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# Annual Report 2021 of the Independent Evaluation Unit

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## **Summary**

This document contains the Annual Report of the IEU's key activities for the period of January to December 2021. It reports on the IEU outputs and achievements in line with the Independent Evaluation Unit 2021 Work Plan and Budget and Update of its Three-year Objectives and Work Plan (document GCF/B.27/11).

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## Message from the Head ad interim of the IEU

1. It is with great pride that the IEU presents its Annual Report for 2021, knowing the Unit has accomplished its designated tasks for the year. It is particularly gratifying because, as with much of the GCF, the IEU operated remotely and across different time zones. In 2020, the IEU undertook an evaluation on the GCF's adaptation approach and portfolio and submitted it to the Board in time for the first Board meeting of 2021. In 2021, the Unit delivered a rapid assessment of the GCF's request for proposals access window and evaluated the GCF's approach to the private sector. The IEU also completed its evaluation of GCF's investments in the least developed countries in December 2021 and submitted in January 2022, in time for the first meeting of the Board of 2022.
2. Preliminary work is underway on the crucial Second Performance Review of the GCF (SPR). The review assesses the GCF's performance in promoting a paradigm shift towards low-emission and climate-resilient development pathways. The SPR will also inform the drafting of the GCF's Updated Strategic Plan 2023 -2026. The IEU will release several ancillary SPR reports and papers, including the USP progress review report and SPR evaluation synthesis report before the full report's submission in 2023. A major 2021 milestone was the Board's approval of the GCF Evaluation Policy and the updated ToR of the Unit. The IEU will operationalize the policy in 2022.
3. It has been a peak year for the IEU communications team. By employing a blend of traditional, modern and innovative tools and approaches tailored to target audiences' communication and learning needs, the team felt more confident about the uptake of the IEU's works. A notable example of this targeted approach took place at the COP26, where the IEU hosted six pavilion events together with various evaluation peers and academia in ADB, the AF, CIFOR-ICRAF, DEval, EBRD, the Commonwealth, CIF, among others. IEU staff were also featured as speakers at seven events hosted by GCF, the Commonwealth, IFAD, ICRAF and Ramsar Convention. This foreword offers only a small sampling of the IEU's activities in 2021. The following pages expand on these and include other IEU activities, such as the Learning-Oriented Real-Time Impact Assessment (LORTA) programme and the role of data analysis, behavioural science and geographical information systems in informing our evaluations.
4. While the IEU team is proud of its achievements in 2021, they were not possible without the support of the Board, the Secretariat and the IEU's many partners around the world. The IEU team looks forward to even closer collaboration in 2022. In conclusion, the IEU especially thanks the Co-Chairs for their collaboration and advice during 2021, which was essential for ensuring the Board receive and actively consider the evidence and learning from IEU evaluations to inform their decision making at the Board level.

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

## II. Introduction

5. This document reports on the key activities and outcomes of the Independent Evaluation Unit (IEU) for the year 2021. The objectives and key work plan activities of the IEU are presented in the Board-approved "[Independent Evaluation Unit 2021 Work Plan and Budget and Update of its Three-year Objectives and Work Plan](#)" (see document GCF/B.27/11).
6. This annual report is organized as follows:
  - (a) Section III: About the IEU
    - (i) The IEU's objectives
    - (ii) The IEU's mandate
  - (b) Section IV: Achievements in 2021
    - (i) Evaluations
    - (ii) Capacity-building and advisory services
    - (iii) Uptake, communications and partnerships
    - (iv) Uptake, communications and partnerships
  - (c) Section V: Looking ahead to 2022
  - (d) Section VI: Appendices
    - (i) Appendix I: IEU's budget and expenditure in 2021
    - (ii) Appendix II: IEU's formal partnerships
    - (iii) Appendix III: Presentations given by IEU personnel in 2021
    - (iv) Appendix IV: Communications materials produced by the IEU in 2021
    - (v) Appendix V: Progress Report on the Second Performance Review
    - (vi) Appendix VI: Forward-looking Performance Review Management Action Report
    - (vii) Appendix VII: Summary of submissions by members and alternate members of the Board on five IEU evaluations

## III. About the IEU

### 3.1 The IEU's objectives

7. The IEU has three core objectives, derived from the GCF's Governing Instrument:
  - (a) Inform decision-making by the Board and identify and disseminate lessons learned; contribute to guiding the Fund and its stakeholders as a learning institution; and provide strategic guidance to the Board.
  - (b) Conduct periodic independent evaluations of the Fund's performance to provide an objective assessment of the Fund's results and the effectiveness and efficiency of its activities.
  - (c) Provide evaluation reports to the Conference of the Parties to the United Nations Framework Convention on Climate Change to periodically review the financial mechanism of the Convention.

## 3.2 The IEU's mandate

8. The IEU provides objective assessments of the performance and results of the GCF, including its funded activities and their effectiveness and efficiency. Among other things, the IEU undertakes independent evaluations, is responsible for developing and updating the Evaluation Policy of the Fund, attests to the quality of the Fund's self-evaluations, and supports the strengthening of the evaluation capacities of implementing entities. To fulfil its mandate, the IEU structured its work plan around four pillars:

- (a) **Building and strengthening the IEU:** The IEU ensures it is functioning effectively by sharing its vision and practices internally and externally, and clearly articulating its Evaluation Policy and procedures. The IEU's staff are to reflect the best standards in evaluative training, practice, theory and ethics.
- (b) **Evaluations:** The IEU undertakes high-quality evaluations of the GCF's performance, portfolio, and project-based and programmatic approaches, in line with the Board-approved workplan. These evaluations serve as building blocks for Fund-level evaluations that assess the effectiveness and efficiency of the GCF and are shared with the GCF's replenishment process.
- (c) **Capacity-building and advisory services:** The IEU supports the strengthening of implementing entities' evaluation capacities, to facilitate their own evaluations of their GCF project activities. The IEU's evaluation-based learning and capacity building efforts respond to the evaluation needs of the Board and the Secretariat of the GCF, accredited entities (AEs), national designated authorities (NDAs) and other stakeholders in the evaluation and climate change space.
- (d) **Uptake, communications and partnerships:** The IEU ensures that the high-quality evidence, findings and recommendations from its independent evaluations are effectively communicated, used and incorporated into the GCF's functioning and processes. The IEU collaborates with GCF stakeholders and partner organizations and engages them in the IEU's activities to ensure it stays at the frontier of evaluation practice and theory, and that it benefits from relevant initiatives undertaken by other evaluation offices/units, in particular the UN Evaluation Group. The IEU plans to further boost its participation in relevant international evaluation networks. It builds and strengthens partnerships to leverage the partner organizations' geographic presence, thematic expertise and capacities in support of the IEU's other objectives.

