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INDEPENDENT RAPID ASSESSMENT OF THE GREEN CLIMATE FUND'S REQUEST FOR PROPOSALS MODALITY

Final Report

June 2021



GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality

FINAL REPORT
06/2021

© 2021 Green Climate Fund Independent Evaluation Unit
175, Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea
Tel. (+82) 032-458-6450
Email: ieu@gcfund.org
<https://ieu.greenclimate.fund>

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First Print Edition

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Citation

The suggested citation for this evaluation is:

Reumann, Andreas, Claudio Volonte, Daisuke Horikoshi, Elangtlhoko Mokgano, Margarita Gonzales, Sarah Lebel, and Viktoriya Khan (2021). Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality. Evaluation Report No. 11, June 2021. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea.

Credits

Head of the GCF Independent Evaluation Unit a.i.: Andreas Reumann

Task manager: Daisuke Horikoshi, Evaluation Specialist, Independent Evaluation Unit

Editing: Beverley Mitchell, Toby Pierce

Layout and design: Giang Pham

Cover photo: Four little girls on the way to school, Luang Prabang, Laos. ©CatwalkPhotos/Shutterstock

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Printed on eco-friendly paper

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FOREWORD

As Professor Mariana Mazzucato, author of the book *The Entrepreneurial State: debunking public vs. private sector myths*, so eloquently puts it:

“For too long, people have acted as if the private sector were the primary driver of innovation and value creation and therefore were entitled to the resulting profits. But this is simply not true. Pharmaceutical drugs, the Internet, nanotechnology, nuclear power, renewable energy—all were developed with an enormous amount of government investment and risk taking, on the backs of countless workers, and thanks to public infrastructure and institutions.”

Besides the country programmes and entity work programmes, the GCF allows for targeted project/programme generation, which can be done through request for proposals, among others. Such RFPs can be understood as calls for proposals from qualified entities to complete specific and innovative work. With the first tranche of RFPs, the Board of GCF noted that the use of RFPs is complementary and not a substitute for proposals submitted to the GCF by AEs, NDA or Focal Points. As of June 2021, when this report is written, the GCF has launched four pilot programmes under RFPs that includes **Enhanced Direct Access (EDA)**, **Micro-, Small and Medium Sized Enterprises (MSME)**, **Mobilizing Funds at Scale (MFS)**, and **REDD+ Results-based Payment (REDD+)**, and translated into 19 projects approved by the GCF Board to date, including one project that has since lapsed.

My team and I are proud to have worked on the RFPs – the Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality. Our evaluation addresses, among others, four key questions. Firstly, what is the strategic objective of the GCF RFPs and how did the GCF operationalize these RFPs? How relevant were the RFPs with respect to the GCF mandate and country needs? What have we learnt from the implementation of the RFPs and to what extent has the RFPs been effective? Lastly, what value added provide the RFPs based on access, country ownership, coherence/ complementarity and equity?

The IEU's rapid assessment concludes that there are two aspects to be considered: RFP as a modality for programming at the GCF and as a tool for targeted generation of projects that focus on specific topics and themes identified. The IEU concludes that **while the RFP can be a good tool for targeted project generation, the RFP modality has not been established**. The implementation of the RFPs did not address shortcomings of the GCF business model. Although topics were not selected systematically, the selected topics of RFPs are relevant to the GCF's mandate and country needs, but the RFPs as such have not been used effectively.

Our main recommendations are as follows:

First, at the process level in the short term, the GCF should consider clear articulation of purpose and objectives of RFPs, with a transparent and strategic approach to identifying future topics, and recognizing good practices.

Second, at the modality level in the long term, the GCF should consider establishing the RFPs as a modality, prepare internal guidance and identify an internal structure to centrally coordinate, review and appraise design and implementation of RFPs.

Third, at the strategic level, the GCF should improve the GCF business model to provide incentives for the proponents to participate in RFPs.

I sincerely hope you enjoy reading this report. It will bring to light some of the learnings, trigger the right discussions and you are galvanized into action as a consequence.

Mr. Andreas Reumann

Interim Head of the Independent Evaluation Unit

ACKNOWLEDGEMENTS

The independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality was prepared by a small team within the IEU together with external consultants. The authors are immensely grateful for the contributions and support received from all interviewees; the Board of the GCF; the GCF Secretariat; accredited entities; the national designated authorities and country focal points of the GCF; the independent Technical Advisory Panel; the private sector and civil society organization networks; former GCF colleagues; and other institutions, who kindly participated despite the many challenges we faced in the COVID-19 pandemic.

This evaluation was designed and undertaken under the stewardship of Mr. Andreas Reumann, Head a.i. of the Independent Evaluation Unit (IEU) of the GCF. The task manager was IEU's Evaluation Specialist, Mr. Daisuke Horikoshi, supported by Ms. Viktoriya Khan, Research Assistant Consultant and Ms. Elangtlhoko Mokgano, Team Assistant, who acted as the IEU DataLab focal point and led the extraction and analysis of data. Three external consultants from Le Groupe-conseil Baastel – Ms. Margarita Gonzales and Ms. Sarah Lebel, led by Dr. Claudio Volonte – jointly wrote the evaluation report with the IEU. The IEU communications workstream contributed to promoting and disseminating the key findings and recommendations of this evaluation to a wide range of stakeholders. All responsibility, including for any errors, lies solely with the IEU, which carried out this Assessment.

Other IEU team members also provided critical data analysis support. They include Ms. Galyna Uvarova, Mr. David Huang, Ms. Hellen Nassuna, Ms. Laurene Torterat, Mr. Byungsuk Lee and Mr. Peter Mwandiri. Dr. Archi Rastogi and Dr. Martin Prowse also provided valuable comments during the final writing stage of the report. Ms. Beverley Mitchell and Mr. Toby Pearce edited the report, and Ms. Giang Pham designed and formatted the report for publication. Mr. Geg Clough provided critical feedback. We express our gratitude to all of them.

Views expressed here do not reflect the official views of the Board of the GCF or of its members or the countries they represent. This report was submitted to the Board of the GCF on 7 June 2021.

LIST OF AUTHORS

The authors of the independent assessment report are (in alphabetical order):

FULL NAME	AFFILIATION
Andreas Reumann	Independent Evaluation Unit
Claudio Volonte	Le Groupe-conseil Baastel
Daisuke Horikoshi	Independent Evaluation Unit
Elangtlhoko Mokgano	Independent Evaluation Unit
Margarita Gonzales	Le Groupe-conseil Baastel
Sarah Lebel	Le Groupe-conseil Baastel
Viktoriya Khan	Independent Evaluation Unit

GUIDE FOR BUSY READERS

The IEU recognizes that its evaluation reports are distributed to a wide range of stakeholders with different objectives and time frames for reading them.

The IEU makes the following suggestions on how you might approach reading the Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality:

- If you have **15** minutes: The Executive Summary.
- If you have **30** minutes: The Executive Summary and Chapter 8 and 9.
- If you have **45** minutes: The Executive Summary and Chapter 6, 8 and 9.
- If you have **70** minutes: The Executive Summary and Chapter 4, 6, 8 and 9, as well as the Annexes.
- If you have **2 hours**, the full report.

ABBREVIATIONS

AE	Accredited entity
AF	Adaptation Fund
AFAWA	Affirmative Finance Action for Women in Africa
AMA	Accreditation master agreements
BUR	Biennial update report
CIFOR	Center for International Forestry Research
CN	Concept note
COP	Conference of Parties
CSO	Civil society organizations
DAE	Direct access entity
EDA	Enhanced direct access
ESS	Environmental and social safeguards
FAA	Funded activity agreement
FP	Funding proposal
FPR	Forward-Looking Performance Review
FREL	Forest Reference Level
GEF	Global Environment Facility
GI	Governing Instrument
IAE	International accredited entity
IEU	Independent Evaluation Unit
IRM	Initial resources mobilization
ISP	Initial Strategic Plan
iTAP	independent Technical Advisory Panel
LDC	Least developed countries
MFS	Mobilizing Funds at Scale
MSME	Micro-, small- and medium-sized enterprises
NAP	National adaptation plans
NDA	National designated authorities
NDC	Nationally determined contributions
NGO	Non-governmental organizations
PAP	Proposal appraisal process
PPF	Project Preparation Facility
PSAA	Project specific accreditation approach
PSAG	Private Sector Advisory Group

PSF	Private Sector Facility
PSO	Private sector organizations
RBP	Results-based payment
REDD+	Reducing Emissions from Deforestation and Forest Degradation (and the conservation and enhancement of forest carbon stocks)
RfP	Request for proposals
RPSP	Readiness and Preparatory Support Programme
SAP	Simplified approval process
SIDS	Small island developing States
ToC	Theory of change
ToR	Terms of reference
UNFCCC	United Nations Framework Convention on Climate Change
USP	Updated Strategic Plan

EXECUTIVE SUMMARY

I. INTRODUCTION

1. ABOUT THE RFP AT THE GCF

A Request for Proposals (RFP) is universally considered a business document that announces a project, describes it, and solicits bids or responses from qualified entities to complete it. This is a common method utilized by both private and public sector entities. In most cases, the entity requesting the bids or responses is responsible for evaluating the feasibility and quality of the responses submitted against some review criteria published with the RFP. The requesting organization not only looks at the quality of the responses but also must review the financial health of the respondents and their ability to undertake the project.

The tenth meeting of the Board was the first time that RFPs were mentioned in Green Climate Fund (GCF) documentations. Several resources, including the GCF website, briefly presents some basic information about the RFPs at the GCF to external audiences, indicating that they are approved by the Board and that the GCF seeks to target the many gaps in the current climate finance landscape. The Board has approved four RFPs so far, as follows:

- Pilot programme for Enhanced Direct Access (EDA) (approved by decision B.10/04 in July 2015)
- Pilot programme to support Micro-, Small and Medium Sized Enterprises (MSME) (approved by decision B.10/11 in July 2015)
- Pilot programme for Mobilizing Funds at Scale (MFS) (approved by decision B.10/11 in July 2015)
- Pilot programme for REDD+ Results-based Payment (REDD+) (approved by decision B.18/07 in October 2017)

The Board decisions focused on each of the details of each RFPs, and the Board approved the TORs for each of RFP.

As of May 2021, there are 18 approved projects in GCF portfolio, totalling USD 850 million in GCF investment. It represents 65% of the total available funding allocated to the four RFPs, 10% of the total number of projects approved by the GCF (18 out of 173) and 10% of the total funding approved by the GCF so far.

2. ABOUT THE IEU'S RAPID ASSESSMENT OF THE GCF'S RFPs

Context. At the twenty-seventh meeting of the GCF Board (B.27), the Independent Evaluation Unit (IEU) of the GCF was requested by the Board to conduct an independent rapid assessment of the GCF RFP programme,¹ with the aim of informing the Board on the efficiency and effectiveness of the RFP programmes, including the four pilots.

Purpose. This document is to present the IEU's rapid Assessment of GCF's RFP. This report will be submitted to the Board for its twenty-ninth meeting (B.29) in July 2021. The IEU's Assessment focusses on five areas:

- a) Description of the RFP (the strategic objective of the GCF RFP as a modality, and the objectives of the four pilot programmes, and the current portfolio)
- b) Relevance of the RFP to GCF's strategy and country needs

¹ Decision B.27/08 relative to the approval of the work programme and budget of the IEU (Document GCF/B.27/22).

- c) Implementation of the RFP (efficiency and effectiveness)
- d) Examining the value added of the RFP as a modality, especially with respect to accessibility, country ownership, coherence and complementarity, and gender equity
- e) Lessons to learn internally and externally

Limitation of scope. This Assessment covers the use of RFPs from the approval of the first RFPs in July 2015 – at the tenth meeting of the Board (B.10) – up until the end of March 2021, and includes the projects approved and those in the pipeline as of that date. The scope of the Assessment examines the efficiency and effectiveness of the RFPs in relation to the particular topics they address. However, due to the nature of the rapid Assessment with the limited scope, this Assessment does not assess any of the topics of the four pilot programs themselves. It does not focus on identifying and recommending topics for future RFPs.

Method. The Assessment used a mixed-methods approach to collect and analyze information from multiple sources in a short period of time which includes: extensive document review; synthesis of lessons learnt from past IEU evaluations; analysis of GCF project and programme data collected and aggregated by the IEU DataLab from GCF databases; semi-structured interviews and focus groups; and online survey that targeted a broad range of GCF stakeholders, but in particular AEs and executing entities. However, no country visits were conducted due to COVID-19 travel restrictions. As mentioned above, representatives from NDAs and AEs based in relevant countries were interviewed or consulted.

II. KEY CONCLUSIONS

A set of conclusions and recommendations is drawn from this Assessment. The summary of key conclusions is presented in the following. The full set of conclusions is outlined in detail in chapter 8 of this report.

Conclusion I. The RFPs are not able to address shortcomings of the GCF business model. The implementation of the RFPs (from CN application to Board approval and to implementation) did not succeed at overcoming the shortcomings of the GCF business model to make it more accessible to national entities and the private sector. The four RFPs have allowed the GCF to provide additional financing on these themes.

Conclusion II. The RFPs did not provide an incentive to proponents regarding the project cycle or accreditation. New entities interested in accessing the Fund through an RFP had to respond to the RFP by preparing the CN and the FP while seeking accreditation at the institutional level. RFPs did not provide any fast track to accreditation which would have made more projects able to access funds through RFP.

Conclusion III: There is no RFP modality and mechanism per se established at the GCF but rather four individual RFPs. RFPs, as a modality and mechanism, did not have clear objectives, and neither the Board nor the Secretariat provided guidance on how to undertake them or any lessons from other experiences.

Conclusion IV: Although these are not selected systematically (refer below), the selected topics of the RFPs are relevant to the GCF mandate and the countries' needs. Each project under the RFPs is responsive to country ownership, recipient needs and GCF policies, and follows GCF operations and processes. The RFPs generally provided the GCF with a tool for targeted project generation, but the RFPs were not used effectively.

Conclusion V: The RFP operations do not fully reflect the generally available good practices. This hindered the efficiency of the processes.

Conclusion VI: The objective of RFPs to help fill gaps in climate change financing landscape is not fully achieved. There is no clear linkage observed between the RFPs launched and the portfolio gap analysis. The assessment could not find any evidence that the RFPs are clearly linked to the portfolio gap analysis done at the GCF during the IRM period.

Conclusion VII: The human and finance resources used for developing and implementing the RFPs are not sufficient and are uneven. The teams working on these RFPs were small, with only a few part-time staff dedicated to them.

Conclusion VIII: The low number of approved projects limits the potential impacts of the GCF in these areas. Learning opportunities from the design, appraisal and implementation phases are very limited, due to the lack of specific knowledge management and results management.

Conclusion IX. To date, the RFPs have not achieved significant outcomes due to the limited size of the current portfolio and early stages of the projects. The achievement of the RFPs will be largely limited to those of each individual project.

III. KEY RECOMMENDATIONS

The set of recommendations is organized depending on whether they should be considered in the short, medium or long-term, and should correspond to the process, modality and strategic level. The detailed recommendations are outlined in chapter 9.

1. PROCESS LEVEL SHORT-TERM

Recommendation 1. The GCF should continue to consider RFPs as a tool for targeted project/programme generation and focus investments on specific themes. This would require clear articulation of the purpose and objectives of the RFP, and a shared understanding of the limitations of the RFP process.

Recommendation 2. Regarding the selection of topics for RFPs, the GCF should follow a transparent and strategic approach to identify future topics and themes. Selection of topics for RFPs should be evidence based and have clear linkage with prior analyses. Such analyses could include, among others, a portfolio gap analysis, stakeholder analysis, market analysis and portfolio performance prediction.

Recommendation 3. The GCF Secretariat should consider designing a standardised RFP process based on universally recognized good practices and on a theory of change with well-defined assumptions. The RFPs at the GCF should improve their predictability, transparency and consistency as well as incentivize the participation of the right actors.

2. MODALITY LEVEL MEDIUM-TERM

Recommendation 4. The GCF should consider institutionally establishing the RFP as a modality. When establishing the RFP modality, the GCF Secretariat should prepare internal guidance on how to prepare RFPs.

Recommendation 5. The GCF Secretariat should identify an internal structure to centrally coordinate, review and appraise the design and implementation of RFPs.

3. STRATEGIC LEVEL LONG-TERM

Recommendation 6. The GCF should assess and clarify the purpose and use of RFP in relation to the business model. This would clarify prevalent assumptions regarding the modality.

Recommendation 7. The GCF should use RFPs to emphasize its convening power in the climate change finance space by focusing attention to particular topics and themes as well as emphasizing its complementarity and coherence principles.

Recommendation 8. The RFPs should improve the GCF business model to provide incentives for the proponents to come forward to participate in and increase the effectiveness of RFP as a modality. Such incentives may include: technical support, simplifying the accreditation process, aligning reviews, and fast-tracking.

MAIN REPORT

Chapter I. INTRODUCTION

I. OBJECTIVE AND PURPOSE OF THE IEU RAPID ASSESSMENT

1. The Rapid Assessment of the Green Climate Fund's (GCF) Request for Proposals (RFP) Modality (hereinafter referred to as the "Assessment" or "Review") was undertaken primarily to assess the relevance and the effectiveness of the GCF's RFP Modality, and to examine its implementation process in light of the GCF mandate. The Updated Strategic Plan (USP) for the GCF: 2020–2023 states among its key actions for fostering a paradigm-shifting portfolio that the GCF would review "the deployment of requests for proposals", which involved undertaking "an overall review of RFPs". This Assessment supports this review process. It reviews past and ongoing RFPs to draw lessons from their development/design and implementation, and provides recommendations for improving the use of RFPs by the GCF. The GCF's Updated Project and Programme Cycle document (July 2017) indicates that RFPs are one of the ways in which programmes or project funding proposals (FPs) are generated. The only guidance provided in this document on how RFPs would be conducted referred to the suggestion that national designated authorities (NDAs) / focal points and accredited entities (AEs) may submit FPs in response to RFPs.²
2. This Assessment will explore the four RFPs launched by the GCF. Each of them has their own guidelines and processes, and these have been taken into account by the Assessment team. Whenever possible, the team identifies findings, conclusions and recommendations at the RFP aggregate level, keeping in mind that the GCF did not define what an RFP is, as it did, for example, for the simplified approval process (*SAP*). The team will use the term "RFP Modality" to refer to RFPs as a distinct option to access the GCF; however, it should be noted that no such modality is formally defined at the GCF level.

II. SCOPE OF THE RAPID ASSESSMENT

3. The Assessment covers the use of RFPs from the approval of the first RFPs in July 2015 – at the tenth meeting of the Board (B.10) – up until the end of March 2021. It includes the projects approved and those in the pipeline as of that date.
4. The scope of the Assessment examines the efficiency and effectiveness of the RFPs in relation to the particular topics they address. The Assessment does not assess any of the topics themselves. The scope of the Assessment is limited to the Assessment questions presented in the analytical framework below and does not necessarily cover all of the Independent Evaluation Unit (IEU) evaluation criteria. It does not focus on identifying and recommending topics for future RFPs.

III. ANALYTICAL FRAMEWORK

5. The analytical framework of this Assessment was structured around six areas. Specific questions guided the analysis for each of these areas (see Table I-1). A detailed Assessment framework is provided in the Assessment matrix (see annex 3), which also details the sources of data and methods of data collection and analysis for each area of review and question.

² *GCF (Oct. 2017)*. Updated Project and Programme Cycle. The document indicates that the "Board may periodically approve requests for proposals to guide the development of the GCF portfolio in specific areas in accordance with the initial strategic plan." Furthermore, the document also indicates that "NDA/Focal Points and AEs may submit funding proposals to the Secretariat in response to RFPs."

Table I-1. Areas of analysis and Assessment questions

1. DESCRIPTION OF THE RFP MODALITY
1.1. What is the strategic objective of the GCF RFP Modality? What are the objectives of the four pilot programmes?
1.2. How did the GCF operationalize the GCF RFP Modality: terms of reference for each of the four RFPs; eligibility criteria for projects; campaigns and communication strategies; level of responses, expected outputs and outcomes, etc.
1.3. What is the current RFP portfolio for each of the four RFPs?
2. RELEVANCE OF THE RFP MODALITY
2.1. How relevant is the RFP Modality to the Initial Strategic Plan (ISP) for the GCF, to the USP and to the overall theory of change of the GCF?
2.2. How relevant are the four pilot RFPs to the needs and priorities of countries?
3. IMPLEMENTATION OF THE RFP MODALITY (EFFICIENCY AND EFFECTIVENESS)
3.1. How smooth was the implementation of the RFP Modality? Were there any bottlenecks/challenges during implementation?
3.2. Have the projects approved through the RFP Modality so far met the overall remit of the Board approved requirements?
3.3. How does the project cycle (e.g. preparation, review, approval and disbursement) for the proposals and projects approved through the RFP compare with that of regular FPs?
3.4. How do the proposals and projects approved through the RFP differ (e.g. objectives, cost, sectors, geographic distribution, expected results, investment criteria, expected sustainability) from the rest of the GCF pipeline and portfolio?
3.5. To what extent has the RFP Modality been effective? What were the outcomes of the RFP Modality beyond individual projects?
3.6. How smooth was the implementation of the RFP Modality? Were there any bottlenecks/challenges during implementation?
4. VALUE ADDED OF THE RFP MODALITY
4.1. Accessibility: Does the RFP Modality improve access to the GCF for a wide range of proponents? Has the RFP Modality attracted new, potentially eligible proponents?
4.2. Country ownership: Is the RFP Modality responding to the needs of countries? Does it enable a country-driven approach?
4.3. Coherence: How well does the RFP Modality complement other types of GCF project processing modalities (internal coherence) and other multilateral entities and country priorities (external)?
4.4. Gender equity: How well does the RFP Modality promote the GCF gender policy?
5. LESSONS TO LEARN FROM OTHERS
5.1. What are the good practices from other organizations that could be relevant to the GCF?
5.2. What did the GCF learn from its own experience with RFPs and how were these lessons incorporated into the next series of RFPs?
6. LEARNING TO IMPROVE
6.1. What lessons from the pilot could be transferred to the rest of the GCF?

Chapter II. METHODOLOGY

6. The Assessment used a mixed-methods approach to collect and analyse information from multiple sources in a short period of time. Interviews were designed to be inclusive and strategic. A full description of the methodology is available in [*the Approach Paper*](#).
7. Data collection involved:
 - **Extensive document review**, including all relevant GCF documentation pertaining to the RFPs and each individual RFP, including Board decisions, Secretariat documents, terms of reference (TOR) for the RFPs as well as guidelines and other documents, reviews of the RFPs prepared by the Secretariat, and data from previous consultations. It also included (i) strategic GCF documents such as the ISP and the USP, and (ii) all project-level documents for projects submitted in response to the RFPs, and documents from RFP processes in other organizations.
 - **A review of past IEU evaluations** to identify findings, conclusions and recommendations relevant to the RFPs.
 - **GCF project and programme data** collected and aggregated by the IEU DataLab from GCF databases.
 - **Semi-structured interviews, focus groups and email communications** with informants from (i) the GCF Secretariat; (ii) members of the independent Technical Advisory Panel (iTAP) and the Accreditation Panel; (iii) NDAs; (iv) AEs and executing partners; (v) representatives from civil society organizations (CSOs) and private sector organizations (PSOs); and, as relevant, (vi) representatives from other organizations. A full list of interviewees is available in annex 6.
 - **An online survey** that targeted a broad range of GCF stakeholders, but in particular AEs, executing entities and NDAs so as to understand their perspectives on the RFP process, regardless of whether their project was approved or not. The survey was launched on 19 April 2021 and closed on 3 May 2021; it received 46 responses. While the low response rate limited the scope of the analysis, relevant information was extracted from the open-ended questions.
 - **No country visits were conducted due to COVID-19 travel restrictions** but as mentioned above representatives from NDAs and AEs based in relevant countries were interviewed or consulted.
8. Data collected were validated and triangulated. Several methods were used to analyse these data:
 - **The portfolio analysis** included qualitative and quantitative analysis using DataLab information to understand the value added of the portfolio and its particularities.
 - **A survey of RFP good practices** was based on data collected from other organizations, with the purpose of identifying what the GCF can learn from other organizations. The findings from this analysis are presented in Table III-1.
 - **Deep dives on each of the RFPs** looked at how each RFP was developed, launched and implemented to deliver its expected results. The deep dive for each RFP incorporated a detailed analysis of the projects approved through this RFP.
9. A zero-draft report or factual report (a draft that excludes conclusions and recommendations) was presented to the rest of the IEU and to the Secretariat for factual comments. A complete draft report (with conclusions and recommendations) was developed and circulated before being finalized. This Assessment will be presented at B.29 in June 2021.

Chapter III. THE GCF REQUESTS FOR PROPOSALS

KEY FINDINGS

- The level of specificity of an RFP in identifying and addressing specific gaps is a key step for the success of the resulting pilot programme.
- Based on the literature review and the survey of RFP good practices g exercise, the evaluation team did not find a universally established standard on how to launch or conduct an RFP.
- RFPs are issued for a diverse set of reasons:
 - To engage with different or more types of stakeholders
 - To foster innovation
 - To assess the appetite of beneficiaries for a specific type of interventions or thematic area
 - To provide a fast-track funding window
 - To complement other funding windows by setting aside a distinct amount of funds for the RFP, among others
- The following are other organizations' good practices that could be of interest and relevant to the GCF. Despite the different needs being met through RFPs in the organizations surveyed, a number of common design characteristics appear to apply to the vast majority of RFPs, such as:
 - Indication of available finance
 - High predictability
 - Description of the selection process
 - Definition of the target audience
 - Thematic specificity
- To date, there is no RFP modality *per se* at the GCF but rather four individual RFPs. While the GCF Secretariat describes the RFPs as one of the mechanisms of targeted generation of projects/programmes, there is no common definition of the RFP as a modality across the GCF ecosystem.

I. SOME CONCEPTS ABOUT RFPs

10. An RFP is usually considered a business document that announces a project, describes it and solicits bids or responses from qualified entities to complete it. This is a common method utilized by both private and public sector entities. In most cases, the entity requesting the bids or responses is responsible for evaluating the feasibility and quality of the responses submitted against some type of review criteria, which are usually published in the RFP. The requesting organization not only looks at the quality of the responses but also must review the financial health of the respondents and their ability to undertake the project.³
11. In general, RFPs are publicly announced in a document – the TOR – that defines and describes the process, its goals and the organization that is sponsoring it, and outlines the bidding process and award terms. The RFPs also advise proponents on how to prepare proposals, with specific guidance

³ Lawrence, R.B., Rallis, S.F, Davis, L.C. and Harrington, K., 2018. Developmental evaluation: bridging the gaps between proposal, program and practice. *Evaluation*, 24 (1), pp. 69-83.

on how the proposal should be formatted and presented. They usually include instructions on what information the proponent must include and the desired format. RFPs are used to open up competition among different entities and to remove bias from the process. In most cases, although not necessarily the particular case of the GCF, the entity announcing the RFP usually wants to ensure that they attract the best value-for-money proposition and most competitive proposals. In some other cases, the organization soliciting the proposals may put out an RFP to obtain multiple proposals and a variety of perspectives on the targeted topic.

