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# GCF REGIONAL DIALOGUE

with AFRICA

**Windhoek, Republic of Namibia**  
6–10 November 2023

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GCF REGIONAL DIALOGUE  
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# ADAPTIVE MANAGEMENT: LESSONS FROM IMPLEMENTATION OF GCF INVESTMENTS IN AFRICA

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**Windhoek, Republic of Namibia**

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# At the end of this session, participants will:

- ✓ Have increased awareness of the current portfolio under implementation in Africa, including key challenges faced by Accredited Entities.
- ✓ Gain understanding on the GCF's Adaptive Management process for Accredited Entities when implementing GCF investments.
- ✓ Exchange best practices and experiences, including lessons learned from implementation of GCF investments in Africa.





# AFRICA PORTFOLIO (FUNDED ACTIVITIES)

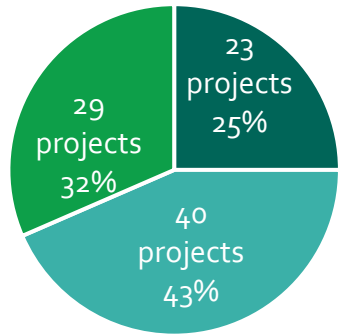


## AFRICA

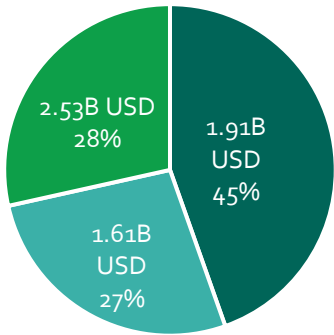
92 projects,  
\$5.1B  
48 countries

# AFRICA PORTFOLIO BREAKDOWN

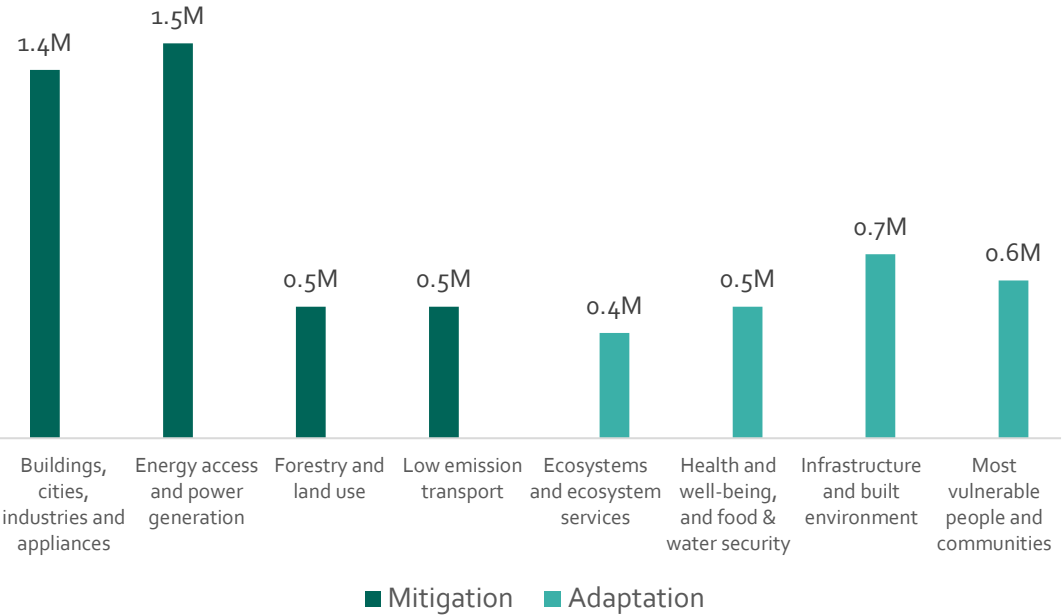
# of approved projects per theme



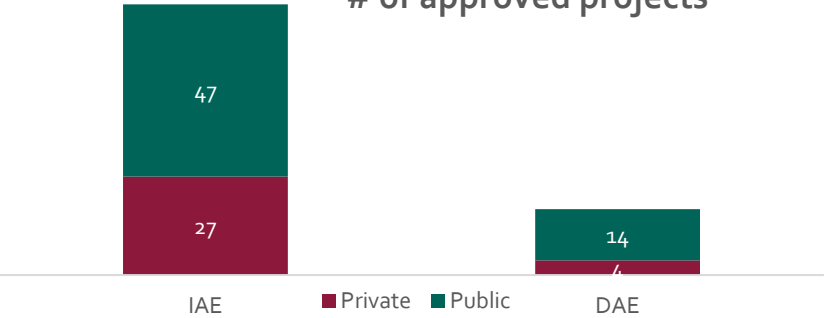
GCF approved amount per theme



Breakdown by result area (USD)



