REPORT ON THE SOUTH-SOUTH EXCHANGE OF GREEN CLIMATE FUND NATIONAL DESIGNATED AUTHORITIES OF GHANA AND NEPAL

Hosted By:
Ministry of Finance, Republic of Ghana

29 – 30 August 2017
1. **INTRODUCTION**

Ghana and Nepal, like most developing countries, have already felt the negative impact of climate change. It is our belief that if no action is taken to address these negative impacts of climate change now, the cost of doing it in future will be prohibitive and counterproductive to the socio-economic gains both countries make today.

It is obvious that both countries still have a long way to go in response to climate change impacts and challenges which is affecting the countries’ sustainable development efforts negatively, reversing the modest developmental gains that the countries have made. Therefore, there is the need to respond to these challenges and to safeguard developmental gains in the most vulnerable communities.

However, the huge cost expected to respond to these negative impacts is a big challenge and nothing can be done without enhanced access to climate finance, thus the Green Climate Fund is considered a big opportunity to access Climate finance for adaptation and mitigation activities.

2. **GREEN CLIMATE FUND**

The Green Climate Fund (GCF) is a fund within the framework of the UNFCCC founded as a mechanism to assist developing countries in their adaptation and mitigation activities in response to the negative impact of climate change.

To have access to the Fund’s resources a National Designated Authority (NDA) is required as a core interface between the country and the Fund. An NDA is a designated institution in the country with the authority and mandate to officially provide the needed support and leadership for the smooth interface between the country and the Fund.

The NDAs of Ghana and Nepal had a South-South exchange programme which was hosted by Ghana’s NDA at the Ministry of Finance, to reflect on how to accelerate climate action in both countries to promote prosperity and the wellbeing of citizens, especially the most vulnerable.

The two-day exchange, which was scheduled from 30\textsuperscript{th}-31\textsuperscript{st} August, 2017, was a knowledge sharing programme for both NDAs to familiarize themselves and if possible adopt the unique processes of both countries in their dealings with the GCF.
3. PARTICIPANTS

Nine member delegates from Nepal NDA lead by the Contact Point for GCF along with members of the Climate Finance Unit and Technical Committee participated in the programme. Ghana delegation were represented by Ministry of Finance, the NDA for GCF and allied partner institutions such as Environmental Protection Agency (EPA), United Nation Environment Programme (UNEP), Social Investment Fund (SIF), United Nation Development Programme (UNDP, Energy Commission, Climate Action Network, and Ecobank Ghana Limited.

4. MEETING PROCEEDINGS

4.1 Welcome Remarks – Ghana:

Participants were officially welcomed by Mrs. Adwoa Fraikue, the alternate to the Focal Point followed by a prayer by Mr. Richard Amartey. Dr. Isaac Mensah Bonsu chaired the first day of the programme on behalf of the Focal Point for Ghana, Mr. Frimpong Kwateng-Amaning who was absent due to an equally important engagement outside the country.

Dr. Alhassan Iddrisu, Director for Economic Research and Forecasting Division with the Ministry of Finance, delivered the welcome address on behalf of the Focal Point. In his speech, he welcomed delegates from Nepal and thanked them for choosing Ghana for the exchange programme and also commended the National Designated Authority/Ministry of Finance, Ghana for hosting the meeting. He outlined the negative impact of climate change and how it has affected coastal villages and urban coastal communities, the impact on hydro power, and the extreme weather conditions resulting in excessive flooding which destroys infrastructure and erodes developmental gains. He emphasized that the huge cost to mitigate the negative impact of climate change resulted in government welcoming GCF as an opportunity for financing the implementation of response to climate change. He noted that Government of Ghana in partnership with the UNDP, UNEP officially launched the Green Climate Fund (GCF) Readiness Programme in Accra, 2015 to prepare the nation for the opportunity ahead. He ended by declaring the exchange interaction duly opened and wished participants a fruitful deliberation.