II. LESSONS ON RFPs FROM OUTSIDE THE GCF

12. The evaluation team conducted a review of several organizations that the team considered had experience with RFPs, and a summary of the findings is presented in Table III-1. The purpose of the review was to identify good practices that could be of use to the GCF. It focused on comparing the purpose of using RFPs, eligibility criteria, processes, governance and results achieved (e.g. quality and number of responses to the call for proposals and those that were awarded). Since the selected organizations did not have a standardized approach to RFPs, the team purposively selected one of the recent RFPs undertaken by the organization.

Table III-1. Comparison of RFP processes across different organizations

INSTITUTION	NAME OF THE RFP	RFP CHARACTERISTICS												
		Financial instrument(s) other than/in addition to	Process following regular project cycle	Funding cap per project or nature of support clearly stated	Clear timeline, from posting to receipt of funds/award	Targeted proponents clearly defined	Targeted proponents or beneficiaries are primarily private sector	Targeted focus/theme	Eligible activities are clearly defined	Selection criteria defined in the TOR	Weights assigned to selection criteria in the TOR	Confidentiality of process explicitly stated	FAQs easily accessible	Potential for increased visibility for proponents
Adaptation Fund	AFCIA ⁴		X	X	X	X	X	X				X	X	
Special Climate Change Fund and Least Developed Countries Fund (LDCF)	Challenge Programme for Adaptation Innovation	X	X	X	X		X	X		X				X
Climate Investment Funds	Technical Assistance Facility ⁵	X		X	X	X		X		X				
Global Environment Facility (GEF)	NGI ⁶	X	X	X	X	X	X			X				
International Finance Corporation	GAFSP ⁷			X	X	X				X	X			
<i>Fonds Français pour l'Environnement Mondial</i> (FFEM)	FISP-CLIMAT ⁸	X		X	X	X	X	X	X	X		X	X	

⁴ Climate Innovation Accelerator

⁵ Technical Assistance Facility (Second Call for Proposals as the COVID-19 Technical Assistance Response Initiative, meant as a rapid response)

⁶ GEF-7 Non-Grant Instrument Program Fourth Call for Proposals

⁷ Global Agriculture and Food Security Program Public Sector Window

⁸ Private Sector Initiative in the Area of Adaptation to Climate Change

INSTITUTION	NAME OF THE RFP	RFP CHARACTERISTICS												
		Financial instrument(s) other than/in addition to	Process following regular project cycle	Funding cap per project or nature of support clearly stated	Clear timeline, from posting to receipt of funds/award	Targeted proponents clearly defined	Targeted proponents or beneficiaries are primarily private sector	Targeted focus/theme	Eligible activities are clearly defined	Selection criteria defined in the TOR	Weights assigned to selection criteria in the TOR	Confidentiality of process explicitly stated	FAQs easily accessible	Potential for increased visibility for proponents
Nordic Environment Finance Corporation (NEFCO)	BGFA ⁹	X		X		X	X	X	X	X	X	X	X	
Climate CoLab	Reshaping development pathways in LDCs ¹⁰			X	X			X		X		X		X
Google.org	Google Impact Challenge on Climate			X	X	X	X	X		X		X		X

⁹ Beyond the Grid Fund for Africa

¹⁰ Sponsored by the UN Climate Resilience Initiative A2R, UK DfID, and the Global Resilience Partnership

- 13. Finding 1. The level of specificity of an RFP in identifying and addressing specific gaps is a key step for the success of the resulting pilot programme.** Based on the literature review of the RFP processes of other institutions and key stakeholder interviews, it is required that the issuer consider a balance between the specified requirements to guide the approach and the flexibility in the process to allow for innovative approach. If RFPs are too vague, proponents may not develop and implement an adequate solution to a described problem. If the requirements are too detailed and restrictive, the proponents' innovation may be limited. Based on this, the RFP process generally begins with drafting a solicitation document. Potential proponents review the solicitation and submit suggestions for improvement. After revisions that take into account the suggestions, the final RFP is issued for proposals by proponents.
- 14.** Based on the review, the IEU team also found a common alternative to an RFP: a clearly formalized strategy. An organization can have a clear strategy, with portfolio and sectoral targets with explicitly defined gaps to fill within a specific time-horizon. The underlying assumption is that a wider group of external stakeholders would respond to the organization's needs, leading to the desired portfolio composition. The GCF proposal approval process (PAP) follows this approach. The approach is generally prone to failing to identify the best implementer and the best proposals for accomplishing the project. This approach would necessitate a strong internal proposal appraisal process, where project managers would do the research and identify potential proponents for the project. Depending on how exhaustive the search is, the potential responses can be limited. New entities or innovative answers may be less likely to be uncovered.
- 15. Finding 2. Based on the literature review and the survey of RFP good practices exercise, the evaluation team did not find a universally established standard on how to launch or conduct an RFP.** In the organizational literature, there are sources that provide information on general RFPs, such as the one provided in Section III.1. The organizations that responded to our survey expressed that they use different and tailored ways to prepare and implement RFPs. None of the organizations surveyed have developed a set of procedures for launching RFPs, and there was no evidence that they have codified their approach to an RFP process in the form of guidelines, for example. In fact, each RFP launched by the same organization often has significantly different characteristics.
- 16. Finding 3. RFPs are issued for a diverse set of reasons.** This Assessment found that the reviewed RFPs from outside of the GCF were devised to meet a wide range of needs. The most frequently identified needs for the use of RFPs¹¹ were as follows:
- To engage with different or more types of stakeholders
 - To foster innovation
 - To assess the appetite of beneficiaries for a specific type of interventions or thematic area
 - To provide a fast-track funding window
 - To complement other funding windows by setting aside a distinct amount of funds for the RFP, among others.
- 17. Finding 4. The Assessment found several good practices that could be of interest and relevant to the GCF.** Despite the different needs being met through RFPs in the organizations surveyed, a number of common design characteristics appear to apply to the vast majority of RFPs, such as:
- **Available finance:** All RFPs clearly identify the funding caps per project (or other types of support to be provided to the shortlisted proposals). The budgetary considerations and ceilings are clearly communicated.

¹¹ This RFP review does not include processes that are procuring regular goods or services.

- **High predictability:** Whether the RFP process is aligned with the regular project cycle or not, it is generally possible to know from the onset at which time resources will be made available to the successful proponents. The level of predictability and transparency in the process is high for RFPs.
- **Selection process:** The selection criteria are listed in the announcement. However, the weights assigned to each criterion are not commonly presented.
- **Target audience:** The targeted project proponents are almost always clearly identified, including, for example, in the eligibility criteria.
- **Thematic specificity:** More than half the RFPs had a very specific thematic focus.

Subsequent chapters provide an assessment of the GCF's performance on these good practices.

18. Beyond the RFP document soliciting proposals, it can be expected that the characteristics of the RFP would have an impact on the quality of the concepts and may have implications for project implementation and the ultimate impact of the project. A rapid review of peer-reviewed literature and online resources yields a scarce amount of information on the topic. However, a few findings were found to be common across other RFPs and to have relevance for the GCF RFP context, including the following:

- **Adaptive management:** Project proponents often develop project concepts prior to identifying funding streams. Hence, often, they may modify or adapt their concept to fit within the scope of the funding being offered. As a result, the proposals are largely aspirational, and project staff are engaged in a struggle to redefine, adapt or modify what was proposed to align with what is needed and will actually work in practice.¹²
- **Evidence-based and causal logic:** Development of ToRs of RFPs to attract project proposals should be evidence-based. The RFP design process should include articulating a clear theory of change, and any illustrative activities presented in the RFP should align with that theory of change. The theory of change would not only help to identify the programme logic, underlying enabling environment and other assumptions necessary but also describe the causality between activities, output, outcomes and impacts. Thus, the theory of change represents a key element for the evaluability, measurement of results and management of learning.

III. THE GCF RFP APPROACHES

19. The RFP is one way to access the GCF, in addition to the regular proposal approval process (PAP) and the simplified approval process (SAP).¹³ As described above, both processes would theoretically respond to the targets and objectives of the GCF strategy to provide access to the Fund.
20. In decision B.10/11, the Board noted that the use of RFPs is complementary and not a substitute for proposals submitted to the GCF by AEs, NDAs or focal points. RFPs were mentioned in GCF documentation at B.10. **One key observation from the IEU assessment team is that the GCF, including both the Board and the Secretariat, did not clearly define the RFP as a modality as it had done for the SAP, for example.** Several resources, including the GCF website, briefly provide some basic information about the RFPs at the GCF to external audiences, indicating that they are approved by the Board and that the GCF seeks to target the many gaps in the current climate finance

¹² Lawrence, R.B., Rallis, S.F., Davis, L.C. and Harrington, K., 2018. Developmental evaluation: bridging the gaps between proposal, program and practice. *Evaluation*, 24 (1), pp. 69-83.

¹³ The SAP was reviewed by the IEU in 2020 and its report is available in the unit's website ([SAP2020](#)).

landscape. The GCF has announced and launched four individual RFPs. Board decisions focused on each of the details of each RFPs, and the Board approved the ToRs for each of them.

21. **Finding 5. To date, there is no RFP modality *per se* at the GCF but rather four individual RFPs. While the GCF Secretariat describes the RFPs as one of the mechanisms of targeted generation of projects/programmes, there is no common definition of the RFP as a modality across the GCF ecosystem.** The GCF Programming Manual describes the RFPs as “a specific call for proposals published periodically on the GCF website for certain subsectors/results areas as approved by the Board. RFPs have specific eligibility standards, project requirements and an allocated budget envelope”.¹⁴ The Manual outlines the RFPs further under the GCF project/programme activity cycle, as approved by the Board. Further it notes that the project/programme activity cycle consists of the following seven key stages: 1. Country and accredited entity work programmes; 2. Targeted generation of projects/programmes; 3. Concept note submission; 4. Funding proposal development; 5. Funding proposal review: Secretariat and independent Technical Advisory Panel; 6. Board consideration; and 7. Legal arrangements and post-approval. While the first step of the project/programme activity cycle describes the main GCF origination, the second step describes complementary origination channels for project ideas to be developed by NDAs and AEs. It is within this step that additional FPs that meet the criteria of the GCF investment framework through the following activities could be considered by the Fund: through the issuance of targeted RFPs or through dedicated platforms and innovative partnerships between the Secretariat and other non-accredited organizations. Aside from this reference, standardized information is not available within the GCF.
22. The GCF Governing Instrument (GI) does not explicitly refer to RFPs, although several paragraphs indicate that the GCF will develop “improved access” modalities to GCF funding in reference to direct access entities (DAEs) (para. 31, section D.1) and the private sector (para. 44). The Initial Strategic Plan (ISP) for the GCF¹⁵ mentions that the GCF will use simplified RFPs aimed at the public and private sector, targeting promising and innovative approaches for development of a pipeline. The ISP further states that successful RFP proposals can demonstrate a viable path to accreditation and plan to ensure country ownership (page 6). The USP¹⁶ also considers the RFP as one of the modalities to better responding to developing country needs and fostering a paradigm-shifting portfolio (para. 22(f)).
23. The Forward-Looking Performance Review (FPR) of the GCF, conducted by the IEU in 2019, already concluded that although RFPs have the potential to help the Fund be more strategic, the GCF is missing strategies and guidelines on when and how to use RFPs, which has, in turn, caused the Fund to underutilize many of the non-grant instruments (FPR, page 23). **RFPs in the GCF, the FPR found, did not have a clear overarching objective and neither the Board nor the Secretariat provided guidance on how to undertake them or any lessons from other experiences. For this reason, the evaluation team considered that there is currently no RFP modality but four individual RFPs, so far.** This review provides findings and recommendations that are common to all or the majority of the four RFPs, identified as good or missing opportunities for the GCF as an institution. In addition, the team identifies conclusions and recommendations for each of the RFPs.

¹⁴ GCF 2020. GCF Programming Manual, July 2020

¹⁵ GCF 2016. *Initial Strategic Plan for the GCF* (based on Decision B12/28)

¹⁶ GCF 2020. *Updated Strategic Plan for the Green Climate Fund: 2020-2023* (based on Decision B.27/06)

IV. LAUNCHED RFPs

24. As the GCF acknowledges that there are multiple gaps in the current climate finance landscape both on access to finance and on topics to be financed, the four RFPs were launched and implemented with the purpose of targeting some of these gaps by focusing on specific themes and providing an alternative to accessing the GCF funding.¹⁷ Indeed, the Enhanced Direct Access (EDA) RFP intended to devolve the decision-making on the use of funds to the national or subnational levels, and the Micro-, Small-, and Medium-Sized Enterprises (MSME) and Mobilizing Funds at Scale (MFS) RFPs were launched in response to a recommendation from the Private Sector Advisory Group (PSAG) that the RFP approach was an effective way to increase the participation of the private sector and “identify possible projects which might not otherwise be discovered”.¹⁸ The Reducing Emissions from Deforestation and Forest Degradation (and the conservation and enhancement of forest carbon stocks) (REDD+) results-based payments RFP is intended to implement a particular decision on this topic by the United Nations Framework Convention on Climate Change (UNFCCC).
25. During its eighth meeting, as the part of the review of the initial results management framework, the Board requested the Secretariat to complete the analysis of the expected role and impact of the GCF’s initial results areas and present for consideration by the Board options for determining Board-level investment portfolios across the structure of the Fund based on the resource level outcomes of the initial resource mobilization process.¹⁹ Also, the Board requested the Secretariat to identify the appropriate type of investment opportunities in the GCF results areas that can achieve paradigm shift and the potential areas of impacts in each of the initial result areas that would advance the GCF’s initial investment criteria and sub-criteria, and are not currently being adequately supported by existing finance channels.²⁰
26. The Secretariat presented “Analysis of the Expected Role and Impact of the Green Climate Fund (GCF/B.09/06)” to the Board at its ninth meeting. This analysis identified the potential investment priority areas²¹ and proposed possible options: (i) to prepare calls for proposals in the identified potential investment priority areas or (ii) to arrange calls for proposals in order to align the portfolio composition to reflect the identified potential investment priority areas based on ongoing monitoring of the investment portfolio. The Board then requested the Secretariat to monitor the portfolio, report to the Board and recommend needed actions, in order to align the portfolio composition with the initial results management framework when the portfolio reaches USD 2 billion, but no later than two years after the first funding decision.²² In this context, the first three RFPs (EDA, MFS and MSME) were approved at B.10.
27. The Secretariat further presented the portfolio analysis at B.17, responding to a request by the Board.²³ The Board then requested the Secretariat to undertake additional analysis, taking into consideration the potential investment in priority areas, to identify specific results areas where targeted GCF investment would have the most impact. In addition, the Board further requested the Secretariat to prepare targeted draft RFPs for the Board’s consideration with the targeted outreach to

¹⁷ PSAG document highlights several financing gaps.

¹⁸ GCF/B.10/16 Recommendations from the Private Sector Advisory Group to the Board of the GCF.

¹⁹ Item l of decision B.08/07

²⁰ Item m of decision B.08/06

²¹ The areas included (i) Climate-compatible cities in Asia, Africa, Latin America and Eastern Europe; (ii) Climate-smart agriculture in Africa and Asia; (iii) Scaling up finance for forests and climate change in Latin America, Asia and Africa; (iv) Enhancing resilience in Small Island Developing States (SIDS); and (v) Transforming energy generation and access in Africa and Asia.

²² Decision B.09/02

²³ Document GCF/B.17/09

promote partnerships between AEs and those potential non-accredited entities that have the technical expertise to support such results areas.²⁴ A further portfolio analysis, in relation to the potential investment priority areas, responding to this decision has not been fully conducted so far and, therefore, no clear linkage between the launches of RFPs and the portfolio gap analysis is observed.

28. The GCF has launched four RFPs to date, each with its specific priorities and dedicated budget (Table III-2) as well as eligibility criteria. There is an outstanding request by the Board for a fifth RFP, which is not yet launched (see below). The two things in common is that the approval of the projects identified within each of the RFPs follows the same steps as the other proposals (either through the regular PAP or the SAP), and accreditation of the implementing entities is required for projects to be approved and start implementation.

Table III-2. Overview of the GCF RFPs (as of March 2021)

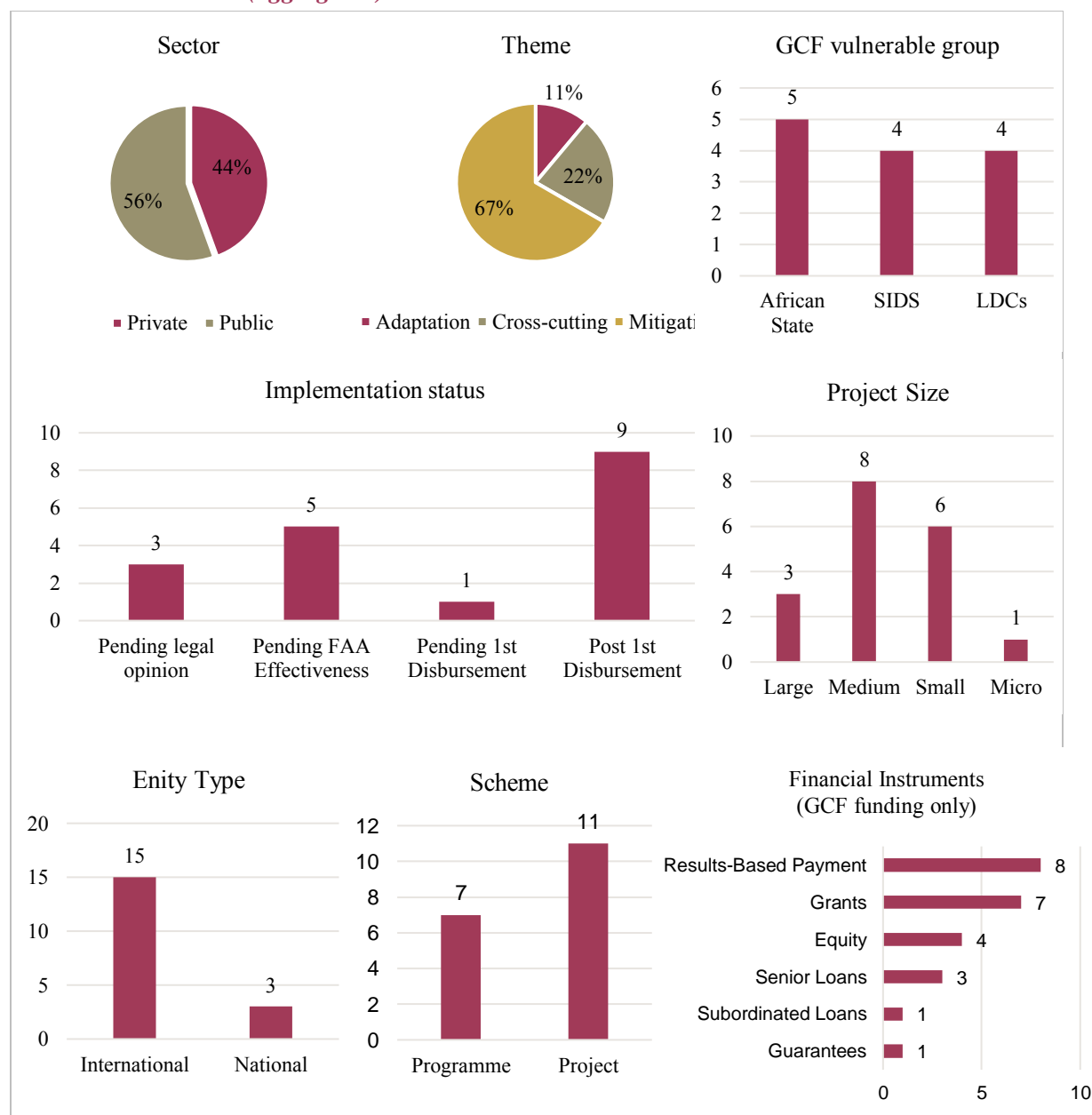
RFP	FOCUS	APPROVAL	BUDGET ALLOCATED	APPROVED PROJECTS
Pilot programme for EDA	Enhanced devolution of decision-making on funding and project at the national or regional level	July 2015, decision B.10/04	USD 200 million for at least 10 pilot FPs	2
Pilot programme to support MSMEs	Supporting MSMEs in addressing mitigation and adaptation challenges	July 2015, decision B.10/11 (B.13/22)	USD 200 million (the amount was limited to USD 100 million)	3
Pilot programme for MFS	Unlocking private sector finance in developing countries	July 2015, decision B.10/11	USD 500 million	5
Pilot programme for REDD+ Results-based Payment (REDD+)	Operationalize REDD+ results-based payments and test their procedural and technical elements	October 2017, decision B.18/07	USD 500 million	8

Source: GCF Board documents

29. As of March 2021, the GCF has launched four RFPs. They will be described in the following pages. The current portfolio of projects approved under the four RFPs is presented in Table III-2. As of May 2021, 18 projects have been approved through these RFPs, totalling USD 850 million in GCF investment. This represents 65 per cent of the total available funding allocated to the four RFPs, 10 per cent of the total number of projects approved by the GCF (18 out of 173) and 10 per cent of the total funding approved by the GCF so far. Annex 4 presents the list of all the RFP projects approved so far. Most of these projects (50 per cent) are under implementation (post first disbursement), as illustrated in Figure III-1. In the current portfolio of projects approved through the four RFPs, 56 per cent are public sector projects and 44 per cent are private sector, and thirteen target at least one of the categories of GCF vulnerable countries (least developed countries (LDCs), small island developing States (SIDS) and African States).

²⁴ Decision B.17/08

Figure III-1. Key characteristics of the current portfolio of approved projects under the four RFPs (aggregated)



Source: IEU DataLab

Note: All statistics refers to the number or percentage of projects.

1. ENHANCED DIRECT ACCESS

30. The Board, at B.10 in July 2015, decided (decision B.10/04) to approve the EDA RFP. The Board approved up to USD 200 million, with the expectation that there would be at least 10 projects approved and that from among them, at least four would be from SIDS, LDCs or Africa. The key characteristic of the RFP is that there is a devolved decision-making model. The GCF would contribute to a project that would work as a financial intermediary and would approve the subprojects. The GCF would not participate in this selection of subprojects although the GCF concepts on climate and investment criteria would apply. Only direct access entities can participate

as per the TOR of the RFP EDA.²⁵ Another key element was that the GCF NDA / focal point would have a very strong participation in the entire project, from design and selection/nomination of the entity to oversight of implementation. There was an assumption about supporting locally led climate actions and that new direct access institutions would be interested in this model and develop proposals. The concept of EDA is not new at the GCF or other organizations.²⁶

31. The RFP was launched in July 2016 and is supposed to be evaluated after five years. The current assessment could be considered as an input but does not constitute the evaluation intended by the Board. This RFP is still open with an active pipeline. The Secretariat developed new guidelines in December 2020 through extensive consultations with key stakeholders. These guidelines will be used to guide applicants in the future.²⁷ The RFP does not have a scorecard with evaluation criteria, but each concept note (CN) is reviewed to consider if a minimum set of criteria (see below) are present or not. The Secretariat has developed a review checklist to check these elements. The proponents can receive support through the Project Preparation Facility (PPF) following the endorsement of the CN by the GCF's climate investment committee. Proponents can also receive support through the Readiness and Preparatory Support Programme (RPSP). Since January 2021, the Secretariat has assigned a small and part-time team of three staff members to work on the implementation of this particular RFP and the new guidelines. The team is, however, not responsible for all four RFPs nor the RFPs as a whole.

Table III-3. Key characteristics of the EDA RFP through approved projects (2 projects approved so far)

Number of projects	2	Project size	1 Micro 1 Small
Sector	All Public	Theme	All Adaptation
Region	1 Africa 1 LAC	Financial instruments	All Grants
Vulnerable group	1 African States 1 SIDS	Scheme	All Project
AE type	All DAEs	Result areas	2 VC 2 IB 2 EE 1 HW

Source: IEU DataLab

Note: VC: Livelihoods of people and communities | HW: Health, food, and water security | IB: Infrastructure and built environment | EE: Ecosystems and ecosystem services

2. MOBILIZING FUNDING AT SCALE

32. The Board, at B.10 in July 2015, decided (decision B.10/11) to approve the MFS RFP and the MFS Pilot Programme, with an allocation of up to USD 500 million for innovative, high-impact projects and programmes. The MFS RFP aims at unlocking private sector finance in developing countries. At B.16 (April 2017), through a limited distribution decision (B.16/03, not publicly available), the Board adopted potential approaches to mobilizing funding at scale. The decision indicated that the

²⁵ It should be noted here that the IEU had identified one withdrawn project in the project pipeline portfolio. The withdrawn project was originally jointly submitted by a DAE and international AE.

²⁶ Murray, Laurel, with Benito Muller and Luis Gomez-Echeverri, Dec. 2015. Enhanced Direct Access. A Brief History (2009–2015). European Capacity Building Initiative.

²⁷ Green Climate Fund (2020). Enhanced Direct Access (EDA). December 2020. Available at <https://www.greenclimate.fund/document/eda-guidelines>

MFS Pilot Programme would leverage substantial amounts of private capital to finance climate-related projects. The GCF would be an early investor, would provide comfort to other institutional investors and would favour submissions for proposals in areas that are currently underrepresented in its portfolio, in particular for adaptation projects that engage the private sector and scale-adaptation projects by the private sector. Furthermore, the pilot programme was to encourage proposals from private sector entities that otherwise would not come through existing AEs. The experience of this pilot was expected to influence how the Private Sector Facility (PSF) sources paradigm-shifting proposals.

