

SACFP Regional Learning Forum 2

Workshop Report and next steps for SACFP

14 May 2019





This document is an output from the Southern Africa Climate Finance Partnership (SACFP). SACFP is a programme funded by the UK Department for International Development (DFID) and the Swiss Agency for Development Cooperation (SDC). The views expressed and information contained in this document are not necessarily those of or endorsed by DFID, SDC or the entities managing the delivery of SACFP, which can accept no responsibility or liability for such views, completeness or accuracy of the information or for any reliance placed on them. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, the entities managing the delivery of SACFP do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

Management of the delivery of SACFP is undertaken by SouthSouthNorth.

© 2019 Southern African Climate Finance Partnership.

TABLE OF CONTENTS

1	Introduction	1
1.1	Background and context	1
1.2	About the SACFP	2
1.3	SACFP Regional Learning Forums	3
1.4	The Second SACFP Regional Learning Forum	4
1.5	Structure and purpose of this report	5
2	Learning Journey of Stakeholders.....	6
2.1	Stakeholder groups	6
2.2	State of learning at the end of RLF1.....	6
2.3	State of learning at the start of RLF2.....	6
3	Key themes addressed during RLF2.....	9
3.1	GCF Information Updates	9
3.2	Gender	11
3.3	Country Programming.....	12
3.4	Accreditation	14
3.5	Private Sector.....	15
3.6	GCF Readiness.....	17
4	Learning outcomes	19
4.1	Shifts in delegate understanding of the SACFP Workstreams	19
4.2	Meeting delegate expectations	20
4.3	Key messages for delegates.....	21
4.4	Opportunities identified	21
5	Next Steps for SACFP2	22
6	Annex 1: List of institutions represented at RLF2	23
7	Annex 2: SACFP Regional Learning Forum 2 agenda.....	24

ACRONYMS

Acronym	Meaning
AE	Accredited Entity
AF	Adaptation Fund
EOI	Expression of Interest
ESS	Environmental and Social Safeguards
FAA	Funded Activity Agreement
FMCA	Financial Management Capacity Assessment
FP	Focal Point
GCF	Green Climate Fund
GEF	Global Environment Facility
ITAP	Independent Technical Advisory Panel
LDC	Least Developed Country
MSMEs	Micro, Small, and Medium Enterprises
NDA	Nationally Designated Authority
NDC	Nationally Determined Contribution
PSF	Private Sector Facility
RFP	Request for Proposals
RLF	Regional Learning Forum
RMF	Results Management Framework
SACFP	Southern Africa Climate Finance Partnership
SAP	Simplified Approval Process
SIDS	Small Island Developing State
SSN	SouthSouthNorth
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar

1 Introduction

1.1 Background and context

The Green Climate Fund (GCF) is an operating entity of the United Nations Framework Convention on Climate Change (UNFCCC) financial mechanism. As of March 2019, the GCF has approved 102 projects globally, to the value of USD 17.6 billion, delivering increased resilience to 276 million beneficiaries, and avoiding 1.5 billion tonnes of CO₂ equivalent. Despite this, the GCF is constrained by a number of factors, including a limited pipeline of impactful country-owned proposals, and a limited share of funding allocated through Direct Access Accredited Entities (AEs). The GCF is committed to having at least 50% of all funds being accessed by Direct Access AEs.

Many developing countries – and notably their Nationally Designated Authorities (NDAs) / Focal Points (FPs) to the GCF – face challenges when designing and implementing transformative project portfolios. The quality, scale, and coordination of project portfolios should be addressed through: a systematic, coordinated approach by developing countries accessing the GCF and other climate finance; along with partnership, collaboration, learning, and ultimately enhanced capability to coordinate transformative investments.

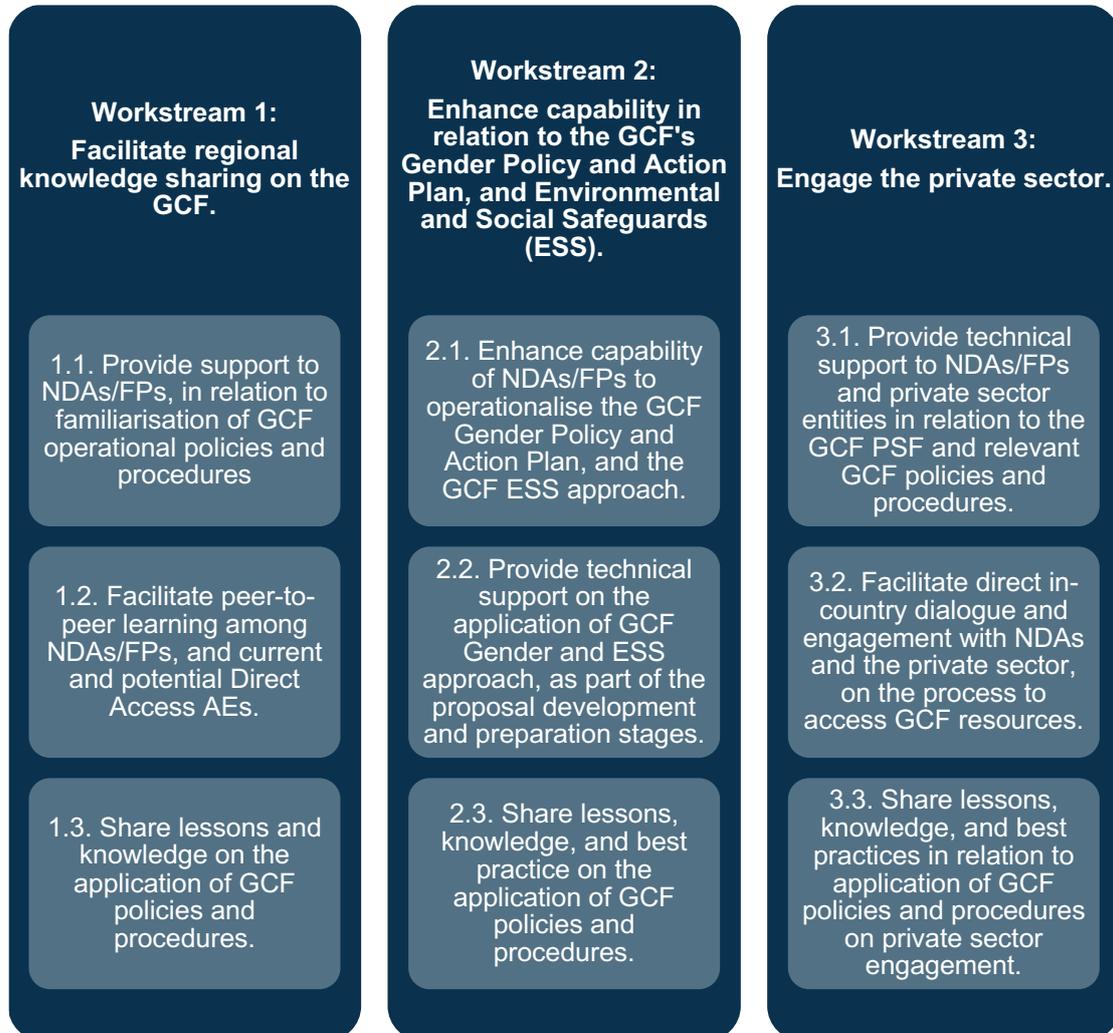
Figure 1: Graphic harvest representation of RLF2 Day 1



1.2 About the SACFP

In response to the challenges faced by countries seeking to access the GCF, the Southern Africa Climate Finance Partnership (SACFP)¹ seeks to promote learning and sharing across six focus countries (Botswana, Lesotho, Namibia, South Africa, Zambia, and Zimbabwe). The SACFP has three Workstreams, as illustrated in Figure 2.

