INDEPENDENT EVALUATION OF THE RELEVANCE AND EFFECTIVENESS OF THE GREEN CLIMATE FUND'S INVESTMENTS IN THE AFRICAN STATES

Executive summary

GREEN CLIMATE FUND | Independent Evaluation Unit

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GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

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EXECUTIVE SUMMARY

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ABBREVIATIONS

AE	Accredited entity
AF	Adaptation Fund
CIF	Climate Investment Fund
CSOs	Civil society organizations
DAE	Direct Access Entity
FCV	Fragile conflict and violence
FP	Funding Proposal
GCF	Green Climate Fund
GEF	Global Environment Facility
GGW	Great Green Wall
GHG	Greenhouse gas
IAE	International Accredited Entities
IEU	Independent Evaluation Unit
LDC	Least developed country
MSME	Micro, small- and medium-sized enterprises
NDA	National designated authority
PPF	Project Preparation Facility
RPSP	Readiness and Preparatory Support Programme
SIDS	Small Island Developing States
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollars

EXECUTIVE SUMMARY

INTRODUCTION

MANDATE

This evaluation was approved by the Board of the Green Climate Fund (GCF) at its thirtieth meeting, through decision B.30/10 and as part of the Independent Evaluation Unit's (IEU) 2022 Work Plan. The GCF's Governing Instrument identifies least developed countries (LDCs), small island developing states (SIDS) and African states as particularly vulnerable to the impacts of climate change. Given its mandate, the GCF has provided special considerations for these countries. The present **Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund's Investments in the African** States is part of a broader effort by the GCF's IEU to evaluate the relevance and effectiveness of interventions in vulnerable states (including LDCs and SIDS).

CONTEXT: THE AFRICAN STATES AND THE GREEN CLIMATE FUND

The African continent's immense and growing climate change related challenges serve as the basis of the GCF's investment there, and thus also of this evaluation. The African continent accounts for the smallest share of the planet's greenhouse gas (GHG) emissions, yet faces some of the most significant and accelerating climate adaptation challenges. At 1.64 billion people, African states have the highest share of population experiencing very strong or extreme heat stress days when compared to other continents. Moreover, 20 of the continent's 54 states were classified by the World Bank in 2022 as experiencing high-intensity conflict, medium-intensity conflict, and/or high institutional and social fragility. The relationship between climate and fragility is complex and poses additional obstacles for the African states.

To address the many climate-related challenges, large financial resources are required. Yet, a significant gap continues to exist between actual climate finance flows to African states and the reported costs of implementing both their nationally determined contributions and National Adaptation Plans. The GCF is the largest multilateral climate finance institution in the world, and thus has a central financial contribution to make alongside other environment and climate funds and organizations. All African countries are eligible for GCF funding to support them in meeting the challenges of climate change mitigation and adaptation.

SCOPE AND METHOD

Scope: This evaluation assesses whether and the extent to which GCF approaches and investments are effective in contributing to the objectives of the UNFCCC and other global and regional agendas. It examines the GCF's effectiveness and efficiency in reducing the vulnerability of local communities and livelihoods to the effects of climate change, and promoting a paradigm shift toward low emission and climate resilient development pathways in Africa. It considers matters of innovation, replicability and scalability, ascertaining whether positive impacts are likely to be sustained. The evaluation was undertaken with consideration for diverse stakeholders, including civil society and the private sector. It also recognizes the heterogenous situation of African states and explores how these differences have informed, enabled or constrained their engagement with the GCF.

Methods: The evaluation was undertaken using a mixed-method approach, including a document review (of both internal and external documents), an analysis of the GCF's portfolio in Africa and external databases (including the World Bank Open Data), the portfolios of the Global Environment

Facility (GEF), the Climate Investment Fund (CIF) and the Adaptation Fund (AF), of Notre Dame Global Adaptation Initiative data, and others, stakeholder consultation, event attendance, case studies and country missions[1], a survey administered to civil society organizations (CSOs), and a so-called 3CO – Complementary, Coherence and Cooperation – Analysis.