Breakdown by AE type  
# of approved projects



## AFRICA PORTFOLIO TRENDS AND KEY STATISTICS



Approved

**\$ 5.1 B**

97 FPs

48 Countries



Yet to be Effective

**\$ 839 M**

17 FPs

15 Countries



Implementation

**\$ 4.73 B**

84 FPs

47 Countries



Disbursed

**\$ 1.97 B**

47 FPs

41 Countries



On watch

**\$ 1.25 B**

4 FPs

4 Countries



Completed

**\$ 10 M**

1 project

# IMPLEMENTATION PROGRESS & CHALLENGES

Based on their implementation progress, most of the projects in Africa can be classified into 2 categories



## Projects with activities in the preliminary stages:

- FAAs became effective between 2022-2023 and/or recently received 1<sup>st</sup> disbursement

FP027 – DB	FP176 – BOAD	FP187 – Land Bank
FP092 – AfDB	FP177 – World Bank	FP188– FAO
FP096 – AfDB	FP178 – AfDB	FP190- FMO
FP114 – AfDB	FP179 – CRDB	FP198- GIZ
FP138 - BOAD	FP190 – FMO	FP204- World Bank
FP161 – AFD	FP198- GIZ	FP209- DBSA
FP162 – IFAD	FP180 – PCA	SAP017- IFAD
FP168 – AfDB	FP181 – World Bank	SAP018 - AfDB
SAP025- OSS	SAP028- WFP	

- Inception reports recently received

Received in 2023: FP131 , FP170, FP014. FP116, FP184, FP169, SAP021, FP156, FP177

Received in 2022: FP082, FP164, FP171, FP155, SAP002, SAP009, FP147, SAP020, FP169, FP099, SAP022

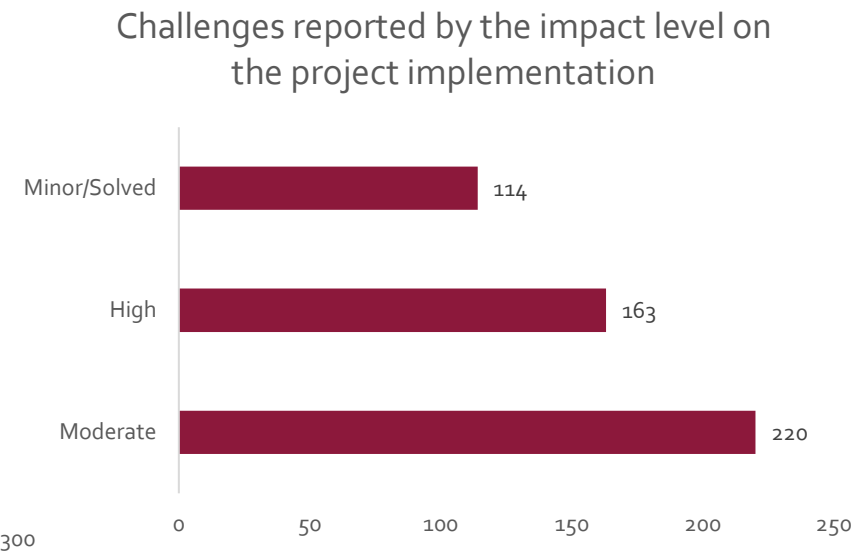
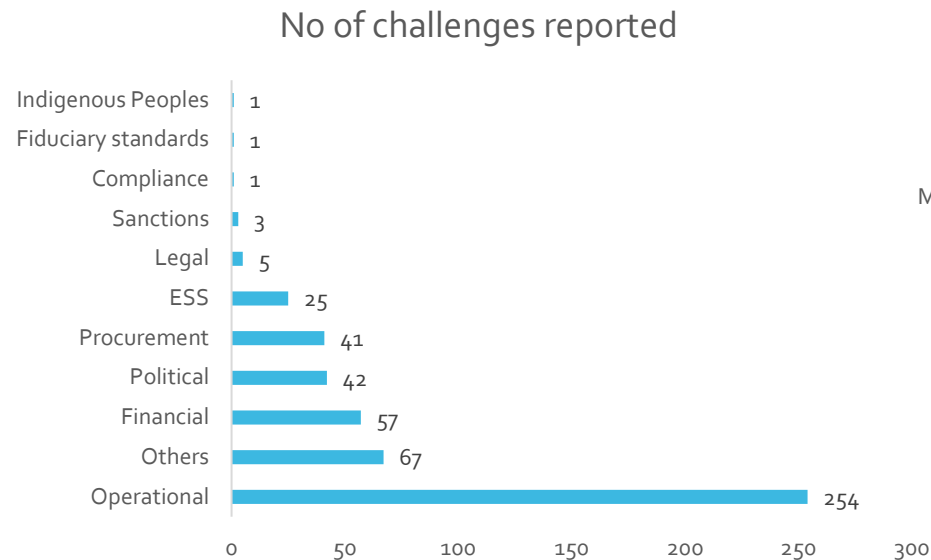
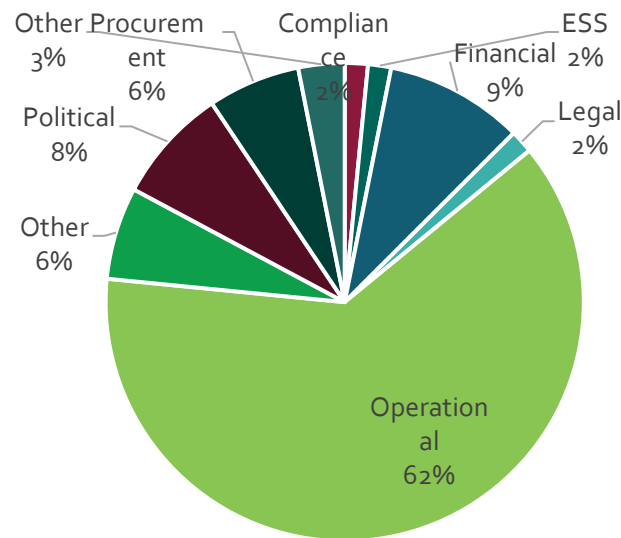


