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Management response to the Independent evaluation of the relevance and effectiveness of the GCF's investments in the African States

Summary

This document presents the Secretariat management response to the *Independent evaluation of the relevance and effectiveness of the GCF's investments in the African States* undertaken by the Independent Evaluation Unit (IEU). In addition to assessing the extent to which GCF approaches and investments are effective in contributing to the objectives of the UNFCCC and other global and regional agendas, the evaluation examined the GCF's effectiveness and efficiency in reducing the vulnerability of local communities and livelihoods to the effects of climate change, and promoting a paradigm shift toward low emission and climate resilient development pathways in Africa. Many of the findings resonate with the Secretariat's experience and lessons learned. The Secretariat is taking steps to address the recommendations within its authority, while others may require Board action.

I. Introduction

1. The Secretariat welcomes the final report of the *Independent evaluation of the relevance and effectiveness of the GCF's investments in the African States*. This report offers valuable insight into the GCF's mandate and its efforts to ensure effectiveness and efficiency in reducing vulnerability to the consequences of climate change in Africa. It also highlights the critical importance of continued support for the GCF in its mission to drive a paradigm shift toward sustainable and resilient development across the African continent.

2. The Secretariat congratulates the Independent Evaluation Unit (IEU) on this evaluation and thanks them for their diligence and professionalism in producing this timely report. The IEU encouraged feedback and dialogue from the Secretariat throughout the process, presenting webinars on methods, findings and recommendations. The Secretariat provided comments at key points in the evaluation process, and many Secretariat staff provided interviews that contributed to the findings and recommendations of this report. In accordance with the Evaluation Policy for the GCF, the Secretariat will incorporate these evaluation findings and recommendations into its decision-making, management, operations, strategies, budgets and practices.

3. The findings and recommendations of this evaluation broadly resonate with the Secretariat's experience and lessons learned. The Secretariat is currently working with the Board to develop the updated Strategic Plan for 2024-2027 (USP-2), which will incorporate many of the findings and recommendations of this evaluation report, along with strategies for the Readiness and Preparatory Support Programme (RPSP) and the Project Preparation Facility (PPF) to be presented for Board consideration in 2023.

4. This management response is divided into three parts, including this Introduction. The second section will provide general responses to the findings of the *Independent evaluation of the relevance and effectiveness of the GCF's investments in the African States* report. The third section will provide some general responses to the IEU recommendations before elaborating the response to each specific recommendation.

II. Response to findings

5. The report concludes that African countries mostly have moderate country ownership in their programming with GCF. Country ownership remains a focus of the GCF, and the Secretariat has taken significant steps towards enhancing country ownership while concurrently and continuously improving the effectiveness and efficiency of GCF programmes in African countries. Built on lessons learned, the Secretariat is revising its Country Ownership guidelines and developing a new RPSP Guidebook and updated RPSP review standards handbook to provide clear guidance and advice on RPSP proposals and review procedures. The revised Readiness Strategy is also being drafted to propose dedicated measures to expedite support for entities from SIDS and LDCs seeking RPSP support. The Secretariat recognizes persistent challenges in strengthening stakeholder engagement in management, governance, monitoring and learning at the country level. Although it is acknowledged that clarifying the roles and expectations of National Designated Authorities (NDA) and active engagement with local stakeholders can enhance stakeholder engagement and ensure the project's sustainability, it is essential to note that suboptimal stakeholder engagement is not solely attributed to a lack of such clarity. Instead, it is frequently due to insufficient capacities at the national level to facilitate consultations with local stakeholders or CSOs and deploy resources effectively throughout the project lifecycle. The Secretariat's revised Country Ownership guidelines intend to strengthen guidance that is accessible to NDAs/focal points and accredited entities (AEs) and provide the necessary clarification to enhance stakeholder engagement among GCF's partners, and the RPSP to further build capacities.