33. The RFP was launched in May 2017, expecting proposals by 30 August 2017. During this period, the RFP attracted 350 submissions from more than 70 countries, with an estimated GCF-requested financing of over USD 18 billion. The Secretariat undertook a three-level evaluation process of these 350 submissions, using an evaluation scorecard (see Annex 5) with about 25 criteria, reviewed and approved by the Board. Each step eliminated those CNs that did not pass:
 - 1) Preliminary review of concepts notes on completeness and repetitiveness
 - 2) Pass/fail on the evaluation scorecard criteria
 - 3) In-depth application of the evaluation scorecard by a multidisciplinary evaluation team comprising members from across the Secretariat together with external partners: *Global Green Growth Institute* and *Climate Analytics*
34. The top 30 CNs were shortlisted after this process, although this number was not indicated in the TOR of MFS. The Secretariat announced those shortlisted CNs at a side-event at the One Plante Summit even in Paris, 12 December 2017 and on the GCF website for the RFP MFS. The regular funding proposal appraisal process by the Secretariat and iTAP is applied after the FPs are submitted. From these 30, 5 proposals were approved as of March 2021. The RFP is closed. Additional elements of the RFP are presented in Table III-3 and the key characteristics in Table III-4 based on the approved projects as of end of March 2021.

Table III-4. Key characteristics of the MFS RFP through approved projects (5 projects)

Number of projects	5	Project size	3 Large	
			1 Medium	
			1 Small	
Sector	All Private	Theme	3 Mitigation	
			2 Cross-cutting	
Region	3 Africa	Financial instruments	2 Grants	
	5 LAC		3 Equity	
	2 Asia-Pacific		1 Subordinated loans	
	2 Eastern Europe			
Vulnerable group	3 African States	Scheme	2 Project	
	3 SIDS		3 Programme	
	4 LDCs			
AE type	All IAEs	Result areas	4 EP	1 HW
			2 VC	3 FL

Source: IEU DataLab

Note: VC: Livelihoods of people and communities | HW: Health, food, and water security | EP: Energy generation and access | FL: Forest and land use

3. MICRO-, SMALL AND MEDIUM-SIZED ENTERPRISE PILOT PROGRAMME

35. The Board decided to establish the MSME pilot programme through decision B.10/11, July 2015. The decision was based on the document GCF/B.10/6, “Recommendations from the Private Sector Advisory Group to the Board of the GCF” and allocated USD 200 million to support micro-, small- and medium-sized enterprises. At B.13, June 2016, the Board endorsed the ToRs for the RFP and decided to limit the participation of the GCF in the pilot programme to USD 100 million.
36. The MSME RFP was launched on 8 July 2016, with a closing date of 30 August 2016. The RFP attracted 30 submissions with requests for GCF financing of over USD 739 million. The Secretariat undertook a two-level evaluation process following the TOR of the RFP:
 - 1) Preliminary review on completeness and repetitiveness check of the CNs
 - 2) In-depth review based on a scorecard (see Annex 5 for the evaluation scorecard)
37. Seven CNs were shortlisted after this process. The Secretariat encouraged the submitters of those shortlisted to develop the FPs or asked an existing AE to work with them. The regular funding proposal appraisal process by the Secretariat and iTAP is applied after the FPs are submitted.

Table III-5. Key characteristics of the MSME RFP through approved projects (3 projects)

Number of projects	3	Project size	2 Medium	
			1 Small	
Sector	All Private	Theme	1 Mitigation	
			2 Cross-cutting	
Region	1 Africa	Financial instruments	3 Grants	
	1 LAC		1 Equity	
	1 Asia-Pacific		3 Senior loans	
			1 Guarantees	
Vulnerable group	1 African States	Scheme	All Programme	
AE type	1 DAE	Result areas	2 EP	1 BA
	2 IAE		2 HW	2 EE
			2 VC	2 FL

Source: IEU DataLab

Note: VC: Livelihoods of people and communities | HW: Health, food, and water security | EP: Energy generation and access | FL: Forest and land use | EE: Ecosystems and ecosystem services | BA: Buildings, cities, industries and appliances

4. REDD+ RESULTS-BASED PAYMENTS PILOT PROGRAMME

38. In October 2017, the Board through decision B.18/07 approved the REDD+ results-based payment (RBP) pilot programme. This was decided as a response to the UNFCCC request in decision 9/CP.19, which is part of the Warsaw Framework on REDD+, for the GCF to play “a key role” in channelling “adequate and predictable results-based finance in a fair and balanced manner ... with a view to increasing the number of countries that are in a position to obtain and receive payments for results-based actions”.²⁸ With the objective to operationalize REDD+ RBPs and gather experience to further improve the procedural and technical elements of RBPs using GCF resources in the learning

²⁸ UNFCCC 9/CP.19

stage, the pilot was approved with a budget of up to USD 500 million. This RFP was different from the others, as both the CN and the FPs were assessed against a scorecard (see Annex 5).

- 39.** As of November 2020, the initially allocated budget of USD 500 was fully committed with the approval of eight projects at B.27.

Table III-6. Key characteristics of the REDD+ RFP through approved projects

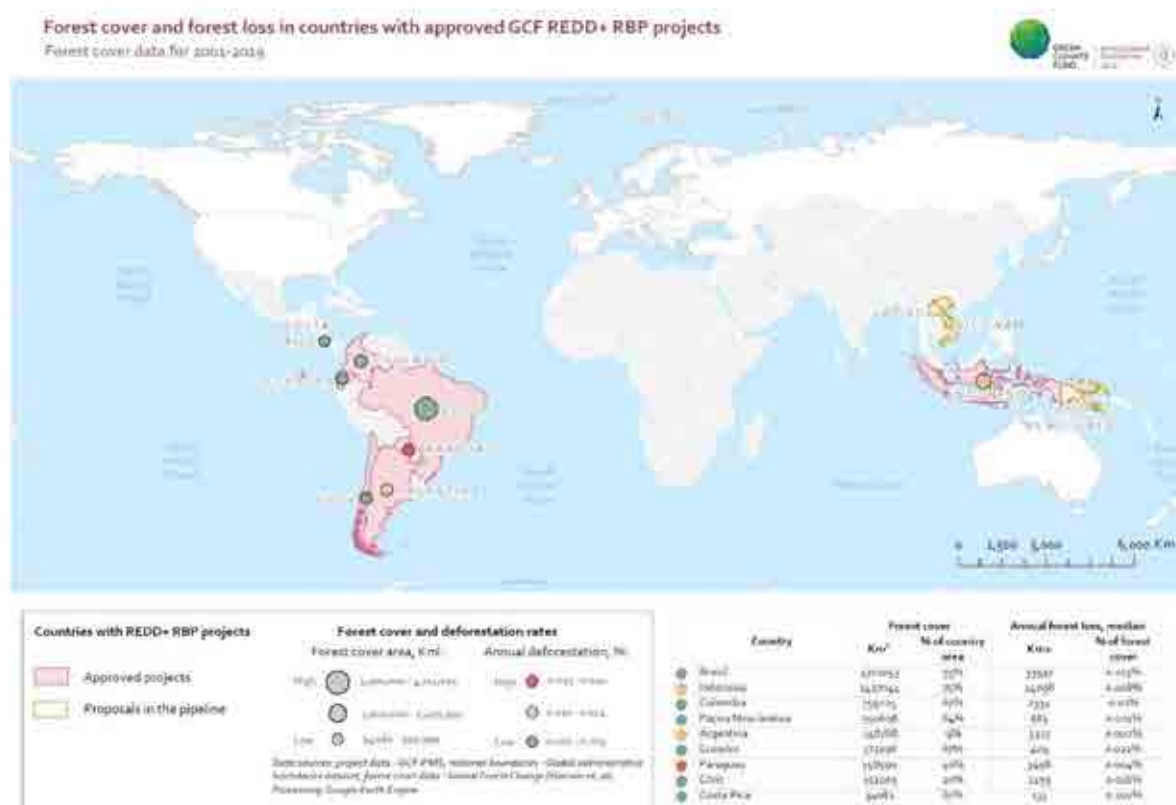
Number of projects	8	Project size	5 Medium 3 Small
Sector	All Public	Theme	All Mitigation
Region	7 LAC 1 Asia-Pacific	Financial instruments	All Results-based payment
Vulnerable group	NA	Scheme	1 Programme 7 Project
AE type	All IAE	Result areas	All FL

Source: IEU DataLab

Note: FL: Forest and land use

- 40.** The map below (Figure III-2) illustrates the GCF REDD+ RBP portfolio in terms of the total number of countries that have reached an advanced level of progress in REDD+ implementation (e.g. they have submitted results for review to UNFCCC) and the level of deforestation for all of these countries.

Figure III-2. Forest cover and forest loss in countries with approved GCF REDD+ RBP projects



5. A FIFTH RFP THAT WAS NOT LAUNCHED

41. Despite Board requests and expert discussions, a fifth RFP was not launched.
42. At B.18 (Oct. 2017), the Board requested the Secretariat to develop TORs for an RFP to support climate technology incubators and accelerators, in response to ongoing collaboration efforts with the Technology Mechanism, and in particular to the invitation launched in decision 13/CP.21 to the GCF for “facilitating access to environmentally sound technologies in developing country Parties, and for undertaking collaborative research and development for enabling developing country Parties to enhance their mitigation and adaptation action.” The Secretariat was requested to bring these TORs to B.20 (July 2018), but this was not completed. The decision provided several elements on the technical content of the RFP based on document GCF/B.18/12 (e.g. support collaborative research, development and demonstration in climate technology innovation systems; target strategic actors, NDA / focal points to collaborate with readiness delivery partners or AEs to submit proposals). Neither the decision nor the technical document provided lessons from RFP experiences in or outside the GCF. The Secretariat, leveraging the experience from MFS and MSME RFPs, had several conversations with the UNFCCC Technology Executive Committee and the Climate Technology Centre and Network. Given the importance of this topic in climate change, the Board decided, in its work programme, to split the item into two: continue the identification of options for identifying incubators for technology, and pursue and encourage innovation within the regular PAP pipelines. The topic of climate change technology development and transfer is included in the USP (para. 20(d)), but there is no plan to develop TORs for an RFP until the current review is finalized and discussed at the Board.²⁹ In interviews, some stakeholders opined that, by drawing early lessons from the implementation challenges with the current RFPs, this process would require further careful consideration of potential shortcomings related to the business model.

²⁹ Nevertheless, and given that this is a very important topic in the context of climate change, the Secretariat is currently discussing with different organizations on how to encourage and bring proposals on the incubator and accelerators on technology. The UNFCCC continues to request information about this topic and the RFP. The request and issuance of RFPs by the GCF creates high expectations from those working in the climate change space.

Table III-7. Key elements of the GCF RFPs

ELEMENT	MFS	MSME	EDA	REDD+
Objectives	<p>(a) to catalyse private capital for mitigation and adaptation projects and climate-related services in developing countries, requiring early-stage equity, concessional lending, grants and guarantees, creating positive demonstration effects. <i>(in particular for adaptation projects that engage the private sector and scale-adaptation projects by the private sector)</i></p> <p>(b) to support climate project sponsors at the local level, regardless of their size, in removing market barriers to allow a flow of private financing</p> <p>(c) to spur new private-led services and innovation focusing on the eight GCF strategic areas</p>	<p>(a) to encourage strong proposals for private sector investment in support of MSME climate activities, from new and existing partners for innovative solutions.</p> <p>(b) to diversify the MSME portfolio</p>	<p>(a) to increase the level of country ownership by shifting the decision-making and oversight of funded projects/programmes to subnational, national and regional level.</p> <p>(b) to allow for an effective operationalization of modalities with the potential to enhance access by subnational, national, public and private entities to the Fund</p>	<p>“to operationalize REDD+ results-based payments and gather experience to further improve the procedural and technical elements of RBPs using GCF resources in the learning stage”</p>
Eligibility criteria	<p>Open to entities with no prior relationship with the GCF that wish to pursue accreditation. If no interest in accreditation, the entity should partner with existing AEs.</p> <p>Proposals need to meet GCF investment criteria and they are scored up to 100 in the evaluation scorecard (60 points for programme standards and 40 for impact criteria).</p>	<p>Existing AEs were encouraged to submit proposals.</p> <p>Potential partners who have not previously worked with the GCF are also encouraged to put forward proposals in partnership with existing AEs.</p> <p>There is a cap of USD 65 million per geographic area.</p> <p>Open to programmes supporting MSMEs that fit within national climate priorities for the given geographic region, within the eight strategic GCF impact areas and meet GCF investment criteria.</p> <p>Any MSMEs that work in any area of the supply chain for climate goods and</p>	<p>Open to public and private sector institutions/entities accredited or seeking accreditation. Entities should be accredited for grant award/funding allocation mechanisms and/or on-lending and blending (depending on the nature of the activities to be undertaken).</p> <p>At least 10 projects should be approved, and 4 should be from SIDS, Africa or LDCs.</p> <p>Mitigation and adaptation activities limited to environmental categories B and C.</p>	<p>Specific requirements related to compliance with the Warsaw Framework for REDD+</p> <p>The REDD+ results for which payment is requested must have been reported on in the country's Biennial Update Report to UNFCCC</p> <p>The scale of the REDD+ RBP proposal is national or, on an interim basis, subnational</p> <p>Written consent is provided by the country's REDD+ Focal Point, in addition to the no-objection letter from the NDA.</p>

ELEMENT	MFS	MSME	EDA	REDD+
		services (from production and services to distribution or retail) in both mitigation and adaptation related activities. CNs are assessed based on their combined score out of 100, with up to 65 points allocated for programme standards and 35 points for impact criteria.	Establish a financial vehicle (e.g. trust funds, funding facilities) that can provide finance to subprojects. NDA/FP will have a strong role in the pilot.	Proposals must be submitted through existing AEs. Covers emissions reductions between 31 December 2013 and 31 December 2018.
Status	Closed	Closed	Open	Closed (envelope fully committed)
RFP Outputs (number)				
CN received	350	30	22	12
CN selected	30	7	N/A	10
FP submitted	13	4	8	8
FP approved	5	4 ³⁰	2	8
Funded activity Agreement (FAA) executed	3	2	2	8
FAA effective	2	2	2	5
At least one disbursement		2	2	4

³⁰ Three out of four approved projects are currently active as of March 2021. FP029 was approved at B.15; however, that project was lapsed in October 2017.

Chapter IV. RELEVANCE

KEY FINDINGS

- With respect to project idea origination and targeting, the four RFPs at the individual level have been shown to be relevant to the GCF's strategic planning and mandate. They individually respond to priorities and mandates from the GI, ISP and USP and from the UNFCCC.
- The overall purpose of RFPs remains unclear. The RFP is generally understood as a way to bring operations, partners and focus on a particular topic to fulfil the GCF mandate.
- The GCF's mandate as a learning institution is not fully addressed by the design of RFPs. The Fund has no particular way to measure or learn from pilot programmes.
- The limited opportunity to implement projects under RFPs (owing to the small portfolio) creates a lack of learning opportunities from project implementation. The RFP implementation has little relevance for the learning, which the GCF would otherwise accrue from the experience of implementation.
- The GCF did not have financial set asides for RFPs in its budget. The four RFPs had indicative amounts the GCF should spend on each of them.
- The individual RFPs and their objectives are relevant to the countries' needs. Country ownership and recipient needs are recognized and reviewed throughout the CN and project appraisal process at the project level.

43. This chapter will address the relevance of the RFPs. For this, relevance is discussed through two lenses. The first lens considers the relevance of these four topics to the specific mandate of the GCF, in particular to the GI, the ISP and the USP. The second lens addresses the relevance to the countries' needs and own priorities as well as access to the GCF. The following two key evaluation questions will be addressed: how relevant are the RFPs to the strategic plans and the overall theory of change of the GCF? And, secondly, how relevant are the four RFPs to the needs and priorities of the countries?

I. RELEVANCE TO THE GCF

44. **Finding 6. In respect to project idea origination and targeting, the four RFPs at the individual level have been shown to be relevant to the GCF's strategic planning and mandate. They individually respond to priorities and mandates from the GI, ISP and USP and from the UNFCCC.** As indicated before, the GI does not mention the RFP as a specific modality, although it does indicate that the GCF will develop ways that will simplify access to GCF resources. This inclination of the GI is strongly related to the EDA, MFS and MSME RFPs that try to improve access and attract DAEs as well as private sector entities. The REDD+ RFP responds not only to the UNFCCC guidance but also to the GI, where paragraph 35 states that "The Fund will finance agreed full and agreed incremental costs of activities to enable support enhanced action on adaptation, mitigation (including REDD+)" and paragraph 55 states that "the Fund may employ results-based financing approaches, including, in particular for incentivizing mitigation actions, payment for verified results, where appropriate."
45. The ISP and USP both consider RFPs as a way to develop the pipeline. The ISP specifically refers to the COP guidance on REDD+ and states that the GCF should operationalize it. The USP does not

specifically refer to REDD+ but indicates that the GCF will explore new applications for RBPs insurance and investment in local currency instruments. The IRM had portfolio targets, and the RFPs were supposed to help fulfil some of them, especially those related to DAEs and private sector AEs. EDA, MFS and MSME were directly linked to these targets. The USP, in decision B.23/06, clearly describes that 2020–2023 GCF strategic programming will seek to promote projects and programmes with potential for innovation, replication and scale. The USP also mentions the particular ambition for collaborating on innovation and technology and reviewing deployment of RFPs with a focus on fostering innovation. Thus, the RFPs are particularly relevant for the targeting of strategic goals.

46. All the topics currently targeted by RFPs are relevant to the purpose of the GCF: EDA strengthens country ownership and should help channel funds to the local level more effectively and enhance direct access to GCF funding for direct access entities; REDD+ tests innovative financial mechanisms; the programme for MSMEs targets the private sector at local levels for mitigation and adaptation purposes; and the MFS RFP is consistent with the priority of scaling up the role of the private sector (FPR, p. 39).
47. **Finding 7. The overall purpose of RFPs remains unclear. The RFP is generally understood as a way to bring operations, partners and focus on a particular topic to fulfil the GCF mandate.** While the choice of themes/topics of RFPs are generally relevant, no clear overall purpose for using RFPs is stated within the GCF, and this is illustrated by interviews conducted during this Assessment. Respondents interviewed for this assessment provided differing views related to the objective(s) of RFPs within the context of the GCF. Some interview respondents in the GCF believed that the RFP should have a strategic value by providing an alternative to having a purely bottom-up approach of pipeline development of projects or the “bubbling approach” (the way countries respond to the broad mandate of the GCF). According to these respondents, RFPs are one way for the GCF to collect CNs from entities that otherwise are not eligible to work with the GCF. On the other hand, other respondents from within the GCF asserted that RFPs should be part of a holistic strategy. In the past this has not been the case since the RFPs came as piece-meal upon request from different parts of the GCF, including responding to guidance from the UNFCCC. According to these respondents, RFPs can be used to conduct operations in areas that are specifically mandated to the GCF, such as REDD+. Therefore, there is not complete clarity within the GCF as to the overall purpose of RFPs, although some dimensions such as addressing portfolio gaps as well as meeting the GCF mandate are widely understood.
48. **Finding 8: The GCF’s mandate as a learning institution is not fully addressed by the design of RFPs. The Fund has no particular way to measure nor a framework for learning from pilot programmes, beyond reports on progress . While adequate flexibility in the design of RFPs can be observed, flexible frameworks and indicators for monitoring and learning were not always observed.** As recognized by the GI, the GCF aims to be a learning organization; consistent with that understanding, its policies and processes can be expected to evolve continually in response to emerging lessons. As per paragraph 3 of the GI, “The Fund will be scalable and flexible and will be a continuously learning institution guided by processes for monitoring and evaluation.” As per decision B.27/06, the Fund is ambitious in developing a portfolio that responds to needs and delivers greater paradigm-shifting mitigation and adaptation impact. Interview respondents generally expected the RFPs to serve as a crucial element in this ambition as they allow the GCF to innovate, test and learn. Decision B.10/04 reaffirms that monitoring, reporting and assessing of the overall pilot phase of a pilot programme “will be aligned with the standards of the Fund’s result management framework and [...] regularly reviewed”, drawing from lessons learned from their

implementation. Generally speaking, an expectation implied from the perspective of a developing institution such as the GCF is that the RFPs will allow for learning opportunities of early stage climate innovations and climate finance intervention gaps and other gaps within the portfolio. There are, however, no particular learning and measurement systems in place at the GCF to respond to the learning needs from RFP CNs, FPs and project implementation. Interviews have highlighted that REDD+ RBP has observed lessons learned and fed back these lessons to improve the process and template of the RFP REDD+ RBP. Many observed this to be one of the reasons why this RFP was relatively more successful.

- 49. Finding 9: The limited opportunity to implement projects under RFPs (owing to the small portfolio) creates a lack of learning opportunities from project implementation. The RFP implementation has little relevance for the learning, which the GCF would otherwise accrue from the experience of implementation.** In general, pilot programmes are expected to allow for learning from implementation, under the assumption that pilot programmes would make it possible to test, monitor and learn from the implementation of innovative and risky project ideas. As argued in the FPR (decision B.23/06), the “GCF could benefit by permitting the presence of ‘failed projects’ that transparently and openly report on what works and what does not.” The experts interviewed for this assessment stated that varied experience with successful and unsuccessful projects provides valuable learning and is a prerequisite for innovation for future climate adaptation and mitigation solutions. The establishment of internal innovation hubs, by considering a dedicated financing envelope specialized in small, untested, potentially high-risk investments, could ideally be operationalized through an RFP modality. The FPR argued further that such a set up would also “guard against the unintended but predictable consequence of plain vanilla projects gaining access [and] programmes would set a high standard for innovation.” The FPR concluded that by anticipating a percentage of failed projects, such a “vehicle should primarily use (reimbursable) grants and equity as instruments [and] combine this with setting up partnerships and co-investing alongside climate incubators.” Currently, the overall portfolio of RFP projects is limited, and provides limited opportunities to learn from the execution of project successes and failures.
- 50. Finding 10. The GCF did not have financial set asides for RFPs in its programming budget. The four RFPs had indicative amounts the GCF should spend on each of them, providing limited measures of success.** These figures were approved by the GCF Board³¹ but were not set aside from the regular programming budget of financing projects. This situation has its pros and cons. An advantage is that since the Board did not set aside amounts of money, the GCF Secretariat did not have to restrict its programming of proposals to be sent to the Board for approval. Therefore, the RFPs did not limit GCF programming. A negative is that the RFPs did not have a clear target or measure of success. The allocation was an aspirational amount, and any figure below it would be considered a success even if there were only a few projects, as is the case for the EDA RFP where only two projects have been approved. A key measure of success would have been the level of knowledge generated and lessons identified, since they were considered pilots. Although all of the RFPs conducted reviews in addition to the annual reports, these were more quantitative, as progress reports, rather than focusing on the learning opportunities of the pilots.

³¹ Indicative funding envelopes for each:

- EDA: up to USD 200M (decision B.10/04)
- MSME: up to USD 200M (decision B.10/11)
- MFS: up to USD 500M (decision B.10/11)
- REDD+: up to USD 550M (decision B.18/07)

Also, as the commitment authority for the initial resource mobilization period began dwindling, the Board decided, in decision B.21/14, to allocate up to USD 600 million for funding proposals through RFPs over the course of its meetings in 2019.

II. RELEVANCE TO COUNTRIES

51. **Finding 11. The selection of topics of RFPs and their objectives are generally and broadly relevant to the countries' needs. Country ownership and recipient needs are recognized and reviewed throughout the CN and project appraisal process at the project level.** As outlined in Chapter III, currently the RFPs present the only supply-driven approach for the Fund to seek proposals related to a specific theme or topic, identified through portfolio gap analysis or other means. Following the adoption of the Fund's initial investment framework (decision B.07/06), both the recipients' needs (defined as vulnerability and financing needs of the beneficiary country and population) and country ownership (defined as beneficiary country ownership of and capacity to implement a funded projects) are part of the six investment criteria that *"should guide a GCF stakeholder, particularly by providing information to [the GCF Secretariat, iTAP and the Board] when reviewing and approving projects"* (decision B.22/15). The GI provides that the GCF *"will pursue a country driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders."* Decision B.04/05 reaffirms that country ownership and a country-driven approach are the core principles of the Fund and establishes the functions of the NDAs / focal points. Decision B.17/21 outlines the need for *"country ownership to continue throughout the project cycle, from readiness activities, and the pre-concept stage, through implementation to monitoring and evaluation of a project"* and recognizes the importance of effective engagement of and ownership by all relevant stakeholders – for example, local governments at village level, the private sector and CSOs. The guidelines (decision B.17/21) also reaffirm that the principle of country ownership will be considered in the context of all GCF operational modalities and relevant related policies. By design, all four pilot programmes provide this opportunity for AEs and NDAs to engage with one another in the early stages (whether the project idea originates with an NDA or AE), in line with the enhanced guidelines of country ownership and a country-driven approach.
52. The topics covered by the RFPs are generally areas in which the countries participating in the GCF have requested more assistance or support from the GCF. For example, direct access is an area that remains of interest to countries, is directly within the GCF mandate and remains a challenge.³² Similarly, not all countries have identified REDD+ as a priority, but it is part of many countries' commitments and ambitions under the UNFCCC and Paris Agreement, as stated in their respective nationally determined contributions (NDCs). The private sector's participation in climate change actions is also an area that most national adaptation plans (NAPs) and NDCs are calling for.
53. Each of the projects approved through the four RFPs were reviewed by the evaluation team from the point of view of their relevance to the countries' priorities. For the most part, these projects are aligned with the countries' NAPs, NDCs and other national and regional climate change policies. This situation is not unique to the RFPs. All evaluations conducted by the IEU have concluded that, for the most part, GCF projects are relevant to the respective national priorities. This review did not seek to assess whether these are the top priorities for the participating countries, and this could be assessed by a future review. Most NAPs and NDCs, for example, are very broad, so the topics of the four RFPs should be priorities: national implementation (e.g. direct access), involvement of the private sector and results-based payments for forestry services.
54. Some of the projects that use financial intermediaries – for example, those approved under EDA and some of those in MFS – may have less clarity on their relevance to the countries' priorities since the subprojects are not provided to the GCF at the time of approval. This is by design since these

³² Also refers to: Independent Evaluation Unit (2020), Independent Synthesis of the GCF's Accreditation Function.

projects' business models are devolved to the national level. Nevertheless, the geographic areas or the sectors upon which those projects will act are expected to be aligned with national priorities. For example, the objectives of the two EDA projects are highly relevant to the two Caribbean countries (e.g. access to finance to the agricultural sector to combat drought). Furthermore, it has been explained by the project implementers that the NAPs and others inform the selection of transparent criteria to evaluate EDA. EDA activities provide case studies and lessons learned to inform policies under development, such as the NAP.

