, and public and private sources.

In other words, two levels of country ownership are necessary for the transformation towards a low-carbon and resilient economy: high-level political commitment throughout the system; and its programming and execution in sectors, programmes and projects. In practice, as anywhere else, the political economy drives priorities in Indonesia, with individual agency preferences, strong vested interests and inertia influencing the speed of change. Country ownership, above all, means to operationalize the concept of country ownership and to provide the necessary support for national programmes, such as the sharia bonds and the green bonds in this instance, specific project development and mainstreaming the concept of climate change in infrastructure and other projects. This should happen throughout relevant line ministries and at provincial and municipal levels.

For members of the CSO community, country ownership goes beyond government ownership: it means ownership by the people. A government used to top-down planning and actions – as the Government of Indonesia is widely considered to be by CSOs – is not accustomed to involving and consulting with the people. In the view of CSOs, in the end, what matters is who the real owners and decision makers of the project are and how close this is to the people on the ground.

Importantly, country ownership means that the NDA is not a rubberstamp institution but takes its no-objection role seriously and is empowered to do so.

From a private sector investment perspective, country ownership would also require that in order to dramatically expand mitigation the country's local power utility, PLN, would have to be a guaranteed off-taker of green energy, a supportive regulatory framework would have to be in place, and a master plan would have to exist for the inclusion of RE – for instance, for the inclusion of hydropower.

Several stakeholders agree that country ownership of projects may benefit from but does not depend on direct access. What is important is (i) the screening of the project pipeline according to Indonesian priorities and demand, and a deliberate decision on which accredited entity (AE) can best implement these projects (the "matching"); (ii) that there are clear assessment standards in place for NDAs on project proposals including on country ownership aspects; and (iii) that there is an oversight by one of the line ministries or provincial authorities.

Essentially, respondents of the in-country survey are split about the question of whether the Government has effective policies and processes in place to guide prioritization in GCF programming. Although 60 percent of respondents agree or strongly agree with such a statement, a sizeable number either disagree (17 percent) or neither agree nor disagree or do not know (23 percent, combined).

An interviewee from an IAE pointed out that country ownership is different from country control over all aspects of projects. For internationally financed projects, country ownership primarily means a strong demand in the country, either from an institution like the NDA or a sector that prioritizes a project. Since international donors require sovereign-loan guarantees for public sector projects, they are automatically dependent on strong country demand and ownership, particularly in a middle-income country such as Indonesia that has a very strict process for international financing of projects and that is very selective.

And last, one CSO interviewee also stressed that country ownership, in whatever form, should not slow down the need for climate change action now. Whatever the Government and the GCF come up with, it should be done quickly because time is running out and the GCF has very long processes to go through to get things moving.

d. Multi-stakeholder engagement

i. Broader view of stakeholder engagement in the country

To date there are no institutionalized, high-level and GCF-specific or broad-based multi-stakeholder coordination mechanisms for climate change in Indonesia. There is, though, exchange and inclusion of CSOs and to a lesser extent the private sector in a number of forums and projects related to climate change, often oriented towards certain themes. Although a majority of respondents (60 percent) of the in-country survey regard the Government's multi-stakeholder consultation mechanisms for GCF decision-making as effective, about a quarter of respondents (23 percent) opined that they disagreed or strongly disagreed with such an assessment, a view not only coming from the CSO community. Several of the CSOs interviewed suggested that the GCF may wish to learn from the Indonesia National Forestry Consultations on how to communicate with multiple stakeholders, CSOs and community-based organizations (CBOs).

There is a very active CSO community in Indonesia, including national, international and local communities and institutions that work on climate change and resilience. Two CSO interviewees pointed out that their business model is based on a large network of local NGOs and subgrantees across Indonesia that they interact with through various activities and funds.

In fact, in 2016 a group of Indonesian CSOs published a 40+ page guide for engagement with and direct access to the GCF (Soentoro et al., 2016), including an example of a local CSO (Samdhana) that had attempted to get accredited by the GCF but eventually abandoned its efforts (also see the section below on accreditation). In terms of accreditation, CSO representatives strongly recommended that GCF should "level the playing field for CSOs", as requirements for DAEs and IAEs should not be the same. They would also prefer to be consulted on the nomination process of DAEs.

Recently, the NDA started the process of developing a multi-stakeholder input mechanism, with support from the RPSP and its delivery partner, GGGI. A well-attended half-day First Annual Participatory Review Forum was conducted in January 2019 (NDA and GGGI, 2019, Box A - 6).

Box A - 6. First Annual Participatory Review Forum

In January 2019 the NDA brought together representatives from ministries and government agencies with responsibility for mitigation and adaptation programmes,[125] the private sector, banking sectors, development partners or NGOs, as well as CSOs and community-based natural resource management, including women's groups and people with disabilities.

Due to the size of Indonesia and as part of its decentralization policy, provincial and local governments, including municipalities, play a large role in these multi-stakeholder engagement processes, particularly for resilience. Provincial, municipal and local governments are directly targeted by donors and large SOEs as major collaborators, including for climate change action and finance. But it is not clear at this stage to what extent representatives from this stakeholder group are effectively involved in the multi-stakeholder input mechanisms under development.

ii. Environmental and social safeguards and stakeholder consultations in GCF projects

Although CSOs in one form or another appear to have been consulted for the GCF/World Bank Geothermal Resource Risk Mitigation Project during its environmental and social safeguards (ESS) process, the opportunities for CSO engagement and the capacity to bring in beneficiary perspectives in this specific project were strongly criticized by CSO interviewees. First, during the official GCF project review process the CSO observers were unable to assemble much information on the specific consultations carried out because the GCF ESS document was too general and the World Bank ESS document was not available to them. Second, since the location of the project sites – of which there are planned to be more than 10 – was not known at the time of appraisal, there cannot have been much local consultation.

For the second approved GCF project in Indonesia, the private sector Climate Investor One project, there was apparently no process or intention to include CSOs in developing the FP, although they may be playing a role in the individual ESS that Climate Investor One is expected to support in its targeted individual private sector investment subprojects.

Given these consultation problems in the project design phase, it was suggested that the GCF should consider best practices for community development in implementation and shift more consultations and ESS into implementation. Real problems arise during the implementation of these projects, not at the design stage.

e. Country programming

A first GCF country programme (CP) for Indonesia was finalized in early 2018, written by a consultant recruited under the early GIZ readiness support programme for the NDA. But there were relatively few consultations and the whole exercise was seen as consultant driven. Country ownership and interest in this CP among GCF stakeholders in Indonesia are considered as low. The 2018 CP summarized relevant climate change policies, context and eight broad country thematic priorities for climate change action that should be followed by all GCF projects. It is more an inventory of opportunities and a guide for alignment of GCF FPs than a specific GCF programme of activities. And although there is adequate mention of the Government's high priority for mobilizing

[125] Ministry of Agriculture, Ministry of Finance, Ministry of Energy and Mineral Resources, Ministry of Environment and Forestry, Ministry of Public Works and Public Housing, Ministry of Transportation, and Ministry of National Development Planning.

climate finance from the private sector and a presentation of different options, there are no specifics on how the GCF CP should fit in and prioritize private sector climate-sensitive investments and enabling interventions.

In the in-country survey, country programming is seen by only about half of respondents as providing clear strategic guidance for pipeline development, bringing about and informing paradigm shift, and enabling private sector participation. Written comments point to a relatively small return of value for time and money spent on country programming and, secondly, the lack of clear GCF guidelines on what constitutes good practices in-country programming. On the other hand, one survey respondent also felt that the current CP at least provides some strategic guidance for developing the project pipeline and how to support a paradigm shift. In sum, according to interviews and survey results, effective country programming would have to be more specific and be of more help in pipeline project development and prioritization, bringing about a paradigm shift and enabling private sector participation.

The 2018 CP is currently being updated by the NDA to better engage multiple stakeholders in programme design, get stronger high-level buy-in and be more specific in its project priorities. Two participatory coordination meetings have already taken place. The new CP is being directly facilitated by the NDA, supported through the delivery partner, and carried out in full consultation with BAPPENAS and the MoEF. The NDA asserts that it is strongly country-owned, and CSOs agree that the process has been to a certain extent consultative. Some contributors to the CP are still concerned that in the absence of a clear GCF resource envelope for Indonesia the CP and particularly a proposed CP project pipeline may raise expectations that cannot be fulfilled by the GCF. Government interviewees also pointed out that the CP should not just be for the GCF and a limited set of actors. They argue that any contemporary climate-relevant programme in Indonesia should include a broader array of line ministries and provincial and local governments. They propose the preparation of pipeline projects that could also be financed by and submitted to different donors.

i. Project pipeline

Concurrent with updating the CP there is also an ongoing process of actively soliciting local project ideas and CNs by the NDA. There has been a call for project proposals and a search for matching project ideas with AEs. Nominated and accredited DAEs have been asked to submit CNs and entity work programmes.

There is a lot of demand for "green projects" from the provinces – for instance, in peatland restoration or in creating a new green economy in Papua with the dual objective of conservation and economic development and a mitigation focus. But there have been also a number of failed projects in the past that have generated valuable lessons and new know-how. Stakeholders pointed out that bankable projects have to be carefully designed to incorporate these lessons, including both bottom-up and top-down approaches. In some cases, there are already win–win sustainable solutions, but they are not done at scale.

f. Alignment with national priorities and needs and GCF objectives (paradigm shift)

i. Alignment of GCF projects with country priorities

Despite its general nature, the 2018 GCF CP still serves as the main reference for the NDA for assessing the conformity of any proposed projects/programmes with the national priorities. The Indonesian national priorities outlined in this CP are summarized from the National Medium-Term Development Plan for the period 2015–2019, the Presidential Regulation Number 61 on the

National Action Plan for Greenhouse Gas Emission Reduction, the country's nationally appropriate mitigation actions and its NDC. This finding is confirmed by the in-country survey that shows 80 percent of respondents agreeing or strongly agreeing with the alignment of GCF funded activities with national climate change strategies and priorities.

ii. Paradigm shift and innovation

Although there are a number of innovative initiatives found in climate change programmes and projects in Indonesia, including in one of the approved GCF projects, the extent to which they are indeed paradigm-shifting, cost-effective and acceptable to the Government and society remains to be seen. There is a certain hesitation around the term "paradigm shift" in Indonesia, which stakeholders sometimes understand as a disruptive process, rather than evolutionary. Some interview partners also described paradigm shift as a donor term that is rarely used and understood by most Indonesians. Although a majority of respondents in the in-country survey (55 percent) view GCF country programming as favourably supporting paradigm shift, a relatively high percentage of 38 percent does not have a view on this point, which indicates the unease with the term of at least some respondents.

Country interview partners gave three reasons why paradigm shift may be more of a long-term goal than one that could be achieved quickly. First, the main focus of the current Government's administration is strongly on classic infrastructure development for economic growth and not on a climate-sensitive paradigm shift that is often associated in the country with high costs for the economy in the short run, rightly or wrongly. At the same time, it is widely acknowledged that some progress has been made with the new Medium-Term Development Plan (2020–2024) pointing in a more low-carbon and climate-sensitive direction, but it would now require many more steps to mainstream and operationalize this principle. Second, Indonesian culture is driven by consensus principles that are rather sceptical of radical changes – as paradigm shift may still be interpreted – that are not fully agreed on by the main stakeholders. And, third, we may not actually know what a true paradigm shift requires in practice, as it often takes a while to pilot successful paradigmatic transformation models and demonstrate their effectiveness and cost-efficiency. One interviewee illustrated this point with the case of sustainable peatland development and palm oil production, a central concern in Indonesia, in which it took about 15–20 years of project experimentations until new and better models eventually emerged. The hope is that with more resources dedicated to climate-sensitive new models the piloting period can be substantially reduced.

iii. Innovation in geothermal

The World Bank-implemented, GCF funded geothermal risk mitigation project clearly promotes a paradigm shift in the subsector of geothermal energy, through innovative instruments consisting of convertible bonds, public sector risk-sharing with the private sector, and opening up the subsector to international companies that could bring new technologies and efficiencies. This is an ambitious and innovative project as it mainly targets private sector investments in geothermal energy, which has not been done before in Indonesia. GCF Private Sector Facility resources are flexible enough to support innovation in a new way, beyond the more traditional support through the GEF and Climate Investment Funds to SOEs. The World Bank part of the project has not yet been approved by the Government, and it remains to be seen whether government policies are ready for the innovation that requires the Government or the SOE to share risks with the private sector in this part of this project, which has to be sovereign-backed as a public loan.[126]

[126] The approved GCF project would not be viable in its current form without the World Bank co-investment.

iv. Innovation through green bonds

Indonesia has certainly shown a degree of willingness for innovation by issuing green sekuk and national aakat bonds in 2018, with assistance from UNDP and the World Bank, among others. These national bonds are fully backed by the MoF. They are used, for instance, for building mini-hydropower stations, by both private and local government investors. The principle of bonds for development became so popular that the Government is now considering "social impact bonds", "blue bonds" for water and marine development, and "peat bonds" for peatland development. The main incentive for such green bonds should be coming from their duration. Green investors may take a long-term view, and bonds provide that option. Banks would not think beyond three years, because otherwise business investments become too risky. Pricing incentives would only be given for pilots, in order not to disturb the markets. The main obstacles for green bonds still are the lack of knowledge among banks regarding them, the need for effective information campaigns and the shortage of bankable projects.

g. Government co-investment

So far, the Government of Indonesia has provided 25 million of co-investment through the PT-SMI contribution in the approved public sector geothermal project (with the World Bank as IAE) [127]. The breakdown of costs in this GCF FP also shows the loan to be taken by the Government from the World Bank for the purposes of the project that could be regarded as co-investment. From interviews in Indonesia, the administrative process of achieving government co-investment in internationally funded projects can be a big hurdle as it may take a long time. For DAEs, such as the accredited PT-SMI, project size accreditation limits the amount of co-investment that could be provided by public (and other) entities in projects submitted by PT-SMI, which is an SOE itself. For the GCF, the project size accreditation limit is defined as total project costs, including any co-investment. (See also Section II.C for a specific case of PT-SMI co-investment.)

One interviewee opined that the GCF would be well advised to be very clear and specific with the Government and others in Indonesia in its co-investment requirements, particularly in the form of cash contributions. Co-investment criteria have not yet been developed by the NDA.

2. COUNTRY INSTITUTIONAL CAPACITY AND READINESS

a. NDA capacities (relationships, structures, processes and skills)

The Chair of the Fiscal Policy Agency, which is associated with the MoF, serves as the NDA focal point. Functionally, the work of the GCF is carried out through the Head of the NDA Secretariat in the Center for Climate Finance and Multilateral Policy. In terms of organizational structure and processes, the NDA in Indonesia operates fairly independently. There is no institutionalized interministerial or multi-stakeholder committee or mechanism that advises the NDA on key decisions, such as on no-objection letters (NoLs) or DAE nominations.

According to interviewees, the NDA and its three staff members in Indonesia are very dedicated but still perceived as relatively weak. This has at least three structural reasons. The first reason is historical: due to changing governments and political decisions, in 2016 the NDA was transferred from the National Council for Climate Change to the MoF. This caused discontinuity, a lack of institutional memory and some uncertainties for several years. Second, some stakeholders claim that the NDA sees itself mainly as a procedural institution, not a proactive and facilitating agent, and that

[127] According to NDA, the USD 25 million co-investment provided by PT SMI (https://www.greenclimate.fund/projects/fp083) is funded from state budget and thus should be seen as Government co-investment.

its decisions are sometimes overshadowed by political economy and influence outside of its control. Interviewees also recognized that some of this has been slowly changing in recent years, particularly with the most recent RPSP capacity support. And third, there is currently no institutionalized mechanism to engage other ministries and stakeholders.

Although the NDA is located in a powerful ministry, it still has only limited agency with regard to climate change since the MoF has no mandate for coordination on climate change. The rank of Deputy Director does not always provide sufficient interministerial clout for the main NDA secretary. Some interviewees also question the location of the NDA in the MoF, although without necessarily offering convincing alternatives. Interviewees described the NDA as "still being in capacity-building mode" and "trying to do their best in a difficult environment". Its three staff members are currently being supported by three seconded GGGI staff members through readiness funding.

A 2014 assessment of the Coordination of Climate Finance in Indonesia by the Overseas Development Institute came to the conclusion that at that time existing international climate funds had been "docked in one of the key ministries involved, and have rarely made proactive efforts to engage the range of relevant national stakeholders, notably from the private sector and local government" (ODI, 2014). The report saw an opportunity for new climate funds, such as the GCF in collaboration with the NDA, to take a more proactive approach to engaging diverse stakeholders. This has not yet happened through the GCF except for some rudimentary efforts, most of which started very recently.

Despite some perceptions of certain apparent NDA weaknesses, the in-country survey shows that most respondents look favourably on NDA capacities to take informed decisions on NoLs and DAEs, to facilitate pipeline development and to involve multiple stakeholders (despite the missing formal mechanism). All questions on NDA capacities show combined "agreed" and "strongly agreed" responses above 60 percent, except for the NDA capacity to interact with private sector actors (which is still at a relatively high 57 percent). But combined "disagree" and "don't know" responses of more than 30 percent also point to doubts among some respondents about NDA capacities in all these areas. This is particularly so in terms of interacting with the private sector and, to a lesser extent, monitoring and reporting on GCF funded activities, taking informed decisions on NoLs for FPs, supporting the formulation of the country's project pipeline, and showing leadership on GCF issues and processes. Some of these questions also show relatively high levels of "strongly agreed" responses, pointing to differing views on NDA capacities among some interviewees. One survey respondent noted that engagement with the private sector is much more driven by FP development by AEs and line ministries and that the NDA has not been directly in touch with the private sector.

In sum, the in-country survey suggests that there is some room for the NDA to enhance overall stakeholder participation, interministerial coordination and clarity for all interested parties regarding NoL procedures and details. NDA capacities in interaction with private sector actors and overall monitoring and reporting on GCF funded activities could benefit from more attention. In terms of monitoring, reporting and evaluation (MR&E) it should be noted that the Board suggested for NDAs to organize annual participatory performance reviews but has not provided a broader mandate for portfolio MR&E yet (see Monitoring and Accountability Framework for Accredited Entities [B.11/10)]).

b. Readiness support

Readiness support has been and is essential for the work of the NDA. The first non-GCF readiness programme by GIZ helped with institutionalizing certain procedures and producing the first CP. The NDA was also supported through additional readiness support from the Climate and Development

Knowledge Network between June 2016 and March 2017 (GGGI, 2018). Since mid-2018 the NDA has been supported more strongly, and apparently more effectively, through an RPSP with GGGI as a delivery partner, on an on-demand basis. The planned and partly realized outcomes include better multi-stakeholder input into finalizing NoLs; improved coordination mechanisms; more direct access and at least one additional accredited DAE; identification and preparation of bankable projects; matchmaking between private sector, financial institutions, (D)AEs and project developers; and crowding-in private sector investors through identifying investment barriers and developing solutions.

The NDA received only limited support from the GCF Secretariat in defining its role. The GCF Secretariat advised that the NDA main function was in reviewing project proposals, issuing NoLs and, more recently, revising the CP. The secretary of the NDA has frequently visited the GCF in Songdo and participated in structured dialogues.

c. No-objection letter

The Government of Indonesia has all the elements of the process in place for issuing NoLs. The NDA currently reviews CNs – mainly those originating in the country and directly solicited – as well as FPs. CNs are reviewed by competent external experts, and revisions are requested when necessary. Reviewing CNs ahead of FPs is seen as good practice. The process for reviewing CNs is similar to the one for giving a formal NoL for FPs. The NDA has so far done five formal reviews: two CNs by PT-SMI (a DAE) on bus rapid transport and eco-friendly tourism at Lake Toba, which were submitted to the GCF for PPF; a CN/FP proposed by IUCN on mangrove development (BiCCRA), for which a formal NoL has been issued, but the project has not been approved by the GCF Board; and the review and NoLs issued for the two approved GCF projects, one on geothermal risk mitigation (World Bank) and the other the multi-country Climate Investor One project.

The NDA has turned down several multi-country projects proffered by IAEs that it did not see as well aligned with the country's priorities for accessing the GCF. The first was the multinational IFC project Green Bond Cornerstone Fund (Phase II). Although this project seems to have received an initial go-ahead from the first temporary NDA in Indonesia, the current NDA has met with the GCF Legal Department in Songdo to clarify that any NoL that may have been included by IFC in the submission of this project is not legitimate. The NDA has not heard from the project since 2016. According to internal GCF records, the project has been sent to iTAP for review, but it is not clear whether Indonesia is included as a target country in the latest submission.[128]

The NDA also rejected Indonesian participation in the AFD multi-country GCF project on *Transforming Financial Systems for Climate* (FP095). This came as a surprise to AFD, as AFD has been working in Indonesia for more than 10 years with similar models of funding and has a technically well-equipped, climate change oriented country office in Jakarta. Apparently, after consultations with national stakeholders, the NDA was not satisfied with the project's specifics on the expected amount of funds that would be allocated for Indonesia as well as the lack of letters of intent with local banks. Neither type of information could apparently be provided by AFD because on-lending project pipelines are usually not clear in advance in private sector projects and letters of intent depended on NDA formal approval, a circuitous situation. According to interviewees, Indonesian banks apparently were not particularly interested in these additional funds because AFD's conditions and reporting requirement on utilization were seen as too onerous and high in transaction costs compared with the benefits.

[128] According to the country brief obtained for this mission, Indonesia is apparently still recorded as one of the target countries of the IFC Green Bond Cornerstone Fund project in the GCF database.

The NoL is still outstanding for another private sector project that was solicited and short-listed by the GCF at the One Planet Summit in Paris in 2017. The Tropical Landscape Financing Facility, based in Jakarta, submitted this USD 126 million project proposal on behalf of UN Environment and BNP Paribas as IAEs (with the World Wildlife Fund envisaged as a local executing entity for the advisory part). The project envisages a transition buffer-zone between two national parks through establishing a sustainable rubber plantation. The FP was developed through consultations with the GCF, the NDA and the MoEF, and has been submitted to the GCF (stage 4). The NDA received a draft concept note for the project but not yet the submitted FP. The NoL is still outstanding. The TLFF/UNEP are still looking for an AE to replace BNP Paribas in the proposal as BNP Paribas may not wish to move forward on the GCF accreditation process. Furthermore, confidentiality in private sector projects may prevent the NDA from sharing all requested information with the Government of Indonesia.

d. Project cycle and use of country systems

The GCF has granted two PPF requests for Indonesia, for two FPs to be developed by PT-SMI. They are at an early stage.

There is no GCF-related experience in project implementation in Indonesia yet, but the NDA has made some efforts to proactively follow up on the multinational Climate Investor One project to ensure that Indonesia will receive its fair share of the money. Climate Investor One has linked up with the NDA since obtaining the NoL. Through the RPSP and with support from the delivery partner, the NDA has been helpful in linking Climate Investor One with potential investors in Indonesia, through a workshop with invited potential investors and in other ways.

There has not been much discussion about GCF MR&E yet. It would be interesting to involve the MoEF with a broader GCF effort on this, as well as BAPPENAS given the latter's intention of developing key performance indicators for mitigation and adaptation. The MoEF has already started the collection of relevant climate change information in a national registry system.[129] This includes spatial maps of areas designated for reduced emissions (forests), registration of financial needs and projects. This is done countrywide and for all sectors, such as land-based and industry. The incentive for registration is to better access finance, particularly for local governments.

