Independent Evaluation of the GCF's Portfolio of and Approach to the Private Sector (PRIV2026): Approach Brief

Context And Objectives

The Green Climate Fund was established with a mandate to support private sector engagement in climate mitigation and adaptation while ensuring that investments are aligned with country priorities and needs. The Fund also seeks to engage local private sector stakeholders, such as small- and medium-sized enterprises and financial intermediaries in developing countries and enable greater private sector involvement in the small island developing States (SIDS) and the least developed countries (LDCs).

A 2021 evaluation conducted by the IEU found that, while the GCF had made efforts to engage the private sector, there remained an opportunity to further define the Fund's private sector portfolio, strategic direction, and areas of focus. The evaluation also highlighted challenges in broadening participation among local private sector actors and intermediaries and in scaling support for adaptation investments in the LDCs and the SIDS. In response, the Board adopted decision B.32/06 in 2022, approving a private sector strategy intended to provide a clearer framework for the Fund's engagement with the private sector and to guide the future development of its portfolio.

Against this backdrop, the current evaluation seeks to reassess progress made towards the private sector mandate specified in the Governing Instrument and further articulated in Board decision B.32/06. Ultimately the evaluation aims to answer:

i. whether the Fund been able to add value and catalyse private climate finance while ensuring country-drivenness and its mitigation and adaptation impact, and
ii. what changes are needed in the future to address remaining climate finance gaps.

Accordingly, this evaluation is intended to generate lessons and support accountability for fulfilling the Fund's private sector mandate.

Key Evaluation Questions

Approach	**Effectiveness**	To what extent has the GCF's approach to the private sector led to catalysing private climate finance?
	Country Ownership	How well does the GCF balance attracting private capital with a country-driven approach and country ownership guidelines?
	Efficiency	How efficient are the GCF's existing partnership / business models and programming approaches in catalysing private climate finance?
	Sustainability	To what extent is the GCF's approach to attracting private finance sustainable?
Portfolio	**Relevance**	How well does the private sector portfolio align with the GCF's mandate and country needs?
	Impact	To what extent is the GCF's private sector portfolio reaching emissions-reduction and climate-resilience goals?
Cross-cutting	**Innovativeness**	To what extent are innovative financial structures, business models and climate technologies being tested and scaled through GCF investments?

GCF's Private Sector Portfolio

The team will establish the portfolio of private sector projects for the evaluation based on the review of approved funding proposals initially by artificial intelligence, followed by thorough human verifications. This will include, by default, projects originated through the Private Sector Facility of the GCF as well as public sector projects that support local private sector actors.

Methodology

To deliver rigorous and credible findings, triangulated across sources and methods, the evaluation team will use both qualitative and quantitative methods for data collection and evaluative analysis. The evaluation findings, conclusions and recommendations will be evidence-based, and that evidence will be triangulated.

The following key data-collection and analysis methods will be used:

- GCF document review and synthesis
- Portfolio data review and analysis
- Semi-structured interviews
- Online survey

Key Analytical Components

Additionality Assessment

Drawing on project reviews, stakeholder interviews and financial instrument analysis, the evaluation team will assess the extent to which GCF inputs and services provide additional value or a unique contribution to private climate investments beyond what commercial finance would. The assessment will examine:

- **Financial additionality:** concessional or innovative financing structures and mobilization of private capital.
- **Non-financial additionality:** policy and regulatory support, innovation, capacity strengthening, and environmental and social safeguards.

Cluster Studies

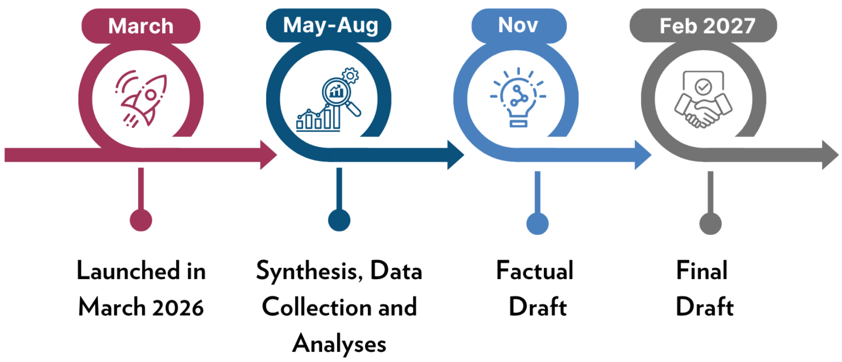
The evaluation team will conduct two cluster case studies to examine key evaluation questions on efficiency, relevance, and impact in greater depth. The two strategic clusters of private sector projects are categorized as the following:

1. Projects that demonstrate significant potential to catalyse private sector finance at scale,
2. Projects that are supporting local private sector actors and financial intermediaries

- Identify common success factors, challenges, lessons, and good practices across different project types, instruments, and country contexts.
- Generate evidence to inform the future direction of GCF private sector programming.

Output And Timeline

The evaluation was launched in March 2026. The IEU undertook data collection and analysis in May – August 2026. The factual draft will be ready in November 2026. The evaluation report will be finalized by February 2027 in time for B.47, the first Board meeting to take place in 2027.



CONTACT THE IEU
Independent Evaluation Unit
Green Climate Fund
175, Art center-daero, Yeonsu-gu
Incheon 22004
Republic of Korea

GREEN CLIMATE FUND | Independent Evaluation Unit