Figure 2: SACFP Workstreams



¹ [SACFP webpage](#)

1.3 SACFP Regional Learning Forums

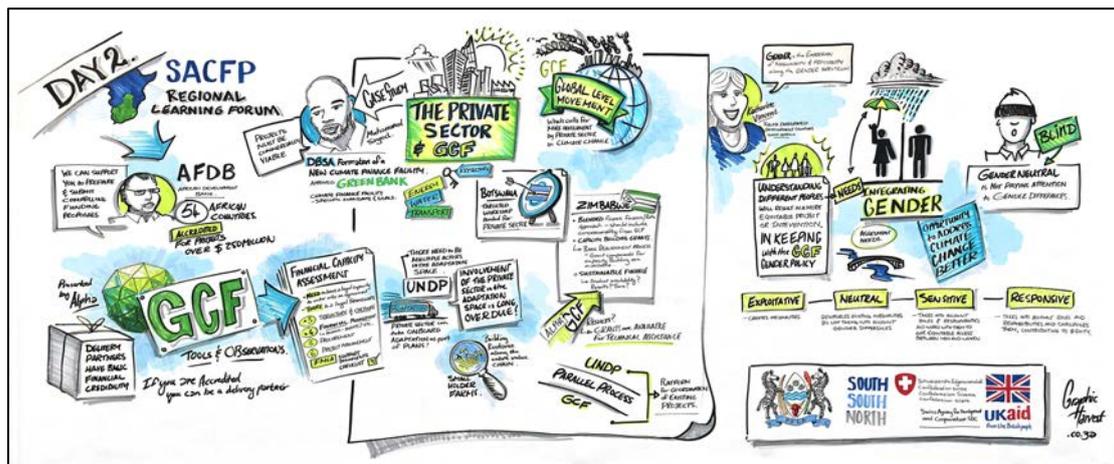
The flagship activity of SACFP Workstream 1 is the convening of Regional Learning Forums (RLFs). The RLFs present a unique opportunity for countries to share learning on their experiences regarding the GCF with other SACFP focus countries.

The RLFs are convened by SouthSouthNorth under the SACFP (funded by the United Kingdom's Department for International Development and the Swiss Agency for Development and Cooperation). The 1st SACFP RLF was co-hosted by Namibia's Ministry of Environment and Tourism in their capacity as NDA to the GCF, in partnership with Namibia's Environmental Investment Fund, in October 2018.

The 2nd SACFP RLF – the subject of this report – was co-hosted by Botswana's Ministry of Finance and Economic Development in their capacity as NDA to the GCF, in April 2019.

There is recognition that countries in Southern Africa are at various stages in accessing finance from the GCF, thus the RLF are designed in a way that adds value to all countries regardless of whether they have accessed finance from the GCF, but also enables those that have been successful to not only learn from rapidly evolving good practices among participants but importantly guide other countries through the sharing of their experiences.

Figure 3: Graphic harvest representation of RLF2 Day 2 morning sessions



1.4 The Second SACFP Regional Learning Forum

The 2nd SACFP Regional Learning Forum (RLF2) was held following the 22nd Meeting of the GCF Board, which saw the approval of nine projects to the value of USD 440 million, along with changes to the Readiness and Preparatory Support Programme, and proposed updates to the GCF's Results Management Framework. RLF2 was held on the 2nd and 3rd of April 2019 in Maun, Botswana. It was co-convened by SouthSouthNorth, and Botswana's Ministry of Finance and Economic Development in its capacity as NDA to the GCF.

The objectives of the 2nd SACFP RLF were:

1. Strengthening regional collaboration on financing climate action in Southern Africa, primarily targeting the use of the GCF, by:
 - 1.1. Recognising existing regional capacity and leveraging regional successes that can be drawn upon, scaled up and accelerated; and
 - 1.2. Identifying collaboration opportunities through collaborative country to country exchanges and experience sharing as well as in terms of multi-country programmes.
2. Providing a platform for peer-to-peer learning on challenges and successes in accessing GCF finance.
3. Providing an opportunity for country teams to engage with the GCF Secretariat on specific institutional issues as well as reinforcing the understanding of the climate finance landscape and opportunities through interactions with other international AEs (e.g. AfDB, DBSA, GIZ, and UNDP)

The format of sessions was discussion-orientated, with speakers being asked to share their stories and experiences. The intention was to foreground the extensive experience of the participants gathered in the room, with a view to enhance learning of institutions that have not progressed as far, and institutions experiencing similar challenges.

RLF2 was held under the Chatham House Rule, to encourage open sharing of participant experiences whilst allowing for a full report of the issues discussed. When a meeting is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed. Please note that a list of institutions represented at RLF2 has been included in Annex 1 of this report, without linking these to any individual participants.

1.5 Structure and purpose of this report

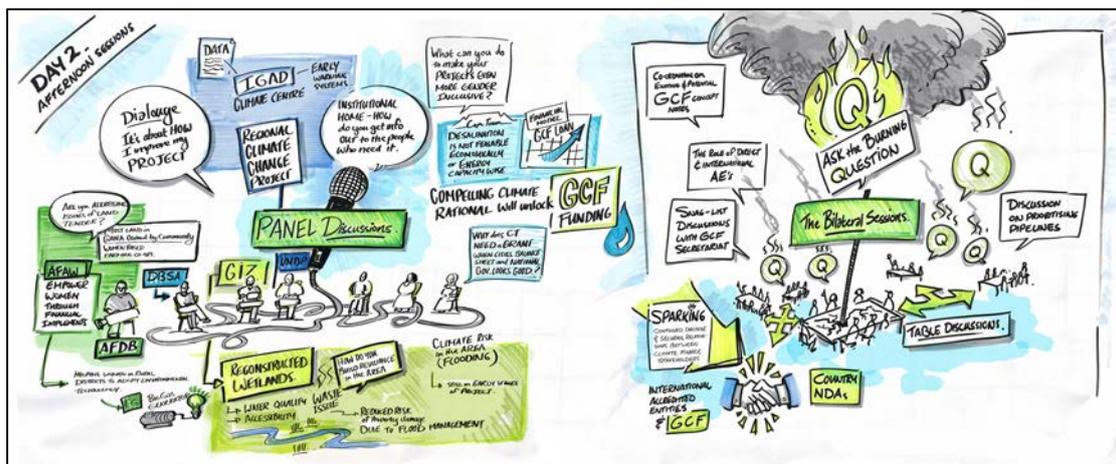
This report describes the stakeholder groups that have participated in the RLFs, along with their learning needs, and describes their learning journey following RLF1 and during RLF2. It summarises the discussions at RLF2 under the following key themes:

- GCF information updates;
- gender;
- country programming;
- proposal development;
- accreditation;
- private sector; and
- Readiness (including financial management capacity).

The report concludes with a consideration of the next steps for the SACFP, and contains the RLF2 agenda in Annex 2.

This report was prepared as a resource for delegates to refer back to the RLF2 and the points that were discussed. It also seeks to help external parties understand the proceedings of RLF2, and the learnings shared. Some RLF2 delegates may find this report a useful tool to aid communication within their organisations, and with related stakeholders.