KEY FINDINGS

RELEVANCE AND RESPONSIVENESS

GCF support to African states aligns mostly with relevant international agendas on climate action, including the UNFCCC, the Paris Agreement, the African Union Agenda 2063, the African Union Climate Change and Resilient Development Strategy, the Sendai Framework on Disaster Risk Reduction and the United Nations Sustainable Development Goals. As it stands, Sustainable Development Goals alignment is explicit in each GCF project design and disaster risk management content is embedded in several GCF projects in Africa.

GCF engagement on the continent is relevant to the realization of African states' commitments to reduce GHG emissions and increase climate resilience. Over the past seven years (2015-2022), the GCF has become the largest among the multilateral climate finance contributors to the African states, with a rate of growth in contributions outpacing that of its peer funds. At the same time, the amount of climate finance made available, overall, has been short of what is needed to meet the pledge made by developed countries of United States Dollar (USD) 100 billion per year by 2020 (then 2025), and well short of estimated climate financing needs.

The programming scope offered under the GCF's eight result areas aligns with regional and country needs across the African states. **However, there are concerns about a portfolio that presently shows substantially more mitigation than adaptation initiatives on account of climate change trends in Africa and the continent's relatively minor role as a GHG emitter.** Specific commitments toward African states in the GCF's Initial Investment Framework include the pledge to achieve an overall 50%-50% balance (on grant-equivalent basis) in the GCF portfolio between mitigation and adaptation (Green Climate Fund, 2020c). However, as recognized at the Conference of Parties 27 in Sharm El-Sheikh, the African states portfolio continues to show more mitigation projects. Cumulatively, over seven years, the GCF's mitigation-focused projects have made up 59% of GCF finance approved for the African states. Also, more than 40% of the approved financing in Africa addresses "energy generation and access result area".

COHERENCE IN CLIMATE FINANCE AND DELIVERY

For the time being, **the pursuit and operationalization of cooperation and complementarity remains largely unsystematic, unincentivized and thus limited**, realized primarily by accredited entities (AEs) of the multiple funds at national and in some cases regional (or multi-regional) project levels. A good example of a major – if still nascent – initiative for joint programming is related to

[1] Five case studies were prepared as part of this evaluation. Three thematic case studies were undertaken to explore particular areas of interest, including Case study 1 on the Great Green Wall (GGW) with a field mission in the Ivory Coast, Case study 2 on fragile, conflict, and violence-affected (FCV) African States with a field mission to Africa Climate Week (ACW) 2022 in Gabon, and Case study 3 on countries without a single-country funded project (FP) with a field mission in Tunisia. Two country-specific case studies with related field missions to those countries were undertaken to better explore the GCF's work and impact on the ground, including Case study 4 on Kenya and Case study 5 on South Africa. Case study reports are provided in Volume III of this report.

the Great Green Wall (GGW). It is one concrete example of how the GCF and GEF Secretariats have worked together to support complementary actions, with implementation undertaken by the International Fund for Agricultural Development.

While there is evidence of constructive cases, further coordination is inhibited by a series of factors that include weaknesses related to in-country coordination for climate financing; the high transaction cost in terms of staffing coordinating among the Funds and staffing in AEs for planning and jointly implementing, scaled up or even parallel projects; and the different planning processes and decision-making schedules of the Funds themselves. While GCF Funding Proposal templates now ask about the complementarity and coherence of projects, there are no financial resources available specifically for pursuing coordination, which can be very time-consuming.

Country ownership of projects and programmes

Overall, based on a framework developed by the IEU, most African countries are understood to have **moderate country ownership**, having received generally enabling support from the GCF, for example in the form of readiness support. Country ownership has been a central component of the GCF strategy from the beginning, though there is no Board-approved definition of country ownership. All African states have a national designated authority/focal point in place; **however, its position in governments and the strength of staff vary significantly, which creates coordination and stakeholder engagement challenges for some.**

GCF expectations for stakeholder engagement are well established in policy and guidance notes, and they are evidenced through the Fund’s engagement with African states. The GCF country readiness, program/project preparation and observer activities related to the GCF Board facilitate participation most especially around those aspects of its mandate that are anticipatory – i.e., related to policy, planning and project design. **However, robust stakeholder engagement in management, in governance and in monitoring and learning at country level are yet to be in place.** For this reason, among others, the quality of engagement is routinely questioned by African stakeholders, particularly among civil society. There is significant variability in the engagement of CSOs by national governments in project planning, monitoring and implementation, such that civil society remains a vastly under-utilised source of experience, wisdom and capacity.