## IV. Achievements in 2021

### 4.1 Evaluations

#### 4.1.1 [Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund](#)

9. This evaluation responded to the following overarching evaluation question: how can the GCF contribute to a paradigm shift in climate change adaptation? More specifically, the evaluation examined questions on what role the GCF has in adaptation, and whether the GCF has adequately supported adaptation planning and programming in countries. The evaluation also assessed whether the GCF business model – including its approach to the private sector, innovation and results management – is fit for purpose for climate change adaptation.

#### 10. **Conclusions**

- (a) The GCF is uniquely positioned to finance projects at scale with a high-risk appetite, if appropriate and consistent with country needs. However, it has not clearly defined a specific approach for adaptation programming.
- (b) For coherence and complementarity, project-level interactions between the GCF and other funding agencies are not yet systematically identified nor actively pursued.
- (c) In accessing the GCF's Readiness and Preparatory Support Programme (RPSP) for adaptation planning, perceived hurdles to access include requirements for proposals, capacity concerns and matchmaking with adequate delivery partners.
- (d) Among climate funds, the GCF has the strongest private sector focus and greatest ability to scale projects, but it is yet to fully utilize this opportunity. Structurally, only one in five AEs has a private sector focus, with most of these having been accredited recently.
- (e) The adaptation portfolio consists of very few programmes (4 out of 67 funded adaptation proposals) and is characterized as being predominantly grant-based (96 per cent of committed finance in pure adaptation projects) and as receiving support through international accredited entities (IAEs) (6 IAEs receive 50 per cent of finance). Regional direct access entities (DAEs) are the most underrepresented, while IAEs are overrepresented in the adaptation portfolio.
- (f) The GCF currently has no systematic approach for assessing the depth of adaptation impacts. The depth of impact for adaptation interventions cannot be monitored with the current set of indicators. The GCF's view on innovation in adaptation is overly technological and under-emphasizes the importance of social and institutional innovation, including traditional knowledge.

11. **Recommendations**

- (a) **Positioning in adaptation finance:** The GCF should clarify its role in and vision for climate adaptation, implement methods to enhance complementarity with other climate funds and funding agencies, and promote coherence in programming.
- (b) **Capacity and adaptation planning:** The GCF should clarify RPSP for adaptation planning, address technical challenges, support matchmaking efforts and build monitoring of results of RPSP support.
- (c) **Scale and the private sector in adaptation:** The GCF should define its approach to engaging with and catalysing finance from the private sector in GCF support and programming windows.
- (d) **Access and business model:** The GCF should respond to the urgency in adaptation by addressing policy gaps and the use of financial instruments and modalities.
- (e) **Results and impact measurement:** The GCF should address adaptation related measurement challenges to enhance active monitoring, project and Fund-level aggregation, and to facilitate learning and steering.
- (f) **Innovation and risk:** The GCF should address the ongoing lack of clarity in this area and provide guidance on its approach to innovation.

12. This evaluation commenced in January 2020 and was submitted to the Board in time for its twenty-eighth meeting (B.28) held in March 2021.

#### 4.1.2 [Rapid assessment of the Green Climate Fund's Request for Proposals Modality](#)

13. The assessment aimed to assess the efficiency and effectiveness of the request for proposals (RFP) access window at the GCF. It focused on the following areas:

- (a) Relevance of RFPs to GCF strategy and to country needs
- (b) Efficiency and effectiveness of RFP implementation
- (c) Value added of RFPs as a modality to access the GCF
- (d) Lessons for future RFPs and other access modalities of the GCF

#### 14. **Conclusions**

- (a) The RFPs do not address the shortcomings of the GCF business model. Their implementation failed at making the GCF more accessible to national entities and the private sector.
- (b) The RFPs did not provide an incentive to project proponents regarding the project cycle or accreditation.
- (c) There is no RFP modality and mechanism per se established at the GCF, but rather four individual RFPs. The RFPs as a modality did not have clear objectives, and no guidance was provided on how to undertake them or extract lessons.
- (d) The topics of the four RFPs are relevant to the GCF mandate and to countries' needs.
- (e) The RFP operations do not reflect available good practices, which hindered the efficiency of the processes.
- (f) The (implicit) objective of RFPs to help fill gaps in the climate financing landscape has not been fully achieved.
- (g) The human and financial resources used for developing and implementing RFPs are insufficient and uneven.

#### 15. **Recommendations**

- (a) Process level short-term:
  - (i) The GCF should continue to consider RFPs as a tool for targeted project/programme generation and should focus investments on specific themes.
  - (ii) The GCF should follow a transparent and strategic approach to identify future RFP topics and themes.
  - (iii) The GCF Secretariat should consider designing a standardized RFP process based on universally recognized good practices and a theory of change with well-defined assumptions.
- (b) Modality level medium-term:
  - (i) The GCF should consider establishing the RFP as a modality institutionally. When doing so, the GCF Secretariat should prepare internal guidance on how to prepare RFPs.
  - (ii) The GCF Secretariat should identify an internal structure to centrally coordinate, review, and appraise the design and implementation of RFPs.
- (c) Strategic level long-term:



- (i) The GCF should assess and clarify the purpose and use of RFPs in relation to the business model. This would inform prevalent assumptions regarding the modality.
  - (ii) The GCF should use RFPs to emphasize its convening power in the climate finance space by focusing attention to particular topics and themes, as well as emphasizing its complementarity and coherence principles.
16. This evaluation commenced in January 2021 and was submitted for the twenty-ninth meeting of the Board (B.29), held in June 2021.

