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

Annexes to Final report - *Volume II*

GREEN CLIMATE FUND | Independent Evaluation Unit

TRUSTED **EVIDENCE**. INFORMED **POLICIES**. HIGH **IMPACT**.

March 2023

GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund's Investments in the African States

ANNEXES TO FINAL REPORT - VOLUME II

03/2023

175, Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea
Tel. (+82) 032-458-6450
Email: ieu@gcfund.org
https://ieu.greenclimate.fund

First Edition

This evaluation is a product of the Independent Evaluation Unit at the Green Climate Fund (GCF/IEU). It is part of a larger IEU effort to provide open access to its research and work and to make a contribution to climate change discussions around the world.

While the IEU has undertaken every effort to ensure the data in this report is accurate, it is the reader's responsibility to determine if any and all information provided by the IEU is correct and verified. Neither the author(s) of this document nor anyone connected with the IEU or the GCF can be held responsible for how the information herein is used.

Citation
The citation details for this evaluation are as follows:
Independent Evaluation Unit (2023). *Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund's Investments in the African States*. Annexes to Final report - Volume II (March). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Credits
Head of the GCF Independent Evaluation Unit: Andreas Reumann
Task manager: Daisuke Horikoshi, Principal Evaluation Officer, Independent Evaluation Unit
Editing: Toby Pearce
Layout and design: Giang Pham
Cover photo: (front) Olikari women's group detailing the process of grass seed production; (back) Seeds from the Olikari women's group grass seed bank; both photos are from FP113 funded by the GCF; ©Elangtlhoko Mokgano

A FREE PUBLICATION

Printed on eco-friendly paper

CONTENTS

TABLES

FIGURES

BOXES

ANNEXES

Annex 1. DETAILED METHODOLOGY

A. APPROACH

A tailored, multi-faceted methodological approach was used to undertake this evaluation, comprising utilization-focused evaluation (UFE), a participatory approach, and theory-based evaluation (TBE).

1. UTILIZATION-FOCUSED

This evaluation was guided by a series of principles essential for the delivery of a robust evaluation, including high usability. It was undertaken to provide insights and recommendations geared towards informing decision making and improving performance, while also furthering accountability. The team adopted a utilization-focused approach, to ensure the evaluation of the Green Climate Fund's (GCF) investments in the African States is useful to its intended users on all priorities. These users were identified as being the Board of the GCF, its Secretariat, the GCF independent units, national designated authorities (NDAs)/focal points, accredited entities (AEs) (including national and regional direct access entities (DAEs) and international accredited entities (IAEs)), and other delivery partners, private sector organizations (PSOs), and civil society organizations (CSOs).

The UFE approach is notably evident in the following actions:

- Engagement with the primary users during the inception phase of the mandate to ensure the evaluation team had a strong understanding of the priorities and methods used for the evaluation.
- The identification of key moments for primary users to provide feedback into the evaluation, including through data collection, preliminary findings presentations, and the circulation of the draft factual report.
- Close and ongoing communication with the Independent Evaluation Unit (IEU) throughout the mandate.

2. HIGHLY PARTICIPATORY

In line with the overall utilization-focused framework, the evaluation team also worked closely with all relevant stakeholders to ensure the evaluation was deployed in a highly participatory manner, and so that its insights and recommendations are useful to all while fostering appropriation and buy-in. Throughout its mandate, the evaluation team therefore:

- Consulted with the range of key stakeholders, drawing on appropriate methods both virtually and in-person (as permissible, given COVID-19 regulations and restrictions). This notably included five field missions to Africa, in-person participation at the thirty-fourth meeting of the Board (B.34) and a series of virtual interviews with internal and external informants to the GCF (a full list of consulted stakeholders can be found in volume I of the factual report).
- Provided timely updates on progress to key stakeholders.
- Drafted a preliminary findings presentation to give GCF staff the opportunity to provide feedback that could be integrated into the evaluation.

- Circulated the draft factual report within the GCF to provide an opportunity for key staff to inform the evaluation.
- Adopted a learning-oriented disposition throughout the evaluation.
- Maintained a flexible approach and adjusted the trajectory of the work to be performed accordingly and appropriately.

3. THEORY-BASED EVALUATION

As a TBE, this evaluation employed a contribution analysis methodology[1] informed by a realist evaluation approach, which saw the drafting of a GCF theory of change (TOC) to describe its activities and outcome pathways as well as assumptions (understood to be conditions that are necessary for GCF investments to yield desired results).[2] The adoption of these components has enabled the evaluation team to make visible the strengths and limitations of the GCF design and implementation of work and investments in relation to the African States. This provided key information to feed into recommendations for decision making related to the future adaptation of GCF's approach and implementation.

While the evaluation intended on building an evidence base to compare intended and actual GCF outputs and outcomes, the early stage of many projects' implementation and limited reported outcomes restricted the extent to which this analytic comparison could take place. The evaluation therefore assessed the extent to which the GCF's work, implementation approaches and investments in and across Africa, with all its diversity, have the potential to contribute to intended progress and change, as per the GCF objective to "promote paradigm shift towards low-emission and climate resilient development pathways in the context of sustainable development and make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change".[3]

Intent on shedding light on the reality and contextuality of the inferred causal pathways and mechanisms of GCF's engagement in Africa, the evaluation complemented the analysis with a realist evaluation approach. Doing so provided additional insights on why, how, in what circumstances, and for whom the GCF's implementation approaches and modalities have (or rather, are likely to have or have not) produced certain outcomes, and with contextual variability (e.g., in fragile, conflict and violence-affected (FCV) states, different AEs, etc.) in African States.

The combination of these approaches ensured contextual realities were taken into analytic consideration in ascertaining the presence, extent, and reasons for which the GCF's approach and implementation are likely (or not) – and by which mechanisms of change – to generate certain outcomes in Africa, with a good measure of confidence. The evaluation developed evidence-based and forward-looking recommendations stemming from this approach, and included, as part of this exercise, a revised TOC in the final report. In the end, the GCF TOC was used to present the findings of the African States evaluation, and to highlight areas where recommendations were crafted.

[1] John Mayne (2008).
[2] Ray Pawson and Nicholas Tilley (1997); Gill Westhorp (2014); Intrac (2017).
[3] Green Climate Fund (2021j).

B. Methods

1. Document and portfolio review

During the inception period, the team undertook a document mapping and preliminary review of the African States portfolio. Documentation for this assignment was compiled into a document map which was updated throughout the assignment to include newly identified documents. Key GCF documents such as Board decisions, reports and discussion, foundational documents (e.g. strategies, policies, etc.), audits, previous evaluations, funding proposals, nationally determined contributions (NDCs), national adaptation plans (NAPs), portfolio performance reports, templates, and IEU DataLab materials, among others, were identified, lightly reviewed and tagged for relevance to specific components of the assignment. This exercise has enabled the evaluation team to increase familiarity with the GCF, and helped to inform the development of the evaluation matrix while also aiding in the identification of areas where the document landscape is rich, and areas where there are documentation gaps. The identification of such gaps has subsequently informed the development of data collection tools.

During the evaluation phase, all identified documents were reviewed. The review was undertaken in alignment with evaluation questions and indicators found in the final evaluation matrix.

During this phase, the evaluation team, in collaboration with IEU DataLab, also undertook a series on quantitative and qualitative analyses in alignment with evaluation questions. These included a review of approved resources, disbursements, co-financing, and a timestamp analysis focusing on the review processes, mindful of the various GCF modalities. A review of stakeholder consultation and participation of funded project (FP) development was also undertaken. Finally, building on the country ownership framework developed as part of the independent evaluation of the GCF's country ownership approach (COA), an updated country ownership framework was developed and used to assess country ownership for all African States, as per the role of the NDA, the presence of country strategies, access to Readiness and Preparatory Support Programme (RPSP) and Project Preparation Facility (PPF) grants, and access to climate finance from GCF and other multilateral climate funds.

The list of documents and databases considered as part of this evaluation can found in volume I of the factual report.

2. Stakeholder consultation

During the inception phase, 30 stakeholders were consulted to provide a strong understanding of specific priorities for the evaluation. These consultations included two individual interviews and three group interviews as well as consultations undertaken as part of the ongoing Second Performance Review (SPR) and the related country mission in Rwanda that took place in March 2022. The team also attended one senior management team (SMT) meeting virtually, the purpose of which was to raise priority issues for the evaluation of the GCF's portfolio in the African States (as well as for the SPR of the GCF).

Stakeholder consultation undertaken during the inception phase informed the framing of the mandate, key questions (as well as sub-questions and indicators) of the evaluation matrix, helped the team identify additional stakeholders to consider for interviewing, as well as identify concerns related to the evaluation and opportunities for the evaluation team to pursue. Preliminary key evaluation questions were asked of these stakeholders selectively, as an initiation of data collection.

The evaluation team also developed a stakeholder map (i.e. an informed and annotated list) during the inception phase, to ensure the team had a strong grasp of the stakeholder landscape, regionally and in countries of focus. It also provided the basis for a clear and shared understanding of the value of collecting interview data from these stakeholders. The mapping and final stakeholder selection were undertaken using a purposive sampling approach, while allowing for both snowballing and opportunistic sampling. This approach ensured that appropriate and useful data was collected efficiently and in a timely manner, and resulted in the consultation of 266 stakeholders in total, during both the inception and data collection phases (for both country missions and general interviews). The full list of stakeholders consulted can be found in volume I of the factual report.

3. Synthesis of previous IEU evaluations

The IEU possesses a strong track record of conducting evaluations of various kinds, many of which are of relevance to the current evaluation of the African States. Previous evaluations were systematically reviewed to identify material relevant to the evaluation of GCF interventions in African States, including final reports, case study reports and annexes. The following evaluations were considered as part of this exercise:

- Independent evaluation of the Green Climate Fund's country ownership approach (COA)
- Independent evaluation of the Green Climate Fund's Readiness and Preparatory Support Programme (RPSP)
- Independent evaluation of the Green Climate Fund's environmental and social safeguards and the environmental and social management system (ESS ESMS)
- Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in small island developing States (SIDS)
- Independent assessment of the Green Climate Fund's simplified approval process (SAP) pilot scheme
- Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund
- Independent evaluation of the Green Climate Fund's approach to the private sector
- Rapid assessment of the Green Climate Fund's request for proposals modality
- Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the least developed countries (LDCs)
- Report of the synthesis study: An IEU deliverable contributing to the second performance review of the Green Climate Fund

The final synthesis of previous IEU evaluations can be found in annex II.

4. Literature review

This evaluation includes a critical review of literature related to challenges, solutions and innovations in climate change financing in African States.

During the inception stage, the evaluation team conducted research to identify relevant peer-reviewed and grey literature for informing this evaluation, and initiated the preparation of an annotated bibliography, covering the past five years, as well as a synthesis of insights.

The annotated bibliography was prepared during the data collection phase. It provides a descriptive analysis of the relevant material and assesses the extent to which insights drawn are applicable to the current mandate. The synthesis of insights was prepared to ensure that lessons derived from this annotated bibliography are accessible and useful for the evaluation, and for the IEU more generally.

The literature review was structured to first address gaps and challenges in climate financing in African States, and to then address solutions and innovations. The final literature review can be found in annex III.

5. Survey

The evaluation team deployed an online survey to gather perceptual data specifically from civil society stakeholders on various dimensions of the GCF approach, work and investments in the African States. A four-scale Likert-style survey with write-in responses was developed in alignment with the evaluation matrix. This survey included questions related to the extent of satisfaction with the GCF interventions and engagement in African States.

A piloting of the survey was undertaken ahead of full deployment, to ensure it was effective and user-friendly. Once validated, deployment was done through both the GCF civil society network and also local civil society groups and networks in African States across the continent, with the support of the Pan-African Climate Justice Alliance (PACJA) and Care International. The survey was delivered between July 2022 and September 2022 in English, French and Spanish, mindful of the linguistic diversity in Africa.

The survey results are presented in annex IV.

6. Case studies and field missions

During the inception stage, the evaluation team undertook a full sampling approach for the identification of five case studies planned as part of this mandate. The purposive sampling approach to identify candidates, included the development of a set of indicators to ensure diversity and appropriate coverage while specifically focusing on areas of the evaluation that would benefit from a deeper dive, as afforded by case studies. Indicators used as part of this approach notably sought to ensure appropriate:

- Geographic distributions with representation of countries across sub-regions
- Balance between country classifications, particularly related to income level and level of fragility
- Balance in the profile of GCF country portfolios, notably in terms to thematic distribution, scope of projects (i.e. single country, multi-country and multi-regional projects), size of portfolio (as per number and value of projects)
- Representation of largest oil producing countries
- Presence of DAEs

The evaluation also considered previous case studies undertaken as part of IEU evaluations, to avoid duplication, and countries included in the Learning-oriented Real-Time Impact Assessment (LORTA) programme, as these assessments may provide valuable sources of information.

Informed by the approach outlined above, inception interviews and the preliminary documents review, the five case studies – including three thematic case studies (featuring deep dive countries) and two country case studies – were selected. During the data collection phase, selected case studies and related deep dive countries were revised following engagement with the countries. The final list of case studies, and deep dive countries, is as follows:

- Case study 1, on the Great Green Wall Initiative (GGWI), which focused on all GGWI countries. The case study was selected to assess this cooperative approach to programming, including benefits, challenges and shortfalls. An in-country field mission was undertaken in Côte d'Ivoire the week of 9 May 2022.

- Case study 2, on African FCV states, which included a deep dive in Somalia, Mali and the Democratic Republic of the Congo (DRC). This case study was selected to assess GCF's approach and interventions in African FCV states, notably to assess whether a tailored approach to engage within these contexts is warranted at GCF. A field mission to Africa Climate Week (ACW) 2022 was undertaken the week of 29 August 2022.
- Case study 3, on countries without a single country FP, which included a deep dive in Guinea Bissau, Guinea and Tunisia. This case study was selected to examine barriers facing countries that have not received strong country-specific GCF support. An in-country field mission was also undertaken in Tunisia the week of 18 July 2022.
- Case study 4 on Kenya. This case study was selected to evaluate the impact of long-term engagement with the GCF. An in-country field mission was undertaken the week of 22 August 2022.
- Case study 5 on South Africa. This case study was selected to evaluate the impact of the GCF in one of Africa's most developed countries and economies. An in-country field mission was undertaken the week of 1 August 2022.

A total of 170 stakeholders were engaged as part of these case studies. The list of stakeholders consulted as part of each case study is available in the case study reports. The case study reports can be found in volume III of the factual report.

7. 3CO ANALYSIS

As the GCF operates in a wider climate mitigation and adaptation finance landscape, with global, regional, multilateral and bilateral climate(-related) institutions, the evaluation undertook a 3CO analysis – complementarity, coherence and coordination. This involved identifying the current and evolving status of complementarity, coherence, and cooperation between the GCF and these other institutions, at the global, regional and national level, in relation to the activities of the GCF in Africa, specifically. The analysis notably sought to identify similarities, overlaps as well as key differences between the climate and environmental finance institutions, as they operate in Africa, ultimately supporting the evaluation team in deepening the understanding of the comparative advantage of each in relation to the GCF's offerings.

This exercise was undertaken drawing on the four pillars outlined in the "Operational framework for complementarity and coherence" adopted under decision B.17/04. These pillars include:

Pillar I: Board-level discussions on fund-to-fund arrangements

Pillar II: Enhanced complementarity at the activity level

Pillar III: Promotion of coherence at the national programming level

Pillar IV: Complementarity at the level of delivery of climate finance through an established dialogue

This analysis first included a descriptive review of current and planned cooperation at the institutional level which provided the basis of the framework used throughout the 3CO analysis. Subsequently, an evaluative assessment of the potential for further developing cooperation aimed at enhancing the complementarities between the main agencies offering climate funding in Africa – in alignment with national and regional priorities – was undertaken.

The main agencies were here considered as being the Global Environment Fund (GEF) and its hosted climate funds, the Adaptation Fund (AF) and the Climate Investment Funds (CIF), as well as regional and national operations of key organizations. This analysis was informed by document review and key informant interviews with key staff within these and other institutions. This work has informed recommendations on improved coordination and cooperation in Africa.

8. Development of data collection and management tools

During the inception stage, data collection tools were developed and piloted. A living bibliography and stakeholder management tool were prepared, accessible to all evaluation team members and updated in real time. The stakeholder management tool allowed the team to maintain a real time list of relevant stakeholders (as identified through the inception mission, document review, and by the IEU team) and to track interview status and progress throughout the evaluation. Interview protocols were prepared, including those for country missions, benchmarking and main report interviews, with adapted protocols for the various stakeholder categories (e.g. internal and external).

Using the Dedoose platform, templates were prepared for the document review and interview stages, amongst others. This preparation stage also involved the early development, as appropriate, of the e-survey and benchmarking approach and tools. By the end of inception, the evaluation team had the necessary tools in place to collect and manage all data required for this assignment.

9. Development of an approach paper

Guiding the entire evaluation, the approach paper served as a very important tool for the evaluation team. Every effort was therefore made to ensure it reflected the management requirements and methodological needs of the assignment. This was undertaken through a three-step process that included refining the proposed methodology and workplan, producing a draft approach paper, and then a final (revised) approach paper.

The approach paper included a co-developed theoretical framework for undertaking this evaluation, and the evaluation matrix, which was the very backbone of the assignment. It included all the tools for undertaking each data collection piece, inclusive of the methodology, methods and protocols. Elements such as relevant policies and Board decisions, the annotated bibliography, TOC and normative standards for the evaluation, key statistics from IEU DataLab, amongst others, were included along with an outlined plan for country missions as per a sampling approach. A calendar of activities and deliverables comprised the workplan, which was part of the approach paper. As a whole, the approach paper served as a comprehensive roadmap for the evaluation, ensuring the transition through the evaluation's various stages was a smooth one, setting the stage for a successfully deployed and implemented evaluation.

References

Green Climate Fund (2021j). *Country Programme Guidance: A Guide on Developing Country programmes for the Green Climate Fund*. Songdo, South Korea.

Intrac (2017). Realist Evaluation. Brief. Available at https://www.intrac.org/wpcms/wp-content/uploads/2017/01/Realist-evaluation.pdf.

Mayne, John (2008). Contribution Analysis: An Approach to Exploring Cause and Effect, Institutional Learning and Change (ILAC) Initiative, ILAC Brief 16. May. Available at https://www.researchgate.net/profile/John-Mayne-2/publication/46472564_Contribution_analysis_An_approach_to_exploring_cause_and_effect/links/54780fd60cf293e2da283963/Contribution-analysis-An-approach-to-exploring-cause-and-effect.pdf.

Pawson, Ray, and Nicholas Tilley (1997). *Realistic Evaluation*. London: Sage. Available at https://uk.sagepub.com/en-gb/eur/realistic-evaluation/book205276.

Westhorp, Gill (2014). Realist Impact Evaluation: An Introduction. Methods Lab publication (September). London, UK: Overseas Development Institute (ODI). Available at https://cdn.odi.org/media/documents/9138.pdf.

Annex 2. SYNTHESIS OF PREVIOUS EVALUATIONS

A. INTRODUCTION

This report was prepared to serve as a data source for the 2022 "Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the African States" (or the 'African States evaluation'). It presents a synthesis of insights on GCF engagement in African States from 10 evaluations undertaken by the IEU of the GCF, as listed in Table A - 2.1. The evaluations were published between 2019 and 2022, with each providing varying degrees of insight into African States. As illustrated in the table below, several evaluations undertook country case studies or deep dives on specific African States, which helped inform the evaluation in question.

Table A - 2.1. Completed IEU evaluations reviewed in the synthesis

Evaluation title	Year	Country case studies or deep dives of African States
Independent evaluation of the GCF's country ownership approach (COA)	2019	Country case studies of Morocco and Uganda
Independent evaluation of the GCF's Readiness and Preparatory Support Programme (RPSP)	2019	Country case studies of Kenya, Namibia, and Senegal
Independent evaluation of the GCF's environmental and social safeguards and the environment and social management system (ESS ESMS)	2020	Country case studies of Morocco and Zambia
Independent evaluation of the relevance and effectiveness of the GCF's investments in SIDS	2020	Country case study of Seychelles
Independent assessment of the GCF's simplified approval process (SAP) pilot scheme	2020	N/A
Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund	2021	Country case studies of the Gambia and Uganda; country deep dives on projects in Kenya, Morocco, and Uganda
Independent evaluation of the GCF's approach to the private sector	2021	Country case studies of Ghana and Burkina Faso
Rapid assessment of the Green Climate Fund's request for proposals modality	2021	N/A
Independent evaluation of the relevance and effectiveness of the GCF's investments in the LDCs	2022	Country case studies of Ethiopia, Malawi, and Togo
Report of the synthesis study: An IEU deliverable contributing to the Second Performance Review of the Green Climate Fund	2022	N/A

Evaluation reports were scanned for insights related to African States as a group and to individual countries, which were then structured in general alignment with the evaluation matrix for the African States evaluation. Separate case study reports, briefs, and/or deep dive summaries were also reviewed to inform this synthesis.

It is important to acknowledge the diverse foci of the evaluations reviewed, with implications for the generalizability of insights. Each evaluation had a different focus, which covered important thematic areas, country groups, modalities, and other processes. Some examples include:

- Reference to African States as a group and/or specific countries
- Reference to African States as LDCs or small island developing States (SIDS)
- Reference to African States' experience in a particular modality (e.g. RPSP)

Every effort has been made to extract insights, with the specific intention of informing the African States evaluation.

B. Relevance and responsiveness to needs and urgency in African States

1. Strategic alignment with international agendas on climate action in Africa

Overall, while the GCF is providing support to African States to advance their strategic alignment with international agendas on climate action, the review of prior evaluations uncovered only limited findings specific to such alignment.

However, the GCF's RPSP – including its aims, design, and activities – was found by the 2018 "Independent evaluation of the Green Climate Fund's Readiness and Preparatory Support Programme" ('Readiness evaluation') to be well aligned to the objectives of the United Nations Framework Convention on Climate Change (UNFCCC), the Sustainable Development Goals (SDGs), and the Paris Agreement. The evaluation noted:

> In particular, the design of the RPSP strongly emphasizes a country-driven and country-owned approach for providing climate finance, by aiming to help beneficiary countries (i) strengthen their NDA/Focal Points to lead effective intra-governmental coordination mechanisms; (ii) establish a legitimate and transparent no-objection procedure (NOP); (iii) effectively engage stakeholders (including CSOs and the private sector) in the preparation of coherent country programmes; (iv) support the accreditation/capacity building of DAEs; and (v) formulate NAPs and/or other adaptation planning processes.[4]

The RPSP's focus is on strengthening institutional processes and building capacity at the country level, with relevance for climate action.[5] The evaluation found that most eligible African countries (43 of 54 countries – 80 per cent) had been approved for RPSP grants.[6]

Additional and more specific insights on alignment are discussed in subsequent sections of this synthesis study.

[4] Independent Evaluation Unit (2018a), p.vi.
[5] Ibid, p.16.
[6] Ibid, p.vi, 20.

2. Portfolio alignment with key challenges and evolving adaptation and mitigation needs of African States

In most African country case studies reviewed,[7] as per Table A - 2.1 above, GCF investments were found to align with national climate change strategies and priorities. This is the case across all regions of Africa. However, a few exceptions emerged.

Such alignment was less evident among Private Sector Facility (PSF) projects in Ghana and Burkina Faso which, while aligning broadly with the countries' NDCs, had a strong focus on mitigation over adaptation in project funding (72 per cent – 28 per cent in Ghana, and 92 per cent – 8 per cent in Burkina Faso).

Other limitations identified through country case studies include a concern regarding a lack of concrete activities on the ground beyond Readiness funding,[8] and the suggestion that the GCF's business model is not perceived as being responsive enough to country capacity limitations. Further, at the GCF portfolio level, the 2022 "Report of the synthesis study: An IEU deliverable contributing to the Second Performance Review of the Green Climate Fund" ('Synthesis study') reported the perception that project support and approval processes are "insufficiently aligned and too long to be considered responsive to the urgency of climate change in SIDS, LDCs and African States". The latter point is reinforced by findings that LDCs encounter the slowest processes for appraisal and approval – the "Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the least developed countries" ('LDC evaluation') finding 4(d) notes that, compared to other country groups, "disbursement to LDCs has remained slow and low".[9]

C. Coherence in climate finance delivery with other multilateral entities

1. Responsiveness to COP decisions and guidance

Previous evaluations suggest that the GCF has been responsive to Conference of the Parties (COP) decisions and guidance in areas of relevance to African States, to varying degrees.

