CSOs READINESS TO THE GCF-FOCUS AFRICA PROJECT

THE CHALLENGES OF THE GREEN CLIMATE FUND'S MULTI-COUNTRY PROJECTS AND PROGRAMMES

LESSONS FROM AFRICA

NOVEMBER

2022

BACKGROUND

The Green Climate Fund (GCF) is the largest multilateral finance mechanism created under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. It was established by 194 governments as a unique global platform for investing in low-emission and climate-resilient development in response to climate change. Given the urgency and severity of this challenge, the GCF is expected to ambitiously contribute to the united global response to climate change[1].

Responding to the climate challenge requires collective action from all countries, cities, businesses, and private citizens. Among these concerted efforts, advanced economies formally agreed to jointly mobilise USD100 billion per year by 2020, from a variety of sources, to address the pressing mitigation and adaptation needs of developing countries. To date, the GCF has been able to mobilise and allocate an estimated USD10.8 billion to 200 projects and programmes globally, with an expected 2.1 billion metric tonnes of carbon sequestered and 637 million people's resilience enhanced[2]. Of those 200 projects and programmes the GCF approved by July 2022, 81 were approved for African States[3] – 26 multi-country and 55 single-country.

The multi-country projects and programmes are of particular interest to African civil society organizations (CSOs) that, through their engagement with GCF processes and financed activities, have identified several concerns. This brief therefore focuses on multi-country projects in Africa, starting with an overview of their numbers and nature (public, private, adaptation, mitigation, etc.), and discusses some of the issues CSOs identified. The issues are related to monitoring and evaluating such projects and programmes, accountability mechanisms, complementarity, context, governance structures, and community impacts. The brief will then provide general conclusions and recommendations on possible approaches, methodologies, and means for improving the performance of multi-country projects in the GCF, including points based on interviews with respective country National Designated Authorities (NDAs) from Namibia, Cameroon, and Malawi.

The Civil Society Organisations (CSOs) Readiness for the Green Climate Fund (GCF) project supports African CSOs' engagement with GCF-funded activities in Africa in Ghana, Morocco, Malawi, Kenya, Senegal, Namibia, Cameroon, Ivory Coast, Madagascar, and Egypt at the national level. It includes implementation of CSO-led monitoring and evaluation activities of GCF-funded projects and programmes, and engagement with NDAs and Accredited Entities (AEs).

1 In line with its Governing Instrument. https://www.greenclimate.fund/sites/default/files/document/governing-instrument.pdf

2 GCF Portfolio Dashboard as of July 2022, after B.33. https://www.greenclimate.fund/projects/dashboard

3 Three additional projects – two single-country and one multi-country – were approved for African States but have lapsed and are therefore not being implemented. https://www.greenclimate.fund/projects

OVERVIEW OF MULTI-COUNTRY PROJECTS AND PROGRAMMES IN AFRICA

In the GCF portfolio, 26 multi-country projects include or are fully targeted to African States; 19 are being implemented[4], while the remaining six remain in the post-approval process. Of the 26, 13 are multi-country/regional projects, meaning that all participating countries are African States, while the other half are international projects that also include countries from other regions.

Of these 26 projects and programmes, 11 target mitigation, almost all of which are private-sector, with only one being a public-sector project. Of the remaining ones, six are adaptation projects – three public-sector and three private-sector. Nine are cross-cutting projects, including both adaptation and mitigation activities – four private-sector and five public-sector.