Figure 4: Graphic harvest representation of RLF2 Day 2 afternoon sessions



2 Learning Journey of Stakeholders

2.1 Stakeholder groups

RLF2 brought together 44 delegates from: NDAs/FPs, AEs, and nominated AEs to the GCF; as well as the conveners and their development partners. The list of institutions represented at RLF2 is attached in Annex 1. RLF2 focused on a range of issues that countries have been grappling with, as summarised in the following section, on Key Themes Addressed at RLF2. The RLF2 agenda is attached in Annex 2.

2.2 State of learning at the end of RLF1

RLF1 was the first full gathering of the SACFP, and was based on the assumption that there should be frank discussion among delegates trying to overcome complex and sensitive problems in accessing GCF funding.

At RLF1, delegates expressed a range of challenges that they had been facing, ‘:

- Difficulty in processing strategic projects that were of a size and risk level beyond their capability or level of accreditation; and
- Demonstrating the climate rationale in projects, in order to differentiate them from development projects;
- Private sector awareness and involvement in GCF projects;
- Establishing a common strategy to scale up climate finance at a regional level.
- Whilst the value of sub-regional discussion was acknowledged, differentiating the issues requiring focus at a Learning Forum so that there was synergy with those issues focused on at official GCF Structured Dialogues.

The relationships sparked, and conversations started, at RLF1 led to the arrangement of bilateral exchanges among delegates, which have spurred on some success stories².

At the end of RLF1, delegates were surveyed on where they want to go next:

- The vast majority of delegates said that RLF1 met their expectations.
- 76% of respondents said that they would attend another peer-to-peer learning event.
- Respondents suggested that such an event should focus on proposal development and gender, among other issues.
- Respondents suggested that such an event should bring together NDAs, AEs, private sector representatives, and the GCF Secretariat, among other stakeholders.

2.3 State of learning at the start of RLF2

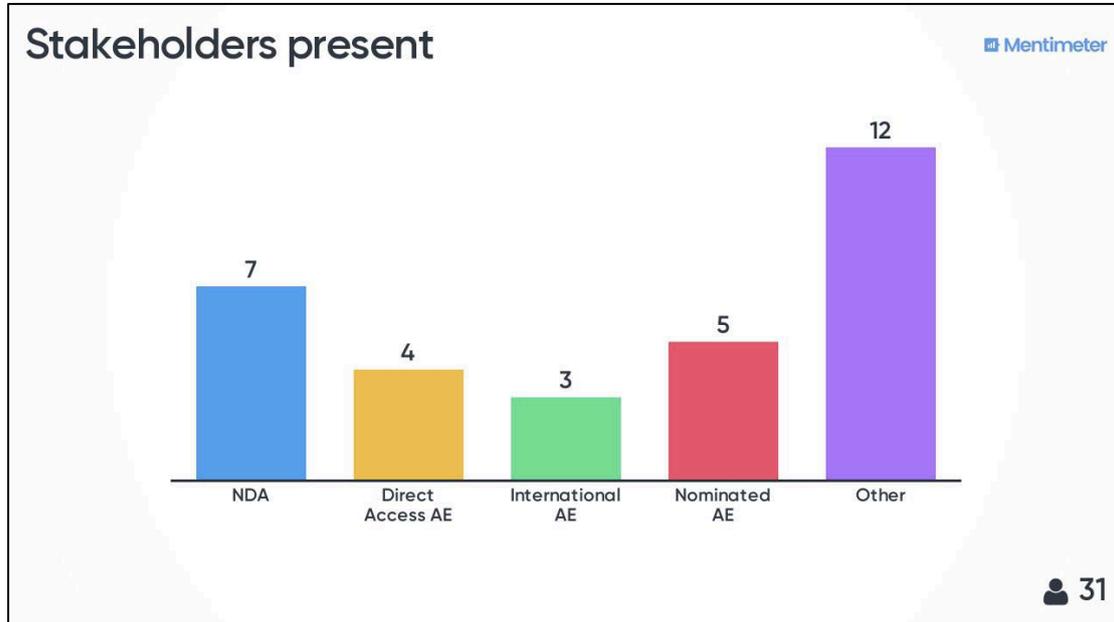
The participants of RLF2 included several stakeholders who participated in RLF1 as well as several stakeholders who would be interacting with SACFP for the first time. Participants entered the event with differing levels of experience of, and at different places along their journey of, accessing GCF funding.

In addition, the GCF Secretariat was invited to participate in RLF2 to share recent developments concerning GCF policies and procedures. The participation of the Secretariat would also allow for the conveyance of messages from participants regarding their experiences working within the GCF framework and how these experiences might have an influence over future GCF policies and procedures.

² For a showcase of conversations started at RLF1, watch the video summary *Learning into action: Leveraging climate finance in Southern Africa* (<https://youtu.be/sGfDcZp06pk>)

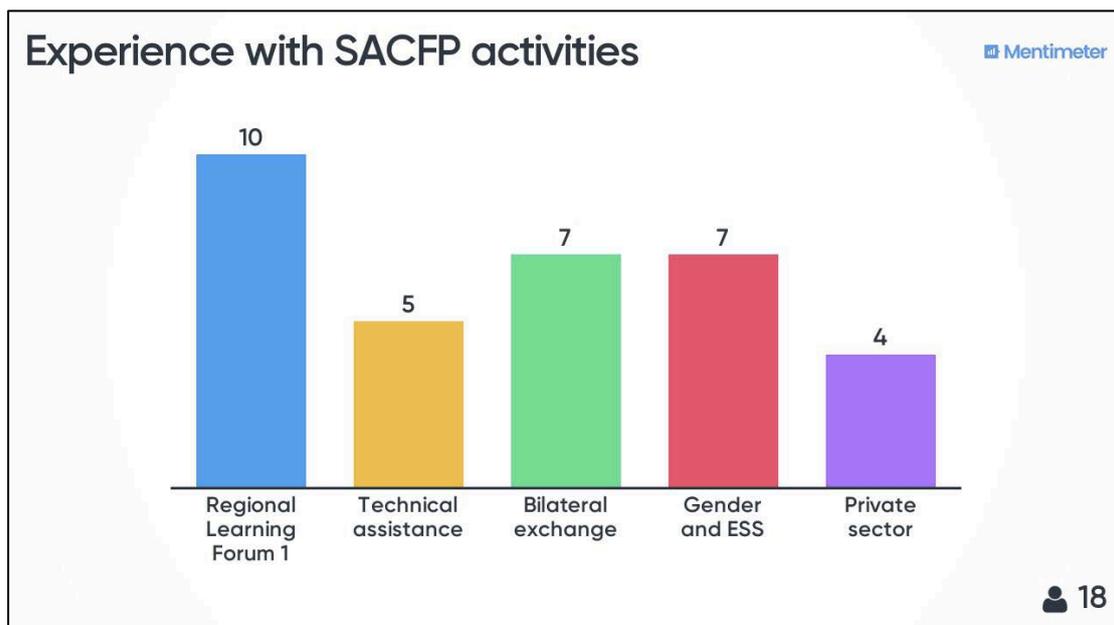
At the start of RLF2, an interactive survey was conducted using Mentimeter³, which revealed some detail on who was in the room and where they were –in terms of engaging with both the GCF and with SACFP. As illustrated in Figure 5, respondents represented NDAs, Direct Access AEs, International AEs, nominated AEs, and other groups.

Figure 5: Number of delegates in each stakeholder group at RLF2



As illustrated in Figure 6, many respondents had attended RLF1, and some had attended other SACFP activities including: technical assistance, bilateral exchanges, gender and ESS activities, and private sector activities. 51.6% of respondents had participated in a peer-to-peer learning event before.

