

The Green Climate Fund
Regional Dialogue
with Eastern Europe and Central Asia

Skopje, North Macedonia | 18-22 March 2024

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INTRODUCTION

The Green Climate Fund (GCF) Regional Dialogue (RD) with Eastern Europe and Central Asia (EECA) was held on 18-22 March 2024 in Skopje, North Macedonia. The event brought together National Designated Authorities (NDAs), Accredited Entities (AEs), Direct Access Entities (DAEs), Delivery Partners (DPs) and other GCF partners.

The event had the following objectives:

- to provide a platform for stakeholders to accelerate their engagement with the GCF;
- to facilitate peer-to-peer learning based on exchange of experience, lessons and good practice; and
- to serve as a space for identifying and developing mitigation and adaptation initiatives, thereby strengthening the impact of GCF in the region.

The RD included a series of technical and programme/process-related sessions, focused on specific topics designed to support programming within GCF's updated Strategic Plan (USP-2) for both public and private sector. The event also provided opportunities for networking, strengthening partnerships around project pipelines, supporting capacity building for NDAs and DAEs, identifying programming opportunities and ensuring that the Dialogue addressed and aligned with national priorities. The event webpage, as well as agenda and photos are found [here](#).

OPENING REMARKS

H.E. Fatmir Bytyqi, Deputy President of the Government of the Republic of North Macedonia welcomed more than 100 participants to the Regional Dialogue. The Deputy President highlighted that this was the first opportunity to meet as a region since 2018 and the first programming conference hosted in the Western Balkans. He noted the importance of the GCF as a global climate finance mechanism for developing countries. He concluded that the region would host the 29th session of the Conference of the Parties (COP 29) of the United Nations Framework Convention on Climate Change (UNFCCC) in November 2024 and noted that the region was responding to the urgent call from the world to tackle the climate crisis; it should be proud of this.

Delivering remarks on behalf of Mafalda Duarte, the GCF Executive Director, Nonhlanhla Zindela, the Deputy Director and Head of Programming of the Division of Country Programming (DCP), reaffirmed the role of GCF in the global finance architecture to respond to the climate crisis and ambition, including in mobilizing the private sector. She noted that the organization prioritized DAEs as a core pillar of the programming cycle and the vision over the next few years was to improve direct access and to prioritize vulnerable communities through a focus on systematic interventions.

DAY 1 SESSION SUMMARIES

SESSION 1.2: IMPLEMENTATION OF THE UPDATED STRATEGIC PLAN 2024-2027

The [Updated Strategic Plan](#) or USP-2 established GCF's programming directions for its second replenishment (GCF-2), capturing the ambition to deliver both strengthened climate results and greater access for developing countries. The session highlighted the evolution of GCF towards a partnership model and its convening power in bringing partners together to mobilize climate action. USP-2 set out the role of the GCF in the wider climate finance landscape and its role in scaling up and market creation. For the period 2024-2027, programming directions were highlighted as well as the GCF Secretariat's commitment to improving access to financing by enhancing predictability, speed, simplification, complementarity and partnerships.

Reflections from the plenary highlighted ambitions around increasing regional cooperation and financing for adaptation. The importance of National Adaptation Plans (NAPs) was also highlighted, and participants underlined the importance of GCF as the largest supporter of NAP formulation. Programming at the country level was seen as the basis on which to approach strategic climate finance planning. From that point, specific projects and programmes in the portfolio would have flexibility to develop blended financing instruments.