6. The evaluation report places notable emphasis on African fragile conflict and violence affected (FCV) states. The Secretariat recognises fragile states have the most to lose from climate inaction but the most to gain from ambitious global climate action. Many fragile countries have a low credit rating and find it difficult to attract investment. GCF can take first-loss positions, and offer long-term, concessional finance to demonstrate new climate solutions at commercial scale to crowd-in other investors. In addition to de-risking investments, GCF is the largest source of grant-assistance to establish strong institutions, supportive policies and empower local actors to attract climate investment. The Secretariat works with AEs to mainstream gender equality requirements throughout GCF's entire project cycle, and the Indigenous Peoples Policy supports the rights of groups who are often economically marginalized and vulnerable. The Integrated Results Management Framework (IRMF) includes 12 indicators that allow GCF to measure impact on peace and security, adjust our actions, learn lessons and share knowledge. It includes for example, the number of women and men covered by new or improved early warning systems, improved food security and with more climate-resilient water security.

7. The evaluation report notes the number of concept notes submitted by African direct access entities (DAEs) declining in recent years. The decline in concept note submission was not limited to African DAEs and coincides with the onset of the COVID-19 pandemic, but the Secretariat recognises the many administrative and technical challenges faced by DAEs in submitting proposals to GCF and having them approved. New modalities under PPF introduced in 2020 have brought increasing project preparation support to DAEs, and the Secretariat aims to accelerate direct access to GCF through full complementarity with RPSP and DAE capacity building improve PPF support, through a draft PPF strategy to be presented to the Board at a future meeting in 2023. The activities will be essential to enable GCF to increase the number of DAEs with approved GCF projects/programmes as envisioned in the most recent draft of the USP-2.

III. Response to recommendations

8. The IEU evaluation report makes six major recommendations to the GCF Board and Secretariat to enhance the relevance and effectiveness of the Fund's interventions in African states.

9. The evaluation report has cited high financial transaction costs as barriers for entities in African states entities to access RPSP resources and get accredited. The Secretariat acknowledges the IEU recommendations test and consider support for entities to overcome financial barriers to applying for the RPSP (Recommendation 3.1(c)), particularly entities in African LDCs, SIDS, and those countries without DAEs or single country FPs. Although financial barriers may arise in some cases, it is important to clarify that barriers that apply to RPSP do not typically stem from financial constraints but associated with the potential risk of RPSP financial resources failing to produce the intended outcomes. To this end, it is deemed important to prioritize the assessment of efficiency and effectiveness of the submitted RPSP proposals over solely increasing financial thresholds. The Secretariat is open to discussing and piloting alternative solutions to reduce risks associated with RPSP financial resources in consultation with the Board.

10. Several recommendations touch upon enhancing complementarity and coherence among entities and strengthening partnership with different stakeholders that have portfolios in African states. The Fund is committed to promoting complementarity and coherence in climate finance through a multi-level effort in collaboration with various stakeholders, including NDAs/Countries, Accredited Entities, and Fund-to-Fund partnerships. The Secretariat is continuously taking steps to collaborate with other climates funds such as Adaptation Fund (AF), Global Environment Facility (GEF) and Climate Investment Fund (CIF) on project planning,

development, and implementation to identify opportunities for designing innovative financing schemes and exploring new areas for collaboration that demonstrate complementarity, based on thematic areas for which each fund has particular expertise and resources.

11. Specific responses to each of the recommendations in the evaluation report are detailed further below. Some of these recommendations are already being implemented within the Secretariat, and others will be addressed through the USP-2, updated strategies for RPSP, Country Ownership guidelines, Readiness Strategy, and DAE Action Plan.