In terms of overall project cycle management and GCF information, the in-country survey clearly suggests that the GCF and country authorities assure more predictability of GCF funding allocations and full transparency in the GCF project selection process. Only half of all respondents regard the GCF project selection process as transparent and fewer than a quarter see GCF funding as predictable, with high numbers that disagree with such statements (22 percent and 33 percent respectively). Knowledge exchange and learning within the GCF context are viewed as positive by 55 percent of respondents.

3. Country ownership through accreditation and direct access

a. Nomination and accreditation of direct access entities

i. Overview and process

Five Indonesian DAEs were nominated in 2015/16 by the first preliminary NDA in Indonesia, the National Council for Climate Change. Of these, one entity has so far been accredited to the GCF, PT-SMI, in March 2017. Two other DAEs are in GCF accreditation stage 1: the PT Indonesia Infrastructure Facility (PT-IIF), a semi-public institution, jointly set up by several donors (IFC,

[129] www.ditjenppi.menlhk.go.id

KfW, ADB) and the Indonesian MoF; and Kemitraan, a CSO specialized in policy studies and local NGO support for community development, also accredited with the Adaptation Fund. The three other nominated agencies are, first, the Yayasan Keanekaragaman Hayati Indonesia, also called Kehati, a strong national CSO with a good governance structure. Kehati lost interest in accreditation for a while, but a new CEO recently reconfirmed their interest to the NDA. The second nominated agency is the Indonesia Climate Change Trust Fund (ICCTF), a rudimentary entity set up in BAPPENAS in 2009. Reportedly, ICCTF has suspended accreditation for the moment.

The evaluation was not able to reconstruct to what extent strategic considerations may have played a role in the early nominations. But the current NDA questions whether the three main DAEs/DAE candidates are sufficient for the range of potential themes and investment categories to be addressed by the GCF in Indonesia. Not all nominated entities have mandates and experience across the most relevant themes and sectors, and across mitigation and adaptation. Two of them are very infrastructure oriented (PT-SMI and PT-IIF), and Kemitraan has limitations in the size of projects it can carry out. Because Bank Mandiri suspended its efforts, there is currently no bank in the mix. Although the GCF apparently suggested to the NDA that they do not need any more DAEs than were already nominated, the NDA is still looking for expressions of interest from other DAEs, particularly banks for private sector support. The NDA also pointed out that, in principle, a strategic decision on DAEs, and their optimal types and numbers, would ultimately depend on a proper climate finance strategy for the country as a whole (which still needs to be developed by the MoF), the role of the GCF in this strategy and the required types of finance for the identified priorities. The expected type and sector and the scope of work in terms of project size and amount to be requested would also matter.

ii. NDA engagement in the direct access entity process

Accredited and nominated DAEs report quite a bit of interaction with and backup from the NDA in their application process and the formulation of CNs and FPs. In addition, as part of the RPSP, the NDA is currently preparing a roadshow for soliciting more potential ideas and CNs for projects and for matchmaking them with AEs. Initial results have shown that few potential IAEs or DAEs are interested in such bottom-up project development efforts, not specifically carried out by themselves. The NDA would prefer to have a generic DAE that could be used for the purposes of the GCF and possibly beyond, rather than more specialized ones. The Government is in the process of setting up an environmental fund[130] in a collaborative effort of MoF and MoEF, and coordinated by the Coordinating Ministry of Economic Affairs. This could be a future option for GCF – but one more for the longer term – since such a fund would have to gain experience first to qualify for GCF accreditation.

iii. Efficiency

For PT-SMI, the accreditation process – in fast track – took 18 months to approval and another three months for the accreditation master agreement. Although this was relatively fast, PT-SMI regarded it as a very heavy assessment. PT-IIF is at an early assessment stage and has so far mainly reported difficulties that are related to different terminologies used by the GCF and itself in fiduciary and safeguards systems. The main problems faced by Kemitraan since submitting its application in April 2018 have related to the cumbersome process of translating multi-annual documents into English, as required by the GCF.

The CSO representatives interviewed in Indonesia made it clear that in their view GCF a**ccreditation does not work well, particularly for less well-equipped entities from civil society.**

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[130] BPDLH - Kemenkeu membentuk organisasi Badan Pengelola Dana Lingkungan Hidup

And yet, the GCF Governing Instrument prominently refers to direct access to support country ownership. This is a major contradiction from some interviewees' point of view. Early in 2016, a group of CSOs in Indonesia joined in putting together a comprehensive CSO guide for engagement and local access with the GCF with special reference to Indonesia (Soentoro, Titi et al., 2016). The guide also includes a detailed case study of the Samdhana Institute's attempt to get nominated and accredited, which ultimately failed in 2017 (see Box A - 7).

Box A - 7. A failed attempt at CSO accreditation: the Samdhana case study

Samdhana Institute is an Indonesian organization that values natural, cultural and spiritual diversity and the peaceful resolution of environmental conflicts, with justice and equity for all parties. Samdhana is involved in indigenous and other communities, conflict resolution and leadership development. It also works in other South-East Asian countries. Samdhana tried to get accredited by the GCF and hired a World Bank consultant in order to get nominated, but after two years it eventually stopped its attempt in 2017 as it turned out to be too difficult.

The Samdhana case study finds that many GCF requirements reflect the type of policies and procedures that one would expect to be in place in banks or financial institutions processing large loans; they are not common among small grants funders such as Samdhana. Unfortunately, however, as GCF accreditation now stands, one standard package of requirements applies for all types of institutions seeking accreditation. The accreditation question of the implementation of the Know-Your-Customer principle was taken as a clear indication that the GCF accreditation process caters for financial institutions rather than NGOs or small grants funders. Language requirements and the need to hire certified translators proved to be another major and costly challenge. It even proved difficult to provide all the documents requested by the NDA, simply in order to get nominated.

The time taken by other nominated DAEs for successful accreditation and the queue of organizations waiting for GCF Board approval was another discouraging factor. The case study concluded that CSOs should urgently advocate for a change in procedure or else it will take years before the important principle of local direct access is put into practice – in other words, the GCF should "level the playing field", as stated by one CSO interviewee in Indonesia.

Interviewees believe that relatively few Indonesian institutions understand or meet requirements for accreditation. There has been a lack of awareness among DAE candidates of what nomination, accreditation and ultimately DAE status entails, and how it is related to actual GCF FPs. This has been a slow learning curve, with many frustrations along the way.

According to a key interview partner, inefficiencies and slowness in accreditation and funding proposal development make the GCF a currently unattractive option for climate change finance in Indonesia, particularly compared with the many bilateral alternatives. According to this view, the GEF project preparation process is much easier, faster and more intuitive than that of the GCF. The GEF country resource allocation process is also an advantage as it provides planning certainty. The GEF small grants programme is also seen as very useful.

b. Direct access entity contributions to a country-owned pipeline and portfolio

i. Motivation and rationale for direct access

PT-SMI is a state-owned entity focused mainly on commercial finance for infrastructure support. Since its establishment in 2009, it has grown to a portfolio of USD 6.6 billion, with 102 clients, the largest of which is a USD 1.2 billion project. PT-SMI is accredited to the GCF for providing loans and grants but not for equity investments, in which they would be very interested. Their main motivation for being accredited with the GCF is to in the future establish PT-SMI more as a development bank and broaden its finance to social sectors and impact investing. They are interested in developing new products and leverage, and in developing a bankable project pipeline. Second, they wish to expand their RE sector portfolio, particularly for medium-sized enterprises (by making 20 million–30 million investments). They aim to enhance their capacity for designing bankable RE projects, for understanding the risks and ways of equity investments in the sector.[131]

PT-IIF was founded in 2012 to support infrastructure development. It is set up as a local entity with international and Indonesian shareholders (MoF Indonesia, IFC, ADB, KfW and Suitomo). PT-IIF is motivated to be accredited by the GCF through its special mandate as a champion of social and environmental objectives and the broader application of ESS in infrastructure projects, and in working towards green and sustainable projects. How to reconcile ESS and climate change – do-no-harm with do-good – is one of the questions PT-IIF has for the GCF. In the future, PT-IIF could also support projects in other countries, once its Indonesian base is consolidated and it manages to gain a regional mandate, possibly with experience gained from the GCF. PT-IIF would also be interested in advisory funding from the GCF – for instance, to support certain government bodies to implement ESS, such as in fisheries.

Kemitraan is a CSO that was established in 1998, after the fall of the autocratic Suharto regime, to work on governance issues ranging from decentralization to police and military reform. This highly respected and well-connected institute has a multi-stakeholder board, including politicians, academia and private sector, and is mainly involved in policy-oriented studies for the Government and others, as well as in specific planning support to local communities. Another strength is linking with 200 local NGOs, including on climate change and SDGs. The main ambition for Kemitraan's quest for GCF support is to test innovative technical and social models at the grass-roots level.

ii. Country-driven development of CNs and FPs

There have been very few country-driven efforts in developing CNs and FPs in Indonesia, a situation that the NDA is currently addressing, as mentioned earlier. Most submitted CNs on file are from IAEs (IFC, ADB and the Korean Development Bank) whose country origins could not be established during the evaluation and about which the NDA has rather limited knowledge. Exceptions are CNs from IUCN and UN Environment / BNP Paribas and to some extent UNDP (which is at an early stage). For this reason, it is instructive to review the effort by PT-SMI to develop the CNs and FPs below. As far as the two other DAE candidates are concerned, PT-IIF reports that they already work with GGGI under a separate contract on possible project pipelines to facilitate their progress through GCF accreditation. Kemitraan would have liked to respond to the recent solicitation of CNs by the NDA, but they were not able to calculate the required GHG emission targets.

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[131] It should be noted that PT-SMI currently has no separate strategy for mainstreaming climate change and still finances coal power production.

Eighty percent of in-country survey respondents see national DAEs as having the capacity to develop projects aligned with national and GCF objectives. A similar number see local consultants and development partners already playing a large part in this. But it is also prominently noted that it could be useful to strengthen the capacities of local consultants to effectively assist DAEs in FP development, particularly in feasibility studies and FP design in line with GCF regulations and expectations.

iii. Funding proposal development at PT-SMI

Although PT-SMI has been accredited for more than two years, the organization has not yet managed to develop an FP. They submitted two entity work programmes, in 2017 and 2019, the latter including four project proposals or CNs. They recently obtained GCF PPF funding for one CN/FP that received a full review and support by the NDA. This is the bus rapid transport project in the central Javan city of Semarang. Both the Government and GIZ showed interest in co-investment. The choice for this project was particularly encouraged by the previous GCF Executive Director, who noted in a letter to PT-SMI that the GCF wishes to expand its transportation portfolio. But the project stalled after PT-SMI found out that its USD 50 million GCF project accreditation limit refers to total project costs, and not simply to the GCF contribution. It is unclear right now how this constraint can be handled.

The second pipeline project is designed to support eco-tourism at Lake Toba in northern Sumatra. This project had high government priority but originally had not been intended, or submitted, with a strong climate rationale or RE focus. As a result, the GCF requested major changes in the original design to enhance the project's climate rationale and catalytic effects for RE and electric transportation. This is expected to be done in the context of the PPF.

Other projects planned for submission to the GCF by PT-SMI include proposals on energy efficiency, biogas and plastic waste management; the latter is a high priority for PT-SMI. In addition to the above projects, PT-SMI is also the executing entity in the Geothermal Resource Risk Mitigation Project, with the World Bank as IAE.

In sum, PT-SMI experienced three constraints for developing and submitting FPs. The first is its GCF accreditation limit of USD 50 million, since the organization was unaware that this limit applies to the total project size and not just the GCF contribution. Second, PT-SMI is still learning and trying to understand and apply the six GCF investment criteria properly, particularly the one on climate rationale and paradigm shift. And third, PT-SMI would wish to see some more planning certainty and more efficient review and commenting processes with the GCF, so that they can engage other development partners and the private sector.

Different interview partners agree that PT-SMI has been highly motivated, engaged and interested since beginning to work with GCF. Their GCF team and high-level officials have visited Songdo several times, seeking information and clarification, attending several Board meetings and participating in a GCF "empowering access workshop". But as a result of the slow materialization of concrete projects, a certain level of frustration about GCF accreditation and the FP development process is by now palpable, which also affects the motivation of other entities in Indonesia to pursue accreditation and projects. Nevertheless, PT-SMI is ready to move fully ahead with the two PPF CNs/FPs and to continue to support other interested entities in Indonesia to pursue their accreditation.

c. International accredited entities and country ownership

Many IAEs have sizeable country offices in Indonesia, are technically well staffed and often work closely with various partners in government and at broader policy, sector or subnational levels (such as UNDP, AFD, World Bank/IFC or GIZ). In the case of Conservation International, this IAE has about 100 staff members in Indonesia, is highly demand-driven from the provinces, with a network of local NGOs, and works in close cooperation with the MoEF.

Most IAEs have multi-year partnership agreements, memorandums of understanding or workplans with the Government, yet several stakeholders also pointed out that IAEs often proffer projects that are developed and managed by IAE headquarters, particularly when these projects are part of multi-country programmatic approaches. In such cases, country ownership and consultation can be affected. Respondents to the in-country survey regard IAEs rather sceptically in terms of their capacity or willingness to design fully country-owned projects and assist national entities to obtain direct access. Only 38 percent of respondents see IAEs as developing projects that are fully country-owned, although a slightly larger number (53 percent) acknowledge that IAEs contribute to capacity-building for direct access. Respondents particularly pointed out that IAEs' CNs and FPs are mostly developed by their headquarters, and not the local country offices. In conclusion, IAEs may wish to enhance their interactions at the country level with local partners to generate more fully country-owned projects and contribute to direct access.

But it is reassuring for country ownership that significant public sector projects in Indonesia can only be implemented when they are in the Government's so-called "blue book" of agreed projects, in line with national planning. International Finance Institutions point out that there has to be full country demand and ownership for internationally financed projects, particularly sovereign-backed loans. This does not mean that all relevant partners or affected agencies within the Government are always fully involved or in agreement with certain projects. For instance, the GCF Geothermal Risk Mitigation Project had a somewhat bumpy start because the World Bank, as IAE for this project, had mainly been dealing with another department or division in the MoF during the preparation of the project, rather than the one where the NDA is housed. It is now accepted by all sides that this was more of a good-faith error based on ignorance about the role of the NDA rather than deliberate, and all sides have made good efforts to enhance their interactions since then. Nevertheless, this led to certain tensions and political pressures within the MoF for giving the NoL – for which the NDA was eventually given only one week to prepare (compared to its usual schedule of four weeks). According to the NDA, this example shows the importance for (I)AEs to communicate and consult with the NDA prior to the NoL request, to provide for a real chance for dialogue on the project and ownership by the NDA.

As already mentioned, two IAEs that submitted CNs to the GCF for Indonesia were not particularly active in terms of discussing these with the current NDA and taking country perspectives on board. This does not necessarily mean that these CNs are not in line with entity-specific broader country partnership agreements with Indonesia. It is also noteworthy that most of these CNs are private sector oriented, where intensive Government interactions are usually less prominent, partly as they do not include sovereign-backed loans but deal directly with private stakeholders.

Lastly, one interview partner and long-term participant of climate change adaptation and mitigation practice in Indonesia stressed that IAEs vary in terms of their capacity and willingness to pay attention to the ground, and to the specific demands for ground requirements. Reportedly, few have the capacity to really work with green and sustainable adaptation solutions, and for the long run. The Government is most interested in mid-level technical international expertise and financial solutions on the ground, not in international high-level on-lending through the regular banking system. Yet due to the middle-income status of Indonesia, several IAEs are often most interested in loan-financing and on-lending to private sector banks and firms, particularly the World Bank/IFC and ADB or AFD. There can be a win–win situation if this interest coincides with the demand for long-term investment support (>3–5 years; sometimes 10 years or longer), related risk-taking and technical assistance for project development.

i. International accredited entities' support of direct access entities

The Indonesian case study provides a few examples of the potential for IAE support of DAEs.

World Bank. According to the World Bank and PT-SMI, there is an effective symbiosis in their planned cooperation, with the World Bank as IAE and PT-SMI as an executing entity in the geothermal risk mitigation project. The World Bank approached PT-SMI as an executing entity partner for this project. PT-SMI was interested as it already participates in a geothermal support platform with many strategic development partners, including international donors. Project size was a major factor and would not have allowed PT-SMI to take on this specific project as it exceeds its GCF accreditation limit. Also, PT-SMI technical capacity is not yet sufficient to support the project's innovative features. PT-SMI is expected to benefit through the technical assistance to the entity, its learning-by-doing and the mark-up costs charged as an executing entity. PT-SMI also wishes to learn more through its collaboration with the World Bank on environmental management as well as international procurement. At the same time, some of the innovative features of the project are also of concern to PT-SMI, as the World Bank expects PT-SMI (or alternatively the MoF) to assume the risk for the World Bank part of the loans to private sector companies and to implement the ambitious and somewhat contentious conversion of bonds in the GCF financed part of the project.

UNDP already works with PT-SMI on SDG-1 in non-GCF programmes and helps the DAE to enhance its capacities. **AFD** also supported PT-SMI indirectly in their application by supporting their ESS policies in 2014/15, but through a non-GCF project. **IFC** is convinced that it could have assisted the Government and any interested local counterpart significantly through the multi-country green bonds project rejected by the NDA. IFC could have brought in specific experience in enhanced ESS practices in private sector institutions as well as in enabling policy environments and conditions for the effective implementation of green bonds, particularly through the IFC advisory unit in the Jakarta country office.

ii. Strategic choice of international accredited entities and direct access entities

The NDA realizes that the DAE capacity in Indonesia is limited. The required number of projects and investment amounts in Indonesia cannot be handled by DAEs. The three big DAEs/DAE candidates are either mostly dealing with loan financing (PT-SMI and PT-IIF), or, in the case of Kemitraan, the entity is very land-use oriented and rather small. Any new entity in the game would face the high hurdle of GCF accreditation and FP approval.

For these and other reasons, the Indonesian NDA takes a pragmatic approach in its preferences for DAEs or IAEs and the relevance of direct access for country ownership. The NDA prefers to match priority projects for the GCF with either an appropriate DAE or IAE, as long as these agencies are fully in line with country priorities, procedures and regulations. This would be better than to have only GCF projects that are driven by available DAEs and their priorities.

d. Private sector and multinational projects

Engaging the private sector for climate change is a declared principle of the Indonesian NDC of 2016, thus declared country ownership for private sector engagement in climate-sensitive investments is high. The private sector already makes up the greater proportion of mitigation investments in Indonesia. The Government's various green bond initiatives in recent years demonstrate its intention to accelerate private sector green investments in new and targeted ways. In December 2017 a green bond finance policy was issued, although according to some interview partners the green taxonomy may have been too broad and not inclusive enough. Starting in 2020 financial institutions will have to report their green finance portfolio to establish a baseline.

The GCF country portfolio is taking a variety of avenues for engaging the private sector: first, through Climate Investor One, a multi-country project for support of private investments in RE; second, through enhanced private sector focus and risk mitigation in geothermal energy exploration; and third, through accreditation of two state-owned Indonesian enterprises, PT-SMI and PT-IIF, that are dealing with public and private sector investments, partly with the intention of mainstreaming climate change in these entities and their clients' projects. A fourth avenue is through an interesting, though complex, multiple-stakeholder private sector project in support of setting up an animal corridor through a privately run rubber plantation between two parks (with UN Environment / BNP Paribas as AEs).

The approved multi-country project *Climate Investor One* (FP099) proposes an innovative model for blended finance, mainly for RE projects, geared to full-cycle solutions: from strong technical and financial support for companies' project development to operational investment loans and refinance options. Climate Investor One works mostly without intermediary banks in targeted countries and provides finance directly to selected companies. But country ownership and dialogue have been important for Climate Investor One from the start, particularly during the selection of countries, and the project is in the process of setting up an office in Jakarta. There have been extensive contacts by Climate Investor One representatives with the NDA and the delivery partner, GGGI, and the sense of country ownership for this project is strong.

As finance institutions for infrastructure, both PT-SMI and PT-IIF cater to the public and private sectors, including public–private partnerships; both are trying through the GCF to expand their know-how and experience in private sector support for increased investments in RE (PT-SMI) and to champion social, environmental and climate change-related assessments and impact investing in infrastructure in general (PT-IIF and to a lesser extent PT-SMI). Both entities do not yet have specific project proposals for such support but plan to develop them.

And last, the Tropical Landscape Financing Facility, supported by UN Environment and BNP Paribas, and with help from World Wildlife Fund Jakarta, is about to finalize the FP for setting up a sustainable privately run rubber plantation linked to a corridor for animals passing between two national parks. It is hoped that final discussions can answer the critical questions raised by MoEF about the project.

i. NDA efforts to increase private sector access

With support from the ongoing readiness programme, the NDA is currently intensifying its efforts to increase awareness among private sector actors for GCF programmes, identify and crowd-in such investors in key sectors, assess investment barriers for climate change and facilitate lender–borrower matchmaking for climate investments, as already started in the Climate Investor One project. Private sector partners are not always aware of GCF country programmes and possibilities for support.

In general, both state-owned and commercial banks in Indonesia have started to become somewhat sceptical of working with the GCF and certain public support programmes due to their perception of excessively high transaction costs.

In general, all these efforts in support of the private sector in principle demonstrate strong country ownership for private sector development. But interviews with non-government stakeholders also revealed some limitations and hesitations in the Government to take a stronger lead for innovative private sector approaches. The Government is seen as not overly interested in investing too many scarce GCF funds in the private sector, particularly when there are already similar ongoing government programmes. Government preferences for support of SOEs through international finance and technical assistance remain strong, as also demonstrated through the nomination of state-owned DAEs, including banks (such as Bank Mandiri).