#### 4.1.3 [Independent evaluation of the Green Climate Fund's approach to the private sector](#)

17. The primary objective of the evaluation was to assess the relevance and effectiveness of the GCF's approach to the private sector. The evaluation was also expected to inform the second performance review of the GCF.

#### 18. **Conclusions**

- (a) A distinction needs to be made between catalysing finance and leveraging co-funding. The Updated Strategic Plan for 2020–2023 (USP) uses these words interchangeably and overemphasizes leverage ratios as a measure of the impact of private sector activities. The Private Sector Facility (PSF), in turn, has focused on maximizing leverage in individual projects, rather than the catalysing of private finance for adaptation and mitigation activities more broadly.
- (b) Despite the GCF's clear mandate to be country driven, the PSF has limited engagement with national governments to align spending on private sector projects with national climate strategies and plans. Under the PSF, project origination is driven primarily by IAEs, with limited country ownership.
- (c) The PSF has directly financed several mitigation projects. These have primarily been implemented by IAEs and heavily weighted towards the energy sector. The PSF has provided very little direct finance for adaptation activities. It has also invested very little to indirectly finance private sector projects – for example, by supporting the upstream enabling environment, that indirectly results in private finance flowing to adaptation and mitigation activities.
- (d) While several private DAEs have been accredited, almost no funding is flowing through them. As a result, the PSF has not delivered on its mandate to promote the participation of local private sector actors and financial intermediaries.
- (e) The PSF's support for private projects in the small island developing States (SIDS) and the least developed countries (LDCs) has focused on directly financing mitigation projects. Overall, the GCF has had limited results with regard to investments in an enabling environment for private sector adaptation, channelling sufficient finance via DAEs, or exhibiting sufficient risk appetite to achieve its mandate to enable private sector involvement in the LDCs and the SIDS.

#### 19. **Recommendations**

- (a) The Board and the Secretariat may wish to clarify that the GCF is a high-risk fund that aims to catalyze investment in transformative adaptation and mitigation projects, rather than only a high-leverage fund that aims to maximize the quantity of co-investment.
- (b) The Secretariat should enhance the speed and transparency of GCF operations to align with private sector needs for efficiency and predictability.

- (c) The Secretariat should take measures to ensure that private sector projects are country owned. Access to the GCF should be informed by a country-driven approach, directed and prioritized by a Nationally Determined Contribution (NDC) gap analysis.
- (d) The Secretariat should create institutional and organizational structures that operationalize direct and indirect finance for private sector activities.
- (e) The GCF should make it a strategic priority to channel finance to micro-, small- and medium-sized enterprises, exploring access modalities and appropriate instruments for decentralized adaptation and mitigation actions.
- (f) The Board and the Secretariat should expand the focus on financial instruments and GCF support to specifically enable private sector investment in adaptation, particularly in the SIDS and the LDCs.

#### 4.1.4 [Independent evaluation of the relevance and effectiveness of the Green Climate Fund's investments in the LDCs](#)

20. Commissioned as part of the IEU's 2021 work plan, the evaluation asked whether the GCF's investments have been effective in reducing the vulnerability of local communities and their livelihoods to the effects of climate change, and whether these impacts are likely to be sustained. The evaluation aimed to understand how and to what extent the GCF's approach, mechanisms and financial modalities respond to the unique conditions facing the LDCs.

#### 21. **Key findings**

- (a) Conference of the Parties' (COP) decisions related to LDCs are not consistently followed up with specific GCF Board guidance to the Secretariat. There is no established mechanism to ensure the GCF's national adaptation plan (NAP) support through the readiness and preparatory support programme (RPSP) and adaptation project origination ensure the adaptation allocation target will continue to be met. The GCF had limited contributions to the engagement of private sector actors in the LDCs.
- (b) While the UNFCCC's guidance encourages coherence and steps to build synergies have been laid out, there is no systematic approach to coherence and complementarity. For the LDCs, there is a need to consider coherence and complementarity in national programming and especially for the GCF's RPSP and project preparation facility (PPF) with other funds.
- (c) No-objection procedure and DAEs are insufficient to guarantee country ownership in the LDCs, particularly for multi-country projects. On average, USD 0.95 million is approved for RPSP in the LDCs, which is less than other country groups. Disbursement of RPSP funding is slow, especially for adaptation planning. Country programmes are not fully incorporated into the GCF business model. The extent to which indigenous and traditional knowledge is considered at GCF is not tracked. Quality and depth of gender assessment and reporting varies, making tracking gender impacts hard. The current knowledge management doesn't provide opportunities for dialogue and learning.
- (d) On performance, more than half of LDCs have not accessed the PPF. A lengthy and resource-intensive process discourages them from applying. The GCF's CN/FP development process remains challenging for LDCs. Disbursement to LDCs has remained slow and low, compared with other country groups. Lack of legal expertise for DAEs contributed to delays in the funded activity agreement negotiations. The GCF position as a risk-taking institution is limited in the LDCs.
- (e) Data on project results in LDCs is not always consistent and complete. Gaps in the monitoring prevail in the LDCs. Measures to independently verify data on project implementation and results have not been fully operationalized. There is no systematic

data on GCF targeting of vulnerable communities, and limited evidence from country case studies suggest some targeting. GCF's support of sustained low-carbon and climate-resilient development pathways is hampered by systemic barriers to paradigm shift in the LDCs.

