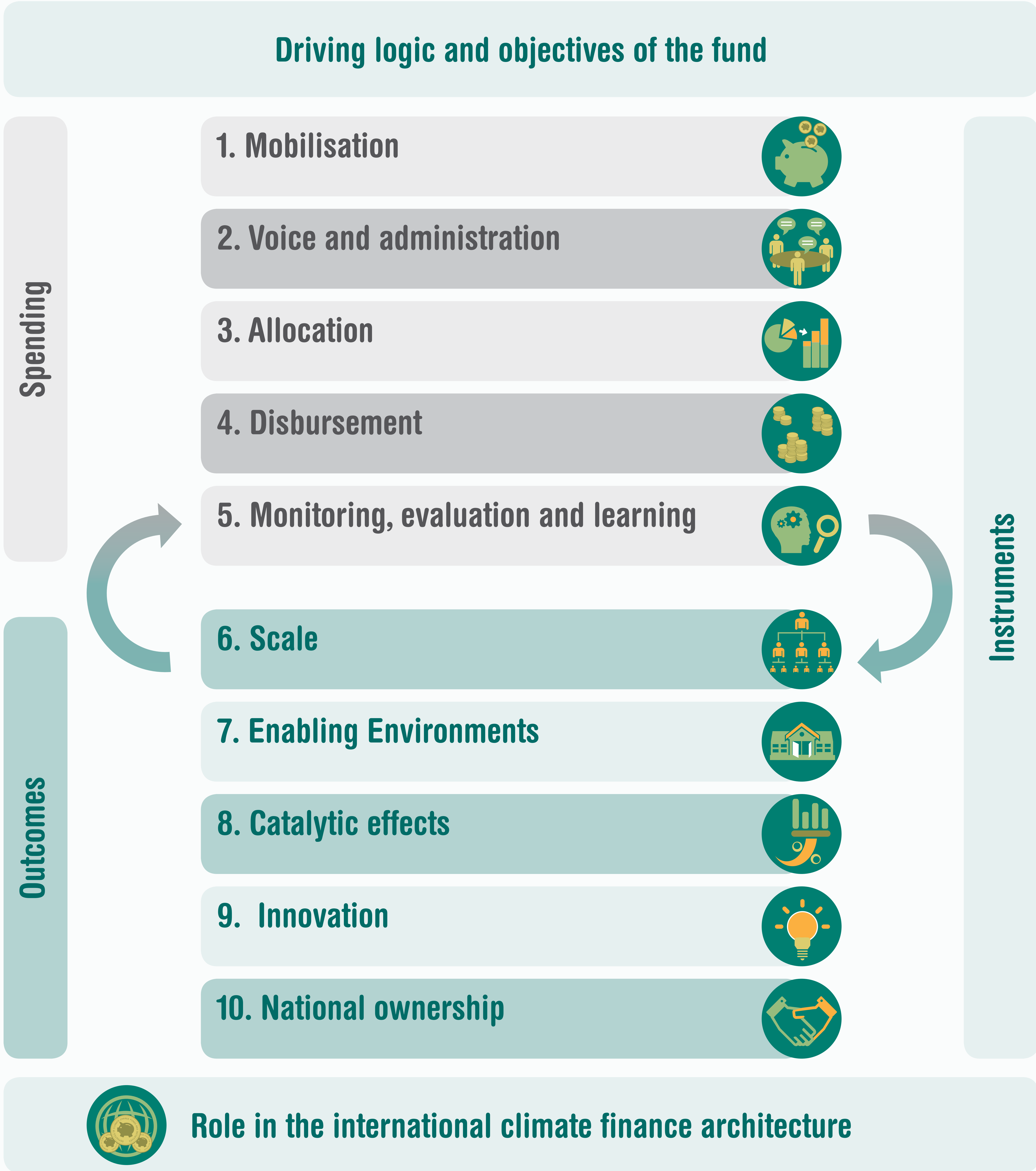
Understanding the effectiveness of international climate funds

How do we use finance to help developing countries reduce their emissions and respond to the impacts of climate change? Developed countries have pooled together to provide finance to a large number of international funds with this express purpose.