C. Indonesia appendices

1. List of stakeholders consulted

No.	Name	Position	Organization
1	Peter Johansen	Senior Energy Specialist	World Bank Group, Washington, D.C.
2	Jeb Victorino	South-East Asia Project Manager	Climate Fund Management (CFM) Singapore (call)
3	Reynaldi Hermansjah,	Chief Executive Officer	PT Indonesia Infrastructure Finance
4	Y. Bayu Wirawan	Senior Vice President	
5	Tadila Putra Bob Hernoto	Associate Product Development	
6	Agus Iman Solihin	Division Head, Corporate Development and Initiative Management	PT Sarana Multi Infrastruktur (Persero)
7	Mohamad Ajie Maulendra	Corporate Development and Initiative Management	
8	Yuni Iswardi	VP Change Management	
9	Dadang Purnama	SVP Environmental and Social Safeguard	
10	Adi Pranasatrya	Sustainable Financing Division Head	
11	Puti Faranzia	Sustainable Finance Program	
12	Darwin Trisna Djajawinata	Director	PT Sarana Multi Infrastruktur (Persero)
13	Dr. Ir. Ruandha Agung Sugardiman	Director General Climate Change	Ministry of Environment and Forestry
14	Rahajeng Pratiwi	Operations Officer	IFC
15	Dudi Rulliadi	Deputy Director for International Climate Finance Division	Fiscal Policy Agency (BKF) Center for Climate Finance and Multilateral Policy
21	Titaningtyas	Senior Associate, Green Finance	GGGI – seconded to BKF
22	Sophie Kemkhadze	Deputy Resident Representative	UNDP
23	Andrys Erawan	Technical Officer Disaster Risk Reduction and Climate Change Adaptation	
24	Christian Usfinit	Team Leader Resilience and Reconstruction Unit	

No.	Name	Position	Organization
25	Marcel Silvius	Indonesia Country Representative	GGGI
26	Dagmar Zwebe	Former Indonesia Deputy Country Representative	
27	Ketut Sarjana Putra	Vice President	Conservation International Jakarta
28	Nassat Idris	Senior Director Terrestrial Program	
29	Atiqah Anugrah	Terrestrial Program and Policy Coordinator	
30	Marhaini Nasution	Executive Secretary	Aksi! For gender, social and ecological justice
31	Titi Soentoro	GCF CSO Observer	Solidaritas Perempuan
32	Puspa Dewy	Chairperson of National Executive Body	
33	Dr. Ir. Medrilzam, MPE	Director for Environmental Affairs	Ministry of National Development Planning/National Development Planning Agency (BAPPENAS)
34	Stephan Garnier	Lead Energy Specialist	World Bank Group Country Office
35	Muchsin Chasani Abdul Qadir	Energy Specialist	
36	Monica Tanuhandaru	Executive Director	Kemitraan Partnership
37	Dewi Rizki	Programme Director SDG – Strategic Focus	
38	Abimanyu S, Aji	Project Manager	
39	Jean-Hugues de Font-Réaulx	Senior Investment Officer	Agence Française de Développement
40	Thres Sanctyeka	Advisor for Climate Change Governance and Monitoring and Evaluation	GIZ
41	Ida Nuryatin Finahari	Director of Geothermal	Ministry of Energy, Directorate General of New, Renewable Energy and Energy Conservation
42	Bryan Taylor	Chief Operating Officer	Tropical Landscapes Finance Facility (TLFF)

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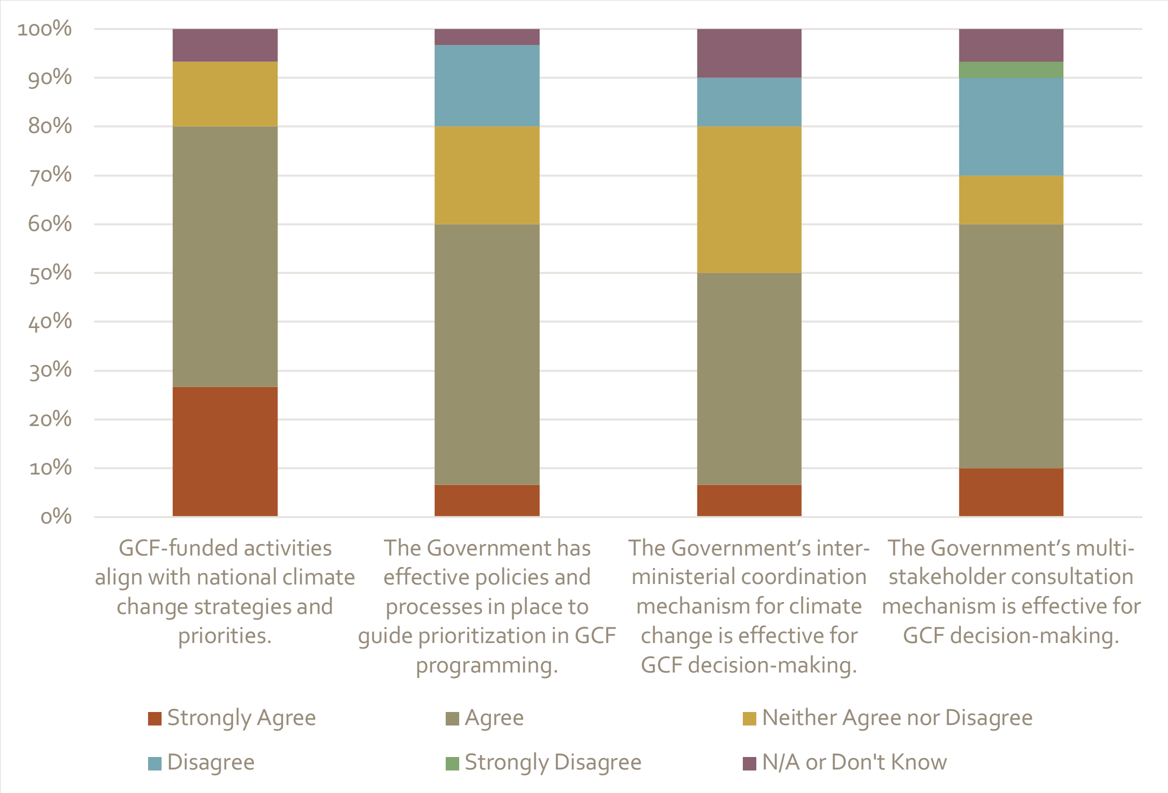
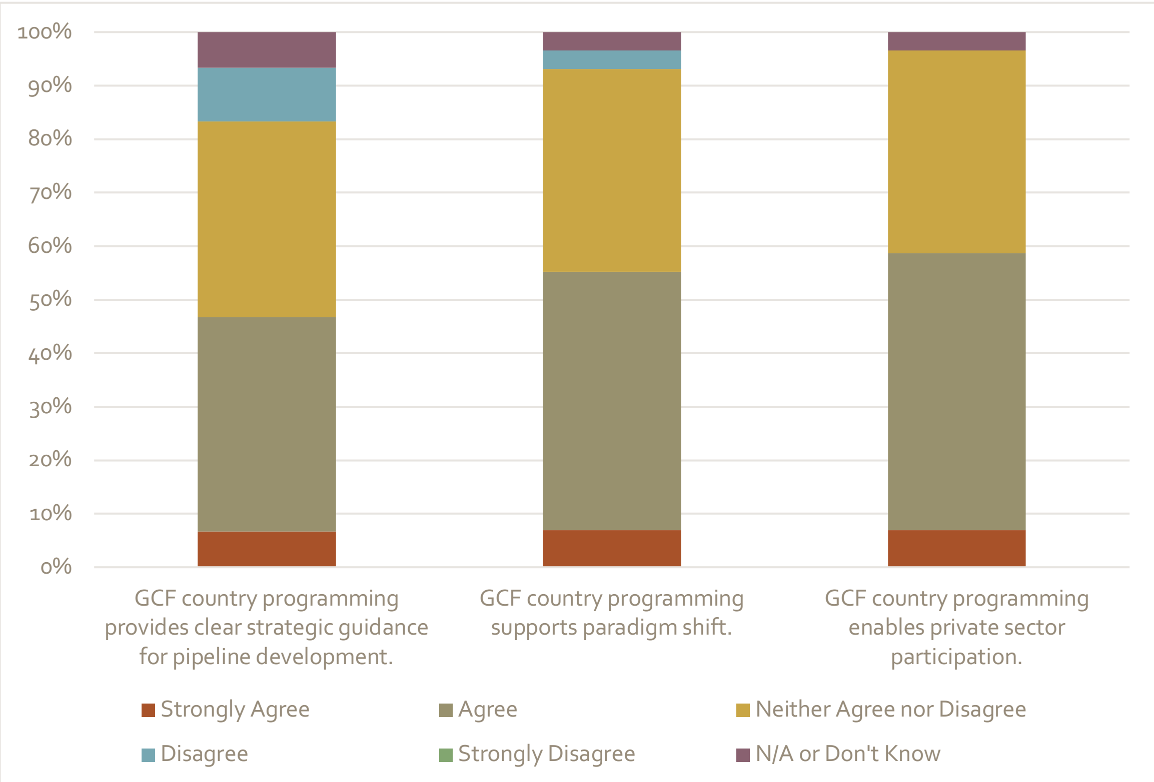
3. Concept notes and non-approved funding proposals Indonesia

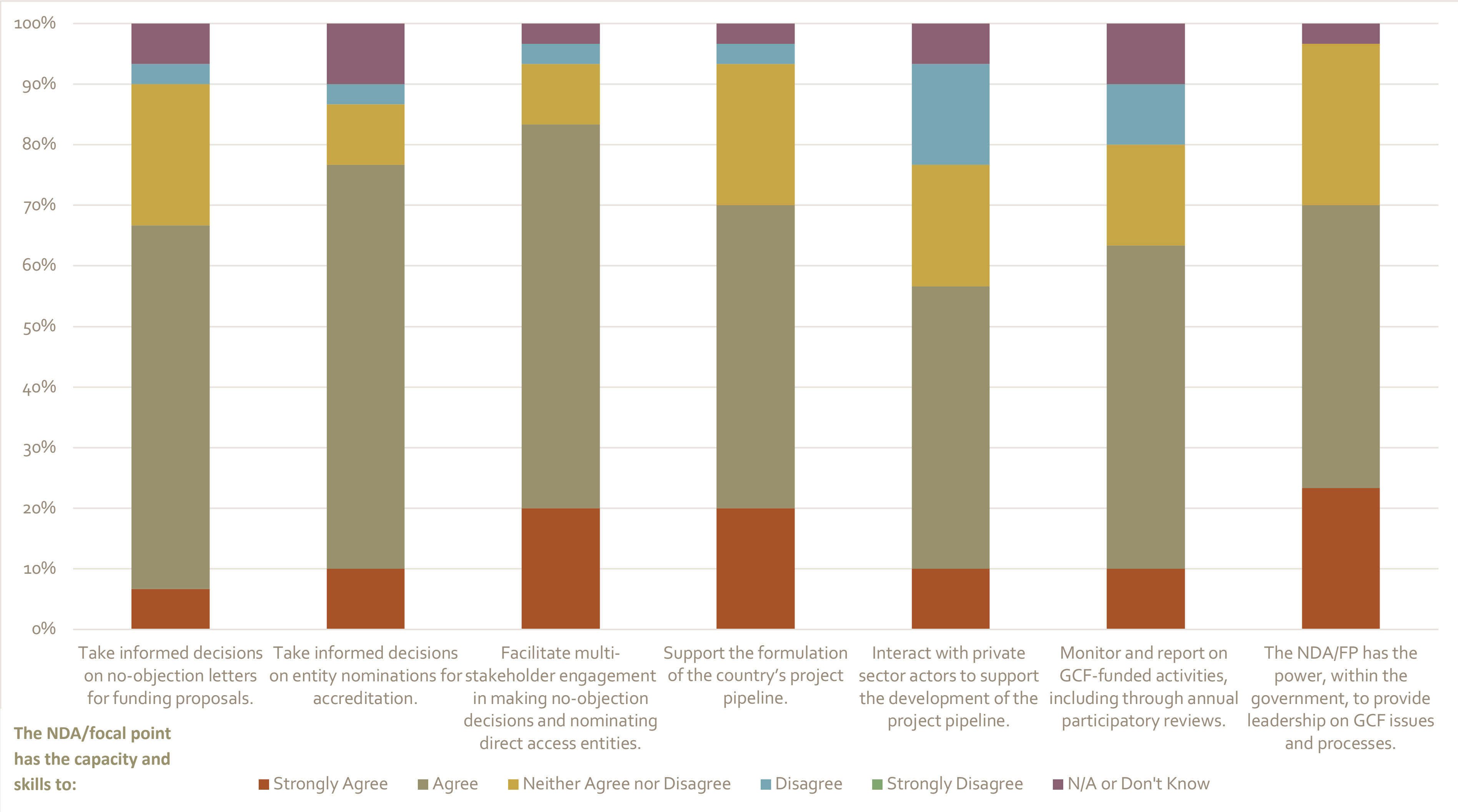
No.	Project name	AE	GCF stage	Notes
1	Building Climate Change Mitigation and Climate Resilient Coastal Communities & Ecosystems in Asia (BiCCRA)	IUCN	Stage 4; Technical review started	NDA reviewed CN; no NoL for FP yet
2	Bus Rapid Transit Development in Semarang	PT-SMI	Stage 3; CN answered	PPF received
3	Developing Climate Resilient and Eco-friendly Tourism at Lake Toba	PT-SMI	Stage 3; CN answered	PPF received
4	Developing Climate Resilient and Eco-friendly Tourism in NTT	UNDP	Stage 3; CN answered	
5	Bukit Tigapuluh Sustainable Landscape and Livelihoods Project (Project Pangolin)	BNP Paribas, UN Environment	Stage 4; FP received	
6	Green Bond Cornerstone Fund (Phase II)	IFC	Stage 5; sent to iTAP review	NoL is controversial
7	SME Climate Finance Program	IFC	Stage 3; CN answered	
8	Green Finance Institution Acceleration Fund (GFIAF)	IFC	Stage 3; CN answered	
9	Water and Sanitation in Countries Vulnerable to Climate Change	IFC	Stage 3; CN answered	
10	Bali Waste to Energy (WtE) project	Korean Development Bank	Stage 3; CN answered	
11	ADB Ventures Facility	Asian Development Bank	Stage 3; CN answered	
12	Asia Energy Transition Programme	Asian Development Bank	Stage 3; CN answered	
13	Geothermal Energy Development Risk Pool for Indonesia	Asian Development Bank	PI received	
14	Asia Energy Transition Programme	Unknown	Stage 3; CN answered	Task Manager: Andrey Chicherin
15	Absolute Energy Impact Fund (Phase I) through RfP and Absolute Energy Asset Fund (Phase II)	Unknown	Stage 3; CN answered	Rajeev Mahajan

4. Results of the in-country survey in Indonesia

The in-country survey was administered to 30 people at the end of each interview conducted during the country visit to Indonesia. The largest proportion of respondents were accredited or nominated entities (43 percent), followed by government (20 percent) and civil society (20 percent), delivery partners (10 percent), and other respondents (7 percent). The results are shown below.



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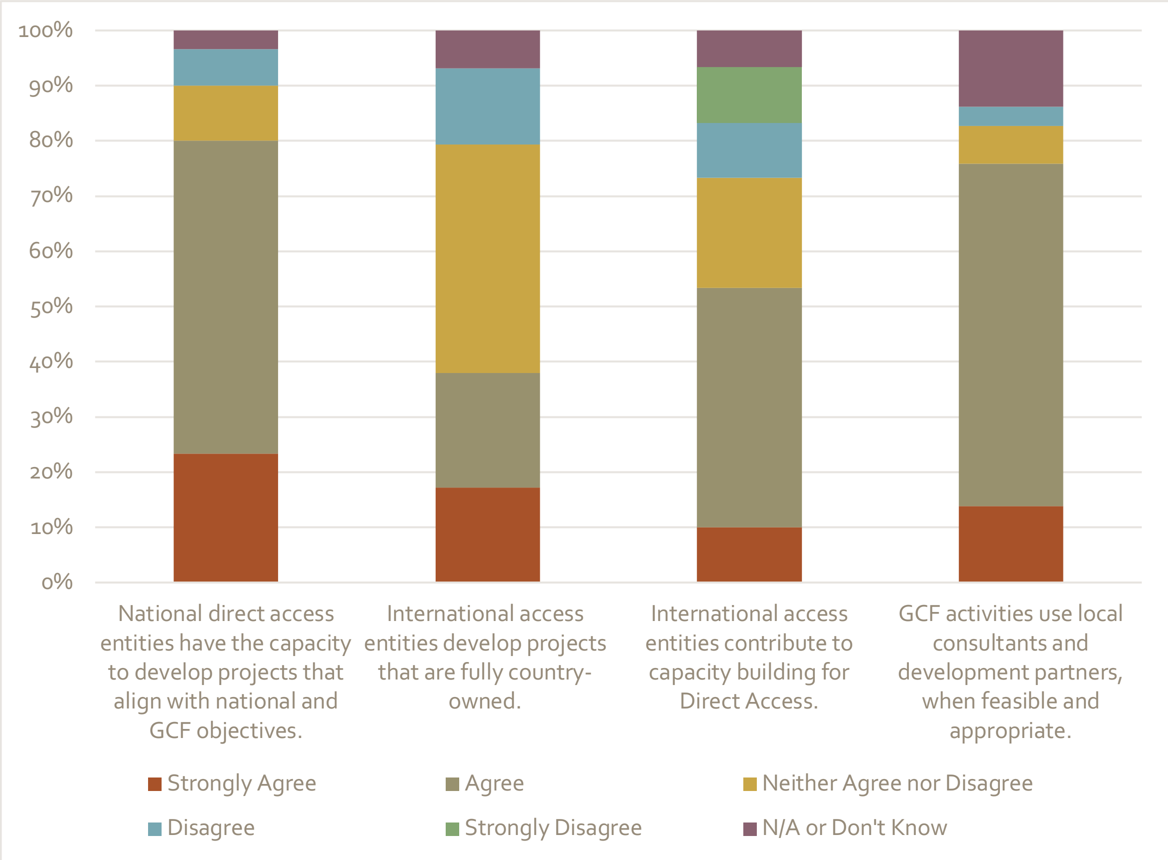
10%
0%
Take informed decisions on no-objection letters for funding proposals.
Take informed decisions on entity nominations for accreditation.
Facilitate multi-stakeholder engagement in making no-objection decisions and nominating direct access entities.
Support the formulation of the country's project pipeline.
Interact with private sector actors to support the development of the project pipeline.
Monitor and report on GCF-funded activities, including through annual participatory reviews.
The NDA/FP has the power, within the government, to provide leadership on GCF issues and processes.
The NDA/focal point has the capacity and skills to:
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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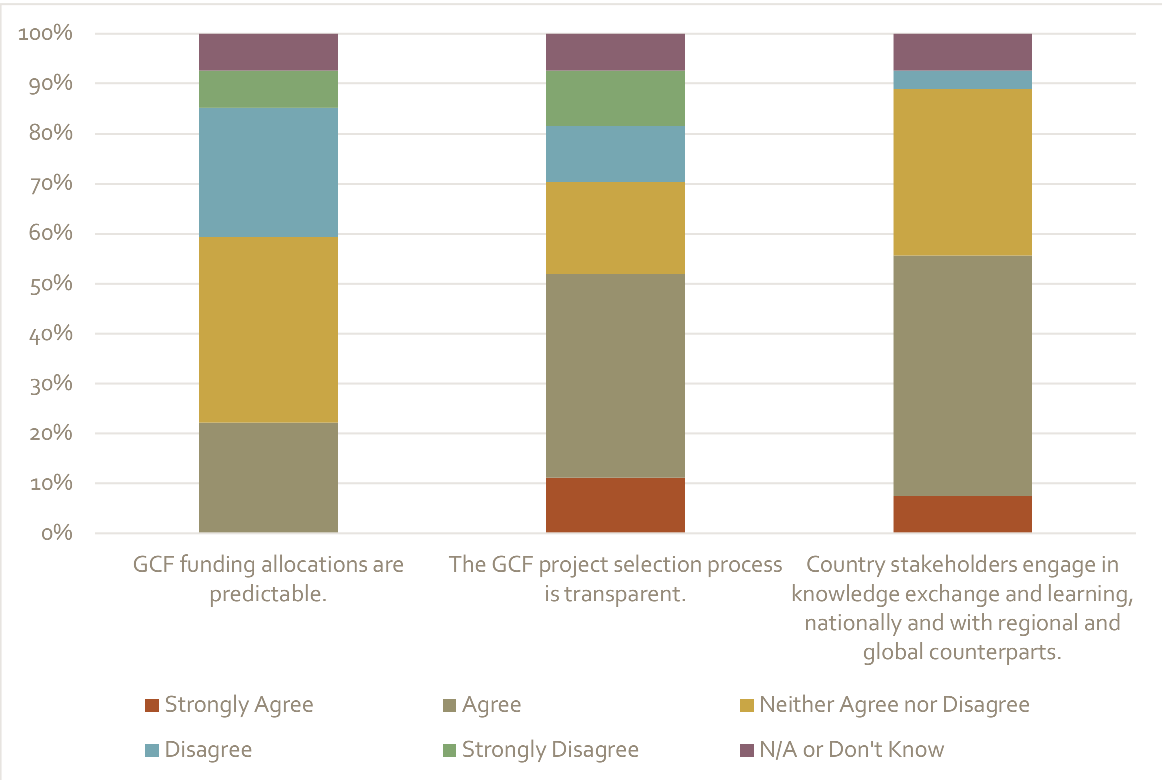
National direct access entities have the capacity to develop projects that align with national and GCF objectives.
International access entities develop projects that are fully country-owned.
International access entities contribute to capacity building for Direct Access.
GCF activities use local consultants and development partners, when feasible and appropriate.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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GCF funding allocations are predictable.
The GCF project selection process is transparent.
Country stakeholders engage in knowledge exchange and learning, nationally and with regional and global counterparts.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know

5. Normative framework for country ownership

For the country case studies, the framework was adapted into a tool with a scoring system, drawing heavily on the in-country survey results to provide the numerical scores. The results are shown in the table below.

Pillars of country ownership	Dimensions	Maximum possible score	Indonesia score	Indonesia ratio (Indonesia score ÷ maximum score)
Leadership and consultation: Country governments lead strategic programming and prioritization processes, ensuring policy alignment, and in broad consultation, through a multi-stakeholder participatory process.	Recipient country leadership in strategic programming and prioritization	18	13.7	0.76
	Alignment of GCF objectives and support with national strategies and priorities	9	7.2	0.80
	Multi-stakeholder engagement including civil society and private sector	9	4	0.44
	Subtotal	***36***	***24.9***	***0.69***
Institutional capacity: Country stakeholders have the capacity to plan, manage and implement activities that address GCF objectives.	Capacity to plan, manage and implement climate activities	35	27.2	0.78
	Use of country systems, partners and co-investment	6	3.4	0.57
	Subtotal	***41***	***30.6***	***0.75***
Mutual responsibilities: The GCF, AEs and recipient countries adopt best practices in planning, delivery and reporting, and are accountable to each other for these practices.	Predictability and transparency of funding allocation	6	4.2	0.70
	Timeliness of commitment and disbursement of funding	NR	0	NR
	Accredited entity mutual responsibilities	6	4.2	0.70
	Sharing of results and experiences with national and international stakeholders	6	2.4	0.40
	Subtotal	***18***	***10.8***	***0.60***
TOTAL – UNWEIGHTED		**95**	**66.3**	**0.70**
TOTAL – WEIGHTED		**95**	**63.7**	**0.67**

ANNEX 10. MOROCCO COUNTRY CASE STUDY REPORT

A. BACKGROUND AND CONTEXT

1. COUNTRY AND CLIMATE CHANGE CONTEXT

The Kingdom of Morocco is located in north-east Africa, on the Atlantic and Mediterranean coast. It is considered a lower-middle-income country, ranking in 123rd place on the Human Development Index, placing it roughly in the middle of the ranking. Morocco is a parliamentary constitutional monarchy and has been since the constitutional reforms introduced by King Mohammed VI in 2011.

The Atlas mountain range runs through the centre of the country, forming a dividing line between the two main climatic zones: the Mediterranean northern coastal regions and the southern, interior regions, which lie on the edge of the hot Sahara Desert. Due to its geographic location, the Kingdom of Morocco is particularly vulnerable to the effects of climate change, notably due to diminishing water resources, agricultural production, desertification, flooding and the rising sea level. Based on scientific projections, the climate will become increasingly arid, due to increasing temperatures, reduced rainfall (20 percent by 2050) and the appearance of extreme weather events. The impacts will be felt strongly, particularly in the semi-arid plains (GoM, 2016). There is also a desire to diversify the country's energy mix and reduce reliance on energy imports, which stands at 90 percent of domestic energy use (Trading Economics, 2019).

2. GCF PORTFOLIO AND INSTITUTIONAL ARRANGEMENTS FOR ENGAGING WITH THE GCF

National designated authority (NDA). The NDA is located in the State Secretariat in charge of Sustainable Development. As of August 2019, Mr. Bouzekri Razi, Director of Climate Change, Green Economy and Biodiversity holds the power of signature as the focal point. (See Section II.B below for more detail on the NDA.)

Readiness and Preparatory Support Programme (RPSP). Morocco has benefited from two RPSP projects, with a total budget of USD 600,000. Readiness support was provided to the NDA by a local delivery partner, the consulting firm Beya Capital. This support focused on boosting the capacity of the NDA – including the development of the country programme – as well as multi-stakeholder coordination. The Agency for Agricultural Development (ADA) has also received RPSP support for upgrading its accreditation status. Both RPSP projects have come to an end. Two new RPSP support projects are under design and will be delivered by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Global Green Growth Institute (GGGI). (See Section II.B below for more detail on readiness.)

