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COUNTRY OWNERSHIP

Executive Summary

Independent Evaluation of the GCF's Approach to Country Ownership (COA2025)

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GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

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EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

INTRODUCTION

This independent evaluation of the Green Climate Fund's (GCF) approach to country ownership was approved by the GCF Board as part of the 2025 workplan of the Independent Evaluation Unit (IEU) (decision B.40/14) and is submitted to the Board in time for its forty-third meeting (B.43), in October 2025. The evaluation is expected to inform the update of the GCF's country ownership guidelines. This evaluation examines the GCF's approach to country ownership, which it identifies as an essential foundational principle of the Fund's mandate to support its partner countries to achieve climate-resilient, low-emission development pathways.

KEY FINDINGS

The evaluation finds that, while country ownership is firmly embedded in the GCF's Governing Instrument and policies, its operationalization remains uneven, fragmented and in need of clearer alignment with both country priorities and the Fund's strategic ambitions.

Framing and global context

This report situates country ownership within the broader international climate change and development discourse. Since the *Paris Declaration on Aid Effectiveness* (2005), global narratives have evolved from "country ownership" towards "country leadership", highlighting the expectation that developing countries will actively steer their own climate priorities and financing. Within the GCF, this principle has been embraced as a normative commitment, but it remains difficult to define, measure or fully implement in practice. The Fund's key structures and instruments, including national designated authorities (NDAs), direct access entities (DAEs), readiness support and the no-objection procedure, are intended to help institutionalize ownership, but evaluation evidence suggests that these mechanisms function more as procedural gateways than as drivers of strategic leadership.

Structural dimensions of ownership

At the institutional level, country ownership has been supported through readiness financing, accreditation reforms and guidelines on enhanced country ownership and drivenness. However, the Fund has not adopted a unified operational definition of ownership, resulting in wide variability across contexts. NDAs have been placed at the centre of the ownership model, but their authority, capacity and government positioning are inconsistent. DAEs, although central to the Fund's vision, face capacity barriers and lengthy accreditation hurdles, which have limited their ability to channel resources effectively. Readiness and preparatory support have helped some countries strengthen coordination, but these gains remain patchy and are often donor-dependent.

The GCF's structural design also reflects inherent tensions: between the ambition for scaled-up finance and the slow pace of national capacity-building; between the Fund's roles as a catalyst and as a financier; and between country leadership and pipelines driven by accredited entities (AEs). The absence of predictable pipelines has further exacerbated uncertainty, reducing countries' ability to plan strategically.

Country-level realities

At the national level, ownership is expressed unevenly across the GCF community. Countries with strong NDAs, particularly when these are embedded in planning or finance ministries and have dedicated staffing, are well positioned to coordinate government-wide approaches and align portfolios with national priorities. By contrast, NDAs with weaker mandates or limited staffing struggle to lead effectively. Multi-stakeholder engagement, which is a GCF principle, is often narrow, with civil society, indigenous peoples, women's groups and private actors only marginally included.

The evaluation finds that project design is largely driven by AEs, with no-objection procedures serving as compliance checks rather than genuine opportunities for country leadership. Particularly in countries with overstretched institutional capacity and dependence on international consultants, the challenge is compounded. Private sector and multi-country projects are frequently perceived as externally driven, misaligned with national strategies and prone to late-stage validation, which gives NDAs little influence on their design and implementation. Although some regional initiatives in the Caribbean and Pacific have shown how pooled approaches can reinforce ownership, many multi-country projects risk undermining legitimacy by sidelining national stakeholders.

Looking ahead: systemic gaps and opportunities

A theory of change analysis reveals that GCF support has achieved partial success in mobilizing resources, building plans and initiating capacity. However, progress falters at the mid-points of the results chain: outputs and outcomes have not yet matured into sustained, country-led climate action. Three systemic bottlenecks stand out: persistent institutional capacity gaps at the country level, procedural complexity within the GCF that sidelines local actors, and fragmented ownership structures where external partners dominate decision-making.