22. **Recommendations**

- (a) The GCF should consider operationalizing, through board decisions, COP guidance specifically about the most vulnerable countries, and particularly LDCs.
- (b) The GCF Secretariat should urgently operationalize frameworks and plans on coherence and complementarity into a systematic approach with other climate funds at global, national and project levels.
- (c) The GCF should strengthen guidance and support to LDCs to enable them to assume ownership in engaging with the GCF. The GCF should urgently clarify the strategic plan and use of country programmes in the LDCs, consider sustained support for secretarial functions of NDAs/focal points, and strengthen the approach to stakeholder engagement, especially for non-state actors.
- (d) The GCF should support building structures and incentives that provide opportunities and motivation for countries, accredited entities and the Secretariat to engage DAEs. An accreditation strategy should address the purpose and vision for direct access.
- (e) The GCF should clarify the links between GCF support programmes, such as RPSP and PPF, and funding modalities, including SAP, and streamline these connections to increase efficiency in project appraisal and programming. The PPF process should be streamlined. The CN review process should be integrated to avoid duplication of efforts. Additional costs owing to the context of LDCs should be considered by the GCF.
- (f) The GCF should adopt, implement and promote an inclusive knowledge management framework across the Secretariat and stakeholders, based on lessons learned, project evaluations, impact assessments and structured dialogues to guide NDAs, AEs and DAEs.
- (g) The GCF should ensure the tools and systems for effective results management, including the monitoring and accountability framework, are operationalized, transparent and accurate, to ensure trust and results. The GCF Secretariat should consider revisiting monitoring and reporting on gendered outcomes. The GCF Secretariat should operationalize tools that allow the use of traditional and indigenous knowledge in project development, implementation and monitoring.

4.1.5 **Second Performance Review of the Green Climate Fund**

23. The Board launched the Second Performance Review (SPR) of the GCF in decision B.BM-2021/11 on 10 June 2021. The scope of the SPR is to assess the progress made by the GCF both in delivering on its mandate and in terms of its strategic and operational priorities, as outlined in the USP, as well as to assess the GCF's performance in promoting a paradigm shift towards low-emission and climate-resilient development pathways during the GCF-1 programming period.

24. The SPR will consider several key areas, among others:

- (a) Institutional architecture and performance
- (b) Quality of implementation, and effectiveness and performance of the portfolio
- (c) Cost-effectiveness of implementation
- (d) Coherence and complementarity within the climate finance landscape; gender considerations

25. A USP progress report and USP synthesis note will be delivered to the Board in March 2022, while an SPR summary report will be delivered at the final Board meeting of 2022. A progress report on the SPR is enclosed with this report.

#### 4.1.6 Learning-Oriented Real-Time Impact Assessment

26. The IEU's multi-year Learning-Oriented Real-Time Impact Assessment (LORTA) programme has continued to embed causal evaluation designs within its portfolio of 18 projects, to aid learning on the impact of GCF investments. Baseline data collection has been completed in projects in Zambia, Guatemala, and Bangladesh. End-line data collection and impact analysis has been completed for the Modernized Climate Information and Early Warning Systems (M-CLIMES) project in Malawi, with LORTA's first impact evaluation report showing broadly positive impacts and providing learning from the participatory integrated climate services. In 2021, LORTA successfully onboarded four new projects in Belize, Ecuador, Pakistan, and the Philippines. It also completed a two-month capacity-enhancing Virtual Design Workshop with 17 DAEs.

## 4.2 Capacity-building and advisory services

### 4.2.1 Evaluation policy for the GCF and IEU's terms of reference

27. In May 2021, the Board adopted the Evaluation Policy for the GCF<sup>1</sup> (decision B.BM-2021/07) and designated the IEU as the custodian of the Evaluation Policy for the GCF. The Evaluation Policy provides that the IEU is to advise the Board on the effective implementation of the Evaluation Policy for the GCF, in cooperation with the Secretariat. With the same decision, the Board requested the IEU to present for the Board's consideration a TOR of the IEU, as an amendment to the Evaluation Policy for the GCF. On 3 June 2021, the IEU organized a technical session for consultation with the Board on this item. For transparency and information purposes, the IEU shared all related documents with the GCF Secretariat prior to submitting these to the Board. Based on the discussion and subsequent guidance provided by the Board, the IEU further developed the updated TOR for consideration by the Board. Subsequently, in decision B.BM-2021/15, the Board approved the IEU's Updated TOR<sup>2</sup> as an annex to the Evaluation Policy for the GCF. According to paragraph 9 of the IEU's Updated TOR, the IEU will be responsible for developing and updating the Evaluation Policy for the GCF.

28. **Evaluation standards.** The Evaluation Policy for the GCF provides that the IEU will develop evaluation standards for the GCF in consultation with the Secretariat. This work is currently ongoing and is expected to be completed in 2022.

<sup>1</sup> <https://ieu.greenclimate.fund/sites/default/files/page/evaluation-policy-final.pdf>

<sup>2</sup> <https://ieu.greenclimate.fund/sites/default/files/document/updated-tor-ieu.pdf>

#### 4.2.2 Management action reports

29. As stipulated in the Evaluation Policy for the GCF, the Board “receives management action reports prepared by the IEU”. Management action reports track the progress made in the adoption of recommendations contained in IEU evaluations and the Secretariat’s management response. The MAR includes a rating and commentary prepared by the IEU. The draft rating scales and commentaries are first shared and discussed with the GCF Secretariat. Comments provided by the Secretariat are then taken into account in the preparation of management action reports. The IEU prepared the following three management action reports in 2021:

- (a) Management action report on the independent evaluation of the GCF’s results management framework<sup>3</sup>
- (b) Management action report on the independent evaluation of the GCF's Readiness Preparatory and Support Programme (RPSP)<sup>4</sup>
- (c) Management action report on the Forward-looking Performance Review (FPR) of the GCF.

#### 4.2.3 Capacity building

30. **The IEU is to support the development of evaluation capacity.** The IEU’s TOR provides that the IEU will support the strengthening of the evaluation capacities of the GCF’s implementing entities. The LORTA programme – including through the Design Workshop and broader LORTA activities – plays an important role in enhancing the monitoring and impact evaluations capacities of implementing entities. Currently, delays are expected in non-LORTA capacity building work due to the IEU’s staffing challenges and capacity constraints.

