



Meeting of the Board
4–6 April 2017
Songdo, Incheon, Republic of Korea
Provisional agenda item 11(c)

GCF/B.16/06
31 March 2017

Guidelines for Enhanced Country Ownership and Country Drivenness

Summary

The document outlines an approach to the development of guidelines for enhanced country ownership and country drivenness, referring to the roles of and opportunities provided to all relevant actors: the GCF, National Designated Authorities or focal points, and Accredited Entities.

It builds on consultations carried out with Board members, conversations with stakeholders, findings from National and Regional Structured Dialogues as well as early learnings from GCF-funded activities.

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I. Introduction

1. In decision B.10/10, the Board recognized the importance of enhancing country ownership and country-driven processes and requested the Secretariat to prepare a proposal of guidelines strengthening the role that national designated authorities (NDAs)/focal points (FPs) can play in this regard.
2. The Initial Strategic Plan for the GCF adopted by the Board in B.12 further defines the strategic vision for the Fund. Through NDAs/FPs, the GCF will support inter alia the implementation of the Paris Agreement and leverage its status as an operating entity of the financial mechanism of the UNFCCC. The GCF will promote country ownership through its operational modalities and by providing support to build country capacity.
3. Subsequently in decision B.14/06, the Board requested Mr. Colin Young (Board member, Belize) and Ms. Kate Hughes (alternate Board member, United Kingdom of Great Britain and Northern Ireland), to consult with the Board intersessionally. At its fifteenth Board meeting, the Board requested Mr. Amjad Abdulla (Alternate Board member, Maldives) and Dr. Daniel Reifsnyder (Alternate Board member, United States) to consult with the board intersessionally with a view to presenting revised country ownership guidelines for consideration by the Board at its sixteenth meeting.

II. Options for Board Consideration

4. Several developing and developed country Board members provided inputs for this document. NDAs and Focal Points also have provided input to the GCF Secretariat and through their participation in the various regional strategic dialogues. Based on the inputs received and taking into account prior Board decisions, the Board may wish to consider adopting the Guidelines for Enhanced Country Ownership and Country Drivenness in Annex II.

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.16/06 titled “Guidelines for Enhanced Country Ownership and Country Drivenness”:

- (a) Adopts the Guidelines for Enhanced Country Ownership and Country Drivenness contained in annex II to this document;
- (b) Requests the Secretariat, the accredited entities, delivery partners and national designated authorities/focal points to follow the Guidelines;
- (c) Also requests the Secretariat to assess annually the experiences gathered from the application of these Guidelines and to continue to improve the Guidelines based on lessons learned and observations from current best practices;
- (d) Decides to undertake a review of implementation of these guidelines as needed, but at least every four years.

Comment [K01]: That is too long, at least at the beginning. They should review, at least initially, after 2 years.

Annex II: Guidelines for Enhanced Country Ownership and Country Drivenness

I. Introduction

1. In decision B.10/10, the Board recognized the importance of enhancing country ownership, country drivenness and the role that national designated authorities (NDAs)/focal points (FPs) can play in this regard. The Board also affirmed that all efforts should be undertaken to: (1) strengthen the key role of NDAs/FPs in the formulation of country programmes/project pipelines, the consideration of implementation partners, and financial planning, and enhance capacity, including through the programme and readiness support; (2) also strengthen the role of NDAs/FPs in monitoring and providing feedback regarding the impact of Fund operations within countries in terms of the degree to which the Fund's initiatives add value to national development priorities, building institutional capacity, and promoting a paradigm shift towards low carbon and climate resilient development; and (3) Promote a central and leading role of NDAs/FPs in the coordination of the Fund's engagements within countries while highlighting the importance of the different roles between the Secretariat, accredited entities and NDAs/FPs in relation to country programming.