SESSION 1.3: REGIONAL STATE OF PLAY

The session provided an overview of GCF's portfolio in the EECA region, highlighting the number of funded projects, readiness grants and key stakeholders. Under GCF, the EECA region comprised eighteen countries including the Balkans, Caucasus, Central Asia, Mongolia and China. Under the Readiness and Preparatory Support Programme (Readiness Programme), over USD 55.5 million (equivalent to 70 grants) of total funding had been approved. Under the funded activity portfolio, a total of USD 1.5 billion had been approved (equivalent to 37 projects in 12 countries), with a share of 78 per cent for mitigation and 22 per cent for adaptation. The Regional Manager for EECA highlighted that only one country in the region had received close to USD 500 million financing from the GCF; four countries were within the range of USD 100-150 million; three countries were in the range of USD 50-100 million; five countries received up to USD 50 million; and two countries had no GCF financing. Of the five DAEs in the region, only three were active.

The Regional Manager concluded that this overview showed a wide range of opportunities for increasing programming, accrediting additional DAEs, enhancing partnerships with the private sector and boosting adaptation-focused projects.

SESSION 1.4: UPDATED READINESS STRATEGY AND OPERATIONAL MODALITIES

The session opened with a presentation of the key findings and recommendations from the Independent Evaluation Unit's (IEU) [Evaluation of the Readiness and Preparatory Support Programme](#) (Readiness Programme), which was presented to the GCF Board at its thirty seventh meeting (B.37) in October 2023. The findings focused on internal structural challenges which impeded the ability to maximise the value proposition of Readiness Programme as well as external opportunities to enhance complementarity and coherence. Recommendations stressed the need to sharpen the strategic intent and rationalize the Readiness Programme's resource capacity; to elaborate its value proposition and business case; to adopt a country-centered approach; to focus on communicating programmatic offers and enabling learning, to invest in the Readiness Results Management Framework (RRMF) as a learning and accountability tool, to operationalize the new Readiness Programme in a time-bound and timely manner and to reach diverse actors and cultivate national climate finance ecosystems.

The Coordinator for Support Programmes introduced the [Readiness Strategy 2024-2027](#). They stressed that this revised strategy moved away from a grant-by-grant programming approach to one that enabled

enhanced access through improvements in predictability, speed, simplicity, complementarity, increased volume and partnerships, and a focus on increasing the share of DAEs in the AE network.

Participants highlighted that the region still needed to be mobilized to unlock the paradigm shift potential, which could be achieved through policy framework and market shifts. Participants were keen to better understand operational details and how this revision would impact the development of project concept notes and country programmes. Participants called for increased regional presence and discussed ways to unlock readiness resources to build cross-boundary partnerships and to ensure effective stakeholder engagement.

SESSION 1.5: ENHANCING COUNTRY OWNERSHIP AND COORDINATION MECHANISMS

The Regional Manager highlighted that GCF's core principle focused on country ownership, as reflected in several Board decisions and as part of its business model. They noted that country ownership was an ongoing and evolving process; the importance of NDAs having sufficient capacity to perform functions; the potential for the development of country programmes (CPs) to contribute to strengthening country ownership; and the importance of effective engagement and ownership of relevant national and sub-national stakeholders throughout the project cycle.

This session discussed how GCF country ownership instruments were translated into practice in countries, explored the crucial role of NDAs in steering programming and coordinating stakeholders and considered the effectiveness of existing multi-sectoral platforms that guided GCF programming.

Panellists acknowledged and stressed the need for improved coordination and complementarity between GCF and other relevant funds, such as the Adaptation Fund and Global Environment Facility (GEF), specifically relating to co-financing opportunities. Participants also acknowledged the success of [GEF's integrated programmes](#) in moving towards systems transformation and delivering multiple benefits.

SESSION 1.6: TAKEAWAYS FROM COP 28 AND LOOKING FORWARD TO COP 29

GCF's Multilateral Governance Manager ad interim from the Office of Governance Affairs presented GCF's engagement at COP 28, as well as conference outcomes and how these related to GCF's work. They recalled that the GCF Secretariat had been requested, along with UNDP and UNFCCC, to jointly form an interim Secretariat of the new Loss & Damage Fund (LDF). It was further noted that the World Bank was invited to operationalize the fund as a World Bank-hosted financial intermediary fund (FIF) for an interim period of four years. On a comment raised by a participant regarding a simplified process to access LDF financing, the Multilateral Governance Manager ad interim stressed that a priority of the LDF Board was assessing mechanisms to quickly release financing following a disaster.