They range in size from less than $10 million, to more than $7 billion. Each has a particular focus: some, such as the Amazon Fund, have been established to help particular countries implement climate change response strategies. Some, such as the Clean Technology Fund, work in a smaller subset of countries where they hope have a demonstration effect. And others, such as the Global Environment Facility and the Adaptation Fund are accountable to Parties to the UN Framework Convention on Climate Change, and work in more than 180 developing countries.

At ODI, we're building on our work to monitor where these funds spend their money (http://www.climatefundsupdate.org) to understand how effectively this money is being used. We've published a series of assessments of the effectiveness of international climate funds (http://www.climatefundsupdate.org/resources/effectiveness-of-multinational-funds). This note presents a snapshot of their achievements. Our hope is that it provides a basis for a more informed debate about the implications of different approaches to delivering climate finance.

Over the coming months, we will assess a number of other international funds, and distil lessons from more than a decade of effort to deliver climate finance, for efforts to support action on climate change.



SPENDING

	The Global Environmental Facility (GEF)	The Clean Technology Fund (CTF)	Scaling-up Renewable Energy Program (SREP)	Amazon Fund (AF)
	A multilateral fund that works through the World Bank, UN Agencies, and other multilateral partners, to finance the incremental costs of addressing global environmental issues and implementation of associated multilateral environmental agreements. It has financed programs that address climate change since 1991.	Seeks to achieve "transformational change" in developing countries towards low carbon development strategies through public and private sector investments, harnessing the implementation capacity of the World Bank Group and regional development Banks.	Aims to use grant and concessional finance to demonstrate the viability of low carbon development pathways in the energy sectors of pilot low-income countries by creating new economic opportunities and increasing energy access through renewable energy.	A fund managed by the Brazilian National Development Bank seeking finance for reducing deforestation on the basis of demonstrated performance.
Instruments	Grants cover incremental costs of projects, which must be complemented by a variety of other instruments, as recipients are required to raise co-finance when accessing the GEF.	Experiments with a range of different instruments for delivering concessional finance to reduce the costs associated with decarbonisation of expenditure on infrastructure in the energy, transport and built environment sectors.	The SREP has particular flexibility in the range of financial instruments available to it. The majority of funding is anticipated to be provided as grants and/or concessional loans. These will be blended with co-finance from wider public and private sources.	Non-reimbursable loans (effectively grants which must meet the requirements of BNDES loan processing) are provided for projects that can support fund objectives.
Resource Mobilisation	• Voluntary contributions from member governments are raised at replenishment meetings every four years, informed by an evaluation of performance and a forward strategy. • Funding covers "incremental" costs of mitigating climate change. • US $1077 million pledged from 39 governments. • US $776 million deposited.	• Relatively successful in raising funds from donors through informal channels, without a formal resource mobilisation strategy. • Reflects the trust that contributor countries place in the fund. • While deposits have been slow to follow pledges, the majority has now been received. • 9 governments have pledged US$ 4.8 billion as of September 2013 (88%). • Funding has increased by US$ 531 million since 2008.	• While the SREP is larger than many other climate funds, it is the smallest of the Climate Investment Funds • Grant and capital resourcing means that it is more able to invest in the low-income countries it targets, where risk is higher • US$ eq. 519 million pledged from eleven donors (97% deposited).	• Brazil has sought to raise funding and been relatively successful; however the finance raised is too low to allow emission reductions at the anticipated value. Expanding contributor sources and domestic contributions could correct this problem. • With deforestation rates predicted to increase, the Amazon Fund's performance-based-payment model may be subject to question. • US$ 1.03 billion pledged in total (US$ 1 billion from Norway). • 12% deposited so far.
Voice and administration	The GEF is accountable to its council (16 developing country members, 14 developed countries, and 2 economies in transition) and Assembly (180 countries), as well as the UNFCCC Conference of the Parties. An independent secretariat uses the systems of the World Bank, which also serves as trustee of the fund. Efforts have been made to simplify and accelerate slow and cumbersome project cycle. Administrative budget of US $14.5 million (4% of capitalisation).	Developed countries establish the fund, but developing countries have a voice in its design, priorities and programing as well. Developed countries have generally been more vocal. The MDBs have shaped its substantive priorities. • 8 developed and 8 developing countries on committee. • US $31 million annual budget (or about 1% of funding approved to date).	• Equal representation of developed and developing countries on the governing Sub-Committee. • Observers representing civil society, indigenous peoples and the private sector also make inputs and engage in design • Key documents and minutes are made publicly available, although information on private sector investments remains confidential. • Sub-Committee contains six members each from donor and recipient countries.	• A multi-stakeholder Guidance Committee (the COFA) including civil society, government, and expert stakeholders seeks to ensure inclusive governance of the fund, with expert guidance from a technical committee. • Influence in practice needs strengthening. • The Brazilian Development Bank's (BNDES) strong financial management capacities run the fund, and the Ministry of Environment provides central policy guidance. • Multi-stakeholder guidance committee for fund managed by BNDES and the Ministry of Environment. • 3% management fee + management costs as an in-kind contribution.