2. In this regard, the Board requested the Secretariat to prepare a proposal of guidelines, drawing upon learning experiences and best practices across NDAs/FPs, for consideration by the Board. The Fund will consider Country Ownership as the measure through which countries, through meaningful engagement, including consultation with relevant national, local, community-level, and private sector stakeholders, can demonstrate ownership of, and commitment to, efforts to mitigate and adapt to climate change. The Fund will continue to strengthen the Country Ownership principles and continuously reflect them in its policies and activities.

Comment [K02]: Consultation is just one component of measuring country ownership.

II. Guiding Principles

3. The principle of country ownership is reflected in the Governing Instrument and various Board decisions. The Governing Instrument for the Green Climate Fund provides that "The Fund will pursue a country driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders." Decision B.04/05 reaffirms that country ownership and a country driven approach are the core principles of the Fund, and establishes the functions of the NDAs/FPs. Decisions B.07/03, annex VII and B.08/10, annex XII establish the role of the NDA or focal point in the initial approval process, including the no-objection procedure. Decisions B.08/10, Annex XIII also provides initial best-practice guidelines for the selection and establishment of national designated authorities and focal points, while Annex XIV provides initial best-practice options for country coordination and multi-stakeholder engagement, Decision GCF/B.08/11, Annex XVII also provides initial general guidelines for country programmes to enable country ownership through NDA leadership of the process. Further, Decision B.11/10 further elaborates on the role of the NDA or focal point of a country to lead an annual participatory review of the GCF portfolio in their countries with the participation of all relevant stakeholders.

4. While this document does not attempt to provide a further definition of the concept of Country Ownership, submissions from Board/Alternate members highlighted the following components as being important:

- (i) The need for the guidelines to remain flexible and not be too prescriptive – recognising the wide range of different country contexts;
- (ii) The need to recognise that country ownership is an ongoing and evolving process;

- (iii) The respective roles of NDAs, Accredited Entities (AEs) and the Secretariat in ensuring country ownership in the development and implementation of projects and programmes;
- (iv) The importance of NDAs having sufficient capacity and capability to adequately perform their functions, as outlined in decision B.04/05 and B.08/10 Annex XIII;
- (v) The potential for the development of country programmes to contribute to the strengthening of country ownership;
- (vi) The need for country ownership to continue throughout the project cycle, from readiness activities, and the pre-concept stage, through implementation to monitoring and evaluation of a project or programme; and
- (vii) The importance of ensuring effective engagement of and ownership by relevant national and sub-national stakeholders such as the local governments at the municipal or village-level, private sector, local communities, academia and civil society organizations, including indigenous peoples and women's organizations, throughout the project cycle, in line with the initial best-practice options for country coordination and multi-stakeholder engagement outlined in decision B.08/10 Annex XIV and decision B.10/10.

Comment [K03]: Improvement over last version

III. Building Country Ownership through Country Programmes and Structured Dialogues

5 NDAs/FPs should play a key role in the formulation of country programmes and proposal pipelines, as well as in the consideration of implementation partners, and financial planning. The development of country programmes, identifying national priorities for investment in climate change related activities, can be a key component of ensuring country ownership. Country programmes should take into account existing plans, strategies, laws and policy frameworks at national and international level. The process of developing a country programme should take into account the country's (I)NDC, national communications, as well as NAMAs, NAPAs, NAPs and/or other adaptation planning processes where applicable, as well as regional, national, sub-national and local climate policy frameworks, ensuring GCF climate finance is consistent with national priorities. Country ownership includes ownership by local communities, civil societies, women's groups, indigenous peoples organizations, municipal-/village-level governments, etc. Country programmes should be developed taking into account the best practice principles for multi-stakeholder engagement¹.