Recom-mendation #	Recommendation	Response
RECOMMENDATION 1. Targeting and positioning of the GCF in Africa		
1	The GCF should consider focusing more on addressing adaptation needs in the African States through more accessible financial instruments for LDCs and FCV states.	**Partially Agree.** The Secretariat supports the efforts of countries to address adaptation and mitigation needs in line with their national plans. Based on the Secretariat's experience and pipeline data, most of the project requests from countries in Africa are cross-cutting. Within the GCF project pipeline, there is currently USD 9.8 billion of GCF financing proposed for projects focused on Africa, with USD 6.6 billion targeting adaptation results areas and USD 3.2 billion targeting mitigation results areas, and more than 50 per cent of the proposals are cross-cutting. Additionally, nearly two-thirds of the project ideas presented to GCF by African NDAs through country programmes (including country programme drafts considered to be in an advanced stage of development) are initially classified as mitigation or cross-cutting. This reflects the fact that several mitigation measures are also a precondition for adaptation. For example, universal access to affordable, reliable, and modern renewable energy enables access to early warning systems, information and communication technologies to vulnerable communities, and it enables essential services such as water, health and food security through applications such as water pumping and purification, internet and mobile telephones, lighting, cool-storage, clean cooking, and space heating. The most recent draft of the USP-2 (Drf.01) proposes to address the need to scale up adaptation action through the use of the Fund's flexible financial instruments. This would include continued grant financing where appropriate, broadening access through devolved finance approaches, and leveraging its flexible instruments (with a focus on equity and guarantees) to develop fit-for-purpose blended finance instruments that help reduce the real or perceived risks faced by private sector actors seeking to scale climate solutions. It should be noted that financial instruments are agnostic to the type of project and depend on a range of factors including sustainability.
1.1	The GCF should consider shifting its African States portfolio towards a greater focus on adaptation. Such a shift should be based on specific country needs, comprehensive stakeholder mapping and engagement, and an intentional use of result areas for programming.	**Partially Agree.** As noted above, the Secretariat recognises the large needs for both adaptation and mitigation in African states. The GCF project pipeline contains proposals for over USD 1 billion in GCF financing for every result area with the exception of buildings, cities, industries and appliances. Over USD 2 billion is proposed for increasing the resilience of the most vulnerable people and communities in Africa, followed by USD 1.7 billion each dedicated to the health and well being and energy generation and access results areas. Many proposals in the pipeline cover multiple results areas, illustrating the need in many cases for systemic responses, designing interventions that address both mitigation and adaptation, build synergies and address trade-offs across intersecting issues, sectors and geographies to deliver long-term, just transitions of energy, infrastructure, food, ecosystems and societal systems. The latest draft of the Fund's USP-2 captures the efforts to empower countries to convert their NDCs, NAPs, and AC or LTS into a pipeline of climate investments. It also calls for Enhancing Direct Access (EDA) and other devolved financing approaches to enable more rapid access to finance for locally-led adaptation action, engaging affected communities, civil society and indigenous peoples in delivering to meet the needs of last mile beneficiaries.

1.2	Aside from non-grant instruments, the GCF should focus on a greater number of smaller and more accessible national-level projects based on grants, particularly for LDCs and FCV states in Africa.	**Partially Agree.** Grants already account for 40 per cent of GCF financing in Africa, compared to 36 per cent across all other regions, and the Secretariat recognises the continued need for grant-financed projects, particularly in adaptation and for non-revenue-generating projects and those providing public goods. Although the recommendation argues grants could decrease the risk profiles of such states and increase the likelihood of co-financing and co-investing there, the Secretariat believes it is more effective to leverage its flexible financial instruments (which may or may not be grants, depending on the needs of the project) to address the real or perceived risks of the project and crowd in additional investment. Smaller national-level projects have many advantages in terms of management and country ownership. However, the Secretariat notes that its review capacity is based more on the number of proposals than the size or financial instruments used in those proposals, so there would be a trade-off between number of proposals and total financing volume. The SAP relieves some of the administrative burden, and the Secretariat is looking to increase the number and volume of SAP proposals in accordance with its 2023 work programme.
RECOMMENDATION 2. Institutional coherence and complementarity		
2	To streamline climate finance in Africa, the GCF should operationalize the framework of complementarity and coherence at country and project level, with the intention to reach across various types of stakeholders.	**Agree.** The implementation of the framework on complementarity and coherence is a multi-level effort continuously carried out by the GCF with different actors: 1) *NDA/Country:* via Country Programmes (CP) and investment plans that demonstrate coherence with national priorities and alignment with climate change instruments like NDCs, NAPs, LTS, etc.; 2) *Accredited Entities:* via Entity Work Programmes (EWP) that demonstrate complementarity with other climate finance delivery channels at the project/programme level as it is presented in their pipeline to GCF; and 3) *Fund-to-Fund:* through regular exchanges to identify opportunities for joint work such as pilot projects to test co-financing, sequence financing, scaling-up, but also on capacity building and knowledge management. Ongoing efforts include scaling-up with the AF, sequence finance with the GEF, capacity building for DAEs with the AF, and harmonization of results and indicators with all climate funds. Finally, there is an ongoing collaboration with AF/GEF/CIF with annual roadmap of activities agreed on as part of annual meetings between the Heads of climate funds. The Long-term Vision on Complementarity, Coherence and Collaboration (LTV) between GCF and GEF also supports country-level engagement. Pilot countries under the LTV, which are aligned with those of the Task Force on Climate Finance, include two countries in Africa – Rwanda and Uganda.
2.1	The GCF should engage with the GEF, AF and CIF to lead processes for a systematic and increased information exchange on project planning, development and implementation.	**Agree.** GCF engages with AF/GEF/CIF on project planning, development and implementation for opportunities to design innovative financing schemes and/or on new areas for collaboration with complementarity (e.g., GCF and CIF are discussing sequence financing on renewable energy and grid integration, areas for which each fund has separate expertise and resources). The scaling-up pilot with the AF and the implementation of LTV with GEF provide further opportunities in