Figure 6: SACFP activities that respondents had participated in, prior to RLF2



³ www.mentimeter.com

Some 57.9% of those respondents that had also attended RLF1, had integrated at least some learnings from RLF1 into their day-to-day professional activities, including through:

- Enhanced understanding of the Readiness needs of AEs, nominated AEs, and NDAs;
- Knowing the priorities of Direct Access AEs and NDAs, and designing the capacity development to address their priorities;
- Drawing on the proposal development experiences shared by other AEs at RLF1, to inform a current proposal development process;
- Implementation of climate smart agricultures;
- Consultation and communication aspects;
- How to access GCF funding, and learning from how other countries overcame challenges that they experienced; and
- Enhanced understanding of the Readiness needs of AEs.

Delegates highlighted the following obstacles they were facing in their GCF journey, which included the following:

- Technical capacity;
- Climate rationale;
- Lack of clear policies;
- Changing of procedures;
- Sector priorities;
- Co-financing; and
- Stakeholder engagement.

Delegates were also asked to suggest what they wanted to learn about most at RLF2, and the responses to this question could be grouped into the following:

- Sharing of delegate experiences;
- Understanding of stakeholder engagement;
- Knowledge of procedures for accessing GCF funds; and
- Updates and changes in GCF processes.

3 Key themes addressed during RLF2

3.1 GCF Information Updates

Receiving updates directly from the GCF proved to be a most useful opportunity for the stakeholders in the room and helped to unpack recent changes to internal GCF policies and procedures. Chief amongst these was the outcomes of the Independent Evaluation Unit's review of the Readiness and Preparatory Support Programme to date and the GCF Secretariat's management response to this. The evaluation influenced the design of the revised GCF Readiness and Preparatory Support Programme with a reorientation of the approach, shifting focus away from inputs and activities, towards a more impact orientated approach.

Aware that stakeholders have been experiencing frustration with the GCF's turn-around time pertaining to accreditation, Readiness support and project approvals, the GCF have begun a process of expanding their internal staff compliment in order to increase their level of responsiveness. However, the responsiveness of the GCF is not limited solely by its capacity to respond to the large number of applications and request for support that it receives. In many instances, proposals and applications do not meet the minimum requirements laid out in GCF procedures. NDAs were encouraged to use strategic GCF staff – notably their GCF Regional Advisor – to review proposals before submission. It was also noted that ample time should be allowed for processes, as communicating early leads to solutions (e.g. one month for a preliminary proposal review by a GCF Regional Advisor). While Direct Access AEs have found the role of Regional Advisors to be helpful, some felt that Regional Advisors are beginning to feel pushed to the periphery.

The GCF relies on remote communication, and a desk-based approach. This means the GCF is left to assess submissions, rather than capacity, and recipient countries themselves are likely better placed to assess their level of success in Readiness, and their needs. Recipient countries were encouraged to strive for country ownership and county leadership – going the “extra mile”, seeking advice where needed, and making use of the available Regional Advisors. There are a number of avenues to engage in GCF processes and it was important that stakeholders kept in mind which avenues for most appropriate for different purposes. For example, engagement with one of the GCF Secretariat's African Regional Advisors was helpful for informal interactions on understanding GCF processes, procedures and policy. Formal interaction with the GCF Secretariat and (if necessary) direct engagement with the GCF Executive Director could be another channel. Issues requiring redress could be addressed and followed through the GCF Redress Mechanism in order to trigger the Board approved process to attend to these matters. Policy related matters under consideration by the GCF Board could be discussed informally with African Members prior to GCF Board Meetings.

The GCF further emphasised the importance of scaling up domestic institutional capacity as a means to enhance the African continent's internal levels of responsiveness. Currently, there is significant use of international delivery partners to deliver projects. This is a pattern repeated on the Africa continent. Such partners often absorb large portions of the project budget and remove some of the opportunities for country partners to learning how to interact directly with the GCF. In this regard, the GCF recognises the need to focus on direct access as a core modality for enhanced country ownership and, in turn, therefore the need for African institutions to be mobilised to effectively support implementation. The GCF has designed a tool in the form of the Financial Management Capacity Assessment that outlines the requirements that entities need to meet in order to be approved to engage with GCF financial

management systems. The tool serves as a guide for NDAs to use when seeking out and selecting national delivery partners for institutional capacity building.

An International AE, invited stakeholders to make use of their facility to assist in aligning proposals with NDC targets and sector priorities. The AE offer further technical assistance to support regional entities with regards to accreditation applications, as well as through a train-the-trainers programme to assist countries to train ministries and technical units that are not experienced in climate change.

AEs have experienced additional frustrations in the form of contract finalisation; even where projects have been approved, the process for finalising contracting can take a long time to complete. There was a suggestion by participants for the GCF to introduce set timelines for finalisation of Readiness contracts following Readiness Proposals being approved – similar to the time limit already in place for AEs to formalise a Funded Activity Agreement (FAA) following GCF Board approval.

The GCF acknowledges the burdensome level of differentiation that it demands for reporting, and is working to simplify this. A new GCF live proposal portal was also highlighted as a step towards increasing the visibility of the proposal process, and speeding up communication and action between stakeholders and the GCF.

3.2 Gender

At the start of RLF2, a gender expert was introduced as a key listener who would later summarise her thoughts on how gender was addressed during each session, in addition to leading a session specifically focused on gender.

During this gender-focused session, the expert took delegates through an engaging exercise, involving role play with participants representing different groups with various vulnerabilities, and challenging them to understand what gender inclusivity means for such people.

Delegates were then introduced to the following continuum of potential approaches to gender in climate finance programming and projects:

- Exploitative: This is an approach in which vulnerable groups are actively prejudiced or excluded from benefits, and is to be avoided at all costs.
- Gender neutral (also known as gender blind): This approach doesn't discriminate against vulnerable groups, but it doesn't take gender differences into account.
- Gender sensitive: This approach recognises gender differences, and works with them, to benefit vulnerable groups; however, while this can ensure better outcomes, it doesn't address underlying causes.
- Gender responsive: This approach addresses the structures giving rise to poor treatment of vulnerable groups. The GCF is dedicated to being gender responsive.

Delegates were challenged to assess several hypothetical climate finance project concepts, and decide where each of them should lie on the gender approach continuum summarised above.

Key messages arising from the RLF2 gender session included the following:

- Integrating gender means treating people differently to achieve the same outcomes (i.e. equity), rather than treating every person the same (i.e. equality). Addressing gender should be seen from the perspective of trying to achieve balance between those with power and those without power. Thus, stakeholders need to be included in designing interventions.
- Differences between people, and resulting vulnerabilities, are a key consideration in programming climate interventions. Needs assessments are necessary to account for these differences. Issues of decision-making, and who has the power to do what, must be considered during a needs analysis to understand who is having a voice in the design and ensuring that all stakeholders are given due consideration.
- In a project lifecycle, gender is often only included in design intervention (Stage 2). However, it should be included at every stage, especially during the needs assessment (Stage 1). Incorporating gender during the needs assessment stage makes it much less of a burden, and will allow for assessed needs to be integrated into intervention design.
- Incorporating gender considerations during a needs assessment is especially important where the regional context impacts on gender roles, because universal gender assessments may not translate to different contexts.
- There are practical limitations to women's involvement in planning and leadership processes – for example, women are currently assigned the majority of home and child care.
- Gender policies are important for an institution, to inform decisions made at all times and by all representatives of that institution.