The Fund's new strategic vision, although ambitious, risks increasing reliance on international intermediaries, unless accompanied by targeted investments in national systems, simplified processes and more substantial incentives for inclusive national ownership. The evaluation further finds that country ownership must be understood not as a procedural step but as a system-level quality – a social contract between the GCF, national governments and stakeholders. Its future will depend on deliberate alignment of the Fund's evolving ambitions with the capacity and leadership of developing countries.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion 1	*Relevant sections:*
In the GCF's country ownership approach, intention and process are not yet fully aligned. Although the GCF has embedded country ownership in its design and policies, with mechanisms such as direct access and NDAs, in practice, country ownership remains more aspirational than operational.	3.A, 3.B, 3.C, 3.D, 3.E, 5.A, 5.D

Country ownership is not a process-by-process feature; it is a "**system-level property**" that emerges when various mechanisms cumulatively reinforce one another. The GCF has diverse mechanisms such as accreditation, readiness, the no-objection procedure and stakeholder engagement, but each embodies its own approach to country ownership. Without integration, country ownership has been applied reactively and inconsistently, rather than as a guiding principle in the Fund's DNA.

The GCF has not fully clarified its own obligations in this social contract with countries: what it will do, the extent of its support, and the role it seeks to play in the wider climate finance architecture. This clarity is needed to embed country ownership into the operational DNA of the Fund – across accreditation, readiness, project approval, implementation and monitoring. With its ambitious scale and regional presence under way, the GCF is well positioned to lead global discourse and foster whole-of-country ownership, but this potential is not yet fully realized.

Recommendation 1

The Board should reaffirm the importance of country ownership as a guiding principle of the GCF and clarify how this principle will balance with other GCF priorities.

Building on this foundation, the Secretariat should not only devise and implement measures to operationalize the country ownership principle but also provide normative and operational clarity to countries on roles and responsibilities.

To inform the discussion on country ownership as a guiding principle of the GCF, the Board may wish to consider **Error! Reference source not found.** of this report. In its strategies, the GCF Board should clarify the balance between the large scale of GCF ambition on the one hand, and country drivenness on the other hand, providing guidance to address any potential trade-offs. This discussion should reflect on the Fund's obligations in its social contract with countries – what it will do, the extent of its support, and the role it seeks to play in the wider climate finance architecture.

Building on relevant Board discussions and decisions, the Secretariat should operationalize the country ownership principle through updated guidelines for enhanced country ownership and country drivenness. Among other things, these guidelines should define clear roles and responsibilities for key stakeholders and processes, including the following:

- The role of international accredited entities, DAEs and executing entities in enabling country ownership throughout the project cycle, both upstream (readiness, accreditation and project approval) and downstream (during post-approval and implementation).
- The role of the Secretariat in engaging with NDAs and AEs throughout the project cycle to enable country ownership. Especially in light of the GCF's regional presence, the Secretariat should progressively clarify and update the role it wishes to perform as a catalyst of climate

finance at the country and regional levels, including any revisions to such established processes as regional dialogues and country platforms.

The Secretariat, in consultation with NDAs, should consider developing a country ownership rubric or scorecard, aligned to the country ownership principles set out by the Board, to monitor and guide its own work across the diversity of country contexts and provide tailored country support. The rubrics could include qualitative as well as quantitative measures. This rubric or scorecard should be integrated into the Fund's operational DNA, serving not only for self-assessment but also to develop a shared pathway towards increased country ownership.

Conclusion 2 *Relevant sections:* 3.B, 3.C, 4.A, 4.B, 4.C, 5.A

Country ownership remains uneven and largely procedural because the GCF's support has focused on discrete processes rather than the development of strong national institutions and coordination systems.