Investment strategy and allocation	• Resources are allocated on the basis of the System for Transparent Allocation of Resources (STAR), a criteria based framework including a GEF Benefits Index measuring potential to generate global environmental benefits and a Performance Index measuring implementation capacity. Adoption of START has introduced predictability, and may prompt countries to take a more strategic approach to access. • A pilot program to accredit new implementing organisations is underway: entities have struggled to demonstrate environmental and social risk management capacity.	• Works in ODA-eligible countries with an active MDB programme underway, to build on MDB networks, experiences and initiatives. • Funding available on a first come, first served basis; has resulted in a rush to seek resources for programmes that may not always reflect national needs and circumstances well. The need to agree criteria for new country requests for funding is recognised. • Most investment plans have had to be revised, which highlights the need for flexibility: circumstances change, when trying to implement larger scale programmes over time.	• Interest from potential recipient countries exceeded available resources substantially. An expert group led screening process resulted in the selection of pilot countries • National governments work in collaboration with regional MDBs to prioritise investment options and propose a vision for use of SREP funds; civil society and private sector actors have had the opportunity to engage in many cases	• COFA guidance informs the selection of activities funded. • Seeks out partners able to help it direct funding towards particular objectives, particularly sustainable production activities which benefit forest communities. • Seeks to develop more projects with federal, state and municipal institutions. • By December 2012, allocated US$ 226 million to 34 projects.
Disbursement and risk management	• No integrated public reporting on disbursement at present: more complete reporting on status and implementation would allow better understanding processes and accountability. • Safeguard policies emphasise the need for project implementers to incorporate environmental assessment into their approaches, and avoid doing harm particularly to natural habitats. • Clearer guidance on these standards and how to comply with them would be useful. No reporting	• While programme approval has been quick, implementation and disbursement has been slow. • Completeness and transparency of reporting on CTF spending and operations has improved, though it excludes detailed information on private sector programmes. • Risk assessment frameworks to strengthen the discipline of fund management are being introduced. US $575 million (27% of approved funding) disbursed to 23 projects and programmes by September 2013	• Disbursement is significantly delayed. Over-programming is now allowed in order to encourage the acceleration of the project pipeline • The SREP relies on MDBs safeguard policies to manage social and environmental risks; these are relevant given the portfolio includes some large scale centralised investments. • Only US$ 4.2 million disbursed as of December 31, 2013.	• Operates according to BNDES policies and processes as a sub-fund. • Has been difficult for smaller organisations to access the fund. • Disbursement is transparent but slow, in part as a result of the funds' operational processes, but also because of the difficulties of developing a portfolio of programs to be supported implementation of these safeguards practice is needed. • The safeguards of the Amazon Fund were not disclosed publically till 2012. Analysis of the 32% of approved budget has been disbursed (US$ 72 million out of US$ 226 million). • 8 months on average for disbursement after agreement.
Monitoring, evaluation, and learning	• The Evaluation Office produces Annual Monitoring and Performance Reports, and an Overall Performance Study (OPS) every four to inform replenishments. • It has developed standardised tools for GHG emission reduction reporting, but there is a need for more consistent reporting against other indicators of success. • Scope for greater coordination and collaboration with other climate funds seeking to collect information on the impacts of mitigation projects, in order to strengthen other aspects of GEF mitigation project impact assessment. Emission reductions: 148 million tons of CO2e through GEF cycles 2 – 4.	• Responsive to partner country concerns in simplifying its framework, to a final set of 5 outcome indicators. • Periodic real time reporting began in 2013. • Further work is needed to strengthen data collection systems, ensure consistent boundaries are used and assessment methodologies are robust. • Emission reductions: 10 million tonnes of C02e (2% of target). • Leverage: USD 3.5 billion co-financing (33% from the private sector). 21% of total co-financing expected. • Energy Efficiency: 2,626 MW (28% of target). • RE: 6,800 GWh (5% of targets).	• A simplified two tier results framework requires reporting on direct impacts on renewable energy production (GWh) and the number of individuals and businesses benefiting from improved energy access. • Assessments of enabling environments for investment in renewable energy have also been commissioned. • Project implementation is in the very early stages. • Annual reporting on results due to begin in 2014.	• Has a defined process for monitoring projects, but is focussed predominantly on tracking spending rather than impact and contributions to fund objectives. • There is limited public available information so far on impact or lessons learned.