Looking forward, a representative from COP 29 host, Azerbaijan, presented ideas for the upcoming conference, including priority issues such as increased ambition of Nationally Determined Contributions (NDCs) and consequently, increased climate finance. They noted how the incoming COP presidency was encouraging private sector and philanthropic institutions to contribute towards reaching a new financial goal. Lastly, they observed that a troika consisting of UAE, Azerbaijan and Brazil had been established to improve cooperation and continuity between current and future COP presidencies.

DAY 2 SESSION SUMMARIES

SESSION 2.2: COUNTRY PROGRAMMING

This session informed participants of updates and directions on the country programming (CP) process and emphasized the importance of country programmes to successfully execute USP-2.

The GCF Deputy Director and Head of Programming of the Division of Country Programming highlighted the country-centric approach to country programming, which would include an updated Country Programme Guidance Note and a focus on improving results orientation through an inclusion of a results matrix. They elaborated that the content of the new CPs could include: (1) climate result areas (linkages with commitments/submissions to UNFCCC process); (2) two results areas with two projects under each new CP; (3) potential regional and multi-country projects; (4) description of AE capacities and needs; (5) narrative on complementarity and coherence with partners; (6) descriptions of project implementation, quality assurance, monitoring and reporting; (7) explanation of risks and relevant mitigation measures; and (8) a results matrix.

Participants stressed that one of the main issues faced was the lack of DAEs in the country and the lengthy timeframe for accredited DAEs to access financing, in comparison to IAEs. On CP development, participants advocated for a simpler process and highlighted the importance of sequencing projects in the CPs to ensure timely GCF support, as well as the active engagement not only of the NDA but relevant stakeholders and beneficiaries.

SESSION 2.3: ACCREDITATION

This session provided information on two approaches to accreditation and current developments: [institutional accreditation](#) and the [Project-Specific Assessment Approach](#) (PSAA).

The Accreditation Specialist highlighted that accreditation served as a tool to identify potential partners for channelling climate finance, requiring capacities for project management, implementation, and oversight, as well as compliance with GCF requirements through demonstrated policies, frameworks and operational modalities. They stressed the strategic focus on accrediting more DAEs and supporting underrepresented countries. It was also stated that GCF planned to introduce a new accreditation framework to simplify the process.

PSAA was a pilot approach (April 2023 until March 2026) which combined accreditation and proposal application to enhance efficiency and reduce costs by including a due diligence check on proposals and the applicant institution's track record. The PSAA Programming and Operations Officer stressed that only one entity per country was eligible to submit a PSAA proposal and adherence to the country-driven project pipeline was required. In cases where there were multiple private sector entities, one could apply via the PSAA track while others could participate as executing entities. They also remarked that the application process could take 15 months, with an initiation phase of three months, with the first batch of applications to be presented to the GCF Board by B.39.

SESSION 2.4: READINESS IMPLEMENTATION – PUTTING LEARNING AT THE CENTRE

This session focused on experiences and lessons learned from the implementation of Readiness projects. The Readiness Programme was identified as a modality for countries to prepare and strengthen their capabilities as well as getting ready – by creating enabling conditions - to access GCF resources.

The session showcased examples of innovation through stakeholder engagement, capacity building, and regional approaches to leverage lessons learned and success stories in proposal development. This collaborative perspective was further enriched by the notion of documenting and sharing learnings through

national readiness initiatives and regional learning benefits, thereby fostering an environment of continuous improvement and stakeholder involvement.

Discussions underlined the importance of engaging key stakeholders including the private sector, establishing priorities and strengthening NDA capacities. Discussions also highlighted the effectiveness of planning and execution of readiness activities and the importance of transparent communication. Although commitment and country ownership were deemed crucial, participants highlighted that this should not be demonstrated solely by the government but by everybody who had a stake in such activities.