NDAs are central to GCF operations, but their current capacities leave ownership concentrated at project approval. Project accountability to national institutions is also limited during implementation and learning. Readiness support has been valued, yet in practice it has delivered fragmented technical assistance rather than durable institutional strengthening. As a result, country ownership has not matured into a sustained system of leadership and coordination. The Fund's operations have not yet generated the institutional strength required in countries for long-term ownership.

National institutions risk being sidelined beyond project approval, limiting national leadership and learning. Their engagement is particularly limited in multi-country and private sector projects, including at the no-objection stage. The new 2024–2027 readiness strategy offers a promising opportunity to strengthen systems and capacities, but its impact cannot be assessed yet. This need is amplified by a fragile international climate finance landscape, where stagnating donor contributions and fiscal retrenchment create urgency for countries to leverage their institutional resources and leadership to the maximum.

Recommendation 2

Institution-building should become the cornerstone of the GCF's approach to country ownership. The Board and Secretariat should set clear expectations for national institutions and provide them with predictable, long-term readiness resources that act as both incentives and sustained support, with special urgency for the particularly vulnerable.

The Board and Secretariat should develop system-wide means of supporting ownership, ensuring that national institutions are able to sustain climate action. This is foreseen in three parts:

- **Institutions as empowered convenors**
  - Define minimum expectations and good practices for NDAs, clarifying their mandates across programming, no-objection, portfolio monitoring and stakeholder engagement.
  - Establish minimum standards for NDA performance, covering transparency, inclusivity and coordination, while allowing flexibility for different national contexts. These standards should act as benchmarks for both accountability and support.
  - Support NDAs to convene and lead country platforms, ensuring these platforms are anchored in national institutions and reinforce coordination rather than replace it. Platforms should be used as vehicles to bring together government, civil society,

indigenous peoples, youth, women's groups, the private sector, academia and communities in defining priorities and managing climate finance.
  - Pair NDA mandates with predictable, long-term support so that NDAs can graduate from providing procedural approvals to substantive leadership.
- **Readiness as incentives**
  - In future updates, reframe readiness to go beyond fragmented technical assistance and instead focus on institution- and system-building in countries.
  - Link readiness resources to progress made against agreed NDA standards, in order to create incentives for continuous strengthening of institutions and coordination mechanisms.
  - Fast-track and simplify readiness for the particularly vulnerable, recognizing their limited capacity and urgent needs.
- **Procedures as enablers**
  - Reform the no-objection procedure for multi-country projects to guarantee transparency and meaningful engagement in each country. This requires, at a minimum, that AEs provide the NDA with project-specific information (roles, activities, budgets), documentation pertaining to consultations, and disclosure of how inputs received from country-level consultations were incorporated in project design.
  - Provide good practice guidance to private sector entities to obtain no-objection letters (NOLs) and offer the support of the GCF Secretariat's staff to facilitate the NOL engagement process.
  - Operationalize the requirement for AEs to report country-specific results and disbursements to the GCF Secretariat and NDAs during implementation, to ensure accountability.

Conclusion 3	*Relevant sections:*
Country ownership remains narrow because the social dimension of ownership – inclusive participation, trust and recognition of diverse voices – has not been fully embedded in GCF practice. Without whole-of-society engagement, ownership risks being reduced to formal procedures rather than meaningful engagement with actors cutting across society.	3.E, 4.A, 4.B, 4.C, 5.A, 5.B, 5.C, 5.D

GCF mechanisms for stakeholder engagement remain largely procedural, at both the design stage and the stage of seeking an NOL. NOLs are often treated as administrative steps at the government level, carrying the risk that civil society, indigenous peoples, private sector actors, youth and academia are marginalized. Similarly, project-level consultation is also oriented towards compliance, not necessarily towards meaningful engagement. This reflects a limited social approach to country ownership, where formal compliance has substituted for deeper participation and dialogue. Comparative experiences from the Global Environment Facility and Climate Investment Funds demonstrate that embedding whole-of-society participation strengthens legitimacy, accountability and innovation for the institution. For the GCF, country ownership will remain fragile unless it expands from a culture of government sign-off to a culture of inclusive and meaningful engagement across the full project cycle.