55. Country ownership in respect to the RFP modality will also be discussed further in Chapter VII.

Chapter V. IMPLEMENTATION OF THE RFPs

KEY FINDINGS

- The GCF Secretariat human resources allocated to designing, developing and managing the RFPs are scattered, uneven and limited. The resources deployed to promote and communicate about the RFPs are also uneven.
- The TOR for three out of four RFPs were incomplete or unclear, which hindered the predictability and transparency of the process.
- The project cycle is similar to the PAP but involves additional requirements, making the RFPs' project cycle longer and more complex. The REDD+ process is the only one that is fundamentally different from the PAP and thus from other RFPs.
- There is no trend in the duration of the individual RFPs, but on average across all RFPs the duration of the project appraisal process is similar to that of the PAP. Accreditation remains a challenge to the implementation of the RFPs.
- iTAP and the GCF Secretariat are/were not equipped to assess the specific features of the RFPs.
- Lack of efficiency, incentives and accreditation challenges largely explain the small size of the RFP portfolio. Ultimately, the lack of incentives is the main factor that has hindered the growth of the RFP portfolio.
- The portfolio of projects does not fully respond to the objectives set by the Board. While the four RFPs enhanced the targeting relevant to the GCF mandate, key gaps and weakness in achieving the objectives of RFPs were observed.

56. This chapter will address the implementation of RFPs. For this assessment, the evaluation team considers both the process and the results. As a result, the implementation is reviewed from the perspective of efficiency and effectiveness. This chapter asks key questions on the effectiveness and efficiency of the process, including potential bottlenecks and implementation challenges; whether the projects approved through the RFPs have met the overall remit of the Board approved requirements and how the review process compares to the regular project appraisal process. Furthermore, it will address the question of how the proposals and projects approved through RFPs differ on different dimensions (e.g. objectives, cost, sectors, geographic distribution, expected results, investment criteria, expected sustainability) compared to the rest of the GCF pipeline and portfolio. Lastly, it will also reflect on the efficient and effective implementation.

I. EFFICIENCY OF THE RFP PROCESS

57. Efficiency typically considers the resources used in relation to the results. This chapter considers how the modalities for implementing RFPs affected their efficiency, and how the project cycle for RFPs compares to the regular PAP. Given the stage of advancement of the projects, this analysis focuses on the stages leading to funded activity agreement (FAA) effectiveness.
58. **Finding 12. The GCF Secretariat human resources allocated to designing, developing and managing the RFPs are scattered, uneven and limited.** The RFP development and implementation were led by different teams within the Secretariat. MFS and MSME were carried out by the PSF, while EDA and REDD+ RBP were implemented by the Division of Country Programming and the Division of Mitigation and Adaptation, respectively. These teams liaised as

needed with other Secretariat departments but were mostly managed by a small group of staff members dedicating part of their time to the RFPs.³³ The REDD+ RFP was developed by a single staff member along with an intern, while the EDA is implemented by three staff who have been working part-time on it since January 2021 (there was no team focusing on this RFP before then). On a few occasions, RFPs have required mobilization of additional staff. Given the large number of CNs received under the MFS RFP, a team of 8 to 10 people from across the Secretariat had to be assembled to process them. The REDD+ RBP RFP uses experts from the UNFCCC REDD+ Roster of experts to support iTAP in reviewing the proposals. There is no central unit coordinating and ensuring that the RFPs are of good quality and follow good practices.

- 59. Finding 13. The resources deployed to promote and communicate about the RFPs are uneven.** MSME and MFS were open only for a specific time period, and during that time the Secretariat PSF promoted the RFPs through their networks. The TOR for REDD+ RBP was developed consultatively at B.06, and a specific REDD+ page was created on the GCF website providing information not only about the RFP but also about how the GCF supports the different stages of the REDD+ process. In the case of the EDA RFP, the team developed the new guidelines following an extensive consultation process and has promoted the concept and the new guidelines in two webinars and disseminated them with all the NDAs, DAEs and other stakeholders. The MFS RFP was promoted through several channels, which resulted in the high level of responses – that is, about 350 CNs. Communications with proponents (AEs and countries) were also uneven across RFPs. The interviewees involved in REDD+ RBP indicated that communications and support from the Secretariat were good. On the other hand, there was limited follow-up with those not shortlisted by the MFS RFP process.
- 60. Finding 14. The TOR and selection criteria for three out of four RFPs were incomplete or unclear, which hindered the predictability and transparency in the process.** Predictability and transparency are key values that the GCF prescribes both in the GI and in the ISP, along with facilitating access to climate finance. However, there is evidence, such as that listed below, that the TORs for RFPs did not always provide sufficient clarity and guidance to ensure that proponents had enough information to prepare proposals that would respond to the RFP expectations.
- For EDA, there was no clear guidance in the original RFP about how the devolved decision-making within projects was expected to be implemented. As a result, it proved to be a challenge for the GCF to strike the right balance between being directive and restrictive. In its March 2021 report to the Board, the Secretariat acknowledged that “the initial terms of reference of the EDA Pilot phase might not have provided an optimal level of guidance to potential project proponents”,³⁴ but it has taken steps to address this by developing new guidance and enhancing dissemination of guidance, among other measures.
 - For MSME, the criteria of requiring accreditation before applying was mentioned but did not seem very clear to proponents. As a result, more than 40 per cent CNs received (13 out of 30) did not have associated AEs and were disqualified. This criterion was not listed in the eligibility criteria of the scorecard.
 - The MSME RFP selection process involved applying several criteria that were not made explicit in the TOR. Projects obtaining less than 75 points appear to have been discarded. Furthermore, proponents were informed after submission that there was a limit on the number

³³ This information could not be corroborated for the MSME RFP as staff members who were involved are no longer with the GCF.

³⁴ GCF/B.28/Inf.08/Add.03. Status of the GCF pipeline – Addendum III Update on the Enhancing Direct Access Pilot, 22 February 2021.

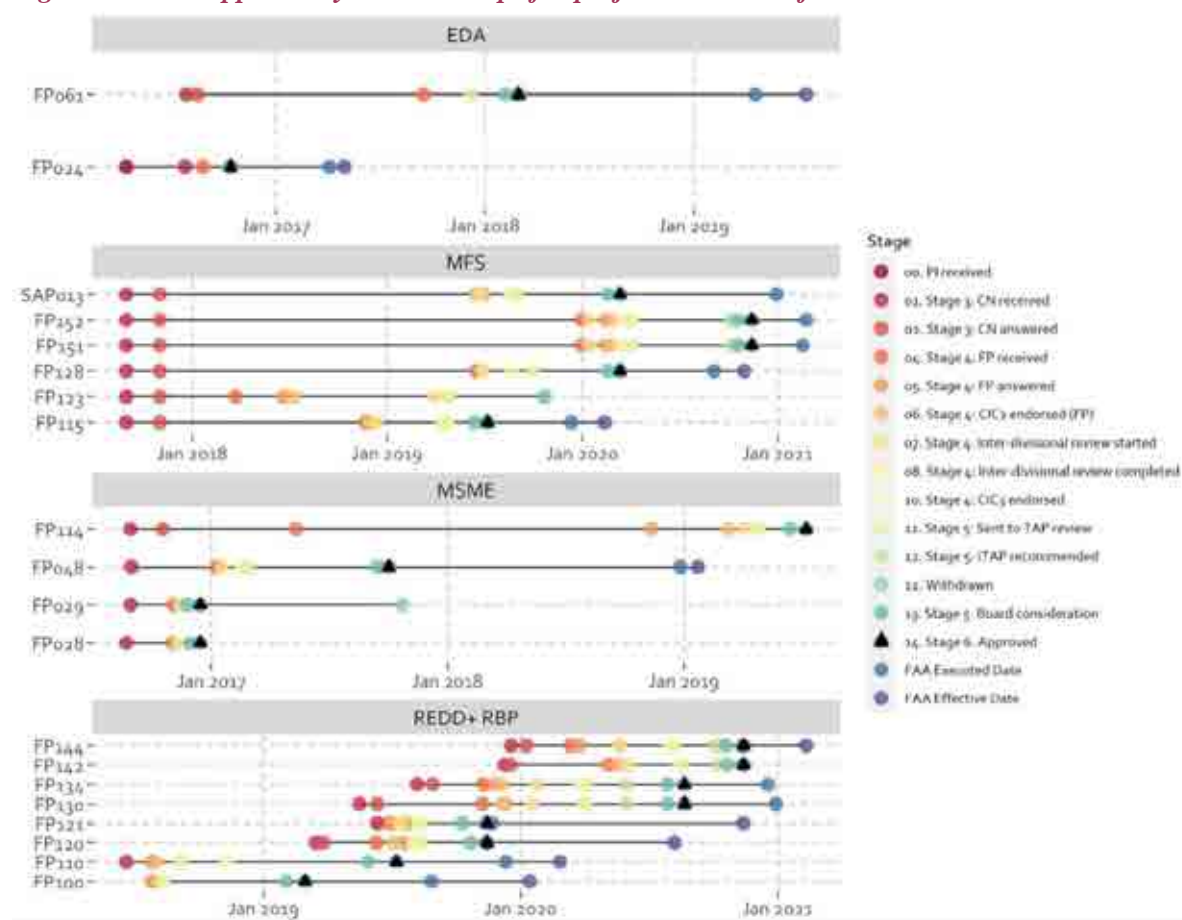
of countries that could be covered by one project, and that there was a funding cap per project of USD 20 million.

- For both MSME and MFS, the scorecards did not include specific definitions of the ratings. When an overwhelming number of CNs was received for MFS, these definitions had to be developed retroactively to calibrate ratings among reviewers. Ultimately, a list of the top 30 CNs was published and they were invited to submit proposals. The details of these ratings were not made available to the Assessment team since they seem to have been lost, and to date many organizations that submitted CNs have not received feedback on their submission.
- For the REDD+ RBP RFP, some proponent AEs and NDAs were confused by the requirements in terms of level of detail and required annexes to support the proposal, as these are not specified beyond the no-objection letter and the environmental and social assessment. Some proposals still ended up with more than 10 annexes. There appears to have been an evolution in terms of the requirements sought by the Secretariat since the RFP was initially launched.

- 61. Finding 15. The project cycle is similar to the PAP but involves additional requirements, making the RFPs' project cycle longer and more complex. The REDD+ process is the only one that is fundamentally different from the PAP, and thus from other RFPs.** According to the analysis by the evaluation team, there are no evident incentives for proponents to go through an RFP process. The main differences in the review process for RFPs and PAP projects are located in the first stages of the process, which starts with the preparation, launching and dissemination of the RFP. Key differences are noted in the preparation and revision of the CN, although in most cases these involve the need to demonstrate compliance with the specific RFP requirements in addition to submitting a regular CN. Following the shortlisting process, the CNs that were not selected were not necessarily rejected. This is consistent with the practice at the GCF under which all CNs are "accepted" and the Secretariat provides comments, and it is up to the proponent to continue to the process. The assessment team found that the Secretariat would often try to connect CNs with AEs, when that was the "failing" condition in the review process, or would redirect them to the PAP. However, this was not done consistently, as many of the proponents under MFS reported never having heard back on their CNs.
- 62.** This finding had already been identified by previous IEU evaluations. For example, the FPR concluded that the business model had not been solutions-driven, particularly with respect to how different actors work in the system. When the GCF has tried to use other modalities, such as the SAP or the RFPs, the requirements have not decreased and the processing times have not improved (FPR, p.101).
- 63.** The following bullets present examples of steps that are considered additional to the PAP and that add extra burden in the RFP process.
- There is an additional step at the beginning for the Secretariat that consists of preparing, launching and disseminating the RFP. For two RFPs (MSME and MFS), a specific timeline was established for submitting CNs. For proponents (AEs, executing entities, NDAs), this step involves reviewing the TOR and assessing their interest in participating based on them. As discussed above, for the REDD+ proponents, this generally provided a good overview of what was to be expected, although this was not necessarily the case for the other RFPs.
 - For EDA, an extra step is added at this stage where the NDA is expected to invite and select subnational, national and regional entities to propose pilot proposals for consideration by the Fund and would nominate the selected entities for accreditation by the Fund.

- Unlike with the PAP, CNs submitted must comply with eligibility criteria specific to each RFP, such as the use of specific templates (REDD+ RBP). The REDD+ RBP CN submission is much simpler than the PAP and mostly involves providing links to documents already published and additional background as need as well as a no-objection letter from the National REDD+ focal point. For MFS, a template was not specified, which is a difference that proved challenging at the time of reviewing the submissions. On the other hand, using the same CN and funding proposal templates for the RFP responses is not a good practice since the RFPs are targeting different project models. In the view of the evaluation team, the new EDA guidelines provide a good example of how to “translate” the different requirements from the RFP to the different sections of the FP template.
 - The review of CNs is structured around the need to select the best or the eligible proposals. The review of REDD+ RBP CNs is based on a specific scorecard using pass/fail criteria. As for PAP, projects are not formally rejected, and may be redirected towards the SAP or simply left in the pipeline. For MFS and MSME, the Secretariat supported some of the projects in finding an AE willing to take the lead on their project, not always successfully.
 - From that step on, the process for shortlisted or eligible RFP CNs is similar to that of projects going through PAP, except for REDD+ RBP projects. For EDA, there is a requirement that the DAE should be accredited before submitting the FP to the Board. Given the intention of EDA to reach new stakeholders, accreditation has been recognized as a bottleneck in this RFP.
 - In the MFS and MSME cases, the time between launching the RFP and the time for submitting the CN was considered tight for some entities (2 months for MSME and 3 months for MFS).
64. Again, the REDD+ process is the only one that is fundamentally different from the PAP and from other RFPs. As presented in Section III.4 (and in Annex 5), REDD+ RBP CNs and FPs are submitted on a special template and assessed based on a specific scorecard that focuses on aspects related specifically to the expectations of this RFP. The assessment categories include an assessment of carbon elements, of non-carbon elements and of environmental and social safeguards (ESS), for the results achieved and for the use of proceeds. A review by iTAP is supported by land use, land-use change and forestry (LULUCF) experts from the UNFCCC roster because the technical requirements to be assessed are very specific. Nonetheless, both the Secretariat and iTAP are requested to assess the project against the GCF investment criteria. Apart from the distinct CN and FP templates, as well as the two-stage scorecard assessment, there are separate Term sheet, FAA and simplified annual performance report templates for REDD+ RBP projects. Moreover, the REDD+ RBP programme has a different underlying performance management framework and logic framework. Both are distinct from the rest of the RFP and non-RFP projects.
65. **Finding 16. There is no trend in the duration for the individual RFPs, but on average across all RFPs the duration of the project appraisal process is similar to that of the PAP.** Notably the RFP MFS takes longer in the approval process, whereas REDD+ RBP approval process is shorter – even shorter than the regular PAP. Figure V-1 and Figure V-2 illustrate the result of this process in terms of the time it took each approved project to go through all the steps of the project cycle.

Figure V-1. Approval cycle timestamps for projects under the four RFPs

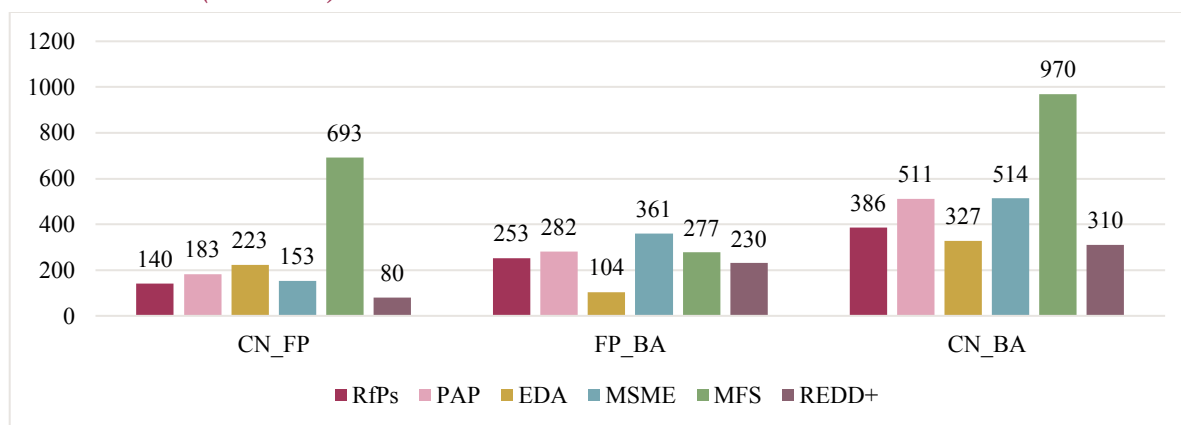


66. While the number of projects for some RFPs is too limited to identify clear trends, the times are relatively similar to those of the PAP – except for MSME, which has very long delays between CN and FP submission (Figure V-2). Based on Figure V-1, all MFS projects took at least two years to obtain Board approval, and some took three years to execution. The most delays occurred between CN approval and FP submission, which may be another reflection on the problem of clarity in the RFPs' announcements and TORs. MSME projects can also be considered to have a rather long timeline, because of the four projects presented in the figure, only FP048 and FP114 completed the project approval cycle.³⁵ Data for the REDD+ RBP RFP indicates a relatively swift process from CN submission to Board approval (310 days), with delays occurring mostly between FAA execution and effectiveness. It is notable that for four of these projects, the FAA was signed on the same day or within a week from Board approval. For the four projects managed by UNDP, the average number of days from Board approval to FAA execution consistently decreased over time. It should also be noted that these comparisons are made only with the PAP, which can itself be considered quite lengthy.
67. The RFP pilot programmes have failed to meet the expectations of project proponents vis-à-vis the targeted project generation efforts made by the GCF, due to the little difference in the average duration of project approval. The findings suggest that publication of the RFPs signalled to potential proponents a strong interest and urgency of the GCF to fill in the portfolio gaps in thematic areas of

³⁵ FP029 lapsed and FP028 was originally in the PAP and was brought into the RFP process when its FP was already ready.

direct access as well as the private sector. This created an expectation among stakeholders that projects meeting the RFPs' requirements would be prioritized and given special consideration. However, no mechanism was in place to meet these expectations, which translated into a low number of approved projects despite high public interest at the onset. Several interviewees highlighted that this could create a reputational risk for the GCF, which may discourage various entities from engaging with the Fund in future.

Figure V-2. Median number of days between key stages of the project cycle for RFPs and PAP (PAP -119)



Source: IEU DataLab

Note: CN: Concept note submission | FP: Funding proposal submission | BA: Board approval

- 68. Finding 17. Given that RFP projects go through the regular project cycle (PAP and SAP), accreditation continues to pose a challenge to the implementation of RFPs, even with an explicit commitment in one case to reduce timelines.** Entities that have not been accredited and responded to the RFP had to go through the same accreditation process as those applying to the GCF through the PAP. This was an issue in particular for MFS, which attracted the most non-accredited entities. The case of MFS is particular because the RFP came with a commitment to facilitate accreditation to proponents and seemed to explicitly target new entities. The TORs stated that “In cases where winning proposals are submitted by non-accredited entities, the full funding proposal and accreditation application will be progressed concurrently”.³⁶ However, this was not applied, and ultimately the RFP did not contribute to accrediting new entities (see Section VI.1). In cases where they were delays and accreditation was the reason for not progressing, the PSF, for example, made efforts to connect existing and eligible AEs to the shortlisted CNs. This was the case for FP128: the original sponsor, the Spanish financing development agency (COFIDES) withdrew the CN because of internal reasons, but the proposal continued and the PSF linked in the MUFG Bank, which took the proposal to the Board for approval.
- 69. Finding 18. iTAP and the GCF Secretariat are/were not equipped to assess the specific features of the RFPs** with the exception of the REDD+ RFP, creating extra burden for DAEs and IAEs. In the other three RFPs, iTAP and the GCF Secretariat are using the same frameworks used for regular PAP projects, even when these proposals are responding to specific requests. While RFPs are testing innovative mechanisms that involve devolved decision-making and funding mechanisms for developing countries' MSMEs, iTAP's expectations are the same as for regular projects. This is incoherent given that these specific project features are a requirement and a main focus of the RFPs. This has not only created an exaggerated burden for AEs, but it has also, in some

³⁶ GCF/B.16/10/Rev.02

cases, caused additional implementation delays. Another example is the fact that the GCF is using the same accreditation process and the same investment criteria framework. The exception is the RFP for REDD+ RBP, in which the Secretariat's assessment of the FP is conducted specifically following a scorecard that generates ratings on which the Secretariat and iTAP have to agree. In this case, there is also a requirement to demonstrate compliance with the GCF investment criteria. A non-exhaustive review suggests that both the Secretariat and iTAP were less demanding on the demonstration of compliance with these criteria than they usually are, as demonstrated by the review of submitted FPs of the Secretariat and iTAP reviews. Fewer details are provided on the use of proceeds than for regular projects, yet comments remain at a higher level and tend to focus on the same aspects across projects. The Secretariat rated all criteria as "high" for all the projects, which is not usually the case for projects submitted through the PAP.

II. EFFECTIVENESS

70. This section discusses the capacity of an RFP to fulfil the expectations for which it is used in the context of the GCF and established by the Board. There were two expectations, in general terms: provide an alternative way of reaching/accessing the GCF by new partners and to bring attention (and finding) to gaps in the climate change landscape. In addition, the team also assessed how this tool is likely to contribute to the objectives of the GCF.

1. EFFECTIVENESS IN ACCESSING THE GCF

71. **Finding 19. Board approval rates are very low for three out of four RFPs.** For three RFPs, the success rate is of 13 per cent or less, meaning that the majority of proponents were not successful in their accessing the GCF through the RFP. **Error! Reference source not found.** This appears low considering that the RFPs are expected to target its respondents and provide guidance to clarify expectations. As presented in the next section and in Table V-2, commitments through approved projects as well as disbursements are low.

Table II-1. Proportion of projects approved compared to initially submitted CNs

RFP	NUMBER OF CNS SUBMITTED	NUMBER OF FPs APPROVED	PROPORTION (CN SUBMITTED/ FP APPROVED)
EDA	22	2	9%
MFS	350	5	less than 2%
MSME	30	4 ³⁷	13%
REDD+	12	8	66%

Source: IEU DataLab

72. **Finding 20. Results are uneven in terms of the approved projects, total amounts committed and disbursed by the different RFPs.** The RFPs have yielded a total of 18 projects to date, while a few others are progressing towards approval. These represent 10 per cent of the total number of projects approved to date by the GCF and 10 per cent of GCF funding committed (as of March 2021). The REDD+ RBP RFP represents 6 per cent of total GCF commitments and 58 per cent of funds committed through RFPs.

³⁷ It should be noted that one of the projects approved under MSME (FP028) was initially submitted through the PAP and is therefore not part of the projects initially submitted in response to the RFP.

73. Results are uneven in terms of the total amounts committed and disbursed by the different RFPs. Commitment is low under the EDA RFP (only two projects approved), but these projects have moved faster to disburse. In contrast, MFS has committed more of its funds, but disbursement has been extremely low, even though two of the three projects were approved by 2017 (Table V-2). Overall, this means that of the USD 900 million that the three RFPs approved in 2015 expected to allocate to their respective topics, USD 447 million has not been committed,³⁸ and only USD 56.4 million has been disbursed. The REDD+ RBP has committed its funds, and disbursements rates are high given that payments are made in a single disbursement at the beginning of the project.

Table V-2. RFPs commitments and disbursements (as of March 2021)

RFP	ENVELOPE SIZE (USD MILLION)	APPROVED FPS	AMOUNT COMMITTED (USD MILLION)	% COMMITTED	% OF COMMITTED FUNDS DISBURSED
EDA	200	2	30	15%	42%
MFS	500	5	263.4	53%	6%
MSME	200	3	60	30%*	43%
REDD+ RBP	500	8	496.8	99%	57%
Total	1400	18	850.2	61%	40%

Source: IEU DataLab

Note: *RFP MSME funding amount was subsequently capped at USD 100 million at B.13/22. Considering the cap at B.13/22 60% were committed for the MSME.

74. **Finding 21. Lack of efficiency, incentives and accreditation challenges largely explain the small size of the RFP portfolio. Ultimately, the lack of incentives is the main factor that has hindered the growth of the RFP portfolio.** Survey respondents (including both those who did and did not apply to an RFP) indicated that the challenges lie in the unclear eligibility criteria, the complexity of the process, and their organization's limited capacity to engage in the process. The effect of unclear eligibility and guidelines is especially visible in the pipeline data (Figure V-1) when comparing the high number of CNs submitted to some RFPs with the FPs that were successful (see Section V.1). The delays between CN selection and FP submission also speak to the general efforts required for the CNs to become approvable FPs.
75. Accreditation has been a major factor hindering the generation of projects under the RFPs. This appears to have had a particular impact for EDA, since the accreditation profile required for implementing this type of financial intermediary is very specific (for example, intermediation 1 and 2), and only 25 AEs had this profile by the end of 2017. Nonetheless, this number has since increased to 51, while demand for the EDA RFP has not budged,³⁹ implying that other factors have also had an influence. As other evaluations in the GCF have pointed out, the high burden and long accreditation process has been a disincentive for many to participate in the GCF.⁴⁰
76. The lack of incentives is the main factor that has hindered the growth of the RFP portfolio. Except for the REDD+ RBP RFP, the process to approve projects is similar and the projects going through the RFP could also be approved through the regular PAP, without having to fulfil the additional requirements (e.g. specific criteria, specific submission timeline). Furthermore, unlike for the PAP,

³⁸ Since the amounts allocated by the Board to the RFPs are not set aside the balance is available for the GCF to do regular programming. The amounts allocated are not reserved or earmarked for the RFPs in the GCF accounting.

³⁹ GCF/B.28/Inf.08/Add.03

⁴⁰ See for example: *GCF IEU, 2019*: Forward-looking Performance Review of the GCF; *GCF IEU, 2020*: Independent synthesis of the GCF's Accreditation function.

the submission of a CN is mandatory, which automatically adds a step. The financial incentive for AEs of knowing that there is a specific envelope dedicated to a topic may be undermined by the (formal or informal) financial caps applied to proposals. This also applies to REDD+, about which several stakeholders concur that the price set by the Board for emissions reductions (USD 5/tCO₂eq) is low and would only attract “low-hanging fruits”.