The GCF has articulated a preference for Direct Access Entities (DAEs) over International Accredited Entities (IAEs) for the development of projects, in line with a country-owned approach. However, **the direct access model of the GCF is inhibited by a paucity of nominated and accredited DAEs**, with only 18 DAEs accredited in 13 of the 54 African countries. There are promising indications that this will shift positively into the relatively near future, though the business case for accreditation in a few countries (e.g., South Africa, Tunisia, and others) has been brought into question by entities given the immense effort required.

Multi-country projects are more common in African states. Only four countries have no multi-country funding proposals (FPs) approved or projects in the pipeline, another five countries have at least one in the pipeline, and 45 countries have one or more multi-country projects approved. **In general, stakeholders see single country projects as indicative of greater country ownership,** as they are necessarily focused on national priorities and requirements, and the amounts to be approved (including the co-financing) are known before the No Objection Letter is given.

In interviews, some national stakeholders of African countries with weak capacities expressed the view that IAEs, with their more extensive experience, are able to prepare, approve, and implement projects more quickly than national institutions. Thus, to move more quickly towards results, some indicated that they prefer to work with IAEs. Nevertheless, **a preference for DAEs is more widely**

expressed by national stakeholders, both in principle and because DAEs are said to be more attuned to national needs and priorities that IAEs.

EFFECTIVENESS OF INVESTMENTS

At the time of this evaluation, it is still too early to comprehensively assess the achievement of results from GCF investments in African states, particularly at a portfolio level. The first project was approved seven years ago, it takes some 2-3 years to initiate implementation, and the results only become apparent after five years or more. Also, the COVID-19 pandemic has reportedly led to lower implementation rates and results than projected in Africa. Nevertheless, there are specific projects in Africa, referred to as legacy projects, that provide examples of early results or projected impacts, with more information about mitigation projects, given adaptation results take more time.

Approved single- and multi-country projects in African states (excluding projects that include countries from other regions) are expected to, directly and indirectly, **reach over 200.6 million (million) beneficiaries in Africa**. They are also expected to **reduce the equivalent of over 360.9million metric tonnes of carbon dioxide.** A review of the GCF portfolio's focus suggests it will contribute to a larger extent to advancing mitigation over adaptation objectives.

Countries with strong DAEs are found to have the most developed portfolios, as per the total portfolio value. Specifically, African states in which an active DAE is headquartered are found to have portfolios of higher value of total finance. Active DAEs are also more likely than others to have single country FPs, to have received Project Preparation Facility (PPF) support, and to receive country co-financing on projects.

The GCF has been **effective at leveraging co-financing in Africa**, however, co-financing for LDCs and in African fragile conflict and violence affected (FCV) states experiencing **medium-intensity conflict and high institutional and social fragility remains low** compared to the level of co-financing leveraged in other African states.

In total, **77% of co-financing leveraged has been geared towards mitigation**. Although co-financing comes from diverse sources that include African governments and the private sector, multilateral development banks are the largest source of co-financing, providing co-financing for a third of the GCF's African projects and representing over a third of the total co-financing amount. Mitigation projects were reported as being more attractive given the higher possibility of returns on investments and the limited extent to which strong business cases have been made for adaptation projects.

Private sector engagement with the GCF in African States has been **slow in launching, although momentum has developed** during the GCF-1 period, with 65% of private sector financing provided after 2019. Private sector engagement and investments are largely based on the GCF's ability to de-risk investments through a combination of financial instruments, an increase in equity, and guarantees from initial resource mobilisation to GCF-1. Additionally, the GCF has only placed **modest emphasis on promoting the participation of micro, small- and medium-sized enterprises (MSMEs)** in GCF activities in African LDCs, SIDS, and FCV states, which are in fact the vast majority of private sector actors in Africa.

Africa has received the second highest single country share of readiness funding overall. The GCF has invested its resources in building the institutional capacity of African states primarily through its Readiness programme. The level of support fluctuates but trends positively for all country groups in Africa, and particularly for LDCs.