## Projects that have reported challenges during implementation:

- FP002, FP003, FP005, FP011, FP012, FP021, FP022, FP024, FP025, FP026, FP033, FP034, FP039, FP041, FP042, FP049, FP053, FP058, FP074, FP078, FP080, FP086, FP093, FP094, FP095, FP098, FP099, FP102, FP103, FP106, FP133, FP144, FP177, SAP001, SAP005, SAP011, SAP015, SAP019
- Operational problems, financial (procurement and contract) issues, political issues

# Implementation challenges reported by AEs in 2021 and 2022

There are similarities in the reported challenges when comparing the entire portfolio with those from the projects in the Africa as depicted below in the graphs.



2022 APR - GCF portfolio



# Implementation challenges: COVID-19

## (a) Operational challenges

- (a) Travel restrictions / Delays in field activities
- (b) Delays in recruitment of staff due to lengthy approval and procurement processes that lead to relaunching of procurement process
- (c) Delays in procurement due to lack of technical/qualified professionals within the region
- (d) Failed procurement processes due to costly bids beyond planned budget
- (e) Slow imports and shipping delays
- (f) Stakeholder engagement

## (b) Financial challenges

- (a) Cost overruns
- (b) Changes in prices
- (c) Reductions in co-financing (budget reprioritization)
- (d) However, fluctuations in FX is giving some gains to some projects which allows for budgetary savings for some activities.

- Reported for **practically all the projects**

# Key Challenges and Lessons Learned

## Design

- Setting realistic implementation schedules/ grant duration
- Developing budget plans aligned with market values
- Processing time from design & approval to implementation start
- Change in national context / political environment
- Alignment of AWP & budgets with government fiscal year

## Operational

- a. How old is the operational plan?
  - Is it still valid? Any changes in operating environment?
  - How realistic were the underlying assumptions?
- b. Technical / monitoring capacity (in PMU and partners)
  - Establishment of implementation units
  - Availability of qualified experts
- c. Coordination with EEs and other implementing partners
  - Subsidiary Agreements
- d. Lack of familiarity with GCF requirements
  - Procedures (fund transfer mechanisms)
  - Conditions
- e. Natural disasters

## Financial Challenges

- a. Inadequate co-financing
  - Is it enough?
  - Is it on time?
- b. Are budgets still valid?
  - Costs underestimation
  - Changes in prices
  - Exchange rate movements
  - Are planned expenditures achievable?