2. EFFECTIVENESS IN SUPPORTING GAPS IN CLIMATE CHANGE FINANCING

- 77. Finding 22. The portfolio of RFP projects does not fully respond to the objectives set by the Board. While the four RFPs enhanced the targeting relevant to the GCF mandate, key gaps and weakness in achieving objectives of RFPs were observed.** This finding further complements the discussion in Chapter IV on the relevance of the RFPs to the GCF mandates. Each RFP had its own criteria to assess CNs and/or FPs so as to build a portfolio of projects that responded to the purpose of the RFP. The EDA RFP was the only one that did not rate the CNs against specific criteria; instead, the projects are expected to have certain specific features. The assessment found that the selected FP fare relatively well against these criteria.⁴¹ The resulting portfolio of projects is therefore one that incorporates specific key features requested in the TORs, such as an enhanced involvement from NDAs in project origination and oversight (EDA) or minimal concessionality (MSME). Most projects perform well against most criteria but have weaknesses on one or two criteria, a threshold that is considered appropriate.
- 78.** The four RFPs have enhanced the focus of GCF financing on topics that are relevant to the GCF mandate and to the countries involved. However, key gaps and weakness in achieving the objectives of RFPs were observed. The TORs and explicit eligibility criteria do not necessarily completely reflect the purpose of each RFP as established by the Board. The review of the projects by the evaluation team against the expectations set out in the TOR also indicates that the projects selected, in their final form, conform to a large extent to these expectations and make for a more targeted, specific portfolio. These requirements have caused the portfolio for each RFP to have its own set of specific features (see Section III.3), such as a thematic focus, increased private sector involvement or the use of specific financial instruments. Some of the key features of these portfolios are presented in Table V-3.

Table V-3. Key achievements and gaps of the project portfolio for all RFPs

	EDA	MFS	MSME	REDD+ RBP
Key achievements	<ul style="list-style-type: none"> • DAE-led projects • Enhanced involvement from NDAs in project origination and oversight • Experience with devolved mechanisms for funding adaptation • The two projects approved are in SIDS and Africa, as targeted 	<ul style="list-style-type: none"> • Mobilization of private sector actors • Equity investments • High co-finance ratio compared to regular PSF projects 	<ul style="list-style-type: none"> • Effectively targets MSMEs • Mix of financial instruments • Minimal concessionality 	<ul style="list-style-type: none"> • Full commitment of envelope • Implementation or RBPs for REDD+ • Predictability of the process in line with UNFCCC request

⁴¹ For RFP review processes that involved quantitative ratings either at CN or FP stage (i.e. MFS, MSME and REDD+ RBP), grades are mostly between 70 and 80 per cent, with a few projects having higher grades.

	EDA	MFS	MSME	REDD+ RBP
	<ul style="list-style-type: none"> Both projects include examples of community-based/local organizations and local government actively involved in the project 			
Key gaps /weaknesses	<ul style="list-style-type: none"> Only 2 (out of the 10 expected) projects approved No new entities reaching the GCF 	<ul style="list-style-type: none"> 2/3 projects do not specifically target “underrepresented areas” for the private sector,⁴² instead focus on mitigation with some adaptation co-benefits Less focus on adaptation which was the key intent of the MFS 	<ul style="list-style-type: none"> Unclear whether contributes to “innovation and new technology” Only one GCF priority country Limited demand and projects approved 	<ul style="list-style-type: none"> Uniformity of AEs (All UN organizations) and beneficiary countries (7/8 in Latin America) Insufficient envelope to adequately fund this sector

79. Finding 23. To date, the RFPs have not achieved significant outcomes due to the limited size of the current portfolio. The RFPs have helped the GCF create specific projects responding, for the most part, to the expectations of the Board and bringing highly relevant topics to the discussion table, as RFPs were expected to do in the ISP. In that sense, the GCF has used the RFP to clearly communicate its interests in engaging with the private sector at large and small scale, and for enhancing country ownership through devolved decision-making mechanisms. However, since the number of the approved projects through RFPs is very limited, the outcomes in these specific areas will also be limited. On the other hand, the success of the REDD+ RBP RFP is helping to demonstrate the feasibility of, but also the challenges for, countries reaping the benefits of their REDD+ efforts, which may contribute to further incentivize countries to advance their REDD+ processes. The reports to the Board with updates on the RFPs are short relative to what would have been expected for pilot programmes. The reports are quantitative, presenting progress on processes, but fall short on presenting lessons that could be relevant to other parts of the GCF or to the RFP itself. The reporting will be discussed further in subsequent chapters. As discussed below, the new guidelines of the EDA have taken into account feedback from consultations with AEs and Secretariat staff, which makes them more appropriate than the original TORs.

⁴² GCF/B.16/10/Rev.02: “GCF will favourably consider submissions for proposals in areas that are currently under-represented in its portfolio, in particular for adaptation projects that engage the private sector.”

Chapter VI. VALUE ADDED

KEY FINDINGS

- The RFP modality did not achieve its potential objective of providing improved access to funding. It failed to bring new partners to the GCF.
- Country ownership as a principle is directly recognized by only two of the four RFPs: EDA and REDD+ RBP. Country ownership as an investment criterion is applied across all RFPs, as they follow the regular funding proposal review process by the iTAP and Secretariat.
- RFPs complement operations; however, coherence limits effectiveness and thus reduces value added.
- Across the RFPs there is no value added for gender approaches as all proposals must comply with GCF policies including the gender policy. However, by design, EDA and MSMEs reach local stakeholders directly.

80. In principle and expectation, RFPs are supposed to provide an additional way to access GCF funding for specific types of projects, focusing on specific topics that the GCF considers are gaps in the climate change landscape financing, reaching specific targeted potential recipients of the finance or responding to a specific request from the UNFCCC. The evaluation team explored four aspects of the RFP that are also linked to the mandate of the GCF, its policies and its investment criteria:
- Accessibility
 - Country ownership
 - Coherence and complementarity (internally and externally)
 - Application of the gender lens
81. This chapter addresses these aspects and provide key findings of this assessment. This section also provides linkages to other aspects of the GCF that are important and were already considered in earlier sections of this report. In particular, this chapter considers potential or actual impacts of the RFPs, in addition to those discussed in Chapter V on the implementation of RFPs and their efficiency and effectiveness. Other considerations were investigated – in particular, the sustainability of the RFPs and the application of a climate rationale. However, due to the limited number of projects and early implementation status, the evidence on sustainability was considered scarce and inconclusive. Furthermore, stakeholder interviews conducted for this assessment demonstrated that the evidence on the application of the climate rationale is weak. It should be noted here that other recent IEU evaluations found there is a lack of definition and guidance on the concept of climate rationale.⁴³ Thus, it was decided that this assessment would not further consider the concept of climate rationale.

I. ACCESSIBILITY

82. Access is a crucial part of the mandate of the GCF. Paragraph 31 of the GI states that “The Fund will provide simplified and improved access to funding, including direct access, basing its activities on a country-driven approach and will encourage the involvement of relevant stakeholders,

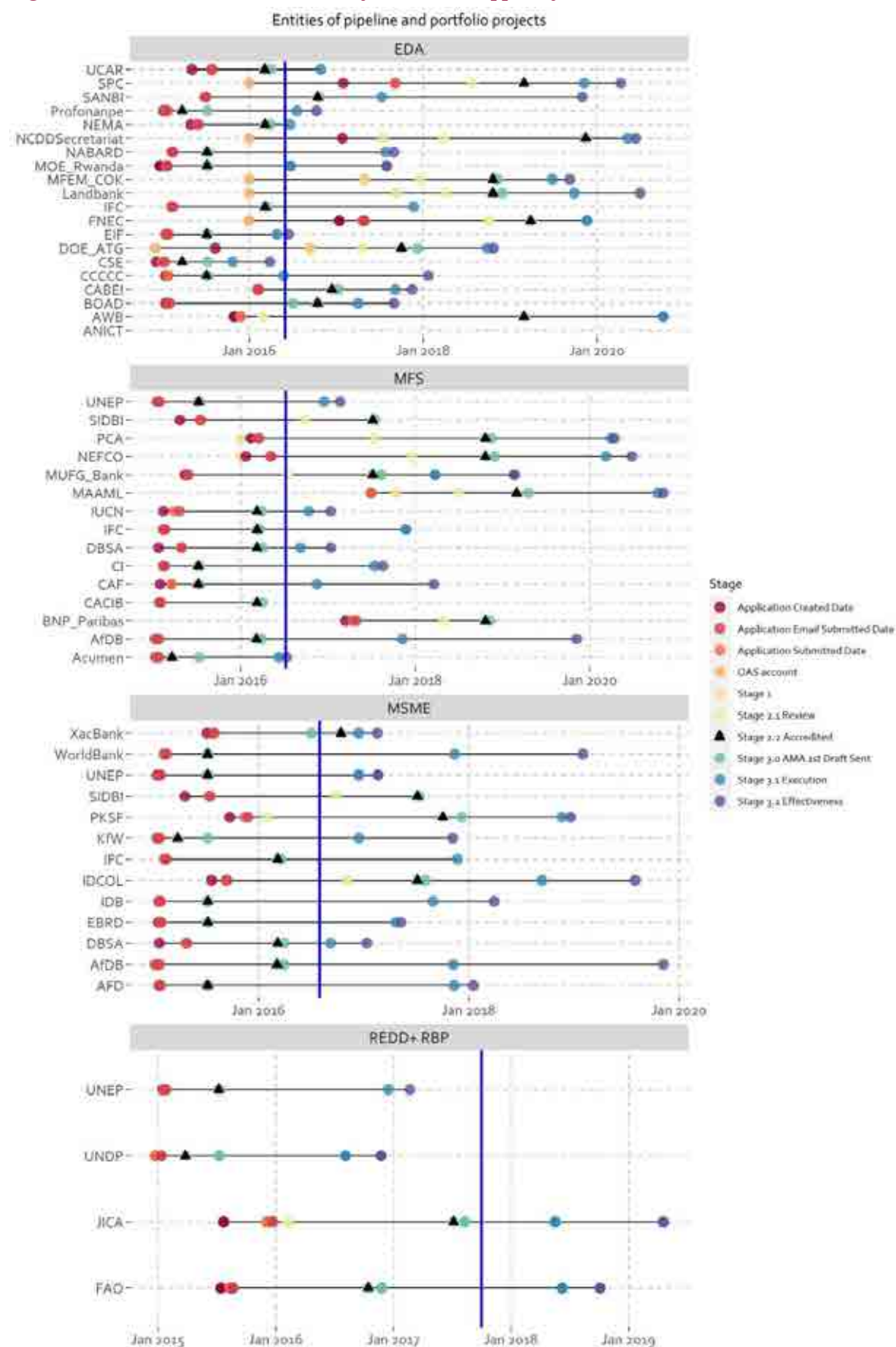
⁴³ Refer to the IEU evaluations: Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund and Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund's Investments in Small Island Developing States

including vulnerable groups and addressing gender aspects.” Furthermore, paragraph 45 lays out that “the Access to Fund resources will be through national, regional and international implementing entities accredited by the Board. Recipient countries will determine the mode of access and both modalities can be used simultaneously.” Lastly, the Fund also provides resources for readiness and preparatory activities to enable countries to directly access the Fund.

83. Programming with the GCF would regularly be done following a country-driven approach: country programmes, entity work programmes and CN submission. One alternative to this approach is the targeted project/programme generation, including the launch of RFPs. Accessibility to the GCF was considered by the evaluation team in the following ways. Firstly, the team analysed whether and to what extent the four RFPs improved access to the GCF for a wider and new range of relevant stakeholders and proponents. This aspect is important as the GCF business model relies on the development and implementation of proposals and projects through AEs – that is, GCF funding proposal generation and development is entirely entity/NDA driven, but with the RFPs, the Fund has an opportunity for targeted project generation.
84. Secondly, another aspect of accessibility, intrinsic to the GCF business model, is the accreditation of entities. Entities need to be accredited to implement projects, including those generated from the targeted project/programme generation approach. Accreditation master agreements (AMAs) need to be effective before the FP is submitted to the Board for consideration. Based on an FPR finding, the GCF has also recognized that the type of AEs available is not sufficient to implement the GCF mandate, particularly with a limited (although increasing) number of entities that are national or based in the GCF recipient countries or from the private sector.⁴⁴

⁴⁴ [*GCF IEU 2019*](#). Forward-looking Performance Review of the GCF (FPR2019).

Figure VI-1. Accreditation timeline for AEs that applied for RFPs



- 85. Finding 24. The RFPs did not achieve its potential objective of providing improved access to funding. It failed to bring new partners to the GCF.** None of the AEs that have approved projects generated from the RFPs are new to the GCF. Most entities that submitted a CN were already in the accreditation pipeline before the RFPs were launched/advertised. This was the case even for the MFS RFP, which was very broadly advertised and received 350 proposals from a diverse set of entities. The vast majority of the initial proponents of the shortlisted projects, who were not accredited or had not started the accreditation process, were replaced by AEs (e.g. MUFG) when the proposal moved forward in the preparation process. One proponent was in the process of gaining accreditation, and has since received it, yet was also rapidly replaced during the process. This is the case even when the pipelines of the four RFPs are considered.
- 86.** The recently completed IEU evaluation of the GCF portfolio in the SIDS, also found that the RFPs have not been successful in developing a project portfolio or pipeline for SIDS and have not responded to the urgent needs of these countries. Only two FPs have been approved in SIDS, one each under MFS and EDA.
- 87.** Accreditation is the key issue that limits the entities that can, in the end, access the GCF. The accreditation model, as currently implemented, is not suitable for the RFPs, particularly when the objective of the RFP is to bring new organizations to partner with the GCF. The RFPs did not provide any incentives for institutions (although decision B.14/08 prioritized entities that responded to requests for proposals issued by the GCF). This prioritization was not well defined, with guidelines that hindered its operationalization by the accreditation team. Although any entity nominated by the NDA / focal point can send a CN in response to an RFP, they will need to be accredited by the time the project is brought to the Board.
- 88. The need to create incentive for new organizations to access the GCF has not been considered in the RFPs. The project-specific accreditation approach could generally be such an approach but requires clarity on certain assumptions.** At the last Board meeting (B.28/March 2021), the GCF Secretariat presented a document on the Updated Accreditation Framework (GCF/B.28/12). In this document, the Secretariat proposes that the project-specific accreditation approach (PSAA) should apply to any funding proposal submitted by entities not yet accredited to the GCF, in particular DAEs and entities responding to RFPs issued by the GCF (para. 23). The Board has not approved the new framework, although it has previously agreed to the principles of PSAA (decision B.23/11). Evidence in this assessment underscores the need to consider creating incentive for new organizations to access the GCF. There is urgency with the consideration of such an approach, in particular for entities that the GCF would like to target, such as direct access and private sector entities. Therefore, the PSAA should address some of the key assumptions when it is launched; currently it is assumed that the PSAA reduces the processing times for the entire process and reduces the associated burden of project proponents, while considering effective and efficient due diligence, although this expectation is not stated within the Updated Accreditation Framework.
- 89.** Taking the EDA project in Antigua and Barbuda, Dominica and Grenada (FP061) as an example, one of the expected outputs of the EDA project is to support at least two entities to become accredited. It is expected that one in Dominica and another one in Grenada become accredited, since the entity of Antigua and Barbuda has already been accredited. However, both countries face several constraints in satisfying all of the requirements set forth by the GCF to become accredited, due to limited capacity of their local institutions. Interview evidence revealed that the project estimates, based on the experience of Antigua and Barbuda, that it would cost about USD 400,000 for an entity in the Caribbean to become accredited to the GCF. This is an amount that few entities in the region

would be able to afford. The project is developing a manual that would “translate” accreditation to the GCF to the local context, in particular clarifying all the requirements.

II. COUNTRY OWNERSHIP

90. The GI states that “[the Fund] will pursue a country-driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders.” Following the adoption of the Fund’s initial investment framework (decision B.07/06), country ownership as an investment criterion is defined as beneficiary country ownership of and capacity to implement funded projects.⁴⁵ Country ownership continues through the project cycle, from readiness support and pre-concept stage to implementation and monitoring of results.⁴⁶ This section assesses to what extent the RFPs have added value to the country ownership in each of the stages in line with the project/programme activity cycle.
91. **Finding 25. Country ownership as a principle is directly recognized by only two of the four RFPs: EDA and REDD+ RBP.**⁴⁷ Country ownership as an investment criterion is applied across all RFPs, as they follow the regular funding proposal review process by the iTAP and Secretariat. Country ownership is a key principle for the GCF. Most recently, the USP indicated that its programming depends at its core on fully implementing and strengthening country ownership. It aims to do this by articulating a clear approach for countries to access the Fund, empowering developing countries to identify, design and implement projects and programmes that support the GCF mandate. From the point of view of the RFPs, the key question is whether this way of accessing the GCF enables a country-driven approach. The EDA RFP was, among the four, the one that has within its explicit objectives the improvement of country ownership, interpreted as responding to country priorities and improving capacity to finance climate change through a devolving decision-making to the national and subnational levels. Throughout the interviews, both projects approved so far were considered to have high levels of country ownership. Implementers consider that the EDA improves country ownership. Devolving decision-making has been a key factor in this improvement, interview data suggests. Project implementation can be considered much closer to the ground, with direct lines of communication, improved agency of local actors and a monitoring and evaluation function that is integrated to a higher degree than otherwise. The subprojects are aligned with NAPs, NAPs for specific sectors, and other national and subnational climate change policies and strategies and went through extensive consultations with public and private sector and key NGOs representatives. EDA and REDD+ RBP are the only two of the four RFP that recognize what is important for country-owned processes. For instance, to help in building a local climate management capacity, building capacity and cooperation between state and non-state players, and encouraging accountability are important elements of country-owned processes, as highlighted in the IEU’s evaluation of the country ownership approach.
92. For the other RFPs, country ownership is considered during the preparation of the proposals and during the Secretariat and iTAP reviews, as is the case for PAP. In all cases, the reviews considered country ownership as high, particularly for EDA and REDD+. Since NDAs are not as explicitly participants in the proposals generated by the other three RFPs, interviews with them indicated that they have limited understanding or even knowledge of the proposals. This was the case in particular for the multi-country proposals, which are similar to other GCF proposals, when the AEs have

⁴⁵ Decision B.04/05 reaffirms that country ownership and a country-driven approach are the core principles and establishes the functions of the NDAs/FPs

⁴⁶ Decision B.17/21

⁴⁷ Concept of country ownership is directly expressed in the RFP EDA and in the specific template of the RFP REDD+ RBP. The RFP EDA, MFS and MSME also follow the standard CN template for the PAP and SAP process.

problems obtaining a no-objection letter, as was reported in interviews and also in the PSF review of the MFS RFP.⁴⁸ This phenomenon is not particular to the RFPs. Many of the NDAs did not clearly distinguish the RFP as a distinct means of accessing the GCF. The case of REDD+ is also particular since the projects approved are in countries with a long history of this topic and the RFP targets the final stages of REDD. A support letter was also required from the national REDD+ focal point. In this context, the countries with approved projects have to have had a strong commitment to REDD+ to have made it to this stage. The use of the proceeds from the REDD+ payments is defined by the countries. In conclusion, while RFPs comply with country ownership as a principle and investment criterion, the RFPs only provide limited additional value to country ownership at the GCF as such.

III. COHERENCE AND COMPLEMENTARITY

93. Coherence and complementarity are also another key principle within the GCF. The GI provides that (para.34) “the Board will develop methods to enhance complementarity between the activities of the Fund and the activities of other relevant bilateral, regional and global funding mechanisms and institutions to better mobilize the full range of financial and technical capacity.” The review team considered not only the complementarities and coherence between each RFP and its projects with external entities but also within the GCF and the country in which the projects are under implementation.
94. **Finding 26. RFPs complement GCF operations (same projects cycle and subject to same policies). However, coherence with the operations limits effectiveness and thus reduces value added.** Utilizing existing institutions, financial mechanisms, and processes and procedures are generally key elements of the RFPs. This can both enable but also hamper the coherence and complementarity. This requirement provides the space for internal coherence and may have even improved efficiencies. The complementarity happens at the national level as well as at the GCF level. At the GCF level, all RFPs follow the existing project cycle of the GCF, and proponents can utilize existing modalities and levels of support, which to a certain extent ensures the process fits with existing procedures. For example, the REDD+ RBP RFP explicitly indicates that the GCF will support the three REDD+ phases through the GCF’s RPSP, PPF, SAP and the regular project cycle funding.
95. On the other hand, utilizing existing internal GCF processes and procedures also is a shortcoming of the RFPs since some of them may need special processes. One key GCF procedure that has caused confusion and some level of frustration is the proposal reviews by the Secretariat and iTAP utilizing the GCF investment criteria framework. In the case of EDA model, the GCF investment criteria are insufficient to appraise projects of the EDA nature, where project activities / subprojects are to be decided at a later stage (often after Board approval). Rather they are better applied at a programmatic level. The REDD+ RFP developed its own review criteria responding to the requirements of the special topic of REDD+, but projects were also assessed against GCF investment criteria, although the approach used was flexibly.
96. Regarding coherence at the national level, the EDA RFP explicitly indicated that the projects should utilize, as much as possible, existing mechanisms for the devolving decision-making and disbursing the funds, and both approved projects fulfil this requirement. In the case of Dominica, the project is implemented using the mechanism established by the GEF Small Grants Program. As discussed before, the strong country ownership of the projects generated by the RFPs is due to the projects’

⁴⁸ GCF/B.23/12/Add.03

coherence with national/subnational climate change programmes, strategies and policies. This is not necessarily a unique characteristic of RFP-generated projects but of GCF projects.

97. The results of linking GCF RFPs with other ongoing, relevant initiatives have been mixed.

None of the RFPs require specific coherence or complementarities with other operations or initiatives. In the case of the EDA RFPs, the Adaptation Fund has recently called for proposals on its EDA initiative. Although the Adaptation Fund explained that they reviewed and used the recently approved GCF EDA guidelines for their own RFP, there are no explicit plans to work together. There is an expectation that there will be some links between the two institutions, as in other areas, in which the GCF would play a role of scaling up Adaptation Fund initiatives. In the case of the REDD+ RBP RFP, coherence with external organizations is crucial since there is a risk of double payment for the same emissions reductions. However, RBPs are tracked on the UNFCCC website, and the RFP included additional measures to avoid duplication, including validation of which other emissions reductions have been purchased and requiring commitments from governments, when countries do not have a fully established mechanism to avoid duplication. Furthermore, the GCF RBPs are also reported on the UNFCCC website. Interviews with AEs and NDAs confirmed that no such duplication had occurred and that coherence at the country level was good with other ongoing REDD+ and forestry interventions.

IV. GENDER

98. The GCF is the first climate finance mechanism to mainstream gender perspectives from the outset of its operations as an essential decision-making element for the deployment of its resources. The GCF GI (para. 3) states that the “Fund will strive to maximize the impact of its funding for adaptation and mitigation, and seek a balance between the two, while promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.” Gender equality considerations are expected to be mainstreamed into the entire project cycle to enhance the efficacy of climate change interventions and ensure that gender co-benefits are obtained.⁴⁹ This section considers how the RFP TORs take into account the GCF gender policy and principle of gender equity and how this was reflected in the approved projects.

99. Finding 27. Across the RFPs there is no value added for gender approaches, as all proposals must comply with GCF policies including the gender policy. However, EDA and MSMEs by design reach local stakeholders directly. It was expected that the proposals from RFPs, as regular GCF proposals, will have to follow the requirements and considerations specified in the GCF Gender Policies. The TORs did not provide background on how gender would play a role in the topic that the RFP referred to. The requirements and consideration around gender were expected to be complied with at the project level following the GCF Gender Policy. The TORs of the MFS and EDA provided some specific reference to gender. The MFS TORs indicated that the concessional resources of the proposals should be extended in such a way as to increase gender equality and that the grants provided (up to 5 per cent of the GCF contribution) could be used to deploy, among other things, gender equity opportunities. During the review of the MFS proposals, the Secretariat and the Board developed a scorecard, and one of the questions addressed gender. In the case of the EDA RFP, the new guidelines indicate that projects should consider gender in terms of its beneficiaries particularly targeting local actors addressing gender aspects and that gender should one criterion for selecting subprojects in order to ensure that the EDA facility as a whole delivers the expected

⁴⁹ GCF website as of May 2021: <https://www.greenclimate.fund/projects/gender>

impact with respect to gender. The MSME TORs also provided guidelines that these proposals should support gender-sensitive technology and technical assistance to women farmers.

- 100.** At the project level, all proposals, as it is expected, complied with the requirements of having a gender assessment and action plan. The proposals have identified the role of women in climate and in the specific topics – for example, on women entrepreneurs or women's roles in forestry and ecosystem services. The Gender Action Plans are considered of good quality, with well-defined programmes with concrete activities, indicators and outcome that ensure gender inclusion as a priority. Some project implementers considered that disaggregated data by gender on beneficiaries as a key measure of gender did not capture the actual ambitions of the project to implement adaptation in a gender responsive way. This indicator is considered to be a superficial yard stick that will detract from the gender empowerment intentions of the projects.

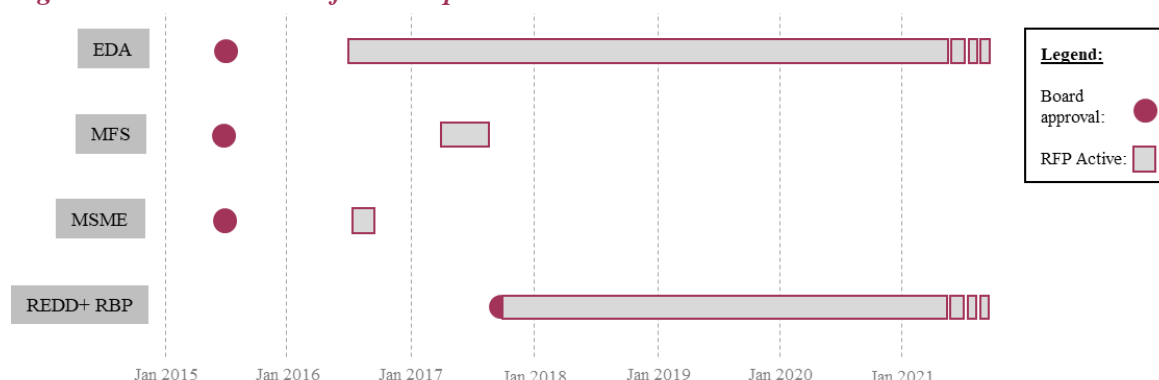
Chapter VII. LESSONS FROM THE GCF RFP EXPERIENCE

KEY FINDINGS

- Knowledge management and mechanisms for institutional learning from RFPs reviews completed by the Secretariat and lessons learned across all RFPs are not established.
- IEU lessons from previous evaluations highlighted the possible uses and need for RFPs in different thematic areas.
- Learning opportunities with respect to design, capacity, predictability, exit strategy, communication and engagement are identified by the evaluation team but are otherwise not shared across the GCF.