However, the GCF's Readiness support has been under-utilised and is challenging to access by the countries and entities needing it most. Indeed, African States have not been accessing all the Readiness support to which they are entitled and to the levels required to build generally much-needed capacity. Challenges in accessing Readiness have reportedly pertained to the complexity and length of the process and relatedly high transaction costs, which are further compounded in certain non-English speaking countries and countries with limited capacity. Given that the Readiness and Preparatory Support Programme (RPSP) is often the gateway to engaging with the GCF, challenges in accessing the Programme become a major impediment to the GCF's effectiveness, particularly for DAEs seeking to build timely and robust pipelines.

Paradigm shift towards low emission and climate resilient development pathways

Paradigm shift is central to the GCF's objectives, and its meaning is woven into all the stages of the programme/project management cycle. The GCF's paradigm shift potential is assessed based on three dimensions: scale – a quantifiable change in magnitude of results within and beyond the project; depth – extent of uptake by targeted groups or embeddedness in systems, independent of cost; and sustainability – the degree to which the change is supported structurally, culturally and financially such that the change is irreversible. **However, in the African states portfolio, the task of operationalizing "paradigm shift potential" in project design and implementation occurs without a shared understanding of pathways to impact.**

Examples of paradigm shift potential are emerging in scenarios where the GCF has contributed either with readiness support or through a project. As such, these examples offer clues as to what is needed to enable shifts toward new paradigms. **For the time being, though, key elements of paradigm shift are lacking in abundance and are distributed unevenly across the African states portfolio.**

Indeed, at this stage in the development of the African states portfolio, it is too early to see signals of scale, depth, and sustainability beyond what can plausibly be created by accredited entities (AEs) within project time frames. While signals of systems change are evident within country legal-policy-institutional environments and within projects that indicate paradigm shift potential, evidence of systemic change occurring outside the realm of individual projects is limited because of the maturity of the portfolio and its make-up as a set of discreet projects.

Gender equity and social inclusion

The **GCF's commitment to use a gender-responsive approach** can be traced to its 2019 Updated Gender Policy, while its commitment to gender sensitivity originates in the Governing Instrument and the UNFCCC document itself. The policy is operationalized by the GCF's Gender Action Plan (2020-23), which requires the GCF to ensure that AEs have, "established competencies, tools and processes to achieve results", and that its Board has the information required to, "exercise oversight responsibility for the Gender Policy and Action Plan."

The evaluation has found that **gender-related dimensions** of the African states portfolio **are considered across design, implementation and monitoring stages, and most systematically during project design** with the development of required gender assessments and gender action plans.

Across the portfolio, **reporting on gender-related co-benefits is limited and largely confined to commentary on formative processes identified in gender action plans** such as assessments, tendering, recruitment, skills development, setting up service delivery mechanisms (e.g., micro-funds), and adjusting institutional policies and practices. **Nevertheless, gender-related co-benefits reported at this stage are growing and diverse.** They include employment opportunities, sector-specific capacity enhancements, equitable access to information and resources, emergent women-led services/businesses, benefits-sharing mechanisms and more**.** While progress is underway in achieving certain elements of mainstreaming, **evidence of transformative change (where imbalances in power relations between women and men are addressed, and where visible and invisible structures and norms upholding these relationships are removed) is confined to specific projects and is largely anecdotal**.

In the African States portfolio, the involvement of indigenous peoples has reflected a much more limited extent than gender across the stages of project development. The evaluation encountered little evidence of the GCF engagement with indigenous peoples across the African portfolio. With a few exceptions, the dominant refrain from African stakeholders is that there are no indigenous peoples affected by or involved in project activities or that indigeneity is complex or ill-advised in an African context. Yet, the requirement to engage with indigenous peoples as part of the project cycle is spelled out in the GCF's Indigenous Peoples Policy.

Monitoring and evaluation mechanisms are set up to track gender-related dimensions of the African portfolio. In some project contexts, gender performance indicators are found to be overly complex, not well understood and remote from beneficiaries. **By contrast, there is no provision at a portfolio level to understand the participation of indigenous peoples and local communities or to track co-benefits associated with their participation.**

Across the Africa States portfolio, the shortcomings most commonly observed in the implementation of monitoring and evaluation relate to the selection of indicators and methods (quantitative and qualitative) used to address gender mainstreaming; the ability to track the engagement of youth; and the ability to track the participation of indigenous peoples through the project cycle, the utilisation of their knowledge systems, and the results obtained.