Accredited entities. Three international accredited entities (IAEs) are currently active in Morocco: the French development agency *Agence Française de Developpement (AFD)*; the Dutch entrepreneurial development bank *Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO);* and the *European Bank for Reconstruction and Development (EBRD)*. These IAEs are implementing a number of multi-country and national projects in Morocco.

Morocco has two accredited national direct access entities (DAEs), ADA and CDG Capital (*Caisse de dépôt et de gestion*), and one regional DAE, Attijari Waffa Bank. Morocco has the highest number of nominated DAEs (11) among eligible countries in the GCF. (See Section II.C below for more detail on direct access and accreditation.)

Funding proposals and pipeline. Six funding proposals have been approved for Morocco, for a total project value of USD 3.3 billion, including a number of multi-country programmes, where Morocco is only one of the country beneficiaries. USD 849.1 million is approved GCF funding activities in Morocco. Three are public sector, single country, adaptation projects, one of which is being implemented by a DAE: ADA. The other three are private sector, multiple-country projects. The six GCF approved projects are as follows:

- *Development of arganiculture orchards in degraded environment (DARED)* (FP022), implemented by ADA, with a total investment of USD 49 million approved in October 2016. This includes USD 39 million from the GCF, and USD 9.9 million of co-investment by Moroccan local authorities.
- *GCF-EBRD Sustainable Energy Financing Facilities* (FP025), with a total investment of USD 1.4 billion implemented by EBRD, approved in August 2016.
- *Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco* (FP042), with a total investment of USD 86.4 million implemented by AFD, approved in April 2017. This includes USD 22.7 million from the GCF, and co-investment from the AFD as well as the Government of Morocco (USD 18 million).
- *The Saïss Water Conservation Project* (FP043), with a total investment of USD 234.9 million implemented by EBRD, approved in April 2017. This includes USD 36 million from the GCF, and co-investment from the EBRD as well as the Government of Morocco (USD 60.7 million).
- *Transforming Financial Systems for Climate (The "TFSC programme")* (FP095), with a total investment of USD 742 million implemented by AFD, approved in October 2018.
- *Climate Investor One* (FP099), with a total investment of USD 821.5 million implemented by FMO, approved in October 2018.

Three of these projects were visited by the evaluation team: FP022, FP025 and FP043.

The pipeline consists of a Green Cities initiative by EBRD (submitted 2016), as well as three submissions from ADA in 2017 and 2018 on community resilience in Khenifra, energy recovery from oil waste, and flood management in Tata and Tetouan.

3. Climate finance and development aid context

Significant climate finance has been provided to Morocco through dedicated multilateral climate funds. The Clean Technology Fund of the Climate Investment Funds is investing USD 150 million in Morocco, including the Ouarzazate Solar Power project, the world's largest concentrated solar power plant. In GEF-6, two climate change related projects have been approved in Morocco, both focused on agro-ecosystems and landscape approaches, and both implemented by the Food and Agriculture Organization (FAO), for a total of USD 47.3 million.

In the broader development aid context, Morocco received a total of approximately USD 1.8 billion net of Organisation for Economic Cooperation and Development (OECD) Overseas Development Assistance in 2017. The main donor partners were the European Union, Germany, France and the United Arab Emirates. Morocco did not take part in the latest Global Partnership for Effective Development Co-operation (GPEDC) monitoring exercise.

B. Key findings

1. Country leadership and engagement

a. Climate change policies and strategies

Morocco adhered early to its international climate change commitments and has a strong, strategic policy framework and comprehensive approach to climate finance, which also serves as a sound basis for GCF programming. Morocco is strongly committed to the climate agenda, predating the GCF. The country is leading the African continent, ranking second on the Climate Change Performance Index in 2018 (UNEP, 2018). It has installed one of the world's largest concentrated solar farms in the proximity of Ouarzazate, among other initiatives. The key impetus for climate change is provided by the King, who is an active and vocal proponent of the climate agenda at both the international and national level. According to the royal statement, "By adopting this model of sustainable development, Morocco reaffirms its strong support for the international effort to combat the phenomenon of global warming (...). In fact, the situation has reached a degree of which makes it imperative to make a stronger collective commitment, to ensure the survival of humanity and safeguard our Planet Earth" (GoM, 2014). The country can serve as a strong, regional example and springboard into financing projects across Africa, especially francophone countries.

The new Constitution of 2011 enshrined the principle of sustainable development. It was further enshrined in the National Charter for the Environment and Sustainable Development (CNEDD) that guaranteed "The rights and duties inherent to the environment and to sustainable development recognized by natural and legal persons and proclaims the principles to be respected by the State, local authorities and institutions and public enterprises" (GoM, 2016).

The commitment to sustainable development is operationalized in the National Strategy for Sustainable Development (in French, Stratégie Nationale du Développement Durable [SNDD]), which is the guiding document for all public and private actors to ensure dynamic and sustainable economic and social development. This strategy encompassed the National Vision "to ensure the resilience of the civilisation and territory in the face of climate change, ensuring a rapid transition to low carbon development" (GoM, 2014).

The objective of the National Climate Change Policy (in French, Politique du changement climatique, or PCCM) is to assure the transition to low-carbon development and resilience to the negative impacts of climate change, aspiring to contribute to global efforts to address the phenomena. The PCCM encompasses a number of key, cross-cutting pillars to deliver this vision and objectives, including governance, economic, social and environmental pillars, emphasizing also decentralization.

A draft climate change law and decree to establish a National Climate Change Commission are at final stages of approval (MAP Ecology, 2019).

The PCCM enshrined the climate commitments of Morocco through the following means:

- Nationally determined contribution (NDC) (GoM, 2016)
- SNDD (GoM, 2017)
- National SNI-GES Greenhouse Gas Inventory System
- National adaptation plan (NAP)
- Partnership plan for the implementation of the Moroccan NDC submitted to the NDC Partnership
- Preparation of a Morocco Climate Plan (known by the French acronym, PCM)

The PCCM is complemented by clear sector-specific efforts, including both adaptation and mitigation commitments that are linked to the NDC. The unconditional target is a 17 percent reduction of greenhouse gas (GHG) emissions by 2030 compared to a business-as-usual scenario. An additional reduction of 25 percent is achievable under certain conditions, for a GHG reduction total of 42 percent below business-as-usual emission levels by 2030. These targets are dependent upon agriculture, forestry and land-use actions, without which the conditional target would be 34 percent. The total target of 42 percent would require an estimated USD 50 billion between 2010 and 2030, including new, additional financing sources.

The PCCM establishes a process for sector coordination to implement the national vision, with both cross-cutting and sector-specific components. The adaptation sectors included water, agriculture, fisheries, forestry, desertification, biodiversity, health, tourism, ecosystems and urbanization. Mitigation sectors included in the nationally appropriate mitigation actions are energy, transportation, industry, waste, agriculture & forestry and buildings. Cross-cutting themes included the legal and institutional framework, information and observation, decentralization, risk management & prevention, awareness-raising and capacity-building, research, innovation and technology transfer.

Confidence in the existing policy and institutional framework was demonstrated by both survey and interview evidence. According to the in-country survey, 95 percent of respondents felt that GCF activities aligned with this national strategic and policy framework; 75 percent of respondents agreed or fully agreed that the government had effective policies and processes in place to guide prioritization of GCF programming. Notably, this was in relation to the existing national policy and institutional framework, as the country programme is at the last stage of finalization and existing coordination structures were used for the design and implementation of GCF interventions.

b. Institutional structures to coordinate climate change

Overall, Morocco has strong institutional structures, mechanisms and procedures in place for the coordination of climate finance. Morocco has an Intergovernmental Climate Change Commission, which also takes GCF decisions. The commission includes representatives from academia, research institutions, civil society and the private sector, including the umbrella association of chambers of commerce, La Confédération Générale des Entreprises du Maroc (CGEM). Overall, stakeholders felt that the climate change decision-making structures functioned adequately. According to an interviewee, the NDA does not want to duplicate these functions through a parallel structure for GCF decision-making.

However, some concerns remained around interministerial coordination. Notably, the in-country survey demonstrated less confidence in the effectiveness of interministerial coordination, with only 60 percent of respondents agreeing or strongly agreeing on sufficient capacity in this area (see Annex C). The relative power of different ministries depends not only upon control or power over decision-making or finances, but also the particular relationships and networks that operate within the politics of the country. This may help explain the particular concern over interministerial coordination.

The legal decree that will cement these structures into law is due to pass shortly, although the structures are already in place and operational. In these ways, Morocco can serve as an example for others, especially across the continent. However, most countries do not have the same level of economic development, human capital and leadership drive to address the climate change challenge.

c. Understanding country ownership

According to stakeholders in Morocco, the definition of country ownership is deeply rooted in alignment with national strategies and institutional structures. However, based on discussions during the field visit, the definition extends beyond national government structures to a strong regionalization across the territory and desired buy-in by the local government. The ultimate meaning of country ownership may be related to achieving relevance to the needs of final beneficiaries. One of the projects went to great lengths to invest in the community engagement process (e.g. beyond budget investments in infrastructure, such as bridges, that provided additional benefits to the surrounding community).

d. Multi-stakeholder engagement

Overall, while multi-stakeholder consultation was a part of formal climate finance structures and processes, participation was less effective in practice. The design of the main strategic documents and the formal structures proposed in the climate change law included representation from the private sector and civil society. However, it is less certain that the most representative organizations are engaged and participate effectively in decision-making, as this could not be fully verified by the evaluation team with either the private sector or civil society actors. The represented organizations tend to have a strong connection to power structures in the country. Most banks, including the DAEs, are publicly owned, with the exception of BMCE Bank of Africa.

Civil society organizations (CSOs) are represented in the proposed, national coordination structures. However, civil society is not perceived as particularly critical in its viewpoints. Based on interviews, there is a need to include civil society consultation, particularly in centrally defined projects. CSOs are also concerned about the lack of a GCF "CSO Window", as they do not have the capacity to submit larger projects for funding.

There is a much stronger, unanimous recognition by key government representatives of the need to engage at the subnational level, in different regions, with local government. There is strong ownership of the subnational strategy. One informed respondent considered decentralization to also be essential for a paradigm shift. All of the core strategic documents also refer to the commitment to regionalization and decentralization, with integrated and participatory strategic planning, "based on the appreciation of the specific resource potential of each region and inter-regional solidarity" (GoM, 2016). Both the National Climate Policy and the NAP call for the integration of adaptation into regional and sector development. Regionalization will be operationalized through regional climate plans and urban climate plans.

A number of interviewees appeared to suggest that the ultimate aim of country ownership relates to the relevance and impact on final beneficiaries. Social impact is dependent upon reaching the most vulnerable populations. Despite anecdotal reference to the needs of these population groups, there was nevertheless insufficient interview data, beyond anecdotal references, to assess inclusiveness as a component of ownership either at the global or project level.

Multi-stakeholder engagement was not substantially strengthened through GCF support at the national level. The RPSP project managed by Beya Capital planned support to broad stakeholder consultation. Despite the completion of this project, based on input from interviews, reference was rarely made to these consultation events, but rather to COP 22 and regional events organized by the GCF.

Consultation in individual projects depends largely upon the rules of the accredited entity. Broad consultation appears to have been undertaken in the design of at least FP022. FP043 had formal agreements with implementing partners, including close cooperation with the local chamber of commerce. At least in the case of FP022, multi-stakeholder engagement did not extend to project implementation and monitoring at the local level, where only local government was formally represented in regular, monthly review meetings.

e. Country programming

The GCF country programme does not feature prominently in the Moroccan context. A draft country programme was prepared through RPSP support implemented through a local consultancy. This country programme was not shared with the evaluation team. According to some interviewees, the quality of the draft required additional work. Some references were made to the need to maintain it as a "live" document, which would require regular review.

The current view is that the value of a separate GCF country programme is unclear, as the country has a sound legislative and policy framework. Particularly in reference to developing a country-owned project pipeline, interviewees saw more value in identifying a comprehensive climate finance pipeline, rather than a GCF-specific one, and noted that work had already been done to identify projects to meet the NDC targets. One interviewee questioned if the GCF country programme is required at all.

The in-country survey data present a nuanced picture, with 60 percent of respondents agreeing that country programming provides clear strategic guidelines for pipeline development and that it also supports paradigm shift. Even in the absence of a broadly shared and finalized GCF country programme, these survey and interview data suggest that stakeholders feel that there is sufficient programming guidance for AEs to develop the pipeline.

f. Alignment with national priorities and needs and GCF objectives (paradigm shift)

There was substantial concern over the interpretation of the GCF investment criteria, notably climate rationale and paradigm shift, across different stakeholders. At least two interviewees felt that the concept of climate rationale was extremely ambiguous. In the case of one FP, this had resulted ultimately in the withdrawal of a proposal after review by the independent Technical Advisory Panel (see DAE section below).

There were diverse understandings of the meaning of paradigm shift. Some domestic actors referred to specific examples from given sectors of work (e.g. shift to cultivated Argan bushes or improved water management). For others, paradigm shift entailed the combination of their own, existing modalities (e.g. irrigation and private finance) with broader social and global objectives. None suggested that there could be a trade-off between country ownership and paradigm shift.

The NDA description of paradigm shift included key elements of systemic change, scale and sustainability. According to interviewees, systemic dimensions of a paradigm shift included institutionalization through the national climate plan, as well as the involvement of national institutions in the fight against climate change.

Most importantly, however, paradigm shift required influence at the subnational level and actual impact on the ground. In FP043 the focus on the amount of water used in irrigation (i.e. water use efficiency) and related changes in agricultural practices were seen as a major paradigm shift by the government and beneficiaries. Paradigm shift did require scale according to a number of interviewees, whether in funding or in reach.

As suggested in the case of FP043, ultimately, what was required for paradigm shift was a fundamental change in the perception and behaviour of local actors, according to a number of interviewees. Due to the local political economy context in Morocco, one interviewee asked a provocative question: "Does paradigm shift have to be democratic?" The question suggested that the local environment may not yet be fully able to grapple with climate-change-related changes at this individual level. If scale entails change at the level of citizens, it will take many more years, according to the same interviewee.

g. Government co-investment

Co-investment by the Government of Morocco is perceived by stakeholders to indicate strong country ownership, with an average commitment between 20 percent and 25 percent for national projects (see portfolio data in background section above). According to an interview, the government is co-investment large projects, which further demonstrates substantial ownership.

The grant financing by the GCF and the co-investment by the Government of Morocco for a critical stage of the irrigation infrastructure also has a direct impact on investment from the private sector, as well as the ultimate tariff charged to the users. This has further implications for both the margins of the private operators in the innovative model, as well as affordability to the farmers. However, the actual costs of the public–private partnership are not included in the project.

For FP022, co-investment comes from national and regional agencies. The delegated contracting authority, the national agency for the development of the argan region and oasis zones (l'Agence Nationale pour le Développement des Zones Oasiennes et de l'arganier, ANDZOA) is responsible for the activities of planting and rainwater harvesting. ANDZOA works closely with the local Agency for Hydrological Basin of Souss Massa (ABH SM), and the Regional Directorate of Agriculture Souss Massa (DRA SM). ADNZOA, ABH and DRA all provide co-investment to the project from their annual budgets. The beneficiaries provide in-kind contributions through land contributions and the maintenance of orchards (trimming and maintenance) after the first two years of planting.

None of the multi-country projects attracted government co-investment. Except in the case of formal public–private partnerships, in private sector projects there usually is no government co-investment.

2. Country institutional capacity and readiness

a. NDA capacities (relationships, structures, processes and skills)

The NDA is located in the Development Planning Division of the Ministry of Planning. Three staff members from the Development Planning Division are directly involved with the GCF. The State Secretariat in charge of sustainable development is not the most powerful ministrial department but does have a cross-government, coordination mandate due to the sustainable development agenda. Less than 40 percent of in-country survey respondents strongly agreed or agreed that the NDA had the power, within the government to provide leadership on GCF issues (see Annex C). According to interviews, other ministries, such as the one responsible for agriculture, were perceived to be more powerful across the government.

The focal point was recently moved from Direction of Climate Change, Green Economy to the Direction of Environmental to the Direction of Partnership, Communication and Cooperation and the coordination between them remains strong. The shift was justified, based Direction of Partnership, Communication and Cooperation's responsibility for the coordination and management of donor funding. Nevertheless, the Direction of Climate Change, Green Economy remains closely involved (and is also the UNFCCC focal point), to ensure strategic and policy alignment with national priorities. Coordination between the two Directions is strong, providing the requisite continuity as well as technical capacity in climate change issues. No concerns around delays were raised during interviews. As this shift is recent, it is not possible to assess any related effects.

Despite its broadened mandate to cover sustainable development (e.g. Agenda 2030), and shift of responsibility from a Directorate to another, the NDA appears to have the necessary coordination capacity to serve GCF processes to date, at least with the current projects. According to the in-country survey, 65 percent of respondents believe that the NDA has a good capacity to make decisions in the accreditation process, as well as in the identification and approval of projects through no-objection procedures (NoPs). According to nearly all interviewees, the relationship with the NDA is excellent, with regular meetings (approximately twice per year). Any delays are usually attributed to political issues, rather than questions of efficiency. Nevertheless, the NDA appears to interpret its mandate in a minimal rather than expansive way. For example, according to various interviews, little to no support is provided in the accreditation process.

The focus appears to be on managing the pipeline through the NoP. According to the survey, up to 70 percent of the respondents felt the NDA had the capacity to make informed decisions on no-objection letters (NoLs) and to support the formulation of a country-owned pipeline. This was universally confirmed by interview data.The NoP formed a part of initial RPSP support. No documentation on the procedure is yet available and to date, the NoL had not been withheld. One ADA project was rejected by the GCF, apparently due to its multinational nature.

The NDA and GCF coordination structures have received RPSP support. However, according to one interviewee, the NDA could have asked for substantially more support from the RPSP. Currently, there is a gap in support and no technical assistance is available. Further support is currently being designed and is due to be implemented by GIZ.

Civil society has not benefited from awareness-raising or capacity-building efforts under the RPSP. This may have resulted from challenges in the implementation of the RPSP support to the NDA. Beyond the NDA and organizations involved in the GCF structures, there is limited awareness about the GCF; this message was echoed across interviews with different groups of stakeholders. The main influencing factor for awareness-raising and catalysing government action was instead COP 22 in Marrakech.

b. Project cycle, including use of country systems

The principle of country ownership appears stronger in the design of interventions and is less present during implementation, when project management is taken over by the policies of individual AEs. In the case of the DAEs, these procurement, results and financial management rules are fully aligned with those of the Government of Morocco, strengthening ownership also during implementation.

The main challenge stems from the GCF level. According to one interviewee, there are many delays due to GCF requirements. Projects take two to three years of preparation, considered long for an irrigation project. In addition, the GCF appears to intervene on issues with substantial country ownership angles, such as the price of water and the design of well-established public–private partnership (PPP) models. According to one interviewee, funding proposals from DAEs were perceived to be more challenged by the independent Technical Advisory Panel (iTAP) and the GCF Board. There is a concern that private banks in particular cannot adapt to GCF delays – and may even drop efforts to develop projects – after succeeding in the accreditation process.

At the national level, the National Climate Change Policy recognized the need for regular monitoring and evaluation. A national emissions inventory is already in place (SNI-GES) and the *Centre de Compétences Changement Climatique du Maroc* provides related monitoring support on a biannual basis. Similar efforts have not yet been made in the adaptation sphere.

The in-country survey indicated less confidence in the ability of the NDA to support the implementation of projects, with only 45 percent of respondents considering that the NDA had the capacity to conduct regular monitoring and reporting, including through an annual, participatory review. Project-specific monitoring is undertaken according to the given rules of the AEs. One interviewee was not aware of a GCF template for annual reporting. After the first full annual reporting cycle, concern remains over which data are aggregated and through which methodology.

Forty percent of survey respondents either disagreed or did not have an opinion on knowledge-sharing within the framework of the GCF in Morocco. The annual reporting requirements (technical and financial) were not considered overly burdensome, although they did duplicate existing reporting practices, according to one interviewee. According to one project, they had hired dedicated, English-speaking staff to meet reporting requirements.

3. Country ownership through accreditation and direct access

a. Nomination and accreditation of direct access entities

The number of nominated DAEs in Morocco is the highest among eligible GCF countries, with a total of 11 organizations seeking accreditation, across the public and private sectors, representing both adaptation and mitigation sectors, at the national and even subnational level. Three DAEs have already been accredited: ADA, CDG Capital and Attijari Waffa Bank. ADA benefited from the GCF fast-track accreditation process, due to its previous accreditation with the Adaptation Fund. Others, such as BMCE Bank, Crédit Agricole Maroc (CAM) and Moroccan Agency for Sustainable Energy (MASEN), are still in the accreditation process. There is a strong representation of national development banks (Attijari Waffa Bank, CDG Capital and CAM), with varying areas of sector focus, among these entities. Only BMCE is fully privately owned. With the accreditation of Attijari Waffa Bank, Morocco now has access to a regional DAE that is accredited and committed to implementing Category 3 projects. It was not possible to confirm if the nominated territorial entities understand the role of a DAE and the substantial requirements of the accreditation process, or if they are continuing to pursue the status.

The nomination of the national DAEs was "demand-driven" and related to the awareness generated by COP 22 in Marrakech, being perhaps less strategically determined. There may also not be a full understanding of the role of a DAE, with some entities having mistakenly thought that accreditation (instead of, for example, acting as an executing entity) was the only avenue to gain access to GCF resources, according to one interview. Nevertheless, interviewees felt that the DAEs were complementary, as each covered a unique niche of the market. Some, such as ADA, provided grants, while banks focused on loans. According to one interviewee, there is little interest in having many more DAEs, as the "local market is not very deep".

Even for fast-track DAE nominations, the accreditation process took up to four years. According to one respondent, accreditation was achieved only through great tenacity, perseverance and direct contact with the GCF. The impact of the accreditation process itself has been largely negative on country ownership, as the inefficiencies and delays have substantially delayed the process and frustrated the applicants. There is a strong risk, particularly, that very capable banks will either withdraw their application or end the project identification process.

There is an explicit capacity need that was expressed by the nominated and accredited DAEs: multiple DAEs mentioned the lack of relevant training as a major challenge. However, only ADA has accessed the RPSP for support. Despite being planned, the RPSP support to the NDA appears to not have extended to the DAEs. This may have been due to some challenges with the local consultant, according to interviews. There are serious concerns about the extent of capacity provided by the completed RPSP support. Future RPSP support is foreseen through GIZ, which will focus particularly on developing the GCF pipeline of projects.

The accreditation process itself has provided valuable capacity and skills, especially in areas less familiar to banks, such as gender, social and environmental management. This has resulted in the strengthening of internal structures and processes, in line with international standards – especially those relating to environmental and social safeguards. This was observed across all of the DAEs.

There is now a need to demonstrate the application of new skills through actual projects, to both build credibility and implement better projects in the future.

There is very variable awareness of and participation in GCF related training opportunities among the DAEs. One respondent knew only of a single event in the past two years. The regional DAE training conducted in Morocco raised awareness but was less relevant to the actual capacity-building due to the great divergence of capacities of DAEs represented. According to one DAE, training has been organized by AFD and KfW. Apparently, EBRD and FAO are also available to provide capacity support. The IAEs can provide valuable scientific and technical knowledge to the DAEs. At the same time, only 60 percent of survey respondents felt that IAEs contributed to the capacity of DAEs.

b. Direct access entity pipeline development

Besides ADA, the other DAEs face challenges in identifying and submitting project concepts and proposals to the GCF. Therefore, only one of the projects under implementation (FP022) was proposed by a DAE: that being ADA.

