



**GREEN
CLIMATE
FUND**

Meeting of the Board
4 – 7 October 2021
Virtual meeting
Provisional agenda item 8

GCF/B.30/Inf.11/Add.03
13 September 2021

Review of Guidelines for Enhanced Country Ownership and Country Drivenness

Summary

This report provides a summary of lessons learned during implementation of the Guidelines for Enhanced Country Ownership and Country Drivenness, including stakeholders feedback, as well as review of best practices on country ownership in other international organizations, to identify opportunities for strengthening GCF's guidelines on country ownership and country drivenness.

Table of Contents

I.	Executive Summary	1
1.1	Context	1
1.2	Objectives and methods	1
1.3	Lessons learned, challenges, and emerging opportunities	1
1.4	Recommendations	2
II.	Background	3
III.	Methodology	4
IV.	GCF country ownership processes	6
V.	Stakeholder feedback on country ownership’s lessons learned, good practices, and challenges	8
5.1	Summary of stakeholder survey findings	8
5.2	Summary of in-depth interviews and focus group discussions	14
VI.	Review of best practices	19
6.1	Country ownership processes of other climate change organizations	19
6.2	Country ownership processes of non-climate change international organizations	20
VII.	Lessons learned	21
VIII.	Recommendations	22
Annex I:	List of NDAs, AEs, DPs, and Secretariat staff interviewed	26
Annex II:	Country ownership processes of multi-lateral financing organizations	28
Annex III:	Country ownership alignment with GCF’s Strategic priorities for 2020-2023	32
Annex IV:	References	33

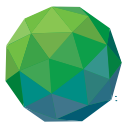
Table I: Country coordination system comparison	28
Figure 1: Survey responses by GCF partners	4
Figure 2: Survey responses by region	5
Figure 3: In-depth interviews by region	5
Figure 4: Good practices of NDAs/FPs	6
Figure 5: How is country ownership continued in proposal approval process	10
Figure 6: Stakeholders engagement	12
Figure 7: Local communities engagement	12
Figure 8: M&E by NDAs	14
Figure 9: Advantages of structured dialogues	16
Figure 10: GCF Secretariat support	16
Figure 11: Involvement of stakeholders in coordination/consultation meetings	18
Figure 12: Challenges experienced by AEs when coordinating with NDAs	19
Figure 13: Partners' recommendations for NDA-led coordination	23

Abbreviations

AC	Accreditation Committee
ADB	Asian Development Bank
AE	Accredited Entity
AF	Adaptation Fund
AfDB	African Development Bank
AMA	Accreditation Master Agreement
APRs	Annual Performance Reports
AWB	Attijariwafa Bank
CCCCC	Caribbean Community Climate Change Centre
CCM	Country Coordinating Mechanism
CIF	Climate Investment Funds
CO	Country Ownership
COA	Country Ownership Approach
COP	Conference of the Parties
CP	Country Programme
CR	Completion Report
CSO	Civil Society Organization
DAE	Direct Access Entity
DBSA	Development Bank of Southern Africa
DCP	Division of Country Programming
EC	European Commission
EBRD	European Bank for Reconstruction and Development
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 of the United Nations
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelerlingskinderen
FP	Funding Proposal
FPR	Forward-looking Performance Review
GA	Grant Agent
GCF	Green Climate Fund
GEF	Global Environment Facility



GHG	Greenhouse Gas
GI	Governing Instrument
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GFATM	The Global Fund to Fight AIDS, Tuberculosis and Malaria
GPE	Global Partnership for Education
IAE	International Accredited Entity
IC	Investment case
IDCOL	Infrastructure Development Company Limited
IEU	Independent Evaluation Unit
IFAD	International Fund for Agricultural Development
IPR	Interim Progress Report
IUCN	International Union for Conservation of Nature
KPIs	Key Performance Indicators
Landbank	Landbank Limited of the Philippines
LDC	Least Developed Country
LFA	Local Fund Agent
MDB	Multilateral Development Bank
M&E	Monitoring and Evaluation
MOE	Ministry of Environment
MSCP	Multi-stakeholders Country Platform
MSP	Multi-stakeholder partnerships
MUFG	MUFG Bank Ltd
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NEFCO	Nordic Environment Finance Corporation
NIE	National Implementing Entity
NOP	No-objection Procedures
NOL	No-objection Letter
OAS	Online Accreditation System
OECD	Organization for Economic Cooperation and Development
OFP	Operational Focal Person
Pegasus	Pegasus Capital Advisers
PAP	Proposal Approval Process
Profonanpe	Peruvian Trust Fund for National Parks and Protected Areas
PPF	Project Preparation Facility
PSAA	Project-Specific Assessment Approach



PSF	Private Sector Facility
PS	Private Sector
PSO	Private Sector Organization
RMF	Results Management Framework
RPSP	Readiness and Preparatory Support Programme
SANBI	South African National Biodiversity Institute
SAP	Simplified Approval Process
SIDS	Small Island Developing States
SD	Structured Dialogues
TOR	Terms of Reference
UAF	Updated Accreditation Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
USD	United States dollar
WFP	World Food Programme
WWF	World Wildlife Fund, Inc

I. Executive summary

1.1 Context

1. In decision B.10/10, the Board of the Green Climate Fund (GCF) recognized the importance of enhancing country ownership, country drivenness and the role that national designated authorities (NDAs)/focal points can play in this regard. At its seventeenth meeting, the Board approved the Guidelines for Enhanced Country Ownership and Country Drivenness through decision B.17/14. In its decision B.17/14, paragraph (c), the Board requested “the Secretariat to assess annually the experiences gathered from the application of these guidelines and to continue to improve the Guidelines based on lessons learned and observations from current best practices”, and in paragraph (d) decided that the Secretariat “review implementation of these Guidelines as needed, but at least every two years”. In decision B.24/04 which, amongst other things, endorsed the policy cycle for 2020–2023, the Board clarified that notwithstanding any prior decision, reviews of policies, guidelines, frameworks, or other similar documents adopted by the Board shall be considered by the Board in accordance with the workplan of the Board for 2020–2023.

1.2 Objectives and methods

2. The objectives of this review were to identify lessons learned from country ownership and country drivenness guideline implementation, identify best practices of country ownership in other multi-lateral financing institutions, and advise the GCF Board about further strengthening Country Ownership post-approval of projects/programmes. The methodology included desk review of key documents, including the Independent Evaluation Unit’s Evaluation of the Green Climate Fund’s Country Ownership Approach, surveys of GCF partners, and in-depth interviews with selected NDAs, International Accredited Entities (IAEs), and Direct Access Entities (DAEs), as well as relevant staff and management within the Secretariat.

1.3 Lessons learned, challenges, and emerging opportunities

3. Based on stakeholder survey analysis and in-depth interviews, some of the key lessons learned, challenges, and emerging opportunities are identified below.

4. Lessons learned:

- (a) Country Programme (CP) development is an important country ownership process because NDAs conduct facilitated stakeholders’ consultation to incorporate priorities from key national climate related strategies which are also aligned with GCF mandate for GCF investment consideration. Countries having CPs can engage accredited entities (AEs) on concept notes (CN) and funding proposal (FP) development on nationally agreed priorities.
- (b) No-objection Procedures (NOP) allow NDAs to have a final review of FPs before issuing No-objection letters (NOLs). NOLs are not required by GCF at the stage of CNs, however NDAs indicated that the best practice includes CNs review by key stakeholders including NDAs before submission to GCF by IAEs and DAEs.

5. Challenges identified:

- (a) NDAs have difficulty engaging private sector because private sector organizations (PSOs) have little incentive to engage NDAs.
- (b) NDAs still lack an in-depth understanding of all GCF policies and guidelines.

- (c) NDAs have limited capacity to facilitate inclusive consultation and coordination with all relevant stakeholders.
- 6. Emerging opportunities:
 - (a) While NDAs provide limited coordination and consultation support to AEs, additional guidance, and support from the GCF can further strengthen existing coordination and consultation processes at the country level. Good examples of systematic and inclusive coordination are provided by the Global Fund for AIDS, TB, and Malaria (GFATM), Global Finance Facility (GFF), and Global Partnership for Education (GPE).
 - (b) NDAs have expressed interest in providing oversight to GCF investments in their respective countries but lack adequate monitoring and evaluation (M&E) capacity. They are providing some oversight by participating in project steering committees. NDAs' capacity can be improved in M&E with additional GCF support. GCF knowledge management system could be enhanced to assist NDAs to further improve their understanding of various GCF guidelines and processes.
 - (c) Private sector partners implement several GCF funded projects. However, their roles are not well understood by NDAs. PSOs can play an important role in mobilizing additional resources and technical assistance to support national climate change projects. The GCF could proactively encourage and facilitate private sector partners engagement with NDAs.

1.4 Recommendations

- 7. The recommendations are based on feedback from various partners as well as review of best practices of similar international financing organizations. They seek to strengthen existing systems and processes of countries and GCF, including the GCF's operational policy guidelines and capacity building support. The key recommendations are as follows:
 - (a) **Recommendation #1: Strengthen country coordination platform:** Systematic and inclusive consultations are not undertaken by most countries, which undermines the objectives of the Guidelines on Country Ownership and Country Drivenness. NDAs and AEs recommend that GCF provide further guidelines on coordination and stakeholder engagement to help NDAs strengthen existing coordination and consultation processes. This will allow them to adhere to a set of minimum standards for more effective and inclusive engagement of key stakeholders throughout the GCF project cycle. As NDAs are not working full-time on GCF activities, they need comprehensive support to conduct all required activities.
 - (b) **Recommendation #2: Accelerate DAEs accreditation and enhance their capacity:** Stakeholders interviewed have highlighted that the accreditation of DAEs remains slow, thus hampering participation of national organizations in GCF funding. NDAs consider DAEs as important contributor to country ownership process and recommend expediting the accreditation of DAEs. Most accredited DAEs lack capacity to manage large and complex projects, hence, additional support from GCF is required to improve their capacity. GCF needs strategic and operational approach to fast track DAEs capacity building to increase success in CN endorsements and FP approvals.
 - (c) **Recommendation #3: Improve accountability:** Most NDAs do not have capacity in M&E and do not have a system to monitor the performance of GCF funded projects. Many AEs do not share the Annual Progress Reports (APRs) submitted to the GCF with NDAs. To ensure country ownership of GCF funded results, NDAs need clear guidance, incentives, and M&E capacity building for high level engagement throughout the GCF

- project cycle. GCF needs to ensure that all AEs share APRs and other reports with NDAs. NDAs requested additional financial support for M&E capacity and its oversight role.
- (d) **Recommendation #4: Facilitate multi-stakeholder partnership (MSP):** Based on best practices in other financing organizations, we recommend strengthening multi-stakeholder partnerships (MSP) at the country level in support of GCF investments. MSPs contribute immensely to country ownership, coordination, capacity building, resource mobilization, advocacy, and technical assistance. GCF should provide guidelines on how to strengthen MSPs at the country level.
- (e) **Recommendation #5: Strengthen communication and knowledge management (KM) system:** NDAs and AEs recommended that GCF enhance its communication to provide additional clarifications on various GCF guidelines, processes, and policies. GCF is a unique financing mechanism and there are many financing options and opportunities. New GCF policies and guidelines, including frequent updating of existing ones need to be understood by NDAs and key stakeholders. Therefore, GCF's knowledge management system needs further strengthening to support capacity building of NDAs, AEs, Readiness Delivery Partners (DPs), and other relevant stakeholders.
- (f) **Recommendation #6: Accelerate CP development:** NDAs felt CPs help them to prioritize projects for GCF investments. NDAs who have completed CPs have indicated that AEs consult the CP document to draft as well as review FPs with NDAs. Multi-country/regional FPs also use CPs to incorporate common challenges and priorities of countries. Thus, it is a key document for enhancing CO and most stakeholders emphasize the need for all countries to complete the process of developing their CPs. The GCF has also been encouraged to strengthen its guidelines so that CPs can truly reflect national priorities as well as incorporate regional and multi-country priorities that are aligned with GCF's own mandate.

II. Background

8. Country ownership is a core principle for the GCF and is reflected in the GCF's Governing Instrument and various Board decisions:
- (a) The GCF Board, at its third meeting, in March 2013, noted 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). In subsequent meetings, this principle of country ownership has been reaffirmed and refined in numerous Board decisions.
- (b) At its fourth meeting, the Board noted that countries may designate an NDA or a country focal point to interact with the GCF and 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.
- (c) At its eighth meeting, the Board endorsed initial best-practice guidelines for establishing NDAs and focal points as well best-practice options for country coordination and multi-stakeholder engagement.
- (d) 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. Guidelines for enhanced country ownership and country drivenness were adopted later, through decision B.17/14. The implementation of these guidelines has facilitated countries leadership role in the development of country programmes, concept notes, proposals, coordination and consultation with key stakeholders, capacity building of NDAs/FPs and DAEs, and improved access to additional resources from GCF.