The session concluded with a positive outlook on exploring innovative solutions and sharing lessons to enhance the effectiveness of climate finance readiness, reflecting a collective commitment to advance global climate goals.

SESSION 2.5: DEVELOPING GCF-ALIGNED AND HIGH-QUALITY PROJECTS PLENARY (CLIMATE IMPACT POTENTIAL)

This session provided guidance on how to enhance the demonstration of climate impact potential in funding proposals. GCF's Climate Science Lead highlighted the importance of describing the projected level of GHG emissions reductions (or removals) and explaining the links between climate hazards, risks and impacts in the context of development and how proposed activities would reduce those risks.

On the challenges of using various sources of information and the lengthy time it took for GCF to review a proposal, the Climate Science Lead stressed the importance of bringing various sources of information together using documentation from international leadership such as the World Meteorological Organization (WMO) and Intergovernmental Panel on Climate Change (IPCC). They noted that the use of such sources could produce accurate analyses and provide clear narratives in funding proposals, thereby speeding up the review process. It was recommended that a global initiative be established to place climate information in the user context, through a wiki-style platform that signposted diverse information needed for climate prioritization and action and by using trusted documentation led by organizations such as GCF with the WMO or IPCC. The latter would then become accepted as the 'how to' handbook for summarizing relevant information into planning and proposals. Lastly, the Climate Science Lead remarked that there was a need to provide training on the use of available climate data from various sources.

PARALLEL SESSION 2.5.1: DEVELOPING GCF-ALIGNED AND HIGH-QUALITY PROJECTS PARALLEL SESSIONS (INNOVATION AND ADDITIONALITY)

GCF's Senior Agriculture and Food Security Specialist from the Division of Mitigation and Adaptation (DMA) explained the importance of innovation and additionality and how these were reviewed against funding proposals. Practical examples were provided.

During the panel discussion, panellists highlighted examples of how projects such as the ADB-led project [FP154](#)¹ demonstrated additionality by limiting the number of grazing animals whilst strengthening agribusiness value chains and increasing social and gender inclusion. This project enabled a move away from quantity- to quality-focused production of livestock. Panellists also highlighted the GIZ-led project [FP198](#)² to demonstrate the use of innovation in various contexts, such as technological (piloting new technologies and then scaling up) and business-related (e.g. first loss risk, promotion of innovative use of grants).

¹ FP154: Mongolia – Aimags and Souds Green Regional Development Investment Programme (ASDIP)

² FP198: CATALI.5°T Initiative – Concerted Action to Accelerate Local 1.5° Technologies – Latin America and West Africa

PARALLEL SESSION 2.5.2: DEVELOPING GCF-ALIGNED AND HIGH-QUALITY PROJECTS PARALLEL SESSIONS (SCALABILITY)

The session introduced the GCF appraisal area of scalability, referring to the “*potential for expanding the scale and impact of the proposed programme or project*”, through a design of proposed interventions that identified the key elements required to ensure the “*replicability*” of the technical capacities and support infrastructure, and would consider “*the economies of scale*” to improve their overall sustainability.

Using two GCF proposals as case studies ([FP077](#)³ and [FP183](#)⁴), participants discussed the importance of project design that pre-identified success criteria and planning for project phases with funding tranches to allow for replication and scaling. The session also clarified that an evaluation of a potential project for scaling-up was not a requirement. In terms of complementarity and coherence of climate finance, it was noted that GCF had developed guidelines to identify types of projects with potential for scaling up, using other sources of funds such as the Adaptation Fund or the Global Environment Facility.

The session stressed the importance of considering various stages of interventions. For example, early-stage technologies may not be scalable until financial and economic viability had been proven. Lastly, the session highlighted how technical capacities and availability of implementation partners impacted the absorptive capacity of a country in the scaling-up of proposed interventions.