		this regard. The Secretariat also collaborates with the UNFCCC's Technology Executive Committee (TEC) and Climate Technology Centre and Network (CTCN) on technology incubation and acceleration. Going forward, a more systematic approach under development for elaboration of Country Investment Plans, where countries will be provided with the tools and support to develop project ideas and concept notes for seeking climate finance beyond the GCF (including but not limited to AF, GEF, CIF) including for private sector (scaling up and de-risking) could further support such information exchange.
2.2	Based on the lessons from the GGW, the GCF should consider incentivizing programmatic approaches which allow for the consideration of complementarities among entities.	**Agree.** The LTV collaboration between GEF and GCF has already contributed to and spurred new workstreams to formulate joint programmatic approaches, including scaling up and co-investing in projects selected by GEF's Challenge Programme for Adaptation Innovation; sequencing and parallel-financing GCF investment in conjunction with the global e-mobility programme of the GEF; exploring a collaborative financing program on CBD 30x30 target in partnership with GEF and the Bezos Earth Fund; as well as promoting a programmatic approach with CIF's new investment programmes on renewable energy integration, among others. These initiatives benefit from the experience and lessons gained from the Great Green Wall (GGW) initiative and the Secretariat envisages furthering the collaboration with other climate finance delivery channels through stronger programmatic approaches.
2.3	The GCF should consider directing some RPSP resources towards NDAs/focal points to foster the capacity for complementarity, coherence and coordination.	**Agree.** Under the most recent draft of USP-2 and the revised Readiness Strategy to be presented for Board consideration at a future meeting, the Secretariat intends to promote the development of climate investment plans for GCF recipient countries to guide country investments for NDC, NAP, AC and LTS implementation, intended to be used as the primary source for pipeline development for GCF and other sources of climate finance.
2.4	The Board should consider an independent assessment on complementarity, coherence and coordination across the GCF ecosystem.	**Partially Agree.** The Secretariat notes this recommendation is addressed to the Board, and the Secretariat stands ready to support as needed. As it was agreed by the heads of the multilateral climate funds (AF, GEF, GCF, CIF) at their annual meeting held at the margins of COP 27, the Joint Roadmap of Activities of the Funds now includes an item to commission a study to look at ways to enhance complementarity and coherence and programming among the multilateral climate funds. It is expected that the outcomes of the study will be brought to the attention of the respective governing bodies of the Funds.
RECOMMENDATION 3. Country ownership and institutional capacity		