	ICCTF	Adaptation Fund	PPCR
	The ICCTF was established to channel international grants supporting Indonesia to achieve its climate change priorities and its emission reduction targets	Kyoto Protocol Fund supporting concrete adaptation projects that meet needs of the most vulnerable.	Seeks to pilot and demonstrate approaches and strengthen capacities for the integration of climate risk and resilience into development policies and planning; scale-up and leverage climate resilient investment, building on other ongoing initiatives; and enable learning-by-doing and sharing of lessons at country, regional and global levels
Instruments	Grants for climate change projects and research implemented by national and sub-national governments, CSOs, academia and the private sector	All funding is provided in the form of grants there are no co-finance requirements. In practice several programs do involve co-finance. So far, few programs have sought to blend these grants with other forms of finance.	All funding is provided in the form of grants there are no co-finance requirements. In practice several programs do involve co-finance. So far, few programs have sought to blend these grants with other forms of finance.
Resource Mobilisation	• Current pledged capitalisation of $21 million and $4.5 million in technical assistance support • One of the smaller actors in Indonesian climate finance • To date it has not been accredited to access funding from the Adaptation Fund, and other multilateral climate funds are not yet actively involving the ICCTF • 53% of committed funding deposited as of December 2013.	• Innovative funding model of 2% levy on CERs from CDM and voluntary contributions. Innovative sources have proved volatile. • Modest capitalisation to date, though a target to raise $100 million in 2013 was achieved. • US $188 million from CER monetisation (100% deposited). • US $150 million from voluntary pledges (95% deposited) + $100 million.	• The PPCR has become the largest source of public finance for adaptation today, despite lacking a formal "resource mobilisation" process. • This is partly due to its flexibility in accepting capital contributions and offering loans that create a potential re-flow of finance for future investment. • The majority of committed finance has now been deposited, and new pledges have been forthcoming, which suggest that it has won the trust of donors. • $1.3 billion pledged from a variety of donors within a short period of time
Voice and administration	• UNDP as interim fund administrator: transition to joint administration by UNDP and Bank Mandiri now in place • Governance led by BAPPENAS, and includes government agencies, donors, CSOs, the private sector and experts • Efforts improve communication and public reporting on the ICCTF underway • Arrangements to be formalised • 2 donors...	• Developing country governments have formal majority. • Constructive working modalities and highly transparent. • Informal civil society engagement. Private sector engagement less prominent. • Additional meetings with CSO's. • 11 developing and 5 developed countries on board. • Average annual administration cost of US $3.67 million.	• Equal representation of developed and developing countries on the governing Sub-Committee. • Transparency and disclosure practices have improved over time, and efforts have been made to consult national stakeholders, including civil society organisations. • There is a need to include a breadth of perspectives on adaptation and forums for meaningful and responsive deliberation on priorities for finance. • Sub-Committee contains six members each from donor and recipient countries.
Investment strategy and allocation	• Strategy informed by national climate change policies and implementation priorities • Organic approach to programming given the modest resources and dynamic policy context • More clearly defined spending priorities linked to fund objectives are needed and transparency regarding prioritisation • Mitigation, forests and adaptation are the three thematic windows	• Intended to prioritise the vulnerable, but first come first served in practice. • Efforts to improve project cycle efficiency. Strengthened guidance on stakeholder participation in program development to support better design and greater ownership.	• Expert driven process to select pilot countries. The initial set of pilot programs represent a relatively geographically diverse set of countries highly vulnerable to climate change, with MDB programing to build on and adequate absorptive capacity. • Project cycle has been long, but innovative in terms of its programmatic approach. This has allowed for wider stakeholder input. • Support for analytical work to frame and inform investment priorities has proved useful, and has been extended to support ongoing programming.