SESSION 2.6: DEVELOPING GCF-ALIGNED AND HIGH-QUALITY PROJECTS PLENARY (FINANCIAL INSTRUMENTS)

This session centered on key strategies and focus areas of GCF’s Private Sector Facility, including the range of financing instruments used. GCF’s Climate Investment Manager for Climate Resilient Infrastructure emphasized GCF’s approach in taking higher risks to support early-stage development and innovation to catalyze climate finance. They presented a range of financing instruments such as equity, guarantees, grants, and loans, with the objective of addressing financing challenges by leveraging blended finance, piloting new financial structures, and deploying capital across various stages of project development.

The panel discussion examined GCF’s role in mobilizing private sector finance. Speakers highlighted GCF’s unique position in assuming risk and providing catalytic capital, as well as tailored financial instruments to support sustainable projects.

On GCF’s consideration of first-loss in relation to other investors’ equity, the GCF representative indicated that this was possible under certain conditions and dependent on project specific context, specifically, gauging technological maturity and level of market development for evaluating the level of concessionality. The Climate Investment Manager for Climate Resilient Infrastructure emphasized the importance of tailored hybrid solutions for each case.

Participants acknowledged that private investment was crucial in the achievement of global goals and that local and international markets should be considered to provide this capital. In a note of caution, participants acknowledged that developing markets must be able to attract capital from developed markets. To support this, it was highlighted that viable climate adaptation business models in the private sector were needed.

³ FP077: Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Project (AHURP)

⁴ FP183: Inclusive Green Financing Initiative (IGREENFIN I): Greening agricultural banks and the financial sector to foster climate resilient, low emission smallholder agriculture in the Great Green Wall countries – Phase 1

SESSION 2.7: DEVELOPING GCF-ALIGNED AND HIGH-QUALITY PROJECTS PLENARY (GCF SUSTAINABILITY POLICIES)

GCF's Indigenous Peoples and Social Safeguards Specialist introduced GCF Sustainability Policies, highlighted the importance of mainstreaming GCF sustainability policies from project inception and explained the process of reviewing sustainability considerations in funding proposals. They also demonstrated how to articulate the consideration of environmental and social issues when developing and implementing GCF-funded activities. Finally, examples of good practice were presented, such as the GIZ-led [FP132](#)⁵ project which demonstrated a gender action plan.

There was also discussion of consequences of non-compliance with Environmental and Social Safeguards (ESS) standards, as well as the process by a project could be terminated.

⁵ FP132: Enabling Implementation of Forest Sector Reform in Georgia to Reduce GHG Emissions from Forest Degradation

DAY 3 SESSION SUMMARIES

SESSION 3.2.1: TECHNOLOGY SESSION – LINKAGES BETWEEN UNFCCC MECHANISMS, GCF AND NATIONAL STRATEGIES

The session discussed ways to improve collaboration and coordination between climate finance and climate technology efforts at the national level under the UNFCCC. It focused on enhancing the interaction among the [UN Climate Technology Centre and Network's](#) (UN-CTCN) National Designated Entities (NDEs), NDAs, and key GCF stakeholders in the region. The session emphasized the role of GCF Readiness support in developing Technology Needs Assessments (TNAs) and how it aligned with the CTCN's Technical Assistance intended for the region.

Participants highlighted the importance of complementarity and coherence to ensure that projects were aligned, thus avoiding repetition or overlaps. They also remarked how Readiness resources could be utilized more efficiently through more efficient coordination between partners.

SESSION 3.2.2: ADAPTIVE MANAGEMENT – FUNDED PROJECTS

This session emphasized the importance and rationale of adaptive management of projects and programmes with AEs. The key objectives of the session were threefold: to provide an overview of the (funded projects) portfolio in EECA, including key challenges faced by AEs; to provide guidance on the GCF's adaptive management process as AEs implemented GCF investments; and to exchange best practices and experiences, including lessons learned from implementation of GCF investments.