9. According to decision B.17/14, the Board requested the Secretariat to assess annually the experiences gathered from the application of these Guidelines and to continue to improve the Guidelines based on lessons learned and observations from current best practices, and to undertake a review of implementation of these Guidelines as needed, but at least every two years¹.

10. In decision B.24/04 which, amongst other things, endorsed the policy cycle for 2020–2023, the Board clarified that notwithstanding any prior decision, reviews of policies, guidelines, frameworks, or other similar documents adopted by the Board shall be considered by the Board in accordance with the workplan of the Board for 2020–2023.

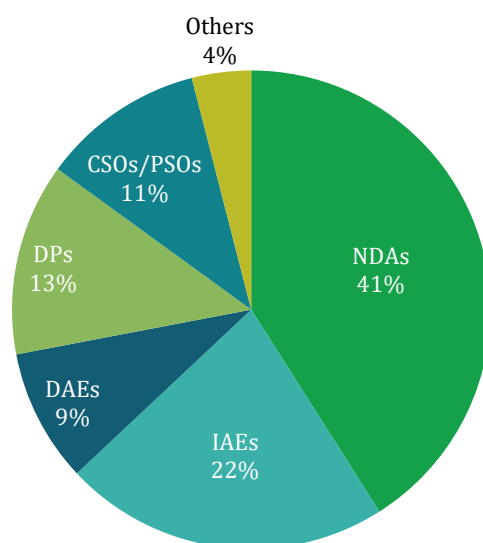
11. An independent evaluation of GCF’s country ownership approach was completed in 2019 by the Independent Evaluation Unit (IEU) of GCF. The Secretariat has reviewed the IEU findings and recommendations, and prepared a management response, which have informed this review. Several management actions have been taken to enhance country ownership.

III. Methodology

12. A review of the enhanced guidelines was initiated by the Secretariat in October 2020 to identify key lessons learned and explore opportunities for further improvements to strengthen country ownership and country drivenness. A mix of methods, employing both qualitative and quantitative data analysis, were used to inform the report’s evidence-based findings and recommendations. They included: (i) desk review of key documents: GCF country ownership guidelines and other key Board decisions; review of several multi-lateral financing organizations country ownership processes to identify their best practices; (ii) stakeholder surveys with NDAs, IAEs, DAEs, and Delivery Partners (DP); and (iii) in-depth interviews with NDAs, IAEs, DAEs, DPs, Civil Society Organizations (CSO), and Private Sector Organizations (PSO).

13. The stakeholder survey covered key activities throughout the GCF project cycle and received 46 responses which included 19 NDAs, four DAEs, 10 IAEs, six DPs, five active observers (CSO, PSO, etc.), and two marked as others.

Figure 1: Survey responses by GCF partners

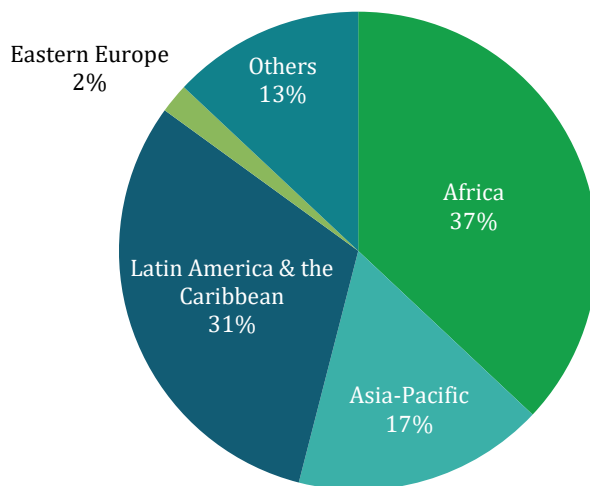


¹ Guidelines for Enhanced Country Ownership and Country Drivenness; GCF/B.17/14; June 2017

14. Of the 19 NDA responses, there were 10 responses from Africa of which five are Francophone, three are Anglophone, and two are Portuguese speaking countries: three from LAC NDAs and six from Asia-Pacific NDAs.

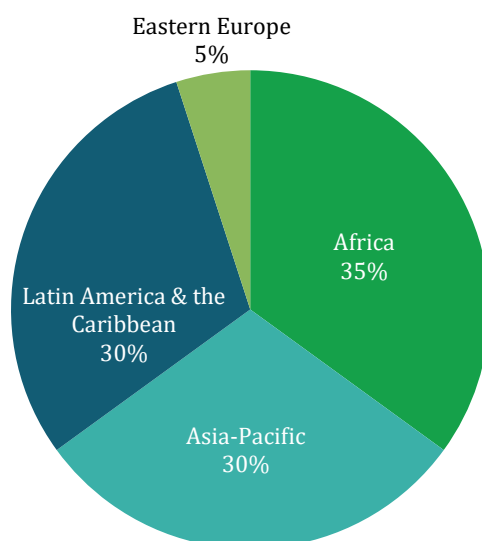
15. The regional breakdown of survey responses is as follows – 17 - Africa, eight – Asia-Pacific, 14 – Latin America and the Caribbean, one – Eastern Europe, and six – others. See Annex I for list of countries.

Figure 2: Survey responses by region



16. In-depth interviews were conducted with NDAs in 20 countries – six from Asia-Pacific, seven from Africa, six from Latin America and the Caribbean, and one from Eastern Europe. A total of 23 accredited entities were interviewed – nine DAEs and 14 IAEs. Of the nine DAEs, two are regional organizations. Of the 14 IAEs, three are large, five are medium, two small, and one micro-organization. There were 10 public IAEs and four private sector organizations (see Annex I).

Figure 3: In-depth interviews by region



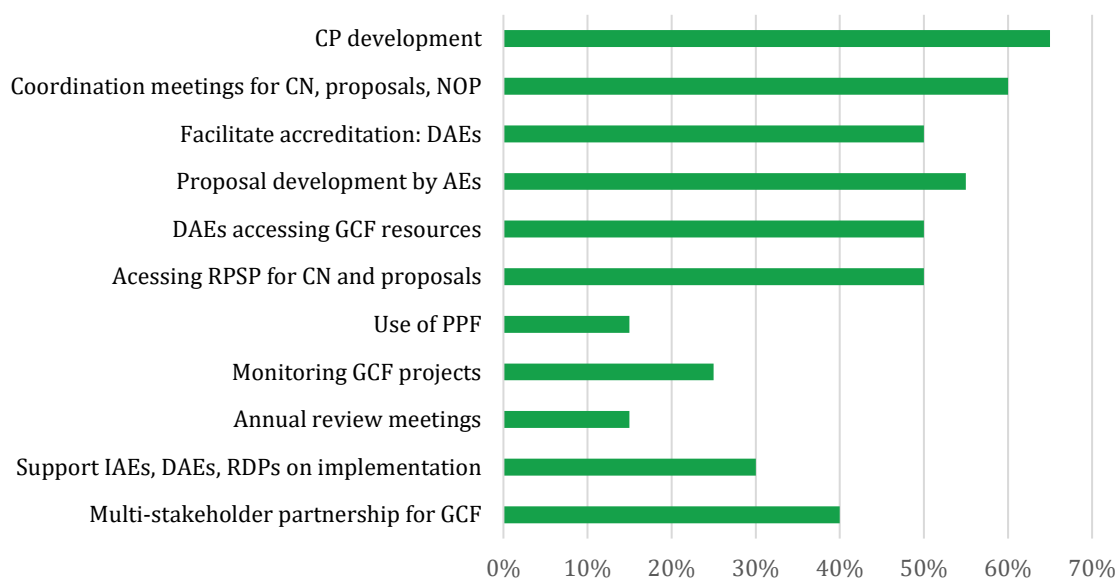
IV. GCF country ownership processes

17. According to the guidelines on country ownership, relevant GCF processes imply that: (i) NDAs lead the country engagement process, (ii) all key stakeholders engage to develop country programmes, (iii) NDAs facilitate stakeholders’ engagement, especially with the relevant government ministries, for concept note (CN) and FPs development, (iv) NDAs coordinate and facilitate communication with the GCF, (v) NDAs manage the No Objection Procedure (NOP) within their respective countries; and (vi) NDAs coordinate with AEs and DPs for GCF approved FPs during the implementation phase. NDAs are responsible for selecting national organizations for GCF accreditation. Country ownership is recognized by all respondents as important principle but there is no consistency on applying country ownership in various phases of proposal approval process (PAP). Most countries have coordination processes especially for technical input to CNs and FPs. AEs confirmed that NDAs helped them with introduction to relevant ministries for consultation. But these coordination and consultation processes are seen as ad hoc arrangement to respond to GCF call for proposals. NDA consultation process, in most cases, are not seen as inclusive of civil society and private sectors. AEs also initiate consultations with relevant stakeholders for FPs.

18. In later sections of the report, some of the best practices, lessons learned, and emerging opportunities are explained to reflect on what is working and what can be improved.

19. From the survey and in-depth interview analysis, there appears to be universal acceptance and recognition of the NDAs lead role on GCF activities. 95% of the respondents in stakeholder survey indicated that they understand NDAs roles but recommended that NDAs need capacity building in coordination, GCF requirements, and M&E. CP development is viewed as a good practice which engages key stakeholders and includes review of national climate strategies to inform the prioritization of investment by GCF. CPs help NDAs to guide AEs on CN and FP development. Over 60% of the respondents from the stakeholder surveys indicated that CP development and coordination meetings for CN and FP development were good practices. In-depth interviews with AEs and DAEs also confirmed the survey findings about CPs and NDA role on coordination.

Figure 4: Good practices of NDAs/FPs



20. Several countries are yet to complete CPs. Of the 20 NDAs who were interviewed, only 8 confirmed having fully developed CPs. IEU indicated that only 23 CPs have been completed². However, the Secretariat has confirmed that by December 2020, 73 countries have reported in their interim progress reports (IPRs) that they have achieved the targets set towards developing CPs. Therefore, 66% (73 out of 111) of the countries have indicated development of CPs with Readiness and Preparatory Support Programme (RPSP) support. As of July 2021, the Secretariat has received and endorsed CPs from 26 countries while 40 countries have CPs that are still in draft form.

21. Stakeholders have also identified a few challenges for GCF country ownership processes. These are:

- (a) **Country Coordination:** As per the initial best-practice options for country coordination and multi-stakeholder engagement endorsed by the Board through decision B.08/10, “A consultative process should aim to be an ongoing process rather than a discrete activity only occurring once without the possibility of follow up, continuous update and regular assessment of progress”.³ In reality, country coordination structure or consultative platform is not operational in many countries in a transparent and inclusive manner. 72% of the survey respondents indicated that coordination and consultation meetings are organized mostly in response to CN and FP development. Only 13% survey respondents indicated that NDAs organize regular coordination meetings. Of the 20 NDAs interviewed, 16 (80%) indicated existence of some form of coordination committees. Over 50% of the coordination committees did not include any representatives from CSOs and private sector. Many of these coordination committees were set up as technical committees for review of CNs and FPs.

With respect to engagement of stakeholders by NDAs, the Independent Evaluation Unit (IEU) report on country ownership indicated that not all country coordination structures included non-state actors and more than 40% of FPs did not describe stakeholders’ consultation during programme design. This was confirmed by stakeholder survey response where only 35% respondents indicated that AEs seek input from CSOs for their FPs. In-depth interviews with IAEs also confirmed that NDAs were better at engaging government ministries than CSOs and PSOs. IEU further states that country ownership definition lacks clarity of ownership beyond the national government. No-Objection procedures (NOPs) are an important and transparent documentation requirement that strengthens country ownership. During individual interviews, five IAEs indicated that NDAs are not fully transparent about their NOP. Additional oversight mechanisms or guidelines are needed in country coordination structures to ensure transparency on NOP so that individual officers do not abuse power.

- (b) **AEs:** According to IEU, AE-driven business model is not fully aligned with the notion of country in the driving seat. NDAs face challenges with the lack of coordination and alignment with country systems by IAEs. Not all IAEs use country systems such as public finance, management systems, results systems, and procurement systems⁴. DAEs lack capacity to develop GCF proposals and to carry-out large projects. Proposal approval timeline is long which hinders ownership that comes from rapid actions on national priorities and demonstration of results. Long proposal development and approval process also hampers rapid scale up needed to make faster impact on climate change.
- (c) **Accountability:** APRs are prepared by AEs. Seven NDAs, who were part of in-depth interviews, indicated that they do not receive APRs for funded projects. A few IAEs,

² IEU (2020) Independent Evaluation of the Green Climate Fund’s Country Ownership Approach; GCF/B.27/12

³ Annex XIV: Initial best-practice options for country coordination and multi-stakeholder engagement (GCF/B.08/45)

⁴ IEU (2020) Independent Evaluation of the Green Climate Fund’s Country Ownership Approach; GCF/B.27/12

especially private sector AEs, indicated that they do not share APRs with NDAs. Several private sector AEs indicated that they did not share APRs with NDAs because they are concerned about protecting confidentiality of commercial information of their partners. According to IEU report, APRs are not made public. However, OPM has updated its operational guidance to make APRs public and will monitor compliance by IAEs, DPs, and DAEs. It should be noted that RPSP grants require interim progress reports (IPRs) which are submitted by DPs.