31. **Capacity building.** The ongoing limitations on travel resulted in limited in-person attendance at events. Instead, the IEU utilized digital collaboration tools such as Microsoft Teams and Zoom to engage with partners and stakeholders and participate in learning and capacity-building activities. These engagements are listed in Appendix III.

#### 4.2.4 [IEU DataLab](#)

32. The IEU DataLab provides data-driven evidence using high-quality methods to inform IEU’s rigorous evaluations. It supported all 2021 evaluations of the IEU, including the multi-year Second Performance Review, through data collection, analysis and quality assurance. DataLab used geospatial tools in all IEU’s 2021 evaluations, which allowed it to partially offset the inability to conduct country missions due to COVID-related restrictions. Beyond institutional evaluations, geospatial analysis was conducted for project-level impact assessments under LORTA.

33. The team also supported other methods, learning and working papers of the IEU. Amongst others, it supported the updating of the evaluability study data first published in 2019. The evaluability study assessed FPs on their high-quality theory of change, potential for measuring causal change, implementation fidelity and reporting credibility.

34. Despite capacity constraints, IEU made progress on core data-related activities and standards, such as IEU internal guidelines on quality assurance and data communication, which allows for accuracy and consistency of IEU’s analytical work.

35. The DataLab develops and maintains a repository of quantitative and qualitative data originating from the GCF’s systems and documents, as well as external sources. The IEU

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<sup>3</sup> [GCF/B.29/Inf.08 Annex I.](#)

<sup>4</sup> [GCF/B.30/Info.04 Annex III.](#)

continues to update and maintain a data repository, extracting data that is not available in machine-readable format in GCF's information and communications technology systems. As several of GCF's systems are still under development, IEU data management relies heavily on interdepartmental collaboration and data provision from relevant divisions and offices of the Secretariat.

#### 4.2.5 Behaviour and Design Lab

36. The IEU's Behaviour and Design Lab (BaD Lab) has supported LORTA programme. An online toolbox to support AEs who wish to apply a behavioural lens in impact evaluation was developed.

#### 4.2.6 Learning papers and evidence reviews

37. Learning papers, working papers and evidence reviews are important tools in disseminating global and GCF-wide lessons learnt. The IEU produced the materials listed below, either alone or in collaboration with IEU partners.

38. [Learning paper: Assessing the likelihood for transformational change at the Green Climate Fund](#).<sup>5</sup> This paper reviews the project documents of GCF investments through March 2020. It uses bivariate statistics and multivariate cluster analysis to examine whether mitigation, cross-cutting or adaptation thematic areas show the greatest likelihood of contributing to transformational change. The paper shows that adaptation projects are most likely to be transformational. However, even this likelihood is modest as projects do not display all eight components under consideration. This paper was published in March 2021.

39. [Learning paper: Behavioural science, decision making and climate investments](#).<sup>6</sup> This paper builds a bridge between how climate interventions are conceived and implemented and the nascent field of behavioural science as a practical, low-cost but potentially rewarding route for increasing the effectiveness of climate interventions. The paper shows that simple guidance tools for conducting early, formative investigations into the dispositional, social and cognitive factors that underpin decision-making may be used to improve the effectiveness and efficiency of climate interventions. The paper was published in May 2021.

40. [Working paper: Machine learning and its potential applications in the Independent Evaluation Unit of the Green Climate Fund: A scoping study](#).<sup>7</sup> This paper explores the extent to which and how machine learning can potentially support the evaluation function of the IEU and, more broadly, how it can support project development at the GCF and the work of the independent units. It reviews the current applications of machine learning within climate impact evaluations and evidence reviews. The paper was published in August 2021.

41. **Evidence gap map and synthetic review: Climate change mitigation interventions in the private sector in developing countries.** The [evidence gap map](#)<sup>8</sup> (EGM) found little rigorous, causal evidence on private investments in mitigation in developing countries. The available causal evidence is in the energy and industrial sectors, especially fossil fuel substitution and energy efficiency measures. The intervention heat map shows that the GCF portfolio of private investments in mitigation is generally in line with the global distribution of greenhouse gas emissions. [The synthetic review](#)<sup>9</sup> found that almost all the causal studies

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<sup>5</sup> <https://ieu.greenclimate.fund/document/assessing-likelihood-transformational-change-green-climate-fund>

<sup>6</sup> <https://ieu.greenclimate.fund/document/behavioural-science-decision-making-and-climate-investments>

<sup>7</sup> <https://ieu.greenclimate.fund/document/machine-learning-and-its-potential-applications-independent-evaluation-unit-green-climate>

<sup>8</sup> <https://ieu.greenclimate.fund/sites/default/files/page/210806-psim-egm-ihm-top.pdf>

<sup>9</sup> <https://ieu.greenclimate.fund/sites/default/files/page/210812-psim-synthetic-review-top.pdf>



included in the evidence review found significant positive effects on mitigation and broader co-impacts. However, the limited evidence base poses significant challenges for drawing generalizable conclusions. Joining the evidence gap map and intervention heap map, the synthetic review is now also available on the IEU microsite.

## 4.3 Uptake, communications and partnerships

### 4.3.1 Communications milestones

42. The IEU produces a wide range of communications products tailored to the needs of its broad spectrum of stakeholders. Such products include print and online publications, multimedia content (e.g. videos and podcasts), newsletters, press releases, and promotional materials for internal and external engagement. Additionally, the IEU continues to update its microsite and maintain a solid presence on social media platforms. These outreach activities and materials disseminate the IEU's evaluations, support their uptake, and serve the IEU's broader learning and advisory function. They also enhance the Unit's profile and presence in the international climate finance landscape.