COP decisions have highlighted several areas of action for the GCF related to access to the Fund, the Readiness programme, the approval process, private sector engagement, financing for loss and damage[10] (with emphasis on SIDS), and enhancing investments for adaptation in LDCs and other most vulnerable group of countries.[11] Citing the IEU's forward-looking performance review, the "Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in SIDS" ('SIDS evaluation') noted that the GCF has addressed "most UNFCCC requests within their expected timeframe and in an increasingly efficient manner",[12] and that the GCF has responded to COP guidance related to SIDS on private sector engagement, access, readiness, and accreditation. However, the outcomes of the GCF's actions for SIDS were observed to be only partially effective,

[7] Independent Evaluation Unit (2019); Independent Evaluation Unit (2018a); Independent Evaluation Unit (2020d); Independent Evaluation Unit (2020a); Independent Evaluation Unit (2021a); Independent Evaluation Unit (2022b).
[8] Independent Evaluation Unit (2022d). As expressed in the Togo country case study conducted for the LDC evaluation.
[9] Independent Evaluation Unit (2022b), p.xix.
[10] Including both economic and non-economic losses related to climate change.
[11] Independent Evaluation Unit (2021d); Independent Evaluation Unit (2022b); Independent Evaluation Unit (2020d).
[12] Independent Evaluation Unit (2020d), p.22.

and it was considered too early to assess the GCF's response to COP guidance on provision of financing for loss and damage.[13]

It is acknowledged that the RPSP[14] and the SAP [15] pilot were established in response to UNFCCC/COP guidance. With relevance to LDCs and applicability to certain African States, the LDC evaluation found varying degrees of action and success in the GCF's response to COP requests. These are outlined in Table A - 2.2 below.

Table A - 2.2. GCF responsiveness to select COP requests – LDC evaluation[16]

COP guidance (with relevance to African States)	GCF Board response	Evaluative judgement
Accelerate work programme on readiness and preparatory support [...] (COP decision 7/CP.20, paragraph 12)	Agreed to simplify the readiness grant agreement.	"GCF programmes and instruments that support capacity building remain cumbersome [...and] financing for capacity development does not address broader key conditions that affect countries' abilities for lasting climate action."
Enhance investments in adaptation for LDCs, aiming for 50:50 balance in funding allocation between mitigation and adaptation (COP decision 9/CP.20)	Board to aim for "a floor of 50% of the adaptation allocation for particularly vulnerable countries, including the LDCs, SIDS and African States".	The target has been exceeded.
Simplify project preparation process (for LDCs, SIDS, and African States) through the operationalization of the SAP (COP decision 1/CP.21, paragraph 64)	Pilot programme for SIDS launched in 2017.	The SAP "has not led to a simpler or shorter process for accessing financing".
Accelerate operationalization of PSF, focusing on local private sector actors, including small- and medium-sized enterprises (SMEs) in LDCs. 2015 requested acceleration through greater private sector accreditation. (COP decision 7/CP.20, paragraph 9)	Established two pilot requests for proposal programmes targeting private sector.	"GCF's approach has made a limited contribution to the engagement of private sector entities within the context of LDCs, particularly the local private sector."
Provide financial resources to address loss and damage (L&D) in developing countries. ('Conference of the Parties serving as the meeting of the Parties to the Paris Agreement' decision 2/CMP.2; 6 CMP.2)	GCF does not have a dedicated policy on loss and damage but reports funding loss and damage related activities.	"The GCF has identified possible actions relevant to averting, minimizing and addressing L&D. The lack of clear definitions and approach to financing remains a key obstacle for GCF programming and operations."

[13] Ibid.
[14] Independent Evaluation Unit (2021a), p.37.
[15] Independent Evaluation Unit (2020a), p.26.
[16] Abstracted or quoted from: Independent Evaluation Unit (2022b), p.21-22.

2. INTERNAL AND EXTERNAL COHERENCE AND COMPLEMENTARITY

Evidence from case studies point to relatively limited, select examples of complementarity and coherence with other climate finance institutions, in some of the following ways:

- A handful of GCF projects were identified as actively working with other organizations, such as through co-financing. Four out of 77 GCF projects in LDCs were reported to be co-financed by the CIF or GEF. Of the four projects, only one is based in Africa, the multi-country FP092 “Programme for integrated development and adaptation to climate change in the Niger Basin”, which has co-financing from both entities. This project was approved in 2018 and has been under implementation since July 2022. The nine countries involved include Benin, Côte d’Ivoire, Mali, Nigeria, Chad, Burkina Faso, Guinea, the Niger, and Cameroon.[17] The other three projects are outside of Africa.[18]
- In some cases, GCF projects drew on previous projects or built on work completed by other organizations. In Ethiopia, FP136 “Resilient Landscapes and Livelihoods Project” “has drawn extensively from the practical experiences and lessons from previous projects, including GEF projects”.[19] Before the GCF Readiness Programme began (late 2014), other bilateral and multilateral agencies were supporting climate finance readiness activities. This support helped some countries become front runners in their engagement with the GCF.[20]
- There is evidence of complementary work being carried out in countries/regions. In Ethiopia, it was noted that the most complementary climate projects are sustainable land management projects supported by the World Bank.[21] In Seychelles, FP135 was noted to be highly complementary to other climate finance institutions as “it takes an EbA [ecosystem-based adaptation] approach that is already common in the region and builds on past and ongoing investment”.[22]

There appear to be further opportunities to enhance complementarity and coherence at country and programme levels. At the country level, for example, no interactions with other funds were identified in the Togo case study, despite having over 30 active funds in the country.[23] In Ethiopia, while drawing on experience and lessons from previous projects, stakeholder interviews noted that there were more unrealized opportunities for interactions.[24] With regard to programming, the readiness evaluation found that RPSP supported country programmes had been centred on engagement with the GCF, rather than climate finance more broadly.[25] Nevertheless, varying degrees of coordination among agencies implementing projects funded by the GCF, GEF, CIF,[26] and AF, were noted in Senegal, Kenya, and Namibia.[27]

A few benefits of working with the GCF in relation to other climate funds were identified through the LDC evaluation’s Ethiopia case study. It was reported that a clear advantage stems from the fact that the GCF offers a higher level of funding than others; that access to the GCF is possible through

[17] Green Climate Fund (n.d.).
[18] Independent Evaluation Unit (2022b), p.36.
[19] Ibid, p.37.
[20] Independent Evaluation Unit (2018a), p.vii.
[21] Independent Evaluation Unit (2022d), p.52.
[22] Ibid, p.172.
[23] Independent Evaluation Unit (2022b), p.37.
[24] Ibid, p.37.
[25] Independent Evaluation Unit (2018a), p.26.
[26] In Kenya only.
[27] Independent Evaluation Unit (2018a), p.25.

DAEs (as compared with the GEF, which does not have them; while the AF does); and the GCF's availability of diverse financial instruments and models.[28] However, the case study noted that competition for funding was considered a challenge.

D. Country ownership of projects and programmes

1. GCF ensuring country ownership

The GCF does not have a strict definition of country ownership, enabling countries to follow a definition that suits their own context.[29] Perhaps the most comprehensive and useful presentation of country ownership was identified in the readiness evaluation, which presented the following framework:

- The NDA/focal point is established and functional.
- Stakeholder consultations are organized by the NDA/focal point.
- An NOP has been established and is operational.
- A country programme has been developed, includes a pipeline of concrete projects and is agreed upon with the major stakeholders.
- One (or more) DAE(s) has/have been accredited.
- One (or more) DAE(s) has/have submitted FP proposals and/or seen it/them approved.
- (As of 2016), progress has been made on NAP planning and completion.

Several of these defining components are discussed below, as per insights from other evaluations.

Government co-investment is one consideration for country ownership. In this respect, the "Independent evaluation of the Green Climate Fund's country ownership approach" ('COA evaluation') reported that approximately 39 per cent of projects in Africa (23 out of 59) have recipient government investment/co-investment.[30] This was observed in select African case studies. For example, in Uganda, project FP034 benefits from co-investment from the Government of Uganda, representing over 40 per cent of the project's value.[31] In Togo, in-kind support for readiness grants was provided by the Government.[32]

Stakeholder engagement is another critical element of country ownership, which has been noted to include "ownership by local communities, civil societies, private sector, women's groups, indigenous peoples' organizations, municipal-/village-level governments, etc.".[33] However, the COA and LDC evaluations found that stakeholder engagement was most consistently observed at the national government level, and was variable among other groups depending on the project.[34] Additionally, in reviewing guidelines for stakeholder engagement in the GCF, the COA evaluation found that policies and guidelines leave "significant flexibility for countries to pursue their own

[28] Independent Evaluation Unit (2022d), p.52.
[29] Independent Evaluation Unit (2019); Independent Evaluation Unit (2021a).
[30] Independent Evaluation Unit (2019), p.93.
[31] Ibid, p.93.
[32] Independent Evaluation Unit (2022d), p.156.
[33] Independent Evaluation Unit (2019), p.23.
[34] Ibid, p.21; Independent Evaluation Unit (2022b), p.54. Stakeholders consulted for the COA evaluation emphasized the need for country ownership to "reflect subnational needs and […] engage with beneficiaries subnationally". Among case study countries, the evaluation reported that this was raised "particularly in middle-income countries", including Morocco. (p.21).

approaches to engaging stakeholders… do not offer much direction in terms of how the GCF Secretariat should identify and engage stakeholders in activities it undertakes", and do not define the terms "stakeholder" and "civil society".[35]

The degree of country ownership may also be influenced by the AE and the nature of a project. Perceptions of a lower degree of ownership and/or alignment with country priorities was observed in multiple case studies regarding multi-country projects and projects led by IAEs, as compared to single country projects and projects led by DAEs. However, as discussed further in section 3, there is a low rate of national DAEs in African countries. For example, in the case of Togo, there is no accredited DAE as local organizations have been unable to meet the fiduciary requirements of the GCF.[36]

Obstacles to country ownership identified in the readiness evaluation's case studies[37] include: limited cooperation with the private sector and civil society in most countries (described as 'still in its infancy'); language barriers related to the GCF operating in English (including in communications, on its website, in procedures); and the perception among NDAs/focal points that the GCF lacks flexibility regarding "adjusting approved project plans to changing realities in countries".[38] Country-specific challenges were also observed in the Kenya, Namibia, and Senegal case studies, with some reflecting the above obstacles. The RPSP is intended to be an important tool for enhancing country ownership;[39] however, the readiness evaluation found it has had variable success in this area.

2. NDA LEADERSHIP AND CAPACITY BUILDING

The COA evaluation made the important point that NDA leadership is highly dependent on context. Differing examples on perceptions of NDA leadership are provided through African case studies:

- In Morocco, less than 40 per cent of in-country survey respondents strongly agreed or agreed that the NDA had the convening power within the Government to provide leadership on GCF issues.
- In contrast, nearly 100 per cent of in-country survey respondents in Uganda agreed on the same statement.

The role of the NDA/focal point in project implementation was also discussed, with the COA evaluation having noted that NDA/focal point capacity to monitor the GCF portfolio in implementation was perceived as low.[40]

The GCF supports the capacity development of NDAs/focal points through RPSP grants, though there is some indication that this could go further in supporting sustained NDA capacity. The COA evaluation reported some common constraints to NDA/focal point capacity around human resources and management, and technical skills. While the RPSP provides support through short term consultancies, the evaluation noted examples of countries that had a poor experience with skills

[35] Independent Evaluation Unit (2019), p.26.
[36] Independent Evaluation Unit (2022d), p.156.
[37] Antigua and Barbuda, Bangladesh, Haiti (virtually), Kenya, Mongolia, Namibia, Paraguay, Senegal, and Vanuatu.
[38] Independent Evaluation Unit (2018a), p.33.
[39] Ibid, p.vii.
[40] Independent Evaluation Unit (2019), p.112. "Less than 50% of survey respondents in Fiji, Uganda, and Morocco felt the NDA had the capacity to monitor and report on GCF activities, including through participatory reviews – less focus has been given to NDA/focal point capacity for project implementation phase, despite large number of RPSP grants focusing on monitoring and oversight of climate finance (117 grants in 89 countries)."

transfer, such as Uganda and Namibia.[41] This is reinforced by readiness evaluation insights, which indicated that the RPSP has a greater contribution in non-LDC/SIDS/African countries.[42] Indeed, despite there being 60 RPSP grants in Africa (at the time of writing),[43] when asked whether RPSP support has enabled NDAs/focal points to guide and/or support the development of DAE concept notes for FPs, just 13.33 per cent of respondents agreed.[44]

3. DAE SUBMISSION RATE

The "Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund" ('adaptation evaluation') found that IAEs are overrepresented and regional DAEs are underrepresented in the GCF's adaptation portfolio.[45] The report observed a concentration of adaptation financing and adaptation projects among IAEs. It noted that a majority (53/67) of adaptation projects in GCF's adaptation portfolio (as of B.27) were implemented through IAEs, compared to three from regional DAEs and 11 from national DAEs.[46] In terms of financing, 87 per cent of adaptation finance (as of B.27) was observed to be committed through IAEs, with the remaining 13 per cent split between regional and national DAEs.[47] Overrepresentation of IAEs is acknowledged as a common theme in GCF project portfolio reviews.[48] The 2022 Synthesis Study reported that as of December 2021, the DAE share of the total GCF project portfolio was 20 per cent.[49]

The COA evaluation noted that DAE capacities to develop GCF funding proposals vary but are often low. This is seen as being highly country and entity specific. For example, Morocco has the highest number of nominated DAEs among eligible GCF countries, with three DAEs accredited and 11 organizations seeking accreditation.[50] However, with one exception, DAEs were noted as having challenges identifying and submitting projects to the GCF.[51] Relatedly, the LDC evaluation highlighted access to GCF support as a challenge for LDCs, with particular disadvantage for DAEs.[52] The adaptation evaluation had a similar observation for regional DAEs, indicating that the challenge of increasing activity among this group could be "due in part to the lack of regional DAEs with the capacity, experience and networks to implement GCF projects".[53] It also acknowledged the possibility that, "in some instances, IAEs may be the best suited to carry an adaptation project through given their experience managing large, complex adaptation projects in hard to reach places".[54] Project SAP017 in Burundi, approved under International Fund for Agricultural Development, was shared as an example of such a project.[55] However, high upfront costs of

---

[41] Ibid, p.113.
[42] Independent Evaluation Unit (2018a), p.40.
[43] Ibid, p.51.
[44] Independent Evaluation Unit (2018b), p.99. Some 26.67 per cent neither agreed nor disagreed, 6.67 per cent disagreed, and 53.33 per cent answered N/A.
[45] Africa-specific data was not presented.
[46] Independent Evaluation Unit (2021a), p.94.
[47] Ibid.
[48] Ibid, p.96-97; Independent Evaluation Unit (2022d). The LDC evaluation (p.18) reports that IAEs lead 62/77 approved projects in the GCF portfolio in LDCs.
[49] Independent Evaluation Unit (2022a), p.11.
[50] Independent Evaluation Unit (2019), p.127.
[51] Ibid, p.140.
[52] Independent Evaluation Unit (2022b), p.25.
[53] Independent Evaluation Unit (2021a), p.94.
[54] Ibid, p.94.
[55] Ibid.

collaborating with the GCF – including administrative and preparation requirements – are reportedly considered challenges for both DAEs and IAEs.[56]

Regarding Africa, the continent has a low rate of DAE accreditation, particularly for national DAEs. Per the 2022 Synthesis Study, just 24 per cent of African States are covered by a national DAE; this percentage is slightly lower for African LDCs, 21 per cent of which have a national DAE.[57] Further, the SIDS evaluation observed that few Atlantic, Indian Ocean and South China Sea (AIS) SIDS have access to a regional DAE, and none have access to a national DAE.[58] While the evaluation indicates a national entity in Seychelles has been nominated for accreditation, this does not appear to have advanced due largely to a "lack of human capacity and awareness of GCF and its processes".[59] Challenges or barriers to DAE accreditation are also noted in other African country case studies (e.g. the Gambia, Ghana, Burkina Faso).

E. Effectiveness

1. GCF investments/portfolio designed to meet objectives and intended results, and achieving them

Limited overall insights on GCF project impacts in African States were reported in the reviewed evaluations, with some case studies noting it is too early to assess project results. However, project deep dives provide discrete examples of early results or prospective impacts. The adaptation evaluation included deep dives into three projects to assess their impact pathways, finding promising early results (see Box A - 2.1). The projects include FP078 "Acumen Resilient Agriculture Fund" (ARAF) (Kenya); FP042 "Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco"; and FP034 "Building resilient communities, wetland ecosystems and associated catchments in Uganda." In the first two projects, the general impact pathway for the interventions was assessed based on qualitative data collection (interviews), comparing the theoretical pathway with what happened in practice. The third project considered both qualitative and quantitative impacts.[60]

Box A - 2.1. Adaptation evaluation project deep dives: Tracing impact pathways

FP078: Acumen Resilient Agriculture Fund (ARAF, Kenya)[61]

Theme/intervention type: Financing for market-based interventions.

What: The GCF is providing financing to de-risk investing in the ARAF.

Project impact: The fund has approximately 23 contracts in its pipeline, with four investments "either closed or close to closing". One of the closed investments is SunCulture – "a solar-powered irrigation pump company" based in Kenya. This project was found to validate theoretical impact pathways:

[56] Ibid, p.97.
[57] Independent Evaluation Unit (2022b), p.17. The LDC evaluation reports that 11/46 LDCs have a national DAE, including 7 African LDCs (Senegal (2 DAEs), Benin, Ethiopia, Rwanda, Tanzania, Uganda, Zambia). There are 33 African state LDCs, so 7/33 (21 per cent) have a national DAE.
[58] Independent Evaluation Unit (2020d), p.94.
[59] Ibid, p.167-168.
[60] Independent Evaluation Unit (2021c), p.2.
[61] Ibid, p.3-8.

> By providing financing to SunCulture, ARAF helps the business improve its capacity to deliver solar-powered water pumps to smallholder farmers. This capacity improvement reduces farmer vulnerabilities by raising their yields and reducing generator costs, which increases farmers' net incomes. Simultaneously, the increased uptake of SunCulture's products can lead to long-term financial stability by attracting more customers and raising its operating capacity.

FP042: Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco[62]

Theme/intervention type: Structural adaptation intervention.

What: The GCF provided funding to support components related to community resilience and cross-cutting sustainability measures in an irrigation project that plans to connect a dam with drip irrigation infrastructure to a location in Morocco.

Project impact: The project is in its inception phase but has realized some early deliverables including "preliminary studies and technical surveys […] conducted multiple capacity building workshops with oasis farmers and helped create seven agricultural water user associations" as well as carrying out other ongoing work.

FP034: Building resilient communities, wetland ecosystems and associated catchments in Uganda[63]

Theme/intervention type: Enhance resilience of vulnerable communities and ecosystems.

What: The GCF provided funding to a project that aims to, (i) improve ecosystem services through the restoration of critical wetlands; (ii) increase resilience by supporting skill development and the diversification of livelihoods and agriculture; (iii) support the training and empowerment of communities living in these areas "in risk reduction and preparedness for climate-related disasters through participatory and decentralized early warning systems and improving capacity to implement disaster risk reduction measures".

Project impact: While too early to speak broadly to impacts, the project has achieved multiple preliminary results, including:

- Restoration of 4,000 hectares (ha) of degraded wetlands and demarcation of 148.2 kilometres (km) of restored wetland boundaries in 2019, against targets of 10,000 ha and 80 km, respectively
- Establishment of a water retention facility, with another underway
- Other information gathering, trainings, and community activities, as well as the development of two "community-based, gender-responsive wetland management plans" and one "community-based catchment action plan"
- Creation of a pilot small-scale irrigation scheme, used by 300 community members, with a reported increase in household incomes

Some challenges identified through interviews with district-level officials include delays related to funding, implementation, and COVID-19; political resistance; and "insufficient consultations with communities regarding alternative livelihood options".

[62] Ibid, p.10-16.
[63] Independent Evaluation Unit (2021c), p.17-23.

Similarly, the LDC evaluation project deep dive into project FP002, "Scaling up the use of modernized climate information and early warning systems in Malawi" (M-CLIMES) indicated that the project was reportedly on track to achieving most of its planned outputs, despite some challenges (e.g. delayed fund processing) resulting in delays and inefficiencies in implementation.[64] The M-CLIMES project aims "to reduce vulnerability to climate change impacts on the lives and livelihoods of women and men, boys and girls, from extreme weather events and climate change",[65] and had been active for over three years (2017–2023) at the time of the Malawi country case study reporting for the LDC evaluation. The deep dive included stakeholder reports of decreased incidences of fishermen drowning (one stakeholder) and increased yields among farmers (two stakeholders).[66] It also found that, generally, "national level activities or activities that did not require the engagement of communities, such as procurements directly made by the PCU [Project Coordination Unit], have progressed well compared to community-based activities".[67]

2. Enabling the mobilization of complementary and catalytic financial resources

As previously noted, approximately 39 per cent of projects in Africa (23 out of 59) had recipient government investment/co-investment.[68] Additionally, of 60 grants in Africa, 22 (36.67 per cent) had an expected outcome regarding access to finance.[69] Examples of co-financing – both with government and other actors, including IAEs – were identified in African country case studies. For example, previously identified cases of FP034 in Uganda (government co-investment of over 40 per cent of the project value) and in-kind contribution in Togo for readiness; average government co-investment commitment of 20–25 per cent for national projects in Morocco; co-investment from national and regional agencies for FP022 in Morocco, as well as in-kind contributions from project beneficiaries (see COA evaluation Morocco country case study). Regarding catalytic financing, the GCF's support to FP078, the ARAF (see Box 1 above), had a catalytic impact on fundraising for adaptation for smallholder farmers, enabling the fund to raise more than the expected United States dollar (USD) 50 million (mln).[70]

3. Private sector engagement and investments mobilization

Evaluations reported limited engagement with – and investment mobilization of – private sector actors across select modalities and specific priority areas and countries (LDCs, SIDS), despite efforts to engage. Nevertheless, some progress is acknowledged in some parts of Africa.[71]

The readiness evaluation found that while the GCF is making efforts to engage with the private sector through the RPSP,[72] it has so far seen limited success.[73] This was echoed in the SIDS evaluation, which noted that while RPSP proposals in SIDS mention the private sector, support was

[64] Independent Evaluation Unit (2021a), p.108-109.
[65] Independent Evaluation Unit (2022d), p.107.
[66] Ibid, p.111.
[67] Ibid, p.108.
[68] Independent Evaluation Unit (2019), p.93.
[69] Independent Evaluation Unit (2018a), p.96.
[70] Independent Evaluation Unit (2021d), p.83.
[71] Independent Evaluation Unit (2018a), p.50.
[72] Ibid, p.47. Some 165 RPSP grants were reviewed, finding "41 per cent had expected outcomes related to private sector mobilization; nearly 60 per cent had expected results regarding private sector mobilization; while only 30 per cent had expected results related to crowding-in private sector investment".
[73] Ibid, p.47.

most commonly seen in early engagement activities, including engagement in-country consultative processes, awareness building on GCF procedures, and “supporting private sector scoping for general engagement opportunities with the private sector”.[74] Similar insights were found in the COA evaluation regarding the country programme process, where just four private sector projects were identified out of 238 in the country programme pipeline. Further, the “Independent evaluation of the Green Climate Fund’s approach to the private sector” (‘private sector evaluation’) found that “the GCF does not place a strong focus on promoting participation of micro-, small- and medium-sized enterprises (MSMEs) in GCF activities in LDCs, SIDS, or African States”.[75]

Looking to Africa, the RPSP evaluation found that 58.33 per cent of RPSP grants (35/60) have expected results regarding private sector engagement,[76] and 21.7 per cent of grants (13/60) have expected results regarding an “enabling environment for crowding-in private sector investment at national, regional and international levels”.[77] There was some agreement among African NDA/focal point survey respondents (n=15) when asked if the RPSP supported their engagement with the private sector and if RPSP support has facilitated the participation of private sector stakeholders in their planning and programming processes, given that 40 per cent agree or strongly agree with both statements.[78] However, there was limited agreement when asked if RPSP support has enabled the development of a suitable policy environment for crowding-in private sector investment (13.3 per cent agree).[79]

Examples of private sector engagement are identified in some African countries, related to projects[80] or interest from the private sector.[81] Barriers to engaging the private sector are also noted. For example, one stakeholder consulted for the adaptation evaluation virtual country mission in Uganda noted that many fund managers are put off by the accreditation process.[82] The LDC evaluation Ethiopia country case study identified limited engagement of the private sector, with stakeholders consulted indicating a need to raise awareness about GCF opportunities.[83] A lack of awareness of the GCF in the private sector was similarly raised in the SIDS evaluation, which noted a previous study conducted for Mauritius had found that “most stakeholders are unaware of the GCF’s PSF or the variety of financial instruments”.[84]

4. Building institutional capacity of African States

African States are among the most vulnerable group targeted for readiness support through the RPSP. The adaptation evaluation reported that as of 13 November 2020, 72 per cent of readiness adaptation planning support is in African States, and 41 per cent of African countries have an

---

[74] Independent Evaluation Unit (2020d), p.83.
[75] Independent Evaluation Unit (2021d), p.xviii.
[76] Independent Evaluation Unit (2018a), p.96.
[77] Ibid, p.48.
[78] Independent Evaluation Unit (2018b), p.100.
[79] Independent Evaluation Unit (2018a), p.48. Some 13.3 per cent disagree, 26.7 per cent neither agree nor disagree, and 46.7 per cent answered, “not applicable”.
[80] Independent Evaluation Unit (2021a), p.81. For example, through the Gambia’s FP011, “the GCF supports the development of eco-tourism as part of an ecosystem adaptation project”; Independent Evaluation Unit (2021e), p.37; and Independent Evaluation Unit (2021d), p.81. With nine active projects in 2020, “with at least one that has all funded activity agreement conditions approved” Burkina Faso is considered “an illustrative example of national level stakeholder mobilization leading to private investment in climate change projects”.
[81] Independent Evaluation Unit (2021e), p.77. The country case study for Ghana noted there is interest among local private sector entities and financial institutions.
[82] Independent Evaluation Unit (2021b), p.77.
[83] Independent Evaluation Unit (2022d), p.52.
[84] Independent Evaluation Unit (2020d), p.83-84.

approved RPSP adaptation planning grant from the GCF.[85] Further, 80 per cent (48/60) of readiness grants in Africa have an expected outcome regarding "country capacity being strengthened".[86]

F. Paradigm shift towards low-emission and climate resilient development pathways

As was also noted in the 2022 synthesis study,[87] this review of evaluations identified that references to paradigm shift spoke more to projects' potential for paradigm shift than to actual paradigm shifts. Several examples of projects with paradigm shift potential were present in African country case studies, with some limited indication of different interpretations of the paradigm shift potential of different projects in Africa.