101. The implementation of the RFPs provides valuable lessons both for future RFPs and for the GCF as a whole. Three of the RFPs were approved in 2015, and one in 2017. Their implementation, including accepting the CNs/FPs and reviewing the proposals through RFPs, was spread over time, as illustrated below (Figure VII-1). They were approved as pilot programmes, with the expectation that they would generate lessons for future RFPs. Pilot programmes themselves should also identify, test and verify certain aspects of the underlying themes and programmes, and help the Fund to identify approaches and windows to address certain themes beyond the pilot programme. As assessed earlier in Chapter IV, the aspect of knowledge management and learning is crucial for successful programming. This chapter addresses the question of how the GCF is generating learning for the future implementation of RFPs as a tool for targeted project/programme generation.

Figure VII-1. Timeline of RFP implementation



Source: TOR and annual reports for respective RFPs

102. **Finding 28: Internal reviews on each RFP were undertaken by the Secretariat. However, knowledge management and mechanisms for institutional learning from RFPs reviews completed and lessons learned across all RFPs are not established.** Since the first RFPs were approved in 2015, the Secretariat has submitted annual reports on the RFPs to the Board, providing mostly quantitative updates about the progress of their implementation. The Secretariat also submitted, at B.23, reviews of the MSME and MFS RFPs, which briefly identified some of the challenges faced but limited lessons and recommendations for improvements. They do not appear to have involved consultations beyond the use of Secretariat information.⁵⁰ As requested by its TOR, the REDD+ RBP RFP conducted a midterm review of its experience and progress in 2020, which

⁵⁰ GCF/B.23/12/Add.03 and GCF/B.23/12/Add.04.

included valuable lessons from implementing this RFP. It interviewed both NDAs and AEs in this process, and although it has not yet implemented the possible improvements identified, the report states that they will be considered for the next phase of the RFP.⁵¹ In December 2020, the EDA team conducted a self-assessment, which included consultations with internal and external stakeholders about its process and which led to the publication of new guidelines that are an improvement to the original TOR and are expected to help address several of the challenges faced by that RFP (See Chapter V on Implementation). Beyond these examples, there was no clear mechanism for institutional knowledge management or for drawing lessons from individual RFPs, and lesson learning across RFPs could not be demonstrated.

- 103. Finding 29. IEU lessons from previous evaluations highlighted the perception and need for RFPs.** A synthesis of the IEU's past evaluations has shown a recognition of the need for RFPs to address specific topics within the GCF's portfolio.

1. EFFICIENT, PREDICTABLE AND TAILORED PROCESSES

- 104. Finding 30: Learning opportunities with respect to design, capacity, predictability, exit strategy, communication and engagement are not shared across the GCF.** Some such opportunities are identified by this evaluation. Although it was enabled by the particular context of REDD+ and all the work undertaken by countries and entities in the last decade around this programme, the predictability and clarity of the REDD+ RBP were instrumental in enabling the approval of eight projects in three years. Key features of the process from which other RFPs and even the GCF as a whole may draw lessons include the following:
- The scorecards were developed with definitions for what each rating meant, which was not the case with earlier scorecards (MSME, MFS). According to interviewees, these could potentially be further clarified, but avoided a risk of becoming too restrictive.
 - The templates are tailored to the RFP and incorporate all the requirements expected from CNs and FPs.
 - The capacity of both the Secretariat and iTAP to assess the projects almost solely based on the scorecard criteria and with the added support of technical experts. In other RFPs as well as other GCF processes like SAP, the review of projects that aimed to be different through the same process as the rest of the GCF portfolio has generated bottlenecks and proven challenging for proponents. While there is room for improvement, the REDD+ RBP RFP has tested a process that is tailored to the needs of the proposals submitted.
- 105.** Lack of clarity and predictability can lead to unexpected results, like the submission of too many (or too few) or inadequate FPs, or extended delays, which is inefficient both for proponents and for the GCF. This includes:
- Unfulfilled expectations about an accelerated accreditation process, especially for MFS
 - Unclear requirements and scorecards: as discussed previously, not all Board requirements were reflected in the tools used to assess projects, and some key guidelines like limits to the budget or to the number of countries were not made explicit
 - Lack of clear timelines for responses

⁵¹ GCF/B.25/Inf.06/Add.01 : Analysis of the experience with and the progress made towards achieving the objectives of the pilot programme for REDD-plus results-based payments: a midterm review, 19 February 2020.

2. PURPOSEFUL RFPs

106. Previous paragraphs demonstrate the need for the GCF to ensure that its procedures are adapted to meet its ambitions. As each of the RFPs has its own purpose or objectives, as established by the Board, considering the means required to achieve these results may indicate the need to adapt processes or to strengthen the incentives. Instead, MSME's low uptake results in part from the lack of incentives, as the process is the same and projects are capped at USD 20 million. On both EDA and MSME, there were occurrences where the framework used by iTAP was not adapted to the requirements of the RFP.
107. RFPs have demonstrated their potential to reach out to a broader public that goes beyond the usual international actors. The MFS process has demonstrated this, not only by the large number of CNs received, but by the variety and quality of projects submitted that would not otherwise have been reached. The project FP151/FP152 was endorsed by the Global Innovation Lab for Climate Finance among "the most promising transformative green finance instruments".⁵²
108. Onboarding new entities or targeting underserved sectors requires new capacities to be built. Capacity-building appears to be a feature of RFPs that has not been fully considered, and that clashes with the hopes of a rapid delivery. One of the reasons why the REDD+ RBP RFP could achieve faster results is that all AEs are large United Nations organizations that had previous experience with the GCF and long-standing experience in the countries they supported to access RBPs. For new entities, PSOs or DAEs, the challenge may not be solely accreditation, it also involves learning to interact with an entity such as the GCF.
109. A key challenge for RFPs is to find the right balance between being prescriptive to ensure the proposals respond to the specific needs the RFP is aiming to address and to ensure the process is clear and simple, and allowing flexibility that fosters the innovation that the GCF is always looking for.
110. **Also, another key challenge for the current RFPs is lack of a business continuity or exit plan or strategy after the pilot programme ends.** The approval of REDD+ RBP projects is currently suspended after the initial budget envelope for the pilot programme was fully committed by the eight approved projects through RFP.

3. COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

111. Communications campaigns and tools are useful and necessary in the context of RFPs. They not only help attract potential proposals and proponents but also convey the general interest of the GCF for specific topics. In addition to general communications, communication tools can also support potential proponents in their decision to apply and in the preparation of their proposals. Specific information about the RFPs can be (and has been) shared via webinars, in-person events, the GCF website, and so forth. Translating the TORs into operational guidelines, as was recently done for the EDA, rather than working from Board decision texts can help clarify the process for potential applicants.
112. This highlighted that it is important that communications are in support of a clear and transparent process, as they can raise expectations too much, which may adversely affect the reputation of the GCF, especially among the new target populations that it is trying to reach through the RFPs (e.g. private sector, DAEs). It is important that the messaging is consistent with the Fund's capacity.

⁵² Link: https://www.climatefinancelab.org/project/?_sfm_status=Endorsed-%2C-Fire%20Winner-%2C-In%20Development

113. Consultations during the development process of an RFP can help improve its alignment and support from relevant stakeholders. The development of the REDD+ RBP RFP involved a multi-stakeholder consultation process, as did the new EDA guidelines. Although the context for doing so for REDD+ is particular (REDD+ efforts have a specific framework they must comply with), getting stakeholders around the table appears to have enabled a more cohesive vision to emerge for each RFP.

Box VII-1. Lessons and observations by RFPs

Recurring themes in interview data on EDA

114. **The EDA RFP has underperformed by delivering only two approved projects from the 10 expected, and both entities were already accredited to the GCF,** limiting its effectiveness in terms of delivering increased opportunities to developing countries to devolve the decision-making of allocation of funds, especially adaptation funds, in a flexible and locally relevant manner. Several elements explain this:
- The TORs were unclear, and there was no clarity at the GCF of what devolving decision-making meant.
 - When the RFP was launched, only a limited number of DAEs qualified for it.
 - The requirements for organizations to participate were high. In particular, there was a tension between the targeting of national DAEs and accreditation requirements as financial intermediary.
 - The review process by the Secretariat and iTAP applied the same framework as for regular projects not taking into account that details of subprojects would not be available with this delivery model.
 - The funding cap was low (up to USD 20 million per project) compared to the high transaction cost for accreditation.
 - There were no new entities attracted to this RFP.
 - There was no coordination with other climate funds regarding the complementarity with similar efforts – for example, with the Adaptation Fund.
115. **The new EDA guidance, dated December 2020, is a great improvement to the TORs prepared in 2016.** These new guidelines, based on the TORs, will provide more clarity to the implementation of the existing RFP.
116. **The EDA is seen as having good potential to support the kind of local adaptation that is relevant and effective in SIDS, for example.** It offers an opportunity to work at the grass-roots level with local communities, indigenous populations and the local private sector, and to leverage traditional knowledge and practices on how to adapt to climate change. This RFP is closer to how DAEs normally work (e.g. on granting to local communities and CSOs). The majority of SIDS DAEs consulted during the evaluation were either considering or pursuing the EDA modality. EDA has considerable potential to deliver climate results at scale in country-driven approach and to accelerate investments in SIDS (based on the IEU evaluation of the GCF experience in SIDS).
117. **The RFP underestimated the transaction cost of the entities implementing this model.** There are high transactions costs in both becoming accredited and implementing the EDA model. The burden is higher given that the RFP targeted entities that have, for the most part, less capacity than international entities. The entities would have to go through the accreditation process, which implies a large cost and hurdle that complicates their participation. Given that the national entities are expected to function as a financial intermediary, there are high transaction costs for them to bear. These originate in the fact that the entity has to ensure the availability of the internal capacity to use the EDA model as well as ensure the capacity of potential recipients which are likely to have minimal experience in applying/preparing proposals for financial support especially in climate change topics.

Recurring themes in interview data related to MFS

118. **The MFS allowed the GCF to attract private sector proposals that might not otherwise have come through existing AEs.** However, the involvement of those private sector actors was generally limited to the shortlisting of the CN, after which the accreditation process became too cumbersome to allow what would be a timely implementation of the selected projects. As a result, many of the original project sponsors were thus replaced by entities that were already accredited. The Secretariat connected those original CN sponsors who were not ready or willing to be accredited with AEs that were able to step in and process the CN to FP and Board approval.
119. **The number of CNs received far exceeded expectations.** This can be attributed to (1) explicitly stating in the TORs that eligibility extended to PSOs without prior accreditation; (2) the effective communication campaign to advertise the RFP beyond the usual target audience; (3) proactive reaching out by the GCF Secretariat to potential developers and sponsors; (4) funding per project was expected to be large; and (5) initial communication to proponents that the processing of proposals would be different than PAP (a feature about which the Board changed its mind afterwards).
120. **None of the approved projects were pure adaptation projects.** PSAG provided a recommendation that subsequently informed the MFS RFP to focus more on private sector in adaptation. This was not fulfilled.
121. **Ultimately, there was no real value added or incentive for going through the RFP for applicants,** given that the process was the same and that entities needed to be accredited to access the GCF funds.
122. **The quality of projects received varied greatly, in part due to the fact that proponents did not always have prior experience with GCF-type proposals.** However, some were excellent, and their high quality was attributed to a combination of innovative ideas and them being well communicated through the hiring of external consultants by PSO proponents that had no prior GCF experience to assist in messaging and presenting proposals in the GCF format.
123. **The GCF was not properly prepared to launch and implement this RFP.** The TOR did not require proponents to use any specific formats, the scorecards were insufficiently detailed, no process was established to facilitate accreditation as originally stated, and the Secretariat staff was insufficient to manage the large number of CNs received in various formats.

Recurring themes in interview data related to MSME

124. **This RFP responded to a real need in developing countries for funds targeting specifically MSMEs.** The currently approved projects cover four countries, of which none are LDCs or SIDS, despite this having been one of the RFP criteria and points of focus.
125. **The number of CNs received did not reach expectations** (30), and the number of approved projects remains low with only four FPs representing 30 per cent of the envelope. To increase the number, at least one project was sourced from the regular GCF pipeline and inserted in this RFP process.
126. **The TOR were unclear and presented several gaps.** Proponents were informed after submitting their CNs about the funding cap and the limit to the number of countries that could be covered. The mandatory requirement for an AE at the time of CN submission was not understood by many proponents, and the methodology for selecting projects was unclear.
127. **Ultimately, there was no value added/incentive of going through the RFP for proponents,** given that the process is the same as for the PAP. Moreover, as the envelope for the MSME was on the smaller side, it did not constitute a strong incentive for AEs. The review process was also similar, which is not compatible with the fact that these projects cannot identify at the FP stage all the MSMEs they will partner with.
128. **The quality of the projects received was deemed similar to regular proposals.**

Recurring themes in interview data related to REDD+ RBP

- 129. This RFP has enabled the GCF to respond, at least partially, to the UNFCCC request to provide adequate and predictable access to developing countries to REDD+ RBPs.** The process is relatively predictable, and several countries have obtained RBPs for their REDD+ efforts. Limits are related to the size of the envelope (which is nonetheless adequate for a pilot) and to the price set for carbon. Furthermore, the 2020 IEU *evaluation on ESS* states a few ways in which this RFP deviates from the requirements of the UNFCCC in the Warsaw Framework.
- 130. The REDD+ RBP RFP has not benefited a wide variety of countries, nor involved diverse AEs.** No GCF priority countries have benefited from this RFP (seven out of eight projects are in Latin America), and all AEs are large United Nations organizations. This is a direct reflection of the complexity of REDD+, the fact that it requires strong institutional capacities to be implemented and information and analysis that few countries have.
- 131. This RFP led to financing a portfolio of projects that could not have been funded by the GCF otherwise.** While REDD+ projects can be funded through the PAP and REDD+ readiness can be supported by the Readiness programme, RBPs required modifications to the project approval cycle to enable it to work for results that had already been achieved.
- 132. This RFP has tested and demonstrated the feasibility of a project approval process that is truly different from the PAP,** guided by detailed scorecards that enhance transparency, predictability and efficiency. The short CN in particular is an achievement as it focuses on specific eligibility criteria, leaving detailed design for the FP stage. Bringing in specialized expertise to support iTAP has also helped make the process smoother. A particular achievement of this RFP was to have enabled iTAP to assess the proposals based on the specific features of the RFP, including a lighter-touch review of the use of the proceeds.
- 133. The effectiveness and efficiency of the REDD+ RBP RFP was facilitated by several external factors that could make replication to other topics challenging.** This includes:
- The extensive pre-existing normative framework on REDD+, and its relative alignment with that of the GCF (e.g. in terms of the focus on ESS)
 - The work conducted by countries and by other stakeholders for over a decade
 - The specific, technical expertise of AEs involved
- 134. This RFP is likely to generate outcomes that go beyond one-off projects – namely, (1) the demonstration to developing countries that REDD+ can effectively yield RBPs, and (2) lessons for countries and organizations about implementing RBPs.**

Chapter VIII. CONCLUSIONS

135. The following chapter outlines the nine key conclusions from the assessment. To reiterate here, this is not a comprehensive assessment of each of the themes addressed by the four RFPs but rather the examination of how each of the RFPs was developed, implemented and closed. The key conclusions respond to the following key review areas: the GCF mandate and strategy, the GCF business model, the GCF operations and processes, and the results and learning from the RFPs. Next to a range of interviews and an extensive review of GCF documents, the assessment includes a survey of RFP good practices. This chapter discusses the conclusions based on two aspects: RFPs as a modality and mechanism, as well as RFPs as a tool for targeted project/programme generation.

1. RFPs AS A MODALITY

136. **Conclusion I: The RFPs are not able to address shortcomings of the GCF business model. The implementation of the RFPs (from CN application to Board approval and to implementation) did not succeed at overcoming the shortcomings of the GCF business model to make it more accessible to national entities and the private sector.** The four RFPs have allowed the GCF to provide additional financing on these themes. The proposals generated through the PSF RFPs could well have been financed through regular GCF funding, but these RFPs increased public awareness. They also increased the focus on the type of partners for addressing climate change to whom the GCF has been less attractive in the past. Unfortunately, the GCF could generally not attract new partners through RFPs, except the RFP REDD+ RBP, which provides a good experience on how the GCF was able to adapt to the needs of the theme and the partners.
137. As an alternative mechanism to generate projects/programmes, RFPs had the potential to overcome shortcomings of the GCF business model and internal processes, including the delays and hurdles of the accreditation process, and the lengthy and unpredictable project approval process. Unfortunately, in the end, the RFPs did not result in additional national entities or private sector entities partnering with the GCF. The business model has not been solutions-driven, particularly with respect to how different actors work in the system. The RFP project cycle is similar to the PAP, but involves additional requirements, making the RFP project cycle longer and more complex. The differences between the RFP project cycle and the PAP are essentially located in the first stages of the process, which starts with the preparation, launching and dissemination of the RFP. Key differences are noted in the preparation and revision of the CN, although in most cases this step involves the need to demonstrate compliance with the specific RFP requirements in addition to submitting a regular CN. The REDD+ process is the only one that is fundamentally different from the PAP and from other RFPs, since these proposals are submitted on a special template and assessed based on a specific scorecard. This has been reflected in the processing time, which is also shorter than the other RFPs. This demonstrates the benefits and the possibilities related to finding different processes to approve projects.
138. **Conclusion II. The RFPs did not provide an incentive to proponents regarding the project cycle or accreditation.** New entities interested in accessing the Fund through an RFP had to respond to the RFP by preparing the CN and the FP while seeking accreditation at the institutional level. RFPs did not provide any fast track to accreditation (even though this was part of the MFS TORs) which would have made more projects able to access funds through the RFPs, provided an incentive for new entities to become involved with the GCF, and ultimately helped respond to climate finance needs faster. Indeed, the RFPs add an extra step to the PAP project cycle, given that CNs are not currently mandatory for the PAP. Furthermore, responding to RFPs entailed having to

provide additional justifications than a regular CN would have required. Funding caps also limited interest from potential proponents, especially given the complexity of the process. Furthermore, key issues for proponents are the unclear eligibility criteria, the complexity of the process, and their organization's limited capacity to engage in the process. The low uptake of RFPs is a missed opportunity for SIDS since the RFPs have been ineffective in generating FPs in SIDS. The RFP EDA has good potential to support the kind of local adaptation that is relevant and effective in SIDS.

- 139. Conclusion III: There is no RFP modality and mechanism *per se* established at the GCF but rather four individual RFPs.** RFPs, as a modality and mechanism, did not have clear objectives, and neither the Board nor the Secretariat provided guidance on how to undertake them or any lessons from other experiences. The Secretariat leveraged the opportunity of designing each of the RFPs in a different way. This is a good practice since multiple elements must be considered when designing each RFP, including the theme, the targeted proponents and the specific complexity related to targeting financial instruments or approaches. The problem was that the initial three RFPs lacked some clarity on these crucial elements, particularly the “why” (e.g. objective and purpose) of the RFP. The REDD+ RFP, since it focused on a very specific and technical topic, was able to provide more concrete information. There is evidence that the TORs improved over time and some of the missing elements were incorporated. Three concrete examples are (a) the improvements in clarity on requirements and expectations put forward in the REDD+ RBP TORs, (b) new guidelines of the EDA, and (c) the delay of the fifth RFP on climate technology, based on the experience that inherent shortcomings in the GCF business model need to be addressed before a new RFP is launched. The Fund has no particular way to measure or a framework in place to inform the learning from innovations within pilot programmes. While adequate flexibility in the design of the RFPs can be observed, flexible frameworks and indicators for monitoring and reporting were not always observed.

2. RFPs AS A TOOL FOR TARGETED PROJECT/PROGRAMME GENERATION

- 140. Conclusion IV: Although these are not selected systematically (refer below), the selected topics of the RFPs are relevant to the GCF mandate and the countries' needs. Each project under the RFPs is responsive to country ownership, recipient needs and GCF policies, and follows GCF operations and processes. The RFPs generally provided the GCF with a tool for targeted project generation, but the RFPs were not used effectively.** Each project under the RFPs is responsive to national priorities and plans and to the vulnerabilities and barriers to climate finance identified; follow the same GCF operations and processes; and are coherent with the GCF policies. However, given this coherence, the RFPs present a limited added value to the GCF overall.
- 141.** The GI, ISP and USP identify strategic priorities for the Fund, referring to partners, groups of countries and themes. The EDA, MFS and MSME RFPs show direct links to these strategic priorities of the Fund, while the REDD+ RBP links to a direct mandate from the UNFCCC. The RFPs are strategically targeted and, to different degrees, have allowed GCF funds to be strategically dedicated to priority issues for the GCF.
- 142.** FPs developed through the RFPs follow the regular PAP and SAP. The Secretariat and iTAP use no specified investment criteria for the project appraisal process. For instance, country ownership as an investment criterion was assessed high for projects under the four RFPs, as they follow the regular funding proposal review process by the iTAP and Secretariat. Country ownership as a principle is

directly recognized by only two of the four RFPs: EDA and REDD+ RBP.⁵³ For both, the approved FPs utilize existing national institutions, financial mechanisms, and processes and procedures, providing additional coherence at country level that may improve efficiency during implementation. The ToRs of the MFS and EDA RFPs explicitly referred to gender. Complementarity with other ongoing relevant initiatives by other climate funds has been mixed.

- 143. Conclusion V: The RFP operations do not fully reflect the generally available good practices. This hindered the efficiency of the processes.** Among the elements that were missing are clear guidelines and definitions (EDA), definitions of ratings for scorecards (MSME, MFS), and predictable and transparent information about response times, funding caps, eligibility thresholds, or required information in proposals and plans and strategy for business continuity. These missing elements required additional efforts both for proponents to seek additional clarity on their own and for the Secretariat to retroactively respond to questions from proponents. One common element among all of them was that the proposals had to follow the regular PAP or SAP processes and had to comply with all GCF policies. Given these additional layers of the RFP on the regular PAP process, the predictability of the funding opportunities was often very limited. On the other hand, clear TOR, guidelines, online information and consultations while preparing RFPs help make the process more effective and efficient. This is demonstrated by the REDD+ RBP RFP and the more recent experience of EDA RFP. With a limited team, but effective communication and TORs that enabled high predictability, the REDD+ RBP RFP has the highest number of projects approved in the shortest time. Whereas all RFPs have different levels of precision in their TOR, all have been considered as yielding relevant projects for the GCF and for the needs of the country, regardless of their level of flexibility. Experience from other organizations indicates that there are no standards across them on how to launch or conduct an RFP, but that clear TOR are a common feature to most RFPs.
- 144.** There are no further specifications on the business continuity or exit strategies of RFPs. RFP implementation has little relevance for learning, scaling and replication. The four RFPs were approved as pilot programmes by the Board. The piloting of projects is generally deployed to allow for the learning from implementation challenges, through testing, monitoring and learning from the implementation of innovative and risky project ideas. For instance, the presence of unsuccessful projects could provide further valuable learning and prerequisite for innovation for future climate adaptation and mitigation solutions. However, successful piloting also requires further planning and strategy for business continuity and scaling opportunities as one typical exit strategy after a pilot phase. The reports to the Board with updates on the RFPs are limited in scope and content; they generally do not provide information on the expectations for pilot programmes, insufficiently focus on lessons learned and lack clarity on particular exit plans or strategies.
- 145. Conclusion VI: The objective of RFPs to help fill gaps in climate change financing landscape is not fully achieved. There is no clear linkage observed between the RFPs launched and the portfolio gap analysis.** The assessment could not find any evidence that the RFPs are clearly linked to the portfolio gap analysis done at the GCF during the IRM period. Although several discussions took place during the Board meetings regarding how the GCF identifies the potential investment priority areas and uses RFPs for addressing them, there is direct linkage. The objective of RFPs to help fill gaps in the climate change financing landscape is not fully achieved. As indicated above, there was no process to identify these gaps and then strategically decide which ones to select. The topics were identified Secretariat staff/ PSAG and then discussed and approved by the Board rather

⁵³ The concept of country ownership is directly expressed in the RFP EDA and in the specific template of the RFP REDD+ RBP. The RFP EDA, MFS and MSME also follow the standard CN template for the PAP and SAP process.

than going through a transparent and strategic process of identifying these financing gaps. In addition, one of the RFPs, REDD+ RBP, responds to a request from the UNFCCC even though other actors (the World Bank, the GEF, the Government of Norway, national governments, etc.) were or are already providing funding for REDD+ RBPs, in a move to push for large scale, adequate and predictable RBPs. The other three RFPs were selected to respond to shortcomings in the GCF business model: access to the GCF by direct access entities and by the private sector. Furthermore, the approved financial allocations to each of the RFPs were based on availability of funding at the GCF rather than on the actual financial gap. The RFPs were supposed to be pilots where ideas would be tested and learned from, and it could not be expected that they would fully address existing climate finance gaps.

146. On the other hand, the approved projects generated by the RFPs are considered to respond to country priorities, which may be argued represent gaps in national financing. Whether they address actual finance gaps in countries was not assessed by the team and thus cannot be concluded, since the assessment focuses on the RFP level rather than project level.
147. **Conclusion VII: The human and finance resources used for developing and implementing the RFPs are not sufficient and are uneven.** The teams working on these RFPs were small, with only a few part-time staff dedicated to them. The Secretariat was not sufficiently prepared to develop and implement these RFPs. In the case of MFS, the efforts came from across the entire Secretariat, which was a good practice, but it took a lot more resources than anticipated (particularly due to the high number of responses). The new team assigned to work on the EDA has demonstrated how additional resources can be highly beneficiary to the effectiveness of RFPs. Indeed, the team has conducted consultations on developing TORs/guidelines and is providing enhanced support to proponents, particularly to entities that are national, with capacity limitations. The REDD+ team demonstrated the need for specialized technical capacity to be able to respond to the technical issues brought up by proponents. The resources deployed to promote and communicate about the RFPs were uneven. The Secretariat used its own networks and existing events to promote the RFPs.
148. Given that the topics were very specific in each of the RFPs, mostly following different models (e.g. EDA, REDD+) or working with different entities to the most common ones (e.g. private sector), the Secretariat, Accreditation Panel and iTAP applied the one-size-fits-all approach to three of the RFPs, reviewing the RFPs as if they were PAP. The lack of a streamlined assessment approach rendered the Secretariat and iTAP ill equipped to assess the specific features of the RFPs, leading to insufficient and uneven implementation. Their reviews did not take into account the specific topics of the RFPs except for REDD+, for which REDD+ experts were used to support the iTAP reviews.
149. **Conclusion VIII: The low number of approved projects limits the potential impacts of the GCF in these areas. Learning opportunities from the design, appraisal and implementation phases are very limited, due to the lack of specific knowledge management and results management.** The number of projects approved for three out of four RFPs has been lower than expected, which further limits the potential impact of the GCF for those themes. The four RFPs generated 18 projects, which represents 10 per cent of the total number of projects approved to date by the GCF and 65 per cent of the allocation for the four RFPs (this proportion decreases to 44 per cent if the REDD+ RBP is excluded, as it has basically used up all of the allocation). The low number of projects approved reduces the potential impact.