Target of the multi-country projects and programmes

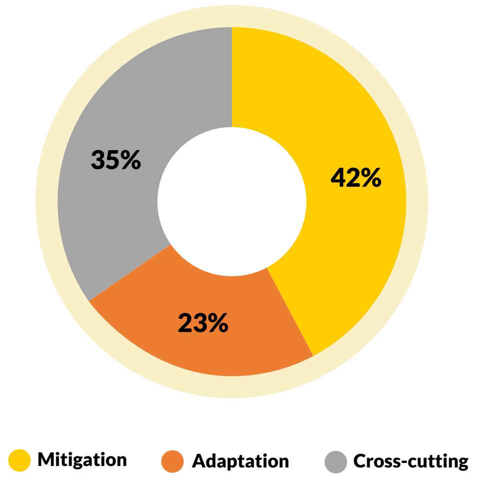

Figure 1. GCF multi-country projects in Africa by target

Sector of the multi-country projects and programmes

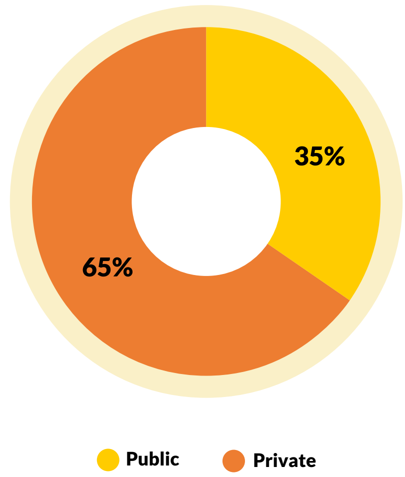

Figure 2. GCF multi-country projects in Africa by sector

4 As of early September 2022

CHALLENGES OF THE GCF's MULTI-COUNTRY PROJECTS AND PROGRAMMES

The GCF's Independent Evaluation Unit (IEU) in two of its thematic evaluations focused on least developed countries (LDCs)[5] and Small Island Developing States (SIDS)[6], evaluating the relevance and effectiveness of the GCF's investments in these countries, including findings on multi-country projects. These findings highlighted the challenges related to multi-country projects in vulnerable countries, particularly LDCs and SIDS. A similar evaluation continues for African countries, and some African countries are also LDCs and SIDS.

Some of the challenges identified included:

1. Issues of country ownership and country drivenness: Multi-country projects are less likely to engage stakeholders in project design and implementation than are single-country projects, with a lack of inclusion of vulnerable groups. Stakeholders the IEU consulted expressed that these projects' designs and concepts are often led by regional and international accredited entities (AEs), which results in homogeneous designs across countries. This brings into question how responsive they are to local realities and national climate frameworks. The report also found that the no-objection procedure was insufficient for ensuring ownership, and that country involvement after the signing of a no-objection letter (NOL) was inconsistent, with NDAs often unaware of the status, progress, level of funding, or activities of these projects in their countries. Challenges related to country ownership were found particularly present with private-sector entities.

2. Reduced access to finance: The amounts being allocated to each participating country are too small to have sustainable on-the-ground impacts for local beneficiaries. There are concerns about the small amount of funding allocated to countries participating in multi-country projects. For SIDS, these were supported by the IEU's findings that the median GCF investments and co-financing in SIDS with only multi-country projects was considerably smaller than for those with single-country projects. The finding that inclusion in the list of participating countries does not guarantee project implementation also supports this. For LDCs, the report noted that many multi-country, private-sector programmes were not active in these countries at the time of the evaluation.

3. Greater coordination time and complexity of projects: These characteristics lead to high transaction and operating costs.

5 Available in the IEU website: https://ieu.greenclimate.fund/evaluation/LDC2022
6 Available in the IEU website: https://ieu.greenclimate.fund/evaluation/sids2020

Issues identified by CSOs

Based on their engagement with GCF related activities at the country level, CSOs have also identified challenges with multi-country projects, in Africa. These findings confirm and expand on the findings of the GCF's IEU.

A *Difficulties in monitoring projects: Role of NDAs in monitoring implementation of GCF projects remains unclear*

The NDAs are the interface point for all in-country GCF processes. According to the GCF's structure, the NDAs' role is to provide broad strategic oversight of in-country GCF activities and communicate the country's climate change priorities for financing low-emission and climate-resilient development[7]. They are also entrusted with issuing No Objection Letters (NOLs) for both in-country and multi-country projects. However, CSOs have noted that NDAs' role in supporting the implementation, monitoring, and evaluation of approved projects in respective countries remains unclear. This creates a monitoring gap that undermines accountability and transparency in implementing GCF projects and programmes, especially those at the multi-country level.

The case of Cameroon

Cameroun has five multi-country projects (FP092, FP095, FP099, FP151, and FP152) currently approved – one is regional (only African countries) and four are international (several countries across regions). At the same time, it has no national projects. When consulted, Cameroon's NDA stated that, thus far, none of the multi-country projects were being implemented nationally. This means that despite being featured in the GCF as benefiting from GCF finance, Cameroon has effectively not received any finance from the GCF. The NDA also confirmed the difficulties faced in obtaining information on these projects, because the concerned entities (AEs and Executing Entities [EEs]) have no representation in Cameroon. Complicating this situation is the NDA being unable to describe the governance structure of these multi-country projects. Recommendations from the NDA included enhanced mandatory implication of national stakeholders in project implementation.