EFFICIENCY

African States have received the lowest average financing per project (including GCF and co-financing), standing at USD 116.9million per project, when compared to USD 169.7million in Latin America and the Caribbean and USD 204.4million in Asia Pacific. Project designs suggest outcomes will be likely achieved efficiently. Indeed, a review of output indicators to total project financing suggests that GCF interventions in Africa are likely to be cost-effective compared to the GCF portfolio as a whole.

The extent to which the GCF is accounting for high operating costs in Africa remains somewhat limited, **as the policy on AE fees is applied uniformly across regions and AE types.** The GCF policy on fees states that fees are determined based on the project size, with no regard to project location or country classification such as LDC, SIDS or FCV states. Of particular interest, early evidence suggests that **DAEs have the potential to deliver outcomes more cost-effectively** than is the case for IAEs.

Widely described as **cumbersome and resource intensive, many of the GCF's processes are inadequate** for the urgency of and needs in African states. Heavy and rigid procedures have made access to financing through the various modalities a difficult, time-consuming, and costly process. This has further heightened the need for both capacity building of African institutions to access financing, and for streamlining GCF processes to ensure greater efficiency. **Important challenges in working with the GCF include a lack of DAEs, language-related barriers, lack of flexibility,**

lack of clarity and consistency in process and procedure, currency risks, and matters of access and proximity. While also affecting country ownership, project implementation, and the willingness of stakeholders to engage with the GCF, these challenges have a particular effect on the GCF and its partners' ability to work efficiently.

Sustainability, replication and scalability

The concept of sustainability is found to be central to the GCF's strategic objectives, as recognized in the Updated Strategic Plan, particularly as it relates to the GCF's objective of enabling a paradigm shift. However, given project trajectories, with only the oldest projects in Africa just coming to a close, it is too early to assess the extent to which the GCF's contributions in African states will be sustained.

Nevertheless, several GCF intervention design features and factors such as:

- Strong country ownership is widely observed to be a determinant of sustainability.
- Alignment with priorities and needs, which is required to be emphasized in project documents, is also regarded as enhancing the potential sustainability of projects.
- Ensuring local communities understand interventions' benefits and co-benefits has the potential to increase the desire for these benefits to be sustained.
- Ensuring there is a capacity to sustain project outcomes is central to the sustainability of benefits.
- Private sector engagement favours sustainability, in part through business continuity as well as the provision of critical financial resources.

Relatedly, the concepts of replicability and scalability are associated with paradigm shift and systemic change, innovation, as well as cooperation and coordination with other climate funds and co-financing, including by governments, other agencies, and/or the private sector. **Still somewhat limited, conceptual visibility, coherence, and guidance at the GCF on the related concepts of replicability and scalability are largely concentrated at the project level only.** In particular, GCF projects generally include considerations for expanding the scope and reach of existing projects, and also for building on prior projects in some cases, as a number of project examples provide.

Replicability and scalability can take many often-overlapping forms, in terms of strategies and approaches, instruments, and solutions, as evident in many GCF FP designs. First, **working with existing partners (e.g., other funds and AEs) on linked** projects has been a scaling and replication strategy of the GCF. For instance, as partners with a long term vision on complementarity, Coherence and Collaboration between the GCF and the GEF, the GCF and GEF have encouraged efforts to link, lightly coordinate and scale their work, as in the case of the GGW Initiative. Second**, using new financial instruments, including concessional finance in sectors where perceived risks ward against private sector investment, has helped overcome obstacles and build new opportunities for scaling**. These include the water, sanitation and ocean sectors, the decentralized renewable energy sector, and the agriculture sector where a combination of concessional finance, adaptive climate smart technologies and capacity building support are expected to bring about change at scale. Third, **geographic expansion of solutions, either locally/nationally, to other single countries or to multiple countries is a frequently pursued way to scale impact**. Indeed, the GCF has been supporting projects that have broad reach, in multiple countries and regions globally, with an African component.