Disbursement and risk management	• A great deal of effort has been invested in fiduciary management arrangements that align with both UNDP and national financial management systems. • As the ICCTF transitions into its anticipated third phase, where it participates in larger scale programmes, there is a need for: greater public reporting and transparency of financial management systems; more robust risk management systems; and more stringent environmental and social safeguards. This is particularly the case if the fund seeks to access funding from GCF and AF. • Disbursement rates for pilot projects appear to be high, with 88% of deposited funds having been disbursed so far.	• Strong reporting by the Fund and implementing entities though aggregation needed • Environmental and social safeguard not required. Relatively small projects, and no concerns expressed yet. • Programs only began 4 years ago, and no interim reports against results framework objectives to date. • 30% of approved budget disbursed to implementing entities; less to executing entities. • Avg 4 months for disbursement after agreement signature.	• Progress has consistently been slower than projected, although pace of program approval has increased significantly. • While the slow pace of implementation reflects the need for more agile implementation systems, it also reflects the reality that good programming takes time and iteration. • An increasingly proactive approach to risk management is being taken. MDB safeguard policies also help manage environmental and social issues. • Disbursement levels are low at 8% ($46.8 million as of 31 December, 2013).
Monitoring, evaluation, and learning	• Results framework focuses on process and inputs, rather than programmes impact • Links with newly emerging systems for monitoring the impact of national climate change policies needed • New recruitment of M&E experts should help strengthen results orientation • PMUs consider ICCTF M&E requirements demanding, although they recognise that it strengthens their reporting.	• Basic M&E framework established before starting funding projects: gives Fund strategic focus. • Framework output based, rather than outcome oriented. • Implementing entities report on lessons learned and against fund indicators in periodic reporting.	• Results framework has advanced global understanding of approaches to monitoring and evaluation of adaptation. A simplified and outcome driven approach to impact assessment is now being piloted. • The space for critical reflection on progress and achievements has increased. There is a growing emphasis on learning from the practical experiences of the PPCR. • Recognised need to strengthen learning from individual projects and transactions. • Project implementation is in the very early stages. • Annual reporting on results is due to begin in 2014.

OUTCOMES

	The Global Environmental Facility (GEF)	The Clean Technology Fund (CTF)	Scaling-up Renewable Energy Program (SREP)	Amazon Fund (AF)	ICCTF	Adaptation Fund	Pilot Program for Climate Resilience (PPCR)
	A multilateral fund that works through the World Bank, UN Agencies, and other multilateral partners, to finance the incremental costs of addressing global environmental issues and implementation of associated multilateral environmental agreements. It has financed programs that address climate change since 1991.	Seeks to achieve "transformational change" in developing countries towards low carbon development strategies through public and private sector investments, harnessing the implementation capacity of the World Bank Group and regional development Banks.	Aims to use grant and concessional finance to demonstrate the viability of low carbon development pathways in the energy sectors of pilot low-income countries by creating new economic opportunities and increasing energy access through renewable energy.	A fund managed by the Brazilian National Development Bank seeking finance for reducing deforestation on the basis of demonstrated performance.	The ICCTF was established to channel international grants supporting Indonesia to achieve its climate change priorities and its emission reduction targets	Kyoto Protocol Fund supporting concrete adaptation projects that meet needs of the most vulnerable.	Seeks to pilot and demonstrate approaches and strengthen capacities for the integration of climate risk and resilience into development policies and planning; scale-up and leverage climate resilient investment, building on other ongoing initiatives; and enable learning-by-doing and sharing of lessons at country, regional and global levels
Instruments	Grants cover incremental costs of projects, which must be complemented by a variety of other instruments, as recipients are required to raise co-finance when accessing the GEF.	Experiments with a range of different instruments for delivering concessional finance to reduce the costs associated with decarbonisation of expenditure on infrastructure in the energy, transport and built environment sectors.	Non-reimbursable loans (effectively grants which must meet the requirements of BNDES loan processing) are provided for projects that can support fund objectives.	Non-reimbursable loans (effectively grants which must meet the requirements of BNDES loan processing) are provided for projects that can support fund objectives.	All funding is provided in the form of grants there are no co-finance requirements. In practice several programs do involve co-finance. So far, few programs have sought to blend these grants with other forms of finance.	All funding is provided in the form of grants there are no co-finance requirements. In practice several programs do involve co-finance. So far, few programs have sought to blend these grants with other forms of finance.	All funding is provided in the form of grants there are no co-finance requirements. In practice several programs do involve co-finance. So far, few programs have sought to blend these grants with other forms of finance.