With regard to paradigm shift within modalities, the RPSP is identified as containing elements that may contribute to paradigm shift, for example in supporting NAPs.[88] However, limited insights from country case studies indicate that it is too early to determine the potential for paradigm shift.[89] The SAP pilot scheme aimed to simplify access to GCF funding for proposals that, among other areas, "[A]re ready for scaling up and have the potential for transformation, promoting a paradigm shift to low-emission and climate resilient development".[90] African project examples in the SAP evaluation had generally high or medium/high ratings for paradigm shift potential, where a rating was provided (see Table A - 2.3 below) (Independent Evaluation Unit, 2022a, p.54.). This is based on ratings by the Secretariat and iTAP during project approval.

Table A - 2.3. Summary of paradigm shift potential rating by the Secretariat and iTAP

Project	Paradigm shift potential	
	Secretariat	**Independent Technical Advisory Panel (iTAP)**
SAP001	High	High
SAP005	High	Not rated
SAP006	High	Medium
SAP007	Not rated	High
SAP11	Not rated	Not rated
SAP12	Not rated	Not rated

The SIDS evaluation reported potential within the GCF SIDS portfolio for catalyzing paradigm shift, with just over half of SIDS funding proposals "rated as high or medium-high on paradigm shift by the iTAP and Secretariat".[91] The African country case study for this evaluation – the Seychelles country case study – reported varying views on this potential with regard to project FP135 "Ecosystem-based adaptation in the Indian Ocean". The project, which was approved by the Board

[85] Independent Evaluation Unit (2021a), p.42-43.
[86] Independent Evaluation Unit (2018b), p.95.
[87] Independent Evaluation Unit (2022a), p.57.
[88] Independent Evaluation Unit (2018a), p.xii; Independent Evaluation Unit (2018b), p.270.
[89] For example, the Kenya and Namibia country case studies for the RPSP evaluation.
[90] Independent Evaluation Unit (2020a), p.xvii.
[91] Independent Evaluation Unit (2020d), p.69.

in 2020, received a "medium" rating on the paradigm shift potential investment criterion from iTAP, and a "medium-high" rating from the Secretariat, considering multiple dimensions of the work.[92] This was not echoed by case study interviewees who did not see the project as paradigm shifting "in the specific context of Seychelles".[93] In contrast, the M-CLIMES project deep dive conducted for the LDC evaluation was considered "as advancing a paradigm shift for Malawi in the use of early warning and climate information to strengthen the resilience of vulnerable communities".[94]

Some other evaluation-specific examples of varying paradigm shift considerations are discussed. In the case of Ghana, the private sector evaluation reported that the country "envisions a paradigm shift towards low carbon emissions and climate resilience in seven priority economic sectors", with mitigation and adaptation actions articulated in its NDC.[95] In contrast, in the COA evaluation, a wetlands restoration project in Uganda was offered as an example of a project with strong country ownership, though low paradigm shift potential (as rated by the GCF Secretariat and an evaluation team field visit).[96]

G. Gender equity and considerations for social inclusion

1. Gender-related dimensions

Limitations at the institutional level of the GCF were identified relating to standards and policies around gender in the ESS ESMS, COA, and readiness evaluations. These included gaps in gender and equity considerations, among other areas, in the GCF's interim standards,[97] the gender policy not addressing the need for "an equitable opportunity for consultation" during processes or reviews,[98] the gender policy not adhering to international standards,[99] and commitments from the gender policy not being reflected in the proposal template, with respect to the RPSP.[100]

The "Independent evaluation of the Green Climate Fund's environmental and social safeguards and the environment and social management system" ('ESS ESMS evaluation') reported that while environmental and social co-benefits are identified in almost all funding proposals (self-reported by AEs), there is no systematic process or guidance for identifying these co-benefits. In terms of project monitoring, the evaluation further reported that "the GCF does not adequately monitor ESS compliance, social and environmental outcomes, and/or co-benefits of funded projects/programmes".[101] Regarding gender, the LDC evaluation found that while "projects in LDCs consistently disaggregate the number of targeted beneficiaries by gender … the variance within

[92] Contributing factors to the rating include the project's "strong focus on research, an embedded exit strategy with a long-term steward institution, and a focus on building the technical capacity of CSOs. The Secretariat's rating also considered the GCF contribution of adding a climate adaptation dimension to biodiversity conservation, that could be replicated throughout the work of CEPF." Independent Evaluation Unit (2020e), (p.171).
[93] Independent Evaluation Unit (2020e), p.171.
[94] Independent Evaluation Unit (2022d), p.102.
[95] Independent Evaluation Unit (2021e), p.81.
[96] Independent Evaluation Unit (2019), p.38.
[97] Independent Evaluation Unit (2020b).
[98] Independent Evaluation Unit (2019), p.24.
[99] Independent Evaluation Unit (2020b).
[100] Independent Evaluation Unit (2018a), p.65.
[101] Independent Evaluation Unit (2020), p.xxii.

gender reporting makes it difficult to make a portfolio level assessment".[102] With regard to Africa, several projects were identified which report disaggregated data on female beneficiaries.[103]

The readiness evaluation reported that implementing bodies/AEs are responsible for due diligence related to ESS.[104] The Morocco case study report for the ESS ESMS evaluation found, however, that while stakeholders are engaged at the national level, there is "a disconnect with actual implementation on the ground, as some are AEs that do not impose ESS/Gender Policy/Indigenous Peoples Policy (IPP) on EEs [executing entities]", leaving this "to the goodwill of the EEs to deploy".[105] The readiness evaluation reported that resources related to AE capacity on gender and ESS have been provided through the RPSP in limited cases, with the procurement process for readiness support noted to be lengthy.[106]

The readiness evaluation found that, in comparison to other regions, the integration of gender considerations into RPSP projects in Africa was lagging.[107] This is illustrated in the three African countries included as case studies (Kenya, Namibia, and Senegal), where mixed results on gender integration were reported, with just one of nine RPSP project proposal documents reviewed identified as having fully integrated gender. The remaining eight projects included four, which were identified as having somewhat integrated gender, and four identified as not having integrated gender.[108] Other evaluations included select examples of how gender considerations are integrated in projects through country case studies, presenting a mixed view. For example:

- In the ESS ESMS evaluation, Morocco FP022 was acknowledged for making "deliberate efforts to mainstream gender"; however, the degree of social inclusion was noted to be a challenge.[109]
- Several projects reviewed in the Ethiopia country case study for the LDC evaluation included comprehensive gender action plans.[110] FP058 was further reported to "explicitly and deliberately" prioritize women in project design and implementation. This was also reflected in insights from project stakeholders.[111]
- The SIDS evaluation reported that Seychelles FP135's gender action plan "leverages the existing gender policy of the CEPF [Critical Ecosystem Partnership Fund], the gender focal point in the Indian Ocean region, and associated resources to integrate gender considerations into grant-making process and grants themselves".[112]
- The deep dive into the M-CLIMES project in Malawi for the LDC evaluation found that while progress was made on gender mainstreaming in the project, "emphasis has been on increasing women's participation in project activities" and the project has not addressed "the salient factors constraining female development".[113]

---

[102] Independent Evaluation Unit (2022b), p.xix.
[103] Independent Evaluation Unit (2022b) p.94. Projects in African LDCs reporting on females as a proportion of direct beneficiaries: FP005 (Kenya), FP011 (Rwanda), FP012 (the Gambia), FP021 (Mali), FP050 (Senegal), FP058 (Senegal), FP074 (Ethiopia), FP070 (Burkina Faso). FP011 (Ghana) and FP058 (Ethiopia) reportedly "appear to have made a more precise calculation of female beneficiaries".
[104] Independent Evaluation Unit (2018a), p.65.
[105] Independent Evaluation Unit (2020), p.27.
[106] Independent Evaluation Unit (2018a), p.65.
[107] Ibid, p.xii.
[108] Independent Evaluation Unit (2018a), p.62.
[109] Independent Evaluation Unit (2020c), p.26.
[110] Independent Evaluation Unit (2022d), p.45. These include the FP058, FP099, and FP128 projects.
[111] Ibid, p.46.
[112] Independent Evaluation Unit (2020e), p.167.
[113] Ibid, p.112.

- The country case study on the Gambia for the adaptation evaluation found that the gender aspect of the project “Large-scale ecosystem-based adaptation in the Gambia: Developing a climate resilient, natural resource-based economy” was “lagging”. This was attributed to a few key issues encountered by women in the Gambia, including low literacy rates and land ownership and land rights.[114]

2. Social inclusion/indigenous peoples

The readiness evaluation notes that the “approach and capacity of the GCF to incorporate ESS with particular attention to vulnerable, marginalized and indigenous peoples and local communities is improving, but this expertise in the Secretariat is being under-utilized by the RPSP”.[115] Of note, the IPP is not reflected in the RPSP proposal template.[116]

While identifying approved projects that mention “the participation of local communities or indigenous peoples”[117] the LDC evaluation reports that the GCF “lacks tools to track the extent to which, and how indigenous people’s concerns and local knowledge are incorporated in projects, including how such knowledge can provide valuable information on climate trends”.[118] As with gender, the GCF relies on self-reporting from AEs regarding compliance with the IPP.[119]

Case studies provide some select insights into the engagement of indigenous peoples, including the Malawi country case study project deep dive into the M-CLIMES, which engaged communities and tested indigenous knowledge systems alongside scientific approaches.[120] In Morocco, FP022 was recognized as having made efforts to increase the resilience of indigenous peoples located in the project area.[121]

H. Unexpected and unintended results

1. Positive

Unintended positive results related to African States were not identified in evaluation reports.

2. Negative

Unintended negative results related to African States were not identified in evaluation reports.

---

[114] Independent Evaluation Unit (2021b), p.17.
[115] Independent Evaluation Unit (2018a), p.x.
[116] Ibid, p.65.
[117] As reported in APRs, including, for Africa: FP002 Malawi - Scaling up the use of modernized climate information and early warning systems in Malawi; FP011 Gambia - Large-scale ecosystem-based adaptation in the Gambia: developing a climate-resilient, natural resource-based economy; FP049 Senegal - Building the climate resilience of food insecure smallholder farmers through integrated management of climate risk (R4); FP058 Ethiopia - Responding to the increasing risk of drought: building gender-responsive resilience of the most vulnerable communities; FP073 Strengthening climate resilience of rural communities in northern Rwanda.
[118] Independent Evaluation Unit (2022b), p.57.
[119] Independent Evaluation Unit (2022b), p.57.
[120] Independent Evaluation Unit (2022d), p.112.
[121] Independent Evaluation Unit (2020c), p.27.

I. SUSTAINABILITY, REPLICATION AND SCALABILITY

1. SUSTAINABILITY OF ACCOMPLISHMENTS

Overall, there was quite limited evidence for or against the sustainability of accomplishments in the GCF Africa portfolio among evaluations reviewed, with limited and specific examples speaking to the likelihood of sustainability.

The readiness evaluation shared insights on the likelihood of sustained impact from the RPSP through three African case studies: Kenya, Namibia, and Senegal.

- In Kenya, it was determined that there was a likelihood of sustained impact from the RPSP given the grants provided aimed to "strengthen capacities and lay the foundation for further programme and project development...", involving stakeholders at national and subnational levels.[122]
- Similarly, it was deemed likely that the impact of the RPSP in Namibia was being sustained "through the momentum created as a result of a growing GCF project portfolio, a country programme that is a living document, and the prospect of a scaled up ability to access climate finance".[123] Despite this finding for Namibia, it was noted that climate finance should move beyond small-scale projects, with consideration for replication and scaling up.
- Finally, in Senegal it was reportedly too early to estimate the likely sustainability of RPSP activities' impacts; however, the strong commitment of the Government to address climate change was acknowledged, with implications for the sustainability of efforts.[124]

In contrast, a deep dive of Malawi's M-CLIMES project conducted for the LDC evaluation noted that project assumptions were made that could influence the implementation and sustainability of the project. This has implications for the continuation of the initiative after the project ends.[125]

2. NEW, ADDITIONAL, ADEQUATE AND PREDICTABLE CLIMATE FINANCE RESOURCES

There was limited information identified in previous evaluations on the GCF contribution of new, additional, adequate and predictable climate finance resources. A few insights from the Seychelles are nonetheless available.

The SIDS evaluation Seychelles country case study report found that while there is "a strong desire in Seychelles to build a pipeline to access the GCF", this has not materialized as desired. Specifically, the case study report cited that "the lack of national capacity to develop projects, lack of mature project ideas, and difficulties in identifying AEs" had contributed to a softer pipeline. Relatedly, the RPSP grant for Seychelles was delayed and expected support for the identification of "clear climate change priorities and a pipeline" has not materialized.[126]

[122] Independent Evaluation Unit (2018a), p.270.
[123] Ibid, p. 326.
[124] Ibid, p.380.
[125] Independent Evaluation Unit (2022d), p.110.
[126] Independent Evaluation Unit (2020e), p.170.

3. Replicability and scalability

The reviewed evaluations present the concept of scaling up at different levels. At the institutional strategy level, scaling up is included in the GCF's Updated Strategic Plan (USP) and is considered in relation to project interactions with other climate funds.[127] At the programmatic level, there are two specific contexts within which the RPSP is considering scaling: "(i) in the NAP or other adaptation planning support where the guidelines stipulate this support aims to help countries catalyze the scale and range of financing instruments required by countries to adapt to climate change over time, and (ii) through the inclusion this year of the option of requesting readiness support for climate technologies, including for strategies to scale up prioritized climate technology solutions."[128] At the process level, scaling is a criterion for SAP projects.[129]

In RPSP evaluation African case studies, RPSP support pillars/activities were acknowledged for their potential to lay the groundwork for building scale in different ways, institutionally and with projects.[130, 131] Case studies consider the financial sector as offering potential to deliver a scaled up response. Additionally, Namibia has indicated an intent to replicate good practices in other countries.[132] SAP evaluation project deep dives in six projects in Africa (SAP001, SAP005, SAP006, SAP007, SAP11, SAP12 – including Namibia (x2), Benin, Zimbabwe, Mozambique, the Niger) indicate good potential for scaling up (three projects), projects ready to scale up with replication in other areas (one project), demonstration effect with potential for replication (one project), and high expectations for replicability as well as considerable need for project to be scaled up (one project). The projects were mapped against a spectrum[133] from "innovation" to "scale up and replication", with all mapped to "demonstration of pilots" stage, and some also mapped to "replication and scale up of components of projects stage" (SAP006 and SAP007 for 'Replication in neighbouring country', SAP005 for 'Replication elsewhere in-country' and SAP012 for 'No replication').[134]

J. Efficiency

1. Efficiently reducing vulnerability of local communities

The GCF has exceeded its targeted minimum floor of 50 per cent of adaptation finance reaching LDCs, SIDS, and African States. A majority (61 per cent) of the USD 1.7 billion (bln) of adaptation finance directed to vulnerable countries reached African States (compared to 31 per cent reaching SIDS, and 58 per cent reaching LDCs).[135] African States receive financing of USD 1.07 bln for adaptation and USD 1.64 bln for mitigation.[136]

[127] Independent Evaluation Unit (2021a), p.30. Tracked interactions include: "(i) scaleup –funding proposals scaling up experiences from other climate funds, (ii) synergy –funding proposals scaling up activities implemented with the support of other climate funds, (iii) lessons learned –funding proposals implementing lessons learned in initiatives financed by other climate funds and (iv) co-financing –funding proposals attracting co-financing from another climate fund."
[128] Independent Evaluation Unit (2018a), p.86.
[129] Independent Evaluation Unit (2020a).
[130] As reported in the Kenya and Namibia country case studies for the RPSP evaluation.
[131] As reported in the Senegal country case study for the RPSP evaluation.
[132] Independent Evaluation Unit (2018b), p.380.
[133] Steps include: I. Innovation; II. Proof of concept; III. Implementation pilot; IV. Other pilots (replications of initial pilot for testing); V. Scale up and replication of proven idea.
[134] Independent Evaluation Unit (2020a), p.63.
[135] Independent Evaluation Unit (2021a), p.62-63.
[136] Independent Evaluation Unit (2021d), p.63.

While there is some indication that GCF funding is reaching vulnerable communities – 91 per cent of adaptation projects say they are doing so as a specific focus – the adaptation evaluation notes that data and methodological issues and limitations make assessing this a challenge.[137] The lack of systematic data on this is also noted in the GEvalBrief for the LDC evaluation, which shares that while "not representative of the portfolio, evidence from country case studies and the baseline data from the IEU's LORTAs from Rwanda, Madagascar and Bangladesh suggest that GCF projects in LDCs, particularly in adaptation, may target vulnerable communities".[138] It was also observed that FP058 in Ethiopia selects communities for their programming based on their vulnerability to drought.[139]

In terms of reported beneficiaries, preliminary reports for a subset of projects in the GCF portfolio identified 4.2 mln beneficiaries reached so far,[140] of which 1.9 mln were for adaptation and 2.3 mln for cross-cutting. Of those attributed to adaptation (1.9 mln), 85 per cent were associated with reports from the Malawi-based M-CLIMES project (FP002),[141] which "targets climate vulnerable fishing and farming communities".[142]

2. Processes, programmes, funding windows and modalities responding to needs and urgency

Evaluations have highlighted numerous challenges related to the efficiency of GCF processes and programmes, which may be impediments to more vulnerable/lower capacity countries' ability to access GCF funding. The SAP evaluation summarizes: "The overall conclusion reached by analysing the data on the expected simplification and acceleration of the project cycle is that these procedures and tools did not translate into simplified requirements or accelerated processes." [143]

Generally, challenges identified in evaluations and associated country case studies can be grouped into language barriers, the effort and complexity of application processes, delays in application processes, and a lack of flexibility in GCF requirements.

- With English being the operating language of the GCF, non-English speaking applicants have reported facing **language barriers** and resulting decreased efficiency, given the resources required to translate required documents. Language barriers to full participation in the GCF were reported in the Burkina Faso[144] and Togo[145] country case studies.
- The **effort and complexity of application processes** have created barriers to accessing the GCF. The readiness evaluation found that "there is a widespread perception among NDAs/focal points that the RPSP application process requires disproportionate efforts and costs in relation to the level of support provided for projects".[146] Among bottlenecks identified by stakeholders for the RPSP application process was the perception that the application process was long and "viewed by some as requiring a level of detail and types of information that seem irrelevant and

[137] Independent Evaluation Unit (2021a), p.66.
[138] Independent Evaluation Unit (2022c).
[139] Independent Evaluation Unit (2022b), p.92.
[140] Representing approximately 5 per cent of expected beneficiaries for the 53 projects for which APRs were received, and 1 per cent of expected beneficiaries in a total GCF portfolio of 107 projects.
[141] Independent Evaluation Unit (2021a), p.124.
[142] Independent Evaluation Unit (2022b), p.92.
[143] Independent Evaluation Unit (2020a), p.46.
[144] Independent Evaluation Unit (2021e), p.46.
[145] Independent Evaluation Unit (2022d), p.159.
[146] Independent Evaluation Unit (2018a), p.xi.

time-consuming (e.g. on procurement)".[147] Country case studies further highlight difficulties faced in the accreditation and project approval processes, including the length and complexity of the process, the policies and frameworks and fiduciary standards required, and the proposal review process, among others.[148] Examples have highlighted barriers for local level entities. Illustratively, of six national entities in Malawi who started the application process for accreditation, five withdrew their application within 4 years.[149]

- **Significant delays in application processes** are similarly noted. The RPSP reportedly reduced its median processing time by 250 days between 2015 and 2017 (from 422 days to 172), with a median processing time of 262 days for African countries.[150] The LDC evaluation Ethiopia case study spoke to the lengthiness of the accreditation and proposal processes. The accreditation process for Ethiopia's national AE took approximately two years and resulted in a lower level of accreditation than anticipated.[151] Similarly, regarding process and project efficiency, the Ethiopia case study reported a lengthy review process by the GCF for both the PPF and funded activity agreement.[152]
- **Lack of flexibility in GCF requirements** may pose barriers to some countries in accessing GCF support. The readiness evaluation found that "NDA/Focal Points widely perceived GCF to lack flexibility with regard to adjusting approved project plans to changing realities in countries, hindering implementation and country ownership".[153] A perceived lack of flexibility in GCF requirements, such as regarding the availability of data, was also discussed in the adaptation evaluation.[154]

REFERENCES

Green Climate Fund (n.d.). FP092 Programme for integrated development and adaptation to climate change in the Niger Basin (PIDACC/NB). Available at https://www.greenclimate.fund/project/fp092.

Independent Evaluation Unit (2018a). *Independent evaluation of Green Climate Fund's Readiness and Preparatory Support Programme*. Evaluation report No. 1, (October). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2018b). *Independent evaluation of Green Climate Fund's Readiness and Preparatory Support Programme*. Annexes (October). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2019). *Independent evaluation of the Green Climate Fund's country ownership approach: Final report*. Evaluation report No. 4, (October). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2020a). *Independent assessment of the GCF Simplified Approval Process (SAP) pilot scheme*. Evaluation report No. 7, (June). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2020b). *Independent evaluation of the Green Climate Fund's environmental and social safeguards and the environmental and social management system*. Final report (February). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

---

[147] Independent Evaluation Unit (2018a), p.69.
[148] Independent Evaluation Unit (2021b), see virtual country case study report for the Gambia; Independent Evaluation Unit (2021e), see country case study report for Ghana; and Independent Evaluation Unit (2022b), p.63.
[149] Independent Evaluation Unit (2022b), p.104.
[150] Independent Evaluation Unit (2018a), p.72.
[151] Independent Evaluation Unit (2022d), p.46.
[152] Ibid, p.47.
[153] Independent Evaluation Unit (2018a), p.34.
[154] Independent Evaluation Unit (2021a), p.58-59.

Independent Evaluation Unit (2020c). *Independent evaluation of the Green Climate Fund's environmental and social safeguards and the environmental and social management system*. Country case study reports (February). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2020d). *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in small island developing States*. Final report (October). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2020e). *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in small island developing states*. Country case study reports (October). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2021a). *Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund*. Final report (February). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2021b). *Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund*. Virtual country case study reports (February). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2021c). *Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund*. Project deep dives (February). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2021d). *Independent evaluation of the Green Climate Fund's approach to the private sector*. Final report - Volume I (September). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2021e). *Independent evaluation of the Green Climate Fund's approach to the private sector*. Country case study reports - Volume III (September). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2022a). *Report of the synthesis study: An IEU deliverable contributing to the Second Performance Review of the Green Climate Fund*. Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2022b). *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the least developed countries*. Final report (January). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2022c). *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the least developed countries*. Evaluation brief. Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Independent Evaluation Unit (2022d). *Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the least developed countries*. Country case studies. Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Annex 3. LITERATURE REVIEW

A. Introduction

In the context of the "Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the African States", this annotated bibliography has been prepared as a key input. This document comprises published literature from peer-reviewed journals, as well as grey literature from organizations and think tanks. The focus is on key gaps and challenges, as well as solutions and innovations in climate finance related to Africa.

This bibliography provides descriptive analysis of the material, while also highlighting key insights to be drawn upon for answering key evaluation questions, spanning the range of criteria for this evaluation: relevance, coherence in climate finance delivery, country ownership, effectiveness, innovativeness in result areas, gender equity/considerations of social inclusion, unexpected and unintended results, sustainability/replicability/scalability, and efficiency. To heighten the value of this annotated bibliography, for both this evaluation and beyond it, a synthesis of key insights and lessons has been prepared.