KEY CONCLUSIONS

The findings led to the following conclusions.

Relevance and targeting of the GCF in Africa

For the most part, **GCF has been moderately relevant to the African states**, in line with international agendas on climate action. However, **its portfolio is weighted towards mitigation results areas.** The GCF has proven itself to be an important source of financing, capacity development, and other forms of support to African states for tackling key and urgent climate change related challenges. However, African states stakeholders have called for a re-balancing to take place towards adaptation, given the real and imminent climate impacts they are facing.

Institutional coherence and complementarity

Regional or portfolio level complementarity efforts among other climate funds are limited. Much remains to be done to effectively operationalize a coherent and coordinated provision of climate finance and related support in Africa. Moving towards greater impact, the GCF has started to work with these and other leading finance and development actors, as well as a whole range of stakeholders at sub-national, national, regional and global levels. In particular, the GCF Secretariat has pursued a high level approach to cooperation with the GEF at the strategic level, and to a far lesser extent with the AF and CIF. For the time being, while unsystematic and unincentivized, **the pursuit and operationalization of cooperation and complementarity are realized mainly by the AEs of the multiple funds.**

Country ownership of projects and programmes

- **The GCF's expectations for stakeholder engagement are well documented in policy and guidance notes. However, robust stakeholder engagement in management, in governance and in monitoring and learning at country level are yet to be put in place.** For this reason, among others, the quality of engagement is routinely questioned by African stakeholders, particularly among civil society. There is significant variability in the engagement of CSOs by national governments in project planning, monitoring and implementation, such that civil society remains a vastly under-utilised source of experience, wisdom and capacity.

Institutional capacity for accessing the GCF

- **The existing menu of support for accessing the GCF is not effective** for some African states. Many African states, particularly LDCs and FCVs, are still facing challenges in accessing the GCF's RPSP and PPF resources. Indeed, African states have received the second highest single country share of RPSP funding among the regions, but African LDC and FCV states are not accessing all the RPSP support to which they are entitled, and to the level required to build generally much-needed capacity. Given that the RPSP is often the gateway to engaging with the GCF, challenges in accessing GCF's climate funding become a major impediment. The PPF also barely serves the needs of SIDS and FCV states. Only a few PPFs have reached approval in African FCV states and SIDS to date.

Access to the GCF's financial resources

- **The direct access model of the GCF in Africa is inhibited by a paucity of nominated and accredited DAEs,** with only 18 DAEs accredited in 13 of the 54 African countries. Also, the number of concept notes submitted by African DAEs has declined in recent years. Additionally, the GCF has only placed modest emphasis on promoting the participation of MSMEs in GCF activities in African LDCs, SIDS, and FCV states, which are in fact the vast majority of private sector actors in Africa. The extent to which the GCF is accounting for high operating costs in

Africa remains somewhat limited, as the policy on AE fees is applied uniformly across regions and AE types. Of particular interest, early evidence suggests that DAEs have the potential to deliver outcomes more cost-effectively than is the case for IAEs. Also, the evidence shows the effectiveness of PPF support for preparing FPs.

The GCF's engagement with countries

- **The GCF's current engagement is not appropriate for some countries in Africa. The GCF is perceived as difficult to access for African states due to its geographical and cultural distance.** The English-only working language of the GCF is a serious and costly impediment confronting non-Anglophone African states (e.g., in the Sahel and the Maghreb). In fact, to date, six countries out of 54 are without any GCF FPs. In addition, 17 countries are without any single country GCF FPs.

Gender and social inclusion

- **Across the portfolio, reporting on gender-related co-benefits is limited and largely confined to commentary on formative processes identified in gender action plans** such as assessments, tendering, recruitment, skills development, setting up service delivery mechanisms (e.g., micro-funds), and adjusting institutional policies and practices. Nevertheless, gender-related co-benefits reported at this stage are growing and diverse. They include employment opportunities, sector-specific capacity enhancements, equitable access to information and resources, emergent women-led services/businesses, benefits-sharing mechanisms and more.
- **Across the African states portfolio, the consideration and active involvement of indigenous peoples is limited**. In particular, the stages of project development struggle to speak comprehensively to indigenous peoples policy objectives. With a few exceptions, the dominant refrain from African stakeholders is that there are no indigenous peoples affected by or involved in project activities, or that indigeneity is complex or ill-advised in an African context.