All interviewees emphasized the importance of identifying a comprehensive climate finance pipeline, rather than a GCF-specific one; in part because of the unpredictability of GCF priorities, processes and funding. According to one interviewee, projects are selected based on the viability of the concept, innovation and project maturity. FP043 was linked to the NAP through the agriculture window (10 percent of the total budget) and Plan Maroc Vert, which has a specific component on Argan cultivation. ADA benefited from PPF support for the feasibility study of FP043.

Most of the GCF supported projects, including the three visited by the evaluation team, were derived from earlier projects supported through other organizations and financing sources. This was done, in part, to support faster preparation of the GCF concept notes and funding proposals (e.g. detailed technical data on the water table), according to interviewees. Still, the time required from the initial idea to actual funding approval and disbursement is perceived as substantial. Even in a rapid approval case, such as FP043, the process from initial submission of the funding proposal to the initial payment took over two years.

There is a strong ambition to extend pipeline development to the subnational level. According to one interviewee, "This is where the projects are." However, this requires the strategies, structures, coordination, processes and skills to be in place at the local level. As described above, there is a strong strategic commitment to the regionalization of climate change and already effective climate mainstreaming into urban and regional plans. However, the coordination structure and processes have not yet been approved or operationalized. Awareness and skills, whether technical or project management skills, are also major weaknesses at the local level. Overall, there is a need for substantial capacity for implementation and facilitation. The latest RPSP proposal will support pipeline development at the subnational level also.

c. International access entities and country ownership

IAEs in Morocco emphasized that they have internalized and implemented the country ownership principle for a long time, with a view particularly to the aid effectiveness agenda. Therefore, IAE interviewees perceive nothing especially unique about applying the principle in GCF operations. This was echoed by the survey, in which 80 percent of respondents felt that IAEs were able to develop projects that are fully country owned.

Interview partners of all stakeholder groups also generally felt that the IAEs often had more technical and project management expertise, as well as greater financial capacity. EBRD alone is engaged in 44 projects, with a total of EUR 1.1 billion in investments in Morocco. A number of

IAEs have sizeable country portfolios and offices in Morocco and have been working on innovative green finance with banks and other organizations for a while.

But at the same time, a number of interviewees felt that IAEs were more complicated in their requirements and processes and that there were many related challenges in cooperation. For these and other reasons, direct access remains a preferred mode for many interviewees in the medium to long run, once capacity constraints for climate finance are alleviated and GCF processes streamlined (see also the section on the private sector below).

One interviewee suggested that DAEs did not have the know-how to implement projects and should solicit the technical expertise of IAEs. A majority of in-country survey respondents (55 percent) agreed or strongly agreed that IAEs contribute to capacity-building for direct access. In interviews, IAEs noted their interest in effective capacity-building to also help move forward the projects they implement. However, sometimes the number of entities to work with in Morocco and the range of issues to be tackled can dilute capacity-building efforts.

d. Direct access as a modality to support country ownership

While theoretically beneficial, the potential country ownership benefits of direct access have been seriously challenged by inefficiencies in GCF processing of both accreditation requests and project proposals. Due to the unpredictability of GCF financing and substantial challenges and delays relating to both accreditation and project approval, one interviewee suggested it may simply be easier to work through the IAEs, who were more able to complement the capacity (gaps) of the GCF.

According to one interviewee, it appeared that the GCF preferred to implement projects through DAEs, rather than IAEs. However, this was not reflected in the composition of the approved project portfolio, where five of six projects are implemented by IAEs. At least from one perspective, this was a clear indication of the competition between IAEs and DAEs.

The general sense was that, by nature, DAEs were inherently more representative of Moroccan interests. Ninety percent of survey respondents felt that DAEs were able to develop projects that aligned with national and GCF objectives. Many interviewees felt that DAEs were simpler and more likely to support country ownership due to their familiarity with the local context and local processes. This was partly due to the fact that they utilized familiar, national project requirements and procedures. According to one respondent, the extent to which the DAEs supported country ownership (in comparison with IAEs) depended on the given entity. ADA, for example, has a strong capability and a long history with implementation. It was not possible to assess if there was any difference between public and private DAEs, as all of the accredited bodies had a substantial government share in ownership.

4. Private sector and multinational projects

Morocco has been taking three pathways to access GCF funds to engage the private sector and mobilize private sector investments. The first path is through nominating four private sector DAEs – so far, all of them banks. Two of these have been accredited, one as a regional DAE. A second path is through attracting three multi-country projects to Morocco (EBRD's Sustainable Energy Financing Facilities (FP025), AFD's TFSC programme (FP095), and FMO's Climate Investor One (FP099)), and a third is through support for innovative PPP models in the Saïss Water Conservation Project, with EBRD as the IAE.

a. NDA and country ownership

Private sector nominations and projects are fully country owned by the NDA. In interviews, all DAEs and IAEs report the full support and fast response to their requests for obtaining NoLs and nomination requests from the NDA. According to two private sector AEs, the NDA has also been supportive in guiding the development of concept notes (CDG Capital and Attijari). On the other hand, the in-country survey indicates relatively low agreement with the view that the NDA interacts strongly with private sector actors to support development of a private sector project pipeline: only 45 percent of surveyed respondents agree or strongly agree, with 10 percent in disagreement and 45 percent having no view on this. Similarly, half of all stakeholders think that country programming enables private sector participation, versus 45 percent having no view and 5 percent disagreeing. The data and interviews seem to suggest that some basic conditions for private sector participation are being supported, particularly through direct access, but views are divided whether this is being sufficiently followed up with support for an enabling environment and a project pipeline.

b. Direct access

As a highly positive sign of country ownership, the GCF has attracted the interest of four Moroccan banks seeking to be accredited. These entities were motivated by their desire to expand and diversify their know-how, expertise and portfolio from more environmental finance (waste management, IT for resource savings, etc.) to climate finance, particularly for adaptation but also for mitigation areas such as energy efficiency. There clearly is high appetite and potential for innovative financial models that are targeted to new clients with relatively high transaction costs, such as SMEs and farmers in vulnerable areas. The banks also wish to graduate from their experience in green climate finance with international support, and, in the case of Attijari Bank, to use their regional accreditation for expanding climate finance to four other African countries. They are appreciative of their enhanced environmental and social safeguard systems gained due to the accreditation process. Awareness generated through the COP 22 in Marrakech, membership in an international finance club with other GCF AEs, and encouragement from the GCF Executive Director were also mentioned as motivating factors for seeking accreditation.

Most importantly, the DAEs expect GCF accreditation and support to address current weaknesses in their capacity for assessing risks and developing the right products for specific markets in climate finance, particularly for adaptation. Secondly, accreditation and support are expected to generate more market demand, which is currently regarded as shallow. For mitigation, the regulatory environment remains a major obstacle that needs to be worked on, due to fixed tariffs and concessional terms by the national utilities provider, the Office national de l'electricite et de l'eau (ONEE; in English, the National Electricity and Water Board). Project management and reporting is another area with room for improvement. According to one interviewee, ideally these gaps would be addressed through concessional resources and technical assistance.

Several DAEs received some support and training from AFD, EBRD, KFW and GIZ for their accreditation and project development, although the evidence was not equivocal and the scope of support was regarded as too limited (BMCE, CDG Capital and Attijari). For instance, one DAE was disappointed about inadequate support for developing a climate rationale acceptable to the GCF in their first funding proposal, submitted in 2017. This funding proposal combined adaptation and private sector engagement and was the product of an intensive process, including full due diligence and stakeholder consultations. The proposal was eventually returned by iTAP, for lack of a good climate rationale and an adequate feasibility study. The DAE withdrew the project.

c. Multi-country projects

The evaluation did not manage to obtain much information in-country on the three multi-country projects by EBRD, AFD and FMO, although country IAE offices were interviewed, except for FMO, who apparently are not represented in the country yet. All projects are simply not yet sufficiently advanced to say much about country ownership beyond the favourable approval of the NoL. For the EBRD Sustainable Energy Financing Facilities project (FP025) the specifics were simply unknown to the interview partners who were present. This project has been effective since February 2018 and looks to scale a proven concept of on-lending by local banks for energy efficiency, renewable energy and climate resilience, such as through BMCE (which also has a pending application as DAE). For the AFD *Transforming Financial Systems for Climate* project (FP095) country operations have not yet started as the funded activity agreement has not yet been signed (or has only been signed just recently). The project is expected to build on and scale up the long-term experience and cooperation of AFD's SUNREF project in Morocco, which provided a green credit line for 53 countries.

d. The Saïss Water Conservation Project

The Saïss Water Conservation Project plays a major role in the strategy of the Government of Morocco to shift the paradigm of water provision for the Saïss irrigation system. The project will not only switch from highly unsustainable groundwater to sustainable surface water resources through financing a bulk water transfer scheme (canals) but will also help to prepare a PPP regarding the implementation of the new irrigation networks. The aim is to involve the private sector much more strongly than before in the design and operation of irrigation infrastructure and the introduction and promotion of best-practice, efficient irrigation techniques – and with a significant demonstration of impact across sector and region. For this purpose, loan and grant funds are mixed to facilitate adoption and change systems. FP043 leverages USD 32 million of GCF grant funding with USD 60 million in government co-investment, out of a total budget of USD 230.4 million. EBRD as IAE brings in more than USD 100 million as co-investment. This project is fully country driven and owned. While on the one hand, community engagement is very strong, with a number of community investments being made well beyond the technical needs of the predecessor project by the government, community members do not have formal representation in the project steering structures, according to interviewees.

e. In conclusion

The Morocco case study is a good example of the multiple opportunities and challenges for private sector mobilization and support through the GCF. Through direct access, financial institutions wish to learn about and graduate to climate finance, develop a range of climate finance products and target groups, and enhance the markets and enabling environment for adaptation and mitigation. IAEs and DAEs are complementary in private sector development, their relationship is evolving, and there is much demand for more capacity-building from DAEs to IAEs. The GCF could provide more specific assistance through readiness support, project grant components or technical assistance through in-country IAEs or DPs to facilitate accreditation, project pipeline and banking models. BMCE is a good example of an entity that is at the same time an executing entity in a GCF project (EBRD [FP025]) and trying to establish itself as an accredited GCF entity, which offers the opportunity of learning by doing. The example of an abandoned GCF project by a DAE shows the sensitivity of private sector entities to high transaction costs and lack of know-how in the GCF process. Blending grant and loans for private sector development in the Saïss water conservation projects could hopefully become a model to be broadened beyond Morocco.

C. Morocco appendices

1. List of stakeholders consulted

No.	Name	Position	Organization
1	Rachid Firradi	(SEDD/DECEVDPCC) directeur	NDA
2	Souad El Asseri	(SEED/DECC DPCC) chef de service	NDA
3	Nassira Rheyati	(SEDD/DCIDPCC) chef de division	NDA
4	Tahiri Rachid	(SEDD/DECEVDCCDBEV) chef de division	NDA
5	Siad Aicha	(SEDD/DPCC) CADRE	NDA
6	Mr Ahmed Felus Amrani	Chef de département partenariat et financement	ANZOA
7	Ariba Abdelhakim	Directeur administratif et financier	ADA
8	Mme Meryem Andaloussi	Direction administrative et financière	ADA
9	Jinar Farid	Direction de la gestion des projets	ADA
10	Faik Hamid	Direction administrative et financière	ADA
11	Mr. Belghiti	Directeur general adjoin	Direction de l'irrigation et de l'aménagement de l'espace agricole
12	Mr. Bouir	Directeur general	Direction de l'irrigation et de l'aménagement de l'espace agricole
13	Maélis Borghèse	Chargée de mission	AFD
14	Mokhtar Chemaou	Chargé de mission	AFD
15	Mathieu Artiguenave	Chargé de mission	AFD
16	Abdelhak Laiti	Assistant FAO representative	FAO
17	Abderrahim Ksiri	Président	L'association des enseignants des sciences de la vie et de la terre
18	Jamal Eddine El Jamali	Directeur générale et membre de directoire	La Banque Crédit Agricole du Maroc (CAM)
19	Meriem Dkhil	Directeur du pole coopération et développement durable	La Banque Crédit Agricole du Maroc (CAM)
20	Mohammed Zahidi	Directeur financier, branche électricité	Office National de l'electricite et de l'eau(ONEE)
21	Mohammed Redouane ALJ	Directeur Générale	Attijjari Wafa Bank (TWB)
22	Ghita Benhaioun	Senior Manager	Attijjari Wafa Bank (TWB)

No.	Name	Position	Organization
23	Leila Mikou	Sustainable Development Director	La Caisse de Depots et de Gestion (CDG GROUP)
24	Marie –Alexandra Veilleux-Laborie	Directirce de la BERD au Maroc	Banque européenne pour la reconstruction et le développement (BERD)
25	Denise Angel	Conseillère technique	GIZ
26	Mustapha Mokass	Director	Beya Capital

2. List of documents consulted

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GCF documents

ADA. (2019). Annual Performance Report for FP022 covering 03-12-2018 to 31-12-2018.

AFA. (2019). Annual Performance Report for FP042 covering 01-01-2018 to 31-12-2018.

Concept notes for: *Strengthening Climate Resilience of Ecosystems and Communities in the Province of Khenifra* (ADA, November 28, 2018); *Project of energy recovery from olive waste in Fez-Meknès Region* (ADA, April 25, 2017); *Integrated flood management to enhance climate resilience of Tata and Tetouan* (ADA, March 27, 2017); *Green Cities Programme* (EBRD, March 4, 2016).

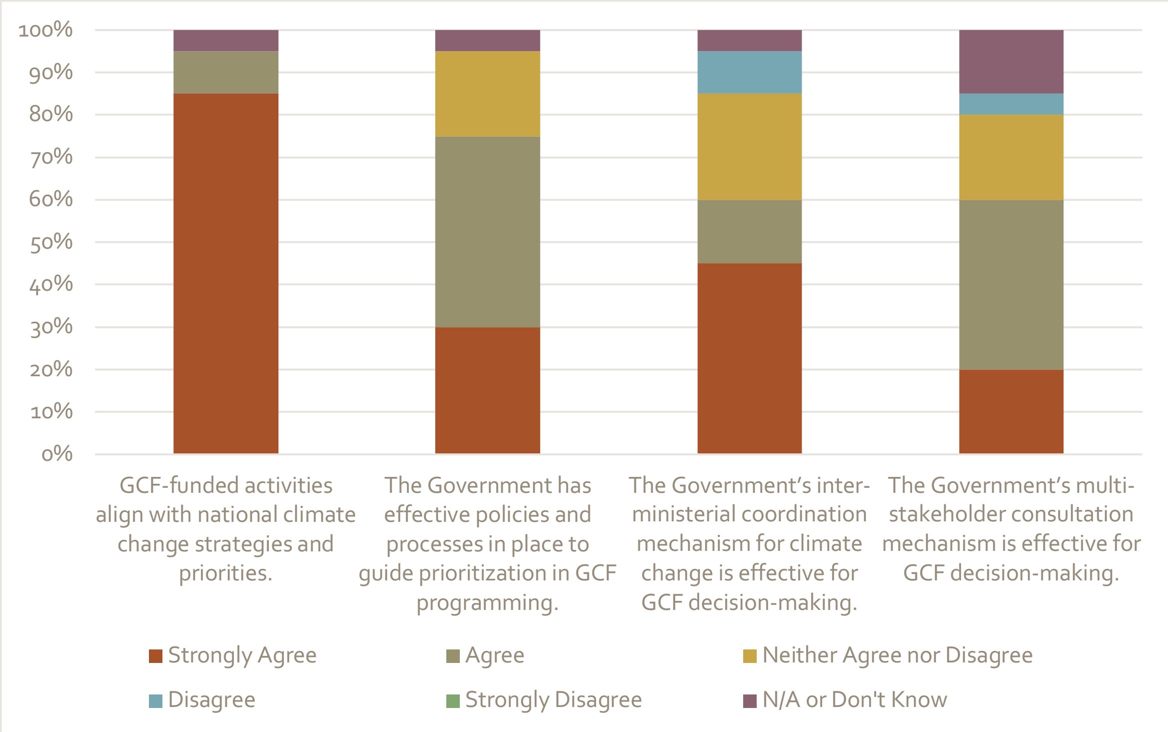
EBRD. (2019). Annual Performance Report for FP025 covering 02-02-2018 to 31-12-2018.

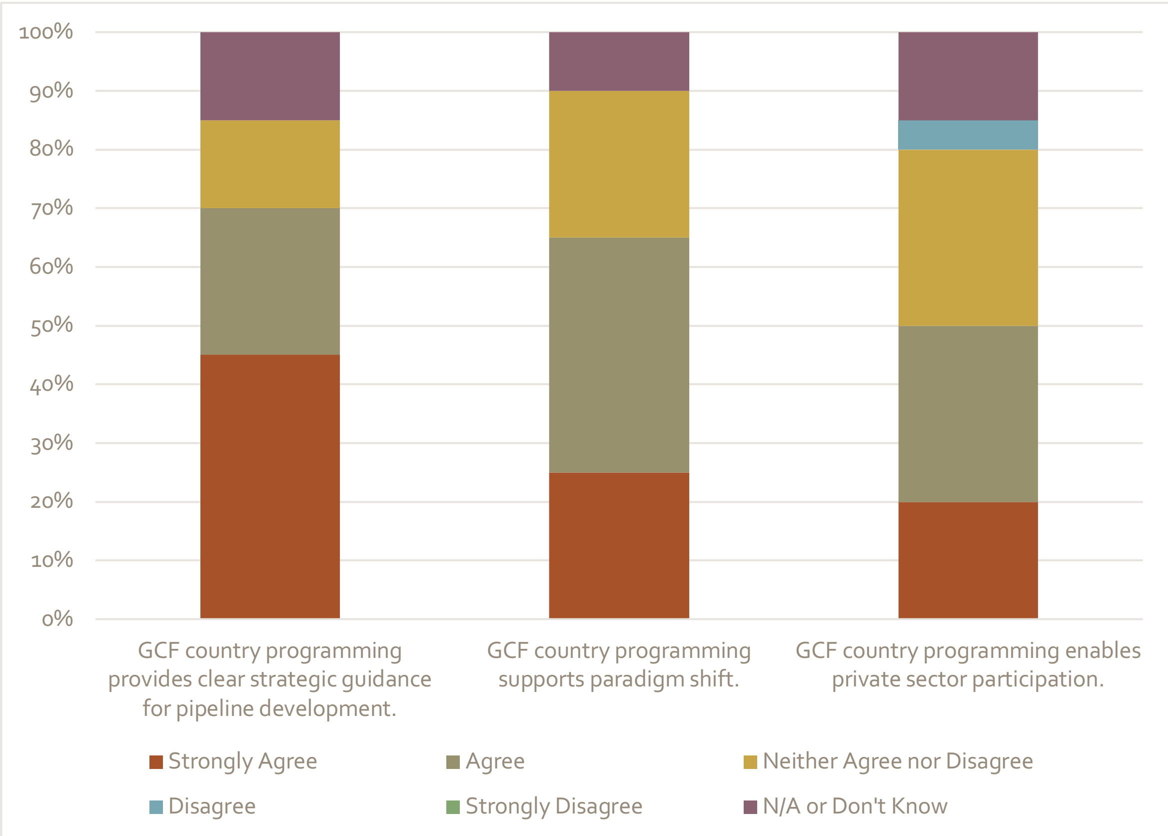
Funding proposal packages for *Development of arganiculture orchards in degraded environment (DARED)* (FP022); *GCF-EBRD Sustainable Energy Financing Facilities* (FP025); *Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco* (FP042); *The Saïss Water Conservation Project* (FP043); *Transforming Financial Systems for Climate (The "TFSC programme")* (FP095); *Climate Investor One* (FP099).

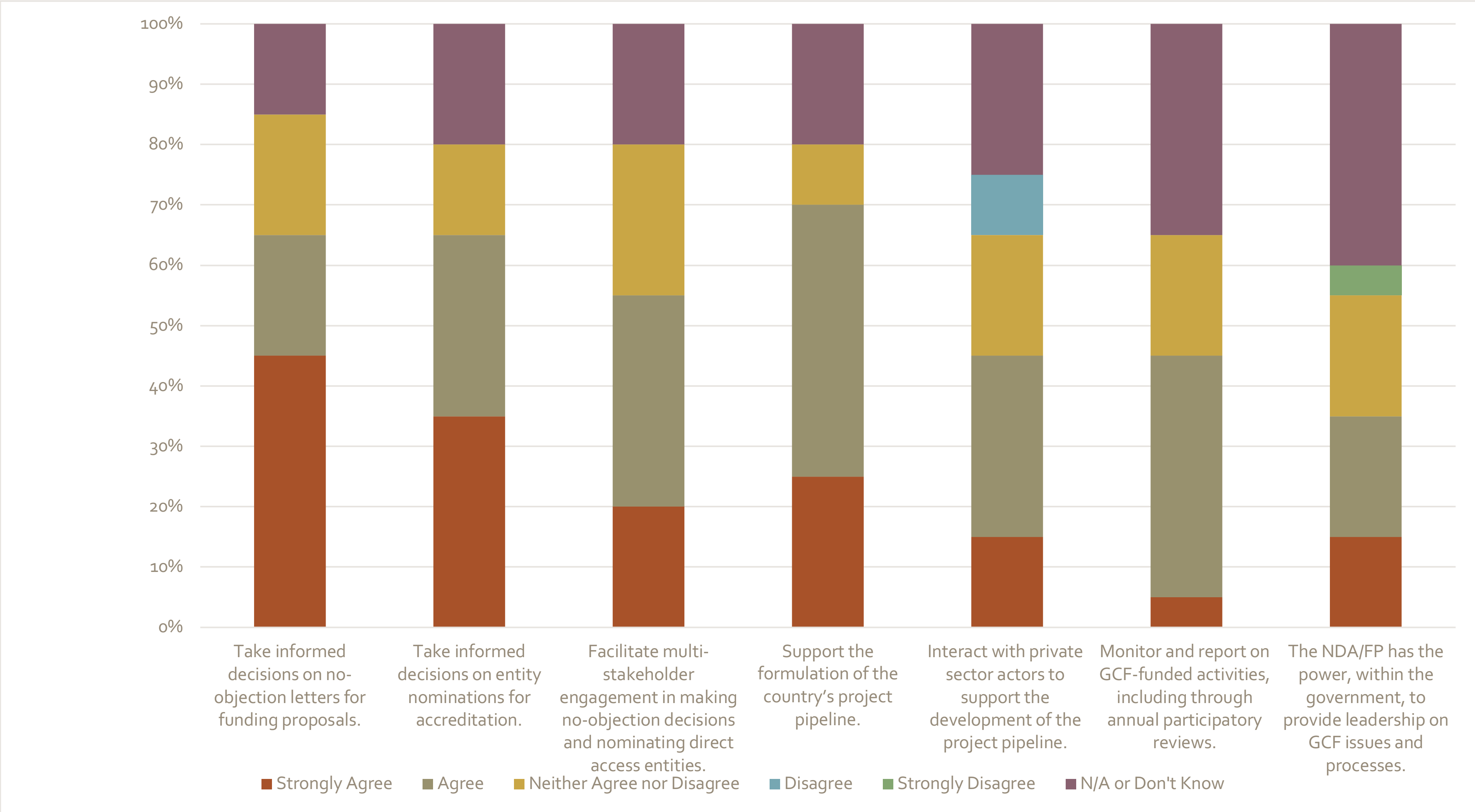
RPSP proposals for *Strengthening ADA's project development and implementation capacities, as well as initiating the process for upgrading ADA's accreditation category* (approved July 2017), delivery partner: ADA; *NDA Strengthening and Country Programming* (approved October 2016), delivery partner: Beya Capital.