Comment [K04]: Country ownership means more than government ownership. This has been acknowledged in previous board document drafts. To that end, we would like to see the addition of this sentence, which is excerpted word-for-word from a different draft board document

- 6 Country programmes should capture the diversity of activities and processes taking place at national level and how they support each other by:
- (a) Linking individual funding proposals to national sustainable development plans, INDCs/NDCs and other existing national strategies and plans, including NAMAs, NAPAs, NAPs and other adaptation planning processes, as appropriate;
 - (b) Supporting long-term planning through the identification of financing needs and relevant implementing entities;
 - (c) Acting as the framework for capacity-building at country level, consolidating all interactions in terms of Readiness, PPF and funding proposals; and
 - (d) Supporting direct access and fostering collaboration between international entities and local institutions, as appropriate.

Comment [K05]: Suggest an additional point -- that the country programs should help to define impact at the country level to help guide/frame the annual reflections agreed in the M&A framework.

7 NDAs/FPs will play a central and leading role in coordination of the Fund's engagements within their countries while highlighting the importance of the different roles between the Secretariat, accredited entities, and NDAs/FPs

¹ Decision B.08/10 Annex XIV

Structured dialogues will follow the principles of Country Ownership, including alignment with national strategies, identifying the capacity of accredited entities, and ensuring that multi-stakeholder groups [participate in and](#) benefit from the outcomes of the dialogues. As described in the GCF's Strategic Plan, Structured Dialogues at national and regional level facilitated or supported by the Fund will be seized as opportunities to further expand on the ideas expressed in para (2) above, as well as to share lessons and experience to strengthen the pipeline development processes. Structured Dialogues offer an opportunity for the Secretariat, NDAs, relevant AEs and other stakeholders, including the private sector [and civil society](#), to develop country programmes and determine which priorities identified by country strategies (INDCs, LEDS, NAPAs, NAMAs etc.) are the best match for GCF support. The structured dialogue will aim to help NDAs to identify the best AE and other partners to design programming that meets the investment criteria of the GCF and meets country needs. As highlighted in the Strategic Plan, AEs, [especially direct access AEs](#), are encouraged to actively participate in these structured dialogues in order to prepare their future annual or multi-annual work programmes which they have been requested to submit to the Secretariat.

IV. Reflecting Country Ownership in the Fund's Operational Modalities

8 The principle of country ownership will be considered in the context of all GCF operational modalities and relevant related policies including the Readiness and Preparatory Support Programme and the Project Preparation Facility, the Proposal Approval process, including the simplified approval process, as well as the Accreditation process, recognising that country ownership is a continual process. NDAs/focal points have [the primary key](#) role in these processes in a way which builds national and institutional capacity and facilitates engagement with relevant stakeholders.

9 Readiness and preparatory support is a key instrument for enhancing country ownership. Countries are encouraged to access the GCF's Readiness and Preparatory Support Programme for a range of activities through which country ownership can be strengthened, including the preparation of country programmes; building in-country institutional capacities including for country coordination and multi-stakeholder consultation mechanisms; developing the capacities of potential regional, national and subnational implementing entities, and intermediaries; and building the capacity of NDAs /FPs to perform their role in coordinating and overseeing GCF activity in their respective countries².

10 When considering accreditation to the GCF, NDAs / focal points should consider the nomination of Direct Access Entities and/or partnerships with International Entities, in a manner that can cover the various needs and priorities of their countries. NDAs/focal points may also request readiness support to identify and prioritize national priorities, in coordination with accredited entities, and in consultation with other stakeholders. They may also request readiness support for applicant institutions, including Direct Access Entities, to address identified gaps to enable them to meet the GCF standards and to build their capacity to engage with the GCF³.

11 Once accredited, close collaboration between the Accredited Entities and the NDAs / focal points is essential. Accredited Entities must engage at the earliest possible stage with the NDAs/focal points on their identified priorities, making links to policy frameworks and plans, and engaging closely with the NDAs / focal points on how to make use of local capacities, including knowledge, expertise and institutions in the preparation and subsequent implementation of projects/programmes.