KEY RECOMMENDATIONS

The evaluation makes six major evidence-based recommendations to the GCF Board and Secretariat.

Recommendation 1. Targeting and positioning of the GCF in Africa

The GCF should consider focusing more on addressing adaptation needs in the African states through more accessible financial instruments for LDCs and FCV states.

1) **The GCF should consider shifting its African states portfolio towards a greater focus on adaptation**. Such a shift should be based on specific country needs, comprehensive stakeholder mapping and engagement, and an intentional use of result areas for programming. In doing so, GCF should remain responsive to the priorities of African states in all their diversity, particularly regionally and for vulnerable countries and FCV states, while paying attention to linguistic diversity. A shift towards more adaptation programming would respond to the call from the continent's regional, national and civil society leaders for a portfolio that is more in line with African climate adaptation needs. The applicability of results areas for investment and the monitoring requirements of the Fund is very limited. The GCF has not yet found a way to consider the intentional use of results areas in programming overall, while remaining attentive to the potential overlap between adaptation and mitigation projects.

Programming across results areas, particularly on adaptation, should be targeted to match and balance both continental priorities and the priority needs of specific countries, as per their strategic documents at national level, such as nationally determined contributions, National Adaptation Plans and country programmes.

2) Aside from non-grant instruments, **the GCF should focus on a greater number of smaller and more accessible national level projects based on grants, particularly for LDCs and FCV states in Africa**. In doing so, the GCF should decrease the risk profiles of such states and increase the likelihood of co-financing and co-investing there.

Recommendation 2. Institutional coherence and complementarity

To streamline climate finance in Africa, **the GCF should operationalize the framework of complementarity and coherence at country and project level**, with the intention to reach across various types of stakeholders. Such an operationalization may benefit from RPSP and PPF support as well as project financing informed by shared learning and knowledge sharing processes.

1) **The GCF should engage with the GEF, AF and CIF to lead processes for a systematic and increased information exchange on project planning, development and implementation.** Stakeholders in such a process include climate funds, development organizations, regional governance and development bodies, and implementing/executing entities.
2) **Based on the lessons from the GGW**, **the GCF should consider incentivizing programmatic approaches which allow for the consideration of complementarities among entities** that develop and implement projects for multiple climate institutions.
3) **The GCF should consider directing some RPSP resources towards NDAs/focal points to foster the capacity for complementarity, coherence and coordination** among the climate funds, their accredited and executing entities, and other partners at country level.
4) The Board should consider **an independent assessment on complementarity, coherence and** coordination across the GCF ecosystem.

Recommendation 3. Country ownership and institutional capacity

1) **The GCF should clarify and reinforce guidance on the selection of, and responsibilities allocated to the NDAs/focal points** of African states. In addition, **the GCF should consider a more tailored approach to RPSP support in Africa.** With it, the GCF should consider developing terms of reference and/or guidelines for NDAs that provide clear guidance to them on how to work with the GCF.
    a) **At the country level**, **the GCF's RPSP support should be coupled with heightened GCF guidance. The GCF should also incentivize and monitor RPSP for African LDCs, SIDS and FCV states.** Tailored guidance on the RPSP should aim at encouraging national multi-stakeholder convening, inclusive of state and non-state actors, for planning, networking, collaboration, project design, implementation, and sharing of investment results. Particular attention should be given to African LDC and FCV states, and to those countries without DAEs or inactive DAEs. In addition, the success of such support could be measured through a key performance indicator for the Secretariat which monitors RPSP finance flows to African LDCs, SIDS, FCV states, and to those African countries without DAEs.
    b) **The GCF should consider and remedy high transaction costs for participating in the RPSP** through simplifying the processes used to access the RPSP, and shortening their duration. Such measures should consider the simplification of RPSP templates,

delegated authority in approval, and multi-lingual approaches to increase access for non-Anglophone states.

c) In addition to this, **the GCF should test and consider support for particular entities to overcome financial barriers to applying for the RPSP**. Such support should, in particular, **benefit entities in African LDCs, SIDS, FCV states, and those countries without DAEs and also no single country FPs.**

2) **The GCF should clarify roles and expectations on local stakeholder engagement by a national designated authority/focal points throughout the project cycle.** Stakeholder consultations mostly take place at the design stage but the involvement of local stakeholders or CSOs is often observed as decreasing during project implementation. Active local stakeholder engagement during the project implementation stages will enhance the sustainability of the project.