3.1	The GCF should clarify and reinforce guidance on the selection of, and responsibilities allocated to the NDAs/focal points of African states. In addition, the GCF should consider a more tailored approach to RPSP support in Africa.	**Partially Agree.** The GCF Secretariat is revising the Country Ownership guidelines to strengthen guidance that is accessible to NDAs/focal points today, building on the most recently acquired experience of the GCF. Operational experience with African NDAs indicates that countries want the RPSP to become faster to access, while remaining flexible enough to be able to accommodate specific needs of each country. The revision of the Readiness Strategy aims to reconcile this request for flexibility, with increased clarity about critical investments that the RPSP should be considered for to support implementation of NDCs.
3.1(a)	At the country level, the GCF's RPSP support should be coupled with heightened GCF guidance. The GCF should also incentivize and monitor the RPSP for African LDCs, SIDS and FCV states.	**Agree.** The GCF Secretariat is developing a new RPSP Guidebook and RPSP review standards handbook to further clarify and provide advice about the development of Readiness Proposals, and about the review procedures and criteria observed by the Secretariat. These are set to be finalized in the first quarter of 2023 and will be revisited and revised, when timely and as may be needed, to ensure alignment with future Board Decisions about the revision of the Readiness Strategy.
3.1(b)	The GCF should consider and remedy high transaction costs for participating in the RPSP through simplifying the processes used to access the RPSP, and shortening their duration.	**Partially Agree.** The GCF Secretariat has already deployed a Readiness Action Plan in 2022 with the objective of increasing efficiency and effectiveness of the RPSP, and of enhancing long-term, strategic alignment of the RPSP with the GCF's Strategic Plans. Operational improvements include: (i) strengthening technical support made available to NDAs/focal points and RPSP delivery partners during co-development phase of RPSP proposals; (ii) a revision of the RPSP Guidebook – including presentation of the criteria against which the GCF Secretariat assesses RPSP proposals – and of Readiness proposal templates; (iii) revision and implementation of revised RPSP Administrative Instructions and Standard Operating Procedures (SOPs) which, among other improvements, streamline approval steps, particularly for Readiness Proposals of less than US$ 500,000; and (iv) roll out of the Readiness Results Management Framework (RRMF) and of the Portfolio Performance Management System (PPMS).
3.1(c)	In addition to this, the GCF should test and consider support for particular entities, to overcome financial barriers to applying for the RPSP.	**Partially Agree.** The barriers that apply to the RPSP are often not financial. When they are, they are associated with a GCF Secretariat's evaluation that the risks of RPSP financial resources not producing the intended results are high. The GCF Secretariat agrees to discuss and pilot alternative solutions to reduce these risks. While we understand that this is subject to future Board consideration, the draft revised Readiness Strategy already proposes relevant measures directed to expedite dedicated support for entities from SIDS and LDCs seeking RPSP support.
3.2	The GCF should clarify roles and expectations on local stakeholder engagement by NDA/focal points throughout the project cycle.	**Partially Agree.** The GCF Secretariat is revising the Country Ownership guidelines to strengthen guidance that is accessible to NDAs/focal points and AEs, building on the most experience acquired by the Secretariat – including as this related to local stakeholder engagement. Strengthened stakeholder engagement is often not associated with the NDA/focal point's clarity about roles and expectations, but with lack of capacities at national level to ensure adequate stakeholder consultations takes place

		(and/or that resources made available for this purpose are appropriately deployed): African NDAs/focal points often understand their roles and expectations but face challenges to retain enough personnel (or personnel that possess the right set of skills) to engage and supervise stakeholders throughout a project's entire life cycle.
RECOMMENDATION 4. Access and partnership		
4	The GCF should make special efforts to remove the barriers in African states – in particular for entities operating in LDCs, SIDS and FCV states – to accessing the GCF, by taking the following actions:	
4.1	The GCF should revisit accreditation requirements and processes for national DAEs in LDCs, SIDS and FCV states, with the goal of reducing the transaction costs of becoming a partner to the GCF.	**Agree.** The accreditation framework guides the accreditation of AEs, setting out the standards by which potential and accredited entities are assessed against and the process for (re)accreditation. The fit-for-purpose approach to accreditation (decision B.08/02) provides GCF with the ability to accredit entities for different accreditation scopes based on different levels of capacity and track record. Such differentiation allows for a diversity of AEs' capabilities reflecting: 1. Size category for projects/programmes ranging from micro, small, medium and large; 2. Financing modality (e.g. managing projects, awarding grants, on-lending, blending different financial instruments, undertaking equity investments, and providing guarantees); and 3. Environmental and social risk levels from minimal to no impacts, medium and high. The Board may wish to further review the GCF accreditation standards themselves beyond the flexibility provided in the accreditation framework and fit-for-purpose approach to accreditation. In addition, the Board may wish to consider the extent to which gaps in meeting the GCF accreditation standards – and thus also the extent to which such gaps should be mitigated through accreditation conditions – are deemed acceptable for accreditation.
4.2	The GCF should revise its policy on fees for AEs operating in Africa, to account for the high operating costs of working in the continent, particularly in LDCs, SIDS and FCV contexts in Africa.	**Partially Agree.** The Secretariat notes this recommendation is addressed to the Board, and the Secretariat stands ready to support as needed. The Secretariat notes that operating costs are high in many GCF countries around the globe and agrees with the need to consider context when setting fees. As noted in the evaluation, DAE fees are often lower than IAEs, sometimes even below the fee cap, so the benefits of increased fees would flow mostly to IAEs. It is also unclear whether increased fees would result in better implementation oversight or just an increase the portion of those costs that are covered by GCF. The Secretariat would support a fee structure more focused on increasing efficiency and effectiveness than on raising limits.
4.3	GCF should encourage the pursuit of strategic accreditation among private sector actors in the African States, in particular for local financial intermediaries.	**Agree.** 24 DAEs are based in Africa, of which 8 are private sector entities (including 7 national DAEs and 1 regional DAE), as at 28 February 2023. The national private sector DAEs cover 6 countries, of which 50 per cent are LDCs). In addition to the