² Decision B.05/14 and decision B.08/11

³ Decision B.13/32 Annex VII

12 Successful collaboration between NDAs/FPs and Accredited Entities in developing funding proposals is key to embedding country ownership. Ideas for projects or programmes can originate with NDAs / focal points or with Accredited Entities, and may also come from other sources. When an idea originates with an NDAs/FPs, either through the development of a GCF Country Programme or through other planning, the NDA/FP may invite AEs to work with them to develop ideas into GCF concept notes and/or proposals to submit to the Secretariat for consideration. When an idea originates with an Accredited Entity (or an organisation looking to become an AE), the entity must engage as early as possible with the NDAs / focal points on the potential project or programme. This should be done at the concept note stage where appropriate (noting that concept notes are voluntarily submitted to the GCF). In all cases, the AE and the NDA/FP should work together early enough to allow sufficient time for appropriate multi-stakeholder engagement to take place, in particular with affected communities and potential beneficiaries. In providing feedback to Accredited Entities on concept notes, or on the consideration of funding proposals, the GCF Secretariat and the Accredited Entity must ensure that NDAs/focal points are kept informed on the development and progress of the concept note or funding proposal.

Comment [KO6]: Alternate suggestion: Since the GCF is a country-driven process, origination of funding proposals should come from the NDA/FP, as a result of a multi-stakeholder, intragovernmental process, which would then invite the appropriate AE to work together to submit a proposal. NDAs/FPs are encouraged to solicit ideas for proposals in an open and transparent manner, including from direct and international access accredited entities and other sources.

13 The no-objection procedure, by which funding proposals should not be submitted to the GCF without a letter confirming that the recipient country does not have an objection to the proposed project or programme, is designed to ensure consistency with national climate strategies and plans and country-driven approaches⁴. Although a no-objection letter is not required for the voluntary submission of a concept note, Accredited Entities, when submitting a concept note, are encouraged to should include a description of how engagement with the NDA(s) and other relevant stakeholders in the country has taken place and what further engagement will be undertaken as the concept is developed into a funding proposal. NDAs/FPs should must be informed by the AE when a concept note is presented for their respective country. Stakeholder engagement and coordination at the national and local level is critical for the effective preparation of funding proposals, as well as ongoing monitoring and evaluation after approval. Developing countries are urged to take into account the best-practice guidelines for the establishment of national designated authorities and focal points and the best-practice options for country coordination and multi-stakeholder engagement as set out in decision B.08/10 Annex XIII and Annex XIV. NDAs/focal points are encouraged to should establish national coordination mechanisms and formal consultation processes. They can access the Readiness and Preparatory Support Programme to support this effort.⁵

Comment [DE7]: I think this needs to be stronger.

Comment [DE8]: I think this needs to be stronger.

Comment [KO9]: This is good (would be better if mandatory, but that is unlikely). Detailed guidance on how to establish national coordinating mechanisms and formal consultation procedures – in line with international best practice – need to be developed and socialized. There is much to be learned from “fake” consultations often carried out by the World Bank. We can provide such examples.

Comment [SH10]: This could be stronger. Ideally it would say “shall” -- all good practice analysis says this

14 A consultative process should aim to be an ongoing process through the design, implementation, monitoring and evaluation and exit stages of a project or programme, rather than a discrete activity occurring only once. This will allow the possibility of follow up, continuous update and regular assessment of progress. These consultative processes should be inclusive and seek to engage all relevant actors within the government, the private sector, academia, civil society, affected communities, Indigenous Peoples, women, and other relevant stakeholder groups or sectors⁶. Also, para 57 of the Governing Instrument specifically highlights the need for participatory monitoring. Establishing such ongoing stakeholder engagement and country coordination should help to ensure the coherence of GCF funded activities with national priorities and existing strategies and plans. Where countries have existing multi-stakeholder processes, they may be used for the GCF and strengthened via the readiness program.

Comment [DE11]: I think the stakeholder engagement policy should cover more than the engagement between “Secretariat, AEs and NDAs/focal points”. Ideally, we would have language from para 71 of the GI here.