- (d) **Multi-stakeholder partnerships:** Many NDA-led coordination meetings are mostly dominated by representatives of government ministries. In the absence of a stakeholder engagement policy from GCF, NDAs may not fully understand the modalities of MSPs. From the experience of other financing organizations, MSPs are considered essential to promote and sustain country ownership. International partners especially bilateral and multi-lateral donors, NGO networks, private sector associations, and UN agencies play a critical supportive role in facilitating country coordination, consultation, and investments for a multi-lateral financing entity such as GCF. Over 50% IAEs indicated that partnership is also important to support country-driven synergies among various climate finance mechanisms.
- (e) **Knowledge management (KM):** NDAs indicated that they face considerable challenges in understanding GCF's new and updated guidelines. As GCF policies are changing frequently, additional communication to improve understanding of GCF processes and guidelines at the country level are needed. Financing options used by private sector are also not well understood. Furthermore, NDA staff are government officials and are subject to frequent transfers requiring training of new staff. This means that the current KM system needs to be enhanced so that NDAs are frequently updated about GCF and its guidelines. The Secretariat has initiated several initiatives to streamline templates, accreditation processes, and various other guidelines to respond to these challenges.

V. Stakeholder feedback on country ownership's lessons learned, good practices, and challenges

5.1 Summary of stakeholder survey findings

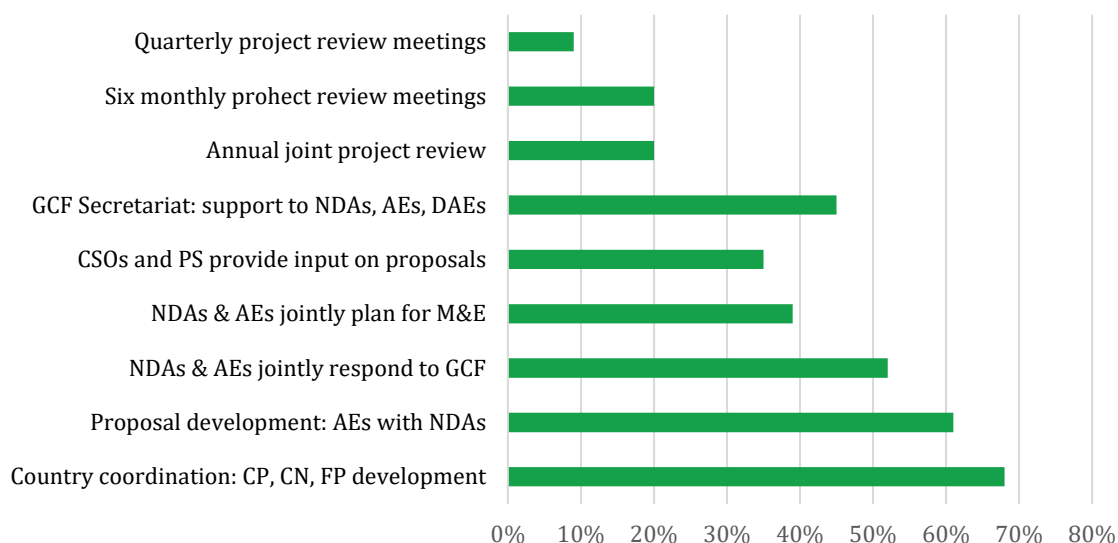
22. Here are the lessons learned according to the results of the stakeholder survey:

- (a) **NOP and consultative processes:** Overall, the NOP and consultative processes are good tools for country ownership because NOLs in most cases are provided after NDAs and relevant Ministries have reviewed the FPs so that proposed activities are aligned with national priorities or where CP exist, they are part of the priority project list. As for consultation processes, 72% of the stakeholders felt that the NDAs were effective at facilitating consultation with relevant Ministries and some CSOs. However, Ministry officials representing NDAs who may not be involved in project design and are asked to sign NOLs can lead to difficult and delayed approval process. Also, some of the IAEs and private sector AEs do not consult NDAs before presenting CNs to GCF and NDAs felt that GCF can monitor this closely to ensure all CNs are reviewed by NDAs. In addition, there are perceptions by AEs that some NDAs tend to use their NOP power for their own benefit causing frustration particularly for private sector AEs. No evidence was provided by any IAEs in support of this issue but at least four IAEs mentioned this during interviews.
- (b) **Country Programmes:** Countries having CPs indicated that such documents helped them to work with AEs to develop country priority proposals. 65% survey respondents indicated CP development to be a good practice. However, many countries have not

completed CPs and it is seen as a complex process taking considerable time and effort. Without CPs, the AEs develop programs based on their own analysis and institutional priorities. At the same time, CPs are not found useful by several IAEs because they felt many of the priorities in CPs do not align with GCF's investment priorities. They indicated that CPs are developed by external consultants who may not have banking or investment experiences and may not fully comprehend what kinds of transformational projects are needed to accelerate national actions to meet country climate change targets. Three major IAEs felt that the CPs tend to have "shopping lists" of projects which may not meet GCF investment criteria for transformational projects. Suggestions from majority of the AEs is for GCF to provide better guidance to NDAs to improve the quality of CP development so that they are aligned with GCF investment priorities as well as country level priorities.

- (c) **NDA capacity for country-level coordination:** Of the 20 NDAs interviewed, all are government officials and are not full time on GCF activities. However, they seem to have been effective at facilitating AEs consultation with relevant ministries. This was confirmed by most AEs. Funds from RPSP have been immensely helpful in expanding NDA capacity by allowing recruitment of consultants and organizing training. Seventeen out of 20 NDAs indicated that they have technical or steering committees but no formal coordination platforms which meets regularly. Many coordination committees do not include CSOs and PSOs, resulting in sub-optimal contribution to GCF proposals. Over 50% stakeholders felt that NDAs do not have the capacity to manage a formal national coordination platform and need additional support from GCF. NDAs also do not have the capacity to provide oversight and annual GCF portfolio review. 95% of the respondents of the stakeholder survey indicated that NDAs need capacity building in coordination, M&E, impact measurement, and GCF portfolio review. As for coordination meetings, they are not well organized (13%), do not focus on implementation (15%), no CSOs and PSOs are included (35%), and mostly ad-hoc arrangements (17%). At least seven IAEs recommended that a formal coordination platform will assist with stakeholder engagement and avoid concentration of power in one person.
23. Based on stakeholder survey analysis, below are emerging good practices:
- (a) **Early engagement:** Engaging NDAs from the very beginning of CN and FP development encourages ownership and allow NDAs to facilitate consultation with relevant stakeholders. This helps NDAs to understand how AEs are addressing national priorities in their proposals. This was confirmed by stakeholder survey where 52% respondents indicated that this to be a good practice. Over 60% respondents confirmed that country ownership is facilitated by country coordination for FP and CP development as well as FP development by AEs in close coordination with NDAs.

Figure 5: How is country ownership continued in proposal approval process

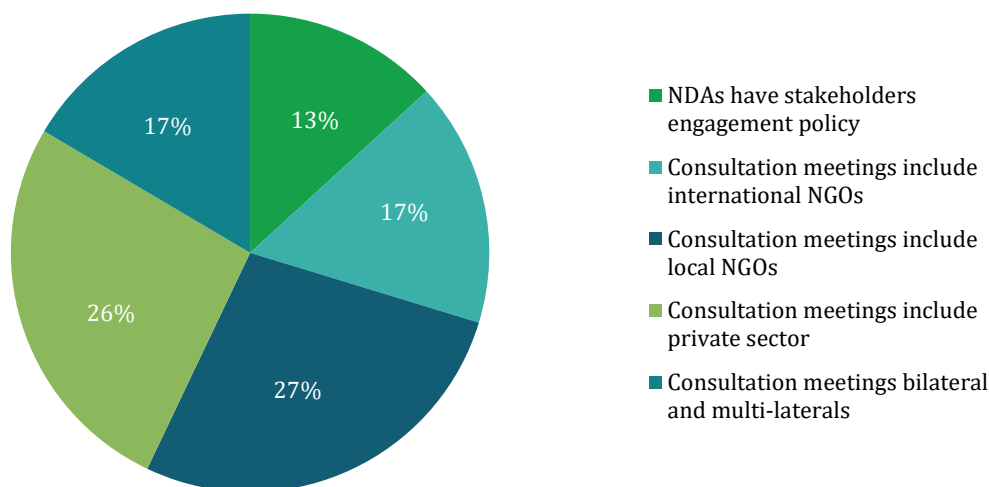


- (b) **Facilitating knowledge and access:** Most respondents confirmed that the GCF has recently further simplified Project Preparation Facility (PPF) and introduced Simplified Approval Process (SAP) thus facilitating their knowledge and understanding of how to access GCF resources. Furthermore, key documents have also been translated in some UN languages. The Global Programming Conference in July 2019 and structured dialogues were also considered good examples to improve knowledge about GCF.
- (c) **Readiness support:** RPSP is key to NDA and national capacity development. 61% of respondents confirmed using RPSP funds to prepare CPs and 52% confirmed that they used the support to develop CNs and FPs. 59% of the respondents confirmed using RPSP for institutional capacity building, however only 33% indicated that they used the funds for coordination and consultation of stakeholders. Countries used RPSP to build their capacity before taking on larger project proposals. 39% indicated using the funds to enhance capacity of institutions for accreditation. The RPSP support facilitated hiring of consultants for CNs and FPs development.
24. Here are some challenges according to the respondents:
- (a) **Private sector participation:** All NDAs who were interviewed indicated private sector engagement to be a major challenge. Survey respondents also indicated low engagement of NDAs by the private sector. NDAs felt GCF should be more involved in facilitating engagement of the private sector with NDAs. RPSP funded capacity building activities for the private sector and CSOs have achieved different levels of progress: 31 of the 80 countries that undertook to train the private sector have reported the proposed task as completed (39%) and 27 of the 35 (77%) countries that undertook to train CSOs have achieved this goal.
- (b) **Monitoring and Evaluation (M&E):** AEs do not always share APRs and other reports with NDAs, and this is especially true for private sector AEs. Private sector AEs indicated that they are not comfortable sharing progress reports with public sector NDAs because of private sector confidentiality issues on financial reports of partners. This has created a country level challenge where NDAs want to review all GCF supported and approved projects APRs but are not able to get cooperation from the private sector AEs. Less than 50% NDAs have a system of M&E for GCF portfolio. Only 15% respondents indicated that NDAs include GCF projects in annual review of national

climate strategy. 39% stakeholders indicated that AEs and NDAs jointly decide on follow-up actions after mid-term and annual project reviews. Only 20% confirmed that NDAs have a system for six monthly and annual joint reviews of GCF projects. In countries where AEs have country offices, the collaboration and communication between NDAs and AEs are better organized and facilitated.