4.2 Welcome Remarks – Nepal:

Dr. Baikuntha Aryal, Joint Secretary, Ministry of Finance, Nepal and head of the Nepal delegation highlighted Nepal as a country and also spoke about how Nepal has embraced the GCF. He expressed appreciation to the Government of Ghana and the Ministry of Finance for organizing such a knowledge sharing meeting and expressed optimism for a successful programme.
4.3 Welcome Statement- UNDP, Ghana:

Mr. Louis Kuukpen, Assistant Country Director, UNDP welcomed the delegates from Nepal and other institutions present for honoring the invitation to the programme. He highlighted that the Paris Agreement acknowledges that climate change is a common concern of humankind and recognizes human rights, health, local communities, children, persons with disabilities and people in vulnerable situation and the right to development. He stated that the United Nations Sustainable Development Goals, Goal 13, on climate action indicates the need for urgent action to combat climate change to enable countries to reach the sustainable development goals and targets, as they are intricately linked.

Furthermore, he said that the Ministry of Finance and Ministry of Environment Science and Technology (MESTI), in collaboration with the UNDP, UNEP has been implementing the GCF Readiness Programme in Ghana with financial support from the German Federal Ministry of Environment, Nature Conservation, Building and Nuclear Safety (BMUB). He reiterated the aim to support the government in strengthening national capacities and to effectively and efficiently plan for access, manage, deploy and monitor climate financing in particular through the GCF. Further, he highlighted the support the NDA has received from the Readiness Programme in strengthening its capacities since its inception in 2015; through development of the NDA Operations Manual, Project Prioritization and Climate Finance Tracking Tools. He was confident the exchange event will provide opportunities for shared learning and aid in addressing the challenges under the GCF processes to improve our approaches to engaging with the Fund going forward.

5. PRESENTATIONS SESSION

5.1 Green Climate Fund Readiness Programme – UN Environment

The first presentation on the Green Climate Fund Readiness Programme and was presented by Ms. Nancy Soi, a UNEP representative on GCF Readiness Programme. She gave an overview of what the GCF Readiness Programme addresses in the sub-regions and how mitigation and adaptation needs are very important for developing countries. She disclosed that developed countries have formally agreed to jointly mobilize USD 100 billion per year by 2020 from a variety of sources to be channeled to the GCF. Miss Soi also intimated that the programme is meant to support developing countries to enhance their engagements with the GCF.
According to her, the Programme is to build countries capacity to be able to access the Green Climate Fund. She also highlighted on the Readiness support given to the two potential Direct Access Entities of Ghana i.e. Ecobank Ghana and Social Investment Fund (SIF) in building their capacity to be able to meet the fiduciary standards of the Fund. She intimated that SIF submitted accreditation documents to the GCF on 29th June 2017 and is awaiting feedback. Ecobank Ghana also submitted theirs to the GCF on 14th February 2017 and is currently addressing comments from the GCF.

In her presentation, she disclosed that, out of the $10.3 Billion pledges to the Fund, over $2.2 Billion has been committed. In all, 43 projects have been approved by the Board, 54 entities (international, regional, and national) have been accredited and 115 countries have requested readiness support directly from the GCF.

### 5.2 Presentation – NDA Institutionalization, Roles and Responsibilities in Ghana & Nepal

#### 5.2.1 Presentation by Ghana NDA

The presentation on Ghana’s NDA institutionalization, roles and responsibilities and was delivered by Mr. Robert Mensah. He highlighted the mandate of the Ministry of Finance i.e. to oversee, coordinate and manage all forms of support (Domestic / International) to climate change related activities in Ghana. He described the structure of the NDA of Ghana and mentioned that the NDA secretariat reports to the designated focal person who in turn also reports to the Minister of Finance through the Chief Director. The NDA secretariat is within the Natural Resource, Environment and Climate Change Unit under the Real Sector Division.

The NDA Technical Advisory Committee (NDATAC) composition, roles and mandate were also highlighted in his presentation. He said the Technical Advisory Committee reviews and makes recommendation in respect of concept notes and draft project proposal to
make sure they are align with country policies and procedures, in line with Ghana’s NDCs among other things. The committee then advises the NDA whether or not to issue No-Objection letter. He further took participants through the ‘No-Objection’ procedure.