Scale	• Full-sized projects (FSPs) larger than US$1million and medium-sized projects (MSPs) of up to US $1million. A small grants program funds (SGP) up to $50,000 per project. • The SGP allows the GEF to support projects that empower communities to engage on climate change activities, and has helped build community-level constituencies, but ensuring coherence and consistency with country programs is a challenge.	• Some efforts to engage subnational institutions, particularly cities, as part of efforts to finance sustainable transport solutions. • The focus on finding ways to move large sums of funding and the transaction costs associated with smaller projects has reinforced a focus on larger projects. • By working through financial intermediary institutions in developing countries, it has sought to reach small and medium size private sector actors. • Project size ranges from US$ 1.6 million – 350 million.	• Scaling-up renewable energy and energy access require different kinds, and scales, of investment. MDBs are investing in sub-programs or services that will engage smaller scale actors. • Tensions around the access impacts of larger scale investments in centralised energy.	• Meant to support sub-national level activity, and create incentives for more ambitious state level action to combat deforestation. • Constrained in its ability to support large programs prior to 2011. • 5 of 34 projects work directly through state governments (fire-fighting capacity).7 projects fund municipal governments directly. • Project sizes range from $5 million to $ 32 million over 4 years.	• Sub-national government engagement has been a particular focus of the ICCTF as a national fund that can presently only make grants. • New measures that allow the fund to make smaller scale interventions in partnership with NGOs, CSOs and research institutes have recently been adopted. Their impact in extending the reach and influence of the fund remains to be seen. • ICCTF has funded 6 projects involving 5 government ministries, in 15 of the 33 provinces. The amount for each pilot project ranges from $1 to $1.5 million.	• Supports sub-national level activity, recognising importance of local-level impact. • Many programs direct funding to small projects, including through community micro-finance. • Execution often difficult: necessary to monitor whether scalable and replicable. • Average project size is US $6.6 million over 4.4 years.	• The PPCR has enabled adaptation finance at unprecedented scale, conducive to a programmatic approach. • The combination of a large volume of funding to spend and a capitalization that requires some of this investment to earn a return may focus attention on larger scale interventions. Programming has therefore tended to focus less on smaller scale or community level approaches.
Enabling environments	• Strong emphasis improving policies, regulations, and implementation capacity related to mitigation in developing countries. • Enabling programmes have not always been well linked with the wider processes that shape investment in mitigation relevant sectors at country level. • Interventions have often taken narrow approaches, rather than grappling with challenges of governance and underlying incentives.	• CTF investments are situated in a complex context: many of the countries' policies, regulations and governance that would drive investment in low carbon technologies are evolving and not yet well established. • Some programmes have strategically combined resources for policy engagement and technical assistance (for example grant resources from the GEF) with investment programmes financed through the CTF.	• Each SREP pilot country had a different starting point in terms of enabling environments for investments in renewable energy and energy access. The investment plan preparation process has provided an initial opportunity for considering deficiencies. • SREP flexibility to offer both grant and concessional finance is crucial in allowing it to fund technical assistance and capacity building components. All projects include these in some form.	• Strong focus on capacity building, including for state level institutions. • Few programmes so far have dealt with overarching market drivers of deforestation, or sought to shift the economic drivers of deforestation.	• Pilots have focused on strengthening capacity and awareness, particularly amongst government agencies • Potential for the ICCTF to help BAPPENAS support the delivery and execution of the national climate change mitigation (RAN/RAD GRK) and adaptation (RAN API) plans, which requires policy, regulatory and governance reform across diverse institutions. • New regulations governing the ICCTF's status as a trust fund have also opened the door for other similar institutions in Indonesia (including REDD+).	• Most programs include some efforts to strengthen underlying policies, laws and regulations that will improve adaptive capacity. • Exceeds expectations that the Fund might focus on "hard" interventions. • Implementation is complex: political developments in country can be disruptive.	• The PPCR has prompted attention to climate risk as a development concern, and sought to support efforts to incorporate climate risk into mainstream development planning. • It has supported institutional capacity building related to climate change, and fostered arrangements to coordinate across governments.
