



## RECOMMENDATIONS OF THE SECOND PERFORMANCE REVIEW OF THE GREEN CLIMATE FUND

### CONTEXT AND BACKGROUND

The Board of the Green Climate Fund (GCF) launched the second performance review (SPR) in June 2021. The review<sup>1</sup> assesses the GCF's performance during the GCF-1 programming period and seeks to inform the next update of the Updated Strategic Plan for the GCF: 2020-2023 (USP) for the GCF-2 programming period.

### RECOMMENDATIONS

**R1:** In updates to the strategic plan, the GCF should clarify the Fund's strategic positioning, articulate programming and operational priorities, and address long-term and short-term trade-offs. The ambition and strategic direction should align with available resources.

- In the updated USP, the GCF should clarify the vision for GCF-2. It should clarify critical choices identified in the SPR.
- The GCF strategic priorities should have appropriate resources, with a periodic review of resourcing.
- The GCF should develop a results framework for delivery of GCF-2 with targets and indicators.
- The GCF should ensure that the strategic vision is

widely communicated throughout the broader GCF partnership.

**R2:** At the country level, the GCF should clarify its intended approach and possible roles, aligning with available resources. The GCF should:

- Articulate the extent of the GCF's ambition to engage strategically in country and the role(s) it wishes to play, based on a clear assessment of opportunities, challenges and strategy.
- Widen the GCF partnership definition and undertake a systematic mapping of partners' capacity and interest to engage strategically at country level, culminating in a strategic approach for GCF country partnership.
- Clarify any future role for CPs and EWPs.
- Clarify the role of readiness support, particularly in the context of strategic engagement.

**R3:** The GCF should review accreditation priorities. Support and explore other access mechanisms beyond accreditation. Build capacities for better access and country-owned FP development and enhance accreditation process efficiency and transparency.

- Identify accreditation objectives and communicate them clearly, both internally and externally.
- Identify and proactively support alternative and

<sup>1</sup> Independent Evaluation Unit (2023). *Second Performance Review of the Green Climate Fund. Evaluation Report No. 13 (February)*. Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.



graduated pathways for developing country entities to access the Fund. Explore long-term alternatives to the current AE model.

- Manage accreditation and access to fit with GCF and country programming priorities and needs. Align them well with Fund project resources and Secretariat management capacities.
- Target DAE capacity-building for country-owned project development and implementation.
- Enhance the efficiency and transparency of accreditation and reaccreditation processes and clarify benchmarks for reaccreditation.

**R4:** The GCF Secretariat should continually improve the efficiency, predictability and relevance of operational systems, ensuring they reflect policy priorities, strategic objectives and climate urgency, especially targeting the delays within the GCF's control.

- Continually streamline and refine operational modalities.
- Realign staffing, organizational structures and monitoring strategies to better facilitate reaching the same collective goals.
- Ensure modalities and operational structures are sufficiently nuanced to address the range of partner needs and experiences.
- Continue to upgrade direct communication, as well as guidance documents developed to articulate GCF expectations, and share emerging lessons with partners.

**R5:** The GCF should pivot from an approval orientation towards an approach to emphasize results and learning, with a coherent results architecture for GCF-2.

- Urgently operationalize the IRMF and RRMF.
- Improve implementation management processes,

with full examination of the received feedback that the GCF needs flexibility to adapt to the realities of implementation.

- Strengthen learning and feedback loops.
- Enable efficient GCF oversight and learning during implementation; provide sufficient resources for this.

**R6:** The GCF should urgently clarify the approach to managing entity and project risks, for funded activities and RPSF grants.

- Review the approach to due diligence of entities and projects.
- Match the evident risk appetite to stated risk appetite.
- Clarify project risk ownership, including expectations and accountability mechanisms for partner entities and project implementation.
- Increase the robustness, coherence, continuity and consistency of risk management practices throughout the programme cycle and entity oversight processes.
- Secure required P&I agreements.

**R7:** The GCF should strengthen governance processes to provide more effective and efficient leadership for the Fund.

- Improve governance efficiency (using committees, provide human resources to Developing country members, make use of retreats and informal exchanges).
- Support trust-building and self-reflection among Board members.
- Build the facilitative capacity of the Secretariat.
- Continue working to update the policy suite.
- Clarify blurred lines between governance and management.
- Address weaknesses in the observer function.

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