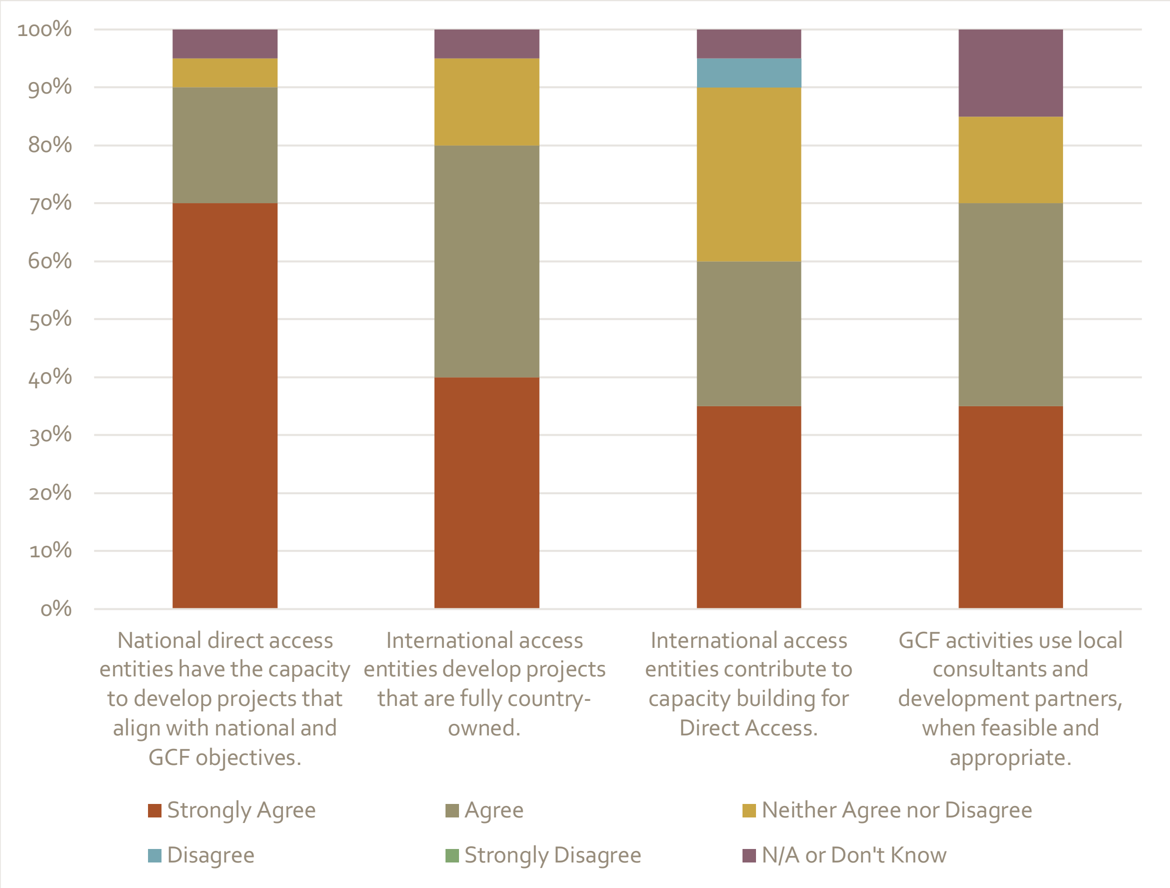
3. Results of the in-country survey in Morocco

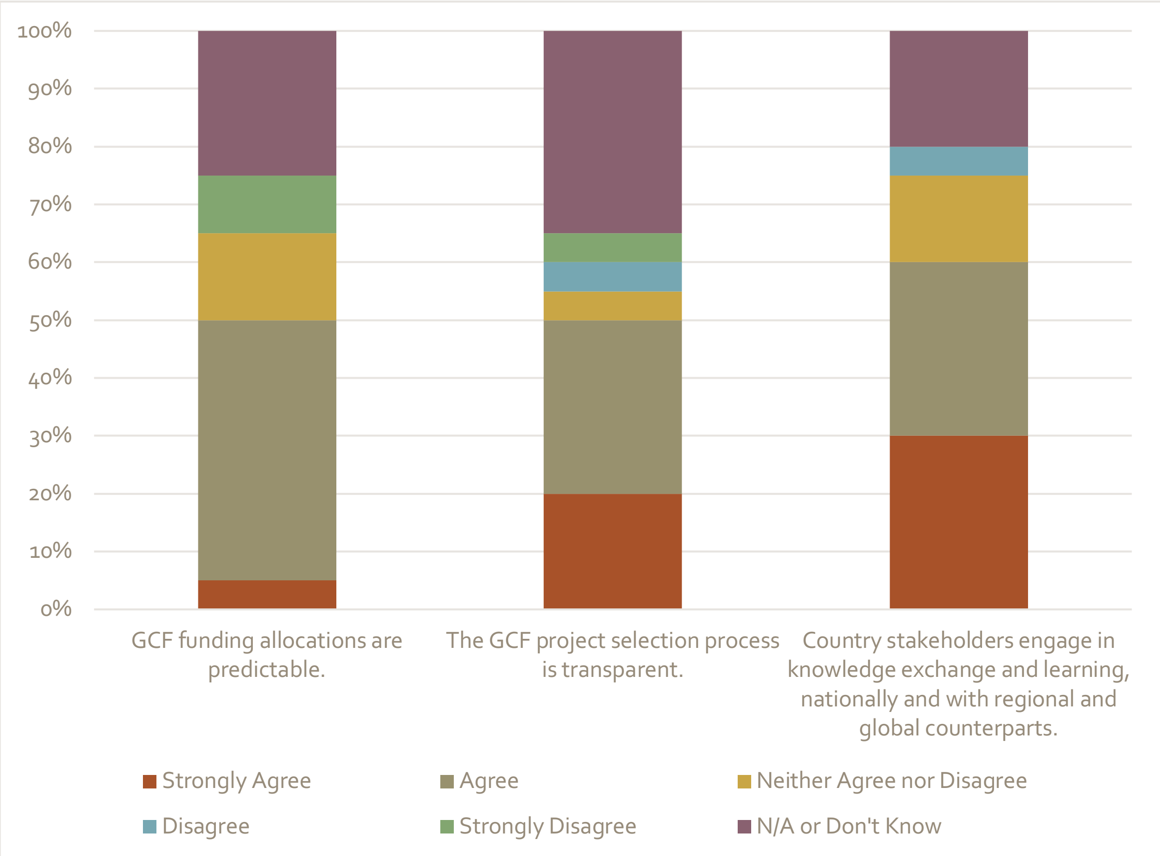
The in-country survey was administered to 20 people at the end of each interview conducted during the country visit to Morocco. The largest proportion of respondents were accredited or nominated entities (65 percent), followed by government (29 percent), and delivery partners (6 percent). The results are shown below.






100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Take informed decisions on no-objection letters for funding proposals.
Take informed decisions on entity nominations for accreditation.
Facilitate multi-stakeholder engagement in making no-objection decisions and nominating direct access entities.
Support the formulation of the country's project pipeline.
Interact with private sector actors to support the development of the project pipeline.
Monitor and report on GCF-funded activities, including through annual participatory reviews.
The NDA/FP has the power, within the government, to provide leadership on GCF issues and processes.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know


100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
National direct access entities have the capacity to develop projects that align with national and GCF objectives.
International access entities develop projects that are fully country-owned.
International access entities contribute to capacity building for Direct Access.
GCF activities use local consultants and development partners, when feasible and appropriate.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know


100%
90%
80%
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20%
10%
0%
GCF funding allocations are predictable.
The GCF project selection process is transparent.
Country stakeholders engage in knowledge exchange and learning, nationally and with regional and global counterparts.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know

4. Normative framework for country ownership

For the country case studies, the framework was adapted into a tool with a scoring system, drawing heavily on the in-country survey results to provide the numerical scores. The results are shown in the table below.

Pillars of country ownership	Dimensions	Maximum Possible Score	Morocco Score	Morocco Ratio (Morocco Score ÷ Maximum Score)
Leadership and consultation: Country governments lead strategic programming and prioritization processes, ensuring policy alignment, and in broad consultation, through a multi-stakeholder participatory process.	Recipient country leadership in strategic programming and prioritization	18	14.6	0.81
	Alignment of GCF objectives and support with national strategies and priorities	9	7.5	0.83
	Multi-stakeholder engagement including civil society and private sector	9	7	0.78
	Subtotal	***36***	***29.1***	***0.81***
Institutional capacity: Country stakeholders have the capacity to plan, manage, and implement activities that address GCF objectives.	Capacity to plan, manage and implement climate activities	35	28	0.80
	Use of country systems, partners, and co-investment	6	3.4	0.57
	Subtotal	***41***	***31.4***	***0.77***
Mutual responsibilities: The GCF, AEs and recipient countries adopt best practices in planning, delivery, and reporting, and are accountable to each other for these practices.	Predictability and transparency of funding allocation	6	4.2	0.70
	Timeliness of commitment and disbursement of funding	NR	0	NR
	Accredited entity mutual responsibilities	6	4.8	0.80
	Sharing of results and experiences with national and international stakeholders	6	5.4	0.90
	Subtotal	***18***	***14.4***	***0.80***
TOTAL - UNWEIGHTED		**95**	**74.9**	**0.79**
TOTAL - WEIGHTED		**95**	**72.6**	**0.76**

ANNEX 11. UGANDA COUNTRY CASE STUDY REPORT

A. BACKGROUND AND CONTEXT

1. COUNTRY AND CLIMATE CHANGE CONTEXT

The Republic of Uganda is located in East Africa, in the heart of the Great Lakes region, with a tropical landscape of savannahs, rainforests and lakes. Uganda is populated by a large number of communities from different cultural backgrounds, with a significant demographical expansion in recent years resulting in a population of nearly 44.5 million. The country has experienced a politically stable period in the last 30 years, with the same president and ruling party in power, following the end of conflict in 1986.

Uganda is considered a low-income and least developed country, despite relatively high economic growth rates since 2008 (GPEDC, 2016). Uganda remains primarily an agricultural economy where low-payment jobs predominate; more than 80 percent of the rural population of Uganda, mostly smallholder farmers, relies on subsistence agricultural production. Thus, adaptation in the agricultural sector is seen as particularly critical to enhance food security, improve livelihoods and contribute to development in other sectors (MAAIF, 2018). The country is experiencing significant effects of climate change. Average temperatures in semi-arid regions of Uganda are increasing, particularly in the southwest, and the frequency of hot days has increased, causing the spread of malaria into new areas of the country. Erratic weather patterns (including droughts and flood) are also more frequent and linked with increased cattle death. Given the heavy reliance of Uganda on its natural resource base, the increase in droughts significantly affects water resources and, subsequently, hydroelectricity production and agriculture (GoRU, 2015).

2. GCF PORTFOLIO AND INSTITUTIONAL ARRANGEMENTS FOR ENGAGING WITH THE GCF

National designated authority (NDA). The NDA is located in the Ministry of Finance, Planning, and Economic Development (MoFPED). The Permanent Secretary/Secretary to the Treasury has legal signing authority on behalf of the NDA. (See Section II.B below for more detail on the NDA.)

Readiness and Preparatory Support Programme (RPSP). The Government of Uganda submitted a readiness proposal (USD 700,593) to the GCF Secretariat in May 2018, which was approved in May 2019. The delivery partner is the Global Green Growth Institute (GGGI). The Government also received earlier readiness support through the German-funded Climate Finance Readiness Programme. (See Section II.B below for more detail on readiness.)

Accredited entities. Four national entities were nominated by the NDA and pursue accreditation for direct access with the GCF. These are the Ministry of Water and Environment (MoWE), the Kampala Capital City Authority (KCCA), the National Environment Management Authority of Uganda (NEMA) and the Uganda Development Bank Limited (UDBL). (See Section II.C below for more detail on direct access and accreditation.)

Funding proposals and pipeline. Five funding proposals for Uganda have been approved by the GCF Board. Of these, one project, *Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda* (FP034), is under implementation, with the first disbursement in October 2017. This is a public sector project with a total project value of USD 44.3 million (USD 24.1 million from a GCF grant), implemented by the United Nations Development Programme (UNDP) and executed by the MoWE; the Ministry of Agriculture, Animal Industry, and Fisheries;

and the Uganda National Meteorological Authority. The other four approved projects are multi-country, private sector projects that have not yet been disbursed; they are as follows:

- *Geeref NeXT* (FP038), implemented by the European Investment Bank, approved in April 2017
- *Acumen Resilient Agriculture Fund (ARAF)* (FP078), implemented by Acumen, approved in February 2018
- *Transforming Financial Systems for Climate* (FP095), implemented by the Agence Française de Développement (AFD), approved in October 2018
- *Climate Investor One* (FP099), implemented by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), approved in October 2018

In addition, seven concept notes for projects that include Uganda have been submitted to the GCF Secretariat between 2017 and the time of writing; these are all adaptation projects focused on the resilience of ecosystems and livelihoods through sustainable forest and land-use management (submitted by the International Union for Conservation of Nature [IUCN]), sustainable landscape management for climate-resilient agriculture (submitted by the African Development Bank [AfDB]), climate services (submitted by UNDP), agricultural and ecosystem resilience through agroforestry (submitted by the United Nations Environment Programme [UN Environment]), sanitation and hygiene (submitted through the United Nations Office for Project Services [UNOPS]), and strengthening resilience of ecosystems and livelihoods (submitted by the World Bank).

3. Climate finance context

Uganda has received a substantial amount of climate finance. International adaptation finance totalled more than USD 264 million between 2010 and 2012, coming primarily from bilateral official development assistance from European countries and the United States. This assistance has largely targeted water and sanitation, agriculture, and disaster prevention and preparedness. The Government is the main recipient of this adaptation finance, with most resources channelled through the MoWE (Lukwago, 2015).

In terms of dedicated multilateral climate finance, two Global Environment Facility (GEF) projects totalling more than USD 25 million are implemented by UNDP and focus on integrated landscape management for improved livelihoods and ecosystem resilience, and addressing barriers to improved charcoal production technologies and sustainable land management practices. Uganda has one project with the Adaptation Fund (USD 7.7 million); named EURRECCA, it is implemented by the Sahara and Sahel Observatory and is focused on enhancing community resilience through catchment-based integrated water management.

Uganda is also a pilot country with the Climate Investment Funds, and has developed investment plans under the Scaling Up Renewable Energy in Low Income Countries Program (SREP), the Pilot Program for Climate Resilience, and the Forest Investment Program. Under the SREP, Uganda has been allocated USD 50 million in concessional finance for investments in geothermal, solar photovoltaic net-metering, mini-grids and wind power.

4. Progress towards effective development cooperation in country context

Uganda has long-term and medium-term development policies in place: the Vision 2040 and five-year national development plan (NDP). By law, all sectors must develop sector investment plans with priorities and results that link to these plans. The 2016 monitoring profile on aid effectiveness by the Global Partnership for Effective Development Co-operation (GPEDC) found that, increasingly, partner assistance strategies have become more closely aligned with the NDP II, thanks in part to the Government's Partnership Policy (2012, see Box A - 8) and Joint Budget Support Framework. Major development partners include the United States, World Bank, United Kingdom, Japan and European Union institutions. In 2015, 92 percent of development cooperation was aligned to national objectives. However, only 46 percent included country-led results and just 35 percent used the country's monitoring systems, indicating a strong tendency among partners to continue to use their own systems (GPEDC, 2016).

Box A - 8. Guiding principles of Uganda's Partnership Policy

Alignment: Development cooperation should be aligned to the National Development Plan, sector strategies and government's financial management, procurement and monitoring and evaluation systems.

Managing for results: Progress on implementing the Partnership Policy will be evaluated annually.

Accountability: The Government and Development Partners (DPs) shall be accountable to each other and to the citizens of Uganda in the implementation of the Policy and in the use of development resources.

Value for money: The Government shall strive towards achieving value for money from its development cooperation.

Transparency and predictability: The Government and DPs shall apply the highest degree of transparency and predictability on flows and results of development cooperation.

Reducing transaction costs: The Government and DPs shall ensure that improved aid management results in lower transaction costs.

Inclusivity: The Government shall ensure that all DPs participate in this policy and that all the Government agencies and national stakeholders are involved in the implementation of the policy.

Coordination: The Government together with DPs shall coordinate the implementation of this policy through existing policy-making structures and processes to minimize additional transaction costs and maximize alignment with the NDP.

Source*:* Government of the Republic of Uganda, 2013

Only 55 percent of development cooperation was recorded in the government budget, down significantly from 2011 when 96 percent of official development finance was captured in the Government's budget preparation process. The World Bank and the United Kingdom performed best in this regard, with all their official development finance reported on budget. On average, 68 percent of development finance used various country systems, with 70 percent using national procurement. Partners have channelled assistance somewhat equitably between government and civil society organization (CSO) implementation. Untied aid has remained quite high, at 92 percent (GPEDC, 2016).

The Ugandan legal and regulatory framework allows for regular consultative processes with civil society and the private sector throughout the policy cycle, and national development policies were developed through consultative processes that engage these non-state actors. The Government of Uganda has a guide to policy development and management that emphasizes multi-stakeholder consultations in policy formulation, implementation and monitoring, although the various government departments have not always adhered to this policy (GPEDC, 2016).

B. Key findings

1. Country leadership and engagement

a. Climate change policies and strategies

The Government of Uganda has adopted national climate change policies, strategies and plans that can strongly and effectively guide prioritization for climate finance, including GCF programming. This finding is supported by interviews, the stakeholder survey (see Annex C) and review of the climate-specific policies and strategies of Uganda.

The growing body of climate change related strategic plans and policies in Uganda demonstrate the commitment of the Government to ready the country to adapt to and mitigate climate change. This starts with mainstreaming climate change in the Vision 2040 strategy and the Second National Development Plan 2015/16–2019/20 (NDP II). This ambition is equally supported by the National Climate Change Policy (2015), its Costed Implementation Strategy and the Climate Change Bill 2017. To operationalize the Vision 2040 and NDP II, Uganda has also recently launched the Uganda Green Growth Development Strategy (UGGDS) and the UGGDS Implementation Roadmap to accelerate the country's transition to a green economy (GoRU, 2018). In order to create resilient cities, the Kampala Climate Change Action Strategy was designed to ensure the city's development path takes a low-emission approach, builds resilience and maximizes the co-benefits of efficiency, economic diversity and human well-being.

Uganda communicated its nationally determined contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2015; in mitigation, the NDC focuses on energy supply, forestry and wetland sectors, and in adaptation, the priority sector is agriculture. The Government has also prepared a specific national adaptation plan for the agricultural sector (not GCF-supported). And recently, Uganda became the first country in Africa to develop a results-based NDC Partnership Plan, which builds on and aligns with existing policy frameworks, as mentioned above, as well as national sectoral policies (GoRU, 2018). Through its NDC Partnership Plan, Uganda is raising its ambition by setting the timeline to achieve certain NDC actions sooner and elaborating and clarifying actions for transformative change as the country grows and develops into the future. The plan identifies 49 activities for the next three years, including enacting a legal framework for climate action; developing a project pipeline of investment-ready projects for funding across priority sectors; establishing and strengthening national climate change funding mechanisms; modelling national temperature and precipitation and extreme event scenarios; and developing a national greenhouse gas inventory system (GoRU, 2018). This plan is intended as a tool for finance mobilization.

b. Institutional structures to coordinate climate change

The institutional mandate for climate change is shared among ministries in Uganda, with a leadership role from the Climate Change Department of the MoWE, which has the mandate to coordinate national climate change actions in different sectors. The UNFCCC focal point is located in this department also. For the recently launched NDC Partnership Plan, the Government designated three focal points: the Climate Change Department of the MoWE, the MoFPED (Development Assistance and Regional Cooperation Department), and the National Planning Authority. A national climate change law is currently before Parliament that would further clarify the mandate and role for climate change within the Government and is seen as likely to expand the mandate and jurisdiction of the MoWE.

At the national level, a National Climate Change Policy Committee has been established, headed by the Permanent Secretary of the MoWE and bringing together ministers from various departments at the national level. This policy-level committee is supported by a technical committee with climate change focal points from each of the sectors with mandates in the policy. Each line ministry has a climate change focal point. There are also ad hoc thematic working groups organized around important themes.

c. Understanding country ownership

The Government of Uganda and its country partners have clear ideas about what constitutes country ownership in the GCF context.

It is widely agreed that the most relevant factor for country ownership is a strong and enabled NDA, supported by an interministerial, multi-stakeholder committee with clear guidelines, operational procedures and criteria for GCF-related decisions. This committee is seen as important to ensure ownership transcends beyond the national and NDA level, including to other ministries and local governments. Country ownership should also mean that climate change is mainstreamed in all sectoral policies and investments and projects. All in all, to Uganda, it means deriving interventions from the needs of the country population.

For the Government, country ownership also means that GCF funded projects work towards the achievement of the Uganda Vision 2040, the NDP II, the UGGDS and the National Climate Change Policy. Direct access is also very important for country ownership, a point particularly emphasized by government interviewees. Co-investment to secure national ownership is definitely seen as an indication of country ownership and paradigm shift, particularly in view of scaling up, by both the Government and its development partners and other stakeholders.

From the perspective of those responsible for negotiating at the UNFCCC Conference of the Parties, the predictability and scope of the GCF resource envelope are the most important foundations for country ownership, as is fast and reliable access to these resources. Both are seen as currently seriously lacking in the GCF. According to interviews, through establishing the GCF, least developed countries sought to overcome some of the conditionalities associated with other climate finance organizations.

d. Multi-stakeholder engagement

There is a sizeable community of civil society groups active on climate change issues in Uganda. Private sector organizations and CSOs are included in the standing NDA Inter Ministerial Committee and have been consulted in no-objection letter (NoL) and nomination decisions and GCF country programme development, as discussed further below.

The GCF recently approved an RPSP proposal that aims to increase stakeholders' engagement in consultative processes, by developing and implementing an NDA-led government–private sector and CSO dialogue platform to increase the participation of non-state actors in decision-making processes related to national climate priorities and interventions, including those potentially financed by the GCF. The results of the dialogue platform are expected to support the implementation of national climate change interventions through the engagement of non-state actors and to inform the update of the country programme as well as benefit the project pipeline development process (GCF, 2017). This platform would also support an annual participatory review of the GCF portfolio in Uganda.

In interviews, CSOs expressed the view that the current GCF business model does not guarantee sufficient access and influence for civil society. In particular, CSOs pointed out that no funding window has been set up specifically for CSOs, there is no requirement to include CSOs as service providers in executing GCF projects, and all nominated direct access entities (DAEs) that are pursuing accreditation are either public entities or publicly owned.

e. Country programming

The Government has prepared a draft GCF country programme, developed with the GCF guidance available at the time (2016), under the leadership of the MoFPED and in close technical consultation with the MoWE. Its preparation was assisted by the International Institute for Sustainable Development under the German-funded Climate Finance Readiness Programme. Under the recently approved RPSP proposal, the Uganda country programme is planned to be updated to (i) better reflect emerging policy opportunities (e.g., NDP III); (ii) move beyond the narrower interests of specific accredited entities and nominated DAEs; and (iii) strengthen sections on private sector and other stakeholder engagement. Ultimately, the Government envisions that it will "churn projects" out of the country programme, to support ownership, which would also align with the entity work programmes of DAEs or IAEs.