# Key Challenges and Lessons Learned

## Political

- Escalating conflict / uncertainty
- Administrative uncertainties
- Volatile security
- Social unrest
- Changes in political priorities / policies
  - Elections and other transitions
- Coordination with government partners

## ESS / Gender

- a. Gender
  - Often not easy to convert policy to action
  - Limited participation of women / Difficulty in ensuring gender balance
  - Need focus on enhancing women's skills as leaders and women's technical contributions
- b. Lack of adequate baselines
- c. Lack of proper waste disposal plans
- d. Limited ESS capacity

## Procurement/Compliance

- a. Procurement
  - Delays in procurement / contracting processes
  - Cost overruns
  - Difficulty in securing suitable consultants
- b. Integrity / Compliance
  - Delays in signing agreements / MoUs with government
  - Conflicting classification of forests
  - Lack of legal mechanisms to transfer funds

# Lessons Learned



**Adaptive management** requests should be submitted as soon as AE is aware of issues and supported by **robust justifications and documents**



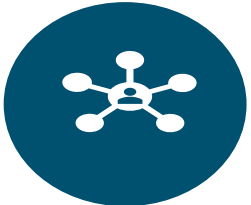
**Quality of submitted APRs** will determine the **timeliness of reviews and completion**



**Review** of approved FP where there is along gap between project approval and implementation might affect overall project delivery of results.



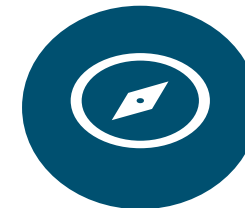
**Compliance with reporting timelines** is needed to improve monitoring and reporting performance



**Constant and proactive GCF- AE** engagement on implementation matters is critical for timely resolution of issues and timely disbursements.



**Effective communication** between AEs and NDAs for successful stakeholder management



Provision of Secretariat's **guidance** to AEs relating to conditions and covenants critical for realistic implementation planning and to mitigate delays

# Actions by the Secretariat

## Where are we?

Currently, the Secretariat is reviewing reports such as Annual Performance Reports (APRs), Interim Evaluation Reports, Inception Reports, etc., to assess the risks and challenges reported by the Accredited Entities.



## Our goals

- Proactively identify the projects that might/will submit adaptive management requests (no-cost extensions, budget reallocations, restructuring proposals)
- The analysis extracted from the reports will also be of support for the content and development of webinars by the Secretariat as well as foment dialogue between GCF and the Accredited Entities



# Actions by Accredited entities



## Change required?

- First recommendable step is to promptly notify the Secretariat and in particular the PIMM FA team.
- A meeting/call should be scheduled to discuss the potential change and any other key elements such as timing and inputs required.

**Please tell us earlier rather than later!**

## Action required

- Requests for extensions – submission or reports, time /duration extensions
- Restructuring proposals
  - Minor changes that may be approved by Secretariat – waivers of CPs, budget reallocations, etc.,
  - Major changes must be approved by Board – change in scope, components, co-financing , etc.

# Key Information on Change requests / Restructuring proposals

**Policy on Restructuring and Cancellation ([PRC](#)) is the key document to consider upon facing a change in an FA under implementation.**

**Major Change Triggers – typified under § 16 of the PRC.**

- ❖ Determination of whether a change shall be deemed to be a Major Change or not shall be made by the Secretariat, considering the relevant circumstances and the nature of the project/programme. OC is the initial approval instance.
- ❖ The approval in case of Major categorization, lies with the Board. To be clearer, if not Major, the Secretariat can decide.

## **Key Elements of the PRC**

**§ 13 of the Policy** - NDA information requirement – applicable subject to the confirmation of a Major Change by the OC. Necessary for submission of the restructuring request or proposal before the Operations Committee.

**§ 19 of the Policy** - No Objection Letter (NOL) - applies only after confirmation of the Major category.

# AEs Experiences on Lessons during Implementation

AEs Experience  
Sharing:  
1. EIF  
2. FAO



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# Key Messages

- In a dynamic operating context, deviations from the original plan are to be expected
- In monitoring implementation, GCF needs to exercise due diligence
- Flexibility during implementation is critical given unique circumstances faced by different regions
- ICT improvements can boost efficiency, transparency and effectiveness in portfolio management
- GCF is a partnership organization and strive to propose workable solutions for implementation performance



# INTERACTIVE SESSION: Q&A







# Thank you

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