Catalytic outcomes	• Successful in mobilising additional investment to complement limited resources. Most co-finance comes from implementing partners. • The GEF private sector set aside programme supports public partnerships and small and medium enterprise incubators.	• Programmes supporting public private partnerships and financial intermediary programmes have generated some positive results. • A new global private sector programme with more flexible arrangements to structure finance for the private sector has been proposed.	• Catalysing private action a key tenet of the SREP's approach. Investment plans are in general thorough in addressing the specific barriers that must be overcome to achieve this. Models for private sector engagement differ in each case, with varying focuses on addressing risks, costs or capacity building. It remains to be seen the extent to which planned leveraging is achieved in practice. • A US$ 90 million pool of additional funding has been allocated through the SREP private sector set aside specifically targeted at encouraging private sector leadership in the renewable energy sector.	• Limited emphasis on incentives for the private sector, or partnering with the private sector for implementation, although has attracted some corporate finance from Petrobras. • Impacts on environmental and social governance on the operations of BNDES as a whole to be determined: potential for a catalytic role in raising awareness. • Opportunities to maximise synergies with other international climate funds supporting REDD+ in Brazil.	• Mobilising additional investment has been one of the considerations in approving pilot programmes, though not an express requirement. • Greater engagement with public and private sector investors is likely to be a key frontier for the ICCTF in the future: the particular role and niche that the fund might fill given the domestic financial context needs elaboration. • At least one project seems to be triggering follow up action and investment from companies.	• Mobilising the private sector is not an objective of the Fund. In practice several programs engage private companies (notably tourism) as stakeholders and implementation partners (e.g. in Mauritius). • Has raised awareness. NIE accreditation can create positive domestic competition to meet robust fiduciary, transparency and management standards.	• Focus on engaging the private sector in adaptation is innovative, but delivery has proven challenging in practice. • In practice much of the additional finance raised comes from the MDBs themselves and other public sector institutions, rather than the private sector. • New dedicated private sector set-aside programs have focused attention, but their impact remains to be seen.
Innovation	• The GEF has re-engaged with technology innovation, prompted by UNFCCC interest. Overall record in supporting technology processes is mixed. • Difficulties balancing competing demands to promote innovation with demands to maximise cost effectiveness and reduce risk.	• Efforts are being made to increase the use of the full suite financial instruments that the CTF has at its disposal, too early to comment on their impact. • Funding has been used to accelerate near commercial technologies such as CSP. • Tentative indicators of progress in reducing technology costs.	• The SREP is not particularly innovative in terms of the technologies supported, other than in cases where there is no prior experience of implementing a technology in a particular country. • The extent to which the fund is able to engage with wider global partners could be an important factor in encouraging innovation in energy access delivery approaches.	• Generally limited focus on supporting innovation in the current portfolio. • Some creative delivery models as the fund seeks to invest in small grant programs to ensure that finance benefits forest communities and indigenous peoples.	• Envisions transitioning to a model with a more express emphasis on innovation, though the exact approach that will be taken remains to be seen. • Current pilot projects have not had an express focus on innovative approaches to managing climate change or funding delivery.	• Several projects support new technology deployment in recipient countries, particularly for disaster risk reduction and enhanced food security oriented projects and programs. • Limited evidence so far of much financial innovation; on balance there has not been much innovation.	• It is unclear the extent to which the PPCR portfolio has focused on supporting innovation including innovative approaches to finance and domestic capacity to innovate to deal with the impacts of climate change. • Substantial emphasis placed on improving access to technology and information that will support better decision-making in a context of climate variability.