The discussion highlighted the crucial role of adaptive management in the project lifecycle to achieve its intended objectives. It had been noted that changes during the project implementation were common and a natural part of the lifecycle of projects and programmes. Often, changes in project implementation arose from the evolving needs of the beneficiaries in the countries, thus alignment was necessary. GCF's Restructuring and Cancellation Specialist from the Division of Portfolio Management emphasized the importance of early engagement as soon as the application of adaptive management was identified.

SESSION 3.3: PRIVATE SECTOR FACILITY

This session emphasized the important role of the private sector in helping to close the climate finance gaps and provided an overview of GCF's private sector involvement and operationalization strategy within the GCF framework. GCF's Climate Investment Manager for Climate Resilient Infrastructure highlighted the focus on supporting novel climate solutions, catalyzing innovation, de-risking, mobilizing finance at scale and enhancing capacities of national financial institutions. They noted GCF's role in overcoming investment barriers through flexible financial instruments, the provision of concessional support, and tailoring financial structures to partner needs.

Representatives from the Eurasian Development Bank, ARMSwiss Bank, European Bank for Reconstruction and Development (EBRD), Mongolian XacBank and Trade and Development Bank (TDB) briefly presented their work, relevant initiatives and priorities, as well as their engagement with the private sector. The panel discussed challenges and solutions in financing green projects, emphasized the importance of PPP (public-private partnership) models and the need for concessional pricing to make projects bankable and sustainable. They also highlighted commitment to reduce carbon footprint and adoption of ESG principles.

Participants stressed the importance of multilateral development banks (MDBs) and GCF in coordinating efforts and aligning support to countries in the enhancement of NDCs. The discussion also emphasized the importance of government engagement with the private sector, specifically ensuring that appropriate policy frameworks were in place to encourage private sector participation, as well as addressing constraints related

to borrowing and debt ratios. Lastly, participants suggested that GCF should streamline its application review process and called for a more consistent and time-efficient approach to accelerating the mobilization of climate finance.

SESSION 3.4: ADAPTIVE MANAGEMENT – READINESS

GCF's Portfolio Management Officer for Readiness presented a brief overview of the EECA Readiness portfolio, including achievements, and challenges. They highlighted progress in capacity building, national adaptation planning, and emphasized the importance of knowledge sharing to address operational challenges with adaptive management strategies. They also introduced the [Readiness Knowledge Bank](#) which contained relevant GCF policies, tools, guidance and case studies from countries and partners which had benefitted from GCF readiness support, and dashboards of results.

Panellists discussed their experiences in the management of readiness projects and noted the importance of effective coordination, transparency and clear communication between NDAs and delivery partners in aligning projects with national priorities and strategies. They stressed the need for early stakeholder engagement, while highlighting the value of integrating adaptive management principles into project planning. Lastly, panellists emphasized the importance of documenting experiences and sharing knowledge to inform future projects.

The discussion highlighted challenges, namely, procurement and finance-related issues, unrealistic timelines, and limited capacities. The plenary acknowledged the need for a realistic approach to timelines and budgets, while stressing the importance of regularly reviewing the Readiness Results Management Framework (RRMF) to identify lessons and areas for improvement.

SESSION 3.5 INNOVATIVE PROJECT DEVELOPMENT IN KEY SECTORS – ENERGY EFFICIENCY; LAND-USE AND FORESTRY; AGRICULTURE, WATER AND FOOD SECURITY

Staff from GCF's Division of Mitigation and Adaptation (DMA) provided guidance on innovative project development and design, specifically on sectors relevant to the region: energy efficiency, land-use and forestry, agriculture, water and food security. They also discussed relevant methodologies and guidelines for effective programming.

GCF speakers remarked how energy was most often the priority of many countries and where GCF could play a catalytic role. They also noted that degradation of natural resources was a major challenge in the region which made it highly vulnerable. Other challenges discussed include the lack of financial instruments and how AEs should explore and offer a wider range of these instruments.