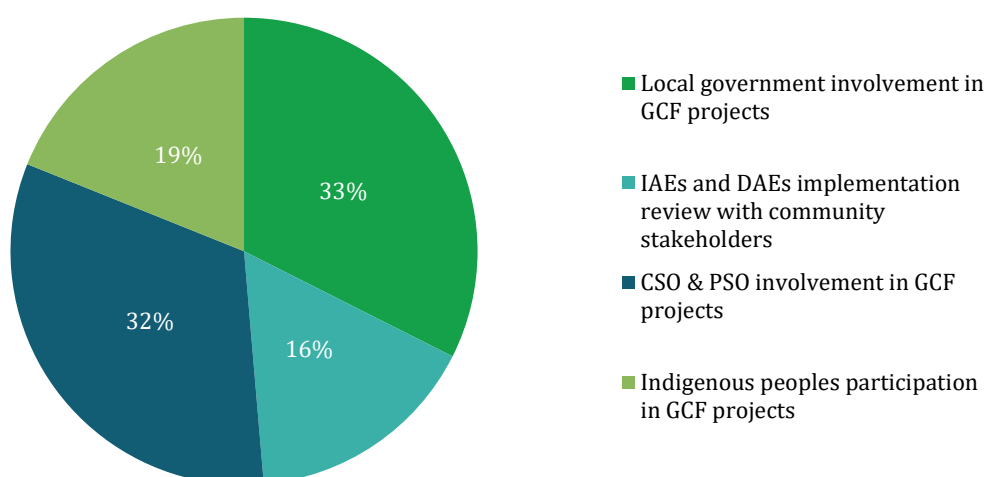
- (c) **Project/programme design and development:** Proposal development and approval processes were seen to take significant time, which eventually resulted in challenges at the implementation stage. Furthermore, AEs seem not to involve NDAs or local stakeholders during project development in all circumstances. Only 63% respondents confirmed that AEs engage NDAs during proposal development and 39% indicated that AEs engage local government and communities in their proposal development. 70% respondents indicated that GCF needs to provide specific guidelines for collaboration between IAEs and DAEs on proposal development and implementation management. Many IAEs indicated that NDAs lack of capacity in programme design and proposal development make it difficult for them to engage NDAs. According to NDAs, many IAEs consult GCF prior to discussing with NDAs and this undermines country ownership processes. AEs often do not provide information to NDAs on multi-country or regional proposals, which make it difficult for NDAs to understand GCF resource allocation for each country. Only 37% respondents indicated that they consult with NDAs on GCF queries during proposal review stages. In many cases, NDAs do not facilitate CSO and private sector organization stakeholders' consultations on proposal development and this is attributed to NDA capacity issue or lack of NDA understanding of the importance of such engagement.
- (d) **Stakeholder engagement:** NDAs indicated that engaging stakeholders is useful, but also time consuming and demanding. While NDAs or AEs must manage the competing priorities of various stakeholders, the process helps to promote inclusiveness and priority setting. Where CSO stakeholders are engaged, the AEs felt they got useful inputs and participation. Only 13% NDAs indicated having a stakeholder engagement policy. Several NDAs indicated challenges of seeking participation of the private sector organizations (PSOs). NDAs also felt that they need additional resources to engage non state actors. Only 4.3% respondents indicated that NDAs have enough resources & capacity to meet GCF requirements. Due to their capacity limitation, the development of consultative processes with various stakeholders presented challenges for NDAs. Over 71% respondents indicated that NDAs do not have a stakeholder engagement policy and recommended GCF to provide one.

Figure 6: Stakeholders engagement



- (e) **Local or community-level engagement:** Consultation with local governments and communities is seen to be low, which seems to hamper the ownership of approved proposals even in circumstance when they are the direct beneficiaries of approved projects. Only 30% to 35% of respondents indicated that AEs consult local governments during proposal development. NDAs do not have the institutional capacity to facilitate such engagements. Less than 50% CSOs and PSOs indicated their engagement in GCF projects. Only 24% respondents indicated that AEs review project implementation with local stakeholders at the district and village levels. Only 28% indicated that local communities including women’s organizations are involved in GCF funded projects.

Figure 7: Local communities engagement



25. Here are identified opportunities for improvement:

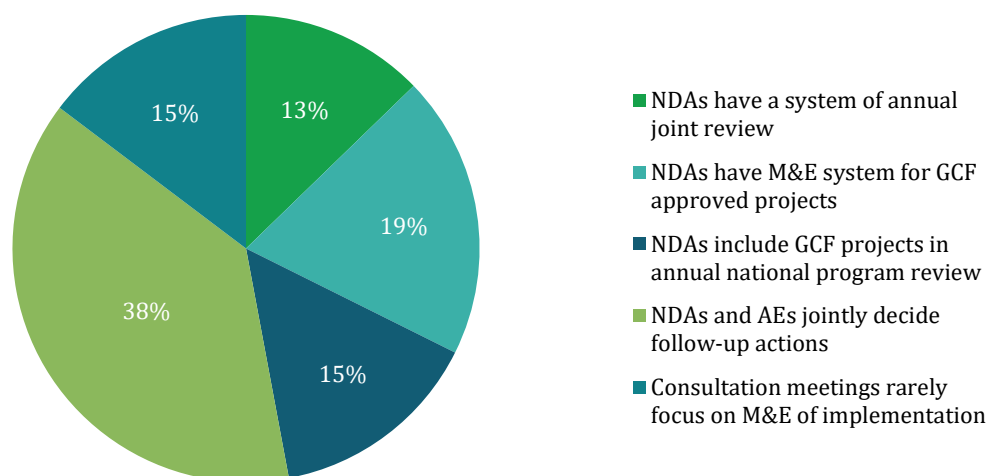
- (a) **Strengthen support for coordination platforms:** 59% survey respondents indicated that NDAs successfully provide coordination support during CN and FP development.

46% respondents indicated that NDAs could strengthen coordination process with additional support and guidance from GCF. Stakeholders understand the need for more systematic and inclusive stakeholders' engagement for a large financing organization like GCF. 39% indicated that GCF should provide a formal term of reference (TOR) for coordination meetings and 65% want NDAs to plan meetings well in advance to secure stakeholders participation. A formal coordination platform with clear TOR has the advantages of ensuring consistent stakeholder engagement, transparent and documented processes for the issuance of NOLs, exchange of information and knowledge among various stakeholders, consistent reviews of CNs and FPs, periodic oversight of projects under implementation, systematic private sector engagement, and formalization of collective commitment of key stakeholders to GCF portfolio. It will also minimize the risk associated with a single official approving NOLs. 50% respondents recommended that NDAs need financial support for full time secretariat to manage all GCF activities. 48% indicated that NDAs engage CSOs and PSOs, and 24%-28% indicated that NDAs engage indigenous groups and local administrations. 72% stakeholders recommended that GCF should provide stakeholder engagement guidelines to NDAs so that they follow international best practices and standards. GCF policy also states: "Country coordination and multi-stakeholder engagement are critical for the effective preparation of FPs, as well as ongoing monitoring and evaluation after approval".⁵

- (b) **Strengthen capacity to oversee GCF portfolio:** In most countries, NDAs do not play an oversight role for GCF approved projects. Six monthly project review and annual joint review of GCF projects are done by approximately 13% NDAs. Only 19% of NDAs have a M&E system for monitoring GCF projects. 37% respondents indicated that NDAs do not have the capacity to monitor GCF portfolio. For Readiness grants, semi-annual reporting is required by DPs. If NDAs can conduct at least one annual review of GCF portfolio and review APRs of AEs, that will allow them to have good understanding of the impact of GCF investments in the country and how such investments are contributing to national climate change targets. Majority of the respondents (90%) felt that NDAs need additional training and capacity building on M&E to meet GCF requirements of NDAs oversight role. 15% stakeholders indicated that consultation meetings rarely focus on implementation of approved projects. 39% indicated that NDAs do not measure impact of GCF projects.

⁵ Annex XIV: Initial best-practice options for country coordination and multi-stakeholder engagement (GCF/B.08/45)

Figure 8: M&E by NDAs



Only 35% indicated that AEs submit M&E plans to GCF after consultation with NDAs. In many countries NDAs are part of project steering committees. Many AEs recommended that relevant ministries (e.g., Energy, Agriculture, Environment) for the projects have oversight function and NDAs should only be provided an update by AEs on a quarterly or six-monthly basis. Under GFATM, the CCM has an oversight function and are expected to review GFATM projects on six monthly or annual basis. GFF and GPE require annual review of its investments by national coordination bodies.

5.2 Summary of in-depth interviews and focus group discussions

26. Twenty NDAs and twenty-three AEs were interviewed. The summary of the in-depth interviews is as follows:

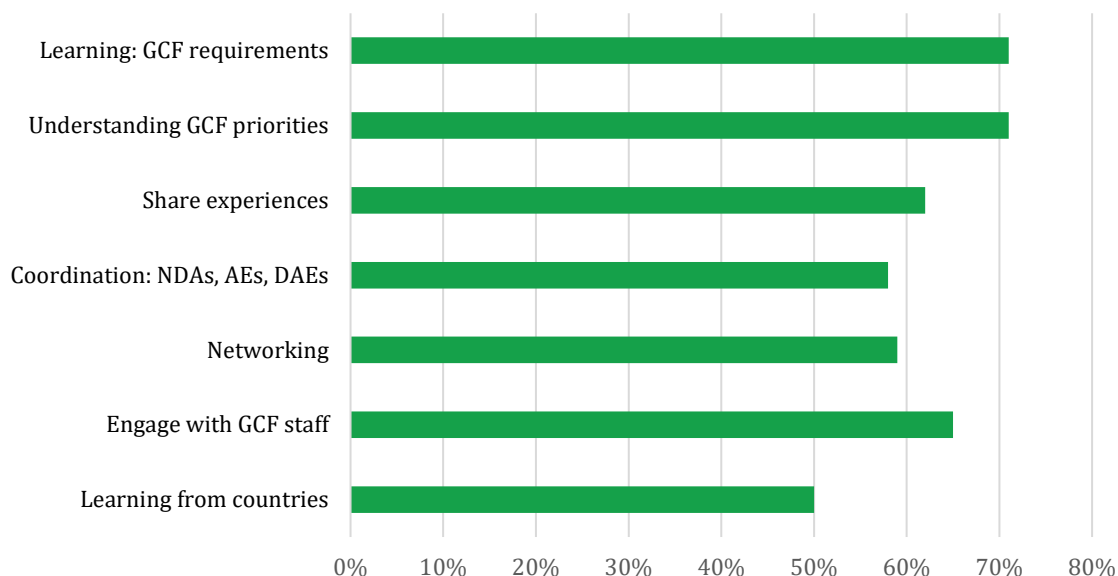
27. Lessons learned include:

- (a) **NDA capacity:** Most NDAs mentioned that they have some form of coordination committees for proposal review. These are mostly technical committees for CN and FP review. NDAs noted the lack of capacity to organize regular consultations and coordination meetings. However, they did facilitate introductions of AEs to relevant ministries for technical discussion and programmatic support. NDAs housed within Ministries of Finance or Economic Development typically seemed not to have program development expertise, nor the capacity to provide technical inputs to proposals. They tended to rely on external consultants or relevant line Ministries such as Environment and Energy, and IAEs for proposal development. AEs were generally seen to be effective at organizing stakeholders' consultations on CNs and FPs and providing technical expertise on proposals under development. These insights are instructive in informing the capacity development needed for NDAs and the policy guidelines that would further strengthen coordination processes at the country level.
- (b) **Partnership with DAEs:** DAEs are considered by NDAs as key to country ownership and sustainability. DAEs that are also government entities seem to enjoy better cooperation with NDAs. Many IAEs work with DAEs in proposal development and project implementation. IAEs consider this to be a good model to secure country commitment and facilitate DAEs capacity building. All international organizations that

have country offices indicated close collaboration with NDAs. According to NDAs and DAEs, IAEs partnering with DAEs were seen to be successful in enhancing capacity of DAEs because IAEs have global experiences and expertise in climate change areas and large-scale project management. By building DAEs capacity, IAEs can help create national level capacity to scale up projects. Many IAEs do not implement projects and rely on local partners as delivery partners or executing entities for implementation. Therefore, NDAs indicated that DAEs are key to accelerating national climate change initiatives. DAE capacity limitation is an issue which was also mentioned by IEU in their evaluation of CO and more recently in IEU evaluation of Small Island Developing States (SIDS).

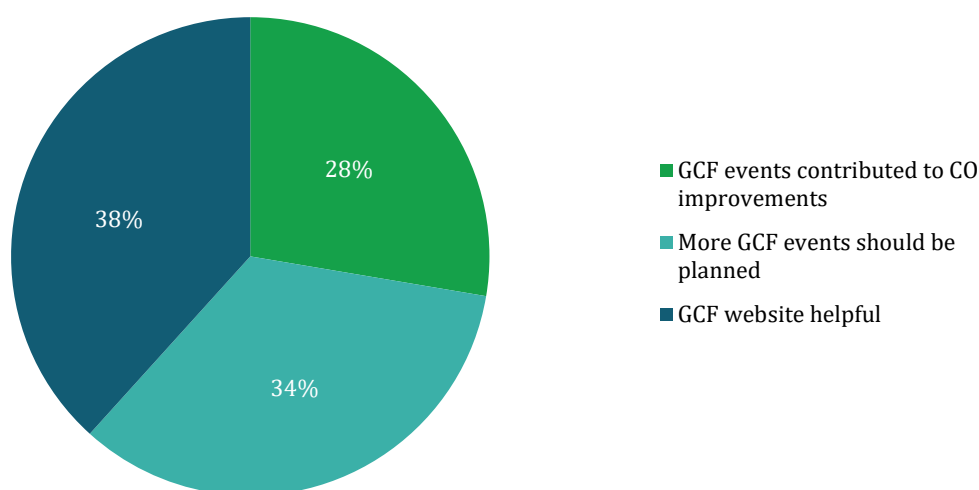
- (c) **IAEs:** During the interviews with NDAs and AEs, it was clear that IAEs understood GCF requirements better than many of the NDAs. This is because IAEs have more experience in climate change areas and have technical expertise in various areas which are core to GCF requirements for transformative projects, private sector partnership, and investment requirements. National governments have ongoing relationship with Multilateral Development Banks (MDBs) on large scale financing and projects. MDBs are also able to mobilize additional resources and technical expertise for national projects and GCF investments. Enhancing partnerships between NDAs and IAEs can also contribute to expanding NDA capacity on GCF requirements.
28. Here are some emerging good practices:
- (a) **Communication:** NDAs facilitating communication on CNs or FPs with relevant ministries is seen as a good practice by AEs.
- (b) **Structured dialogues of GCF:** Structured dialogues (SD) are appreciated by NDAs, IAEs, and partners as contributing to better understanding of GCF and facilitating sharing of lessons learned. An overwhelming majority of respondents recommended GCF to continue the structured dialogues and organize more than one structured dialogue per region annually. It should be noted that, under readiness grants, NDAs are organizing structured dialogues at the country level. Under Readiness grants, 26 out of 48 countries (54%) that set out to conduct dialogues with AEs and other stakeholders have reported completion of this task. However, NDAs and AEs felt that GCF-organized structured dialogues have a different value addition such as direct engagement with GCF staff which allows better understanding of GCF's policies and guidelines. Such structured dialogues also facilitate networking with partners from other countries. 72% survey respondents indicated SDs to contribute to better understanding of GCF policies and guidelines, and 83% indicated SD contributed to better understanding of GCF programming priorities. 65% indicated SDs facilitate communication with the Secretariat teams and 56% indicated that SDs facilitate collaboration among NDAs, IAEs, and DAEs.