Mr. Mensah concluded by informing the participants about the various tasks that the NDA of Ghana has been able to undertake with support from UNDP & UNEP through the Readiness Support. Some important documents produced are the NDA operations manual, Project Prioritization Tool and Climate Finance Tracking Tool.

5.2.2 Presentation by Nepal NDA

On behalf of Nepal, Dr. Baiikuntha Aryal from Nepal’s NDA spoke on Nepal NDA institutionalization, roles and responsibilities. Dr Aryal explained why the Ministry of Finance for Nepal was chosen as the National Designated Authority. In his presentation, he explained the organogram of the Central Authority of Government of Nepal, and outlined its core responsibility of maintaining the micro and macro-economic stability of the country. Their mission as ministry was also stated by him during his presentation which was to mobilize development cooperation to finance national development plans and priorities, whiles their vision was effective management of development cooperation for economic prosperity of the country. Dr Aryal also explained justification of nomination of Ministry of Finance as the NDA and also elaborated that based on need assessment of NDA, a governance mechanism is proposed that includes formation of a 11 member High-Level Climate Finance Steering Committee chaired by the Finance Secretary, a Climate Finance Unit for day-to-day operations on Climate Finance and 9 member inter-ministerial Technical Committee to aid decision-making by the NDA.

5.2.3 Discussions Session

After the presentation by the NDA of both countries, there was discussion to address issues that were not common among both countries and why they are so. The table below gives a brief of some of the questions, concerns and the responses given by both NDAs.

A question was asked on the reason Nepal Advisory Committee has representative from the Central Bank of Nepal as part of their NDA which is not the case of Ghana’s TAC. Nepal indicated that the Central Bank mainly deals with the monetary policy and since the monetary policies always supports the economic policy as well as being the depository of
Government foreign resources, they chose to have a representative from there. Ghana retorted by saying that the excluded the Central Bank because the process of GCF is seen as more of fiscal (resource mobilization) than monetary.

Issues of sustainability of the GCF processes and funding of activities of NDA secretariat of both countries after the UNDP Readiness support has come to an end came up for discussions. Nepal responded that their Climate Finance Unit will spearhead the mobilization of funds and hence, funds would be available. In the case of Ghana, the NDA secretariat will be funded partly by annual budget and also by the readiness support that they have applied for from the GCF and support from other development partners.

Ghana was asked to explain why some representatives on the TAC are from certain specific departments or directorates e.g. the Crops Directorate of the Ministry of Agriculture. Explanation was that the Ministry of Finance requested for technical officers to join the committee from the Government Ministries and they those individuals were nominated to serve on the TAC.

From the discussions we were made aware that it takes 6 to 12 month to complete accreditation process in some countries not in the case of Ghana because after 18 months, Ghana’s two entities are yet to complete level two of the GCF accreditation process.

5.3 Presentation - GCF Country Programmes and Institutional Coordination

During the presentation, both countries shared their institutional set-up and prioritization of projects. On Direct Access Entities (DAE), the NDA of Nepal shared that two national institutions i.e. Alternative Energy Promotion Center (AEPC) and National Trust for Nature Conservation (NTNC) have applied for accreditation status and are under Stage-I review process.
5.3.1 Discussions on GCF Country programmes and Institutional Coordination

i. It was advised that NDAs need to discuss their challenges with the GCF leading to review of GCF procedures to facilitate timely accreditation and ease of accessing GCF funding.

ii. The two countries should also have a back-up plan for projects submitted to the GCF for funding which unlikely turn out not approved.

iii. It was also said that it is good for countries especially Ghana to have Direct Access Entities (DAE) which has basic fiduciary requirement to enable Ghana to have Direct access to the GCF or for future opportunities.

5.4 PRESENTATION BY SOCIAL INVESTMENT FUND (SIF) ON GCF ACCREDITATION APPLICATION PROCESS

The above presentation was delivered by Dr. Kwame Obeng Nti. SIF is seeking for GCF accreditation as Direct Access Entity (DAE) under micro and small size projects with Risk Category C.

The presenter indicated that the GCF Readiness Programme, gave a lot of support in the area of capacity building and were able to develop 17 policy documents which have enabled the Institution to begin the GCF online accreditation process.