B. Overview

Although the rate of greenhouse gas (GHG) emissions growth has been on a decreasing trend globally over the past decade, average annual emissions during the same period were higher than in any previous decade. While LDCs and SIDS have much lower per capita emissions than the global average, they already face some of the most severe climate change impacts [d]. Over the past decades, many countries in Africa have experienced a substantial rise in temperature – ranging from 1°C to over 3°C [8]. Climate change has highly distinctive implications for Africa. First, there is evidence that Africa is warming faster than the global average, and that this is likely to continue. Second, climatic effects for countries are very different according to their location on the continent: there is no single Africa-wide climate effect. Third, agriculture is the largest single economic activity in Africa, and some of this activity is already close to the limits of plant tolerance due to climate change [5].

Water and food systems, biodiversity, human population (i.e. mobility, migration, health) and agricultural livelihoods are projected to be severely disrupted by climate change, in the form of enhanced drought, sea level rise, changes in the incidence and prevalence of vector-borne diseases, changes in the ranges and yields of food and non-food crops, and more frequent occurrences of extreme climate events [1; 16]. These projected changes are expected to exacerbate already high levels of food and water insecurity, poverty, and poor health, and undermine economic development. Hence, while Africa's role in emissions of carbon is atypically minor, the region is anticipated to be confronted with the severest adverse effects of climate change due to a combination of particularly important projected impacts and relatively low adaptive capacity [5; 16].

The need for adaptation in Africa has been widely recognized among developing countries since UNFCCC negotiations began in the early 1990s. Also, significant advances in adaptation have been made over the past decade. These include the establishment and disbursement of adaptation funds through the UNFCCC, completion of national adaptation programmes of action (NAPAs), initiation of NAPs, and the mainstreaming of adaptation into development projects [8]. However, Africa's economies have not yet displayed a high degree of adaptability. Although households have considerable experience of coping with temporary shocks, such defensive flexibility has not been combined with a sustained ability to adapt to new circumstances or adopt new technologies [5]. According to the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2022), even if extensive global mitigation efforts are implemented, there will be a large need for financial, technical, and human resources for adaptation [d].

Loss and damage in Africa

The lack of adaptative capacity in African countries is likely to enhance already observed L&D. L&D has been conceptualized under the UNFCCC and the Paris Agreement as resulting from sudden-onset events (climate disasters, such as cyclones, floods and droughts) as well as slow-onset processes (such as sea level rise). L&D occurs when climate impacts exceed the coping or adaptative capacity of countries, communities and ecosystems. For instance, a study based on five case studies conducted in rural areas of African countries (namely Burkina Faso, Ethiopia, Kenya, Mozambique, and the Gambia) reveals that the majority of interviewed households experienced adverse effects of drought and flooding on their household economy, and that the coping measures they adopted to deal with the impact of those events were not successful in preventing residual impacts, or L&D[155] [18].

In Africa, the level of L&D, and therefore the costs incurred are projected to increase and will depend, among other things, on the level of ambition of global mitigation actions and the level of investment in adaptation at the local level [16; 18]. Currently, there is no specialized body, mechanism or permanent process under the UNFCCC mandated to assess, address or redress permanent L&D. Additionally, the national and regional mechanisms and arrangements to address economic losses and the consequences of catastrophic sudden onset events face challenges, including the lack of funding and scientific, technical and technological capacity.

The establishment of an international mechanism as a permanent, more institutionalized and coherent response to address L&D to work as an umbrella for the necessary elements and activities has been considered necessary by different parties under the UNFCCC including the African Group of Negotiators of Climate Change,[156] the LDC Group[157] and the Alliance of Small Island States (AOSIS)[158] [16]. Studies have also shown that international financing has a key role to play in moving adaptation onto the policy agenda, stimulating groundwork and adaptation actions by multiple levels of government [8].

C. Climate finance in Africa

From a subset of international development assistance to nationally determined contributions

The concept of global warming as an environmental issue emerged in the 1970s and 1980s, when researchers started to provide evidence of human-induced climate change. By the 1990s, climate

[155] The selection of study sites was based on criteria such as the presence of climatic stressors (i.e. vulnerability to drought or flooding), their predominantly agricultural livelihoods and access to communities through existing contacts. Within the study sites, the survey households were selected randomly using different sampling techniques based on the local situation.
[156] African Group of Negotiators on Climate Change website. The African Group of Negotiators on Climate Change (AGN) was established at COP1 in Berlin, Germany in 1995 as an alliance of African member states that represents the interests of the region in the international climate change negotiations, with a common and unified voice.
[157] Least Developed Countries Climate Change website. The least developed countries are a group of 46 nations that are especially vulnerable to climate change, and work together at the intergovernmental negotiations under the UNFCCC.
[158] Alliance of Small Island States website. The Alliance of Small Island States website (AOSIS) represents the interests of the 39 small island and low-lying coastal developing states in international climate change, sustainable development negotiations and processes.

modelling had become more sophisticated and actual patterns of change in regional climate conditions were being observed, showing the need to reduce GHG emissions. Given that doing so would necessitate drastic changes in the use of fossil fuels, climate change became an economic and energy policy issue [f].

In 1992, the United Nations Conference on Environment and Development in Rio introduced the concept of sustainable development and simultaneously addressed both development and environmental policy, linking climate change and development issues. In 1997, the Kyoto Protocol defined legally binding GHG emission commitments for all industrialized countries, allowing these countries to get certified emission reductions from projects that reduced GHG in developing countries via the clean development mechanism (CDM). This further strengthened the linkages between climate and development policy [g].

However, the CDM mostly focused on the large emerging economies, and only a small part was flowing to LDCs and Africa [g]. Additionally, most analysis of the impacts of climate change that have influenced UNFCCC agreements focused on projections of GHG emissions of countries and regions for which relevant data were available, leaving out several African countries. Therefore, existing adaptation mechanisms and resources under the Kyoto agreement have been designed with limited consideration of the need to address Africa’s vulnerability and lack of resilience to the impacts of climate change on its economies and populations [i].

Early in the 2000s and with the emergence of the Millennium Development Goals (MDGs), climate goals started becoming increasingly embedded in official development assistance (ODA) funded projects and programmes [g; h]. However, conflicts emerged between the objectives of promoting short- and medium-term poverty alleviation, and mitigation of climate change [g]. This called for having separate funding dedicated to climate activities, to avoid a decline in resources aimed at poverty alleviation [g].

Since the Paris Agreement entered into force in 2016, NDCs are the fundamental instrument used by countries to achieve their climate goals. Through their NDCs, countries have identified mitigation and adaptation actions they commit to undertaking to address climate change and its impacts. However, a review of these actions indicates that most countries in Africa do not have the required financial resources to implement them [1; 7; 12]. Further, the 2021 United Nations Environment Programme (UNEP) Adaptation Gap Report shows that progress in monitoring and evaluating adaptation is mixed. While 26 per cent of countries worldwide have monitoring and evaluation (M&E) systems in place and another 36 per cent are in the process of developing a system, only 8 per cent of countries have evaluated their adaptation plans. This is frequently attributed to the lack of financial, human and technical resources [c].

The emergence of climate finance institutions

The UNFCCC defines international climate finance as encompassing local, national and transnational financing (from public, private and alternative sources) that supports developing countries’ mitigation and adaptation actions. To facilitate the provision of climate finance to developing countries, the UNFCCC established a financial mechanism, which also serves the Kyoto Protocol and the Paris Agreement. Since 1994, the financial mechanism is partly entrusted to the GEF, which serves as an operating entity. Two special funds created in 2001 are also managed by the GEF – the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund

(LCDF). Another special fund – the AF, was established in 2001 under the Kyoto Protocol.[159] At COP 16, in 2010, a second international entity, the GCF, was established and in 2011, it was also designated as an operating entity of the financial mechanism [7]. Today, the GCF is the largest dedicated climate finance mechanism, having approved projects worth USD 2.822 bln for adaptation (as of April 2021) [e].

However, while the UNFCCC Standing Committee on Finance (SCF) and the Organisation for Economic Cooperation and Development (OECD) have both recently discerned that the availability of climate finance has significantly improved, only a fraction of the resource has benefitted Africa. To date, USD 80 bln of the USD 100 bln per year commitment by developed countries for developing countries by 2020 has been met; of this, only around USD 20 bln was provided to Africa over the 2016–2019 period [4].

Additionally, estimates from developing countries globally suggest that the adaptation finance gap is widening, due to adaptation costs and finance needs being higher and funding flows remaining stable or decreasing. A sectoral analysis of submissions based on a worldwide sample with a larger proportion of African countries reveals that the four sectors of agriculture, infrastructure, water, and disaster risk management make up three-quarters of quantified adaptation finance needs so far. This evidence means there is an urgent need to scale up and further increase public adaptation finance [c].

Climate finance sources and modalities

According to the Climate Funds Update, in 2020, the GCF was the main source of climate finance for Sub-Saharan Africa (SSA), but not the only one. The LDCF, which implements urgent adaptation activities prioritized by LDCs, was the second largest provider in the region. The GEF was the third largest contributor in the region, followed by the World Bank-administered Clean Technology Fund.

Bilateral climate finance also complements the multilateral climate fund flows in Africa, including the bilateral climate funds of Germany, the United Kingdom and Norway, who are active in the region [19]. Finally, while climate financing has historically mostly flowed to multilateral institutions acting as international intermediaries to climate action, there is now a need for increased ownership by recipient countries. In this context, the AF pioneered a new approach for accessing funds via “direct access”, which the GCF then adopted as well [b].

For the AF, direct access means that national or subnational entities become accredited to receive finance directly from the fund without going through an international intermediary. To this direct access approach, the GCF has added regional entities, which distinguishes it from the AF. Nevertheless, once direct access institutions are accredited, they must submit project proposals to the relevant fund. Then, once proposals are approved, the AE is responsible for ensuring projects are implemented effectively, and for reporting results to the fund in question. The goal of such direct access is, among other things, to reduce transaction costs and enhance national capacity and ownership over available financing. However, the direct access approach can also represent challenges as accreditation requirements force some national entities to undergo significant institutional reconfiguration, which can be burdensome and expensive [j].

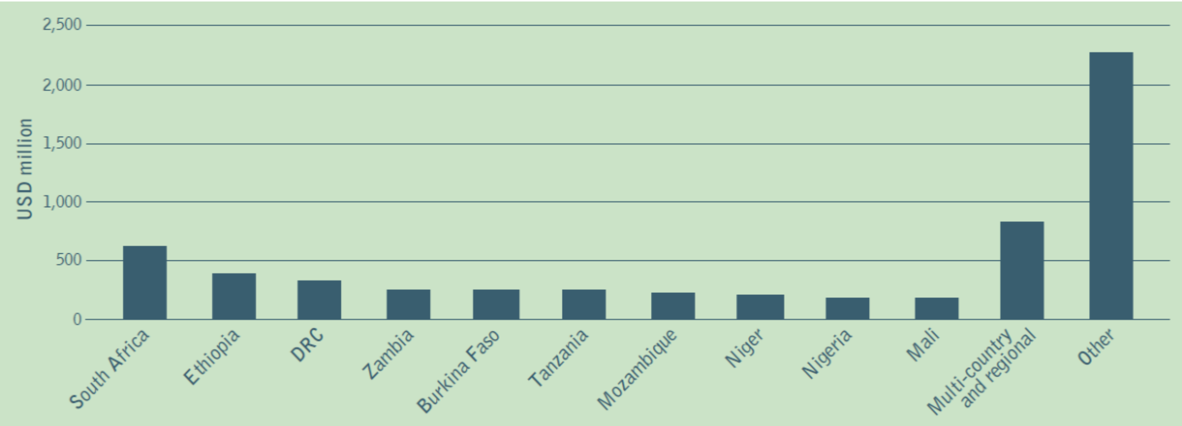
Climate finance distribution

Approximately 43 countries in SSA have received some climate finance, yet about half (49 per cent) of the region’s approved funding is in the hands of the top 10 recipient countries, namely, South

[159] UNFCCC website. Introduction to Climate Finance. Available at https://unfccc.int/topics/climate-finance/the-big-picture/introduction-to-climate-finance.

Africa, Ethiopia, DRC, Zambia, Burkina Faso, Tanzania, Mozambique, Nigeria, the Niger, and Mali (Figure III.1) [6; 19].

Figure A - 3.1. Top 10 recipient countries by amount approved (2003–2020)



Source: [19] Watson, Charlene, and Liane Schalatek (2021).

A study on the determinants of climate finance showed that SSA countries with better ease of doing business (as part of economic readiness), stronger rule of law enforcement (as part of political readiness), and better usage of information and communications technology (ICT) (as part of social readiness) tend to attract more climate finance. The study concludes that to increase climate resources, policymakers should not only focus on the "institutional quality readiness" of climate finance but must also focus on other dimensions of climate finance readiness, including economic, political and social [6]. Additionally, the sectors of forest and land use, transport, and energy have been identified as requiring more attention for funding due to their great potentials for low income carbon development transition [7].

Finally, it is interesting to note that of the top 10 countries, Ethiopia, DRC, Burkina Faso, Mozambique, the Niger, Nigeria, and Mali were all identified as "conflict" countries in the World Bank's FY23 List of Fragile and Conflict-affected Situations (FCAS).[160] These countries have clearly not been abandoned by the international climate finance community, despite the challenges of working in FCAS contexts.

D. CHALLENGES TO CLIMATE FINANCE IN AFRICA

Despite the wide recognition that climate finance is increasingly needed in Africa, several challenges and barriers remain for the region to access adequate funding. The challenges of capacity constraints in recipient countries, high transaction costs, limited climate data, FCAS, transboundary contexts, and donor-sided issues are briefly discussed below.

Capacity constraints in recipient countries

Barriers stemming from capacity constraints are generally understood as arising from a lack of expertise and resources in recipient countries, which are needed for the proper engagement with and response to donor accreditation, reporting, and financial and project management requirements [9].

[160] World Bank (2022).

For instance, weak institutions and capacity to administer funds have been consistently reported by United Nations representatives as factors constraining the ability of countries to access adaptation funds [1]. Further, the IPCC's Fifth Assessment Report (AR5) highlights the inability of recipient countries and their institutional frameworks to deal with and coordinate the wide range of current and anticipated financing initiatives in Africa [9].

To help countries access financing directly and increase ownership, readiness and capacity building programmes have been created by the different climate funds. Readiness aims to improve countries' capacities to plan for, access, and deliver climate finance specifically, as well as monitor and report on expenditures [b]. However, an evaluation of the GCF RPSP conducted in 2019 concludes that empowering countries to manage their climate change adaptation and mitigation activities will likely take longer for LDCs, SIDS and at least some African countries, and that readiness support delivered for a longer period and in more flexible ways will likely be needed [k]. Barriers to the flow of finance are also identified as a result of a failure by recipient countries to clearly define their climate change financial needs, including inadequate framing of impacts and national priorities.

The UNFCCC has underlined the importance of aligning climate finance with needs in NDCs and has noted that only a limited number of recipient country needs assessments have been undertaken. Moreover, the form and content of such needs assessments are also problematic, with differences in approaches to the definition and measurement of needs, disparities in the level of detail provided on financial needs, and the lack of a common reporting format or specific technical guidance for determining and describing climate financial, technology transfer and capacity building needs [1; 9]. Based on a study that documents and characterizes the challenges facing adaptation in Africa, more guidance is needed from UNFCCC to support countries to determine and estimate their needs in a more comprehensive and robust way and through a bottom-up approach, and to help them include the perspective of governments and non-governmental stakeholders, including local communities. South-South cooperation also represents a cooperation scheme that could improve the determination of needs. Finally, at the national level, the determination of needs can be improved by creating an enabling environment which involves strengthening institutions, regulations, policies and transparency frameworks [a].

High transaction costs and poor investment climate

A significant barrier to climate finance and investment in Africa stems from the high transaction cost of small-scale projects that are often required in the poorest areas, which makes it difficult to design and implement needed projects in ways that are financially viable [19]. Financing larger projects, such as infrastructure, is also challenging. In most cases, the initial investment is important, accounting for a significant part of the total investment. These types of projects thus require long-maturity financing to match the long payback period over which they become commercially viable. Commercial viability is tied to project revenue generation, which in turn is susceptible to political risks. In many developing countries with shallow capital markets, such long-maturity financing is simply unavailable or, if available, prohibitively expensive [10]. Other barriers to the deployment of commercial climate finance include inadequate assessment of climate-related risks and investment opportunities; regional mismatch between available capital and investment needs; country indebtedness levels; unattractive risk-return profiles, and the unavailability of a pipeline ready for commercial investments [d]. Finally, these challenges are further compounded by the poor investment climate in many African countries, political instability and governance problems [19].

Limited climate data and projections

Countries securing climate financing need to demonstrate how the projects that they want funded contribute to climate change mitigation and adaptation, which requires detailed and accurate data and projections of climate change impacts. However, this is constrained in many African States by a lack of historical information on weather and climate, as well as a lack of resources and technical expertise to collect such data and model impacts [1; 11]. Climate scientists have also reported a lack of agreement on the best practices and techniques for translating large-scale climate projections data into smaller temporal and spatial scales that are crucial to understanding the distribution of potential future climate change impacts. An improvement in climate data, scenarios and impacts models is thus needed to design adequate projects and improve financing eligibility [1].

Fragile and conflict-affected countries

Development finance institutions' (DFIs) willingness to invest in FCAS, as well as the magnitude of their operations in fragile contexts, can be affected by several factors. FCAS are generally trapped in uncertainty, which generates high security, political and economic risks that discourage local and international financiers from investing in such contexts. Moreover, FCAS tend to have weak regulatory systems, poor macroeconomic conditions, and low sovereign credit rating scores, all of which are likely to affect investors' willingness to become active in a country. Finally, DFIs face a number of additional challenges when working in FCAS that include higher transaction costs and heightened risk of project failure, limited financial intermediaries such as microfinance institutions, and their own limited expertise in effectively and efficiently taking on investments in fragile contexts [2].

Transboundary contexts

Working cooperatively in transboundary contexts is critical to supporting successful adaptation and mitigation strategies, and accessing financial resources for climate action. Indeed, measures to respond to climate change in one country can have multiple externalities affecting neighbouring countries. However, financing mechanisms available to address climate change are not all designed to support transboundary development approaches and options for transboundary projects are limited when compared with those available to individual states [l].

Transboundary contexts also bring additional risk to a project, which may limit climate finance institutions' willingness to fund and implement transboundary projects. For instance, transboundary projects often have higher transaction costs and tend to take more time because endorsement from all involved countries is usually needed. Implementation can be more complex because transboundary organizations, for example river basin organizations (RBO) in Africa, often cannot receive direct funding and may lack the required legal and financial status and capacity to manage complex projects. On the other hand, the transboundary context offers some risk mitigation tools not available in single country projects, such as existing cooperation agreements and risk sharing [l].

Donor-sided issues

The focus for addressing barriers to accessing climate finance has tended to remain on interventions within recipient countries. However, donor-sided issues driven by donor-centric, non-intuitive and unnecessarily complex requirements have also been recognized as factors contributing to root causes of climate finance (in)accessibility [6; 9]. Additionally, cumbersome procedures and bureaucratic bottlenecks in accessing the funds from different sources were highlighted as factors dissuading many African countries from producing clear plans for adaptation and mitigation projects [1].

E. SOLUTIONS/INNOVATIONS TO CLIMATE FINANCE IN AFRICA

Despite the many challenges (and their magnitude) related to climate change as discussed above, there are many solutions and innovations being imagined, designed and implemented in the field of climate finance, as specifically attuned to the African context. Some of these are discussed below.

Private sector

Enhancing private sector climate finance is considered to be a crucial part of the solution for realizing NDCs and meeting climate finance needs in Africa [14; 17; c]. However, African countries have yet to attract the levels of private finance that are widely believed to be necessary [12]. There are a number of ways in which concessional climate finance should be used to develop financing packages that maximize private sector participation, including developing enabling environments with appropriate tax regimes and investment protections, developing co-finance packages particularly with the multilateral development banks (MDBs) that de-risk projects and reduce the cost of finance, supporting local capital markets and banks, developing appropriate financial instruments, and building greater trust in international cooperation processes [14; d].

Clear signalling by governments and the international community, including a stronger alignment of public sector finance and policy, and higher levels of public sector climate finance, reduces uncertainty and transition risks for the private sector [d]. Additionally, addressing the market imperfections of externalities, incomplete information and imperfect financial markets could facilitate private sector engagement in climate resilient projects.

- First, climate projects generate positive externalities (co-benefits) that typically result in an underestimation of a project’s economic value. Externalities should be accounted for by, for instance, increasing the revenue of a project or effectively de-risking the endeavour to make investments more attractive from a private sector actor perspective.
- Second, incomplete information entails that private sector actors lack information on the risks and impact of climate change, which results in an under-pricing of climate-related risk; private actors are thus unwilling to invest in mitigating these risks. This can be addressed by increasing awareness, transparency and consideration of climate-related risks through holding information workshops with these actors; broadcasting relevant information via television, radio, or cell phone; networking events; and pilot projects, among others.
- Third, imperfect financial markets are characterized by imbalances between demand and supply on the capital markets, resulting in the inefficient allocation and availability of capital as well as inadequate risk transfers. Alleviating this market imperfection could be done, for example, by strengthening and supporting financial institutions in the development of products adequately constituted to address climate projects’ specific needs [17; d].

Finally, financial flows should also be aligned with funding needs through greater support for technology development; a continued role for multilateral and national climate funds and development banks; lowering financing costs for underserved groups through entities such as green banks, funds and risk sharing mechanisms; economic instruments that consider economic and social equity and distributional impacts; gender-responsive and women-empowerment programmes as well as enhanced access to finance for local communities, indigenous peoples and small land owners; and greater public-private cooperation [d].

National development banks

National development banks (NDBs) and their governments are well placed to support the realignment of financial flow towards climate finance. For instance, NDBs can support investments in low carbon climate resilient (LCCR) infrastructure, both through direct financing and the mobilization of private finance to fund the huge investments required [10].

NDBs are complementary to the multilateral system and have a number of comparative advantages. They tend to have extensive knowledge of opportunities for and barriers to investment in their countries, long-standing relationships with the local private and public sectors, and a development mandate. They can also work closely with national authorities to support economic development plans. NDBs can help support the creation of a pipeline of bankable projects and the development of domestic financial sectors to channel institutional investment to LCCR investments. To realize their full potential, NDBs need to improve their own performance through better governance and new business models, and by helping to shape national policy so they can operate more efficiently and support the transition to an LCCR economy [10].

Green banks and green bonds

Green banks are typically public financial institutions established to facilitate private investments in green sectors, as well as the development of financial innovations such as green bonds which are needed to foster a reallocation of private sector capital away from carbon-intensive investment towards climate resilient projects [14]. The proceeds of green bonds are used to finance environmentally-friendly projects such as renewables, water and energy efficiency, bioenergy, and low carbon transport [3].

A set of institutional and market barriers, however, are preventing developing countries from appropriating the full benefits of green bonds. Barriers include lack of knowledge about how green bonds work, inappropriate institutional arrangements for green bond management, the issue of minimum size, the currency of issuance, and high transaction costs associated with green bond issuance. Potential measures to mitigate these barriers include effective coordination between ministries of finance and environment, an efficient use of multilateral and NDBs as intermediary institutions for green bond management, the provision of guarantees by local governments for green bond issuance, as well as the promotion of local green bond markets, in which domestic investors could issue local currency-based green bonds [3; d].

Diaspora bonds

Diaspora bonds offer another source of climate finance for Africa. Diaspora bonds are understood as debt instruments issued by a country to raise finance from its overseas diaspora. While the diaspora are non-traditional providers of finance, in recent times they have demonstrated commitments to green projects and a history of support in times of crises. For instance, in 2011, Ethiopia successfully issued a diaspora bond – the “Renaissance Dam Bond” – to fund the construction of the Grand Renaissance Dam that most Ethiopians viewed as a critical asset for Ethiopia’s sovereignty, economic security and, most importantly, clean energy. Diaspora bonds could go some way to motivate an underexplored option for filling the climate finance gap [15].

Local actor engagement

The Paris Agreement recognizes the important role that local level actors play in ensuring climate change adaptation. International climate finance for adaptation remains central to reducing people’s vulnerability to climate change. However, evidence from the literature shows that, to be most effective, adaptation actions need to integrate local knowledge, avoid elite capture, reduce the dependency of local actors on external support, and increase agency and self-sufficiency. Hence, the effectiveness of adaptation ultimately depends on the local level [e]. The GCF is the largest dedicated climate finance mechanism. While it is committed to the local delivery of adaptation finance, key barriers to GCF’s achievement of this commitment along with potential solutions have been identified in the literature. First, GCF lacks a framework for defining the local level. Consequently, AEs apply subjective and inconsistent definitions of the local level to projects, with local consultation conflated for local engagement. GCF needs to develop and adopt a unified framework for guiding and measuring the delivery of adaptation finance to the local level with emphasis on local actor control over allocation and use of finance. Second, GCF has low transparency, and accounting for spending on local adaptation and accounting processes fails to capture information on local spending. GCF should ensure that AEs implementing FPs provide detailed accounts of project implementation. Third, GCF's AEs lack the capacity to generate vertical linkages with the local level. This is because GCF's accreditation process seeks out entities that have the capacity to manage GCF funds but not capacity to work at the local level. GCF can use its "readiness" support funds to strengthen partner capacity to deliver finance to the local level [e].