The case of Namibia

Namibia has four multi-country projects (FP027, FP095, FP098, and FP163) currently approved. The NDA in Namibia, when consulted about these projects, painted a heterogeneous picture of their governance and implementation arrangements. Some were considered problematic because they did not effectively engage the NDA, while shifting project-related risks to local institutions, while others had included stronger engagement with the government and other national stakeholders. However, none were currently being implemented in Namibia, though some were already in the due diligence stage. The logistical challenges linked to setting up these projects could explain why they take so long to take off. The NDA also compared these projects with national (single-country) projects, and suggested that single-country projects have stronger participation of the NDA in project design and in the project's steering committees, ensuring that results on the ground were more visible.

7 GCF. Partners. GCF website: https://www.greenclimate.fund/about/partners/nda

B *Accountability gap: Absence of AEs and Executing Entities (EEs) in implementing countries making it difficult for stakeholders, including CSOs, to track progress and hold AEs and other parties accountable (EEs)*

CSOs have noted that most approved multi-country projects have international AEs and EEs. With them not visible in each country of implementation, there are challenges in following up with them to establish progress or plans for the approved projects and programmes at the country level. CSOs have also observed that, apart from the fact that some of the approved projects are not taking off in some countries, some in-country institutions listed in proposals to support these projects' implementation at the country level lack knowledge of the arrangement.

Both the issues of transparency and accountability are exacerbated by the lack of publicly available information on the GCF's website concerning the implementation status and progress of multi-country projects. Of all approved projects, most have no Annual Performance Reports (APRs) published on the GCF website (see a detailed list in the Annex), many only have APRs for certain years, and those that do have APRs often present very limited information.

C *Lack of complementarity: GCF-funded activities not adequately complementing existing investments in individual implementing countries*

CSOs have further observed that, in the funding proposals for multi-country projects and programmes, the proposed interventions are often presented as having high levels of complementarity with other initiatives, across all countries. Yet this is not the case during implementation. Multi-country GCF projects and programmes fail to adequately consider and complement existing work from other financing agencies. The lack of AEs' understanding of the country-specific context has exacerbated this. This lack is due to limited or inadequate engagement with individual country authorities for obtaining a vivid picture of existing developments the GCF funding can build on. CSOs in Africa understand there is higher assurance of widespread impact when projects are complementary (i.e. where resources meet for a common cause) than when implemented in isolation.

D *Lack of country-specific context: Proposals concentrate on general overview of needs and miss in-country-specific needs*

Most multi-country proposals submitted to the GCF are crafted to capture and concentrate on the broader and general picture of the problem. This approach advances a one-size-fits-all approach to addressing climate change impacts in Africa. Most proposals do not present an in-depth analysis of individual countries' contexts, including country-specific approaches to context-specific issues. This defies the country ownership criteria and fails to account for the needs of the projects' and programmes' recipients. Leaving this unattended will validate the fear that existing national adaptation strategies and plans are not systematically integrated within the GCF's programming and operations, especially in the LDCs. This was revealed by the GCF's Independent Evaluation Unit report on GCF investment's efficiency and effectiveness in LDCs.

E *Compromise in implementing structure: Missing governance structure*

Every project the GCF approves is understood as managed by the AE and its supporting EEs. Ideally, these entities are expected to be in the implementing countries to lead and/or coordinate project implementation. However, this is not the case for many multi-country projects and programmes. There are common instances where a project is approved for implementation in several countries by one AE with support from a few international EEs. The absence of AEs and EEs in the respective implementing countries brings delays and a severe lack of information relating to the approved projects. An analysis of some projects' implementation progress reveals that some multi-country projects have far more advanced implementation in certain countries than in others. The lagging countries do not have clear information as to why there are delays in rolling out the project there.

The case of Malawi

The Climate Investor One (CIO) programme that the GCF approved in 2018 and covers 18 countries in Africa has yet to roll out in Malawi. CSOs in Malawi under the Civil Society Network on Climate Change (CISONECC) initiated a probe into the project and made worrisome findings. Both the AE and EEs for the programme are international and the programme is not linked to any local institution for implementation. Engagement with the NDA in Malawi revealed a complete blackout of information relating to who is targeted for implementation locally. The NDA referred CISONECC to the Department of Energy Affairs, which also expressed ignorance of the approved project. According to the GCF website, the programme is under implementation and selected countries such as Indonesia, Nigeria, Uganda, Djibouti, and Morocco are already reporting on progress of implementation. This comes as a huge concern considering the CIO programme and most of the multi-country GCF projects are multi-million-dollar efforts that demand high-levels of accountability and transparency.