43. **Publications:** The IEU is mandated to synthesize the findings and lessons learned from its evaluations to inform the Board and the Secretariat, NDAs, implementing entities and observer organizations, as well as stakeholders. In keeping with this mandate, the IEU provides syntheses of its evaluation findings and recommendations in the form of synthesis briefs and notes. In 2021, the IEU published 10 issues of its three evaluation brief types: IEU Briefs; 4-page GEvalBriefs; and 2-page GEvalNotes. The Unit also produced a [miniature flyer](#) about its recent knowledge products and evaluation reports, on which QR codes allowed users to visit the relevant pages of the IEU microsite by scanning the flyer with a smartphone camera. This flyer was widely distributed at COP26 and proved to be an effective tool for disseminating information about the IEU's key evaluations and knowledge products. The IEU also innovated with a new kind of publication, called LabReports. These LabReports were produced as part of [the evaluation of the GCF's approach to the private sector](#) and made available some learnings from the evaluation in real-time and in portable size.

44. **IEU microsite:** The IEU maintains its own microsite, [ieu.greenclimate.fund](http://ieu.greenclimate.fund). In 2021, the microsite was evaluated internally by conducting external user testing, soliciting feedback from its team members, and analyzing analytics data. The results of the internal evaluation showed several avenues for further improving the site's navigation and the accessibility of IEU evaluation reports. In 2021, more than 15,000 users from 187 countries accessed the IEU microsite. The most visited pages were: "Meet the Team", "Evaluations", "Jobs", a blog post about impact evaluation, the SIDS evaluation page, the Adaptation evaluation page, and "About the IEU".

45. **Social media:** The IEU's presence on multiple social media platforms enables the Unit to reach a wide range of stakeholders, including members of global evaluation networks and associations, other climate funds and international organizations, the evaluation offices of United Nations agencies, and AEs, NGOs, and academia. One of the noteworthy findings from the IEU's social media analytics review was that social media served as an important driver of downloads of the IEU's evaluation reports and other knowledge products.

(a) **Twitter:** The IEU's Twitter account has over 1,200 followers located in more than 100 countries. Regular interactions with the IEU's Twitter account (including likes, retweets, and mentions) come from global and regional evaluation networks and organizations, including the United Nations Evaluation Group, European Evaluation Society, African Development Bank's Independent Development Evaluation, United Nations Population Fund Evaluation Office, and the Asian Development Bank's (ADB) Independent Evaluation Department.

- (b) **LinkedIn:** The IEU's LinkedIn followership grew significantly in 2021. Between January and September 2021, the IEU gained 673 new followers on LinkedIn, representing a 68 per cent increase in followers. This increase is significant because LinkedIn is where a lot of professional exchanges are made, and evaluators and climate finance experts from other international organizations and climate funds read about and discover the IEU's evaluation reports and knowledge products.
- (c) **YouTube:** The IEU's YouTube channel is home to 158 videos that provide information about every aspect of the IEU's work. These videos are effective means of communicating the findings and lessons learned from the IEU's evaluations. In 2021, the videos attracted more than 9,800 views from around the world. Some 294 users have subscribed to the IEU YouTube channel, a figure that has more than doubled in 2021. Analytics data show that, second after its evaluation reports, the IEU's "Spotlight" videos on the key findings and recommendations of each evaluation are its most frequently accessed knowledge products. The three most viewed videos on the IEU YouTube channel in 2021 were the Spotlight videos about the independent evaluations of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System, the GCF's Adaptation Portfolio and Approach, and the Relevance and Effectiveness of the GCF's Investments in the SIDS.
- (d) **Podcasts:** The IEU's podcast "[The Evaluator](#)" published eight new episodes in 2021. Topics discussed with guests on the podcast included REDD+, climate bonds, and the independent evaluation of the adaptation portfolio and approach of the GCF.
46. **Communicating IEU's evaluations and learnings in different languages.** To better communicate with the GCF's global stakeholders, the IEU continues to expand the number and range of products available in multiple languages. A notable achievement in 2021 was the translation of the IEU's evaluation summary briefs into Arabic, Spanish and French, in addition to English. Furthermore, during the reporting period, the IEU made available Korean subtitles for some of its most-watched Spotlight videos on YouTube.

#### 4.3.2 Partnerships

47. The TOR of the IEU provides that the IEU will enter into relationships with partner organizations. Partnerships and collaboration are critical to ensuring the IEU delivers effective evaluations, contributes to its own and the GCF's learning, and builds the capacity of in-country agencies. Partners also provide the opportunity, depending on the stakeholders in question, to extend greater understanding, outreach and uptake of IEU recommendations and, critically, to better their perceptions of the IEU.

48. The IEU has memoranda of understanding and agreements with 20 AEs, NDAs, universities, research institutes, government ministries, civil society organizations, multilateral and bilateral agencies, and the independent evaluation offices of AEs. The full list of IEU partners is available in Appendix II. Additionally, the IEU held an introductory meeting, in November 2021, with the Readiness Committee of the Incheon National University (INU)-Korea International Cooperation Agency (KOICA).

49. To utilize and bring together its network of partners, the IEU hosted a virtual event with its partner organizations in April 2021. Participants included representatives from the IEU's partner organizations, including Seoul National University, Abdul Latif Jameel Poverty Action Lab, Development Bank of Southern Africa, Department of Environment (DoE) of the Government of Antigua and Barbuda, and International Centre for Integrated Mountain Development, amongst others. The meeting provided an opportunity for the IEU and its partners to share updates, develop networks and explore opportunities for collaboration.

#### 4.3.3 [COP26](#)



50. The IEU participated actively at COP26 in Glasgow. The IEU hosted five pavilion events, featuring representatives from organizations including the Asian Development Bank, the Adaptation Fund, the European Bank for Reconstruction and Development, the German Institute for Development Evaluation, the Climate Investment Funds, the Commonwealth Secretariat as well as Board members of the GCF.

51. The IEU also co-hosted a GCF pavilion event together with the two other independent units of the GCF – the Independent Redress Mechanism Unit (IRM) and the Independent Integrity Unit (IIU). The event was titled “Climate finance accountability: Evaluation, integrity and redress at the GCF.” The IEU also participated in two pavilion events of the GCF Secretariat to discuss findings and recommendations of two most recent IEU evaluations.