3.3 Country Programming

GCF “country programming” for climate finance is a country-wide process, generally led by national government (and specifically by the NDA when it deals with the GCF), in order to consult with a wide range of stakeholders, including AEs, on how best to strategically programme GCF resources in a particular country.

Delegates at RLF2 recommended a wide-ranging strategic approach to country programming, including all stakeholders. It was noted that the process of prioritising projects should be guided by relevant documents including National Determined Contributions to the UNFCCC, and national climate change plans and strategies. National Adaptation Plans (NAPs) have been prioritized as part of the Readiness to inform support and enhance country programming and that the generation of adaptation plans is not only the responsibility of government, but of all actors.

RLF2 provided an opportunity for countries at different stages along their journey of developing country programmes to share their lessons and experiences. Through these shared lessons, participants gained deeper insight into the process of developing the required institutional structures and mechanisms, as well as setting the climate change responses that align with national development priorities and NDC commitments.

The selection of Direct Access AEs is an important part of country programming. Recipient countries should select their national stable of Direct Access AEs carefully, being conscious of the role each plays and the complementarity among multiple direct access AEs. Different Direct Access AEs can take on different areas of focus, and tackle different challenges; this requires different skills. Careful selection and engagement with Direct Access AEs can also help to avoid duplication and internal competition. While the NDA should strive towards a range of Direct Access AEs with differing strengths, to address differing needs some institutions – notably from the private sector – have taken initiative to seek accreditation. This can lead to questions on the balance of Direct Access AEs types within a particular country.

NDA's need to be strategic about which institutions they nominate for Direct Access accreditation, because they need to have a certain profile, while also meeting requirements according to GCF policies and procedures. This selection requires a responsive and strategic NDA, to consider which organisations will receive a letter of nomination for accreditation.

A key consideration is how to structure institutional support to enhance stakeholder engagement and being able to identify proposals. In some cases, AEs may consider engaging in their own stakeholder engagement process, to identify illicit proposals – for example, through a call for expressions of interest (EOIs). However, this process may be frustrating and require more time and resources than expected, if many responses are received and the process for processing EOIs is too burdensome. Since such EOIs are just ideas – not GCF-ready concept notes – some are difficult to review properly, as they do not provide enough information. A strong recommendation from such an engagement is to include the respective NDA, and sector representatives, on an advisory committee through such a process – this ensures that there is early communication, and that relevant parties are aware of concept notes and projects as they arise and evolve through the process.

Countries do not need to wait to have their own Direct Access AE – there are options to begin while waiting for entities to be accredited, and it can be useful to factor this into the strategy around a country programme at the outset. The approach of some International AEs is to avoid developing project pipelines in countries that have their own Direct Access AEs (although exceptions may be made, for example if a partner approaches the International AE to ask them to engage as the AE). International AEs generally require projects to be highly

innovative and geared towards partner needs, while also meeting the unique expectations of that International AE's funders.

When it comes to selecting a domestic Readiness delivery partner, the NDA needs good knowledge of the institutional landscape in their country, and which institutions have the structure to qualify as a delivery partner. This exercise should be informed by a financial management capacity assessment (FMCA)⁴, which includes basic requirements and information that a delivery partner should fulfil. The requirements of the FCMA act as a good roadmap for countries in seeking out Direct Access AEs, or identifying where entities need to enhance their internal capacities. This can be used in advance of accreditation, which offers a head start that should be taken advantage of in a country programming approach. The FMCA has recently been updated – the update includes the addition of anti-money laundering requirements. Institutions in the accreditation pipeline can also benefit from the FMCA, as it will help them to start engaging with the GCF, and because it allows for a shift towards country ownership through the strengthening of capacity in domestic institutions.

Delegates had certain concerns relating to proposal development, including the following:

- NDAs have experienced inconsistent policies – for example, differing views/evaluations from one GCF unit to another, or changing over time without warning.
- NDAs noted that GCF templates and protocol were liable to impromptu changes that were not efficiently communicated, which had led to delays and forced redrafting or resubmission of documents in some cases.
- Uncertainties and risks remain where policies and procedures have not been finalised even as they are expected to guide key decisions including board approvals of project proposals.
- AEs have found that the same amount of effort is required for designing micro level (under USD10m total value) projects proposals, as for medium level (up to USD250m total value) proposals. However, AE experience is that the amount of documentation required for a proposal can be reduced significantly through the Simplified Approvals Process (SAP).

⁴ The GCF's FMCA form can be found on their website:
https://www.greenclimate.fund/documents/20182/104167/Financial_Management_Capacity_Assessment_Template.docx/5328f652-cf6e-44ab-b115-ae081be805fb

3.4 Accreditation

The selection of institutions for accreditation as a Direct Access AE is central to country ownership, and for countries to maximally leverage the benefits offered by the GCF. Accreditation can be a long and cumbersome process for institutions – from NDA nomination, to GCF engagement, through the documentation and scrutiny of application, and the potentially long wait for GCF Board approval. Institutions seeking GCF accreditation should be strategic in their approach to the process and consider entering the process with an acknowledgement of the effort required to become accredited.

Whilst entities are experiencing some challenges and frustration regarding GCF accreditation, through exchanging lessons and experiences participants were able to unpack key opportunities to move forward and speed up the process:

- In some cases, institutions may have operated for years, but lack in a few areas – for example, their ESS and gender policies or capacities may not meet GCF requirements, even if they already meet national requirements. In such cases, an institution may consider leveraging an existing process in order to adjust their policies or capacities early, and engage with GCF representatives to ensure they are set on the right track as early as possible.
- It is attractive to the GCF for entities to leverage the benefits of processes – for example, for an entity to work towards a project proposal in a given category, at the same time as that entity is working towards upgrading their accreditation to that category.
- Where certain AEs are early movers – for example in accreditation, upgrading accreditation status, or project proposal – they may have limited GCF guidance and unclear policies to deal with. In such a case, they may be able to work closely with the GCF to seek solutions, and gain the additional benefits of building their own human capacity, and acting as a learning case.
- In some cases, the GCF has allowed accreditation where the entity is still lacking in some policies, on the condition that such entities would plan and work towards putting in place such policies. Such an experience was referenced by a delegate, wherein the nominated entity outlined a roadmap, convincing the GCF that they were well on their way, and knew where they were going, and how they were going to get there. Evidence presented to the GCF in such cases may include: terms of reference for internal auditors; and support for policy development through partnerships with development partners.
- One delegate made the point that smaller institutions, and the private sector in particular, may have some advantages in seeking GCF accreditation – for example, they may be more dynamic and responsive, allowing them to get documents signed off within weeks, instead of within years as in some larger institutions.
- The GCF offers a fast-track accreditation process, whereby entities can follow a more rapid and streamlined process under certain circumstances – for example, if they are already accredited to institutions such as the Global Environment Facility (GEF) or the Adaptation Fund (AF). This fast track accreditation process has proven beneficial to entities that are already accredited to institutions such as the GEF or AF. The GCF also offers fast track accreditation to nominated entities that respond to their occasions including Requests for Proposals (RFPs).
- Some AEs, with accreditation for relatively large GCF projects, prefer to bundle projects up into larger programs, rather than processing individual projects; this makes for efficient economies of scope and scale noting the level of work involved in a single proposal.

3.5 Private Sector

Several RLF2 sessions dealt with the private sector, including through: examination of the GCF's Private Sector Facility, and SACFP's approach to the private sector; a case study on private sector programming through the GCF; and a case study on a research approach to national climate finance opportunities.