National ownership	• Engages national institutions through political and operational focal points; however these arrangements are not always well embedded with the national actors and systems most relevant for investments related to climate change. • Relies on "external" implementing agencies for project management (who in turn may work through country systems) though "direct access" to funding for enabling activities and national portfolio formulation exercises was allowed during GEF 5. • Seeks to ensure programming is country driven, but perceptions of the effectiveness of these arrangements are mixed.	• Engages ministries of finance and energy, which is an important opportunity to make climate change more central to economic decisions and planning. • Reaching shared understandings of objectives has taken time and iteration. • Deeper stakeholder commitment to proposed programmes and plans needed. Programs often perceived to be driven by MDBs.	• It is a central intention in the SREP's design that the fund be country-led and build on national policies. The commitment of recipient governments to mainstream renewable energy development in their energy plans was therefore a major factor in the pilot country selection process. • The investment plan development process has provided an opportunity for national leadership and engagement with relevant institutions and stakeholders, although concerns have been raised in some cases over the extent to which resulting investment plans reflect MDB priorities over those of governments.	• Grounded in a Brazilian policy commitment enshrined in law; design was driven by leaders within the Brazilian government. Managed by a Brazilian financial institution that is well versed in domestic implementation realities, though ring-fenced from national public finances and budget. • Engages diverse national stakeholders in both its governance as well in the delivery of programmes, working through NGOs, universities, state government institutions and municipal government institutions. • Ambiguous political commitment to Amazon Fund objectives creates uncertainties about its role and purpose.	• ICCTF designed to work through national financial systems, while seeking to meet the standards expected by international donors • Operationalization much slower than expected: as a result, while the ICCTF was supposed to help strengthen coordination and coherence across international support for climate action in Indonesia, as yet very little international funding to support Indonesia to respond to climate change has been channelled through the Fund.	• Direct access has signalled willingness to work in direct partnership with developing country based institutions. But programs are • Strengthening coordination is a challenge: implementing entities (national or multilateral) need to be able to work across government and stakeholders.	• Efforts made to engage a wide range of stakeholders in the development of SPCRs in many countries, and in many cases programs may have been effective in securing government ownership. • Extent to which programs are more widely owned varies substantially. Perception in some cases that MDB programming priorities have determined financing decisions. • Recognized need for sustained engagement that has practical links to program implementation.
Role in the Global Climate Finance Architecture	• The relationship between the GEF and the UNFCCC COP has been difficult: the establishment of the Green Climate Fund reflects a desire to see a new mechanism that is better placed to deliver on climate finance and the objectives of the convention. • Many of the investments that it has made in learning, monitoring for results, and in strengthening enabling environments in recipient countries have an important role to play in the evolving global architecture.	• Intended to sunset once a new international climate finance architecture is effective. • Has successfully mobilised new resources, both finance and capacity, from the MDBs.	• The SREP was designed to address a gap in the international climate finance architecture by ensuring that finance is directed to assist low income countries in adopting low carbon energy technologies and using renewable energy to improve energy access. • It is too early a stage in the SREP's implementation to make definitive conclusions on its effectiveness. It seems however that many of the programs in which it is investing are poised to result in important increases in renewable energy installed in country and the number of people with access to energy • To date energy access has not been prioritised to the extent originally envisaged.	• The Amazon Fund has piloted a nationally-driven approach to the delivery of climate finance, and the use of performance based payments. • Shown developing country-based institutions can meet high fiduciary standards, and provide substantial transparency on fund operations. However, competent fund administration can be costly. • National stakeholders need to play an active role programming funds to realise national sustainable development aspirations. • Strategies and their coherence with national priorities need to be re-visited periodically.	Operationalization of the Adaptation Fund has increased available finance for adaptation from a very low baseline. The fund meets high levels of transparency, and has important provisions for accountability and learning. The GCF needs to build on the operational achievements of the Adaptation Fund. Synergies between the GCF Adaptation window and the Adaptation Fund (rather than duplication) is essential, and over time the GCF may absorb it.	Operationalization of the Adaptation Fund has increased available finance for adaptation from a very low baseline. The fund meets high levels of transparency, and has important provisions for accountability and learning. The GCF needs to build on the operational achievements of the Adaptation Fund. Synergies between the GCF Adaptation window and the Adaptation Fund (rather than duplication) is essential, and over time the GCF may absorb it.	• The PPCR has potentially been the most significant mobilizer of public climate finance for adaptation and has had a disruptive influence on the adaptation finance landscape. • Its programmatic nature advocates a participatory approach with civil society and local stakeholders but there is a need to deepen this engagement. • Many of its delivery parameters and objectives may present the contours of a more sustainable framework for adaptation finance that helps to mainstream climate risk into development planning and finance. While encouraging progress is being made, much remains to be done to realize the vision.