



## PRESS RELEASE

### Independent Review recommends changes to the Green Climate Fund

*Independent Evaluation Unit (IEU) releases Forward-looking Performance Review of the GCF*

(15 July 2019 - Songdo, Republic of Korea) The world's largest funding body for climate change actions, the Green Climate Fund (GCF), has been urged in an independent Review to adopt several changes if it is to remain at the forefront of supporting and financing developing country needs with respect to climate change.

Produced by the GCF's Independent Evaluation Unit (IEU) and presented at the 23<sup>rd</sup> Meeting of the Board of the GCF (B.23), the Forward-looking Performance Review of the Green Climate Fund (FPR) highlighted that the GCF has achieved much during its initial years. The Fund has committed just over USD 5.3 billion (or 75 per cent) of the USD 7.1 billion of available pledged capital to projects and programmes and is expected to leverage additional co-financing up to USD 12.6 billion of investments in GCF supported projects. These projects are expected to reduce 1.5 billion tonnes of CO<sub>2</sub> equivalent and benefit over 276 million people. The Fund has also been able to build a network of 83 international, regional and national agencies that are eligible to receive funds from it.

However, the Review also found a number of areas where the GCF can improve. In particular, the FPR finds that the time required to apply for and finally receive GCF financial support is long at more than 1,000 days, and currently, the GCF meets less than 1% of developing countries' total quantified financial needs for combatting climate change (as expressed in their NDCs). Critically, the Review finds that with less than 10% of committed GCF funds (USD 5.3 billion) currently disbursed to projects and programmes, the GCF needs to still demonstrate the urgency required to deal with today's climate crisis.

According to Dr. Jyotsna Puri (Jo), Head of the IEU and lead author of the Review, "The GCF occupies a unique role in the global fight against climate change. It is the leading agency for financing actions by developing countries to adapt to and mitigate climate change. This role could be enhanced by following the key recommendations in the FPR.

"The GCF should strengthen its business processes so it can better address the specific needs and capacities of developing countries. These processes need to be prompt, predictable and transparent and could be better achieved by increasing the use of country-based direct access entities."

The key recommendations in the FPR include, among others:

- Better addressing the individual needs and capacities of developing countries and increasing the role of national entities in managing GCF-funded activities;
- Developing a new strategic plan that positions the GCF as a thought leader, policy influencer and provider of innovative climate crisis solutions;
- Re-emphasizing its support to adaptation investments while recognizing the role of new actors in mitigation such as the private-sector;
- Improving access to the GCF through more transparent, 'user-friendly' policies and greater predictability in GCF processes; and



- Ensuring greater delegation of authority and decision-making from the GCF Board to its Secretariat.

Ms. Liane Schalatek, Active Observer for Civil Society Organizations (CSO) representing the GCF's developed countries constituency at B.23, said that while CSOs do not agree with all the FPR recommendations, they acknowledge that the release of the FPR reflects not only the importance of IEU's independence in reviewing the GCF's performance but also the importance of GCF's willingness as a learning institution to respond to emerging evidence and the evolving needs of developed countries.

"To be credible, institutions financing international climate actions require an independent evaluation function free of institutional or external influence and capable of producing well-researched, evidence-based assessments. The Forward-looking Review of the GCF is proof that the IEU is such a credible, independent evaluator. It also demonstrates the willingness of the GCF Secretariat and Board to engage constructively with the FPR and its recommendations and integrate them as lessons learnt during the First Replenishment." Ms. Schalatek said.

The FPR was presented at the 23<sup>rd</sup> meeting of the Green Climate Fund at its headquarters in Songdo, Republic of Korea, on 8 July 2019. Having taken note of the findings and recommendations presented in the FPR, the Board requested the Secretariat to provide a management response to the Review at its twenty-fourth meeting in November 2019. **(ends)**

A full version of the 366-page FPR and an executive summary can be downloaded from the IEU [website](#).

*The Green Climate Fund (GCF) was set up by the Parties to the United Nations Framework Convention on Climate Change in 2010 to support the efforts of developing countries to respond to the challenge of climate change. It aims to deliver equal amounts of funding to mitigation and adaptation while being guided by the Convention's principles and provisions.*

*The IEU was established by the GCF Board on 13 February 2014. The IEU plays a crucial role in leading the evaluation and learning function of the GCF. It has the following objectives:*

- *To inform the Board's decision making, synthesize lessons learned and guide the GCF and its stakeholders;*
- *To undertake and deliver high quality and independent evaluations of the GCF's performance, activities and results; and*
- *To inform the UNFCCC and the Paris Agreement.*

**Journalists are encouraged to contact the IEU for further details about the FPR and/or to interview the lead author of the Review, Dr. Jyotsna Puri (Jo).**

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