The 2016 country programme maps the priority mitigation and adaptation sectors for Uganda, driven by national policies and strategies including the NDC, Vision 2040, NDP II, UGGDS and National Climate Change Policy, to the GCF result areas and provides some general ideas about projects in those areas. However, it does not narrow down to a specific pipeline, for instance with specific project concepts and accredited entities identified for each project. The latter is planned in the recently approved RPSP grant.

Some interviewees questioned the usefulness of the current country programme, since it does not provide a tool for decision-making on prioritizing or rejecting project concept notes or funding proposals—although it is part of the NDA's template for screening projects. Other government interviewees were unclear on the role of the GCF country programme, wondering if the country programme would be used by the GCF Secretariat as a reference document for approving projects. At the time that the Uganda country programme was prepared, the GCF guidance on what a country programme should be and how it should be prepared was considered insufficient. Two interviewees also noted that, first, the GCF resource envelope makes programmatic planning difficult and, second, the GCF business model and process are not yet well understood by many stakeholders in Uganda, except for the "first come, first served approach."

The GCF country programme has not been made widely available, and few country stakeholders have seen its final version. The Uganda country programme is also not listed among the GCF country programmes in the GCF Secretariat's records, possibly since it was not an RPSP deliverable, although it was submitted to the GCF.

f. Alignment with national priorities and needs and GCF objectives (paradigm shift)

There is wide agreement that GCF projects are aligned with national climate change strategies and priorities in Uganda, as evidenced through interviews and the stakeholder survey (with 100 percent of respondents strongly agreeing or agreeing to this point, see Annex C).

The Uganda GCF country programme offers a definition of paradigm shift, which is mainly the replication and wide adoption of projects, programmes and practices that lead to a significant shift away from emission-intensive infrastructure and that establish a climate-resilient economy, in order to sustain long-term transformation. But to many interviewees in Uganda, the concept of paradigm shift as employed by the GCF is far from clear, particularly what it may mean concretely for climate change adaptation. For example, to what extent does paradigm shift require innovation, technology shift and outside-of-the-box thinking? Or should it instead refer to the systematic and widespread mainstreaming, application and upscaling of best practices that are already well known or on the shelf? And, secondly, does the demonstration, adaptation and piloting of new approaches and technologies that may have already been working in other countries qualify as paradigm shift?

The GCF-funded, UNDP-implemented adaptation project in Uganda offers an example of the potential tension between country ownership and paradigm shift. This wetlands restoration project is strongly country-supported, as evidenced by interviews as well as the existence of a Presidential initiative on wetlands, significant national government co-investment to restore priority wetlands, and subnational government in-kind co-investment. Yet the GCF Secretariat rated the paradigm shift potential as low, a rating that was further supported by the evaluation team's field visit to one of the project sites. The project design is partly based on a scaling-up of a GEF biodiversity focal area project that implemented wetlands restoration and alternative livelihoods on a smaller pilot scale; in focus groups with the community and project team, systemic challenges were already identified in terms of the value chain (e.g. storage issues for the increased volume of production, and connecting to markets to support the envisioned volume of vegetable harvest).

g. Government co-investment

The Government of Uganda is providing significant co-investment to its one approved national project (with UNDP), representing more than 40 percent of the total project value (USD 18 million of USD 44 million), partly in-kind. At the moment, proof of co-investment is a precondition for each subsequent GCF disbursement. One issue is to ensure commitments for post-investment maintenance and repairs, particularly of infrastructure.

2. Country institutional capacity

a. NDA capacities (relationships, structures, processes and skills)

The MoFPED serves as the GCF NDA, and the Permanent Secretary/Secretary to the Treasury has legal authority, supported by the Department of Development Assistance and Regional Cooperation.

The MoFPED is widely seen as having the convening power within the Government to provide leadership on GCF issues and processes, as supported by interviews and the in-country stakeholder survey (with nearly 100 percent of respondents agreeing to this point).

Although the MoWE plays an important role in climate change in Uganda, the choice of MoFPED was partly motivated by the expectation that MoFPED could play a strong role in mobilizing climate finance. Early alternatives as NDA had been the National Planning Authority and the Office of the Prime Minister. From the start, the MoWE was regarded as the relevant corresponding technical lead entity, also to be accredited for direct access. Keeping the roles of NDA and the main technical entity in separate ministries is also seen as important to introduce some checks and balances in the system, particularly when the technical entity is at the same time nominated for DAE.

The NDA is advised by a standing interministerial and multi-stakeholder committee, which meets on an ad hoc basis when there is business to address. The NDA committee includes line ministries and agencies, local governments at the district level, CSOs and the private sector. Not all ministries and agencies are represented at senior levels in this committee, however. In terms of civil society participation, two CSOs currently participate in the committee, selected by a broader constituency of CSOs; this participation has been increased from the original one CSO member. Other partners, such as nominated or already accredited entities and beneficiaries, are invited to NDA committee meetings to discuss FPs. Some interviewees noted that currently much power and ownership of the GCF programme is concentrated in the NDA and that the process of decision-making and inviting different partners to the NDA committee is not always fully transparent. Still, more than 70 percent of in-country survey respondents felt that the Government's interministerial and multi-stakeholder coordination mechanism was effective for GCF decision-making.

The evaluation team was informed that there are terms of reference for the NDA and the NDA committee. The NDA committee is responsible for making recommendations on the no-objection decisions and the DAE nominations to the NDA/focal point, who takes the final decision. The NDA committee meetings enable the NDA to share information and explain GCF processes, to approve concept notes and recommend NoLs (to be signed by the Permanent Secretary/Secretary to the Treasury), and to discuss pre-feasibility studies and preparation of FPs.

In terms of organizational processes, the NDA has effective procedures in place for NoLs and the nomination of DAEs for accreditation. Nearly 80 percent of in-country survey respondents agreed that the NDA has the capacity to make informed decisions on NoLs and entity nominations. Interviewees concurred that the project review and no-objection procedure process is clear and implemented effectively. NoLs for projects are provided at concept stage and are only required to be re-issued for FPs if there are major changes in design or budgets compared to the concept notes. All the proposals, concepts and nominations that have so far been submitted to the Fund have been vetted by the NDA and its committee, and the NDA has rejected several concept notes due to quality. According to the NDA, some project proposals have been submitted to the GCF without an NoL and have been referred back to the NDA by the GCF Secretariat.

The NDA's capacities and skills have been growing over time, with approximately five part-time staff involved, mostly from the Department of Development Assistance and Regional Cooperation, including several senior staff, such as the Assistant Commissioner who supervises the NDA and a Principal Economist. Because the MoFPED has limited technical expertise in climate change, the role of the NDA committee members, especially the MoWE, in reviewing concept notes and FPs is seen as important. Recently, the Ministry's Department of Project Appraisal and Public Investments' Management, which reviews all major projects in the country, has been invited to be part of the NDA to facilitate mainstreaming of climate change considerations into investments. Overall, stakeholders see the NDA as strongly committed and proactive in engaging with the GCF. However, the NDA's capacity to fulfil its functions effectively is still seen as needing support, due to its part-time nature of engagement and limited readiness and project preparation support in recent years. In particular, the responses to the in-country survey indicated that the NDA's capacities were lowest on interacting with private sector actors and monitoring and reporting on GCF funded activities (including through an annual participatory review). Only 35 percent of respondents strongly agreed or agreed that the NDA has the capacity to interact with the private sector to support development of the project pipeline.

Uganda had some earlier readiness support from the German-funded Climate Finance Readiness Programme, implemented by UNDP and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). This support helped the NDA through to 2016 to set up the no-objection and nomination procedures, develop a draft country programme, and engage different ministries and CSOs.

In the 2017–18 period, there was a significant gap in readiness support, due to delays in getting approval for the Government's RPSP proposal. This raised serious concerns for the Government of Uganda in terms of GCF commitment to country ownership principles, when the GCF Secretariat did not approve the MoFPED's proposal to directly implement approximately USD 300,000 in RPSP funds and instead asked the NDA to go through a delivery partner. Further negotiations followed in terms of who could be the delivery partner, GIZ or GGGI, and ultimately an RPSP proposal with GGGI was approved in early 2019.

The gap in readiness support affected to some extent the planned further development of the Uganda GCF country programme, support for the DAE accreditation process, and the development of a balanced project portfolio. The main objectives and work areas of the new RPSP are supposed to fill these gaps and focus on a better understanding by all country stakeholders of the functions of the NDA committee, project cycle and financial management aspects. Its four workstreams intend to (i) further strengthen NDA capacity, particularly in view of enhanced country coordination, no-objection processes and stakeholder engagement; (ii) focus on engagement of the private sector through a study of opportunities and constraints, as well as CSO participation; (iii) revisit the country programme; and (iv) further develop the project pipeline. Three DAEs will also be supported in their accreditation processes (KCCA, NEMA and UDB) and entity work programming.

A key factor for NDA capacity, as well as the capacity of other institutions to engage with the NDA and the GCF, is information and know-how on GCF expectations and business processes. Several interviewees, including accredited entities and civil society and private sector actors, felt that information about relevant GCF opportunities, procedures and decisions is currently not sufficiently disseminated such that it reaches all those that may be interested in the GCF in Uganda. The NDA finds it difficult to effectively contact and communicate with the GCF Secretariat; response times are considered to be too slow.

b. Project cycle, including use of country systems

Uganda has not yet accessed the GCF Project Preparation Facility funding, and its preparation of country-driven FPs has been lagging somewhat – although it has issued NoLs for four multinational, private sector projects.

At the project level, stakeholder consultations have taken place in line with IAE project design and implementation procedures.

The one national project, *Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda* (FP034), is being implemented by the UNDP using its National Implementation Modality, meaning that the government implementing partner directly assumes the responsibility for the related output (or outputs) and carries out all activities towards the achievement of these outputs. It can use its own policies and procedures if it so wishes (e.g. for procurement), as long as they do not contravene the principles of UNDP.

3. Country ownership through accreditation and direct access

a. Nomination of direct access entities

Four national entities were nominated by the NDA and pursue accreditation for direct access with the GCF. These are the MoWE, KCCA, NEMA and UDBL, the latter a 100 percent government-owned bank. The MoWE is asking for accreditation for medium-size projects (USD 50 million to 250 million), NEMA and KCCA for small projects (USD 10 million to 50 million), and UDB for microprojects of less than USD 10 million.

The nomination of DAE in Uganda was guided by an initial assessment of the readiness of different agencies by GIZ, with help from UNDP, and based on a list of potential entities put together by the NDA. These included the MoWE, MoFPED, UDB and others. Fiduciary capacities were a major criterion, and the MoWE came out as the front runner. In the end, the NDA decided who to nominate. The MoWE was nominated first (in 2016) and the other three agencies (UDB, NEMA and KCCA) followed two years later. There were different views in the country about how many DAEs should be nominated, since GCF guidelines leave this question open. The Government argued for a higher number, for reasons of diversification and balance.

Some DAE nominations were apparently floated at an early stage but were not actively followed up by these agencies later. These were KPMG; the Bwindi Mgahinga Conservation Trust (BMCT), a local CSO; and the Uganda National Meteorological Authority. These DAEs nevertheless remain part of the GCF database on nominated entities. The two latter agencies are now involved in GCF projects or project concept note development.

Notwithstanding the process followed as described above, informed observers noted that the NDA was not very proactive in strategically designing and thinking through DAE access. Decisions were not necessarily based on the country's sector and project priorities for the GCF, or on an assessment of the oversight capacity and jurisdiction of DAEs over other public entities or whether accredited entities actually had the capacity to reach the private sector (although UDB was meant to serve the latter). The initial goal of the NDA on accreditation was to get access to funds as fast as possible, with a preference for the MoWE. The NDA also received some guidance from the GCF during the visit of an NDA delegation to Songdo.

The idea of accreditation and what it means to be an accredited entity is not fully grasped in Uganda, as several interviews showed. As far as their motivation is concerned, for all nominated agencies the perceived advantage of simpler, less costly and unmediated access to GCF funds is a highly relevant factor. Secondly, more agency influence and control over strategic priorities, project design and implementation management is expected through accreditation. For the MoWE, its role as the designated technical counterpart for the NDA and lead for climate change was also decisive. The MoWE sees direct access and its oversight function as an important vehicle for mainstreaming environment in other agencies. UDB, as the only nominated DAE with on-lending capacity for the private sector, has been developing a green fund capacity and business model over recent years, including identifying bankable projects and new products (such as green bonds), with the help of international partners (UNDP, AFD and the Development Bank of South Africa). Adding the GCF as a partner would be of advantage.

Strategic ambition and political positioning also play a role in seeking DAE nominations. For NEMA, its mandate and convening power for the environment and for working with line ministries and municipalities on mainstreaming and enforcing environmental issues were important factors. Its nomination even went up to the Government's Cabinet. For the KCCA, the development of a well-received green climate action plan for the 2015 Paris Agreement motivated the city council to ask the GCF for help to operationalize this plan. KCCA supports the Ministry of Finance, Planning and Economic Development's vision of greening the NDP, with municipalities as a special target group. KCCA plans to work with other municipalities in sharing their experience and know-how at a later stage.

All four agencies have some form of track record of managing internationally financed projects. Some have upgraded their administrative capacities (MoWE and KCCA) in recent years and they consider themselves now as well capable of working with different executing agencies. Two agencies stated they have bankable projects for GCF support on the shelf (MoWE, UDB) and one agency has been nominated for direct access with other funds (MoWE, Adaptation Fund).

b. Accreditation process

So far, none of the Ugandan nominated DAEs have been accredited by the GCF, but most started the process seriously only in 2018, except for the MoWE.

For the MoWE, as the front runner for direct access in Uganda, the GCF accreditation process started in late 2016. Over the past two and a half years there have been four versions of the accreditation proposal. One of the main problems has been that the GCF requires from each DAE its own policies on specific subjects, and entities in the public domain cannot simply refer to government policies. The MoWE is now with the accreditation panel, and there are only very few questions left, among others those on gender. The MoWE does have the option of fast-tracking now, as they were recently accredited to the Adaptation Fund, but opted not to do so at this late stage in the process. Overall, the process has been seen as "humbling".

NEMA has gained accreditation online access and is in the process of doing its self-assessment. They consider GCF response times to be very long. UDB first learned about the GCF from GIZ but was not aware at that time of the long accreditation process. They found out more about GCF requirements and the process by chance when they met GCF Secretariat staff at a non-GCF event in South Korea. They have now obtained their credit rating (B+) and are moving to the other early requirements. KCCA submitted its accreditation request and has received its first feedback from the GCF. Earlier on, in 2016, UNDP helped KCCA with its preliminary readiness assessment and the identification of gaps. KCCA is currently interacting with the GCF in closing the gaps, such as those in their gender policy and project management procedures.

Some interview partners argue that the long accreditation process is caused less by a deficit of know-how than by relatively complex administrative requirements and processes that often involve political and upper management decisions in nominated DAEs. GCF responsiveness also plays a role. However, it also became evident to the evaluation team that several local entities have in the beginning been approaching the accreditation process with very limited knowledge on what it entails, or even what the end role and objective as a DAE would be.

The MoWE has been assisted by GIZ since the beginning of the process and still receives support. Earlier on, the MoWE did not have its own environmental and social safeguards in place and only had basic capacities for monitoring, reporting and evaluation. NEMA, UDB and KCCA have so far been receiving some technical support for the accreditation process from various non-GCF sources, but they are looking forward to the planned GCF RPSP support that has just been started by GGGI.

As the GCF communicates directly with nominated DAEs, the NDA is often out of the loop during the accreditation process, unless these DAE candidates give updates in the NDA committee meetings.

c. Direct access entity oversight and execution functions

There is much concern in Uganda about who in the country controls access to GCF funds and their utilization, particularly to influence and determine project design, detailed allocation decisions and use of budgets during implementation. As noted above, accreditation through direct access is seen as key to more agency influence and control.

Some DAEs intend to keep executing projects themselves once accredited to the GCF and to serve as both implementing and executing entity. What is not yet clear is whether sufficient firewalls will be set up within these agencies to ensure a clearly separate oversight function and independence for that role when the agency is also involved in project execution with GCF funds.

Other nominated DAEs understand their oversight and fiduciary roles relatively well and agencies intend to separate this function from execution by working through, among others, executing entities outside of their own agencies. This could be other line ministries or local governments, but the technical sectoral capacity and the legal jurisdiction and mandate of nominated DAEs to oversee projects that are executed by other agencies is not clear.

d. International access entities and country ownership

Although most IAEs have policies in place to work with and through countries, country interview partners still feel that IAEs have substantial control over implementation; IAEs "call the shots in implementation", as one local interviewee said it. Some IAEs also may not be well represented in Uganda, particularly those working on multi-country projects with the private sector. The bigger IAEs are perceived as mostly working with the Government or the private sector, but less so with CSOs.

A number of interviewees pointed out that several IAEs may have asymmetric information and knowledge about the GCF due to their global linkages with the GCF Secretariat, which may facilitate their access to GCF funds and FP design, sometimes to the disadvantage of DAEs.

The most active IAE in Uganda is UNDP, which is the IAE for the one active GCF project in the country. UNDP has also been involved in supporting readiness from inception, alongside GIZ. It is widely recognized that UNDP clears all its projects with government agencies that execute projects, including alignment with policies. UNDP has been supporting local partners for execution, such as the MoWE and helping them where UNDP processes are more efficient, such as in international procurement. UNDP is also assisting UDB with developing bankable green projects for on-lending (with non-GCF funds). GIZ has been mostly active in the initial GCF readiness support (with non-GCF sources) and in helping the MoWE with becoming accredited.

There is also agreement that IAEs do, and can do, much in Uganda to support country ownership, especially since there is still much to learn by Ugandan authorities and local partners on how to go about operationalizing climate change. The experience of the Food and Agriculture Organization (FAO) also illustrates how an IAE can technically and financially support the development of a country-owned and originated project concept. In 2017 the Ministry of Tourism requested assistance from FAO in designing a GCF project, since FAO was accredited and ready to go. FAO provided technical assistance and some financial support from FAO headquarters internal resources, along with parallel support from the Uganda Wildlife Society/WWF and BMCT. FAO sought an NoL from the MoWE before financing the preparation of the concept note. Then FAO merged two concept notes, one from the Climate Investment Funds' Forest Investment Program. Subsequently, FAO HQ and the World Bank agreed to expand the scope of the project, and it turned into a co-invested GCF/World Bank concept note proposal (the *SRELAR project: Strengthening resilience of ecosystems and livelihoods in Albertine Rift*).

Other concept notes by IAEs such as UN Environment, UNOPS and AfDB have so far been less visible in the country in support of country ownership as none of their projects have effectively started.

According to the NDA, several IAEs of approved multinational projects with private sector investments slated for Uganda seem to be particularly unresponsive. The NDA reportedly finds it very difficult to correspond with these agencies. For this reason, it is still unclear what benefits would accrue to Uganda for several of these planned multinational projects.

4. PRIVATE SECTOR AND MULTINATIONAL PROJECTS

Private sector engagement in climate finance is nascent in Uganda. But as the costs of green and climate-sensitive technologies have become cheaper and the economics of many climate-resilience projects have changed, there might now be more opportunities for Uganda to attract private sector investments. But according to various interviewees, the private sector in Uganda also sometimes finds it difficult to interact with the Government. Political interference in publicly financed or supported programmes is high and a big fear for participating private banks. There is also a preference in the Government to support government-owned entities or entities controlled with public funds.

Four approved IAE multi-country projects target the private sector in Uganda: the European Investment Bank's GEREEF NEXT (USD 765 million), approved in April 2017; Acumen's Resilient Agriculture Fund (USD 56 million), approved in March 2018; FMO's Climate Investor One (USD 821.5 million), approved in October 2018; and AFD's Transforming Financial Systems for Climate (USD 742.9 million), approved in October 2018. None of them have started yet. The Uganda Development Bank has been nominated for direct access accreditation with the particular intention of on-lending to the private sector but is still far from finalizing this process.

Country ownership currently is not that obvious for the four approved multinational projects. They are broadly in line with Ugandan priorities but are much less driven by specific country needs and priorities, since they are not specifically designed for Uganda. Also, their specific interventions and benefits for the country are less clear at this early stage. Moreover, the NDA interaction and communication with the multinational IAEs is weak. Since the NDA vetted and provided NoLs for the four multi-country FPs, it has been unable to obtain responses from any of these projects, despite repeated requests for more details on implementation status. The NDA is no longer sure whether the decision to give no-objection has been right in these cases and whether it would be granted today without further assurances about local business partners and allocated funds for Uganda for these IAEs.

In general, stakeholders agree that much guidance, mentoring and partnering would be required to promote green and climate-sensitive private sector investments, targeting private sector investors, banks, and DAEs and future DAE candidates. Their current business know-how would have to be coupled with better technical advice, green business models and shared best practices on green banking elsewhere, which many of them do not have. As a result, the main problem currently is the number and quality of bankable projects, such as for climate-smart value chains and seeds in agriculture, water supply systems or solar-based mechanization. To what extent the GCF's IAE-led private sector projects will be fulfilling this function of technical and knowledge support remains to be seen. International entities and their country offices could be playing a useful role, as long as they are well experienced in climate change and grounded in the country.

Engaging the Ugandan private sector and developing concrete concept notes for submission to the GCF is a major priority of the new RPSP. A study on barriers and incentives to private investments in climate projects is planned, and a dialogue platform would invite domestic and regional private sector and industry representatives and GCF accredited entities active in the country. The platform's objective is to share knowledge and foster cooperation and to inform the private sector better about GCF opportunities, conditionalities and accessibility. This has been a deficit so far. Impact at scale would also require much more engagement with commercial banks that are most interested in risk-sharing and pooling options to reduce their costs and in helping to develop bankable green and climate-sensitive projects.

One well-informed interview partner pointed to the Government's experiences in Uganda with two financial funds for agriculture, the Agriculture Development Fund and the Agricultural Business Initiative Trust, as a possible model to learn from. Both funds have been in existence for a while and provide loan guarantees to commercial banks, with the Central Bank of Uganda and other government agencies in charge of the respective programmes. There are also local offices in Kampala that have strong experience in involving the financial sector in Uganda and elsewhere, such as KPMG with its Africa Enterprise Challenge Fund. Similar institutions could play a role in private sector promotion and development of private sector green business models – for instance, in the context of the RPSP or a special private sector oriented RPSP.