F *NOLs and the lack of knowledge about the communities: Meaning of country ownership*

CSOs in Africa have also observed that the NDAs issue NOLs without comprehensive understanding of the projects' implementation arrangement. The NDAs' focus is on whether the proposed project appeals to their respective countries' climate change priorities. NDAs have little regard for understanding how the project will be implemented and who will be involved. For instance, when CISONECC engaged the NDA in Malawi to find out which local public institutions were involved in the approved CIO programme, the NDA mentioned the Department of Energy Affairs. However, further consultations found the Department was unaware of the project. This speaks to the NDAs' lack of attention, especially regarding clear understanding of the multi-country project proposals and their proposed implementing arrangement before the NOLs are issued. With no direct involvement of in-country implementing entities, implementation of these multi-country projects is unlikely to align with the expectations and needs of the communities in the countries of implementation.

CONCLUSIONS AND RECOMMENDATIONS

From the CSOs' perspective, there are clear gaps in the GCF multi-country projects' and programmes' design and implementation. The lack of clear terms of reference regarding NDAs' role in monitoring multi-country projects in their respective countries presents challenges in tracking approved GCF projects' implementation in Africa. Furthermore, AEs' and EEs' absence in the targeted countries for the multi-country projects is undermining efforts to promote accountability and transparency in implementation. African CSOs have further observed that high complementarity with other initiatives across countries, highlighted in the funding proposals, does not translate to complementarity during implementation. This mismatch defeats the very logic underpinning the GCF's goals. Additionally notable is that most multi-country proposals fall short on capturing a comprehensive country-specific context. They therefore propose general problems and project interventions that fail to adequately address certain country-specific elements. NDAs' lack of clear understanding of the proposals aggravates the lack of country ownership, as project management is left entirely to international entities.

Recommendations – How to improve multi-country projects in the GCF

CSOs in Africa provide the following recommendations regarding the issues highlighted.

1. The GCF should include monitoring as a critical aspect of the terms of reference for the NDAs. This will allow NDAs to monitor and provide backstopping support for effectively implementing GCF projects and programmes.

2. The GCF should make a deliberate provision for all international AEs to establish their points of contact in countries where they are implementing multi-country projects. This will help solve the problem of lack of information on project and programme implementation. It will also enhance accountability.

3. There should be further efforts to ensure that the GCF investment approach promotes complementarity with other existing in-country interventions by other funding agencies. This will maximize impact potential.

4. The GCF Board should pay particular attention to issues around the extent to which proposals capture the context of each specific country within the proposed projects and programmes. This should also include how proposed interventions speak to specific countries' priorities and needs.

5. The GCF should mandate every multi-country project providing a list of institutions that will directly support the proposed project's implementation. The international AEs or EEs should establish a point of contact with these national institutions to facilitate the flow of information and enhance accountability.

6. The NDAs should demand a comprehensive implementation structure that shows a clear entry point of international AEs and EEs in the countries of implementation. This should be verified and confirmed before NOLs are issued.

7. The GCF should require AEs to include at least one local entity among the EEs. This will better ensure that local knowledge is considered in decisions made during project implementation. This would also address international AEs' and EEs' lack of local representation.

Annex

The following table summarises the multi-country projects approved for implementation in Africa, as of early September, 2022, including their implementation status and whether there are Annual Performance Reports (APRs) available.

Theme	FP number and countries	Public/ private	Implementation start date	APRs
Mitigation	FP027 UGEAP – Benin, Namibia, Nigeria, Uganda, Tanzania, Kenya, Ethiopia	Private	Not yet – approved in 2016	No
	FP038 GEEREF – 35 countries including DRC, Kenya, Mauritius, Morocco, South Africa, Togo, Comoros, Côte d'Ivoire, Equatorial Guinea, Madagascar, and Uganda	Private	Not yet –lapsed	No
	FP099 Climate Investor One – 18 countries including Malawi, Uganda, Djibouti, Kenya, Cameroon, Ethiopia, Tunisia, Nigeria, Madagascar, Morocco, Burundi, Mauritius, Senegal, and Zambia	Private	21 June 2019 (3 disbursements)	2019, 2020
	FP105 BOAD West Africa – Benin, Guinea-Bissau, Niger, Burkina Faso, Mali, Togo	Private	9 April 2020	2020
	FP128 Arbaro Fund – 9 countries including Sierra Leone, Ethiopia, Ghana, and Uganda	Private	30 October 2020 (2 disbursements)	2020
	FP140 High Impact Programme for Corporate Sector – 7 countries including Tunisia and Morocco	Private	27 August 2021 (1 disbursement)	No
	FP148 Participation in Energy Access Relief Facility (EARF) – Uganda, DRC, Congo, Senegal, Sierra Leone, Zambia, Nigeria, Kenya, Mozambique, Rwanda	Private	4 November 2021 (1 disbursement)	No
	FP151 and FP152 Global Subnational Climate Fund (SnCF Global) – 42 countries including Côte d'Ivoire, Kenya, South Africa, Morocco, Burkina Faso, Mozambique, Togo, Mali, DRC, Gabon, Rwanda, Tunisia, Cameroon, Nigeria, Uganda, Mauritania, Guinea, and Senegal	Private	20 April 2021 (1 disbursement)	No
	FP163 Sustainable Renewables Risk Mitigation Initiative (SRMI) Facility – 7 countries including Botswana, DRC, Congo, Mali, CAR, Kenya, and Namibia	Public	16 April 2021	No
	FP168 Leveraging Energy Access Finance (LEAF) Framework – Ghana, Tunisia, Ethiopia, Nigeria, Kenya, Guinea	Private	1 July 2021	No
	FP178 Desert to Power Sahel Facility – Burkina Faso, Mali, Niger, Chad, Mauritania	Private	Not yet - FAA executed	No