		private sector DAEs, a further 5 DAEs based in Africa have the capacities – reflected in their accreditation scopes – to programme with GCF using loans, equity and/or guarantees. The Board in its decision B.34/19, adopted the accreditation strategy. One of the key pillars of the accreditation strategy is to enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process. GCF commits to improving guidance on the role of AEs and the accreditation process through a series of actions, including developing clear guidance on the various types of partnerships that can be built with GCF. Options include partnering as an AE, or as an entity under the project-specific assessment approach (PSAA), or in another role such as executing entity that works with programming partners as well as delivery partners to provide readiness and preparatory support. The accreditation strategy also commits GCF to encouraging entities and NDAs to choose the right approach to accreditation depending on the project/programme pipeline size. To support DAEs, the accreditation strategy includes key actions of providing support through the Readiness Programme and Project Preparation Facility, as well as by the Secretariat directly, throughout the partnership term with DAEs (i.e. from accreditation to pipeline development to portfolio implementation). Another key pillar of the accreditation strategy is to strategically use accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs. This accreditation strategy key pillar and the Private Sector Strategy may jointly address the recommendation. The Board also agreed to further consider at its thirty-fifth meeting the strategic matters relating to accreditation that require further Board consideration contained in section II of annex IX to decision B.34/19. One of the strategic matters relating to accreditation under further consideration is the proposal to provide options to AEs to (1) continue the partnership with GCF as an AE; (2) graduate out of the AE role and into other forms of partnering or engaging with GCF; or (3) end the partnership with GCF as an AE.
4.4	In the African context, the GCF should tailor their approach to private sector engagement towards MSME participation.	**Agree.** Increasing access to climate finance by MSMEs has been an increasing focus of GCF's private sector portfolio in Africa. A significant share of private share portfolio (in numbers) channels credit lines to MSMEs either through development banks and local financial institutions as AEs or executing entities, or through equity funds for early-stage small, local businesses. Access to finance for MSMEs is also part of GCF's public sector portfolio. Currently there are several proposals that engage local financial institutions to channel funding and technical assistance MSMEs. The most recent draft of the USP-2 aims to accelerate innovation of new climate solutions through pipeline programming to support greater access to early-stage risk capital, particularly for adaptation and via micro- small- and medium- sized enterprises (MSMEs), in line with the GCF private sector strategy, to help establish proof of concept and viable enterprises for low-emission climate-resilient products and services. The local currency pilot programme requested by the Board through decision B.33/14 will also benefit MSMEs by mitigating some of the barriers and risk posed by fluctuations in foreign exchange markets.