DAY 4 SESSION SUMMARIES

SESSION 4.2: EVALUATION

GCF's Evaluation Specialist introduced the [Independent Evaluation Unit's](#) (IEU) mandate, function and approach as it provided objective insights to inform GCF Board's decision-making processes and strategic direction. They noted that the IEU was in the process of updating the GCF Evaluation Policy to reflect evolving needs and best practices in the field of evaluation. Lastly, the Evaluation Specialist presented IEU's work programme for 2024, which included a third performance review of the GCF, assessments of the Fund's approach to supporting whistleblowers and witnesses, and evaluations of GCF investments in specific regions and thematic areas such as health, food, and water security.

On differences between IEU- and AE-led evaluations, the Evaluation Specialist clarified that IEU's intervention occurred post-evaluation and focused on assessing the quality of reports produced by AEs. They explained how this approach allowed AEs to conduct independent evaluations, with the IEU providing oversight and ensuring quality assurance to established standards. On gaps in the evaluation process, the Evaluation Specialist emphasized IEU's commitment to provide meaningful and tailored support to DAEs by identifying and filling these gaps, including enhancing the evaluation capacities of DAEs and ensuring that evaluations contributed to GCF goals. Participants highlighted the value of close engagement between the IEU and NDAs to ensure clear communication and understanding of assessments and recommendations for better decision-making.

SESSION 4.3: GCF CLINIC FOR NDAS

GCF's Division of Mitigation and Adaptation hosted a Clinic for NDAs during the Regional Dialogue. The purpose of this exercise was to provide an opportunity for NDAs to have deeper interactions with the GCF Secretariat on specific topics relevant to their project concept or ideas such as climate-resilience in agriculture and food systems, cold storage, energy efficiency and heating systems. NDAs provided the GCF Secretariat an advance copy of projects to enable GCF staff to better understand, review and give advice on project issues.

SESSION 4.4: KNOWLEDGE CAFÉ

The Knowledge Café focused on two themes, "How Readiness Led to a Robust Country Programme and Enhanced Country Capacity" and "How to Leverage Private Sector in GCF Operations."

Participants discussed challenges faced in developing CPs namely, limited NDA capacities, insufficient interagency communication within countries, difficulties in coordinating stakeholders, and in agreeing on a set of priorities due to differing stakeholder agendas. They emphasized the need to simplify CPs. The group acknowledged and agreed that readiness programmes or projects were a tool to overcome these challenges. Success stories included a focus on a country-first approach and wide and inclusive stakeholder consultations.

Participants discussed challenges linked to engaging the private sector in projects or programmes funded by the GCF; the varying nature of public-private partnerships between countries; difficulties in making adaptation projects bankable; and missed opportunities in calculating adaptation benefits for cross-cutting projects. The group also discussed innovative approaches including the use of technology or Artificial Intelligence (AI) to expedite proposal approvals, the development of tool kits for risk assessment and monitoring and increasing awareness of GCF investment instruments. Those countries deemed successful had a private sector engagement strategy, support from relevant ministries and financial institutions which offered concessional loans. The group acknowledged that a crucial part of private sector engagement stemmed from compliance with European Union regulations on climate change.

SESSION 4.5: ACHIEVING SCALE-UP FOR TRANSFORMATION – EXPERIENCES FROM THE SIMPLIFIED APPROVAL PROCESS (SAP) AND PROJECT PREPARATION FACILITY (PPF)

This session discussed various GCF access modalities such as [Simplified Approval Process \(SAP\)](#) and the [Project Preparation Facility \(PPF\)](#). GCF speakers gave comprehensive guidance to NDAs, AEs, and project developers to create pathways for achieving the scale-up of successful innovations. GCF speakers also introduced the [Enhanced Direct Access \(EDA\)](#) modality, as well as the [SAP Climate Risk and Early Warning System \(CREWS\)](#) framework.