52. IEU staff were featured as speakers at seven additional COP26 events, including two official side events, hosted by a variety of organizations including the GCF Secretariat, the Commonwealth Secretariat, World Agroforestry, the Ramsar Convention Secretariat, UNITAR-UNOSAT and the International Fund for Agricultural Development.

#### 4.3.4 Other events and engagements

53. In line with its mandate to actively participate in relevant international evaluation networks, the IEU engaged closely with the European Evaluation Society (EES) to share its knowledge materials through the monthly EES newsletter, the *EuropEval Digest*.

54. IEU representatives also spoke at various virtual conferences including the Global Green Growth Institute High-Level Business Round Table, Gobeshona Global Conference, Asian Evaluation Week, Adaptation Futures, and the Global Development Conference. A list of presentations given by IEU personnel is available in Appendix III.

55. In 2021, the IEU hosted five “[IEU virtual talks](#)”. The IEU virtual talks are open to the public and feature speakers from inside and outside the GCF. The events attracted audiences of up to 180 registered participants and covered topics including digital transformation, results-based payments, gender, and private sector involvement in climate investments.

56. The IEU conducted 24 webinars in 2021. It also held 5 side events aligning with the year’s three Board meetings. Audiences included representatives from the Secretariat, GCF independent units, the Board, the GCF’s Accreditation Panel, civil society, the private sector, AEs, research organizations and others. The webinars and side events were designed to provide participants with an overview of recent and ongoing IEU evaluations and their findings and recommendations. Appendix III lists the IEU’s webinars, including eight webinars from the virtual LORTA Design Workshop and Board Meeting side events held in 2021.

## 4.4 Building and strengthening the IEU

### 4.4.1 New staff

57. In 2021, the IEU recruited a Team Assistant, Junior Researcher, Impact Evaluation Officer, Evaluation Researcher for Geographic Information Systems and Data, and two Associate Data Analysts for Data Modelling. At the end of 2021, the IEU had 12 staff, eight Songdo-based consultants and two interns, and is still seeking to recruit a Principal Evaluation Officer, three Evaluation Specialists, and a Communications and Uptake Associate. Ten staff positions from the 2021 workplan remain unfilled.

58. In accordance with the IEU’s TOR and the TOR for the Head of the IEU, the IEU adheres to the GCF Secretariat’s administrative processes, including the Office of Human Resources’ (OHR) oversight of IEU-related recruitment. This close collaboration is particularly important in resolving the kinds of staffing challenges the IEU has been facing in 2021. Unfortunately, the

OHR has informed the IEU that, for several reasons, it is also presently understaffed and trying to manage a challenging workload. These reasons include (i) declining human resource capacities within the OHR, (ii) an increase in the Secretariat’s staffing needs to deliver the mandates of the updated strategic plan, and (iii) the recruitment needs to cope with the retention challenges posed by COVID-19 that the entire GCF currently faces. The situation made it additionally challenging for the OHR to complete the recruitments planned for the IEU in 2021.

59. The IEU workplan was adjusted in light of human resource challenges. The IEU implemented mitigation actions in 2021 to best navigate its personnel shortage while finding measures that ensure the IEU works optimally towards fulfilling most of its 2021 work plan.

**Table 1: IEU activities**

<b>Activities</b>	<b>Planned outputs for the relevant period</b>	<b>Realized delays</b>
<b>I. BUILD THE IEU</b>		
1. IEU staffing	IEU recruitment completed	Delayed
2. IEU activity reports	Engagement & final report	On track
3. Evaluation standards and guidelines	Guidelines and standards for approval	Delayed
<b>II. UNDERTAKE AND DELIVER HIGH-QUALITY EVALUATIONS TO THE GCF BOARD</b>		
4. Relevance and Effectiveness of GCF investment in LDCs	Engagement & final report	On track
5. Evaluation of Private Sector	Engagement & final report	On track
6. Evaluation of GCF's Request for Proposal (RFP) approach	Engagement & final report	On track
7. LORTA	Report from baseline data and impact evaluations	Partially delayed
8. Second Performance Review of the GCF	Inception engagement	Partially delayed
<b>III. EVALUATION-BASED ADVISORY SERVICES, LEARNING &amp; CAPACITY STRENGTHENING</b>		
9. LORTA related advisory services	Tracking systems built & onboarding of GCF projects	Delayed
10. Capacity building advisory services	Behavioural Science and evaluation capacity	Delayed
11. Database development	GIS data and IEU DataLab	Delayed
<b>IV. COMMUNICATIONS, BUILDING STRATEGIC PARTNERSHIPS AND ENGAGEMENT</b>		
12. Evaluation findings uptake	Engagement & joint work	Delayed

<b>Activities</b>	<b>Planned outputs for the relevant period</b>	<b>Realized delays</b>
13. IEU partnerships	Engagement & joint work	Delayed
14. IEU communications	Communication, dissemination and knowledge management plans for each evaluation prepared	Partially delayed
15. Evidence reviews and evidence gap maps	Transformational change Gendered impact Behavioural intervention	Delayed

#### 4.4.2 **LORTA and Busara training**

60. The IEU's Behaviour and Design Lab offered a supplemental training during the 2021 Virtual LORTA Design Workshop. In conjunction with the Busara Center for Behavioral Economics, a three-day training was offered on decision-making science related to activating behavioural changes surrounding climate change implications in developing countries. This was followed by the Virtual Design Workshop webinar on evaluation questions and indicators for behavioural interventions. The capacity building event was attended by IEU members and Virtual Design Workshop participants from DAEs.

#### 4.4.3 **Conflict management course**

61. In April 2021, the IEU took part in a Conflict Management Course alongside the IRM and IIU. Through various exercises, reflections and discussions, the impact of different modes of non-verbal communication was discussed. Furthermore, effective transmission and reception of interpersonal communication were strengthened in an environment abounding in diverse cultural and professional backgrounds.

