GEvalNote No. 4

GREEN CLIMATE FUND | Independent Evaluation Unit

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

Background

The Independent Evaluation Unit (IEU) conducted its evaluation of the Green Climate Fund's (GCF) country ownership approach (COA) as part of its 2019 work plan, which was approved by the GCF Board at its twenty-first meeting in October 2018.

Country ownership is central to the GCF's pursuit of a paradigm shift towards low-emission and climate-resilient development in developing countries. Better understanding how well GCF is succeeding in ensuring countries take ownership of climate change investments can help improve the effectiveness of climate change actions on the ground.

Key questions

In assessing the GCF's COA this evaluation examined 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-country 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?

**The IEU's COA evaluation was submitted to the GCF Board at its twenty-fourth meeting.*

Key recommendations

Based on these findings, the IEU has made seven key recommendations for improving the GCF's country ownership approach.

1. Operationalizing a normative standard of country ownership that extends beyond the national government.

2. Country ownership should become a single, minimum eligibility criterion.

3. Initiate a proactive strategy for Developing Country programmes. The strategy should incentivize countries to develop quality country programmes that foster agreement between governments and non-government actors.

4. Provide training and a handbook of best practices for the secretariat in national designated authorities and focal points.

5. Encourage IAEs to co-develop or co-implement GCF investments jointly with nominated Direct Access Entities (DAEs). This is likely to build direct access entity capacity and ensure more international accredited entity investments are country-led.

6. Improve transparency by promoting the public release of documents relating to country programmes and annual performance reports.

7. Build a strategy for Direct Access Entities and include how, when and what DAEs will support in the GCF strategy.

Definition of country ownership

To answer these four questions, the IEU first needed a clear understanding of what country ownership means. 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 as well as the international discourse on climate finance, development aid, and ownership. Country ownership can be said to exist when:

1. The country takes leadership in the strategic processes for identifying GCF investments, while ensuring alignment with national and other policies, and while undertaking meaningful engagement with stakeholders.

2. The country has institutional capacity to plan, manage and implement activities that address GCF objectives.

3. The country, accredited entities (AEs) and GCF share responsibilities and accountability, and develop and adopt global best practices in planning, delivery and reporting on GCF investments.

Importantly, according to the IEU study, country ownership must extend beyond government actors and include non-state stakeholders that represent locally differentiated climate change aspirations that align with national climate change policies.

Key findings

1. GCF has not defined country ownership and uses a flexible approach.

2. GCF policies acknowledge country ownership but are insufficient for realizing country ownership extends beyond the national government.

3. Many GCF principles and priorities address country ownership, but responding to them all creates potential trade-offs.

4. Country ownership is a shared responsibility between the GCF, AEs and countries, but so far GCF's lack of predictability, transparency and efficiency has hindered countries' abilities to make informed decisions about how to engage with GCF.

5. All GCF-eligible countries have national climate change policies or strategies that can potentially guide GCF investments. So far, GCF investments have aligned with these approaches.

6. GCF has largely relied upon existing national climate change coordination structures, rather than creating parallel structures. This approach supports country ownership.

7. Multi-stakeholder engagement has been insufficiently demonstrated during the GCF investment cycle.

8. Country programmes (CPs) have been unable to identify high-impact areas and develop country-owned pipelines, largely due to GCF not articulating the role of CPs, either for countries or for itself.

9. The GCF has successfully supported the establishment of NDAs / focal points in nearly all eligible countries (147 out of 154).

10. As key sources of information, the Secretariat and regional advisers are critical to countries owning their GCF engagement. But country contact with the Secretariat is seen as disjointed, inefficient, and sometimes lacking local knowledge.

11. Country stakeholders perceive direct access as fundamental for country ownership, but the goals of direct access have only been partially achieved so far.

12. DAE nominations by NDAs are driven by the motivation to access the GCF quickly rather than by strategic, long-term considerations.

13. Although shorter on average than for international accredited entities (IAEs), the inefficiencies and delays of the DAE accreditation process are perceived as negatively affecting country ownership.

14. Many country stakeholders are sceptical of IAEs' commitment to country ownership.

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