Ecosystem markets

Ecosystem markets are based on a mechanism where one or more parties restore or maintain valuable ecosystems and the service they deliver to society in exchange for financial compensation. These mechanisms then generate financing for the sustainable management and long-term conservation of ecosystem services. Market mechanisms to restore, enhance or maintain ecosystem services transact an estimated USD 15.9 bln globally each year, according to tracking of biodiversity, water, and forest carbon markets by Forest Trends' Ecosystem Marketplace [13; 20].

Ecosystem markets can take different forms, ranging from transactions in which individual beneficiaries of ecosystem services contract directly with providers of those services to formal markets, for buying and selling ecosystem services such as carbon offset markets. Ecosystem market-based mechanisms provide both climate and community benefits, including employment and training for local communities as well as the provision of community services [13].

In Africa, rich and diverse ecosystems generate flows of goods and services that are essential for the continent such as food, water, energy, and health, and which contribute to the economy and are central to many livelihood strategies. While the number of studies on the valuation of ecosystem services in Africa is still relatively low, Africa has opportunities to realize the benefits of having such rich biodiversity and to explore ways of using it in a sustainable way to contribute to its economic and technological development. Mainstreaming biodiversity and ecosystem services into policies and actions is essential to take advantage of these opportunities [m].

REFERENCES

Annotated references

[1] Adenle, Ademola A., and others (2017). Managing climate change risks in Africa – A global perspective. *Ecological Economics*, vol. 141, pp. 190-201.

This study documents and characterizes the challenges facing adaptation in Africa, drawing upon 337 semi-structured interviews conducted between 2013 and 2015 with various expert stakeholders including high-level decision makers in United Nations agencies and in national governments, non-governmental organizations (NGOs), think tanks, research institutes and universities, and farmers and agricultural extension officers. Four key concerns about adaptation emerged: (i) Climate data, scenarios and impacts models are insufficient for supporting adaptation, particularly as they relate to food systems and rural livelihoods; (ii) The adaptation response to date has been limited and disconnected from national planning processes, and with limited engagement with local expertise; (iii) Adaptation policies and programmes are too narrowly focused on explicit responses to climate change rather than responses to climate variability or broader development issues; and (iv) Adaptation finance is insufficient, and procedures for accessing it present challenges to governments' capacities.

Going forward, the authors argue that, to develop effective adaptation policy in Africa, investment to improve climate data scenarios and impacts models as well as increases in agriculture research and development (R&D) are needed. They propose the 4-Cs framework as a tool for coordinating adaptation planning and addressing fundamental challenges associated with the development and implementation of adaptation projects in Africa. The 4-Cs framework places adaptation for Africa at the centre of climate projections, climate education, climate governance and climate finance, with corresponding responsibilities for government and non-government actors.

[2] Ahairwe, Pamella E., Lidet T. Shiferaw and San Bilal (2022). Financing fragile contexts: what can development finance institutions do better? Discussion paper No. 321.

This discussion paper looks at how development finance institutions engage in FCAS. It gives an overview of the underlying factors that make investing in FCAS difficult, and analyses why DFIs invest less in FCAS despite their mandates and commitments to invest more in FCAS.

Inherent factors within FCAS can influence how international financial institutions are willing to invest in projects and businesses in fragile contexts. Challenges that FCAS are likely to face, that affect the willingness to invest, include weak regulatory systems; the domination of the private sector by a few economic and political elite actors; poor macroeconomic conditions limiting the funding competitiveness of FCAS; lack of large-scale projects, attractive for DFIs; and the low sovereign credit rating scores of FCAS. Additionally, DFIs face a number of challenges when working in FCAS, including high transaction costs in trying to support MSMEs in fragile contexts; higher political, economic and security risks in FCAS that can affect the credit rating of DFIs; high risk of project failure in FCAS; limited partnerships with financial intermediaries such as microfinance institutions; and the limited funding and expertise of DFIs to effectively and efficiently take on investments in fragile contexts.

[3] Banga, Josué (2019). The green bond market: a potential source of climate finance for developing countries. *Journal of Sustainable Finance & Investment*, vol. 9, issuw 1, pp. 17-32.

This article examines the potential of the green bond market in mobilizing adaptation and mitigation finance for developing countries, and puts an emphasis on its key drivers and the barriers that prevent developing countries from exploiting this growing source of climate finance. The results suggest that the rise of green bonds is a fact in developed and emerging countries, backed by an increasing climate-awareness from investors. However, in developing countries, the market remains incipient. The lack of appropriate institutional arrangements for green bond management, the issue of minimum size, and high transactions costs associated with green bond issuance, are the key barriers to the development of green bonds in developing countries. In order to cope with these challenges, the author calls for the implementation of local green bond markets in which local governments may promote local green investments and provide guarantees for local green bond issuances. For instance, the government could cover all the transaction costs associated with green bond issuance, so that the cost of issuing a green bond is on par with that of issuing a conventional bond. In addition, an efficient use of multilateral and NDBs as intermediary institutions for local green bond management is needed. For instance, multilateral development banks may adopt a pooling strategy for small-size projects or focus on regional-scale projects to raise finance in more favourable terms and fund green project sponsors, who otherwise would not have access to capital at an efficient cost.

[4] Bhattacharya, Amar (2022). The criticality of climate finance for Africa. Brookings, Africa in Focus. Available at **https://www.brookings.edu/blog/africa-in-focus/2022/02/08/the-criticality-of-climate-finance-for-africa/**.

This note is a viewpoint from Foresight Africa 2022, written by Amar Bhattacharya, Senior Fellow in Global Economy and Development at the Center for Sustainable Development. The author argues that a low carbon climate resilient path for Africa will require a major ramp-up in the scale and quality of investments in three critical areas: energy transitions and related investments in sustainable infrastructure; investment in climate change adaptation and resilience; and restoration of natural capital and biodiversity, to varying extents across countries.

In order to meet the challenge, Africa must put in place robust institutional structures to set ambitious NDCs and translate them into tangible investment programmes and pipelines of projects, and boost domestic resource mobilization to ensure the long-term sustainability of the necessary investments. Africa will also need a major scaling up of international public and private finance. Concessional finance from bilateral donors remains the most critical component of climate finance for Africa given its fiscal constraints. Africa will also need much higher levels of support from DFIs. Finally, private investments and private finance can also play a bigger role, but this will require risk mitigation at scale by DFIs given

that only four countries in Africa are investment grade and that 56 per cent of African countries with a credit rating have suffered downgrades since the COVID-19 pandemic.

[5] Collier, Paul, Gordon Conway and Anthony Venables (2008). Climate change and Africa. *Oxford Review of Economic Policy*, vol. 24, issue 2, pp. 337-353.

This article unpacks the implications of climate change for Africa. Over the past half-century, Africa's economies have not displayed a high degree of adaptability; the impact of climate change on Africa is thus likely to be severe. Africa is affected by a combination of climate change effects. First, there is evidence that Africa is warming faster than the global average, and this is likely to continue. Second, because Africa is such a large area, the climatic effects are very different according to location within the continent. Third, agriculture is the largest single economic activity in Africa, and some of this activity is already close to the limits of its tolerance. These climate changes will affect the African economies in different ways. First, higher temperatures will directly change crop yields. Second, higher peak temperatures will affect health, with malaria and dengue expected to spread substantially. Third, the rise in global temperatures will lead to a rise in sea levels, posing threats that certain cities may be submerged by the end of the century. Fourth, greater exposure to flooding will have severe effects on infrastructure, most notably the road system.

[6] Doku, Isaac, Ronney Ncwadi and Andrew Phiri (2021). Determinants of climate finance: Analysis of recipient characteristics in Sub-Sahara Africa. *Economics & Finance*, vol. 9, pp. 1-17.

In this article, the authors estimate the determinants of climate finance in SSA using panel regression techniques, including system generalized methods of moments (GMM-SYS) and quantile regression, on 43 SSA countries for the 2006–2017 period. A contribution of the study is that the authors add to the model variables of political readiness, social readiness and economic readiness. Common to previous literature, the results show that population and poverty are significant determinants of climate finance, with countries with moderate populations and lower per capita gross domestic product receiving the most climate assistance. Additionally, the findings show that SSA countries with better ease of doing business (as part of economic readiness), stronger rule of law enforcement (as part of political readiness), and better usage of ICT (as part of social readiness) have attracted more climate finance. The authors conclude that policymakers should not only focus on the "institutional quality readiness" of climate finance but must also focus on other dimensions of climate finance readiness, including economic, political and social.

[7] Fonta, William, Elias T. Ayuk and Tiff van Huysen (2018). Africa and the Green Climate Fund: current challenges and future opportunities. *Climate Policy*, vol. 18, issue 9, pp. 1210-1225.

This article uses GCF published statistics to identify and discuss the potential challenges posed by the GCF funding process, and highlights opportunities for improving African countries' access to GCF funds. For Africa, there are multiple challenges limiting successful engagement with the GCF and these challenges may reinforce one another. For example, limited readiness support and reliance on IAEs may slow progress on institutional strengthening and on obtaining direct access to the Fund. Additionally, most approved projects address only three GCF result areas: energy, health, and livelihoods, which may be because of the need for countries to align with IAEs' areas of expertise. Finally, while IAE management and execution fees are roughly 1.5 times higher than those charged by national access entities, over 61 per cent of all current GCF projects and programmes are managed by IAEs.

Readiness support from the GCF is only one means by which institutional capacity may be strengthened. Transfer or exchange of knowledge (e.g., technical, institutional and lessons learned) within and across borders can also contribute to capacity building. This in turn can prime countries for successful engagement with the Fund.

[8] Ford, James D., and others (2015). The status of climate change adaptation in Africa and Asia. *Regional Environmental Change*, vol. 15, pp. 801-814.

This article presents an analysis of 288 documents from the scientific and grey literature, published between 2006 and 2012, and generates a baseline understanding of adaptation to climate change in 47 hotspot countries in Africa and Asia. The analysis shows there has been an increase in documented adaptation initiatives since 2006, with agriculture being the dominant focus of reported initiatives. The data suggest that international financing plays a key role in moving adaptation onto the policy agenda.

The article also identifies certain gaps in the reported initiatives. First, there is limited explicit recognition in reported actions of the need for transboundary adaptations, or consideration of which adaptations are optimal across sectors. Second, at the national level, adaptations remain predominantly at the groundwork stage, with limited progress beyond vulnerability assessments in many highly vulnerable countries and sectors. Finally, adaptation initiatives poorly integrate consideration of vulnerable groups.

For instance, approximately one fifth of documented initiatives reviewed for the study considered socioeconomically disadvantaged populations, while one in ten considered the vulnerability of women.

[9] Gilder, Andrew, and Olivia Rumble (2020). Improving sub-Saharan African access to climate change finance: An alternative view. Policy Briefing 194.

This policy briefing focuses on three common barriers to accessing climate finance for SSA countries, namely recipient country capacity, needs assessment, and knowledge deficiencies. The brief argues that the focus has tended to be on reforms within recipient countries, but that donor positions contribute to the root causes of such challenges. Indeed, consideration of the broader context of effective access to climate finance reveals that accessibility challenges may be driven by donor-centric, non-intuitive and unnecessarily complex requirements to access climate finance. The brief concludes that substantive reform requires the combined efforts of both recipients and donors. The authors recommend that donors undertake comprehensive internal reviews to identify and implement improvements to their processes, provide institutional support as well as guidance and improved assessment methodologies, and consolidate platforms to offer available climate finance.

[10] Griffith-Jones, Stephany, Samantha Attridge and Matthew Gouett (2020). *Securing climate finance through national development banks*. ODI Report. London, UK: Overseas Development Institute (ODI).

This policy brief argues that, while NDBs and their governments are well placed to support the realignment of financial flow to ensure they support the Paris goals, they are often overlooked and do not feature in international and domestic policy debates. NDBs can however support investments in LCCR infrastructure, both through direct financing and the mobilization of private finance to fund the huge investments required.

NDBs are complementary to the multilateral system and have a number of comparative advantages. They can have extensive knowledge of opportunities for and barriers to investment in their countries, long-standing relationships with the local private and public sectors, and a development mandate. They can also work closely with national authorities to support economic development plans. NDBs can help support the creation of a pipeline of bankable projects and the development of domestic financial sectors to channel institutional investment to LCCR investments. To realize their full potential, NDBs need to improve their own performance through better governance and new business models and by helping to shape national policy so they can operate more efficiently and support the transition to an LCCR economy.

[11] Grossi, Amanda, and Tufa Dinku (2022). Enhancing national climate services: How systems thinking can accelerate locally led adaptation. *One Earth*, vol. 5, pp. 74-83.

This article describes the Enhancing National Climate Services (ENACTS) initiative of the International Research Institute for Climate and Society at Columbia University. In many places, the collection of climate data has been seriously inadequate, poorly accessible, of inconsistent quality, and divorced from foundational capacity building that underpins its use by decision makers. The ENACTS initiative addresses these challenges through the recognition that national meteorological services can and should do more than simply produce climate data. Based on two recent projects in east Africa, the authors illustrate how social, political, institutional, and cultural systems surrounding climate information can be just as important as data themselves in setting up lasting yet adaptive climate services. Rigorous climate data generation and utilization are critical for informing climate policies and climate financing.

[12] Hoch, Stephan, Valentin Friedmann and Axel Michaelowa (2018). *Mobilising private sector investment to mitigate climate change in Africa*. Stockholm Environment Institute.

This discussion brief summarizes key insights on the role of the private sector in finance instruments for climate mitigation in SSA. First, the Kyoto Protocol's CDM, a mitigation finance instrument for developing countries, allows private sector actors to develop mitigation activities on their own initiative. Though African countries initially struggled to benefit, CDM reforms have begun to enable wider African access. These reforms should inform the design of the next generation of multilateral mechanisms under the Paris Agreement. Second, climate finance institutions, such as the GCF and the CIF, have established a range of climate finance delivery models in Africa. At the same time, they are at an earlier stage of their institutional evolution compared to the CDM, and they still need to tailor their rules more closely to African circumstances. Third, market mechanisms and public climate finance have complementary strengths. These should mutually reinforce themselves in order to expand private sector contributions to achieve NDC goals.

[13] Jenkins, Michael, and Brian Schaap (2018). Forest Ecosystem Services. Background study prepared for the thirteenth session of the United Nations Forum on Forests.

In this study, the authors discuss payment for forest ecosystem services as a promising approach for increasing the scale of global finance for sustainable forest management through four main channels: public finance, ecosystem markets, private investments, and blended finance. Ecosystem markets are based on a mechanism where one or more parties restore or maintain valuable ecosystems and the service they deliver to society in exchange for financial compensation. These mechanisms then generate financing for sustainable management and long-term conservation of ecosystem services. Ecosystem markets can take different forms, ranging from transactions in which individual beneficiaries of ecosystem services contract directly with providers of those services to formal markets for buying and selling ecosystem services such as carbon offset markets. Ecosystem market-based mechanisms provide both climate and community benefits, including employment and training for local communities as well as the provision of community services.

[14] Meltzer, Joshua P. (2016). *Financing low carbon, climate resilient infrastructure: The role of climate finance and green financial systems*.

This working paper focuses on the need to finance LCCR infrastructure in order to achieve the Paris Agreement, and on how private capital can contribute to this. The size of the infrastructure investment needed (over USD 6 trillion (tln) in 2030), means that private capital will have to play a key role. However, there is a range of financing barriers specific to LCCR infrastructure projects, including uncertainties around the impact of climate change, the higher risk from investing in low carbon technologies, and higher upfront capital costs for LCCR projects such as renewable energy compared with fossil fuel alternatives.

Underpinning growing investment by the private sector will thus require broader reform of the financial system to more closely align financial incentives for companies and investors with climate change goals. A core element of this is to ensure climate risk is fully reflected in companies’ and investors’ decisions on capital allocation. Development of green banks as well as financial innovation in the debt and equity markets such as green bonds is also needed to create incentives to support increased private sector investment in LCCR infrastructure, and generate a reallocation of private sector capital away from carbon-intensive investment and towards LCCR infrastructure projects.

[15] Salia, Samuel, and Eugene Bempong Nyantakyi (2022). Diaspora bonds can help fill climate finance gaps in developing economies. Africa at London School of Economics.

This blog article discusses the potential of diaspora bonds as a source of climate finance. While the diaspora are non-traditional providers of finance, they have demonstrated commitments to green projects and have a history of support in times of crises. To gauge the feasibility of diaspora bonds tied to climate change mitigation, the authors conducted a survey among 927 African migrants living in Europe to gain insights into factors that motivate migrants to invest in diaspora bonds. The survey shows an 88 per cent likeliness to invest in diaspora bonds when they support a critical national course, which could include addressing shocks related to flooding and other climate-related natural disasters. Results also show there is a moderately higher likelihood that the diaspora will invest in bonds to support a green project at the community level. To meet the challenges of climate change, finance for climate friendly projects is essential to achieving the COP26 2050 target. Diaspora bonds could go some way toward motivating an underexplored option for filling the climate finance gap.

[16] Schaeffer, Michiel, and others (2014). *Loss and damage in Africa*. UNECA/ACPE report prepared by Climate Analytics.

This report, prepared by Climate Analytics for the United Nations Economic Commission for Africa (UNECA) and the African Climate Policy Centre, shows that under all warming scenarios and despite strong adaptation efforts in the region, considerable adverse effects of climate change will be felt in Africa, resulting in further L&D. The level of L&D and therefore the costs incurred will depend, among other factors, on the level of ambition of global mitigation actions and the level of investment in adaptation at the local level. Addressing L&D requires building preventative resilience, managing risk, assisting in rehabilitation and providing redress in the event of permanent loss. The existing institutional arrangements in Africa do not address permanent and non-economic losses, and address economic losses of sudden and slow-onset events in a very limited manner. There is a reliance on support from the international community for addressing some of these challenges. A new international mechanism is needed to address the full spectrum of L&D in an inclusive and systematic manner under the UNFCCC.

[17] Stoll, Philip P., and others (2022). Mobilizing private adaptation finance: lessons learned from the Green Climate Fund. *Climatic Change*, vol. 167, issue 45, pp. 1-19.

This article hypothesizes and then demonstrates using a regression framework that addressing the market imperfections of positive externalities, imperfect financial markets, and incomplete and/or asymmetric

information would facilitate the attraction of more private sector engagement in adaptation. First, addressing positive externalities through either innovative ways of generating additional revenue or effectively de-risking the endeavour makes private investments more attractive from an economic point of view and a private sector actor perspective. Second, incomplete or asymmetric information makes private actors unaware of the risks and impact that climate change exacerbates, which results in their unwillingness to invest in mitigating these risks. Third, imperfect financial markets are characterized by imbalances between demand and supply on the capital markets, resulting in the inefficient allocation and availability of capital as well as inadequate risk transfers. This results in a suboptimal allocation of financial resources towards adaptation projects, especially in the context of their already challenging risk-return characteristics. Approaches that could be used by the GCF and other funding entities to address the consequences of these market imperfections include matching grant funds, risk sharing facilities, technical assistance, and concessional approaches.

[18] Van der Geest, Kees, and Koko Warner (2014). Loss and damage from droughts and floods in rural Africa. In *Digging Deeper: Inside Africa's Agricultural, Food and Nutrition Dynamics*, A. Akinyoade, W. Klaver, S. Soeters and D. Foeken, eds. Brill, Leiden.

This book chapter reports on five case studies on L&D as a result of drought and floods in rural areas in Burkina Faso, Ethiopia, Kenya, Mozambique and the Gambia using a questionnaire survey (1,973 households) and more than 100 focus group discussions (FGDs), expert consultations and in-depth interviews with people affected. The findings reveal that the impacts of drought and flooding are widely experienced in the African study sites and that some of the most notable current impacts are on household food production and livelihoods. The vast majority of survey respondents across the study sites (93 per cent) indicated that they adopted coping measures to deal with the impact of droughts or floods, such as planting drought- or water-tolerant crop varieties or diversifying their livelihoods with non-farm activities. However, most indicated that they were not successful in preventing L&D. L&D occurred when measures to cope or adapt were insufficient; measures involved economic, social or cultural costs that were not regained; measures were erosive in the longer term and made people more vulnerable; or no measures were adopted at all.

[19] Watson, Charlene, and Liane Schalatek (2021). Climate finance regional briefing: Sub-Saharan Africa. Climate Funds Update.

This briefing note addresses three questions on climate finance in Africa: (i) Where does climate finance come from? (ii) Who receives the money? (iii) What is being funded? The GCF by a vast margin is the major source of climate finance for SSA, since its first project approvals occurred in late-2015. It is followed by the LDCF, and the GEF. Bilateral climate finance also flows to SSA, including funds from Germany, the United Kingdom and Norway, who are active in the region. A large share of climate finance for SSA is directed to South Africa, which has received 10 per cent of funding approved by the multilateral climate funds since 2003. Although 43 countries in SSA have received some funding, approximately half (48 per cent) of the region's approved funding has gone to the top 10 recipient countries. In 2020, the largest percentage (and number) of projects supported adaptation objectives, followed by mitigation, multiple foci, and REDD+.

[20] Yu, Huajun, and others (2020). From payments for ecosystem services to eco-compensation: Conceptual change or paradigm shift? *Science of the Total Environment*, vol. 700, 134627.

Since payments for ecosystem services (PES) was firstly defined in 2005, research works with various terminology, concepts and practices emerged. This article analyses the research patterns of PES studies through bibliometric methods, to trace the research patterns of various PES publications and understand the differences among them. The results show that PES started to receive considerable academic attention in 2005, and the number of PES publications have kept increasing since then. Results also reveal that China has been the geographical research hotspot while developing countries in general have shown growing academic interest in the past decade. Finally, "forest and carbon" PES was the most reported type of PES in the past 5 years.

While PES was initially created to achieve the goal of ensuring the sustainable supply of ecosystem services, it is increasingly considered as a potential tool for poverty alleviation, because the economic payments given to service providers can help to improve their well-being. PES as an instrument to both conserve nature and alleviate poverty is thus becoming increasingly popular, yet this argument needs more empirical support. As PES becomes a multi-objective policy, PES evaluation is becoming more needed to understand its multidimensional performance and the trade-offs between its different goals.

[a] Guzmán, Sandra, and others (2022). The state of climate finance in Africa: Climate finance needs of African countries. Climate Policy Initiative.

This brief reports that, while almost all African regions have expressed high climate finance needs as part of their NDCs, these could be underestimated due to a lack of data, capacity and guidance to make accurate assessments. The determination of climate finance needs brings some challenges at the national level, such as technical capacity, time investment, and complex coordination processes, that are not always easy to fulfil. Therefore, developing economies require support from the international community to pursue robust processes to make these assessments comprehensive and accurate.

First, the authors argue that the UNFCCC should develop guidance to support countries to determine and estimate their needs in a more comprehensive and robust way and through a bottom-up approach. Second, financial and non-financial support is needed to support countries in the process of determining their needs and to help them include both the perspective of governments (including at the subnational level) and non-governmental stakeholders (including local communities). South-South cooperation also represents a cooperation scheme that could improve the determination of needs. Finally, at the national level, the determination of needs can be improved by creating an enabling environment, which involves strengthening institutions, regulations, policies and transparency frameworks.

[b] Adaptation Fund (2020). *Study on readiness and capacity building for direct access to adaptation finance*. Report.

This study was produced within the AF Medium-Term Strategy 2018–2022 and examines how readiness and capacity building for direct access are understood and provided. While climate financing has historically mostly flowed to multilateral institutions acting as international intermediaries to climate action, there is now a need for increased ownership by recipient countries. In this context, the AF pioneered a new approach for accessing funds via “direct access”, which the GCF then adopted as well, whereby countries access financing directly, without an international intermediary.

Developing countries have varying and usually limited capacity for dealing with the many challenges of accessing and managing climate finance. Readiness consists in the improvement of countries’ capacities to plan for, access, and deliver climate finance specifically, as well as monitor and report on expenditures. To date, only a fraction of the world’s countries, institutions and organizations are benefitting from the readiness and capacity building support often required to enable effective climate change adaptation action. Among recommended actions and to enhance greater coherence and complementarity in the delivery of readiness and capacity building, the AF and GCF might consider jointly providing additional tools, training and other forms of support to entities seeking to understand and pursue fast-track accreditation.

[c] United Nations Environment Programme (2021). *Adaptation Gap Report 2021: The gathering storm – Adapting to climate change in a post-pandemic world*. Nairobi.

This report is the sixth edition of the UNEP Adaptation Gap Report (AGR2021). AGR2021 provides an update on current actions and the emerging results of adaptation planning, financing and implementation worldwide. All three elements are deemed critical for tracking and assessing progress towards the global goal on adaptation.