Figure 9: Advantages of structured dialogues



- (c) **Project oversight:** In several countries, AEs established project steering committees to monitor GCF approved projects implementation. NDAs are included in these committees which allow them to monitor and track implementation of such projects. NDAs are also able to participate in annual reviews organized by the project steering committees.
- (d) **Partnership with DAEs:** IAEs partnering with DAEs is cited as a good practice. However, this is not followed by many IAEs. NDAs recommend GCF to take an active interest to facilitate this through policy guidance or other means.
- (e) **GCF documentation:** GCF streamlining and improving guidelines are useful for countries. GCF translating documents in French and Spanish demonstrate commitment to country ownership. GCF Secretariat support is very much appreciated by all.

Figure 10: GCF Secretariat support



29. According to the stakeholder survey, here are some challenges being faced:

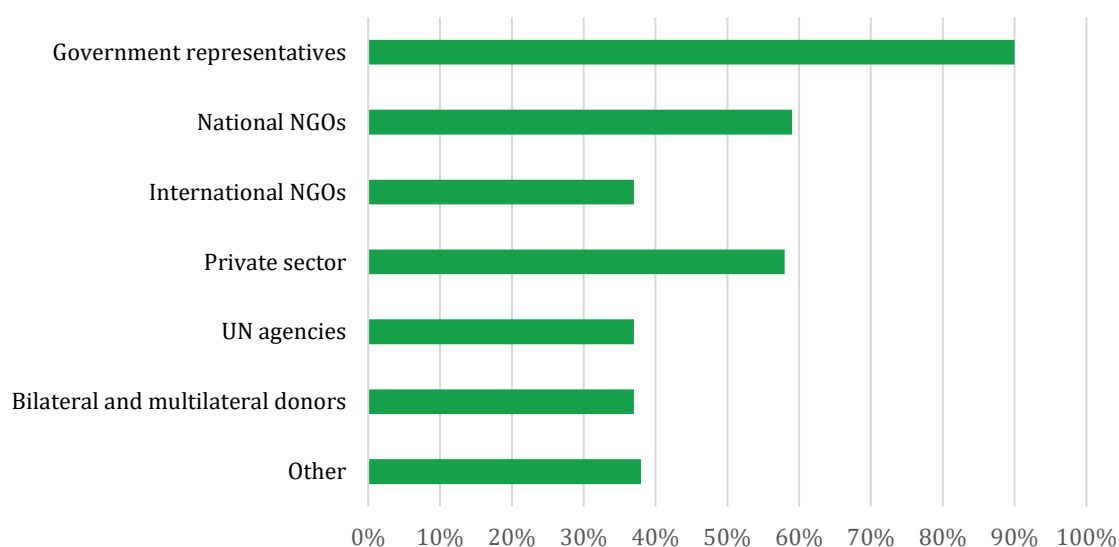
- (a) **Proposal process:** According to several NDAs and AEs, GCF proposal approval process is long and complicated. This creates country level relationship problems between NDAs and AEs. In several cases, FPs get approved so late that a new government comes into power and the new NDA may not agree with the priorities agreed earlier. In addition to this, GCF project legal agreements are complex and takes long time to finalize. It should be noted that Readiness proposals take less time for GCF approvals.
- (b) **Accreditation:** NDAs, DAEs and IAEs mentioned that accreditation process is long. According to IEU, it takes a median 506 days for entities to be approved for accreditation⁶. While countries would like to see more DAEs accredited, 100% of NDAs interviewed expressed concern that the accreditation process was long and complex. NDAs also indicated that they were not adequately informed by the Secretariat about the status of DAEs they nominated in the accreditation process. This feedback may also be emanating from a lack of understanding of accreditation requirements or a lack of capacity to track GCF communication in this regard on a regular basis. To address concerns from countries, the Secretariat has initiated steps to improve communication with NDAs to keep them better-informed on this process. NDAs noted that lack of DAEs result in less participation of national entities in GCF funding, slow build-up of national organizations capacities, and over reliance on IAEs.
- (c) **Private sector and NDAs:** Private sector engagements with NDAs are not optimal. Most NDAs indicated that the private sector AEs do not engage them and work directly with GCF. One private sector AE mentioned that their approach is 'client focused', which are private sector local clients and not NDAs. Private sector IAEs are reluctant to engage NDAs as they feel NDAs do not understand private sector interventions and may not keep confidential commercial information of partners. They consider country engagement is done through market research and their market-based approach is sustainable. They have much better understanding of the markets, technology, and products. NDAs felt that private sector engagement is critical to national programs and their lack of partnership with NDAs should be discouraged by GCF. NDAs felt private sector can mobilize additional resources and technical expertise for GCF proposals and approved projects.
- (d) **GCF Secretariat:** GCF partners indicated that internal coordination among various GCF teams need further improvement. Proposal review process is not well coordinated within the Secretariat. This means AEs receive multiple feedback from different teams over a period which is time consuming and not efficient use of AEs time. One international organization mentioned that dealing with GCF results in high transactions costs than with other donors. DAE accreditation is mentioned as another challenge area which becomes difficult with teams not coordinating their input for NDAs and nominated DAEs. Communication on DAE accreditation is flagged as a challenge area. One IAE mentioned that they are not always able to understand GCF priorities. Several NDAs mentioned that they do not receive timely feedback on APRs from GCF.
- (e) **Multi-stakeholder partnership (MSP):** AEs felt that NDAs do not facilitate multi-stakeholder partnerships. This is because they simply do not have the capacity and do not understand the value of MSPs. Climate change is a cross-cutting issue. For some NDAs, multi-stakeholder means including various relevant ministries for proposals. AEs recommended that NDAs and GCF can gain a lot by ensuring collaboration among various climate change funders, UN agencies, key government institutions, and non-state actors. While NDAs deal with individual donors and UN agencies, they have not followed any coordinated approach to engage other stakeholders.
30. On opportunities for improvement, the following are identified:

⁶ IEU (2021): Independent Synthesis of the Green Climate Fund's Accreditation Function: GCF/B.28/16)

- (a) **Coordination structure:** While countries may have project steering committees for project oversight or technical working group for proposal review, a formal coordination structure is recommended by AEs. This is because it will facilitate transparency of proposal review process, stakeholder participation, CSO and PSO engagement, and NOP will not be controlled by one individual. NDAs also felt that they could streamline coordination and consultation with additional support from GCF. GCF policy states: “Country coordination mechanisms are also important in supporting the ongoing monitoring and evaluation of the Fund’s projects and programmes, thus allowing for a process for evaluation at various stages of the project cycle”⁷. NDAs are willing to take this responsibility provided they get financial support for NDA secretariat and additional capacity building training on coordination, M&E, and partnership management.
- (b) **Stakeholder engagement:** Stakeholder engagements are done by both NDAs and AEs but mostly by AEs. When NDA organizes stakeholder meetings, government representatives dominate the membership. NDAs and AEs recommended that a GCF stakeholder engagement policy can guide NDAs to initiate balanced representation in coordination and consultation meetings.

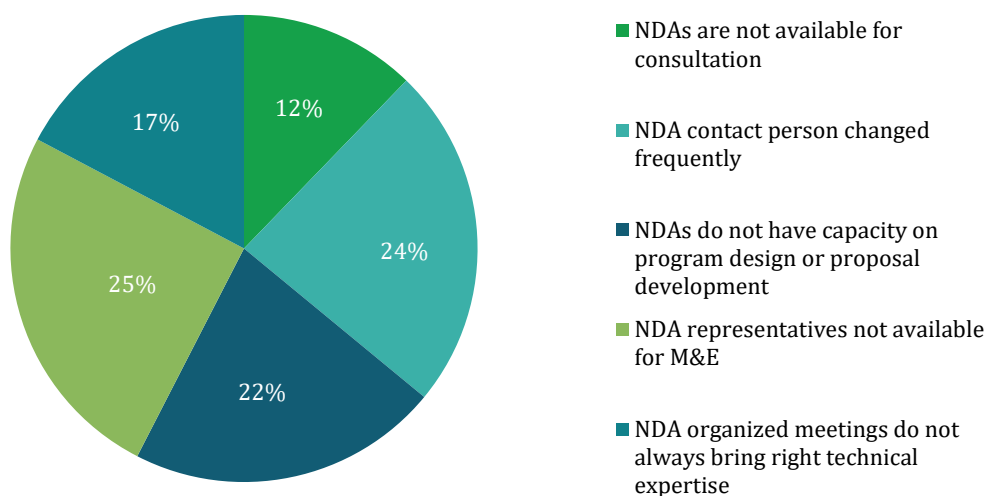
While discussing the stakeholders’ engagement, it is important to note the challenges faced by AEs in their engagement with NDAs.

Figure 11: Which stakeholders are involved in coordination/consultation meetings



⁷ Annex XIV: Initial best-practice options for country coordination and multi-stakeholder engagement (GCF/B.08/45)

Figure 12: AEs challenges with NDAs



- (c) **Project oversight:** GCF funded project oversight by NDA is now done through individual project steering committees in several countries. NDAs are part of the committees. In many projects, these committees do not exist. Multi-country projects do not have such committees. However, it should be noted that multi-country readiness grants identify a lead NDA to serve as the ‘champion’ for the initiative and possibly serve as chair of project steering committees. Private sector AEs do not facilitate NDA oversight of their projects. They feel this would result in political interference by NDAs and will be an added complication. However, a well-designed oversight mechanism that empowers relevant ministries for the specific projects with NDA coordination will provide a good opportunity for national oversight of GCF projects. GFATM outlined CCM oversight role under the leadership of the Ministry of Health. GPE has done the same with Local Education Group (LEG) under the leadership of the Ministry of Education. As recommended by IEU, it is important for all AEs to comply with national systems which will contribute to enhancing country ownership.
- (d) **Private sector:** Most of the NDAs lack adequate understanding of how private sector projects work and the use of non-grant financial instruments such as loans. GCF’s KM system can be further enhanced to facilitate learning about the private sector role and private sector led projects, sharing of experiences between countries, and developing more in-depth understanding of GCF requirements. The Global Programming Conference in July 2019 was mentioned as best practice because it facilitated regional level sharing of experiences. Structured dialogues are also considered useful, but these need to have a training focus.

VI. Review of best practices

6.1 Country ownership processes of other climate change organizations

31. The review included three climate change multi-lateral financing organizations – Global Environment Facility (GEF), Adaptation Fund (AF), and The Climate Investment Funds (CIF). Each of these organizations have their own country engagement processes. See Annex II comparison chart on coordination arrangements.

32. GEF has a strong stakeholder engagement policy. Country level engagement is facilitated by Operational Focal Points (OFPs). OFPs are government officials expected to organize country level stakeholder engagement and facilitate GEF approval processes. GEF also has significant CSO engagement at the country level.

33. The Climate Investment Fund (CIF) business model includes country-led programmatic approach and finance delivery through Multi-lateral Development Banks (MDB). To increase participation of indigenous population and local communities, it has a dedicated financing mechanism called Dedicated Grant Mechanism.

34. The Adaptation Fund (AF)'s country owned process includes direct partnerships with national and regional entities as well as country-led proposal development. Accredited entities are National Implementation Entity, Regional Implementing Entity, and Multi-lateral Implementing Entity. Summary details are in Annex II.