4.5	The GCF should provide CSOs with opportunities for capacity building and direct access.	**Agree.** The Secretariat will consider this recommendation in the ongoing review of the Guidelines relating to the observer participation, accreditation of observer organizations, and participation of active observers, which were adopted by the Board by decision B.01-13/03. The Secretariat notes a wide range of GCF partnership types available to civil society organisations (CSOs), including partnering as an AE, or as an entity under the PSAA, or in another role such as executing entity that works with programming partners or as a delivery partner (DP) under the RPSP. The Secretariat already provides some capacity building for CSOs under RPSP in certain cases (e.g., Ghana Readiness GHA-RS-005 was approved in 2022 to build capacity and knowledge management on climate change for CSO towards implementation of the NDCs).
RECOMMENDATION 5. GCF's engagement with countries		
5	The GCF should consider steps to increase efficiency in its engagement with stakeholders of the GCF ecosystem, to enhance planning, implementation and access to the GCF, in particular in the African States.	**Agree.** NDAs, AEs and DPs are an integral part of GCF and are essential for the delivery of its mandate and strategic vision, including serving as channels for co-financing, expertise, knowledge sharing and for enhanced complementarity and coherence. GCF encourages NDAs and AEs to engage national stakeholders (e.g., national or subnational government agencies, private sector, civil society organizations, academia, etc.) in identifying country climate priorities and in planning, designing and implementing national climate actions.
5.1	The GCF should increase its regional presence and engagement in Africa, through existing institutional structures (e.g. regional dialogues, structured dialogues).	**Partially Agree.** The GCF Secretariat organizes regular outreach activities – including but not limited to regional Structured Dialogues, Global Programming Conference and Global Private Investment Conferences. Many of the regional Structured Dialogues are being planned in 2023, following a few years of a reduced GCF Secretariat ability to hold events outside of Korea, due to the Covid pandemic.
5.2	The Board should review and change the organization's hitherto English-only policy.	**Agree.** The Secretariat notes this recommendation is addressed to the Board. The Secretariat stands ready to assist the Board in enhancing GCF's ability to operate in the main languages of its stakeholders. The Secretariat recognises the additional time and transaction costs required for partners whose working language is not English. Within its authority, the Secretariat already seeks to overcome this barrier by communicating in the working language of NDAs and DAEs when possible and undertaking dedicated country missions.
5.3	The GCF should increase the Secretariat's human, institutional, linguistic and financial capacity for absorbing the heightened workload that increased and diversified engagement in Africa will entail.	**Agree.** The Secretariat notes this recommendation is addressed to the Board. The Secretariat understands the need to align GCF operational capabilities deliver the forthcoming USP-2, including engagement in Africa, taking account of the scale of GCF-2 replenishment.

RECOMMENDATION 6. Learning and vulnerable groups		
6	The GCF should consider a comprehensive and integrated learning and knowledge management approach in the African States.	**Agree.** In 2022, the Secretariat implemented a pilot project on learning loops for the RPSP. The study included gap analysis and yielded recommendations that informed the development of the revised Readiness Strategy to be presented for Board consideration at a future meeting. Moreover, the exercise included a reflection paper on lessons learned from the first cycle. By building on collaboration with external stakeholders in 2022, the Secretariat will expand the exercise on RPSP including external stakeholders and will focus on its implementation. To ensure this, a generic standard operating procedure on the learning loops will be developed and operationalized to ensure consistency in following a learning cycle and to identify roles, responsibilities and timelines for implementation and reporting to ensure learning. As part of the 2023 work plan, the Secretariat will launch a new learning loops exercise on the project and programme activity cycle to enable the Secretariat to systematically confirm or inform assumptions made during project appraisal on climate impact, technical soundness, commercial soundness, efficiency/effectiveness of policy de-risking instruments, country ownership and co-benefits and risks. Learning specific to African projects implemented will be extracted during the annual performance report (APR) process, in country missions, scheduled AE review meetings, discussions with African NDAs and through changes to the terms of funded activity agreements. The Secretariat will synthesise learning to determine ways to improve programming to build on success and help avoid failures seen in previous programming.
6.1	As GCF advances gender transformation, it should use tailored, African-led, independently verifiable assessments, to supplement the monitoring of data.	**Agree.** The Secretariat will look into various options for designing tailored, Africa-led, independently verifiable assessments of gender transformation and how to apply them to supplement the data provided in the APRs. Additionally, the Secretariat will explore ways of integrating such assessments into the project design and project log frames, as part of the means of verification for gender-related indictors.
6.2	The GCF should revise its monitoring and reporting approaches and align them with the indigenous peoples policy.	**Agree.** The topic is also on the workplan of the Indigenous Peoples Advisory Group (IPAG) and the group will be providing advice on the matter. Additionally, the Monitoring and Accountability Framework and IRMF which guide the monitoring and reporting approaches of the Fund, are Board approved policies which the Secretariat follows in the design of new and reporting against approved projects. Following the advice of IPAG, these issues will be considered in the future revisions of the policies.