<u>Planning:</u> The report shows that countries have made consistent progress in developing adaptation planning instruments, across almost all indicators of adequate and effective adaptation planning. On the other hand, progress is mixed for M&E. While 26 per cent of countries have M&E systems in place and another 36 per cent are in the process of developing a system, only 8 per cent of countries have evaluated their adaptation plans. This is frequently attributed to the lack of financial, human and technical resources.

<u>Financing:</u> New estimates from developing countries suggest that the adaptation finance gap is widening, due to adaptation costs and finance needs being higher and funding flows remaining stable or decreasing. A sectoral analysis of submissions based on a worldwide sample with a larger proportion of African countries reveals that the four sectors of agriculture, infrastructure, water, and disaster risk management make up three-quarters of quantified adaptation finance needs so far. This evidence means there is an urgent need to scale up and further increase public adaptation finance both for direct investment and for overcoming barriers to private sector adaptation.

<u>Implementation:</u> Implementation of adaptation actions is continuing to grow slowly worldwide. Regional disaggregation shows that adaptation initiatives are concentrated in Eastern, Southern and Western Africa, South and Southeast Asia, and parts of South America. The limited data on the effectiveness of adaptation activities for reducing climate risk, combined with the escalating impacts documented in the most recent IPCC assessment report, implies that current implementation rates may not keep pace with increasing levels of climate change.

The COVID-19 pandemic and climate change have created compound risks that negatively affect the adaptive capacity of governments, communities and societies, particularly in developing countries. Advanced economies have a clear role to play in helping developing countries that are both vulnerable to climate change and have suffered the economic consequences of the pandemic through concessional finance and debt relief.

[d] Intergovernmental Panel on Climate Change (2022). ***Climate change 2022. Mitigation of climate change***.

The Working Group III (WGIII) contribution to the IPCC's Sixth Assessment Report (AR6) assesses literature on the scientific, technological, environmental, economic and social aspects of mitigation of climate change. Average annual GHG emissions during 2010–2019 were higher than in any previous decade, but the rate of growth between 2010 and 2019 was lower than that between 2000 and 2009. LDCs and SIDS have much lower per capita emissions than the global average.

Several mitigation options are becoming increasingly cost effective, which enables deployment in many regions. However, tracked financial flows fall short of the levels needed to achieve mitigation goals across all sectors and regions, with larger gaps in developing countries. Scaled up public grants for mitigation and adaptation funding for vulnerable regions, especially in SSA, would be cost effective and have high social returns in terms of access to basic energy. Options for scaling up mitigation in developing regions include increased levels of public finance and publicly mobilized private finance flows from developed to developing countries; increased use of public guarantees to reduce risks and leverage private flow at lower cost; development of local capital markets; and building greater trust in international cooperation processes. A coordinated effort to make the post-pandemic recovery sustainable, and increased flows of financing over the next decade, can accelerate climate action in developing regions.

[e] Omukuti, Jessica, and others (2022). The Green Climate Fund and its shortcomings in local delivery of adaptation finance. *Climate Policy*.

This article assesses GCF's commitment to the local delivery of adaptation finance and identifies the key barriers to GCF's achievement of this commitment. Data were collected through a review of GCF documents as well as 32 semi-structured interviews with representatives of institutions working with and for the GCF. Results show that GCF's procedures and practices are not adequately suited to deliver finance to the local level. The analysis identifies three barriers to the GCF's local delivery of its adaptation finance commitment.

First, GCF lacks a framework for defining the local level. Consequently, AEs apply subjective and inconsistent definitions of the local level to projects, with local consultation conflated for local engagement. GCF needs to develop and adopt a unified framework for guiding and measuring the delivery of adaptation finance to the local level with emphasis on local actor control over allocation and use of finance.

Second, GCF has low transparency and accounting for spending on local adaptation, and accounting processes fail to capture information on local spending. GCF should ensure that AEs implementing FPs provide detailed accounts of project implementation.

Third, GCF's AEs lack the capacity to generate vertical linkages with the local level. This is because GCF's accreditation process seeks out entities that have the capacity to manage GCF funds but not capacity to work at the local level. GCF can use its "readiness" support funds to strengthen partner capacity to deliver finance to the local level.

[f] Brown, Oli, Anne Hammill and Robert McLeman (2007). Climate change as the 'new' security threat: implications for Africa. *International Affairs*, vol. 83, issue 6, pp. 1141-1154.

This article discusses the link between climate change and international peace and security. Climate change threatens water and food security, the allocation of resources, and coastal populations, which in turn could increase forced migration, raise tensions and trigger conflict. Africa is the region seen as most likely to suffer these worst effects.

The issue of the security implications of climate change has generated a growing interest from decision makers in the subject. There may be two reasons for this. First, it is becoming increasingly clear that future climate change threatens to exacerbate existing drivers of conflict in a way that could reverse development. Second, it is widely believed that reducing global emissions requires the United States and the large developing country emitters to do their part. Appealing to the security concerns of these countries presents a tactic for gathering additional support for a GHG emissions reduction strategy.

[g] Michaelowa, Axel, and Katharina Michaelowa (2005). Climate or development: Is ODA diverted from its original purpose? HWWI Research Paper, No. 4-2. Hamburg: Germany: Hamburgisches WeltWirtschaftsInstitut (HWWI).

This research document analyses the interaction between climate and development policy that has taken place since the early 1990s, to assess whether climate policy related aid financing is used in conformity with the major development objectives. Dissatisfaction about the outcomes of traditional development aid and the appeal of climate policy led to a reorientation of aid flows, resulting in 7.2 per cent of total bilateral ODA being allocated to climate change related activities between 1998 and 2000.

However, the contribution of mitigation projects to poverty reduction is limited. An analysis of the CDM shows that projects addressing the poor directly are very rare; even small renewable energy projects in rural areas tend to benefit rich farmers and the urban population. Adaptation projects can be expected to have higher synergies with poverty reduction than mitigation, primarily through their impact on health, land conservation, and protection against natural disasters.

[h] Klein, Richard J. T., and others (2007). Portfolio screening to support the mainstreaming of adaptation to climate change into development assistance. *Climatic Change*, vol. 84, pp. 23-44.

This article aims to contribute to the understanding of the mainstreaming of climate change adaptation into ODA. To do so, the authors assess how six development agencies have screened their project portfolios between 1999 and 2007. Typically, development agencies screen their portfolios to, (i) ascertain the extent to which their existing development projects already consider climate risks or address vulnerability to climate variability and change, and (ii) identify opportunities for incorporating climate change explicitly into future projects. The screenings of development agencies' projects and programmes have shown that climate change was almost absent from the agencies' activities, and only framed as an issue of mitigation. The screenings undertaken have shown the need to take a comprehensive approach to adaptation and its integration into development planning and sectoral decision making.

[i] Lisk, Franklyn (2009). *Overview: The current climate change situation in Africa. In Climate change in Africa. Adaptation, mitigation and governance challenges*. GIGI special report.

This chapter explores the link between climate change and socioeconomic conditions and poverty, and examines the different pathways through which climate change affected Africa's development, prior to the UNFCCC Copenhagen Conference. Up until this point, existing adaptation mechanisms and resources under the Kyoto agreement had been directed at limiting carbon emissions. However, for Africa, the immediate need was to ensure that the current impacts of climate change on its economies and populations were recognized and incorporated in a development agenda. Pathways through which climate change affects development include agriculture and food security, health, forced migration, conflict and energy.

The author concludes on a few recommendations. First, African leaders and policy makers should address climate change as a development issue. Second, Africa should develop capacity for research and data collection, to monitor climate change impacts and formulate appropriate policies. Third, climate change adaptation funds should respond to the objectives of the Paris Declaration on Aid Effectiveness. Fourth, innovations in global governance should secure equity between those most responsible for climate change and those who have contributed the least.

[j] Masullo, Indira, and others (2015). Direct access to climate finance: Lessons learned by national institutions. Working paper. World Resources Institute.

This working document provides an overview of some of the key lessons emerging from countries seeking direct access to finance from the AF or the GCF, by exploring the experiences to date of national institutions that have been accredited by either of these two funds. Informed by interviews with representatives of accredited institutions and other relevant stakeholders, the paper focuses on approaches that these institutions have taken to plan for, access, and use finance received through direct access.

The authors explore lessons learned from the three main stages in direct access: preparing for engagement, securing accreditation, and creating and implementing appropriate projects. First, representatives from national institutions emphasize that countries benefit from having a clear national strategy and strong institutions for addressing climate change before seeking direct access. Second, interviewees emphasize the value of ensuring full buy-in from the senior level, and investing in the institution's capacity to ensure that it can live up to the funds' standards. Third, in terms of preparing and implementing projects, institutions suggest focusing on projects that align with the priorities of the relevant fund, country, national implementing entity, and stakeholders. National institutions also

emphasize the value of continuously engaging a variety of stakeholders, and of monitoring and evaluating impacts in order to adapt to change.

[k] Independent Evaluation Unit (2018). *Independent evaluation of the Green Climate Fund's Readiness and Preparatory Support Programme*. Final report. Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

This report reviews the implementation processes of the RPSP from its beginning through 2018 and makes recommendations for improving alignment with the objectives of the RPSP as well as for enhancing effectiveness, efficiency, country ownership and the likelihood of sustained impact. The evaluation is based on a review of relevant documents, an online survey as well as 362 interviews and FGDs with relevant stakeholders.

The evaluation finds notably that the RPSP is an important programme offered to countries to empower them to manage their climate change mitigation and adaptation activities towards realizing the objective of country ownership. LDCs, SIDS and some African countries might need to receive readiness support over a longer period and in more flexible ways, whereas more economically and institutionally developed countries should benefit from support for elaborating projects, cooperating with the private sector, and for scaling up their achievements. In all cases, strong leadership and commitment from the NDA as well as support from government authorities are required to progress and enable concrete actions on the ground.

[l] World Bank (2019). Financing climate change adaptation in transboundary basins: Preparing bankable projects. Washington, D.C.

This report presents the challenges and opportunities that countries in Africa face when seeking to access financial resources for climate adaptation in a transboundary river basin context. It aims to provide a better understanding of available climate financing in transboundary contexts, and gives recommendations on how to prepare bankable projects to serve as a guide to successfully accessing these resources. While working cooperatively in transboundary contexts is critical to supporting successful adaptation and mitigation strategies, financing mechanisms available to address climate change are not all designed to support transboundary development approaches, and options for transboundary projects are limited when compared with those available to individual states.

Transboundary contexts also bring additional risks to a project, which may limit climate funds' willingness to implement transboundary projects. For instance, transboundary projects often have higher transaction costs and tend to take more time because endorsement from all involved countries is usually needed by the climate funds and MDBs. Implementation can be more complex because transboundary organizations, for example RBO in Africa, often cannot receive direct funding and may lack the required legal and financial status and capacity to manage complex projects. On the other hand, the transboundary context offers some risk mitigation tools not available in single country projects, such as existing cooperation agreements and risk sharing.

[m] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2018). Summary for policymakers of the regional assessment report on biodiversity and ecosystem services for Africa. Bonn, Germany.

This assessment is a synthesis of the state of knowledge on biodiversity and nature's contributions to people in Africa. It is based on evidence from peer-reviewed and grey literature, and indigenous and local knowledge. The assessment aims to provide the foundation for a dialogue across stakeholders involved in African development and seeks to understand policy options for decision makers to manage biodiversity and nature's contributions to people under different future scenarios.

In Africa, rich and diverse ecosystems generate flows of goods and services that are essential for the continent such as food, water, energy, and health, that contribute to the economy and are central to a multitude of livelihood strategies. Africa's biodiversity is an asset for the achievement of the SDGs and can be used to reduce inequality and poverty on the continent. While the number of studies on the valuation of ecosystem services in Africa is still relatively low, Africa has opportunities to realize the benefits of having such rich biodiversity and to explore ways of using it in a sustainable manner to contribute to its economic and technological development. Mainstreaming biodiversity and ecosystem services into policies and actions is essential to take advantage of these opportunities.

Other references

African Group of Negotiators on Climate Change (n.d.) Homepage. Available at https://africangroupofnegotiators.org/.

Alliance of Small Island States (n.d.) Homepage. Available at https://www.aosis.org/.

Least Developed Countries Climate Change (n.d.) Overview. Available at https://www.ldc-climate.org/about-us/overview/.

United Nations Framework Convention on Climate Change (n.d.) Introduction to Climate Finance. Available at https://unfccc.int/topics/climate-finance/the-big-picture/introduction-to-climate-finance.

World Bank (2022). FY23 List of Fragile and Conflict-affected Situations. Available at https://thedocs.worldbank.org/en/doc/69b1d088e3c48ebe2cdf451e30284f04-0090082022/original/FCSList-FY23.pdf.

Annex 4. SURVEY RESULTS

A. RESPONDENT AND ORGANIZATIONAL PROFILE

Respondent profile

27 responses; 10 respondents answered all survey questions.

- 41 per cent female, 37 per cent male, 7 per cent non-binary; 15 per cent preferred not to answer
- 59 per cent (16/27) took the survey in French

Organizational profile of respondents

- 48 per cent work only in a single country in Africa; 30 per cent work only in Africa in multiple countries; 22 per cent work internationally, including in Africa
- Varying degrees of knowledge and experience with the GCF and its processes: 26 per cent little or none; 44 per cent moderate; 30 per cent extensive
- Vast majority of respondents are from organizations with a focus on gender issues: 1 focused only on gender; 24 do work that includes this focus; 2 do not work on gender
- 7/27 or 26 per cent of respondents were from organizations that do not work on indigenous issues; 1 only focuses on indigenous issues and 19 include this focus amongst others
- 4/23 respondent organizations were accredited observers; 5/23 were applying for this status; 14/23 were neither
- 20/23 respondents have never played executing entity role on a GCF project/programme
- 18/23 have not participated as an observer at GCF Board meetings nor at regional structured dialogues
  - Of the 5 that had participated in either or both, 3/5 felt CSO engagement at these forums was meaningful to a minor extent, 2/5 to a moderate extent

Respondents' familiarity with GCF's work in various countries

All countries mentioned in responses (note that up to three countries could be listed, but it is possible respondents worked in others as well): Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Ghana, Guinea, Kenya, Malawi, Mali, Morocco, Nigeria, Rwanda, Senegal, Somalia, South Africa, Togo.

Countries where GCF's work was most familiar amongst respondents:

- Cameroon (8 respondents)
- Kenya (5 respondents)
- Côte d'Ivoire (5 respondents)
- Nigeria (5 respondents)
- Senegal (4 respondents)
- Chad (4 respondents)
- Burkina Faso (4 respondents)

Throughout the analysis below, when respondents are described as being most familiar with the GCF's work in an FCV state, LDC, or others, this is referring to the classification of the country they listed as their primary country of familiarity (note that no SIDS were listed as primary countries of familiarity).

- 12 respondents primarily familiar with FCV states, 11 with LDCs, 0 with SIDS, 12 with low-middle income countries (LMICs), and 11 with low income countries (LICs)

B. Survey responses

Box A - 4.1. Key messages from open-ended questions

The dominance of the English language is an obstacle for CSO participation in non-Anglophone countries.

- GCF guidance and requirements related to national level engagement and consultation with CSOs is limited, and should be developed further.
- CSOs wish to be more actively involved in national level GCF activities, from informing country programmes through to project design, implementation and monitoring.
- GCF processes are such that accessing GCF funds is very difficult for CSOs and CBOs. GCF should consider creating a micro-project window for increased accessibility of CSOs/CBOs.
- Information about GCF projects should be more transparent and widely disseminated at local levels.
- GCF projects are largely implemented by international AEs, whereas this should be undertaken by DAEs. Accreditation processes should favour DAEs, so they could implement projects of national relevance.

NDAs/focal points need better guidance (e.g., terms of reference, guidance notes on best practices, etc.) and support (e.g., readiness) from the GCF, to ensure they more effectively assume their responsibilities.

Q1. Please select a category that best describes your organization’s focus.

Answer choice	Responses	
We work internationally, including in Africa	22.22%	6
We work only in Africa, in multiple countries	29.63%	8
We work only in a single country in Africa	48.15%	13
We do not work in Africa	0.00%	0
TOTAL		27

Q2. How would you rate your organization’s level of knowledge of, and experience with, the GCF and its processes?

Answer choice	Responses	
Little or no knowledge and/or experience	25.93%	7
Moderate knowledge and/or experience	44.44%	12
Extensive knowledge and/or experience	29.63%	8
TOTAL		27

Q3. Does your organization include a focus on gender-equality, women's rights and/or women's empowerment issues?

Answer choice	Responses	
Yes, our organization only focuses on gender issues	3.70%	1
Yes, our organization includes a focus on gender issues along with other areas	88.89%	24
No, our organization does not work on gender issues	7.41%	2
TOTAL		27

Q4. Does your organization include a focus on indigenous rights or issues that affect indigenous peoples (including tribal communities, nomadic communities and other marginalized ethnic communities)?

Answer choice	Responses	
Yes, our organization only focuses on indigenous issues	3.70%	1
Yes, our organization includes a focus on indigenous issues along with other areas	70.37%	19
No, our organization does not work on indigenous issues	25.93%	7
TOTAL		27

Q5. To which gender identity do you most identify (note: responding will allow for gender-disaggregated analysis)

Answer choice	Responses	
Female	40.74%	11
Male	37.04%	10
Non-binary	7.41%	2
Prefer not to answer	14.81%	4
TOTAL		27

Q6. Please list up to three countries in Africa for which you are most familiar with GCF's work?

Primary country	Secondary country 1	Secondary country 2
Morocco	Senegal	Côte d'Ivoire
Kenya		
Somalia	Kenya	Cameroon
Egypt		
Morocco	South Africa	Egypt
South Africa	Gabon	Nigeria
Cameroon	Senegal	Côte d'Ivoire
Malawi	Kenya	Senegal

Primary country	Secondary country 1	Secondary country 2
Chad	Côte d'Ivoire	Guinea
Chad	Cameroon	Nigeria
Burkina Faso	Côte d'Ivoire	Benin
Burkina		
Cameroon	Chad	Nigeria
Uganda		
Togo	Benin	
Cameroon	Chad	Nigeria
Mali	Cameroon	Burkina Faso
Mali	Burkina Faso	Rwanda
Morocco	Senegal	Cameroon
Ghana		
Ghana	Togo	Nigeria
Kenya		
Cameroon	Côte d'Ivoire	Central African Republic
Ethiopia	Kenya	Somalia

Q7. Is your organization an accredited observer or applying for GCF observer status?

Answer choice	Responses	
Yes, we are an accredited observer	17.39%	4
Yes, we are applying for observer status	21.74%	5
No, we are neither an accredited observer nor applying for observer status	60.87%	14
TOTAL		23

Q8. Has your organization ever played the role of EE on a GCF programme/project?

Answer choice	Responses	
Yes	13.04%	3
No	86.96%	20
TOTAL		23

Q9. Have you ever participated as an observer at GCF Board meetings or regional structured dialogues (annual regional meetings organized by GCF)?

Answer choice	Responses	
Yes, as an observer at GCF Board meetings	13.04%	3
Yes, at annual regional structured dialogues	4.35%	1
Yes, at both	4.35%	1

Answer choice	Responses	
No, I have not participated in either	78.26%	18
TOTAL		23

Q10. Rate the extent to which you felt CSO engagement at either of these forums has been meaningful. (If answered yes on Q9.)

Answer choice	Responses	
Little or not at all	0.00%	0
To a minor extent	60.00%	3
To a moderate extent	40.00%	2
To a major extent	0.00%	0
TOTAL		5

Q11. What can GCF do to enhance CSO formal engagement with the GCF?

Of the five respondents who had observed GCF Board meetings or regional structured dialogues, there was strong emphasis on early, systematic and mandatory engagement with CSOs (3), as well as putting in place local M&E mechanisms to continue this engagement (2).

- *«Mettre en place des mécanismes de suivi et d'évaluation par les associations locales pour les projets qu'ils financent»*
- "…When CSO observers are engaged, it is usually late in the process. There is no systematic outreach to CSOs already in a concept/design stage of proposals. Also, while there is some engagement in the lead-up to Board decisions on funding proposals, usually there is very little follow up/informational engagement once a funding proposal has been approved. There are also no clear provisions for participatory monitoring of project implementation prowess. On the country level, there is no organized engagement/consultation/information-sharing by the country NDA with civil society organizations as country ownership guidelines leave it essentially up to the NDA how much they want to engage. The obligation to engage needs to be made much clearer. For example, the GCF should not accept country programmes of countries which do not document a clear and comprehensive stakeholder engagement process including CSOs."
- "To actually engage CSOs systematically in consultations during policy and guidance development, outside of formal Board meetings, and not only occasionally."

From all responses, emerging themes included:

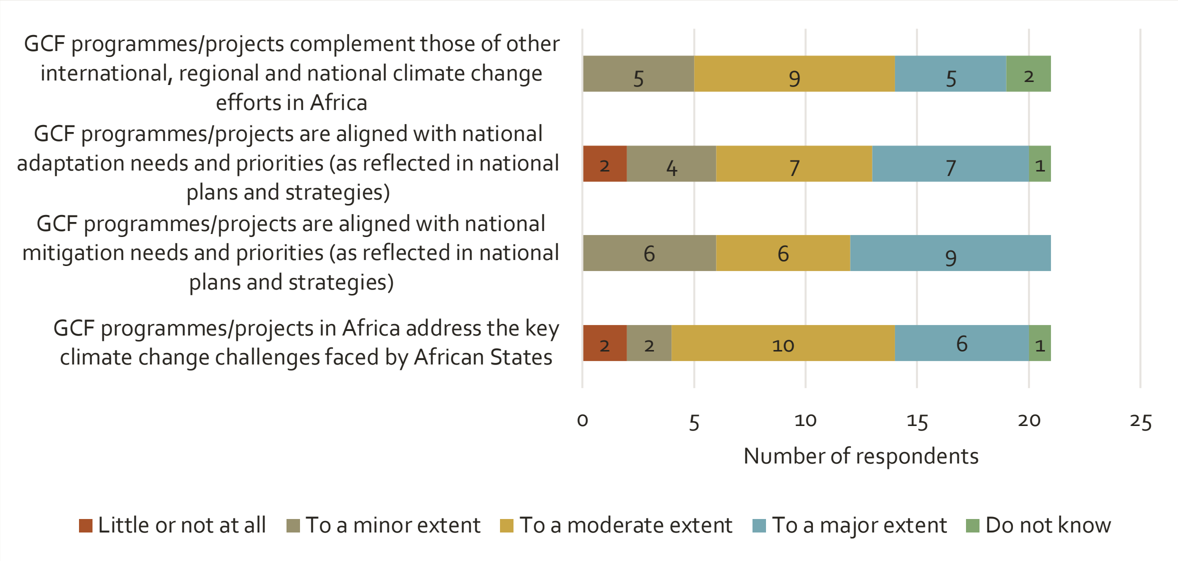
- Increase direct engagement with CSOs (7/20 responses touched on this), with the proposed creation of obligations/requirements for this engagement in order to access funding. All three responses from respondents who were from accredited observer organizations emphasized this need for better engagement through independent and systematic consultation with CSOs.
  - "There is no systematic outreach to CSOs already in a concept/design stage of proposals. Also, while there is some engagement in the lead-up to Board decisions on funding proposals, usually there is very little follow up/informational engagement once a funding proposal has been approved… On the country level, there is no organized engagement/consultation/information-sharing by the country NDA with civil society

organizations as country ownership guidelines leave it essentially up to the NDA how much they want to engage. The obligation to engage needs to be made much clearer."

- "For example, the GCF should not accept country programmes of countries which do not document a clear and comprehensive stakeholder engagement process including CSOs."
- *«Conditionner la validation des projets portés par les entités accrédités internationales par l'intégration d'au moins une OSC [organisation de la société civile] locale africaine comme entité d'exécution.»*
- "Let CSOs participate in the mainstream GCF architecture as key stakeholders."
- "To actually engage CSOs systematically in consultations during policy and guidance development, outside of formal Board meetings, and not only occasionally."
- "GCF consult CSOs independently at the country level regarding its interest in respective countries. Doing this through government AEs or multilateral agents has not held effective engagement with CSOs at the country level."

- Improve accessibility and clarity of GCF information and procedures (7/20).
  - "Better access to information about the GCF projects to allow CSOs to properly engage in monitoring the GCF projects in the country."
  - *«Organiser des séminaires d'information et de formation des OSC sur le FVC [Le Fonds Vert pour le Climat] et leur rôle pour le suivi-evaluation de sa mise en œuvre.»*
  - "More transparency on the part of the GCF would also help, as it would allow CSOs to have the information required to do their work, including access to restricted project information as well as the Board, amongst others."
- Building capacity within CSOs (4/20), mentioned both broadly and in terms of capacity to engage with GCF application procedures.
  - "Capacity strengthening on how to negotiate GCF funds, implement GCF funds, reporting, tracking GCF funds in the country, impact of GCF funds on target population and how to prepare for accreditation/observer position."
  - *«Organiser des séminaires d'information et de formation des OSC sur le FVC et leur rôle pour le suivi-evaluation de sa mise en œuvre.»*
- Prioritize establishing and continuing M&E efforts (5/20), particularly at the local and CSO level.
  - *«Mettre en place des mécanismes de suivi et d'évaluation par les associations locales pour les projets qu'ils financent»*
  - *«Organiser des séminaires d'information et de formation des OSC sur le FVC et leur rôle pour le suivi-evaluation de sa mise en œuvre.»*

Q12. To what extent do each of the following statements about the GCF hold true for you?



