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GCF Operations Update and Lessons Emerging from Ongoing Evaluations Side Event Report

Overseas Environmental Cooperation Center, Japan (OECC)
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This is a report of a side event held at the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) from 3rd December to 18th December 2018, in Katowice, Poland.

- Title : GCF Operations Update and Lessons Emerging from Ongoing Evaluations
- Date : 13:15 - 14:45, Wednesday, 5th December 2018
- Organizer(s) : Green Climate Fund (GCF)
- Venue : International Conference Centre (MCK), Katowice, Poland
- Moderator: Simon Wilson (GCF)
- Presenter(s) : Pa ousman Jarju (GCF), Jyotsna Puri (GCF), Margaret Kim (Global Green Growth Institute, GGGI), Edgar Hernan Cruz Martinez (Columbian National Planning, GOC), Delaine Tagaloa Louise Cooper (Secretariat of the Pacific Regional Environment Programme, SPREP).

Abstract

This event presented current GCF operations and lessons learnt from evaluations of its portfolio. It also covered aspects of replenishment, funded activities and support programmes. Key highlights of evaluations to trigger institutional learning to help GCF move forward stronger were presented.

Session Summary

The moderator introduced the side event topics being the GCF policy impact and its meaning to indigenous people and lands.

1. Jarju, GCF: “GCF: Responding to COP Guidance”

- Current statistics of the GCF as reported: Total of USD 4.6B committed to 93 projects with USD 400M disbursed and 75 accredited entities with an additional pipeline of 88 entities on accreditation process. 19 are in the final stage of accreditation.
- 203 readiness applications are with them, and 115 countries have been approved for

the program. Over USD 40M disbursed out of that readiness program.

- Impact of the GCF as reported: Mitigation of 1.43B tCO₂e and a private sector portfolio of USD 1.8B leveraging co-financing of USD 5.2B.
- The GCF went through an initial resource mobilization period and received USD 10.3B and now it has reached the end of the first period. They are now moving into the second phase with Germany announcing 1.5B Euros as its commitment to resource mobilization in stage 2 of the readiness program coined R2.0.
- Regarding the uniqueness of the readiness program, he stated that it prepares countries in capacity, human and technical aspects. It helps develop concept notes leading to pipeline development. The first phase was to raise awareness at country level.
- Readiness 2.0 (R2.0) – Theory of change: it is essentially a support program which is followed by a GCF project and finally transformation in terms of CO₂ reduction.
- Readiness enhances capacity to access climate finance with the GCF or other bodies with similar mandates.
- By 2025, the vision of the Readiness and Preparatory Support Programme (RPSP) is at least an increased capacity with robust country programmes. Also human, technical and institutional capacity with 60% of recipients countries improved.
- By 2021: outcome 1: country NDAs/FPs and related government agencies, Direct access Entities, Civil society, private sector etc. to be supported. This to be done through National strategic Frameworks/country programmes, project pipeline strengthened with action plan with concept note that can feed into the proposals and finally outcome 2, replenishment: the GCF has engaged 135 countries, approved USD 115M with USD 155M in the pipeline including 20 new countries.

2. Puri, GCF: “Key findings from the Independent Evaluation Unit (IEU) - Evaluation of the Readiness Program - Making GCF Faster, Better, Smarter”

- The unit performs two evaluations: assess the effectiveness of the readiness and design, use and implementation of the results management framework (MRF).
- The findings mentioned are: relevance – RPSP reflects greater ambition helping direct access entities and focuses on consultative processes.
- Design and mandate relevant solutions to countries needs
- But efforts are needed – one size fits all design doesn't work. 24% of countries eligible do not access RPSP. She stated that this could be due to the type of country whilst others don't need it as a priority.
- Comparative advantage of the RPSP is ill defined.