Recommendation 3

Inclusivity should be embedded as the cultural dimension of country ownership, making meaningful whole-of-society engagement the default expectation rather than a choice.

As the GCF expands its regional presence and deepens its focus on the particularly vulnerable and the underserved, this is also the right moment to reinforce the social dimensions of country ownership. Inclusivity, trust and recognition of diverse voices should become the default feature of GCF practice, not an optional choice – both at the GCF and in countries. Embedding whole-of-society engagement, that is also meaningful, as a standard expectation will ensure that ownership is not reduced to procedural compliance.

To advance this, the Secretariat should consider the following:

- **Strengthen platforms for inclusive engagement**
  - Through its regional presence and readiness and preparatory support programme, the Secretariat should continue to support countries in establishing and operating country platforms or similar mechanisms that convene a broad set of stakeholders, anchored in national institutions.
  - The Secretariat should also clarify how country programmes and platforms complement each other in supporting inclusive ownership.
- **Resource non-state actors**
  - Building on the enhanced direct access pilot programme, the GCF should consider establishing a small-grant window for civil society organizations and community-based organizations, including indigenous peoples, youth and women's groups. Drawing on the experience of the Global Environment Facility Small Grants Programme and the Climate Investment Funds dedicated grant mechanism, besides global health funds, funding could be channelled through national steering committees with strong civil society organizations and community-based organizations representation, ensuring alignment with national climate strategies while broadening participation.
- **Set standards for meaningful engagement**
  - The Secretariat should establish minimum expectations for stakeholder consultation and participation that are meaningful.
  - These standards should be linked to NOL issuance, project approval, and implementation reviews, by requesting AEs to briefly report on these consultations and their use in decision-making, ensuring that engagement is not treated as a formality but as a substantive contribution to ownership.

Conclusion 4

Relevant sections: 3.A, 3.B, 3.C, 3.D, 3.E, 4.B, 4.D, 5.A, 5.C

Full realization of country ownership is impeded by the GCF's compliance-based model, which results in perceived procedural complexity and delays in accessing climate finance.

Despite progress, GCF processes are still perceived as unclear, lengthy and unpredictable, with trade-offs between rapid disbursement and the use of country systems, and between large-scale projects and the limited capacity of DAEs. Although the Secretariat's efforts at improvement have paid off, they must also contend with frequent changes to policies and procedures, which themselves create uncertainty and fatigue for partners. When GCF processes are unpredictable, partners shift from strategic planning to opportunistic competition for limited resources, undermining both long-term strategy and genuine country ownership.

As many DAEs lack the capacity to develop pipelines and face long and costly accreditation processes, direct access has not realized its full potential, leaving funding concentrated among a small number of international entities.

Recommendation 4

To strengthen country ownership, the GCF must make access not only faster but also predictable and trusted. Addressing the perception of slowness is as critical as improving actual speed: predictability and trust-reduce opportunism, encourage long-term planning, and reinforce inclusive and meaningful participation.

The GCF must not only continue its commitment to being faster and accessible; it should also be predictable, reducing changes in policies/ requirements, and giving countries the confidence to plan strategically rather than opportunistically. To advance this, the Secretariat should consider three areas:

- **Pipeline visibility and foresight**
  - Maintain a transparent project pipeline so that NDAs and DAEs know which projects are under review, their stage, and the considerations being applied.
  - Support pipeline foresight and planning, helping countries and NDAs anticipate future opportunities, align them with national priorities and the GCF’s strategic priorities, and engage a broad spectrum of stakeholders early in the process – so that funding proposal selection is strategic and widely socialized, as opposed to opportunistic.
- **Direct access as the default**
  - Treat direct access as the default option by documenting a justification of why domestic or regional entities could not be engaged. The Secretariat should use these justifications to systematically identify institutional gaps and inform readiness support.