Learning opportunities from the design, appraisal and implementation are very limited. Two out of four RFP have provided inputs on the expected learning dimension from these pilots but the learning is insufficient. The RFPs have not brought real-time learning through specific results measurement nor a particular design for knowledge management. The four RFPs were approved as pilot

programmes by the Board. There was an expectation mentioned in the TORs that each of the RFPs would be assessed to extract lessons about both their topic and the process. The midterm review conducted for the REDD+ RBP RFP fulfilled this expectation by providing detailed lessons and options for the way forward, and the self-assessment conducted for the EDA RFP resulted in the development of new and improved guidance. The Secretariat's reviews were also conducted for the two PSF RFPs but contained limited lessons and recommendations for improvements and did not involve consultations. The reports to the Board with updates on the RFPs are short relative to what would have been expected for pilot programmes, with insufficient focus on lessons that could be relevant to other parts of the GCF or the RFP itself. Furthermore, the update reports on pilot programmes lack guidance on the business continuity, exit plan or strategy for sustainability. The approval of REDD+ RBP projects is currently suspended, after the initial budget envelope for the pilot programme was fully committed by the eight approved projects through the RFP. This assessment could be considered part of this learning process but not a substitution, especially as it does not focus on the technical aspects of the RFP topics

- 150. Conclusion IX. To date, the RFPs have not achieved significant outcomes due to the limited size of the current portfolio and early stages of the projects. The achievement of the RFPs will be largely limited to those of each individual project.** There has been no leadership or experience sharing with other organizations regarding the topics selected for the RFPs reducing their potential impacts. Given the limited complementarity and coherence engagement with other organizations, the potential impacts are also reduced. In the case of REDD+, its experience has contributed to demonstrating the feasibility, as well as the challenges, for countries to reap the benefits of their REDD+ efforts, which may contribute to further incentivizing countries to advance their REDD+ process.

Chapter IX. RECOMMENDATIONS

151. This assessment recommends that the GCF consider the following categories of actions: process level short-term, modality level medium-term and strategic long-term.

I. PROCESS LEVEL SHORT TERM

152. **Recommendation 1. The GCF should continue to consider RFPs as a tool for targeted project/programme generation and focus investments on specific themes. This would require clear articulation of the purpose and objectives of the RFP, and a shared understanding of the limitations of the RFP process.** Potential objectives could include the following:
- To promote projects in specific areas of strategic priority, for instance, the private sector, DAEs, or adaptation
 - To foster innovation or promote scaling up of proven approaches or ideas
 - To complement other funding (also outside the GCF)
153. **Recommendation 2. Regarding the selection of topics for RFPs, the GCF should follow a transparent and strategic approach to identify future topics and themes** that respond to global needs on climate change financing and address GCF portfolio gaps, as well as systematically address the GCF's strategic parameters, portfolio allocations and targets. There is an opportunity, from an overall programming objective of the GCF, to target areas where there is undersupply of proposals, as a way to proactively manage pipelines and portfolios against expected outcomes specified in strategic plans or other relevant strategies. **Selection of topics for RFPs should be evidence based and have clear linkage with prior analyses. Such analyses could include, among others, a portfolio gap analysis, stakeholder analysis, market analysis and portfolio performance prediction.**
154. **Recommendation 3. The GCF Secretariat should consider designing a standardised RFP process based on universally recognized good practices and on a theory of change with well-defined assumptions. The RFPs at the GCF should improve their predictability, transparency and consistency as well as incentivize the participation of the right actors.** There is a need to find a balance between being prescriptive in approaches and processes for topics that are well researched with proven evidence of success. The assessment recommends that the RFPs should clearly identify the following characteristics:
- **Define budgetary considerations:** The funding caps per project, so that proponents understand the level at which proposals should be designed from a financial point of view.
 - **Ensure predictability of the RFP project cycle:**
 - The type of support the proponents will get in the process of applying and once they are shortlisted.
 - Whether the CNs/FPs will follow the regular project cycle or a special path.
 - The monitoring and evaluation process.
 - **Define review process:** The criteria or scorecard, which should be listed and defined in the announcement along with the weight that each of the criteria will have in the score to move on to the next step. These eligibility criteria should reflect all of the GCF's expectations.
 - **Define target audience:** The targeted proponents, including the eligibility criteria.
 - **Provide thematic specificity:** The thematic focus or topic of the RFP.

II. MODALITY LEVEL MEDIUM-TERM

155. **Recommendation 4. The GCF should consider institutionally establishing the RFP as a modality.** To do this, the GCF should define systematic processes and frameworks for the RFPs, from design, implementation, to management for results. **When establishing the RFP modality, the GCF Secretariat should prepare internal guidance on how to prepare RFPs.** Such guidance may be used by different teams for future RFPs as well as to provide clarity and transparency to proponents. Some of the elements or good practices are already under implementation by some of the RFPs issued by the GCF so far, but not consistently across all RFPs. The new guidelines for the RFP REDD+ RBP and RFP EDA are good practices that should be used for developing the guidance document.
156. **Recommendation 5. The GCF Secretariat should identify an internal structure to centrally coordinate, review and appraise the design and implementation of RFPs.** It would make sense that this structure is part of the strategy team to ensure that this modality and the selected topics fully fit with the implementation of the GCF's strategic plans. This group should provide guidance to the rest of the Secretariat on good practices, ensure that they are followed and oversee the quality of RFPs as well as ensure that the topics are relevant. Technical groups within the Secretariat should still identify and manage the RFPs, but the central group should be the custodian of the modality and play a technical backstopping role on RFPs.

III. STRATEGIC LEVEL LONG-TERM

157. **Recommendation 6. The GCF should assess and clarify the purpose and use of RFP in relation to the business model. This would clarify prevalent assumptions regarding the modality** – for example, its role to improve access to a specific target population of institutions that are considered important for the GCF to fulfil its mandate. Furthermore, the GCF needs to consider how the RFP relates to other modalities for programming with the GCF, such as SAP and PAP. The GCF should also consider how the RFP relates business model frameworks, such as accreditation and investment frameworks. If the RFPs are identified as a means to resolve challenges in the business model, the design of RFP process would require corresponding changes.
158. **Recommendation 7. The GCF should use RFPs to emphasize its convening power in the climate change finance space by focusing attention to particular topics and themes as well as emphasizing its complementarity and coherence principles.** The GCF should partner with other relevant institutions and activities, internal and external to the GCF. This proactive use of RFPs to expand or create partnerships should increase the potential impact of the GCF funding.
159. **Recommendation 8. The RFPs should improve the GCF business model to provide incentives for the proponents to come forward to participate in and increase the effectiveness of RFP as a modality.** Such incentives may include the following:
- Technical support, particularly to those proponents that do not have experience with the GCF. The GCF should consider simplifying access to RPSP and PPF for those applying through RFPs or providing tailor-made technical capacity from the Secretariat similar to the work that the SAP team is doing on supporting certain entities.
 - Simplify the accreditation process. This could involve operationalization of the PSAA, currently approved in-principle by the Board, or other means of facilitating the access of new entities to the GCF.

- Aligning the Secretariat and iTAP reviews to the relevant topic of the RFP (following the example of the REDD+, for example).
- Fast-tracking the processing of the proposals, making a clear difference in the use of the RFP versus the PAP.

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ANNEXES

Annex 1. TERMS OF REFERENCE

Annex 2. ASSESSMENT MATRIX

AREAS OF ASSESSMENT	DATA-COLLECTION METHODS	DATA SOURCES	DATA ANALYSIS METHODS
1. Description of the RFP Modality			
1.1. What is the strategic objective of the GCF RFP Modality? What are the objectives of the four pilot programmes?	<ul style="list-style-type: none"> Document review Interviews with stakeholders (Secretariat staff and Board members) 	<ul style="list-style-type: none"> RFP documents Board decisions Interview notes 	<ul style="list-style-type: none"> Comparison between official documents and other sources
1.2. How did the GCF operationalize the RFP Modality: TOR for each of the four RFPs; eligibility criteria for projects; campaigns and communication strategies; level of responses, expected outputs outcomes, etc.	<ul style="list-style-type: none"> Document review Interviews with stakeholders Online perception survey 	<ul style="list-style-type: none"> GCF documents Board decisions RFP documents Survey responses 	<ul style="list-style-type: none"> Mapping of the processes
1.3. What is the current RFP portfolio for each of the four RFPs?	<ul style="list-style-type: none"> DataLab internal data sets 	<ul style="list-style-type: none"> DataLab 	<ul style="list-style-type: none"> Quantitative analysis of RFP pipeline and portfolio
2. Relevance			
2.1. How relevant is the RFP Modality to the ISP, the USP and to the overall theory of change (ToC) of the GCF?	<ul style="list-style-type: none"> Document review Interviews with stakeholders (Secretariat staff, Board members, CSO and PSO representatives) Online perception survey 	<ul style="list-style-type: none"> Governing Instrument Board decisions Interview notes Online survey data 	<ul style="list-style-type: none"> Qualitative Assessment of documents review, interviews and online survey perceptions ToC of the modality
2.2. How relevant are the four pilot RFPs to the needs and priorities of the countries?	<ul style="list-style-type: none"> Document review Interviews with stakeholders (NDAs, country CSO/PSO, AEs) 	<ul style="list-style-type: none"> Proposal and projects documentation Country policy documents Interview notes 	<ul style="list-style-type: none"> Deep dive study
3. Implementation			

AREAS OF ASSESSMENT	DATA-COLLECTION METHODS	DATA SOURCES	DATA ANALYSIS METHODS
3.1. How smooth was the implementation of the RFP Modality? Were there any bottlenecks/challenges during implementation?	<ul style="list-style-type: none"> Document review Interviews with the Secretariat, iTAP, independent units, AEs, accreditation candidates (project proponents), NDAs, CSO/PSO representatives, with focus on those with direct experience with both the process through the RFP Modality and the regular process DataLab internal data sets Online perception survey 	<ul style="list-style-type: none"> Secretariat documents Interview notes DataLab Online survey data 	<ul style="list-style-type: none"> Qualitative and quantitative Assessment of documents review, data set, interviews and online survey perceptions
3.2. Have the projects approved through the RFP Modality so far met the overall remit of the Board approved requirements?	<ul style="list-style-type: none"> Reviews of project documents DataLab internal data sets Interviews with Secretariat (OGC, OPM, ORC, DCP, DMA, PSF), iTAP, independent units, AEs, NDAs, with focus on those with direct experience with RFP, Board members or alternates 	<ul style="list-style-type: none"> Board decisions, project documents, Secretariat and iTAP reviews DataLab, IPMS/PPMS, Interview notes Online survey data 	<ul style="list-style-type: none"> Deep dive study: Review of project documents, including reviews by Secretariat and iTAP Portfolio and pipeline analysis
3.3. How does the project cycle (e.g. preparation, review, approval and disbursement) for the proposals and projects approved through the RFP compare with those of regular FPs?	<ul style="list-style-type: none"> Document review DataLab internal data sets Interviews with Secretariat (OGC, OPM, ORC, DCP, DMA, PSF), iTAP, independent units, AEs, accreditation candidates (project proponents), NDAs, with focus on those with direct experience with both the process through the RFP modality and the regular process Online survey 	<ul style="list-style-type: none"> Board decisions, Secretariat reports to Board, Board documents, other Secretariat documents on implementation modalities, project documents, time stamps DataLab Interviews notes Online survey data 	<ul style="list-style-type: none"> Deep dive study: Qualitative and quantitative comparison of project cycles (RFP and non-RFP) and level of reviews
3.4. How do the proposals and projects approved through RFPs differ (e.g. objectives, cost, sectors, geographic distribution, expected results, investment criteria, expected sustainability, etc.) compared with the	<ul style="list-style-type: none"> Document review DataLab internal data sets 	<ul style="list-style-type: none"> Board decisions, Secretariat documents (especially guidance documents) Interview notes 	<ul style="list-style-type: none"> Deep dive study: Qualitative assessment of documents review, interviews and

AREAS OF ASSESSMENT	DATA-COLLECTION METHODS	DATA SOURCES	DATA ANALYSIS METHODS
rest of the GCF pipeline and portfolio?		<ul style="list-style-type: none"> DataLab 	<ul style="list-style-type: none"> online survey perceptions Portfolio and pipeline analysis
3.5. To what extent has the RFP modality been effective? What were the outcomes of the RFP modality beyond individual projects?	<ul style="list-style-type: none"> Document review Interviews with Secretariat, iTAP, AEs, NDAs Online survey 	<ul style="list-style-type: none"> Board decisions, Secretariat reports to the Board Interview notes Online survey data Previous findings 	<ul style="list-style-type: none"> Qualitative assessment based on: (i) findings from previous questions, and (ii) review against the ToC
4. Value added of RFP			
4.1. Accessibility: Does the RFP modality improve access to the GCF for a wide range of proponents? Has the RFP modality attracted new potentially eligible proponents?	<ul style="list-style-type: none"> Document review DataLab internal data sets Interviews with Secretariat (OGC, OPM, ORC, DCP, DMA, PSF), iTAP, independent units, AEs, accreditation candidates (project proponents), NDAs, CSO/PSO representatives, with focus on those with direct experience with both the process through the RFP modality and the regular process Online perception survey 	<ul style="list-style-type: none"> Project documents, portfolio and pipeline data, Board reports, annual performance reports (for projects approved both through RFP and the regular process) Interview notes Online survey responses DataLab 	<ul style="list-style-type: none"> Qualitative and quantitative Assessment of documents review, data set, interviews and online survey perceptions Portfolio and pipeline analysis
4.2. Country ownership: Is the RFP modality responding to the needs of countries? Does it enable a country-driven approach?	<ul style="list-style-type: none"> Document review DataLab internal and external data sets Interviews with Secretariat staff (DCP, DMA, PSF), iTAP, NDAs, Board members or alternates, CSO/PSO representatives 	<ul style="list-style-type: none"> Documents on national priorities (country programmes, NDCs, other), project documents Interview notes Online survey DataLab 	<ul style="list-style-type: none"> Qualitative analysis on alignment with the country programme, NDCs and other climate change strategies at the country level
4.3. Coherence: How well does the RFP complement other types of GCF	<ul style="list-style-type: none"> Document review 	<ul style="list-style-type: none"> Board decisions and Secretariat reports 	<ul style="list-style-type: none"> Qualitative analysis on potential overlaps

AREAS OF ASSESSMENT	DATA-COLLECTION METHODS	DATA SOURCES	DATA ANALYSIS METHODS
project processing modalities (internal coherence) and other multilateral entities and country priorities (external)?	<ul style="list-style-type: none"> Interviews with Secretariat, external stakeholders (multilateral entities), and NDAs Online survey 	<ul style="list-style-type: none"> Interview notes Online survey responses 	and complementarities between RFP and other modalities
4.4. Gender equity: How well does the RFP modality promote the GCF gender policy?	<ul style="list-style-type: none"> Document review Interviews with Secretariat, Board members or alternates, CSO/PSO representatives AEs Online survey 	<ul style="list-style-type: none"> Gender policy, Board decisions, Secretariat reports, Secretariat documents (especially guidelines), project documents Interview notes Online survey responses 	<ul style="list-style-type: none"> Qualitative analysis on the extent of application of the GCF gender policy
5. Lessons from good practices			
5.1. What are the good practices from other organizations that could be relevant to the GCF?	<ul style="list-style-type: none"> Document review Interviews with other organizations 	<ul style="list-style-type: none"> Documents from other organizations Interview notes 	<ul style="list-style-type: none"> Review of good practices
5.2. What did the GCF learn from its own experience with RFPs and how were these lessons incorporated into the next series of RFPs?	<ul style="list-style-type: none"> Document review Interview with GCF Secretariat Interview with stakeholders of the GCF ecosystem 	<ul style="list-style-type: none"> Documents from other organizations Interview notes 	<ul style="list-style-type: none"> Review of GCF documents
6. Learning to improve			
6.1. What lessons from the pilot could be transferred to the rest of the GCF?	<ul style="list-style-type: none"> Document review Interviews with Secretariat, iTAP, independent units, AEs, accreditation candidates (project proponents), NDAs, CSO/PSO representatives, with focus on those with direct experience with both the process through the RFP Modality and the regular process Online survey 	<ul style="list-style-type: none"> Secretariat documents Interview notes Online survey data 	<ul style="list-style-type: none"> Qualitative and quantitative assessment of documents review, data set, interviews and online survey perceptions

Annex 3. DETAILS ABOUT EACH OF THE RFPs

EDA

Active approved projects:

Two projects have been approved under the EDA RFP pilot programme. Both projects are public sector managed by DAEs. The projects are under implementation financed with grants.

ACCREDITED ENTITY	PROJECT SIZE	GCF VULNERABLE GROUP	THEME	RESULT AREAS	COUNTRIES LIST	GCF FINANCING (USD)	REGIONS LIST
FP024: Empower to Adapt: Creating Climate-Change Resilient Livelihoods through Community-Based Natural Resource Management (CBNRM) in Namibia							
EIF	Micro	Africa	Adaptation	VC, HW, IB, EE	Namibia	10,000,000	Africa
FP061: Integrated physical adaptation and community resilience through an enhanced direct access pilot in the public, private, and civil society sectors of three Eastern Caribbean small island developing States							
DOE_ATG	Small	SIDS	Adaptation	VC, IB, EE	Antigua and Barbuda, Dominica, Grenada	20,000,000	Latin America and the Caribbean

Note: VC: Livelihoods of people and communities | HW: Health, food, and water security | IB: Infrastructure and built environment | EE: Ecosystems and ecosystem services

Active pipeline projects:

The summary of the active pipeline projects. Two projects are multi-county, and the rest are single country. The cumulative requested GCF commitment is USD 152,519,167.

Number of projects	8	Project size	5 Small 2 Micro 1 NA
Sector	All Public	Theme	1 Mitigation 3 Cross-cutting 4 Adaptation
Region	2 Africa 3 LAC 3 Asia-Pacific	Financial instruments	8 Grants 1 Results-based payment
GCF vulnerable group	2 African States 3 SIDS 3 LDCs	Scheme	5 Project 3 Programme
AE type	All DAE	Result areas	1 EP; 6 HW; 2 BA; 7 VC; 3 FL; 6 IB; 6 EE

Note: EP: Energy generation and access | HW: Health, food, and water security | BA: Buildings, cities, industries and appliances | VC: Livelihoods of people and communities | FL: Forest and land use | IB: Infrastructure and built environment | EE: Ecosystems and ecosystem services

MSME

Active approved projects:

Three projects have been approved under the MSME RFP pilot programme. All projects are private sector and classified as programmes managed by a DAE and two IAEs. Two projects are under implementation financed with grants, senior loans, equity and guarantees. One project is pending legal opinion.

ACCREDITED ENTITY	PROJECT SIZE	GCF VULNERABLE GROUP	THEME	RESULT AREAS	COUNTRIES LIST	GCF FINANCING (USD)	REGIONS LIST
FP028: MSME Business Loan Programme for GHG Emission Reduction							
XacBank	Medium	None	Mitigation	EP, BA	Mongolia	20,000,000	Asia-Pacific
FP048: Low Emissions and Climate Resilient Agriculture Risk Sharing Facility							
Inter-American Development Bank (IDB)	Medium	None	Cross-cutting	FL, VC, HW, EE	Guatemala, Mexico	20,000,000	Latin America and the Caribbean
FP114: Programme on Affirmative Finance Action for Women in Africa (AFAWA): Financing Climate Resilient Agricultural Practices in Ghana							
African Development Bank	Small	Africa	Cross-cutting	EP, FL, VC, HW, EE	Ghana	20,000,000	Africa

Note: VC: Livelihoods of people and communities | HW: Health, food, and water security | EP: Energy generation and access | FL: Forest and land use | EE: Ecosystems and ecosystem services | BA: Buildings, cities, industries and appliances

Active pipeline projects:

The summary of two active pipeline projects. Both projects are single country. The cumulative requested GCF commitment is USD 38,000,000.

Number of projects	2	Project size	2 Small
Sector	All Private	Theme	1 Cross-cutting 1 Adaptation
Region	2 Asia-Pacific	Financial instruments	1 Grants 1 Reimbursable grant 1 Guarantees 1 Senior loans
GCF vulnerable group	1 LDCs	Scheme	All Project
AE type	1 DAE 1 NA	Result areas	1 EP; 2 HW; 1 BA; 2 VC; 1 FL;

Note: EP: Energy generation and access | HW: Health, food, and water security | BA: Buildings, cities, industries and appliances | VC: Livelihoods of people and communities | FL: Forest and land use

MFS

Active approved projects:

Five projects have been approved under the MFS RFP pilot programme. All projects are private sector managed by IAEs. Two projects are pending the first disbursement, financed with equity and grants. One project is under implementation, financed with equity. Two more projects are pending legal opinion financed with grants, equity and subordinated loans.

ACCREDITED ENTITY	PROJECT SIZE	GCF VULNERABLE GROUP	THEME	RESULT AREAS	COUNTRIES LIST	GCF FINANCING (USD)	REGIONS LIST
<i>FP115: Espejo de Tarapacá</i>							
MUFG_Bank	Large	None	Cross-cutting	EP, VC, HW	Chile	60,000,000	Latin America and the Caribbean
<i>FP128: Arbaro Fund – Sustainable Forestry Fund</i>							
MUFG_Bank	Medium	SIDS, Africa	Mitigation	FL	Ecuador, Ethiopia, Ghana, Paraguay, Peru, Sierra Leone, Uganda	25,000,000	Africa, Latin America and the Caribbean
<i>FP151: Global Subnational Climate Fund (SnCF Global) – Technical Assistance (TA) Facility</i>							
IUCN	Large	SIDS, LDC, Africa	Mitigation	EP, BA, FL	See below	18,500,000	Africa, Asia-Pacific, Eastern Europe, Latin America and the Caribbean
Country list: Albania, Bahamas, Brazil, Burkina Faso, Cambodia, Cameroon, Chile, Costa Rica, Cote d'Ivoire, Democratic Republic of the Congo (the), Dominica, Dominican Republic (the), Ecuador, El Salvador, Fiji, Gabon, Guatemala, Guinea, Haiti, Honduras, Indonesia, Jamaica, Jordan, Kenya, Lebanon, Mali, Mauritania, Mexico, Montenegro, Morocco, Mozambique, Myanmar, Nigeria, North Macedonia, Panama, Rwanda, Senegal, South Africa, Togo, Tunisia, Uganda, Uruguay							
<i>FP152: Global Subnational Climate Fund (SnCF Global) – Equity</i>							
PCA	Large	SIDS, LDC, Africa	Mitigation	EP, BA, FL	See above	150,000,000	Africa, Asia-Pacific, Eastern Europe, Latin America and the Caribbean
Country list: Albania, Bahamas, Brazil, Burkina Faso, Cambodia, Cameroon, Chile, Costa Rica, Cote d'Ivoire, Democratic Republic of the Congo (the), Dominica, Dominican Republic (the), Ecuador, El Salvador, Fiji, Gabon, Guatemala, Guinea, Haiti, Honduras, Indonesia, Jamaica, Jordan, Kenya, Lebanon, Mali, Mauritania, Mexico, Montenegro, Morocco, Mozambique, Myanmar, Nigeria, North Macedonia, Panama, Rwanda, Senegal, South Africa, Togo, Tunisia, Uganda, Uruguay							
<i>SAP013: Scaling Smart, Solar, Energy Access Microgrids in Haiti</i>							
NEFCO	Small	SIDS, LDC	Cross-cutting	EP, VC	Haiti	9,900,000	Latin America and the Caribbean

Note: VC: Livelihoods of people and communities | HW: Health, food, and water security | EP: Energy generation and access | FL: Forest and land use

Active pipeline projects:

The summary of 17 active pipeline projects. Eleven projects are multi-county, and the rest are single country. The cumulative requested GCF commitment is USD 1,862,850,000.

Number of projects	17	Project size	6 Large 7 Medium 4 Small
Sector	All Private	Theme	8 Mitigation 9 Cross-cutting
Region	9 Africa 4 LAC 8 Asia-Pacific	Financial instruments	13 Grants 2 Subordinated grants 7 Equity 5 Subordinated loans 2 Senior loans 4 Guarantees
GCF vulnerable group	9 African States 3 SIDS 10 LDCs	Scheme	5 Project 12 Programme
AE type	4 DAE 3 IAE 10 NA	Result areas	11 EP; 8 HW; 3 BA; 9 VC; 4 FL; 2 IB; 2 EE; 4 LT

Note: EP: Energy generation and access | HW: Health, food, and water security | BA: Buildings, cities, industries and appliances | VC: Livelihoods of people and communities | FL: Forest and land use | IB: Infrastructure and built environment | EE: Ecosystems and ecosystem services | LT: Transport

REDD+ RBP

Active approved projects:

Eight projects have been approved under the REDD+ RBP RFP pilot programme. All projects are public sector managed by IAEs. Five projects are under implementation and three projects are pending FAA effectiveness. Only one project is classified as a programme.

ACCREDITED ENTITY	PROJECT SIZE	GCF VULNERABLE GROUP	THEME	RESULT AREAS	COUNTRIES LIST	GCF FINANCING (USD)	REGIONS LIST
FP100: REDD+ results-based payments for results achieved by Brazil in the Amazon biome in 2014 and 2015							
UNDP	Medium	None	Mitigation	FL	Brazil	96,452,228	Latin America and the Caribbean
FP110: Ecuador REDD+ RBP for results period 2014							
UNDP	Small	None	Mitigation	FL	Ecuador	18,571,766	Latin America and the Caribbean
FP120: Chile REDD+ results-based payments for results period 2014-2016							
FAO	Medium	None	Mitigation	FL	Chile	63,607,552	Latin America and the Caribbean
FP121: REDD+ Results-based payments in Paraguay for the period 2015-2017							

ACCREDITED ENTITY	PROJECT SIZE	GCF VULNERABLE GROUP	THEME	RESULT AREAS	COUNTRIES LIST	GCF FINANCING (USD)	REGIONS LIST
UNEP	Small	None	Mitigation	FL	Paraguay	50,000,000	Latin America and the Caribbean
FP130: Indonesia REDD+ RBP for results period 2014-2016							
UNDP	Medium	None	Mitigation	FL	Indonesia	103,781,250	Asia-Pacific
FP134: Colombia REDD+ Results-based Payments for results period 2015-2016							
FAO	Small	None	Mitigation	FL	Colombia	28,208,123	Latin America and the Caribbean
FP142: Argentina REDD+ RBP for results period 2014-2016							
FAO	Medium	None	Mitigation	FL	Argentina	82,000,000	Latin America and the Caribbean
FP144: Costa Rica REDD+ Results-Based Payments for 2014 and 2015							
UNDP	Medium	None	Mitigation	FL	Costa Rica	54,119,143	Latin America and the Caribbean

Note: FL: Forest and land use

Active pipeline projects:

The summary of three active pipeline projects. All projects are single country.