Q13. How might GCF programmes/projects be better aligned with the needs and priorities of diverse African States, including those that are LDCs, SIDS, and/or FCV societies?

Context from related close-ended question:

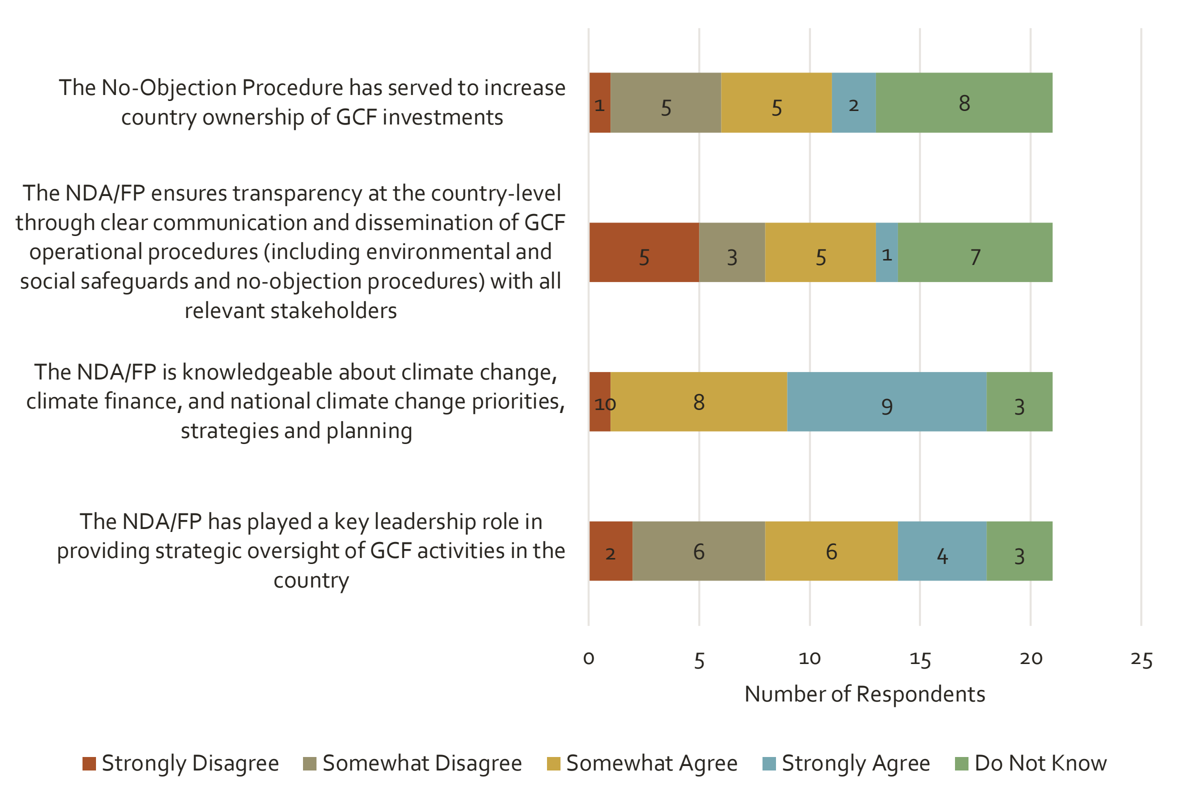
- Of the 12 respondents who were primarily familiar with the GCF's work in an FCV country: 5 felt GCF programmes/projects showed complementarity to a major extent; only 3 felt there was alignment with national adaptation needs and priorities to a major extent, with 1 indicating a minor extent of alignment and 1 indicating little to none.
- Of the 12 FCV-familiar respondents, 2 were primarily familiar with the GCF in Mali and felt there was a "major extent" of alignment with national mitigation needs, adaptation needs, and complementarity with other international, regional, and national climate change efforts in Africa.
- 3 respondents were from organizations that had played the executing entity role, and 2/3 of these were primarily familiar with the GCF's work in Chad. These respondents indicated only a minor or moderate extent of alignment and complementarity.
- Of the 9/21 respondents who felt there was a major extent of alignment between the GCF's work and national mitigation needs and priorities, 3/9 were most familiar with GCF's work in LDCs and 5/9 were most familiar with GCF's work in an FCV country.

Responses to Q13:

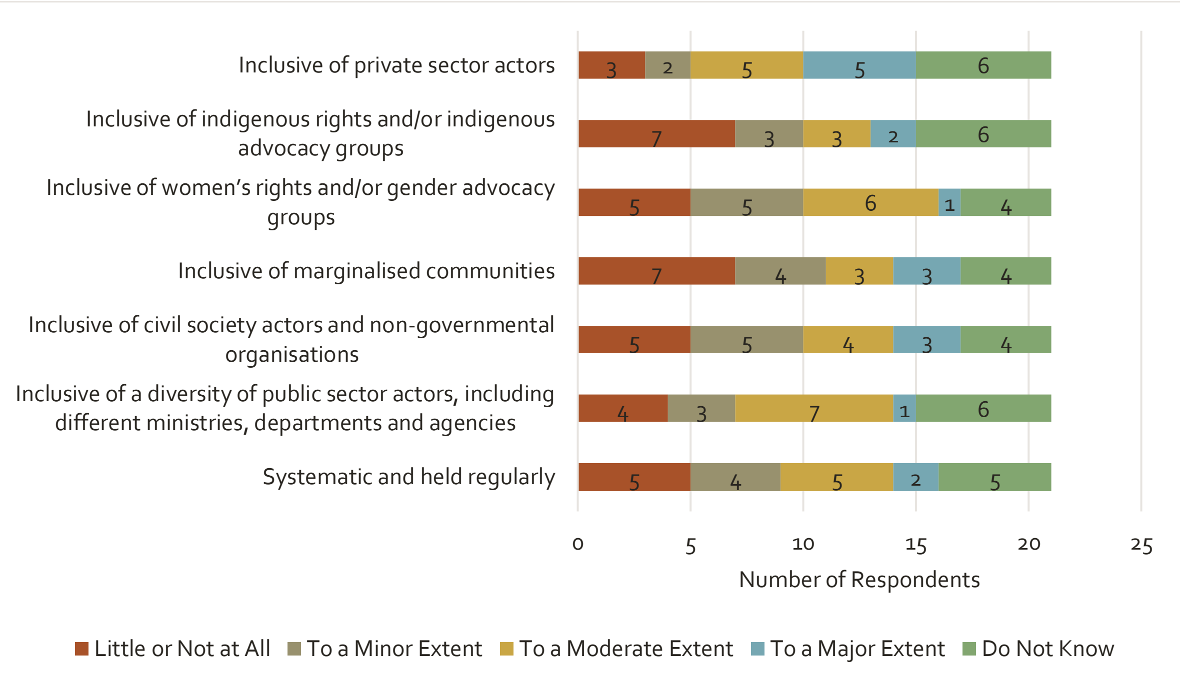
- Increase involvement of local level actors, including CSOs, in project design and implementation. (6/15 respondents mentioned this, 3 of whom were most familiar with GCF's work in FCV states).
  - "It would be important to more directly and more targeted involve service providers for local level benefits and communities, including through actors such as cooperatives and CSOs vs. the current focus on financial intermediation via banking institutions."
  - "The GCF should localize their projects to be implemented by local NGOs and CBOs."
  - *«La priorité devrait être donnée aux entités accrédités directs ainsi qu'aux projets portés par ces derniers, et non pas aux projets des entités accrédités internationaux.»*

  - "Increased consultation with local stakeholders to co-identify climate needs and align accordingly with national and international priorities."
  - "Recruit more backs [CSOs/states] in GCF decision making table with gender lens so as to bring practical context and critical experiences and issues to discussion table."
- Focus on clearer and more direct community level outcomes and impact, rather than relying on "trickle down" benefits (3/15).
  - "Overall, adaptation projects, including those that focus on food and water security, health and basic service provision as a basis for building resilience should be focused on stronger with more clear and direct outcomes for communities. Many of the projects are heavily intermediated (finance provision for local financial institutions that might provide finance for activities that might support direct local benefits) but with a priority focus of the financial tool and not the intended direct benefits/outcomes (a 'trickle down' understanding that falls short of needs)."
  - *«…les activités génératrices des revenus pour les populations locales.»*
  - "Plan practical projects for vulnerable communities, implement, monitor, track change and report."
- Improve consideration for and adaptation to the local context and reality of each country, including increasing inclusivity through flexibility (6/15).
  - *«Faciliter l'acces au financement pour les pays pauvres utiliser la langue francaise pour les pays francophones»*
  - *«Ces programmes et ces projets doivent intégrer les réalités propres à chaque localité…»*
  - "Revise terms and conditions for accreditation for CSOs and governments/states."
- Prioritize focus on adaptation projects best suited to priorities of African countries.
  - *«En outre, les projets d'adaptation devraient recevoir plus d'attention que les projets d'atténuation ou transversaux, compte tenu des besoins et des priorités des différents États africains qui sont plus orientés vers l'adaptation»*

Q14. NDA/focal points play an important role in ensuring ownership at the country level and enhancing stakeholder engagement. With regard to African States, and specifically the country or countries with which you are most familiar regarding GCF activities, please rate the extent to which you agree with the following statements about NDAs/FPs.



Q15. To what extent has the NDA/FP convened/facilitated national consultation processes that are:



Q16. How might the NDA/FP role be improved (in your country or more broadly)?

Context from related close-ended questions:

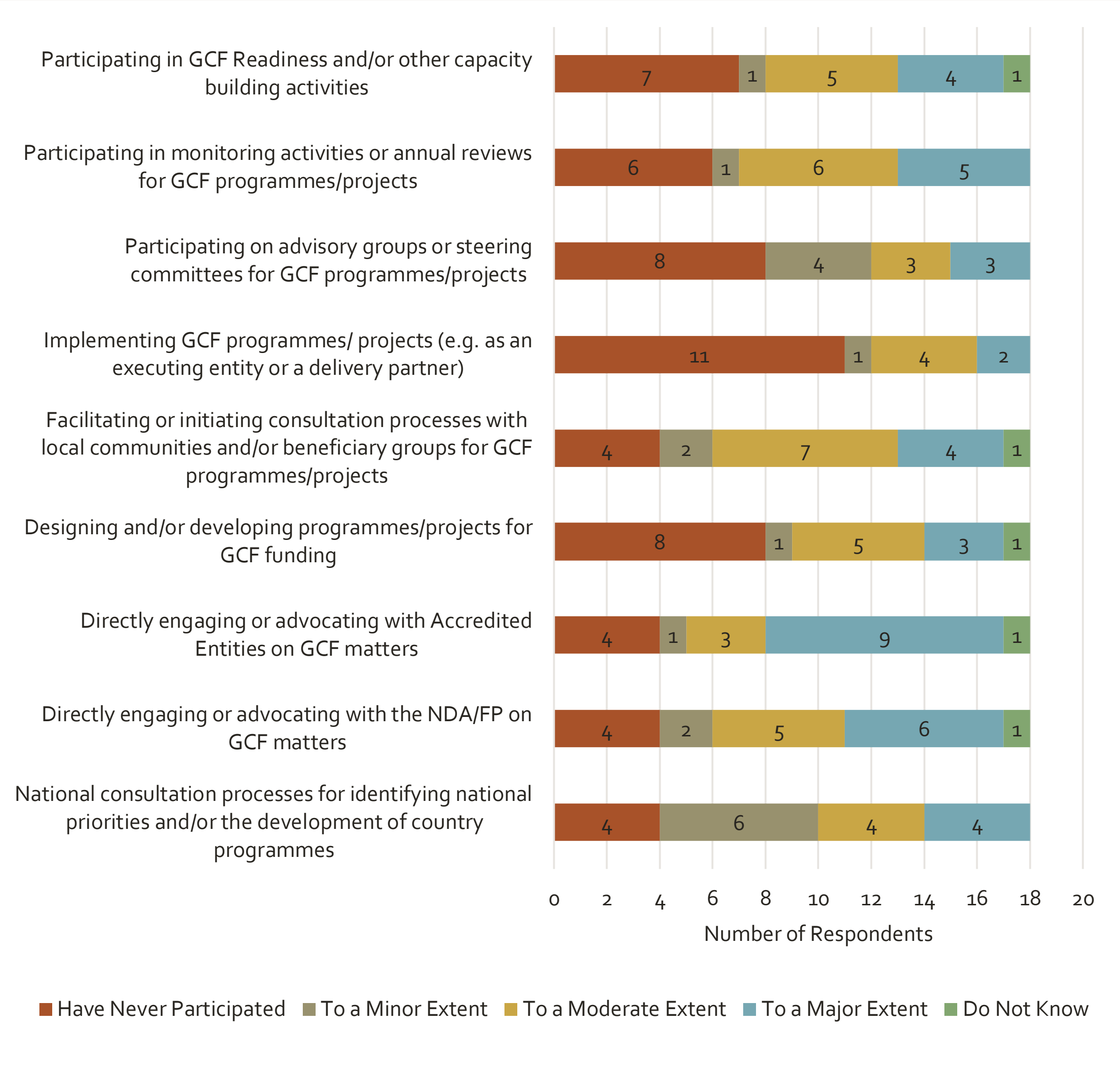
- 7/21 respondents felt that NDA/FP consultation processes were only a "little or not at all" inclusive of indigenous rights and/or advocacy; of these, 5/7 respondents were from organizations that included a focus on indigenous issues.
- 5/21 respondents were from organizations that included a focus on gender issues and found that NDA/FP consultation processes were only a "little or not at all" inclusive of women's rights and/or gender advocacy groups.
- 11/21 respondents were primarily aware of the GCF's work in an FCV country; of these, 5/11 agreed to some extent that the NDA/FP has played a key leadership role in providing strategic oversight of GCF activities in the country; 4/11 disagreed to some extent; 2/11 did not know.
- 9/21 respondents were primarily aware of the GCF's work in an LDC; of these, 5/9 agreed to some extent that the NDA/FP has played a key leadership role in providing strategic oversight of GCF activities in the country; 2/9 disagreed to some extent; 2/9 did not know.

Respondents felt that the NDA/FP role could be improved through better communication efforts (3/14) both internally and externally, increased and improved local and CSO stakeholder participation and orientation (3/14), as well as stronger accountability mechanisms such as performance appraisals, reporting, and independent monitoring (3/14).

- Communication:
  - "Focal points have a key role to: (i) Facilitate that the communication to the competent authorities reaches the right level; (ii) Follow up on requests sent by the secretariat or office holders; and (iii) Pass information from the country to the Convention secretariat or its office holders."
  - *«L'AND/PF [L'autorité nationale désignée/point focal] doit créer des plateformes de communication sur les réseaux sociaux pour diffuser l'information sur leur travail.»*
- Better stakeholder engagement:
  - "Readiness support should include a default amount for local stakeholder engagement and mobilization. NDAs should produce specific reports for their stakeholder engagement activities. NDAs should be further structured to have a committee represented by CSOs, private sector, AEs, research institutions and media, to mention but a few."
  - "Again, there is quite some variability between NDAs, so the GCF should try to provide support, but also do what it can to ensure real stakeholder participation, including focus on gender, indigenous peoples and other vulnerable groups."
- Accountability:
  - "GCF should put in place performance appraisal mechanisms to push NDAs to perform their duties… This peripheral committee should have terms of references which advance institutional representation and accountability for national GCF activities and processes."
  - "Tasked to conduct monitoring of GCF projects in-country as a major role and report independently of the AE and implementing entities."

Note that no strong trends were evident by country classification or accredited observer status.

Q17. Please rate the extent to which your organization has been involved in the following activities or processes:



Q18. What are key challenges your organization has faced in engaging in GCF activities or processes? How might the participation of CSO and NGO stakeholders (including in GCF activities or processes) be improved?

Half (6/12) of responses touched on the need for the GCF to systematically and intentionally increase engagement of CSOs through improved consultation, methods, and the implementation of plans for their involvement in activities. Access to information (3/12) and issues in transparency (2/12) were noted as key challenges and barriers preventing this engagement, with the predominance of the English language in GCF work also being mentioned. 7/12 respondents were from organizations that are neither accredited observers nor applying for this status – of these, 6/7 mentioned a lack of access to information and direct efforts to engage CSOs in GCF activities.

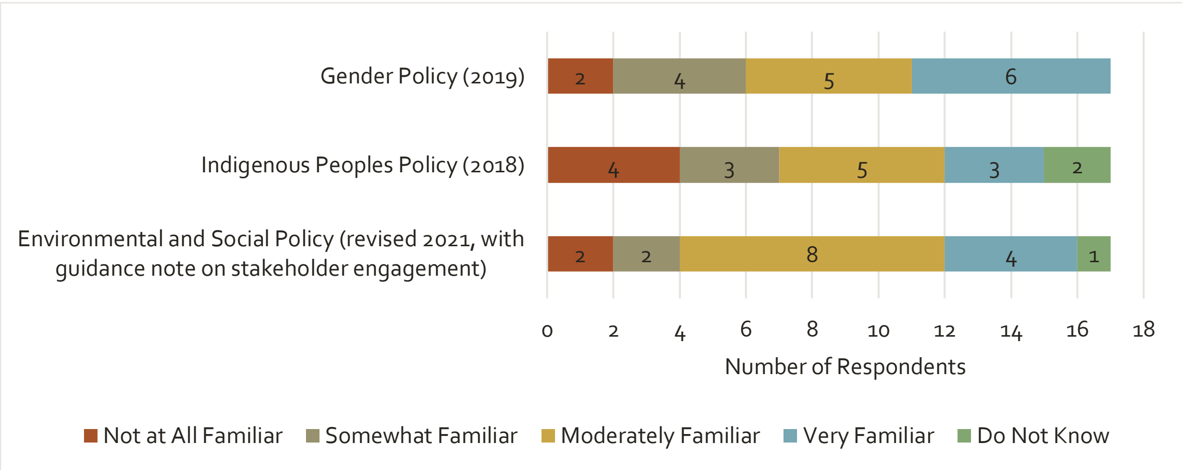
- Improve processes and efforts for engagement with CSOs.
  - "Also, real participation in consultations processes while developing policies and guidance. At the national level, a clearer and more structured guidance and requirements

to ensure NDAs and AEs actually engage meaningfully with stakeholders, especially vulnerable groups, during national planning processes, FP development and project/programme implementation."

  – "GCF processes are largely driven by public institutions. As such, the public sector is running the show leaving out the other players like CSOs and private sector which are equally critical in delivering the GCF objectives. The NDA and other GCF implementing institutions have been discrete in their operations and CSOs and private sector are literally being closed out of the processes."
  – "No systematic plan to engage in GCF discussions, staff are on and off the discussion tables because of short term projects. Therefore, risk losing track of progressive discussions and knowledge base. No systematic and consistency in planning to be accredited and or search for networks/allies to apply for GCF funds."
  – "NDA increased the stakeholder base during consultation and disseminate important GCF information more frequently among CSOs."

- Key barriers
  – "More transparency is certainly the first step, including sharing of more complete information of FPs and APRs."
  – *«Accès à l'information…Barrière de la langue (l'anglais étant la langue de travail du FVC)»*
  – *«FVC doit mettre l'accent sur la communication et l'information pour permettre aux OSC et aux ONG [organisation non gouvernementale] de participer aux activités.»*

Q19. What is your organization's level of familiarity with each of the following GCF policies addressing inclusion?



Q20. To what extent do the following statements on inclusion and stakeholder engagement in relation to GCF programme/project-related processes (i.e. related to national and/or regional project development, implementation and/or monitoring) hold true for you?

Q21. How might the participation of local communities, including women and girls, indigenous communities and other marginalized groups in GCF processes be improved in African States?

There was consistent emphasis on the need for this diversified participation, with respondents outlining various approaches to obtain and increase engagement across all groups. More direct, locally led efforts were highlighted, with 5/13 responses mentioning a need for better involvement of community level organizations and 4/13 responses noting the importance of local implementation.

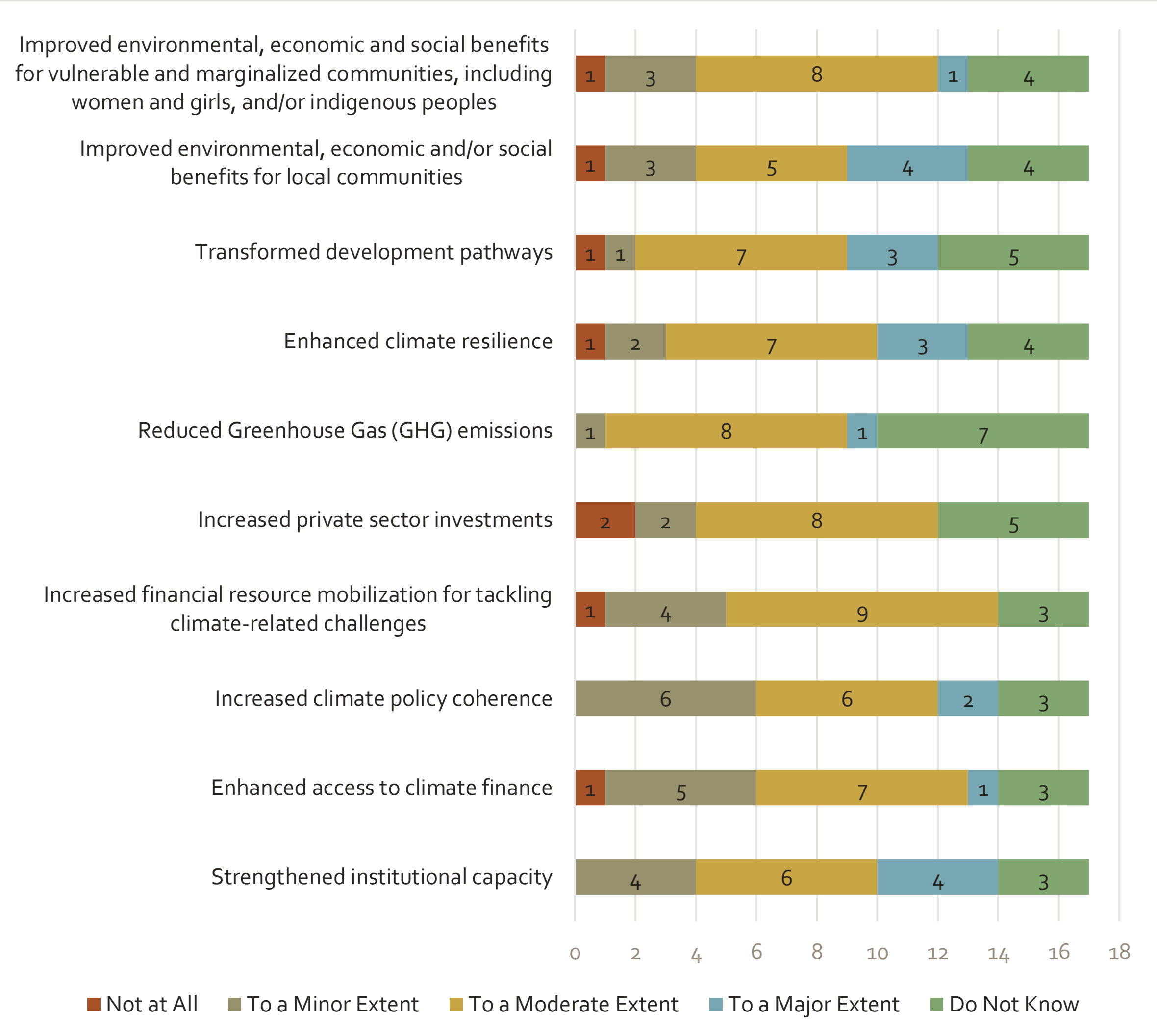
- "More direct engagement of such groups as executing entities for certain activities, including on community outreach and capacity building as well as local level implementation… Stronger participation/incorporation of those groups in advisory committees and oversight bodies for project implementation."
- *«Nous devons utiliser la communication radio et créer des espaces sur le plan local pour informer les communautés pour plus d'implication.»*
- *«Les OSCs locales, les OBC [organisations à base communautaires], les associations de femmes, de jeunes, etc., doivent être impliqués dans la mise en oeuvre des projets financés par le FVC, soit comme entités d'exécution, soit comme partenaires d'exécution.»*
- "Engage and fund grass root CBOs (women led or youth led) with focus on enhancing community resilience, engage local community groups because communities work well in self-selected groups but may not have capacity formal documentation of procedures except in cases where they have members that can write and read in English."
- "Deliberate efforts by GCF to involve CSOs who work at the community level to be more involved in such processes rather leaving for the NDAs and AE to decide."