Comment [KO12]: This is good, but the stakeholder engagement policy and standards should not be limited to the ESMS.

15 As noted in para. 71 of the Governing Instrument, “The Board will develop mechanisms to promote the input and participation of stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and Indigenous Peoples, in the design, development, and implementation of strategies and activities to be financed by the Fund.” Acknowledging the importance of thorough consultation processes in supporting country ownership, the GCF will develop a stakeholder engagement policy and standards as part of its Environmental and Social Management System that will foster early engagement between the Secretariat, AEs, and NDAs/focal points, and stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and Indigenous Peoples, including during the proposal design stage. Comprehensive stakeholder engagement should be implemented throughout all aspects of the GCF, from Board policy development through community project

execution and beyond.

¹⁶ Country ownership of GCF activities may also be evident if countries take action to demonstrate sustained commitment to and ownership of GCF proposals from approval through implementation and beyond. Such actions could include but are not limited to commitments to

⁴ Decision B.08/10 Annex XIII

⁵ Decision B.08/11 (i)

⁶ Decision B.08/10 Annex XIV

improve enabling environments to help a proposal succeed or assurances of financial or in-kind support. Additionally, evidence of country ownership of GCF proposals could also include commitments to improve sustainability of actions once GCF funding is used, for example, thorough plans to train and employ local staff during proposal implementation as compared to relying on international consultants.

V. Evaluating and developing Country Ownership

17. Recognising that country ownership is an underlying principle and an ongoing process, and that country ownership may mean different things in different contexts, quantitative measurement alone of country ownership is unlikely to provide meaningful results. The Fund should make efforts to draw lessons from how country ownership is being interpreted and implemented in different contexts, and to use such lessons to inform the development of policies and programmes, stakeholder engagement, and country programmes.

18. This could be done through engagement with NDAs / focal points, other key stakeholders in recipient countries, and with Accredited Entities. Consultation with NDAs / focal points should comprise part of the mid-term and completion evaluations required for each approved funding proposal. The outcomes of the annual participatory review of the GCF Portfolio in the country, facilitated by the NDA/FP, could also be considered. In addition, the Structured Dialogues at national and regional level could also gather feedback from NDAs / focal points and other stakeholders on their experience of country ownership. The fund could also draw lessons from how ownership is being achieved through different GCF access modalities, including the enhanced direct access pilot.

19. The Secretariat will continue to improve these guidelines based on observations from current best practices and from feedback gathered through the processes outlined above.

Comment [KO13]: Suggest to add in a para on country ownership investment criteria, per Annaka Peterson's blog – Use a robust approach to hold accredited entities accountable for contributing to country ownership.

The monitoring and accountability framework of the GCF includes some loose provisions to monitor accredited entities and the portfolio of the Fund. When detailed guidance and procedures are developed to implement this framework the GCF should ensure country ownership is fully incorporated by:

Assessing stakeholder engagement throughout each stage of the project/program cycle, starting with project conceptualization. This assessment should be specific for each stage and include details of who was involved and how they were involved;

Assessing the quality and effectiveness of capacity building support provided by accredited entities, especially international entities, mandated to provide such support; and

Mandating reporting from all international accredited entities on results of efforts to strengthen institutional and regulatory systems for low-emission and climate resilient planning and development.

Improve the investment criteria on country ownership – and apply it strictly. Currently the assessment factors used in the country ownership investment criteria don't adequately reflect the principle of country ownership. To improve upon the current criteria, sub-criteria and assessment factors, the GCF should include a sub-criteria that details the extent to which national systems are used to ensure accountability. In addition, as the GCF incorporates more robust scoring and assessment of the criteria, a scale for each of the sub-criteria should be applied. For example, the quality of stakeholder engagement in the design as well as project plans should be assessed and scored accordingly. Proposals that don't demonstrate a basic level of country ownership and commitment to deepen engagement throughout the project or program should not be approved by the Board.