Number of projects	3	Project size	All NA
Sector	All public	Theme	All mitigation
Region	All Asia-Pacific	Financial instruments	All RBP
GCF vulnerable group	1 LDCs 1 SIDS	Scheme	All project
AE type	All IAE	Result areas	All FL

Note: FL: Forest and land use

Annex 4. LIST OF PROJECTS APPROVED FROM THE FOUR RFPs

PROJECT ID	PROJECT NAME
FP024	Empower to Adapt: Creating Climate-Change Resilient Livelihoods through Community-Based Natural Resource Management (CBNRM) in Namibia
FP028	MSME Business Loan Programme for GHG Emission Reduction
FP048	Low Emissions and Climate Resilient Agriculture Risk Sharing Facility
FP061	Integrated physical adaptation and community resilience through an enhanced direct access pilot in the public, private, and civil society sectors of three Eastern Caribbean small island developing States
FP100	REDD+ results-based payments for results achieved by Brazil in the Amazon biome in 2014 and 2015
FP110	Ecuador REDD+ RBP for results period 2014
FP114	Programme on Affirmative Finance Action for Women in Africa (AFAWA): Financing Climate Resilient Agricultural Practices in Ghana
FP115	<i>Espejo de Tarapacá</i>
FP120	Chile REDD+ results-based payments for results period 2014-2016
FP121	REDD+ Results-based payments in Paraguay for the period 2015-2017
FP128	Arbaro Fund – Sustainable Forestry Fund
FP130	Indonesia REDD+ RBP for results period 2014-2016
FP134	Colombia REDD+ Results-based payments for results period 2015-2016
FP142	Argentina REDD+ RBP for results period 2014-2016
FP144	Costa Rica REDD+ results-based payments for 2014 and 2015
FP151	Global Subnational Climate Fund (SnCF Global) – Technical Assistance (TA) Facility
FP152	Global Subnational Climate Fund (SnCF Global) – Equity
SAP013	Scaling Smart, Solar, Energy Access Microgrids in Haiti

Annex 5. EVALUATION SCORECARDS FOR MFS, MSME AND REDD+

MFS

Mobilizing funds at scale request for proposals evaluation scorecard

PROJECT/PROGRAMME STANDARDS CRITERIA (60 PER CENT)	EVALUATION	SCORE
Appropriate activity (Pass/Fail) <i>i</i> The activity proposed in the programme must first and foremost fit the needs and states the priorities of the country/countries in which it will be undertaken. <i>ii</i> The activity must fall within the eight strategic impact areas of the GCF (see annex 3). <i>iii</i> The activity must mobilize private sector investment as an element of the programme itself, and the GCF contribution should not be restricted to preparation for future private sector investment.	Pass/Fail	Pass/Fail
Programme design (20 per cent) <i>i</i> A detailed strategy, backed by industry and market research, which outlines the rationale for the targeted activity and the project's viability <i>ii</i> The project/programme's ability to implement the proposed activities and deliver results in a timely manner <i>iii</i> Consultation with local stakeholders including CSOs, NGOs, and local government and private sector actors <i>iv</i> A theory of change, articulating how the impact of the programme will move the participating countries towards their climate change goals	Score (1= min; 20=max)	/20
Implementing entity readiness (10 per cent) <i>i</i> Implementing entities can be accredited with the GCF, work in partnership with entities accredited with the GCF, or intend to apply for accreditation. For those that intend to apply for accreditation, their current portfolio of work should reflect alignment with GCF policies and standards. <i>ii</i> The implementing entity must demonstrate an existing relationship with local private sector institutions with which it will be working and provide a track record for its activities in the targeted area. <i>iii</i> The implementing entity must show evidence of successful ability to use a range of financial instruments, and a track record demonstrating their work in the proposed area of activity.	Score (1= min; 10=max)	/10
Leverage (20 per cent) <i>i</i> For every USD 1 of GCF contribution, maximize the private sector investment <i>ii</i> For every USD 1 of public and/or non-profit contribution, maximize the private sector investment	Score (1=min; 20=max)	/20

PROJECT/PROGRAMME STANDARDS CRITERIA (60 PER CENT)	EVALUATION	SCORE
Minimum concessionality (10 per cent)	Score (1=min; 10=max)	/10
i Demonstrate that the request for GCF support entails the effective use of concessionality, and has considered the extent to which concessionality will flow to the end beneficiaries		
Total programme standards score		/60

IMPACT CRITERIA (40 PER CENT)	EVALUATION	SCORE
Regulatory reform or development (5 per cent)	Score (1=min; 5=max)	/5
i Will the programme prompt a positive change in the market or regulatory environment that will enable future investment into climate activity?		
Institutional capacity-building (5 per cent)	Score (1=min; 5=max)	/5
i Will the programme develop institutional capacity in local markets for further investments in climate activity?		
Innovation (5 per cent)	Score (1=min; 5=max)	/5
i Will the programme encourage innovative climate solutions?		
ii Will the programme include new financial products and services?		
Replicability and sustainability (5 per cent)	Score (1=min; 5=max)	/5
i Can this or a similar programme be replicated in the future, or continue beyond the investment period, without GCF participation?		
Crowding in new investors (5 per cent)	Score (1=min; 5=max)	/5
i Does the programme attract first time investors to climate activity or to the country?		
Overcoming barriers to entry (5 per cent)	Score (1=min; 5=max)	/5
i Is the programme located in vulnerable countries, including LDCs and SIDS?		
Social impact (5 per cent)	Score (1=min; 5=max)	/5
i Does the programme result in significant benefits to the bottom of the pyramid?		
ii Does the programme have a positive social impact, including gender considerations?		

IMPACT CRITERIA (40 PER CENT)	EVALUATION	SCORE
Efficiency of investment (5 per cent) i For mitigation, state the expected tons of carbon dioxide equivalent (t CO ₂ eq) to be reduced or avoided for every USD 1 of GCF contribution ii For adaptation, state the expected total number of direct and indirect beneficiaries, disaggregated by gender, for every USD 1 of GCF contribution iii Fees associated with the programme are in line with GCF's commitment to minimum concessionality	Score (1=min; 5=max)	/5
Total impact criteria score		/40

TOTAL SCORE	EVALUATION	SCORE
Appropriate activity		Pass/Fail
Programme standards score		/60
Impact criteria score		/40
Total score		/100

MSME

Micro-, small- and medium-sized enterprise request for proposals scorecard

PROJECT/PROGRAMME EVALUATION CRITERIA (65 PER CENT)	EVALUATION	SCORE
Appropriate activity (Pass/Fail) <i>i</i> The activity proposed in the project/programme must foremost fit the needs and stated priorities of the country in which it will be issued. <i>ii</i> The activity must fall within the eight GCF strategic impact areas (see annex 3). <i>iii</i> The activity must fall within the relevant definition of MSMEs within a specific country or region.	Pass/Fail	Pass/Fail
Programme design (30 per cent) <i>i</i> A detailed strategy, backed by industry and market research that outlines the rationale for the target sector life cycle stage of the targeted pool of MSMEs and life. <i>ii</i> Defined financial support that will be provided for in the project/programme (e.g. venture capital for capital for the growth stage). <i>iii</i> Robust eligibility criteria tailored to the project/programme strategy (e.g. proven technology for venture capital), and in compliance with GCF investment criteria. <i>iv</i> Evidence of robust integrity standards (e.g. an anti-money-laundering check for entrepreneurs, senior management, Board members and existing investors) of the portfolio company.	Score (1=min; 30=max)	/30
Implementing entity readiness (20 per cent) <i>i</i> Implementing entities must be accredited with the GCF, or work in partnership with entities accredited with the GCF. <i>ii</i> The implementing entity must demonstrate an existing relationship with local institutions or markets with which it will be working, as well as an existing avenue for supporting targeted MSMEs, and must provide track records for its activities in targeted MSMEs. <i>iii</i> The implementing entity must show evidence of successful investment or debt management.	Score (1=min; 20=max)	/20
Minimum concessionality (15 per cent) <i>i</i> The implementing entity must demonstrate that its request for GCF support entails the minimum concession required to render the project be viable. <i>ii</i> The implementing entity must indicate the GCF co-financing ratio, vis-à-vis other private sector investors. The GCF should not be the only investor.	Score (1=min; 15=max)	/15
Total programme standards score		/65

MICRO-, SMALL- AND MEDIUM-SIZED ENTERPRISE REQUEST FOR PROPOSALS SPECIAL CONSIDERATIONS (35 PER CENT)	EVALUATION	SCORE
Market reform or development (5 per cent) i Will the project/programme prompt a positive change in the market or regulatory environment that will enable future investment in MSME activity?	Score (1=min; 5=max)	/5
Institutional capacity-building (5 per cent) i Will the project/programme develop institutional capacity in local markets for further investment in MSME?	Score (1=min; 5=max)	/5
Innovation and new technology (5 per cent) i Will the project/programme encourage innovative climate solutions and the deployment of new technologies to developing countries?	Score (1=min; 5=max)	/5
Replicability and regional reach (5 per cent) i Can this or a similar project/programme be replicated in the future without GCF participation? ii Does the project/programme have regional impact?	Score (1=min; 5=max)	/5
Crowding in new investors (5 per cent) i Does the project/programme attract first time investors to climate, MSMEs or the country?	Score (1=min; 5=max)	/5
Benefits to MSME clients (5 per cent) i How many clients will benefit from the services of the MSMEs supported by the project/programme?	Score (1=min; 5=max)	/5
Benefits to the bottom of the pyramid (5 per cent) i Is the project/programme located in vulnerable countries, including the LDCs and SIDS? ii Does the project/programme target micro-sized enterprises?	Score (1=min; 5=max)	/5
Total impact criteria score		/35

TOTAL SCORE	EVALUATION	SCORE
Appropriate activity		Pass/Fail
Project/programme evaluation criteria score		/65

TOTAL SCORE	EVALUATION	SCORE
Special considerations score		/35
Total score	/100	

Note: LDCs: least developed countries | MSME: micro-, small- and medium-sized enterprise | SIDS: small island developing States

REDD+

Summary of REDD+ RBP Scorecard⁵⁴

DOCUMENT	SCORECARD SECTIONS	TYPE OF ASSESSMENT	COMPLIANCE WITH
Concept note (Stage 1)	Section 1: Eligibility criteria It is required that all mandatory criteria qualify as “pass” for a proposal to be eligible for the pilot programme.	Pass/fail	UNFCCC and GCF
Funding proposal (Stage 2)	Section 2: Carbon elements <i>i</i> Forest Reference Emission Level or Forest Reference Level (FREL/FRL) <i>ii</i> REDD+ results reporting (Biennial update report (BUR) Annex)	Quantitative	UNFCCC and GCF
	Section 3: Non-carbon elements <i>i</i> Cancun Safeguards <i>ii</i> Use of proceeds and non-carbon benefits	Qualitative	UNFCCC and GCF
	Section 4: GCF Investment Framework The criteria of the Investment Framework will be applied to inform on past actions towards achieving results.	Qualitative	GCF
	Section 5: GCF Policies Policies related to ESS, Risks, Gender and Monitoring and Evaluation would be considered for past and future actions where applicable.	Qualitative	GCF

⁵⁴ Based on the TOR [as published](#), which were slightly edited from the [draft TOR approved by the Board](#). Differences are detailed on p.1 of the final TOR.

First stage scorecard (based on the concept note)

SECTION 1: ELIGIBILITY CRITERIA		EVALUATION	INDICATIVE GUIDANCE
In relation to UNFCCC decisions			
i	Has a link to the National REDD+ strategy or Action Plan been provided to the UNFCCC REDD+ platform or is otherwise publicly available?	Pass/Fail	If yes, provide link
ii	Has information on the National Forest Monitoring System ⁵⁵ been provided to the UNFCCC web platform in case BUR annex is not yet submitted or within the Technical Annex to the BUR?	Pass/Fail	If yes, provide link
iii	Has the FREL/FRL applicable to the results periods under consideration been submitted and its Technical Assessment finalized?	Pass/Fail	If yes, provide links to the FREL/FRL and the Technical Assessment report
iv	Is a system in place for providing information on how all of the safeguards referred to in Appendix I of 1/CP.16 are addressed and respected?	Pass/Fail	If yes, provide evidence of the system
v	Has a summary of information been provided to the UNFCCC Information Hub or in the National Communication on how all of the safeguards were addressed and respected during the results period under consideration?	Pass/Fail	If yes, provide link
vi	Have REDD+ results, within the eligible period for the RFP, been reported in a Technical Annex to the BUR?	Pass/Fail	If yes, provide link to the BUR (should appear on UNFCCC website)
vii	Has the Technical Analysis been completed or an expected date of completion been provided?	Pass/Fail	If yes, provide link of the report or provide evidence of when the Technical Analysis will be concluded
Eligible scale			
viii	Is the scale of results at a national or, on an interim basis, an eligible subnational level?	Pass/Fail	If yes, see section 3.7 for definition of eligible subnational level
Other			
ix	Does the concept note include a written consent from the National REDD+ Focal Point or Entity?	Pass/Fail	If yes, provide supporting evidence (e.g. letter from REDD+ focal point or entity)
Total Concept Note Assessment		Pass/Fail	Pass requires “pass” on all elements above

⁵⁵ Noting Decision 1/CP.16, paragraph 71(c), footnote 7.

Second stage scorecard (based on the Funding Proposal)

SECTION 2: CARBON ELEMENTS*		EVALUATION	INDICATIVE GUIDANCE
Section 2a. Forest Reference Emission Level / Forest Reference Level (FREL/FRL)			
(The following items are scored on the basis of the UNFCCC Technical Assessment Report)			
i	Is the FREL/FRL consistent with the GHG inventory, including the definition of forest used?	0 to 2	Not reproduced in this summary. See <i>ToRs</i> for details.
ii	Is the FREL/FRL based on historical data and is it equal to or below the average annual historical emissions during the reference period, unless a country is an high forest cover, low deforestation (HFLD) country? For countries that have consistently maintained high forest cover and low deforestation rates an adjustment that: a does not exceed 0.1 per cent of the carbon stock over the eligibility period in the relevant national or subnational area b does not exceed 10 per cent of the FREL/FRL may be applied to the average annual historical emissions to reflect quantified, documented changes in circumstances during the reference period that likely underestimate future rates of deforestation or forest degradation during the eligibility period.	Pass/Fail	
iii	Is the FREL/FRL in accordance with the guidelines in Decision 12/CP.17?	Fail or score	
iv	Is the data and information provided for the FREL/FRL transparent? (has information been provided to allow an understanding of how UNFCCC guidance on submission of information on FREL/FRL level has been addressed?)	Fail or score	
v	Have all REDD+ activities that are a significant source of emissions been included?	Fail or score	
vi	Have all of the most significant pools been included?	0 to 2	
vii	Have all gases that are a significant source of emissions been included?	0 to 2	
viii	Is the information provided in the construction of the FREL/FRL (data, methodologies and estimates) guided by the most recent applicable IPCC guidance and guidelines as adopted by the COP ⁵⁶ ?	Fail or score	
ix	Have any significant issues related to the application of IPCC GLs/GPGs been raised in the Technical Assessment report?	Fail or score	
(The following criteria are additional to the UNFCCC Technical Assessment and Analysis process)			

⁵⁶ Noting that for the estimation of forest-related emissions and removals there are very few substantial differences between the 2003 GPGs /2006 GL (i.e. guidance on HWPBs).

SECTION 2: CARBON ELEMENTS*		EVALUATION	INDICATIVE GUIDANCE
x	What is the ref period for the FREL/FRL?	Fail or score	
xi	How does the reference level for the results included in the proposal compare to the previous ref level that applies to the same area?	Fail or score	
xii	Has the country provided information on aggregate uncertainties, taking into account national capabilities and circumstances?	Fail or score	
Section 2b. REDD+ Results reporting			
(The following items are scored on the basis of the UNFCCC Technical Analysis report of the reporting of REDD+ results (in the technical annex to the BUR, results considered as assessed in the Technical Assessment report))			
i	Are the reported results in the technical annex to the BUR consistent with the FREL/FRL? (including the inclusion of same pools, activities and gases)	Pass/Fail	
ii	Is the data and information provided in the technical annex transparent? (has information been provided to allow an understanding of how UNFCCC guidance on results reporting has been addressed?)	Fail or score	
iii	Is the data and information provided in the technical annex complete? (has information been provided that allows for the reconstruction of the results?)	Fail or score	
iv	Is the data and information provided in the technical annex consistent? (were data and methodologies applied consistently over the results time series?)	Fail or score	
v	Is the data and information provided in the technical annex accurate? (does it neither over- nor underestimate emissions and/or removals?)	Fail or score	
vi	What is the number of years between the last year of the FREL period, and the year corresponding to the results being proposed for payments?	Fail or score	
(The following items are based on additional information required by the GCF)			
vii	Has the country provided information on aggregate uncertainties, taking into account national capabilities and circumstances?	Fail or score	
viii	Has information been provided on payments that have been (or are expected to be) received from other sources for results recognized by the country ⁵⁷ from the same national or subnational area during the period for which a country is proposing to	Pass/Fail	

⁵⁷ Through the REDD+ national entity or focal point, where appointed

SECTION 2: CARBON ELEMENTS*		EVALUATION	INDICATIVE GUIDANCE
	receive payments from the GCF? And has the country provided sufficient assurance that results that have been paid for by other sources have been excluded from the total volume offered to the GCF?		
ix	Are the results proposed to the GCF for payment included in a registry or similar system, that tracks emission reductions and corresponding payments ⁵⁸ to ensure there is no past or future double payment [or use] of such ERs?	Pass/Fail	
TOTAL (max. total: 48)			

Note: *Fail on one criteria implies failing the programme.

SECTION 3: NON-CARBON ELEMENTS*	EVALUATION	INDICATIVE GUIDANCE
Section 3a: Safeguards in 1/CP.16, Appendix I (i.e. the “Cancun Safeguards”)		
(The following is based on the “Summary of information on how the safeguards in 1/CP.16 are being addressed and respected throughout the implementation of activities” (Decision 12/CP.17)).		
Does the “summary of information on safeguards” provide information on how each of the safeguards below were addressed and respected in a way that ensures transparency, consistency, comprehensiveness and effectiveness:		
i That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.	Pass/Fail	Not reproduced in this summary. Kindly refer to ToRs for details.
ii Transparent and effective national forest governance structures, taking into account national legislation and sovereignty.	Pass/Fail	
iii Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples.	Pass/Fail	
iv The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of this decision.	Pass/Fail	

⁵⁸ Tracking information should at a minimum identify for each of these results the corresponding national or subnational area, the entity eligible to receive payment, the year generated, and the source of results-based payments received and, where possible, the identifying number.

SECTION 3: NON-CARBON ELEMENTS*		EVALUATION	INDICATIVE GUIDANCE
v	That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the 12 protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.	Pass/Fail	
vi	Actions to address the risks of reversals.	Pass/Fail	
vii	Actions to reduce displacement of emissions.	Pass/Fail	
Section 3b: Use of proceeds and non-carbon benefits			
Has information been provided on how proceeds will be used consistent with GCF policies? Has information been provided on how the proceeds will be used in a manner consistent with the country's NDC, national REDD+ strategy and/or low carbon development plans and policies? Has information been provided on how the proceeds used in a manner that contributes to the long-term sustainability of REDD+ activities, including non-carbon benefits?		Fail or score	
TOTAL score section 3b			

Note: *Fail on one criteria implies failing the programme.

SECTION 4: INVESTMENT FRAMEWORK	EVALUATION (IF APPLICABLE) ⁵⁹	DEFINITION
Impact Potential	High/medium/low	Potential of the programme to contribute to the achievement of the Fund's objectives and result areas
Paradigm Shift Potential	High/medium/low	Degree to which the REDD+ activity can catalyse impact beyond a one-off programme investment
Sustainable development potential	High/medium/low	Wider benefits and priorities, including environmental, social and economic
Needs of the recipient	High/medium/low	Vulnerability and financing needs of the beneficiary country and population
Country Ownership	High/medium/low	Beneficiary country ownership of, and capacity to implement a funded project or programme (policies, climate strategies and institutions)
Efficiency and effectiveness	High/medium/low	Economic and, if appropriate, financial soundness of the programme

⁵⁹ Following Decision B.09/05, the evaluation is applicable for medium- and large-size proposals.

SECTION 5: GCF POLICIES	EVALUATION	INDICATIVE GUIDANCE FOR THE PERIOD OF THE RESULTS CONSIDERED IN THE RFP	INDICATIVE GUIDANCE FOR THE USE OF PROCEEDS
Environmental and Social Safeguards (ESS)	Pass/fail	Not reproduced in this summary. Kindly refer to <u>ToRs</u> for details.	Not reproduced in this summary. Kindly refer to <u>ToRs</u> for details.
Risk Assessment	Pass/fail		
Gender	Pass/fail		
Monitoring and Evaluation	Pass/fail		
Interim policy on prohibited practices	Pass/fail		
Indigenous Peoples' Policy	Pass/fail		

Annex 6. LIST OF INTERVIEWEES

GCF Secretariat

FULL NAME	POSITION	DEPARTMENT
Ani Waiba	DCP Team Assistant	DCP
Demetrio Innocenti	SAP/PPF/EDA Manager	DCP
Baptiste Gaydon	PPF/SAP Associate Professional	DCP
Mitch Carpen	Head of Risk Management and Compliance	ORMC
Olena Borysova	Head of Accreditation and Entity Relation Unit a.i.	OED
Tony Clamp	Director of the Private Sector Facility a. i.	PSF
Jingyi Xiang	PSF Consultant	PSF
Juan Chang	Principal Forest and Land-Use Specialist	DMA
Selina Wrighter	Head of Policy and Strategy	OED
Vincent Guinaudeau	Climate Investment Specialist	PSF
Veronica Galmez Marquez	Ecosystems Management Senior Specialist	DMA
Jiwoo Choi	Deputy Director PSF a.i.	PSF

Accredited entities

FULL NAME	POSITION	ORGANIZATION
Benedict Libanda	Chief Executive Officer	EIF/Namibia
Karl Aribeb	Director of Operations	EIF/Namibia
Muhammed Sayed	Climate Change Specialist, Climate Finance	DBSA
Olympus Manthata	Head, Climate Finance	DBSA
Diann Black-Layne	Director	DOE_ANT
Ezra Christopher	Coordinator for Nationally Determined Contributions	DOE_ANT
Carlos Martin Mon	Financial Analyst, in charge of the relationship with the GCF	COFIDES
Virginie Fayolle	GCF Coordination Unit within UNEP	UNEP
Gabriel Labatte	Head of UN-REDD	UNEP
Juan Ferrando	Manager of RBP projects	UNEP
Bruno Guay	Global Advisor, REDD+ Finance	UNDP
Tim Clairs	Principal Technical Advisor, Climate Forest Team	UNDP
Chika Fukuyama	Vice President, Sustainable Business Office	MUFG Bank
Atsuko Niube	Vice President	MUFG Bank

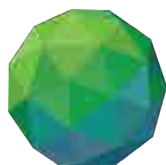
FULL NAME	POSITION	ORGANIZATION
Utae Nagayoshi	Vice President	MUFG Bank
Tuul Galzagd	Director, Eco Banking Department	XacBank
Enkh-Erdene Erdenekhuyag	Project Development Officer	XacBank
Batsanaa Batchuluun	Senior Project Development Officer	XacBank
Sheila Aggarwal-Khan	Director	IUCN
Dieter Wittkowski	Lead Investment Officer	IDB Lab
Gloria Visconti	Lead Climate Change Specialist	IDB

National designated authorities

FULL NAME	POSITION	ORGANIZATION	COUNTRY
Juan Carlos Diaz	Director of International Cooperation	Ministry of Environment and Natural Resources	Guatemala
Ilianan Pocasangre	International Cooperation Advisor	Ministry of Environment and Natural Resources	Guatemala
Trinidad Lecaros	Green Finance Advisor	Finance Ministry	Chile
Federico Aspiroz Costa	Advisor	Under-Secretariat of International Financial Relations for Development, Secretariat of Strategic Affairs of the Presidency of the Nation	Argentina
Hector Arce	Coordinator REDD+Strategy	Ministry of Environment and Energy	Costa Rica
Javier Fernandez	Advisor, Climate Change Direction	Ministry of Environment and Energy	Costa Rica
Patricia Campos	Director, Climate Change Direction	Ministry of Environment and Energy	Costa Rica
Aurora Pineda	Strategic Planning Department	Ministry of Environment and Sustainable Development (MADES)	Paraguay
Raquel Breda dos Santos	General Coordinator of Global Development Institutions at the Secretary of International Economic Affairs	Ministry of Economy of Brazil	Brazil
Luiz Maurício Navarro	Development Financing Policy and Funds Coordinator	Ministry of Economy of Brazil	Brazil
Suiá Rocha	Development Finance Policy and Funds Assistant	Ministry of Economy of Brazil	Brazil
Juliana Santini	IABD Consultant	Ministry of Economy of Brazil	Brazil

Others

FULL NAME	POSITION	ORGANIZATION
Margaret-Ann Splawn	PSO Active Observer to the Board	Climate Markets and Investment Association
Liane Schalatek	CSO Active Observer to the Board	Heinrich Böll Foundation North America
Sergio Pombo	Former GCF staff member	
Mikko Ollikainen	Fund Manager	Adaptation Fund
Inchan Hwang	Former GCF consultant	
Jenny Wong	Program Officer	UNFCCC
Martín Illescas	International Forests Coordinator	Ministry of Environment, Argentina
Ariel Medina	Coordinator for National Forest Law	Ministry of Environment, Argentina



**GREEN
CLIMATE
FUND**

Independent
Evaluation
Unit



Independent Evaluation Unit
Green Climate Fund
175, Art center-daero, Yeonsu-gu
Incheon 22004
Republic of Korea
Tel. (+82) 032-458-6450
ieu@gcfund.org
<https://ieu.greenclimate.fund>