6.2 Country ownership processes of non-climate change international organizations

35. The review included three non-climate change multi-lateral financing organizations – The Global Fund to fight AIDS, TB, and Malaria (GFATM), Global Partnership for Education (GPE), and Global Finance Facility (GFF).

36. The key aspect of GFATM's country ownership is GFATM mandated formal consultation platform called Country Coordination Mechanism (CCM) which is normally chaired by Secretary of Ministry of Health with Vice Chair rotated between CSO or another non-government representative. The CCM has formal terms of reference (TOR) and is expected to have representation from the government, CSOs, private sector, UN, donors, academia, and communities living with the diseases. Each constituency is represented by a member, elected through constituency election process. CCM is also supported by a CCM Secretariat which is funded by GFATM and has a TOR. A funded CCM Secretariat provides additional capacity to CCM leadership and members to meet all GFATM requirements on stakeholder engagements for proposal development, oversight, performance management, and compliance. Proposal ideas are discussed and approved by the CCM.

37. CCM also nominates Principal Recipients (PRs) (similar to GCF's AE). GFATM follows a project-based approval of PRs and capacity assessment of the nominated PRs is done by an external agency. The assessment and final approval of PRs can be completed within few months. Capacity gaps which can be met quickly are funded through approved projects. CCMs are also expected to provide oversight of GFATM portfolio and project performance. PRs not meeting GFATM requirements are asked to return later after acquiring minimum capacity to apply for GFATM funding. One innovation that GFATM adopted at the beginning of its operation was to approve funding for two years of an approved proposal so that CCM can review performance of PRs and submit a request for phase II funding. This policy was introduced to increase engagement of CCMs in project oversight and project performance management. Low performing grants did not receive full funding in phase II, and in some cases were discontinued. PRs are from the public sector, NGOs, and private sector. Overall, the CCM process works and ensures multi-stakeholder engagement. CCM performance is periodically reviewed by the Fund.

38. Global Partnership for Education (GPE) has a similar country ownership process with a formal coordination mechanism called Local Education Group (LEG). Membership includes government, NGOs, private sector, donors, UN, teacher associations, and education partners. LEG is led by the government i.e., Ministry of Education. GPE also has a Coordination Agency providing support to LEG. LEG also selects Grant Agent (like PRs and AEs). LEGs organize annual program reviews.

39. Global Finance Facility (GFF) also requires a country level coordination platform consisting of key constituencies which is led by the Ministry of Health. GFATM, GFF, and GPE have found the formal mechanisms for consultation to be effective and inclusive. Such a mechanism also avoids concentration of power in one person and allows more transparent reviews of proposals and performance management. These three agencies also focus on building strong multi-stakeholders' partnerships at the country level with UN agencies, bilateral donors, local stakeholders, and private sector. Such partnerships are essential to support each agency's mandate at the country level and engages stakeholders in formal coordination platforms regularly. The partnership also serves as indirect representatives of the fund at the country level and supports headquarters missions to the countries. All three also have robust knowledge management platform in six UN languages, thus facilitating knowledge sharing of respective guidelines, approved proposals, and exchange of lessons learned. Summary details on each agency is in Annex II. See Table 1 for coordination comparison among various key funders.

VII. Lessons learned

40. Based on survey analysis and in-depth discussions with stakeholders, key lessons learned from the implementation of the country ownership guidelines are as follows:

- (a) **NDA engagement:** Engagement of NDAs from the beginning on project ideas by AEs allow better coordination and input to CN and FP development. Country coordination is better organized by stronger NDAs. Examples include Jamaica, Mexico, Vietnam, Senegal, etc. These countries have national level coordination mechanisms, technical working groups, and stakeholder engagement policies. Formal country coordination platforms, where it exists, seem to facilitate better engagement with stakeholders, AEs, and delivery partners. Only 26% respondents indicated NDAs using existing national coordination platforms for GCF activities.
- (b) **Project reports:** IAEs and private sector entities were not consistently sharing their annual progress reports with NDAs, which was seen to be causing national level information gap on GCF investment impact. UN and international NGOs, especially those who have country-based offices, were seen to have better working relationships with NDAs and key stakeholders in the country & sharing progress reports with NDAs more systematically before submitting to GCF. These IAEs also share GCF feedback on reports and proposals with NDAs.
- (c) **GCF Secretariat:** GCF Secretariat support is useful for countries to understand GCF requirements and priorities. SDs are seen as best practices and recent GCF actions on web-based on-line platforms and sharing documents in UN languages are also appreciated. Due to COVID19, countries have adjusted to new ways of engaging GCF, partners, and AEs over Microsoft Team, Zoom, WhatsApp, etc. Internet access seems to be a challenge for some countries. The partners appreciated GCF flexibility shown during COVID situation. NDAs requested that GCF needs to do more communication and sharing for improving countries understanding of GCF requirements and experiences of other countries.
- (d) **DAE selection:** In many cases, DAEs nominations are not done well by NDAs. This is especially true where NDAs need more capacity building through training and hands-on support from GCF. This was evident during in-depth discussion with the NDAs and most NDAs indicated their lack of comprehensive understanding of DAE accreditation requirements. Therefore, NDAs and key stakeholders need to improve their understanding of GCF accreditation requirements. IEU recommends, "Encourage NDAs to nominate entities that would be best suited to undertake their country climate change

programming priorities in addition to fulfilling the roles and responsibilities of an AE”.⁸ During interviews with AEs and NDAs, it was mentioned NDAs need more capacity building so that they can do better nomination of organizations for accreditation. 67% of survey respondents indicated that AE nomination & accreditation require further strengthening. DAEs and NDAs recommended that GCF should explore further simplification of its processes for faster accreditation.

VIII. Recommendations

41. In seeking to strengthen country ownership, the GCF can build on lessons from the Paris Declaration on Aid Effectiveness (2005), followed by the Accra and Busan Forums in 2008 and 2011, which helped to crystalize four country ownership and aid effectiveness principles which are: (i) Ownership of development priorities by developing countries; (ii) Inclusive development partnerships; (iii) Focus on results; (iv) Transparency and accountability to each other. Five original Paris Declaration on 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 donors and recipients.

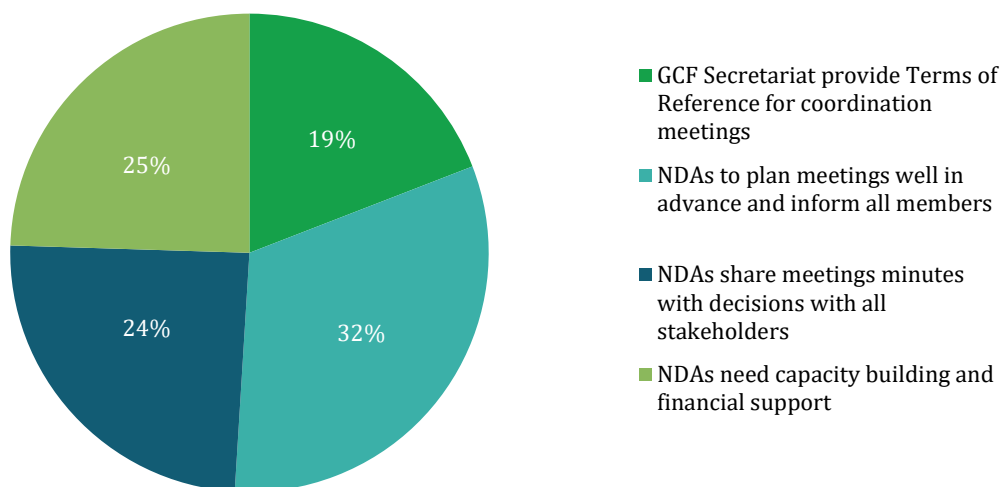
42. The recommendations below are aligned with above principles and are expected to support a systems approach to strengthening country ownership in support of GCF investments at the country level. These six recommendations are based on feedback from NDAs, AEs, DPs, staff, and management within the Secretariat as well as other stakeholders and are also aligned with GCF’s strategic priorities 2020-2023 (see Annex III). They are also meant to enhance country-led oversight of GCF-funded projects throughout the PAP. The IEU evaluation as well as the Secretariat’s management response to IEU’s recommendations have also informed these recommendations.

- (a) **Recommendation #1: Strengthen country coordination platform:** Many countries have some form of coordination mechanisms for technical consultation and review of funding proposals. Most stakeholders also confirmed that consultation meetings are organized during CP, CN and FP development. However, CSOs and private sector participation are limited. Such consultation or coordination meetings were perceived as being less effective as they were arranged on an ad-hoc basis in most instances and were also not staffed by a full-time coordinator dedicated to GCF work. Due to absence of specific guidelines from GCF, coordination or consultation processes appear to vary considerably.

An emerging recommendation is for the GCF to provide guidelines for a formal coordination platform which should be broad enough so that countries can adapt it to its own situation but follow certain minimum standards. Such GCF guidelines would allow each country to strengthen existing coordination platforms and operationalize it with a consistent set of terms of reference (TORs) to meet GCF requirements. A formal coordination platform would also provide an opportunity for CSO and PSO participation on GCF investments, transparent selection of DAEs, multi-stakeholders participation, and oversight of GCF investments. It will also correct the perception that power seems to be concentrated in one individual for the issuance of NOLs. A coordination platform would facilitate key stakeholders’ engagement throughout the PAP, which is the case with GFATM, GFF, and GPE country coordination arrangements. Survey respondents’ recommendations are captured in the following figure.

⁸ IEU: Independent Synthesis of the GCF’s Accreditation Function – Final Report: GCF/B.21/08)

Figure 13: Partners' recommendations for NDA-led coordination



To ensure that NDAs have capacity to carry out GCF requirements under an expanding portfolio throughout the PAP, GCF needs to communicate and clarify that NDAs can use Readiness Support grants to fund costs of an NDA secretariat in each country. A full-time coordinator similar to CCM Coordinator of GFATM or Operational Focal Point of GEF will add significant capacity in NDA offices. In addition, special training should be organized to enhance NDAs and relevant ministries capacity on GCF requirements, M&E, and impact measurements. As many countries do not have stakeholder engagement policy, it will be important for GCF to provide a stakeholder engagement policy and outline a mechanism to adopt this at the NDA level so that NDAs use best practices and international standards for stakeholder engagement.

The IEU also recommended that ‘GCF should consider incorporating minimum standards for stakeholder membership in country coordination mechanism’⁹. In its management response, the Secretariat agreed that there is room for strengthening stakeholder engagement processes within countries by sharing practices across countries and updating its guidelines for stakeholder engagement.”¹⁰The Secretariat can also develop additional guidance for NDAs on private sector role and their participation as well as contribution in coordination platform. PSOs have specific role to inform NDAs about private sector approaches on climate change, technology, and financing instruments. PSOs engagement in coordination meeting will facilitate public/private partnerships. GFATM, GFF, and GPE provide good models in this regard.

- (b) **Recommendation #2: Accelerate DAEs accreditation and capacity building:** To expand investments in GCF mandated areas, NDAs would like to see more of their nominated DAEs accredited by GCF. They recommend that the GCF improve existing processes to fast-track accreditation and allow capacity building within GCF-approved projects. IEU recommends, “GCF should also incentivize capacity-building activities within direct access entities”¹¹. The GCF is upgrading its digital platform for accreditation to improve this process, however, it is important to have a robust

⁹ IEU (2020) Independent Evaluation of the Green Climate Fund’s Country Ownership Approach; GCF/B.27/12

¹⁰ GCF/B.27/12/Add.01: Management response to the independent evaluation of the Green Climate Fund’s Country Ownership Approach

¹¹ GCF/B.27/12/Add.01: Management response to the independent evaluation of the Green Climate Fund’s Country Ownership Approach



communication element incorporated into the upgrade to regularly keep NDAs and DAEs informed of progress entities are making in the process. The GCF secretariat has presented a proposal to the GCF Board for project-based entity accreditation - Project-Specific Assessment Approach (PSAA). This would be similar to the GFATM's modality for approving Principal Recipients (like AEs) during proposal development by conducting capacity assessment prior to proposal submission, which is a much quicker process. But such PSAA modality will require the revision of operational processes and guidelines for GCF. This will also require additional NDA capacity building to understand and implement the new approach. Capacity building needs, should it be required, could be easily funded through the approved projects thus allowing opportunities for DAEs to learn by doing. GFATM approved projects allow use of funds for capacity building of PRs as well as sub recipients. During interviews, most IAEs indicated that they would support collaboration with DAEs and facilitate capacity building. Several IAEs already partner with DAEs and there are some good examples of such partnerships. NDAs recommended clear guidance from GCF to encourage IAEs to partner with DAEs including provision for capacity building support in approved funding proposals.