Various issues were raised during discussions on the private sector, including the following:

- A country-driven approach means directing attention to local actors, particularly MSMEs and intermediaries.
- Most big investors and capital shareholders are committing to green their capital investments, so private sector entities would be well advised to adjust to new conditionalities emerging at an international level.
- A delegate representing a private financial institution highlighted that the accreditation process can be challenging for private sector entities, as they demand certainty, and delays cost their business model. Thus, an institution depending on annual returns cannot afford to wait through a two-year process for accreditation.
- The GCF offering can also be costly to the business model of private sector institutions – for example, there is a case of a nominated Direct Access AE that was realising frustration in seeking GCF accreditation, which successfully raised a green bond for renewable energy in the interim.
- The private sector requires much more clarity than the GCF has given. There are examples of private sector entities having to turn to their peers for advice, in light of limited response from the GCF on their queries. The GCF Secretariat is, in turn, often hamstrung to give further clarity where there has not been explicit GCF Board guidance on matters.
- Private sector AEs and executing entities are generally expected to offer substantial investment to match the GCF's investment, when they contribute into programmes and projects.
- Whatever concessionality is allowed by the GCF, must be passed on to beneficiaries; this means that where GCF finance is blended in a programme, and then passed on to a client, there must be reporting back to the GCF to show how that finance is blended.

Opportunities for engaging with the GCF on private sector issues:

- It was noted that private sector engagement is a GCF activity, with Readiness support provided to engage the private sector post-accreditation.
- While government entities are often constrained by public processes, the private sector may have more quick and efficient solutions; but this depends on responsiveness and flexibility from the other stakeholders, including the GCF.
- Programmes or projects aimed at the private sector can play a catalytic role – for example, crowding in private sector investment, by taking on long-tenor loans or subordinated debt. Where the approach is catalytic, the rationale for the GCF's co-investment needs to be particularly sound, in order to clarify why the GCF's concessionality is required.
- Private sector projects or programmes may include a grant component, that can be justified for capacity building, which can cover: establishment of a programme; getting dedicated resources to run the programme; and an AE fee, which can cover costs including monitoring and evaluation. However, repayable financial instruments must be used for the actual implementation of the project or programme

- As far as possible, local MSMEs should be engaged to supply technology, particularly for adaptation projects; this will ensure that local MSMEs are supported, and that support should be available if there are problems with technology.
- Opportunities may exist to match organisations like the GCF with projects that are already existing, noting that a well-developed green economic sector (including green MSMEs) already exists.

It was noted that, while the GCF mandate for engaging the private sector to progress climate action dates back to the GCF's Governing Instrument, there can still be conflict between the private sector and the GCF. The public sector drives the mandate, so the private sector has to examine strategies and policies, to identify opportunities and a role that it can play, which also allows it to generate revenue. GCF private sector opportunities arise where three criteria are met: public sector priorities; private sector priorities; and the GCF RMF.

3.6 GCF Readiness

As discussed in Section 3.3 above, delegates were urged to *be ready for Readiness* – to communicate with the GCF, be proactive and strategic, and not to wait for large formal discussions GCF issues, to bring issues to the GCF.

It is clear that every GCF Readiness story is unique, and delegates at RLF2 expanded on these different circumstances through various stories on Readiness. Highlights include:

- The difficulty of processing a no-extension request on Readiness for a nominated AE – at the time the GCF Secretariat had not had a request of this nature, and the nominated AE had to work with the GCF to discuss what would be needed, and what it would cost. This highlights that the GCF Secretariat has had to learn along the way – it is a relatively young Secretariat and Fund, subject to evolving policies and procedures.
- The difficulty of a Direct Access AE working as a Readiness delivery partner of its NDA – the AE found itself in a position by which it was obliged to push the NDA, which was initially awkward, but fortunately they developed a good relationship developed over several years.
- When it comes to Readiness, engagement with the GCF can be complicated, as the delivery partner acts as a key stakeholder.

Countries must be ready to engage, including by seeking the right kind of Readiness for country needs.

If an entity is nominated for accreditation, it automatically qualifies for gap assessment funded by the GCF, through which it can identify what must be done to address those areas in which it is lacking, before it can achieve accreditation. This has been helpful in many countries, resulting in actions and plans.

International stakeholders may lack specific understanding on the conditions of recipient countries. Assessment of proposals through subject matter alone (e.g. by the GCF Independent Technical Advisory Panel, known as ITAP) is not enough, as there is a need to understand regional context. Some countries have engaged with visiting GCF representatives in their own countries, which can help to bridge this divide. Entities noted to benefits of having an observer of GCF Board Meetings, and of visiting the GCF in Songdo – to meet and ask questions in person, and develop relationships with the GCF Secretariat. Where possible and appropriate, engagement with GCF Board Members, or on the side lines of GCF Board Meetings, has also proven valuable. It was suggested that there should be a robust process by which the GCF could come into a country, assess an institution, and provide feedback in an expeditious manner. Currently, the best alternative might be for entities to travel to Songdo to follow up on limited feedback.

The GCF makes different fiduciary and policy demands of institutions accredited for project proposals, as opposed to those approved as Readiness delivery partners. AEs that have applied for project proposal already have to meet the requirements to act as Readiness delivery partners (but this does not work the other way around). Readiness support can be used to determine climate priorities. Understanding key climate risks and vulnerabilities is the foundation of any country programming, and GCF Readiness support can be used to establish this foundation. The example of Mauritius was given, where Readiness support has been used to undertake a resilience assessment for the city of Port Luis.

In some cases, NDAs have noted a delay in GCF engagement on Readiness, as a result of the process with delivery partners. Countries also highlighted delays experienced in more

direct engagements with the GCF. However, NDAs were encouraged to take active steps towards Readiness, without waiting for other parties to act – to be ready for Readiness, and carry out preliminary activities (this may include country programming, which in turn includes soliciting proposals). Countries were also encouraged to start proposal processes and consultations early, allowing time for a stepwise process. It was noted that it is sometimes dangerous to engage with stakeholders, such as civil society organisations, before project approval in order to avoid building expectations.

4 Learning outcomes

During RLF2, delegates engaged in exercises, panel discussions, and bilateral discussions on issues around GCF information, gender, regional climate finance opportunities, country programming, accreditation, and the private sector. Delegates noted positive shifts in understanding, clarified key messages, and identified opportunities for climate finance in the region and within their own contexts.

4.1 Shifts in delegate understanding of the SACFP Workstreams

Delegates self-evaluated their understanding of the SACFP Workstreams, at the start and the end of RLF2. At each point, each delegate indicated their knowledge of each of the three SACFP Workstreams from 1 to 5, where 1 implies a basic understanding, and 5 and advanced understanding. This indicated a clear improvement in delegate understanding, as summarised in Figure 7 and Figure 8.