He highlighted some of their experiences during their preparation towards the accreditation process. He emphasized that, although the accreditation process takes too much time, it has helped in strengthening the institution’s weaknesses. Also, to go through the GCF accreditation processes requires a lot of strategizing, planning and commitment of substantial material, human and financial resources.
5.5 PRESENTATION ON PROJECT SELECTION PROCESSES (Day 2)

Day two of the meeting began with an opening prayer by Mr Robert Mensah, an Officer from the NDA, Ghana. The meeting was chaired by Dr Baikuntha Aryal, from Nepal. The closing of the Programme was chaired by Dr. Mensah Bonsu from National Development Planning Commission (NDPC) Ghana also a member of the Technical Advisory Committee.

This presentation was done by both Ghana and Nepal. Both NDAs spoke on challenges and lessons learnt, project selection processes, key elements and consideration of prioritisation and also method of selection.

5.5.1 DISCUSSION ON PROJECT SELECTION PROCESSES

Participants wanted to know why the private sectors were not fully involved in the process since they play a major role in national development. The response was that the Private Sector is generally risk averse and that their main objective is profit making. It was suggested that they have to be sensitized that that although climate change is a developmental issue, it comes with a business component which the private sector can tap into.

For Nepal Private Sector has been well trained on what climate change is as well as the GCF processes.

5.6 PRESENTATION ON ENERGY ACCESS PROJECTS BY BOTH NDA

The first presentation was done by Mr Ebenezer Ashie, the project coordinator for the Accelerating Solar Action Programme (ASAP). He gave a brief on what the project was about, how it came into being and the current status of the project. He said before the project was developed, pilot sites were visited, key stakeholders were consulted and mapping was done, to have two projects which were later merged into one because they
were similar. On the status of the project, he said the concept note has been submitted to the GCF awaiting feedback and one challenge they encountered was the delay in response from key stakeholders in the provision of data.

Nepal also presented theirs on energy access programme and it was realized that, they also had two projects which they had to merge to become one, the presenter for Nepal said if two projects are in the same thematic area then it’s just right to merge them and have a wider stakeholder engagement. The issue of co-financing was also discussed.

5.7 PRESENTATION ON NATIONAL ADAPTATION PLAN BY BOTH NDA

Dr. Ram Prasad Lamsal made the presentation for Nepal whiles Mr. Daniel Beneo-Tutu of the Environmental Protection Agency (EPA) made the presentation for Ghana.

According to Nepal, the objective of the National Adaptation Plan is to reduce vulnerability to the impacts of climate change, by building adaptive capacity and resilience and also to facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities, in particular development planning processes and strategies, within all relevant sectors and at different levels, as appropriate.

For Ghana, Mr. Beneo-Tutu made it clear that UNEP is being used as a Multilateral Implementing Entity for the National Adaptation Plan in Ghana. He said some colleagues have been received from Canada to help them review the process of the NAPS.

5.8 PRESENTATION BY ECOBANK GHANA ON GCF ACCREDITATION APPLICATION PROCESS

Ecobank shared their experiences and challenges faced during their preparation to begin the accreditation process with GCF.

Ecobank Ghana took us through their application process in this format they first of all needed to obtain a “Letter of No Objection” from the National Designated Authority (NDA) – Ministry of Finance, Obtain Accreditation System (OAS) Online access from the GCF, Compile the GCF application according to the requirements for the selected accreditation level. Submit application and pay accreditation fee.

He shared that Ecobank are now responding to some GCF inquiries in Stage I (secretariat check)
and Stage II (GCF Board consideration) and if approved, they would then sign the Accreditation Master Agreement (“AMA”) very soon.

5.9 CLOSING SESSION

The programme was brought to an end on Thursday, 31\textsuperscript{st} August 2017 at 3.00pm with brief closing remarks by Dr. Mensah Bonsu and Dr. Baikuntha Aryal. Both delegates expressed their gratitude and emphasized that they have acquired a lot of knowledge during the two days exchange programme and look forward to future collaboration.

A closing reception was hosted by the GCF NDA of Ghana marking the successful two-day south south meeting between the two countries.