- (c) **Recommendation #3: Improve Accountability:** One of the principles of country ownership is a focus on results. A mechanism must be in place for NDAs to have periodic and consistent documented updates on the implementation of GCF projects in their respective countries. This will enable them to take timely corrective measures and ensure better coordination and integration with other related investments in the country. In addition, NDAs need to understand how GCF-funded projects are contributing to national results framework for climate action and NDC implementation. NDA leadership needs clear guidance and incentives for high-level engagement throughout the GCF project cycle. However, this process should be light touch and innovative so that it does not become a bottleneck or burdensome for AEs. A current good practice of including NDAs in project steering committee could be further strengthened and streamlined. Annual GCF portfolio review by each NDA can be introduced and can be an integral part of the country's joint review of NDC and national climate change strategy implementation. AEs could be required to share APRs with NDAs allowing them to maintain an oversight of the project's progress. Similarly, DPs could also share IPRs with NDAs. This also has the advantage of addressing any implementation performance issues by NDAs or coordination committee well in advance and initiate course correction steps. NDAs also need capacity building training on M&E. NDAs, AEs and DPs have also recommended that the Secretariat provide timely feedback on all progress reports (e.g., interim progress reports (IPRs), completion reports (CRs), APRs, financial audit reports, amendment requests, etc. to enable them to take timely corrective actions. In its management response to IEU evaluation of country ownership, the Secretariat made a commitment to "make these documents public subject to the GCF's Information Disclosure Policy and have been making steady progress in this direction."¹² The Management Response refers to GCF's disclosure of key documents, such as final CPs and APRs (which are specifically mentioned in various parts in the IEU evaluation of CO). It should be noted that GFATM feedback on project implementation reports and proposals are shared with CCMs and implementing entities i.e., PRs (equivalent to AEs and DPs). CCMs are required to review such reports in their coordination meetings to provide oversight over GFATM funded projects and to initiate course correction steps to address performance problems.
- (d) **Recommendation #4: Facilitate multi-stakeholder partnerships (MSPs):** Based on best practices of other financing organizations, strengthening multi- stakeholder

¹² GCF/B.27/12/Add.01: Management Response to the Independent Evaluation of the Green Climate Fund's Country Ownership Approach

partnerships could be strengthened at the country level to enhance impact of GCF-supported projects. UN Country team, other UN agencies, local partners, international partners, and bilateral donors can provide valuable support including technical assistance to GCF projects and country ownership processes. MSPs are also essential to facilitate political support for GCF at the country level. GCF can benefit from the experience of partnership practices of GFATM, GFF, GEF, and GPE to develop its own guidelines and strategic approaches. Partnerships with AF, GEF, and CIF may also bring certain synergies at the country level on investments, monitoring, and reporting.

- (e) **Recommendation #5: Strengthen knowledge management (KM):** As GCF is a very large financing organization but is not well-known at the country level, NDAs and AEs recommended that GCF improve its existing KM platform for robust sharing of lessons learned, guidelines, and best practices. More guidance on GCF processes, priorities, changing policies and guidelines, priorities for transformative projects, and private sector engagement are recommended for GCF consideration. Further improvement on simplification of proposal processes, communication, and internal coordination will contribute to improved country ownership. Structured dialogues are seen to be important and could be complemented with trainings. NDAs could receive additional training from GCF to conduct in-country structured dialogues. GCF translating key documents in French and Spanish are seen as good practices of country ownership principle. Countries recommend that this be expanded to include all UN languages. 50% survey respondents requested GCF to increase their support to clarify changes in policies and guidelines, and over 59% recommended GCF to facilitate DAEs participation in SDs to improve their capacity to access GCF resources. All 20 NDAs who were part of in-depth interviews recommended increased engagement of GCF to increase national level understanding of GCF policies and guidelines. 76% recommended GCF to engage NDAs on implementation oversight, evaluation, results-reporting, and partnerships.
- (f) **Recommendation #6: Accelerate CP development:** CPs contribute to priority setting for GCF investment by key stakeholders. As several countries have not yet completed CPs, it is important for all countries to complete CPs so that all new investments could be guided by NDAs, national strategies, and GCF priority areas. Several NDAs felt that CPs could also allow them to engage private sector organizations on their proposal development. The Secretariat has already developed programming and operations manuals to clarify and reinforce the role of CPs in the project cycle and has also developed further guidance on CPs building on the initial general guidelines for country programmes provided for by the Board (decision B.08/11, annex XVII).

Annex I: List of NDAs, AEs, DPs, and Secretariat staff interviewed

NDAs:	Region
Nepal	Asia-Pacific
Lebanon	Asia-Pacific
Tajikistan	Asia-Pacific
Cambodia	Asia-Pacific
Myanmar	Asia-Pacific
Federated States of Micronesia	Asia-Pacific
Senegal	Africa
Rwanda	Africa
Central African Republic (CAR)	Africa
Democratic Republic of Congo (DRC)	Africa
Malawi	Africa
Mozambique	Africa
Tunisia	Africa
Georgia	Eastern Europe
Brazil	Latin America and the Caribbean
Paraguay	Latin America and the Caribbean
Colombia	Latin America and the Caribbean
Costa Rica	Latin America and the Caribbean
Guatemala	Latin America and the Caribbean
Jamaica	Latin America and the Caribbean

DAEs	Country	Category
AWB	Morocco	National
CCCCC	Belize	Regional
DBSA	South Africa	Regional
Ecobank	Ghana	National
IDCOL	Bangladesh	National
Landbank	Philippines	National
MOE	Rwanda	National
Profonane	Peru	National
SANBI	South Africa	National

IAEs:	HQ	Size/sector
Acumen	USA	Micro, Private
AfDB	Africa	Large, Public
EBRD	UK	Large, Private
GIZ	Germany	Medium, Public
IFAD	Italy	Medium, Public
IUCN	Switzerland	Medium, Public
FMO	Netherlands	Large, Private
MUFG_Bank	Japan	Large, Private
NEFCO	Norway	Small, Private
Pegasus	USA	Medium, Private
UNDP	USA	Medium, Public
WFP	Italy	Medium, Public
WWF	USA	Medium, Public

Annex II: Country ownership processes of multi-lateral financing organizations

Table 1: Country coordination system comparison

	GFATM	GPE	GFF	GEF	GCF
Country coordination	CCM	Local Education Group (LEG)	Multi-stakeholder country platform (MSCP)	National Steering Committee (NSC)	NDA
Coordination focal person	CCM Coordinator	Coordinating Agency	Ministry of Health	Operational Focal Point (OFP)	NDA
Administrative arrangements	CCM Secretariat	Coordinating Agency	Ministry of Health hosts MSCP	OFP organizes at least one meeting per year	NDA supported by relevant ministries
Membership	Government, donors, CSOs, PS, academic institutions, UN	Government, donors, CSOs, PS, academic institutions, UN	Government, donors, CSOs, PS, academic institutions, UN	Government, donors, CSOs, PS, UN	Government. In several cases, NGOs are included.
Operational arrangement	CCM guideline	Guideline for LEG	Guideline for MSCP	OFP is hosted by the relevant ministry	NDA guideline
Oversight	CCM	LEG	MSCP	NSC	NDA
Access entities	Principal recipients from Government and non-governmental sectors selected by CCM and capacity assessment done by Local Fund Agents	Grant Agent selected by LEG	Ministry of Health, Ministry of Finance, NGOs, UN agencies	18 GEF Agencies (MDB, UN, International NGOs)	NDA nominates Direct Access Entities and approved by GCF; International Accredited Agencies approved by GCF Board

Global Environment Facility (GEF): GEF’s Stakeholder Engagement Policy promotes inclusive and meaningful participation of stakeholders in GEF governance and operations. Stakeholders’ engagement is required at the early stage of project development in PAP. The policy sets out mandatory requirements in project and program cycles. According to GEF, “Effective engagement of stakeholders at this early stage helps to ensure that project concepts demonstrate country-ownership and support from civil society, local communities and other stakeholders. It allows identification of potential impacts on stakeholders in the project’s area of influence, the roles that they may play, and the flagging of issues, gaps and opportunities in

project design at a time when adjustments are most easily made.”¹ GEF’s main contact at the country level is Operational Focal Point (OFF) who is a government official nominated by a GEF Participant (as defined by the Instrument). The GEF OFF issues a Letter of Endorsement (LOE) which confirms that each proposed project is consistent with national priorities, has been discussed with relevant stakeholders, and that the country has committed to providing the necessary support to the project, while aiming to achieve its expected results and long-lasting impacts. GEF also provides Project Preparation Grant (PPG) to support preparation of a full-sized project (FSP) or medium-sized project (MSP). OFFs are encouraged to organize national dialogues with key stakeholder and convene a National Steering Committee for GEF specific grants. Expanded Constituency Workshops (ECW) are organized to keep GEF focal points, Convention focal points, and other key stakeholders, including civil society, up to date with GEF policies and procedures. GEF is increasingly shifting to an engagement approach focused on using digital tools for greater online connection and have developed tailored data tools to empower government counterparts with information about the ongoing portfolio and available resources.

The Climate Investment Fund (CIF): CIF’s business model involves a country-led Programmatic Approach (PA), delivery of financing through Multi-lateral Development Banks (MDBs), investments at scale, and a range of financing tools, including grants, loans, and other instruments. PA encompasses the development and implementation of a country-led investment plan – supported by Multi-lateral Development Banks (MDB) collaboration, informed by multi-stakeholder consultation, and associated with a predictable, multi-year, and flexible resource envelope. Since financing is delivered through MDB, CIF relies on each MDB’s country ownership approaches to engage key stakeholders in program development, implementation management, and monitoring of CIF investments. It should be noted that coordination among MDBs around key national objectives contributed to the design of largescale and coherent investment packages. CIF also has a Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities which allows early engagement of constituent representatives and local partners, and capacity building of community-level organizations.

The Adaptation Fund (AF): The AF’s Enhanced Direct Access (EDA) modality is supporting country-led proposal development, including effectively identifying and involving vulnerable communities. *Secondly*, AF has successfully focused on partnership strengthening at the country level. It has initiated actions and Secretariat support to enhance direct partnerships with national and regional entities (including Designated Authorities, National Implementing Entities, and Regional Implementing Entities), civil society, and other climate funds. These invaluable relationships have been critical to building finance-readiness in some of the most vulnerable developing countries, as well as helping the Fund understand and resolve evolving client needs.

The Global Fund to fight AIDS, TB, and Malaria (GFATM): There are four key areas of country ownership at GFATM. First, country ownership is based on a functional country-based coordination platform, Country Coordination Mechanism (CCM). CCM serves as national multi-stakeholder partnerships platform for country ownership for country-led formulation of proposals and implementation oversight of approved grants. CCM membership comprises of various stakeholders under the leadership of a government ministry, notably Ministry of Health. CCM members are selected from each constituency through a transparent process. Each CCM has a Secretariat funded by GFATM. A list of CCM members is posted for each country in CCM website and in the GFATM website. This helps each constituency to know whom they need to contact for their proposals as well as advocacy. CCM and CCM Secretariat have clear terms of reference for their operations. In addition to CCMs, GFATM also supports Regional Coordinating

¹ GEF Stakeholders Engagement Guidelines (SD/GN/01)

Mechanisms (RCMs). Recently, the GFATM has initiated additional changes to enhance core CCM responsibilities of inclusive oversight, meaningful engagement, alignment positioning with national structures and sustainable governance operations. CCM submits proposals which are endorsed by all CCM members to confirm that CCM has followed a systematic consultative process (i.e., country dialogue) in the design and proposal development. Recent focus of GFATM has been to position CCM functions within a national body for long term sustainability and improving coordination and strategic engagement with national stakeholders including non-CCM members for oversight and performance management of GFATM funded projects. In the early stage of GFATM, the Fund faced challenges with the country ownership of its grants. An innovative policy was introduced in 2004 to ensure CCM engagement in the oversight and performance management of existing grants. The Fund's new policy meant that proposals were approved but allocation of funds was only for first two years of a grant (Phase I) of a four or five-year proposal. During the 18th month of the grant, the CCM was required to prepare a continuation proposal for Phase II funding (years 3 to 5). This requirement encouraged CCMs to monitor implementation of an approved project on a quarterly basis and do a thorough performance review as part of phase II funding request. The GFATM Board delegated the authority to Secretariat to make the phase II funding decision. Funds were reduced for poor performing grants. This policy was later changed to funding cycle which runs in three-year periods that directly correspond with GFATM donor Replenishment periods. To increase predictability of available funds, in each funding period, the Global Fund allocates funds to eligible countries so that countries know how much will be made available for their programs. Countries then prepare proposals after engaging in an inclusive consultation at the country level. The Secretariat staff are involved in providing GFATM specific technical assistance and other support to CCMs during their proposal preparations and oversight role. During the proposal approval process, all queries are shared with CCM and Principal Recipients (PRs) for their response. CCMs organize monthly or quarterly meetings to review GFATM portfolio performance. Secondly, selection of PRs (who are like AEs under GCF), both international and national, is done by the CCM by strictly adhering to GFATM guidelines. PRs capacity assessment are conducted by GFATM by engaging local fund agents which are normally international audit firms or UNOPs. This process is completed before a proposal is approved and completed within a few months. Capacity enhancement needs identified from the assessments are included in approved project budgets to be implemented during the start-up phase of a grant. In addition to government PRs, GFATM actively supports and encourages countries to select NGOs and private sector organizations as PRs. Only in fragile countries such as Sudan, Afghanistan, Iraq, or DRC, GFATM prefers to use UN and international NGOs as PRs. Third, GFATM has a robust knowledge management platform where approved proposals, funding, CCM information, guidelines, funding models, TRP, etc. are regularly posted and updated in all six UN languages. The knowledge management process allows various stakeholders to understand best practices, guidelines, funded projects, and performance of existing projects. Fourth, GFATM facilitates country level partnership by engaging key international partners, NGO networks on three diseases, academic institutions, and private sector organizations. UNAIDS and WHO play critical supportive role in facilitating CCMs, technical assistance on new and existing projects, and capacity building for GFATM grants. NGO networks such as network of People Living with HIVs have helped country ownership through intensive advocacy for key stakeholders' participation as well as domestic resource mobilization. Such country networks linked with regional networks do form a formidable support for GFATM.