Improvements to the methods, timing, and verification of adequately participatory processes were outlined to focus on early engagement, clarified commitments and reporting that showcases results.

- *«Dès la note conceptuelle, ils doivent être concertés.»*

- "Better use of EDA/small-grants approaches (such as by [Environmental Investment Fund] EIF in Namibia) to increase financing access and local ownership… Clear NDA commitments for participatory monitoring and performance review (as required under the monitoring and accountability framework) with incentive financing through RPSP (= with additional funding over 'cap' of USD 1 mln per year ONLY available for comprehensive local/women/IP engagement processes on the community level)."
- "GCF should emphasize performance reporting for local community participation e.g. a mandatory comprehensive annual report on gender action plans."
- "It needs to be more consistent, instead of being left out to AEs and NDAs to decide how much they want to engage with stakeholders. Especially problematic is the way the GCF allows certain AEs and projects /programmes to be approved with minimal to no engagement (this is particularly true of big private sector programmes)."

Q22. Please rate the extent to which GCF has contributed to the following results, in African States specifically:



Q23. Are you aware of any unintended or unexpected negative results from a GCF programme, project or activity?

Answer choice	Responses	
Yes	23.53%	4
No	35.29%	6
Do not know	42.18%	7
TOTAL		17

Q24. Please specify:

- "Some adaptation measures (such as in Morocco) have maladaptive outcomes, such as agricultural intensification in arid areas and reliance on additional dams (not supported by GCF funding, but which funded GCF projects depend on); in instances in Morocco and Egypt, critical CSO/local community/women's voices related to GCF projects under implementation have been suppressed by national authorities."
- *«Les objectifs non attaint»*
- *«Oui je attendus mais il y a de résultats fiable sécurisée.»*
- *«La communication.»*

Q25. Are you aware of any unintended or unexpected positive results from a GCF programme, project or activity?

Answer choice	Responses	
Yes	29.41%	5
No	23.53%	4
Do not know	47.06%	8
TOTAL		17

Q26. Please specify:

- "Communities transitioning to sustainable climate smart agriculture practices. For example, in Malawi, through the M-CLIMES project which generate and disseminate climate information and early warning systems, farmers are now voluntarily demanding for climate information to use in their agriculture and fishing endeavours."
- *«Non satisfaction des bénéficiaires.»*
- *«Oui mais pas beaucoup.»*
- "Increased capacity for government stakeholders to track climate finance in Ghana."
- "Support for climate resilience and mitigation."

Q27. In your opinion, to what extent is GCF contributing to lasting and sustainable changes in African States (as per your familiarity)?

ANSWER CHOICE	RESPONSES	
Not at all	0.00%	0
To a minor extent	25.00%	4
To a moderate extent	56.25%	9
To a major extent	0.00%	0
Do not know	18.75%	3
TOTAL		16

Q28. In your opinion, to what extent are GCF investments scalable and/or replicable within and/or across African States?

ANSWER CHOICE	RESPONSES	
Not at all	0.00%	0
To a minor extent	0.00%	0
To a moderate extent	43.75%	7
To a major extent	31.25%	5
Do not know	25.00%	4
TOTAL		16

Q29. In your opinion, to what extent does GCF have learning systems in place for enabling programming/project development, replication and/or scaling across Africa?

ANSWER CHOICE	RESPONSES	
Not at all	6.25%	1
To a minor extent	25.00%	4
To a moderate extent	37.50%	6
To a major extent	6.25%	1
Do not know	25.00%	4
TOTAL		16

Q30. How might GCF improve the positive impact of its investments in African States?

- Facilitate and increase accessibility of funding through revised approval processes and reduced barriers to application (e.g. language). (6/12).
  - *«Faciliter l'acces aux pays vulnérables et pauvres. Encourager les pays francophones en utilisant la langue francaise dans les soumissions des projets.»*
  - "Further simpl[if]y the approval processes of the GCF processes to enable most African States to access the funds and increase the flow of climate funding to effectively and adequately undertake adaptation and mitigation actions."
  - "Mitigate politics surrounding access to GCF funds."

  - "Lowering the technical requirements to enable CSOs [to] access finance to play their role effectively."
- Efforts related to engaging with and supporting local actors and implementation, including improved communications and direct participation. (5/12).
  - *«En renforçant le programme d'appropriation par le pays; En améliorant la politique de divulgation d'information sur les projets par les entités accréditées (ajouter d'autres langues surtout les langues locales dans le processus de divulgation); En disposant des fenêtres de financement directes (micro-projets) pour les OSCs/ONG »*
  - "Localize processes for applying for GCF funds for NGOs/CBOs/CSOs."
  - "Invest in local CBOs and NGOs."
  - *«Communication accrue sur le FVC à travers des consultations nationales et locales.»*
- Improve monitoring processes and directly involving CSOs in implementation. (2/12).
  - "The GCF could start by actually monitoring impact. It is very hard to assess what the impact of these investments are, when access to APRs and information provided in them is very limited, and many indicators give quantitative targets, like number of beneficiaries, without any meaningful explanation of what the benefits received are and how they are measured. In the past, the GCF has also had to review down the impact estimates of FPs (especially for mitigation), because they are unrealistic."
  - *«En renforçant les prérogatives des AND/PF pour un meilleur suivi des différentes étapes d'élaboration des propositions de projets par les entités accréditées, par exemple l'étape des consultations; - En renforçant l'implication des OSCs africaines dans la mise en œuvre des projets (obliger les entités accréditées à en faire des ent'tés d'exécution).»*

Q31. Please share any other thoughts, opinions, and/or recommendations about the GCF.

- Increase CSO involvement and participation, particularly in M&E of projects. (3/9).
  - *«Mettre en place des comités de suivi au niveau des pays avec la participation de la société civile. Renforcer les capacités de la société civile dans le suivi et l'évaluation des projets.»*
  - "Process to access to GCF resources not favourable for local CSOs."
- Increase flexibility in adapting to the unique needs and contexts of the African States. Improve accessibility and simplify application procedures to include local actors and CSOs. (6/9).
  - *«Le FVC doit s'adapter au modèle socio-économique propre à chaque Etat afin d'atteindre ses objectifs.»*
  - "Process to access to GCF resources not favourable for local CSOs."
  - *«Les Etats africains ont plus besoin de financements pour l'adaptation que pour l'atténuation. Le FVC devrait prendre cela en compte car jusqu'ici, le nombre de projets qu'il a financé pour l'atténuation est de loin supérieur à ceux de l'adaptation, ce qui est paradoxal. Par ailleurs, pour que le programme d'appropriation par le pays produise tous les résultats attendus, il faut que le FVC accorde une priorité aux projets portés par les entités accrédités directes, tout en relevant leur niveau de financement. Enfin, les instruments financiers utilisés pour les projets financés en Afrique doivent être moins tournés vers des prêts et plus vers des dons, afin de limiter l'endettement qui est nocif pour le développement (durable) des Etats africains.»*

  - "1. Review the terms of references for NDAs to give them power to push for AEs accountability at country level. 2. Capacitate/strengthen the NDAs to effectively engage and mobilize other stakeholders. 3. Further simplify the approval processes of the fund. 4. Develop a funding window for small projects to local CSOs. 5. Review the accreditation process to make it less prohibitive for most local institutions to become direct access entities. Most AEs are international and are mostly involved in multi-country projects/programmes. Their regional focus undermine individual national interest and focus."
  - "GCF funds have a lot of bureaucracy that eliminates the would be change agents like CBOs/CSOs/NGOs that work at rural areas."
  - *«L'accès à vos financement, investissement, education et que FVC soit présent dans le 23 régions.»*
- Better transparency and access to information.
  - "The GCF should start focusing more strongly on implementation and therefore in measuring the actual impacts of their investments. More transparency is also needed to allow other stakeholders to engage in these evaluations and related discussions."
- Increased engagement with local stakeholders.
  - *«Partager les informations. Impliquer davantage les acteurs locaux.»*

Annex 5. THEORY OF CHANGE

A. INTRODUCTION

Consistent with the realist, theory-based approach adopted for this evaluation, the IEU developed a theory of change (TOC) to guide its design and implementation. On the basis of a document review and preliminary interviews, the evaluation team set out plausible causal relationships connecting GCF interventions to climate change outcomes, along with critical assumptions underpinning those relationships. The resulting TOC, along with other descriptive schematics, served as a basis for the evaluation matrix and various inquiry tools. These are included in the approach paper.

Adjustments were made to the TOC over the life of the evaluation as the evaluation team's understanding of GCF processes and outcomes in Africa deepened. A refined version of the TOC is presented at the back of this annex (Figure V.1.), with evaluation findings and recommendations referenced to specific parts of the schematic (Figures V.2. and V.3.).

B. THE AFRICAN STATES EVALUATION THEORY OF CHANGE DESCRIBED

Reading from the bottom upward (Figure A - 5.1), the diagram connects the GCF Governing Instrument to the USP 2020–2022. These shape the activities and outputs (products and services), including those most relevant to African States. Drawn mainly from the GCF Programming Manual, they fall into four major activity categories:

- **Institutional capacity development and operations management** – activities dedicated to supporting country level climate change priority setting, partnering, institutional strengthening, and participation in GCF governance.
- **Programme/project cycle management** – activities associated with project ideation, conceptualization, elaboration into programme/project proposals and, ultimately, implementation of funded initiatives.
- **Financial resource alignments and management** – activities of the PSF to mobilize local and global private sector actors, including institutional investors, and leverage GCF's funds to encourage co-investment.
- **Policy development/GCF internal** – implementation of policies of relevance to AEs, and governance and operations geared toward sharpening the GCF's business model.

Together, these activities produce outputs associated with **grant implementation** (i.e. Readiness and Preparatory Support Programme (RPSP) and PPF), and with **programme and project implementation** (i.e. AE funding proposals that meet the requirements set out in GCF's investment framework, and which are edified through initiatives that foster coherence and complementarity in the realm of climate finance[161]).

[161] Output expectations include the following: climate vulnerabilities, economic and social development variables, and financing gaps are addressed; national policies and strategies are aligned; meaningful stakeholder engagement takes place and environmental and social safeguards are taken into account; and implementation gaps are addressed.

It is understood that GCF has the highest degree of control at this output level. At this level of GCF activities, there is little differentiating GCF from region to region.

As the theory goes, the outputs created under the above-mentioned categories are to create “paradigm shift potential”.[162] They pave the way for later-stage investment results and co-benefits to the extent that they:

- Enhance country ownership
- Lead to the accreditation of country actors
- Improve entity access to GCF resources
- Yield sufficient private sector financing for scale
- Develop the right partnerships

These are considered to be immediate outcomes, well within GCF’s sphere of influence to produce.

The interactive effects of programmes and projects achieving anticipated outcomes is expected to show a higher level of change at the GCF portfolio level. The Fund names these as “investment results” in its integrated results management framework (IRMF).[163] At this point on GCF’s change pathway, at intermediate outcome level, reduced emissions and increased climate change resilience are measurable at a country level. Positive changes in the enabling environment, relating for example to regulation, market conditions, innovation practice, and public awareness, are also evident. There also is a reinforcing interplay between a cleaner environment, on the one hand, and the system that can enable such, on the other.

Ultimately, demonstrable **scale** (i.e. increased quantifiable results), **replicability** (i.e. export of key structural elements), and **sustainability** (i.e. enduring climate resilient practices with a firm structural and financial base) is expected to finally bring about the paradigm shift that undergirds low-emission development pathways and climate resilience. At this highest level of result, GCF’s influence is contributory. Knowledge creation, capture and learning is essential here as well as at the lower levels of investment results, to demonstrate value for money and to refine strategy and activities.

In setting out a TOC, it is understood that many intervening variables stand to hinder or help progress along the results pathway. These are phrased as assumptions; as such, they describe the conditions that need to be in place for progress to occur.

C. REFERENCING FINDINGS TO THE THEORY OF CHANGE

In Figure A - 5.2, 29 findings of the evaluation are organized under eight evaluation criteria, following the structure of the evaluation design and answering the evaluation questions. A four-point, colour-coded rubric is used to differentiate the magnitude of change described in each finding – that is, from little or no evidence of change to robust change. The statements are numbered in a coloured icon. Corresponding icons are also mapped on the TOC. As such, the TOC schematic

[162] The notion of “paradigm shift” is central to GCF’s ambition to transcend from a project to a landscape scale of change through a systems transformation. As set out in its investment criteria: “Project proposals should identify a vision for paradigm shift as it relates to the subject of the project. The vision for paradigm shift should outline how the proposed project can catalyse impact beyond a one-off investment.”

[163] Signals of success include: Programme/project effectiveness and efficiency targets met, co-benefits realized (economic, social, environmental), gender sensitive development impact, environmental and social safeguards respected, and stakeholder engagement contributing to project success.

portrays areas of strength or potential strength in the way GCF supports climate action among African States. It also highlights areas warranting increased attention in the next strategic cycle.

D. EVALUATION RECOMMENDATIONS

Figure A - 5.3 takes it one step further by showing recommendations. In each instance, the recommendations flow from multiple findings, as indicated.

Figure A - 5.1. Updated Theory of change

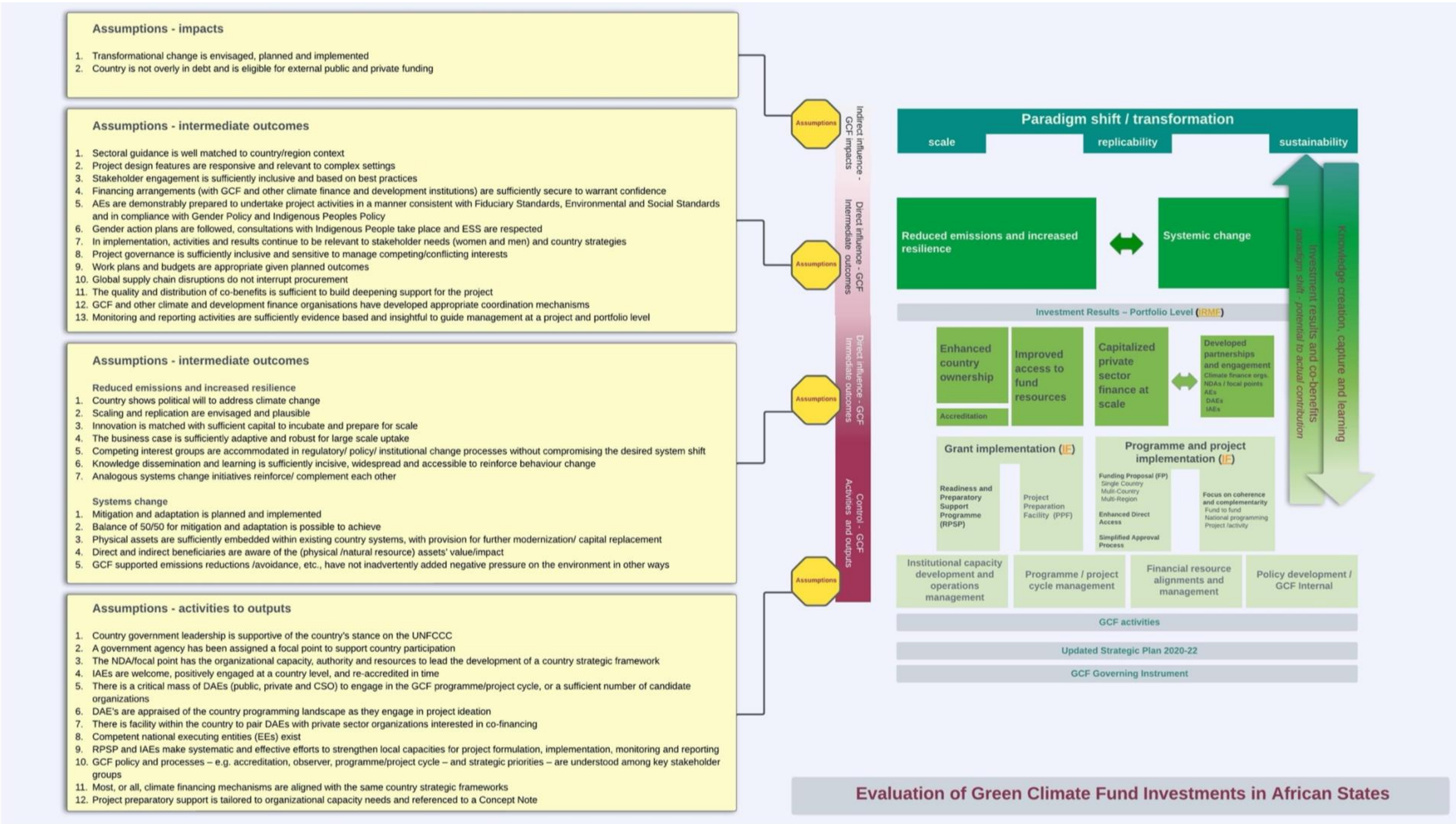


Figure A - 5.2. Evaluation findings and Theory of change

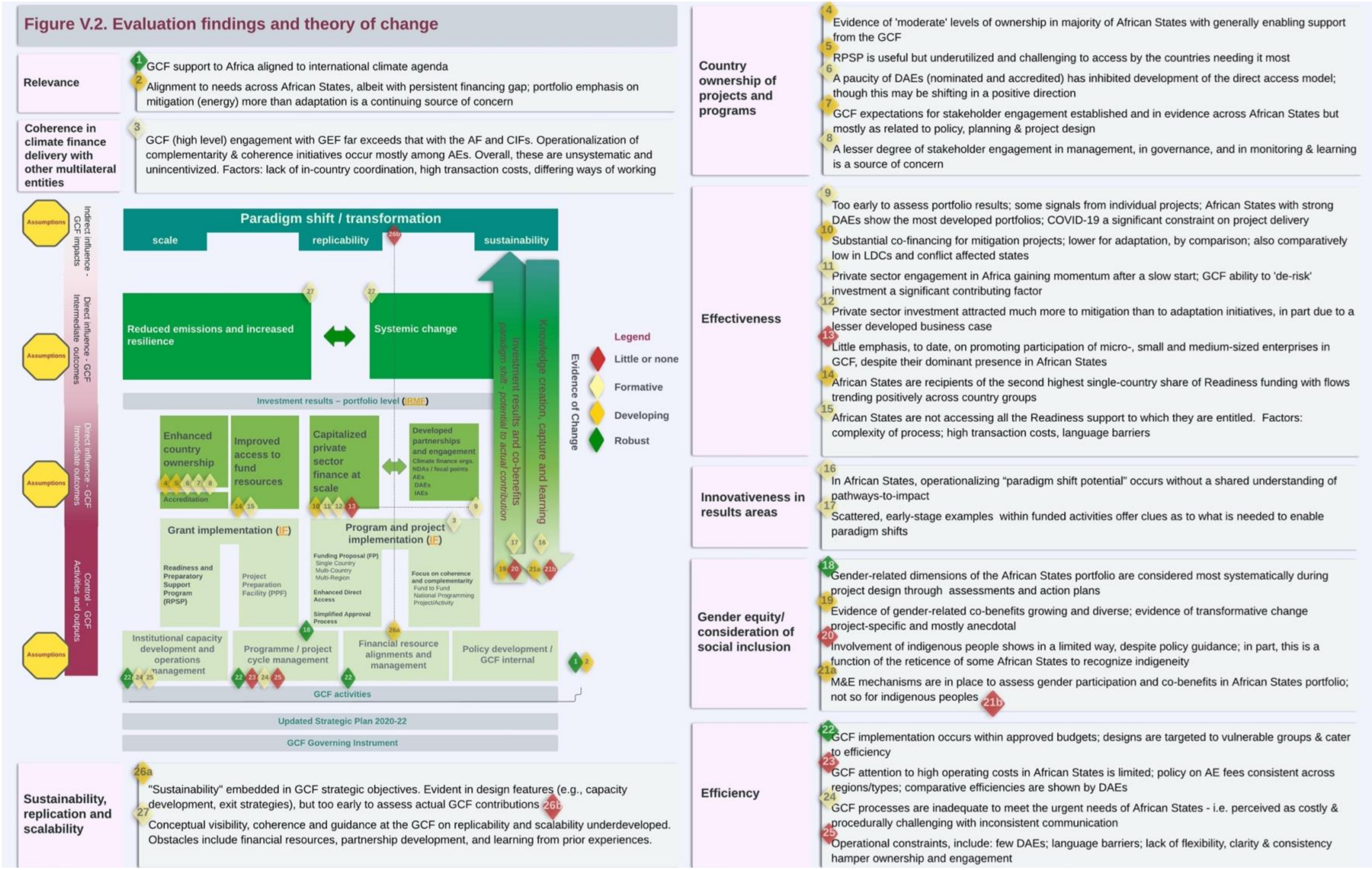
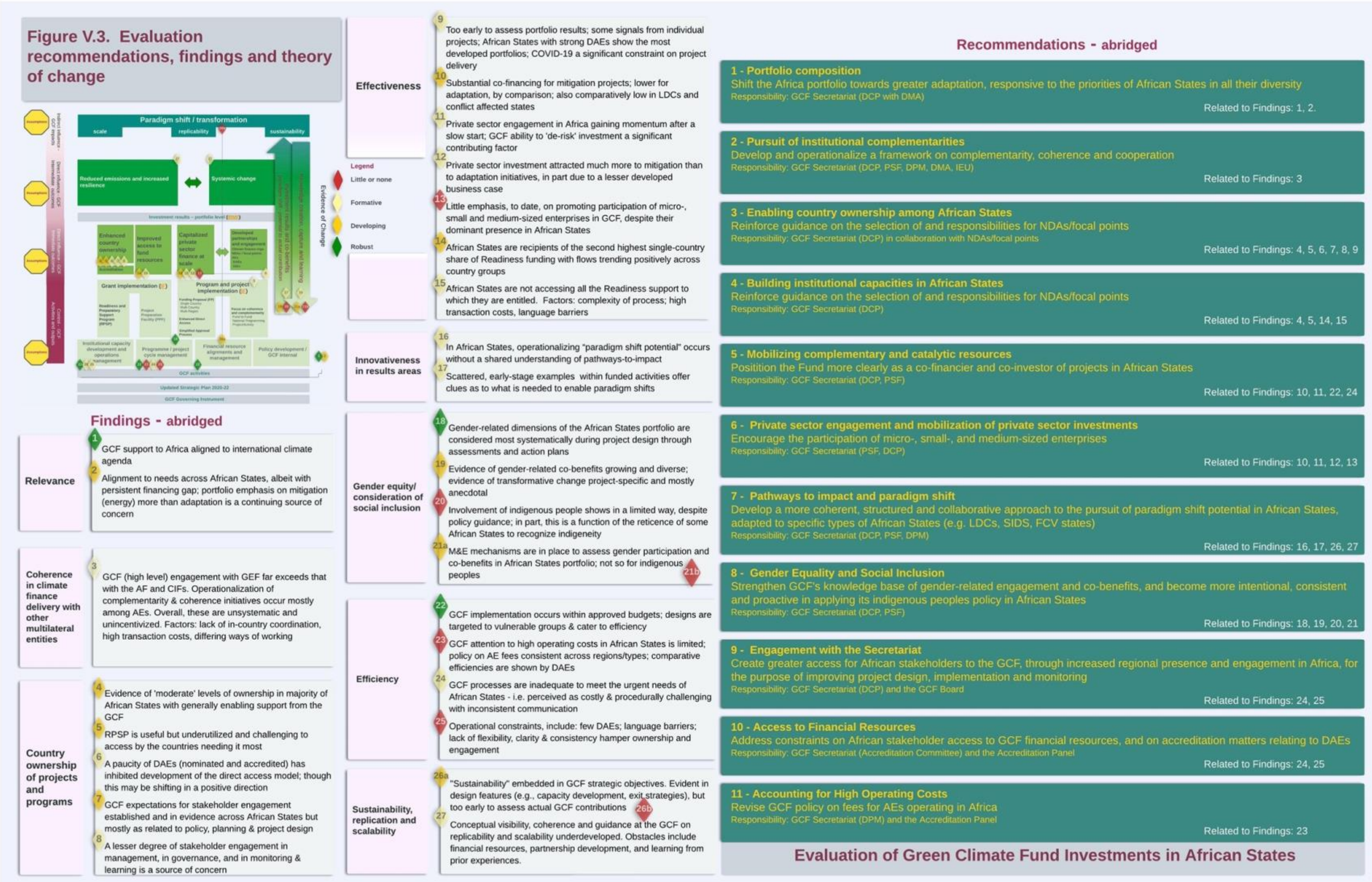


Figure A - 5.3. Evaluation recommendations, findings and Theory of change



Independent Evaluation Unit
Green Climate Fund
175, Art center-daero. Yeonsu-gu
Incheon 22004
Republic of Korea
Tel. (+82) 032-458-6450
ieu@gcfund.org
https://ieu.greenclimate.fund