C. Uganda appendices

1. List of stakeholders consulted

Name	Position	Organization
Pascal Okello	UNDP-GCF project design consultant	Consultant
Dr. Revocatus Twinomuhangi	Senior Lecturer	Makerere University
Andrew Masaba	Principal Economist	Ministry of Finance, Planning, and Economic Development/ NDA Alternate Contact Person
Juvenal Muhumuza	Assistant Commissioner	
Onesimus Muhwezi	Team Leader, Environment and Climate	UNDP
Jascinta Nalwoga	Project Management Specialist	
Sophie Kutegeka	Country Representative, Uganda Country Office	IUCN
Cotilda Nakyeyune	Senior Programme Officer, Forests & Natural Resource Governance	
Onesmus Mugyenyi	Deputy Executive Director	ACODE (Advocates Coalition for Development and Environment)
Robert Bakiika	Deputy Executive Director	EMLI (Environmental Management for Livelihood Improvement Bwaise Facility)
Annet Kandole	Technical Manager	CARE
Anthony Wolimbwa	Technical Advisor and Manager	CAN-U (Climate Action Network Uganda)
James Kaweesi	Adaptation Fund and GCF focal point for National Accreditation	Ministry of Water and Environment
Dagmar Zwebe	Country Representative	GGGI
George Asiimwe	Deputy Country Representative; Acting Programme Manager for GCF Readiness	
Henry Bbosa	Principal Climate Change Officer, International Relations	Ministry of Water and Environment, Climate Change Department
Edison Masereka	Business Development Officer and Team Leader for Climate Change Project	Kampala Capital City Authority (KCCA)
Mr. Saddam	Project Manager for Climate Change Project	
Eleth Nakazi	Project Manager for Climate Change Project	
Godfrey Mujuni	Manager	Uganda National Meteorological Authority
John Ssemulema Kasiita	Technical Expert, Climate Finance Readiness Uganda	GIZ

NAME	POSITION	ORGANIZATION
Ronald Kato Kayizzi	Acting Commissioner for Infrastructure, Engineering and Mechanization, and Water Production	Ministry of Agriculture, Animal Industry and Fisheries
Andrew Katto	Senior Engineer	
Moses Ebitu	Manager Risk	Uganda Development Bank
Abibi Odongo Francis	Chief Economist	
Benson Mwesigwa	Senior Manager Advisory Services	KPMG
Nina Baliruno Turyamuhabwa	Senior Manager Advisory Services	
Phares Kakuru	Programme Manager	Bwindi Mgahinga Conservation Trust
Tom Okurut	Executive Director	National Environment Management Authority
Allan Kasagga	Director Finance & Administration	
Mike Nsereko	Director Policy & Planning	
Edith Kateme Kassajja	Deputy Executive Director	National Planning Authority
Kaggwa Ronald	Head Production, Trade & Tourism Planning	
Grace Bunanukye Bwengye	Planner Agriculture	
Maira Nwakasa Joseph	Chief Administrative Officer	Pallisa District Government
Ongwara Michael	DE	
Omasai Abram	Environmental Officer	
Otto Charles	SFO	
Olebo Emmanuel	AO	
Dr. Okot Bodo	DPO	
Wamise Dawson	District Community Development Officer	
Akello Priscilla	Communications Officer	
Kabaalu Deo	RWC-E	Ministry of Water and Environment
Paul Mafabi	National project Coordinator, Wetlands Restoration Project	UNDP
Approximately 10 local community members	Pallisa community project beneficiaries	N/A
Kennedy Igbokwe	Project Manager / Team Leader Climate Change Resilience	FAO

2. LIST OF DOCUMENTS CONSULTED

National and external documents

ACTADE. (2017). An Outlook of Uganda's Climate Finance Landscape. Kampala, Uganda: ACTADE.

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International Institute for Sustainable Development (IISD). (2016). Uganda's Green Climate Fund Country Programme. April 2016. Winnipeg, Manitoba.

Lukwago, D. (2015). Delivery of Adaptation Finance in Uganda: Assessing institutions at Local Government Levels. Climate Action Network Uganda and OXFAM.

Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). (2018). National Adaptation Plan (NAP) for the Agriculture Sector. Prepared by Revocatus Twinomuhangi and Willy Kakuru, with the support of FAO. Kampala, Uganda.

Muhangil, N. (2019). GOVT Urge Ugandans to Support Restoration of Wetlands. Red Pepper. February 4, 2019.

Tumushabe, G. Muhumuza, T. Edward. Natamba, E. Bird, N. Welham, B. Jones, L (2013). Uganda National Climate Change Finance Analysis. London, United Kingdom: ODI.

Uganda Coalition for Sustainable Development (UCSD). (2017). Promoting the Implementation of the Paris Agreement in East Africa – PIPA Project – With a Focus on Pro-Poor Low Emissions Development.

GCF documents

Concept notes for *Enhancing the resilience of ecosystems and livelihoods through sustainable forest and land use management in Northern Uganda* (IUCN, 19 June 2018); *Integrating sustainable landscape management and capacity building for enhancement of climate resilient agriculture* (AfDB, 29 May 2018); *Integrating Climate Services with Decision Support in Uganda's Adaptation and Development Strategy* (UNDP, 13 November 2017); *Increasing Agricultural and Ecosystem Resilience through Ecosystem based Adaptation Agroforestry* (4 April 2017); *Sanitation and Hygiene for Communities Vulnerable to Climate Change (*UNOPS, 24 February 2017).

Funding proposal packages for *Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda* (FP034); *Geeref NeXT* (FP038); *Acumen Resilient Agriculture Fund (ARAF)* (FP078); *Transforming Financial Systems for Climate* (FP095); *Climate Investor One* (FP099).

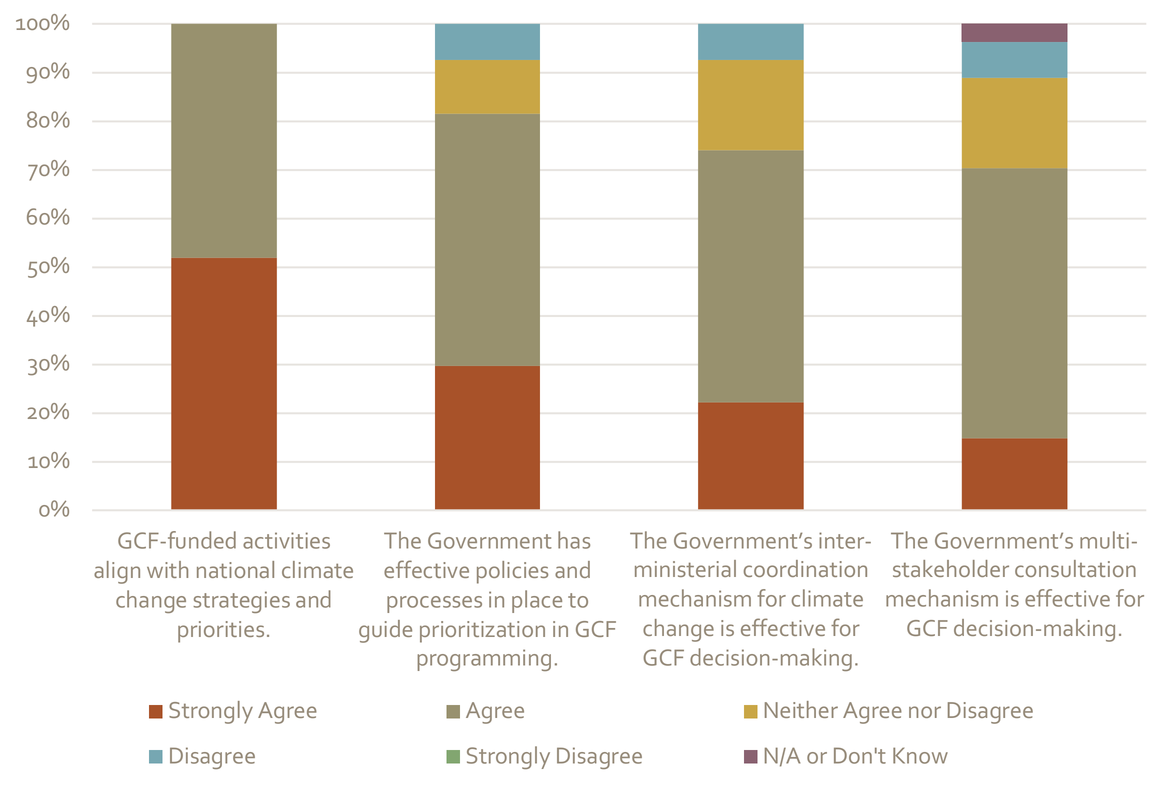
Green Climate Fund. (2016). *GCF Country Programme Development Guide.* GCF Secretariat.

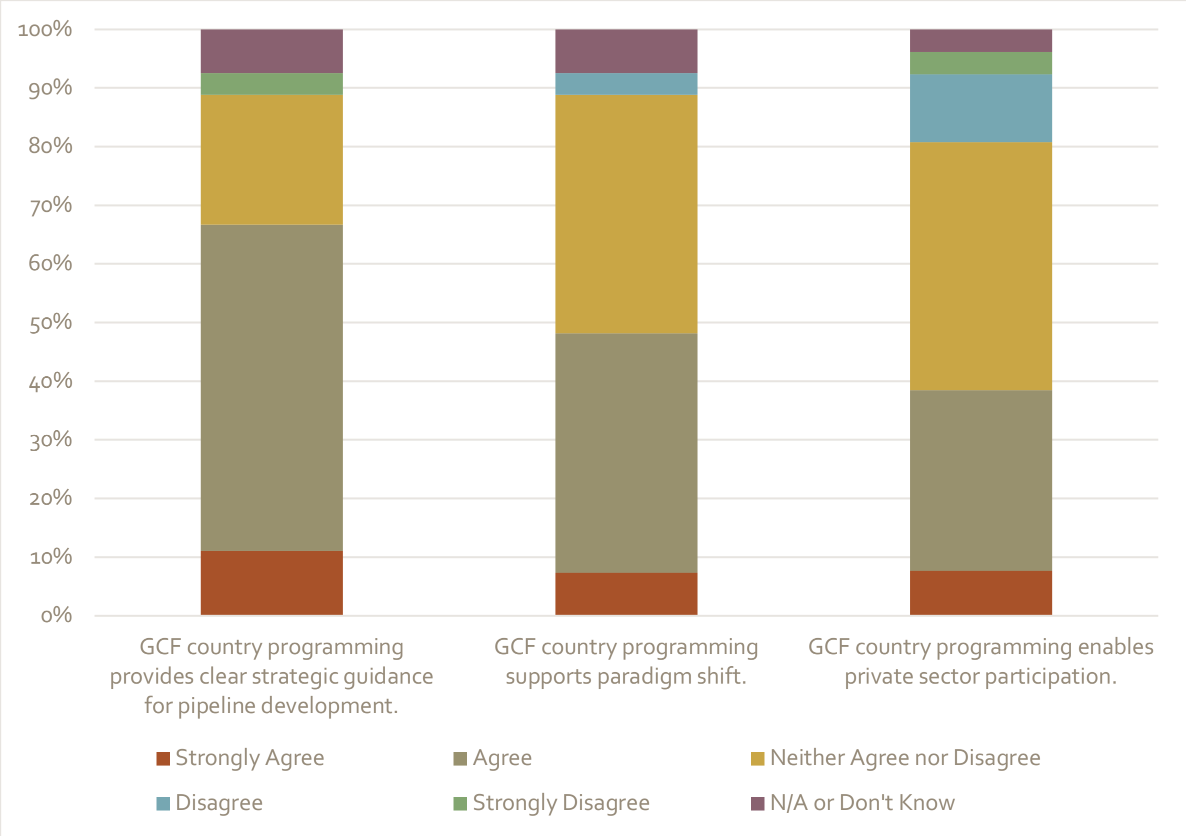
RPSP proposal for *NDA Strengthening & Country Programming* (submitted 11 March 2019). Delivery partner: Global Green Growth Institute.

UNDP. (2019). *Annual Performance Report for FP034 covering 01-01-2018 to 31-12-2018*.

3. Results of the in-country survey in Uganda

The in-country survey was administered to 27 people at the end of each interview conducted during the country visit to Uganda. The largest proportion of respondents were accredited or nominated entities (41 percent), followed by government (25 percent), civil society (19 percent), private sector (7 percent), delivery partners (7 percent) and other respondents (4 percent). The results are shown below.

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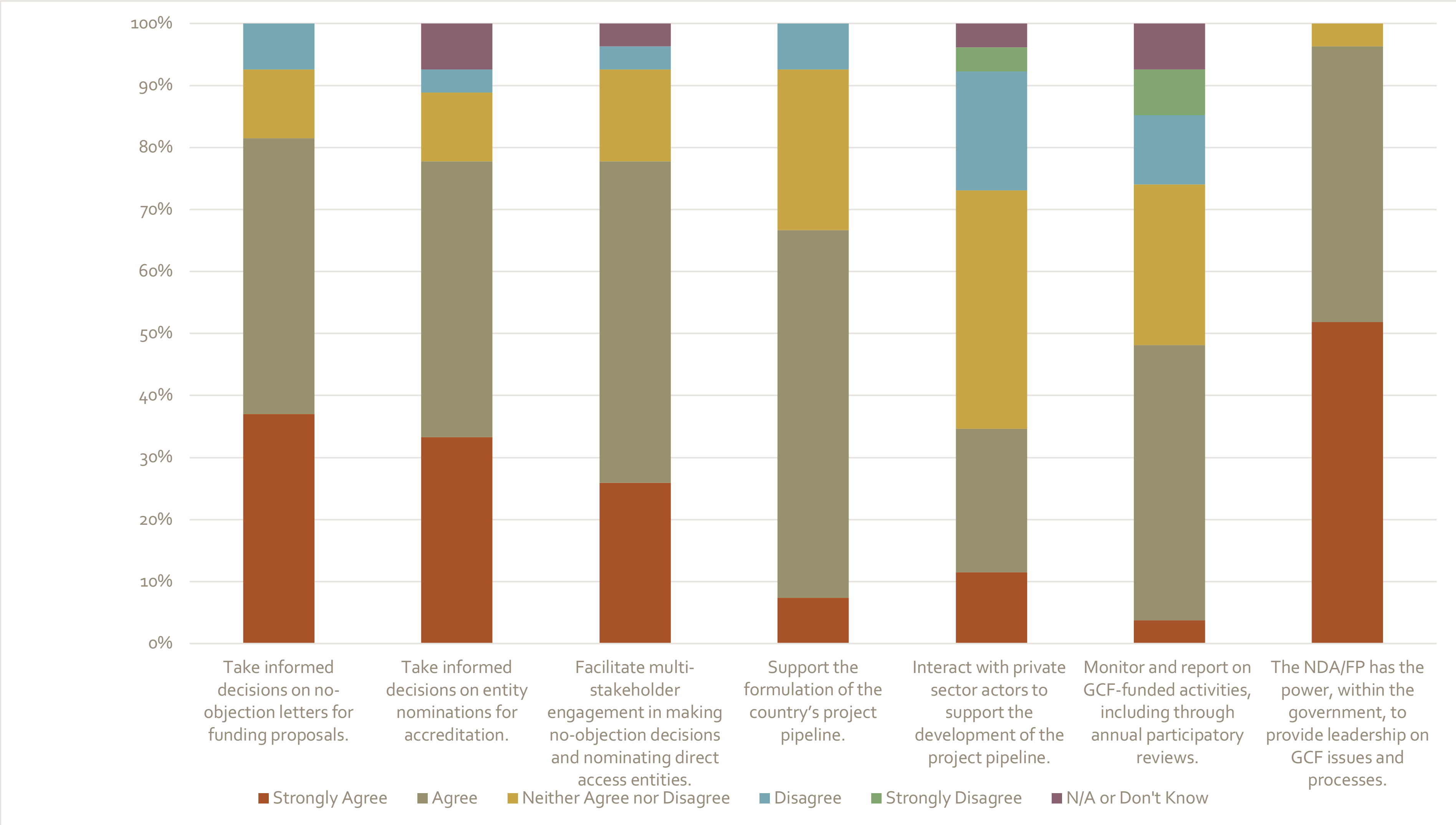
GCF country programming provides clear strategic guidance for pipeline development.
GCF country programming supports paradigm shift.
GCF country programming enables private sector participation.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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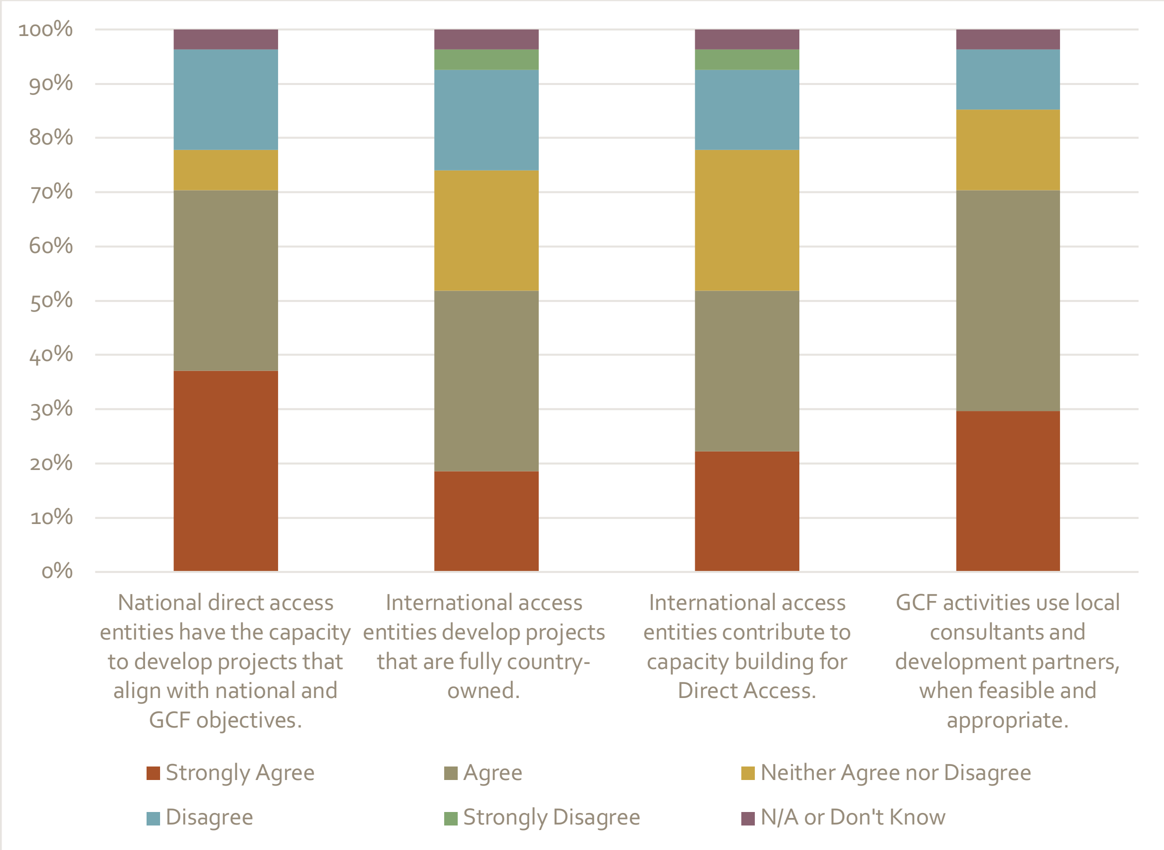
Take informed decisions on no-objection letters for funding proposals.
Take informed decisions on entity nominations for accreditation.
Facilitate multi-stakeholder engagement in making no-objection decisions and nominating direct access entities.
Support the formulation of the country's project pipeline.
Interact with private sector actors to support the development of the project pipeline.
Monitor and report on GCF-funded activities, including through annual participatory reviews.
The NDA/FP has the power, within the government, to provide leadership on GCF issues and processes.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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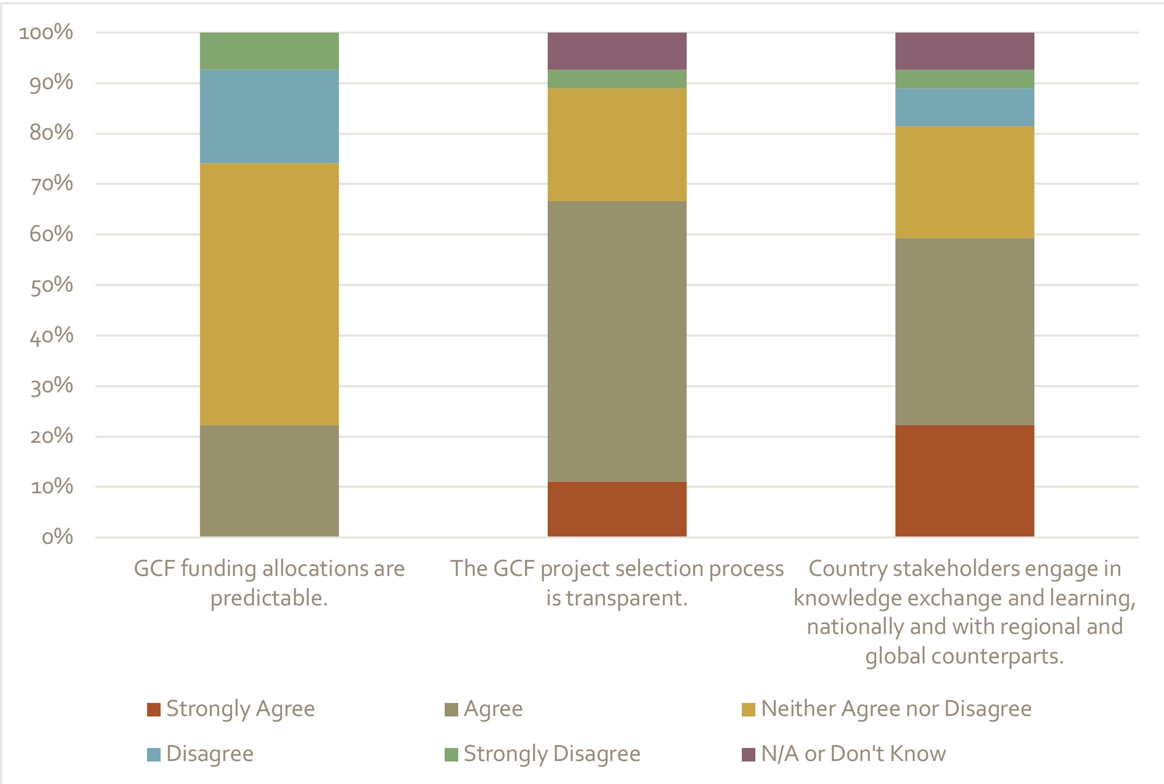
National direct access entities have the capacity to develop projects that align with national and GCF objectives.
International access entities develop projects that are fully country-owned.
International access entities contribute to capacity building for Direct Access.
GCF activities use local consultants and development partners, when feasible and appropriate.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know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GCF funding allocations are predictable.
The GCF project selection process is transparent.
Country stakeholders engage in knowledge exchange and learning, nationally and with regional and global counterparts.
Strongly Agree
Agree
Neither Agree nor Disagree
Disagree
Strongly Disagree
N/A or Don't Know

4. Normative framework for country ownership

For the country case studies, the framework was adapted into a tool with a scoring system, drawing heavily on the in-country survey results to provide the numerical scores. The results are shown in the table below.

Pillars of country ownership	Dimensions	Maximum possible score	Uganda score	Uganda ratio (Uganda score ÷ maximum score)
Leadership and consultation: Country governments lead strategic programming and prioritization processes, ensuring policy alignment, and in broad consultation, through a multi-stakeholder participatory process.	Recipient country leadership in strategic programming and prioritization	18	14.6	0.81
	Alignment of GCF objectives and support with national strategies and priorities	9	6.6	0.73
	Multi-stakeholder engagement including civil society and private sector	9	9	1.00
	Subtotal	***36***	***30.2***	***0.84***
Institutional capacity: Country stakeholders have the capacity to plan, manage and implement activities that address GCF objectives.	Capacity to plan, manage and implement climate activities	35	25.6	0.73
	Use of country systems, partners and co-investment	6	4.4	0.73
	Subtotal	***41***	***30***	***0.73***
Mutual responsibilities: The GCF, AEs and recipient countries adopt best practices in planning, delivery and reporting, and are accountable to each other for these practices.	Predictability and transparency of funding allocation	6	4.2	0.70
	Timeliness of commitment and disbursement of funding	NR	NR	NR
	Accredited entity mutual responsibilities	6	4.8	0.80
	Sharing of results and experiences with national and international stakeholders	6	2.4	0.40
	Subtotal	***18***	***11.4***	***0.63***
TOTAL - UNWEIGHTED		**95**	**71.6**	**0.75**
TOTAL - WEIGHTED		**95**	**68.9**	**0.73**

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