Global Finance Facility (GFF): GFF country ownership requires that each country has a country platform consisting of stakeholders from various constituencies. A multi-stakeholder country platform (MSCP) is a forum or partnership fora (and/or sub-groups where appropriate) under the leadership of a national Ministry of Health (or the appropriate sub-national level entity, in the case of countries with decentralized systems of health administration). According to GFF, "Building on existing national and sub-national mechanisms, each country platform is

led by the national government and includes civil society organizations, the private sector, multilateral and bilateral institutions, and foundations”.² The multi-stakeholder country platform plays a central role in the country-level process to develop, implement and monitor national Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) strategies and health financing strategies as part of, or closely aligned with countries’ broader national plans. Well-functioning multi-stakeholder country platforms facilitate collaborative action through strong coordination mechanisms and transparent decision-making at all stages of the planning, design, and monitoring of RMNCAH strategies and health financing strategies, as appropriate. In addition, the H6 Partnership, comprising of UNAIDS, UNFPA, UNICEF, UN WOMEN, WHO and the World Bank Group, serves as the lead technical arm of support available to countries for the implementation of the Global Strategy through appropriate national plans and strategies to improve the survival, health and well-being of every woman, newborn, child, and adolescent. According to GFF, “The country platform is the governance mechanism that enables coordination, learning, course correction, and mutual accountability that are achieved mainly using data. It is important to ensure that the country platform is representative of the stakeholders who are required for effective implementation of the investment case, notably, a government focal person; representatives from the Ministry of Finance and other Ministries, aligned financiers, technical agencies, civil society (including youth), and the private sector; and the GFF Liaison Officer”³ GFF’s MSCP “monitor (track progress of) the implementation of the RMNCAH Strategy/ IC and health financing strategy through an agreed results framework”. GFF has also produced a checklist to monitor performance of MSCP.

Global Partnership for Education (GPE): There are five main interventions by GPE to enhance country ownership, quality proposals, and accountability. *First*, similar to GFATM, there is a coordination mechanism called Local Education Group (LEG). Education partners come together through LEG, which support government efforts to improve education. LEGs are led by national governments and supported by education partners, such as bilateral agencies, multilateral organizations, teacher organizations, civil society organizations (CSO) and the private sector and foundations. LEG is not normally a separate mechanism set up for GPE. Most countries have such education sector coordination platforms before joining GPE partnership but they are called LEGs by GPE as a generic term. Important point to note - LEG is led by the Ministry of Education. Therefore, the government is in the driving seat. *Second*, a mutually accountability process is ensured by appointing a Coordinating Agency (CA). The main focus of the CA role is to support effective and harmonized dialogue between development partners and the government around the country-owned policy cycle, while promoting the inclusion of key stakeholders such as civil society and teachers in policy dialogue. GPE has outlined a clear Terms of Reference for CA. The CA is usually an international organization and chairs the Development Partner Group (DPG). *Third*, the LEG selects a Grant Agent (GA i.e., similar to AE of GCF) following the standard selection process in a transparent manner. The selection criteria and process are communicated to the LEG prior to a selection committee appointed by the government. GPE recommends inclusion of CA in the selection committee as a good practice. The final recommendation by the committee on GA is approved by the government and endorsed by LEG members. Important to note the similarity with GFATM where the selection of GA is endorsed by LEG members. *Fourth*, in order to improve program oversight and accountability, GPE promotes regular monitoring through joint sector reviews (JSRs). JSRs are organized once or twice a year led by the government in partnership with key stakeholders to assess progress toward agreed-upon objectives and challenges in implementation which needs corrective actions. *Fifth*, a robust knowledge management exchange i.e., platform has been established for global, regional, and country level stakeholders for sharing of successful projects, innovation, lessons learned, and results. GPE is now establishing KM exchanges at the regional levels.

² GFF at a glance

³ GFF - Guidance Note: Inclusive Multi-stakeholder Country Platforms in Support of Every Woman Every Child

Annex III: Country ownership alignment with GCF's Strategic priorities for 2020-2023

NDAs and AEs who responded to the stakeholder survey and also participated in individual interviews recommended the following actions which are aligned with GCF's Strategic priorities for 2020-2023.

Country programme development: While CPs developed were not seen to be of sufficient quality, it was felt that all countries should develop a CP. Therefore, re-focusing CPs with additional guidance for countries to include greater paradigm-shifting mitigation and adaptation priorities in CP. National designated authorities (NDAs) and national designated authorities (DAEs) or AEs should prepare country programmes that will serve as a key tool to translate NDCs, ACs, NAPs and national climate strategies into country-driven investment programmes, that support paradigm shift across eight mitigation and adaptation results areas. Additional capacity building should be done to strengthening developing countries' capacity to undertake transformational planning and programming. Assist countries with guidance so that CPs include priority projects with potential for innovation, replication, scale and financial sustainability (reflecting the components of paradigm shift), as well as projects which deliver integrated mitigation, adaptation and development benefits. CPs will be actively used by the AEs to develop CNs and proposals. As per IEU report on CO, only 23 CPs have been completed out of 100 countries that have GCF approved projects. In addition, CPs should be flexible to respond to emerging needs and ideas, and should have the flexibility to be updated at least on an annual basis.

National capacity building: To facilitate country ownership, build NDA capacity on coordination and GCF requirements and also enhance programming and implementation capabilities of national and regional DAEs. Provide support to NDAs on inclusive stakeholder engagement. GCF support through RPSP and PPF will enhance DAE programming capabilities. Actions are needed to use structured dialogues and other dedicated training programs for DAEs and onboarding for new DAEs. Stakeholders also recommended that GCF strengthen its policies to promote collaboration between international AEs and DAEs to build programming and implementation capacity. Knowledge management support should be enhanced by supporting peer to peer learning between DAEs; between IAEs and DEAs, and promoting locally led climate action and devolved financing approaches through DAEs.

Proposal process: Currently proposal process and approval timeline are too long. This leads to higher transaction costs for AEs. Stakeholders recommended that GCF should further simplify access and facilitate approval of DAEs proposals. This can be done, as outlined in the Strategic Priorities 2020-2023 by encouraging multi-year readiness proposals, providing clearer guidance and targeted support for application development, and accelerating approval and disbursement processes including through updating standard operating procedures and legal agreements. In addition, GCF should undertake an overall review of RFPs to come up with best solutions for increasing access to resources. GCF should also aim to respond to requests for improved predictability of funds for countries.

Knowledge management: Country level knowledge of GCF policies, guidelines, and various financing instruments is limited. A more proactive GCF role is needed to support project design and programming by clarifying GCF strategic vision, objectives and priorities, pipeline and portfolio development, and. GCF sectoral guidance will help NDAs and AEs in designing projects and programmes with high potential for paradigm shift and advancing sectoral transformation, based on best available climate information and additionality of GCF finance.

Annex IV: References

GCF decisions and relevant documents

DECISION B.07/02: Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund's fiduciary principles and standards and environmental and social safeguards.

DECISION B.07/02: Annex I. Initial guiding framework for the Fund's accreditation process. IEU. (2018). Report of the independent evaluation of the Readiness and Preparatory Support Programme.

IEU (2018): Independent Synthesis of the GCF's Accreditation Function – Final Report: GCF/B.21/08)

IEU. (2019). Forward-looking Performance Review of the Green Climate Fund (FPR). Final report.

IEU (2020) Independent Evaluation of the Green Climate Fund's Country Ownership Approach; GCF/B.27/12

IEU. (2021): Independent Synthesis of the Green Climate Fund's Accreditation Function; GCF/B.28/16

GCF: Guidelines for Enhanced Country Ownership and Country Drivenness (GCF/B.17/21)

GCF Programming Manual, July 2020

GCF Handbook; May 2020

(GCF): Annex XIV: Initial best-practice options for country coordination and multi-stakeholder engagement (GCF/B.08/45)

GCF (2020): Updated Strategic Plan for the Green Climate Fund: 2020-23.

GCF: Annex XII: Initial no-objection procedure (GCF/B.08/45)

GCF: Annex XVIII: Indicative list of activities for direct support to national designated authorities or focal points and elements of an application for direct support to national designated authorities or focal points (GCF/B.08/45)

GCF (2014): Country Ownership (GCF/B.06/07)

GCF/B.27/12:Independent Evaluation of the Green Climate Fund's Country Ownership Approach

GCF/B.27/12/Add.01: Management response to the Independent Evaluation of the Green Climate Fund's Country Ownership Approach

GCF: Assessment Report – DRAFT – RPSP, 2021

UNFCCC documents

UNFCCC. (2011). Report of the Conference of the Parties on its seventeenth session, held in Durban from 28 November to 11 December 2011 (FCCC/CP/2011/9/Add.1 of 15 March 2012). <https://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=39>

UNFCCC Transitional Committee. (2011). Workstream II: Governance and Institutional Arrangements, Workstream III: Operational Modalities, Revised background note: Direct Access. https://unfccc.int/files/cancun_agreements/green_climate_fund/application/pdf/tc2_ws3_5_290611.pdf

UNFCCC Transitional Committee. (2011). Workstream III: Operational Modalities, Subworkstream III.3: Accessing Finance, Scoping paper: Financial instruments and access modalities TC-2/WSIII/2. https://unfccc.int/files/cancun_agreements/green_climate_fund/application/pdf/tc2_ws3_2_290611.pdf

Other documents and reports

Global Environment Facility, Independent Evaluation Office. (2018). Evaluation of the expansion of the GEF partnership (Evaluation Report No. 131)
GEF (2017): Policy on Stakeholder Engagement (SD/PL/01)

Global Partnership for Education. (2020). Country-level guide. Recommended education sector and GPE grants processes. <https://www.globalpartnership.org/sites/default/files/document/file/2020-02-GPE-countrylevel-guide.pdf>

Global Fund to fight AIDS, TB, and Malaria (GFATM)

Adaptation Fund: Study on Readiness and Capacity Building for Direct Access to Adaptation Finance; July 2020

Adaptation Fund: Medium-Term Strategy, 2018-2022

CIF (2018): Evaluation of Climate Investment Funds' Programmatic Approach: Final Report and Management Response

GEF (2017): Policy on Stakeholder Engagement; November 2017

GEF (2018) Stakeholders Engagement Guidelines (SD/GN/01)

GEF (2018): Project and Program Cycle Policy

GFF - Guidance Note: Inclusive Multi-stakeholder Country Platforms in Support of Every Woman Every Child

GEF (2018): Practical Steps to Improve Coordination and Workflow in the GEF Partnership
Global Financing Facility – The Role of Country Platforms in Maintaining Essential Services and Delivering on the Investment Case in the Time of Covid-19

GFATM (2005): Revised Guidelines on the Purpose, Structure and Composition of Country Coordination Mechanisms and Requirements for Grant Eligibility

GFATM (2019): Evolving CCMs to Deliver on the Global Fund Strategy

GFATM (2020): Country Coordinating Mechanism Evolution: Enhancing Partnership & Sustainability of Governance

GPE (2020): Country Level Guide; February 2020

GPE (2017-2018): Funding Model Requirements Matrix

MCC (2015) Focus on Country Ownership: MCC's Model in Practice (brief); 2015