Recommendation 4. Access and partnership

The GCF should make special efforts to remove the barriers in African states – in particular for entities operating in LDCs, SIDS and FCV states – to accessing the GCF, by taking the following actions:

1) **The GCF should revisit accreditation requirements and processes for national DAEs in LDCs, SIDS and FCV states**, with the goal of **reducing the transaction costs** of becoming a partner to the GCF. Additional considerations could include the simplification of processes and extending the accreditation period significantly, with intermittent and lighter "accreditation reviews".

2) **The GCF should revise its policy on fees for AEs operating in Africa**, to account for the high operating costs of working in the continent, **particularly in LDCs, SIDS and FCV contexts in Africa.** The policy should also account for the additional responsibilities of the AEs, including project monitoring and reporting and institutional learning.

3) **GCF should encourage the pursuit of strategic accreditation among private sector actors in the African state**s, in particular for local financial intermediaries. The Fund should identify engagement opportunities, together with country partners, for those entities likely to enable broader and integrated engagement and partnership with private sector actors. Partnering with, and supporting local financial intermediaries is key. For example, given their successes in attracting private sector adaptation finance, GCF-funded climate change adaptation projects in Tanzania, South Africa, Rwanda and Botswana should be considered for learning and replication.

4) In the African context, **the GCF should tailor their approach to private sector engagement towards MSME participation**. The Fund should reverse the trend of primarily engaging with large entities in the Private Sector Facility entity portfolio. The participation of MSMEs and local actors in climate change mitigation and adaptation projects should be encouraged, given their pre-eminence on the continent.

5) **The GCF should provide CSOs with opportunities for capacity building and direct access. African civil society can support localized decision-making, particularly on climate change adaptation investment**s. CSOs are a notably under-utilised resource for NDAs/focal points and the GCF. To ensure appropriately and consistently inclusive CSOs participation in national programming, the GCF should provide CSOs with opportunities for capacity building and direct access through the RPSP.

Recommendation 5. GCF's engagement with countries

The GCF should consider steps to increase efficiency in its engagement with stakeholders of the GCF ecosystem, to enhance planning, implementation and access to the GCF, in particular in the African states.

1) **The GCF should increase its regional presence and engagement in Africa**, through existing institutional structures (e.g., regional dialogues, structured dialogues).
2) **The Board should review and change the organization's hitherto English-only policy** for project submissions and accreditation applications, as well as for supporting documents (e.g., policies) in order to remove a major obstacle to the development of country ownership and project portfolios in African non-Anglophone countries.
3) The GCF should increase the Secretariat's human, institutional, linguistic and financial capacity for absorbing the heightened workload that increased and diversified engagement in Africa will entail.

Recommendation 6. Learning and vulnerable groups

The GCF should consider a comprehensive and integrated learning and knowledge management approach in the African states. In particular, the GCF should strengthen its knowledge base on the integration of environmental and social co-benefits, gender transformation and indigenous considerations, evident across the African states portfolio. At the same time, it should become more intentional, consistent and proactive in applying its indigenous peoples policy in the African states. Such efforts could be complemented by the following actions:

1) As GCF advances gender transformation, **it should use tailored, African-led, independently verifiable assessments, to supplement the monitoring of data.** This should build a systematic and synthetic understanding of its gender impacts in the region. At the same time, these assessments should be used in developing more gender-transformative projects and monitoring and reporting practices.
2) **The GCF should revise its monitoring and reporting approaches** and **align them with the indigenous peoples policy.** Such revision should increase GCF knowledge of the implications and impacts of GCF projects on indigenous peoples in the African states. Here, the GCF should actively seek the advice of the Indigenous People's Advisory Group regarding the apparent reticence by some African states to recognize indigeneity in the formulation of projects.

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