During the discussion, participants highlighted the importance of knowledge exchange and peer learning. It was also noted that Central Asia faced significant challenges in water resource management, requiring comprehensive strategies and innovative solutions. Partners expressed their interest to further enhance collaboration with GCF in the EECA region, leveraging expertise and resources to maximize the impact of climate finance initiatives. There was agreement in plenary on the importance of enhancing the flow of communication, specifically the approval process to raise awareness about SAP moving forward.

DAY 5 SESSION SUMMARIES

SESSION 5.2.1: INDEPENDENT REDRESS MECHANISM

This session introduced the GCF [Independent Redress Mechanism's](#) (IRM) role and mandate in addressing complaints, providing a recourse that was fair, effective and transparent while enhancing performance of GCF's climate funding as well as advising the Board on operational policies and procedures. This session also explored the capacity-building opportunities for AEs in the effective management of complaints at the AE level.

IRM's Compliance and Dispute Resolution Specialist explained the process of addressing complaints and grievances, as well as providing a brief overview of how it conducted an appraisal to determine a complaint's eligibility and whether it merited investigation. They highlighted the primary objective of reaching a mutually satisfactory outcome between the parties involved. Lastly, the process by which stakeholders could submit their feedback, comments, complaints and grievances to the GCF Secretariat was outlined.

SESSION 5.2.2: INTEGRITY IN CLIMATE ACTION

The Outreach and Engagement Manager presented (virtually) GCF's [Independent Integrity Unit's](#) (IIU) mandate, function and approach, as well as [GCF's Integrity Framework](#). They highlighted that IIU maintained GCF standards and integrity through an assessment of the AE's capacity to manage GCF resources in line with relevant fiduciary standards, as well as the importance of an accreditation master agreement (AMA) which required AEs to collaborate with the IIU.

The Outreach and Engagement Manager announced that the IIU's e-learning platform and digital onboarding was being updated and welcomed suggestions for improvement to ensure responsiveness and relevance to country needs.

CLOSING REMARKS

The Deputy Director and Head of Programming of the Division of Country Programming expressed gratitude to the host country and NDA of the Republic of North Macedonia for their leadership and the hospitality extended to participants at the Regional Dialogue. They also thanked everyone for their engagement and inputs during the week. The Deputy Director of DCP stressed that the USP-2 approach, including accessing 'bigger ticket' Readiness financing, put countries at the centre. As follow-up, they reminded participants that the new programming period was asking countries to re-calibrate their approach and rationalize their pipeline to four realistic projects between 2024-2027. The Deputy Director of DCP highlighted the importance of mobilizing and engaging with the private sector domestically and investors internationally to build credible and feasible pipelines of projects necessary to achieve climate goals. Lastly, they highlighted the need for countries to build these relationships and 'crowd-in' partners.

CONCLUSION

The Regional Manager for EECA provided a summary of the RD and highlighted the importance of the USP-2 in setting programming directions, identifying areas for cooperation and prioritizing process simplification to enable greater access to GCF resources. They stressed the need for accreditation partners that were able to support and deliver GCF's strategic goals, the importance of DAEs as a conduit to increasing financing and encouraged closer engagement with the private sector. The Regional Manager remarked that the recent approval of the revised Readiness Strategy (2024-2027) established a complementary foundation for multi-year planning approaches which could build capacity of national entities and strengthen country coordination mechanisms to enhance country ownership of future GCF programming.

The Regional Manager stated that bilateral meetings held on the sidelines of the event were conducted between the GCF, NDAs and DAEs as well as current and future strategic partners. These had provided an opportunity to confirm GCF's vision with partner countries, prioritize and consolidate programming initiatives, justify the choice of accreditation partner and modality (institutional or project-specific), and advance discussions for safeguarding GCF resources through country privileges and immunities.