- Gap – RPSP needs to build capacity for quality proposals with strong climate rationale.
- What is working: helps to strengthen NDAs/FPs (70% have this).
- Stakeholder consultations are a key activity which is good.
- However, 40% of those accessing RPSPs don't have funded projects yet.
- RPSP finance and capacity building support is insufficient for pipeline development.
- Coordinating mechanisms and non objection letters cause new tensions.
- Regarding country ownership, priority countries need more effort to apply for more.
- Results management is also needed.
- Country programmes are few and vague with vague climate rationale and participation of the civil society at country level is rudimentary.
- Effectiveness: RPSP is resource and time intensive. It is least effective in moving DAEs. Majority countries don't push for direct access and favour accredited entities.
- Between RPSP and the private sector, there is limited impact.
- Efficiency: In 2015 it took 422 days to disbursement. In 2017 it took 172, so there is improvement.
- The legal process was noted as a bottleneck.
- Also, not having regional advisors to support in the best way possible is a problem.
- High transaction costs need to be minimized. Inconsistent guidance and long grant periods as well.
- A rethink of the RPSP strategy: when are countries actually ready? How do we know this? Vision, Targets and Measure through: capacity building, outreach support, strengthen country programs, secretariat level changes.
- In addition, post approval flexibility, longer timelines, roles and responsibilities.
- BAU at the GCF cannot continue and in R2.0 it should customize itself to country needs.

Kim, GGGI:

- GGGI is an intergovernmental organization with 31 member states embedded in NDA countries to support readiness activities. IT has supported 16 countries to access RPSP.
- R1.0 supported country programmes and selecting DAEs (both private and public).
- There is room for improvement – Recommendation 1: Focus on providing support to LDCs and the climate rationale needed for LDCs to support facilities.
- Recommendation 2: NDA workshops to support private sector are needed in R2.0 because they go back and there's no incentives or reforms to engage the private sector.
- Recommendation 3: Focus on supporting Direct Access – there is need to align potential DAEs to have capacity and ability to have climate rationale.

- Administratively, it's a long process. LDCs tend to look for international organizational support. If possible, NDAs to directly access readiness so that they can access and deliver readiness on their own.
- Another issue was how to avoid duplicating programmes from different countries.

Cooper, SPREP:

- Serves 21 member countries. The challenge is managing the expectations of governments because the assumption is an allocation is owed to countries.
- Another challenge is not having a large pool of expertise.
- They established a project coordination unit to assist countries with proposals and readiness. There is a lack of capacity to support that unit.
- The Pacific region would benefit from secondments or TAs in the region. A dedicated presence in regions would be ideal.

Martinez, GOC:

- Columbia statistics: National planning department where the speaker works provides the technical support and has a secretariat in conjunction with other ministries. The pipeline consists of 7 readiness programmes with delivery partner entities to NDAs and 5 are accredited entities.
- The 1M USD cap on readiness makes sense since the GCF can implement it based on volume thereby impacting more beneficiaries.

Panel discussion with Q&A

Q1. Regarding expectations on blending and volume, funding request for Readiness below USD 1M is a waste of time. We need to group secure ties which is difficult. Your thoughts?

A1. Puri, GCF:

- We didn't look at blending. The performance review will help establish this possibly.

Q2. Rwandan Government NDA:

- It is good that multi-year access has been approved for Readiness. On the evaluation report presented, if 40% access readiness and don't access the project, how do you intend to bridge this gap? Also, what are you doing to tackle the timeline problem in processing?

A2. Puri, GCF:

- At policy level, the Readiness team can help actors engage policy to help the private

sector.

A2. Jarju, GCF:

- There have been some additional countries that have accessed projects since.
- Some countries want to use country programmes to access but alignment needs to be done by countries to organize priorities.
- Also, countries are the ones responsible to submit project proposals; the GCF cannot force them.

Q3. Tanzanian Government NDA:

- What is the role of the delivering partner and how about speed?

A3. Jarju, GCF:

- Speed has improved depending on the quality of the proposal. There are many things that need to be looked at so it is a process that needs to be followed and adhered to by applicants otherwise speed is compromised.

To access the Side Event Reports, please refer to the following link:

English:

https://www.carbon-markets.go.jp/en_info-2/en_info_event/y_2018/cop24-reports/