Figure 7: Delegate knowledge of SACFP Workstreams at the start of RLF2

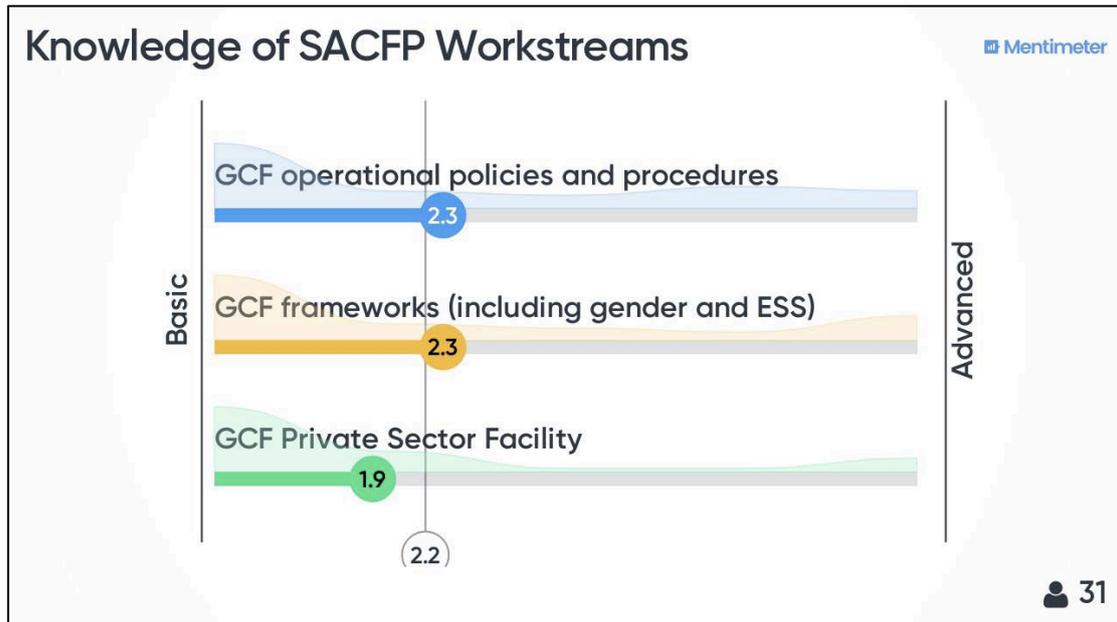
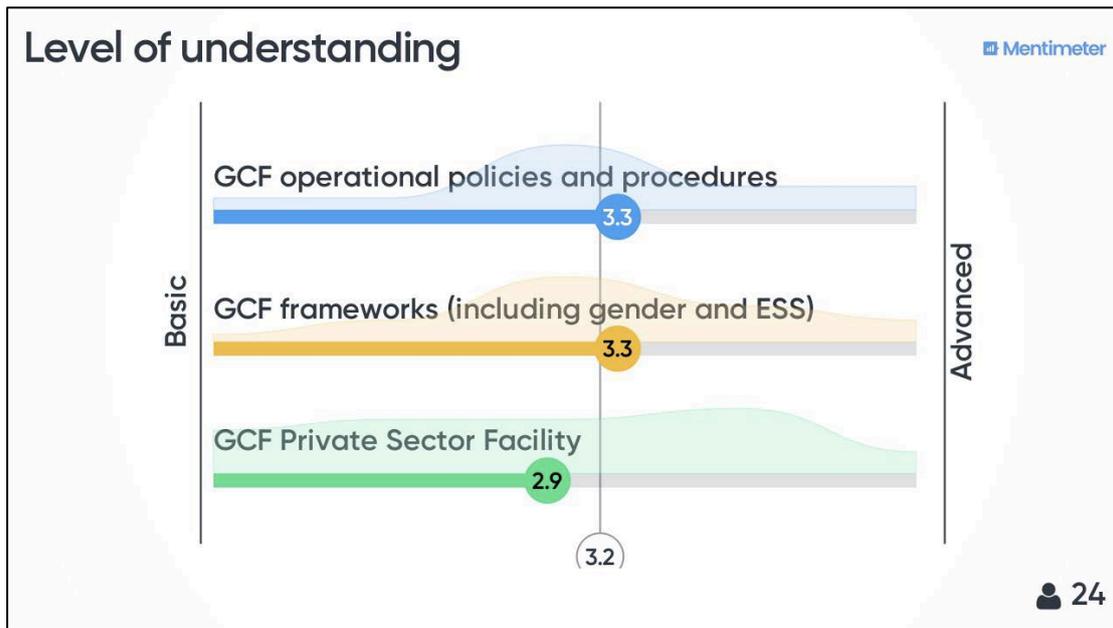


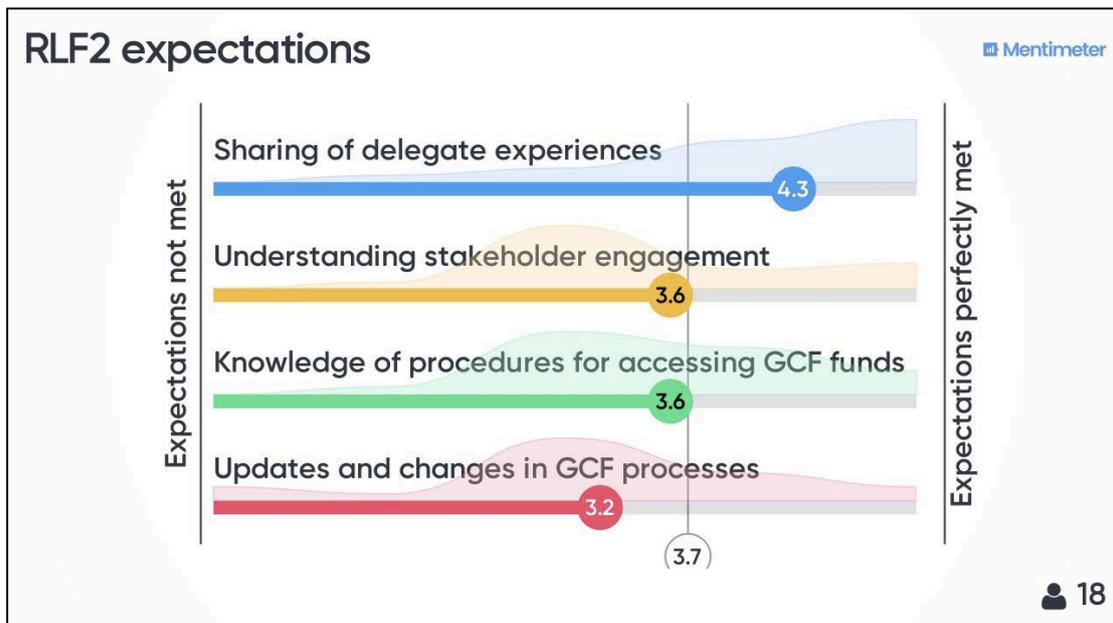
Figure 8: Delegate understanding of SACFP workstreams at the end of RLF2



4.2 Meeting delegate expectations

Referring back to the start of RLF2, when delegates were asked what they wanted to learn most about, they were asked to rank how well their expectations were met in the four overarching categories that delegates had suggested. Here each delegate was asked to rank from 1 to 5, where 1 implies that expectations were not met, and 5 that expectations were perfectly met. As illustrated in Figure 9, expectations were met in each area, and particularly in the sharing of delegate experiences.

Figure 9: Degree to which delegate expectations of RLF2 were met



4.3 Key messages for delegates

Various important messages emerged in the course of LF 2 exchanges and discussions, Below are some of the overarching key messages captured for the benefit of further guidance on actions delegates could consider for follow up and implementation:

- Align climate finance needs with national context and policies including INDCs, NAPs, TNAs that support implementation of national adaptation and mitigation priorities;
- Enhance country ownership and country drivenness as a driver for institutional coordination enabled by an effective NDA;
- Develop priority climate actions through the country programming process in defining immediate to long-term engagement with GCF;
- Support local private sector actors as a key stakeholder for climate action across multiple sectors of the national economy and employ a diversity of financial instruments to expand and accelerate access to climate finance; and
- Provide technical support on institutionalizing GCF Gender Policy and Action Plan, and GCF ESS as well as their application to accreditation and project development and implementation.