Theme	FP number and countries	Public/ private	Implementation start date	APRs
Adaptation	FP078 Acumen Resilient Agriculture Fund (ARAF) – Uganda, Nigeria, Ghana, and Kenya	Private	3 September 2019 (11 disbursements)	2020
	FP122 Blue Action Fund (BAF) – Tanzania, South Africa, Madagascar, Mozambique	Public	9 April 2021 (1 disbursement)	No
	FP135 Ecosystem-based Adaptation in the Indian Ocean (EBA IO) – Comoros, Mauritius, Madagascar, and Seychelles	Public	2 June 2021 (1 disbursement)	No
	Fp161 Meteo IOC Members – Comoros, Mauritius, Madagascar, and Seychelles	Public	No yet - FAA executed	No
	FP180 Global Fund for Coral Reefs – 17 countries including Comoros, Seychelles and Mozambique	Private	27 June 2022 (1 disbursement)	No
	Fp181 CRAFT – 6 countries including South Africa and Rwanda	Private	27 January 2022 (1 disbursement)	No
Cross - cutting	FP025 GCF-EBRD SEFF – 10 countries including Tunisia, Egypt, and Morocco	Private	2 February 2018 (6 disbursements)	No
	FP086 Green Cities Facility – 9 countries including Tunisia	Public	18 September 2019 (2 disbursements)	No
	FP092 Programme for integrated development and adaptation to climate change in the Niger Basin (PIDACC/NB) – Benin, Côte d'Ivoire, Mali, Nigeria, Chad, Burkina Faso, Guinea, Niger, Cameroon	Public	19 July 2022	No
	FP095 Transforming financial systems for Climate – 17 countries including Morocco, Cameroon, Egypt, Mauritius, Nigeria, Tanzania, Uganda, Senegal, Madagascar, Benin, Côte d'Ivoire, Kenya, Namibia, South Africa, Togo, and Burkina Faso	Public	19 July 2022	No
	FP098 DBSA climate facility – South Africa, Namibia, Eswatini, Lesotho	Private	20 November 2019 (2 disbursements)	No
	FP162 – Africa Integrated Risk Management Programme – Burkina Faso, Mali, Niger, Gambia, Chad, Mauritania, and Senegal	Public	No	No
	FP162 – Africa Integrated Risk Management Programme – Burkina Faso, Mali, Niger, Gambia, Chad, Mauritania, and Senegal	Public	No	No
	FP177 Cooling facility – 9 countries including Malawi, Sao Tome and Principe, Kenya, and Somalia	Public	29 July 2022	No
	Fp183 Inclusive Green Financing Initiative (IGREENFIN) - Burkina Faso, Côte d'Ivoire, Mali, Senegal, Chad, Djibouti, Eritrea, Ethiopia, Ghana, Mauritania, Nigeria, Niger, and Sudan	Public	Not yet - FAA executed	No
	FP190 Climate Investor Two - 19 countries including Djibouti, Côte d'Ivoire, Kenya, Namibia, Nigeria, Uganda, South Africa, Botswana, Madagascar, Morocco, and Sierra Leone	Private	Not yet - recently approved	No

Authors:

Kondwani Mubisa,
Julius N'goma,
Bertha Argueta,
Marie Pascale Banga Medjo and Hervé Donatien Makebel Paglaga,
with inputs from Mirja Stoldt and Collins Otieno

Germanwatch e.V. Stresemannstr. 72 D-10963 Berlin

Contact: Bertha Argueta | argueta@germanwatch.org

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