4.4 Opportunities identified

Delegates were asked to share the next steps for their organisation's engagement with the GCF, which elicited responses including:

- Pursuing the nomination process;
- Upcoming SACFP workshops;
- A bilateral engagement between SADC Secretariat and GCF Secretariat;
- Project preparation and development of criteria for selecting projects;
- Develop a gender-responsive concept note;
- Submitting concept notes and funding proposals;
- Moving existing concept notes and proposals for submission;
- Respond to comments and submission of proposal;
- Building a robust pipeline of projects for the upcoming Board Meetings;
- To engage more with the GCF, including other partners, and seek more guidance;
- Undergo the accreditation process;
- Continuing to pursue the Direct Access accreditation process;
- Upgrading accreditation status;
- Setting up functioning structures; and
- Strengthening collaboration with the NDA.

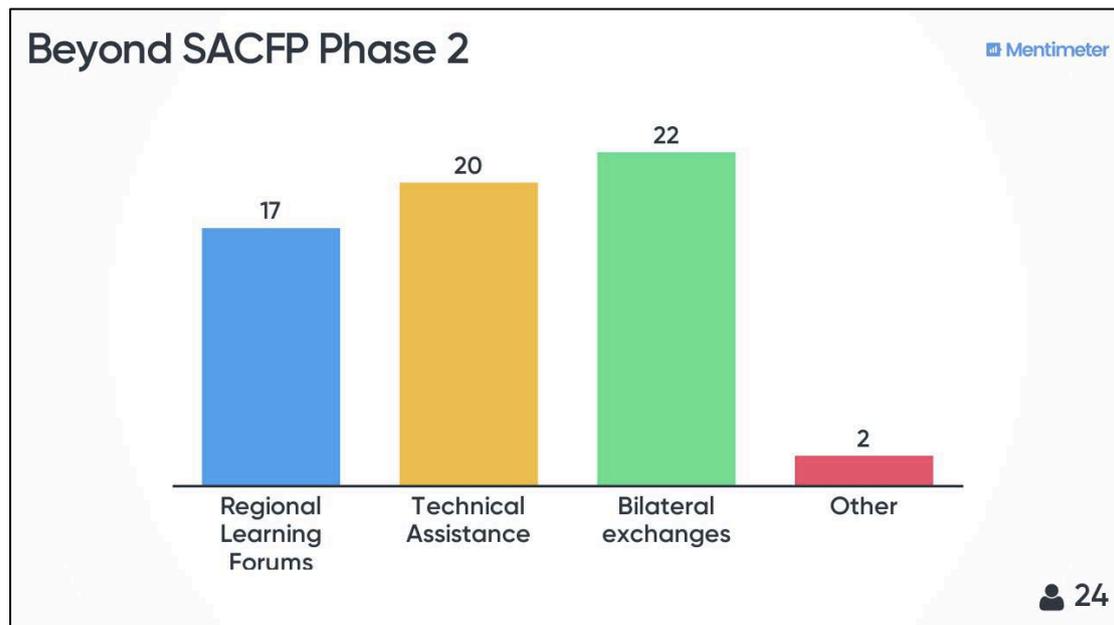
5 Next Steps for SACFP2

Often, the countries' preferences on how this wish to carry out Readiness – including the partners they choose to work with, and their engagement with the GCF – can make coordination and timing of work with countries more difficult. SACFP makes efforts to avoid duplicating activities.

The current phase of the SACFP (i.e. Phase 2) ends in March 2020. It is envisioned that there will be a number of in-country engagements and technical assistance interventions delivered between RLF2 and the conclusion of the current phase. All SACFP activities will need to take into account the activities of the GCF's Readiness and Preparatory Support Programme with a view to avoid any duplication of effort and ensure synergy.

At the end of RLF2, delegates were asked which SACFP activities they thought would be best to build on the work laid out by SACFP, once Phase 2 wraps up. As illustrated in Figure 10, there was a preference for bilateral exchanges, with technical assistance also well supported, and RLFs supported less than these other two activity types. Some delegates have suggested that it would be useful to engage in the future, including through webinars and direct communication channels.

Figure 10: Delegate preferences for events to be organised under SACFP after Phase 2



Several RLF2 delegates have expressed a demand for a third SACFP Regional Learning Forum within the current lifespan of the Phase 2. While SACFP Phase 2 is drawing to a close in March 2020, SSN would be reviewing the sustainability of the interventions piloted to date and work with partners on developing plans for a possible continuation.

6 Annex 1: List of institutions represented at RLF2

The table below lists each institution that was represented by delegates at RLF2. Where applicable, the SACFP focus country represented by the institution is also listed.

SACFP focus country	Institution name
Botswana	Ministry of Finance and Economic Development
Botswana	Ministry of Environment, Natural Resources Conservation, and Tourism
Botswana	Ministry of Mineral Resources, Green Technology, and Energy Security
Botswana	Ministry of Agricultural Development and Food Security
Botswana	Ministry of Land Management and Water
Botswana	North West District Commissioner's Office
Botswana	North West Council
Botswana	Forest Conservation Botswana
Lesotho	Lesotho Meteorological Services
Namibia	Ministry of Agriculture, Water, and Forestry
Namibia	Ministry of Finance
Namibia	Development Bank of Namibia (DBN)
Namibia	Environmental Investment Fund (EIF)
South Africa	Department of Environmental Affairs (DEA)
South Africa	Development Bank of Southern Africa (DBSA)
South Africa	South African National Biodiversity Institute (SANBI)
Zimbabwe	FBC Commercial Bank
Zimbabwe	Infrastructure Development Bank of Zimbabwe (IDBZ)
Regional	African Development Bank (AfDB)
Regional	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Regional	Green Climate Fund (GCF)
Regional	Southern African Development Community (SADC)
Regional	United Nations Development Programme (UNDP)

7 Annex 2: SACFP Regional Learning Forum 2 agenda

Time	Agenda item
Day 1	2 April 2019
08:30 – 09:00	Registration
09:00 – 09:25	Prayer, Welcome, and Opening Address
09:25 – 09:50	Introduction and Framing
09:50 – 10:00	GCF Readiness and Preparatory Support Programme Update
10:00 – 10:10	GCF Results Management Framework Update
10:10 – 10:30	Q&A with Discussion
10:30 – 11:00	GROUP PHOTO AND MORNING TEA BREAK
11:00 – 11:30	SACFP Activity Update
11:30 – 12:30	SACFP Focus Country Updates
12:30 – 13:30	LUNCH BREAK
13:30 – 14:30	Accreditation Session
14:30 – 15:00	AFTERNOON TEA BREAK
15:00 – 16:30	Country Programming Session
16:30 – 17:00	Day 1 Wrap Up
Day 2	3 April 2019
09:00 – 09:30	Day 2 Introduction
09:30 – 09:40	The role of the private sector within the GCF's Governing Instrument
09:40 – 10:00	Case Study: DBSA's Climate Finance Facility
10:00 – 10:30	Facilitated Discussion on the Role of the Private Sector
10:30 – 11:00	MORNING TEA BREAK
11:00 – 12:30	Gender Workshop
12:30 – 13:30	LUNCH BREAK
13:30 – 14:30	Southern Africa's Regional Climate Finance Opportunities
14:30 - 15.00	AFTERNOON TEA BREAK
15:00 – 15:30	Wrapping up SACFP Phase 2
15:30 – 16:30	Bilateral Sessions
16:30 – 17:00	Day 2 Wrap Up