#### 4.4.4 **Team building retreat**

62. In October 2021, a three-day IEU team retreat was held virtually for all staff, interns and consultants. The objectives of this retreat were to further address matters raised through the GCF staff engagement survey workshop, improve teamwork across the Unit, improve effective communication and collaboration within the team, and consider opportunities for building resilience and capacity. The updated pillars of the Unit and cross-sectoral roles and communications were also discussed and refined collectively.

#### 4.4.5 **Training on being a respectful supervisor**

63. Guided by the discussions held during and as a result of the above-mentioned team-building workshop, some IEU team members enrolled in the following two online courses: “Respectful Supervisor: Motivating and Retaining Employees” and “Respectful Supervisor: Integrity and Inclusion”.

#### 4.4.6 **Guidelines for the effective functioning of the IEU**

64. The IEU developed and shared a draft of the guidelines for the effective functioning of the IEU with the Co-chairs and the Board. The latest version of the draft guidelines for the effective functioning of the IEU were annexed to the B.29 Activity Report of the IEU.

#### 4.4.7 **Internship programme**

65. The IEU’s recruitment of interns aims to ensure both training and learning. In addition to a final report at the end of their internship, IEU interns are responsible for drafting and distributing a weekly internal report that provides an update and overview of tasks assigned in the previous week. They are required to attend team meetings and are encouraged to participate in weekly evaluation meetings, depending on their responsibilities and interests. In 2021, the IEU started a new initiative, which is the monthly Interns’ Day. On Interns’ Day, interns have the opportunity to put aside their day-to-day tasks and learn about other IEU work, the GCF as a whole, or climate change activities in Incheon and/or the Republic of Korea. While adhering to local COVID-19 regulations, the IEU interns have engaged in activities with other international organizations in the Republic of Korea, such as United Nations Economic and Social Commission for Asia and the Pacific and the East Asian and Australasian Flyway Partnership Secretariat.

## V. **Looking ahead to 2022**

66. The IEU’s achievements in 2021 provide a firm foundation for its activities in 2022. The IEU’s work programme during the next 12 months will be challenging but rewarding. With the 2022 Workplan of the IEU, the Unit provided an updated organogram. The IEU is structured in the following three workstreams, underpinning all IEU-led independent evaluations and reviews: a) Science and data; b) Learning, synthesis and uptake; c) Capacity building, advisory services and policy.

67. The IEU’s 2022 work plan lists four objectives:

- (a) **Objective 1: Building and strengthening the IEU.** In 2022, the IEU will recruit additional evaluation staff and reduce its dependency on consultants in line with the GCF policy. The IEU will enhance its evaluation standards, as provided in the TOR of the IEU and the GCF Evaluation Policy. Training and workshops will continue to cover topics such as methods, evaluations and science, and team building and communication.

- (b) **Objective 2: Evaluations.** A major 2022 activity is the Second Performance Review of the GCF, which will inform the Board’s considerations related to the next strategic period. In the lead up to submitting the SPR report in 2023, the IEU will produce several ancillary publications. A second evaluation in 2022 will assess how effectively GCF’s investments in the African States promote a paradigm shift towards low emissions and climate resilience, and reduce the negative impact of climate change on local livelihoods. Further, the IEU will produce a synthesis note on GCF’s direct access that examines the GCF’s success in improving access to climate finance, accreditation and country ownership. The synthesis will summarize findings in several evaluative and learning products.
- (c) **Objective 3: Capacity building and advisory services.** To fulfil its advisory services function, the IEU believes it is vital for the GCF to learn from global evidence on what works, what doesn’t and why. In 2022, the IEU aims to finalize an evidence review on gender, which aims to examine climate interventions that seek to promote gender equity, and an evidence review on behavioural change, which aims to systematically map and synthesize the evidence base on behavioural science interventions within environmental and developmental fields in developing countries. The IEU’s LORTA programme will continue to help approved GCF projects build baseline data and measure the causal impact of GCF investments.
- (d) **Objective 4: Uptake, communications and partnerships.** Using a range of communications tools and strategies, the IEU will continue its role as a knowledge broker between evaluators, the GCF ecosystem, experts and partners. Communications tools will include events, podcasts, newsletters, blogs, and activity and annual reports. Strategic steps will include building relationships with key actors, identifying like-minded climate experts, developing products for engaging with the Board and translating documents to increase the global readership of IEU products.

## Appendix I: IEU's budget and expenditure in 2021

The table below shows the IEU's 2021 budget and the expenditure report as of 31 December 2021 in USD.

**Table 2: IEU's budget and expenditure in 2021**

Category	2021 Board approved budget	Disbursed	%	Remaining budget
<b>Staff costs (a)</b>	<b>3,597,769</b>	<b>2,279,460</b>	<b>63%</b>	<b>1,318,309</b>
Full-time staff <sup>1</sup>	3,015,569	1,776,929	59%	1,238,640
Consultants and interns <sup>2</sup>	582,200	502,531	86%	79,669
<b>Travel (b)</b>	<b>218,915</b>	<b>17,087</b>	<b>8%</b>	<b>201,828</b>
<b>Contractual services (c)</b>	<b>1,725,000</b>	<b>1,192,941</b>	<b>69%</b>	<b>532,059</b>
Legal and professional services	1,678,000	1,176,139	70%	501,861
Operating costs	47,000	16,802	36%	30,198
<b>Total (a+b+c)<sup>3</sup></b>	<b>5,541,684</b>	<b>3,489,488</b>	<b>63%</b>	<b>2,052,196</b>

<sup>1</sup> Staff costs include staff salaries, benefits, staff training and development costs.

<sup>2</sup> Consultants costs include consultants and interns' fees, benefits and travel costs.

<sup>3</sup> The expenditure report was not audited as of 31 December 2021.

Actual expenditure for the IEU during the reporting period totalled USD 3.9 million against an approved 2021 annual budget of USD 5.9 million (65 per cent).

Due to the continued travel restrictions imposed by the COVID-19 pandemic, the execution rate relating to travel remains low.

In order to address the current human resource capacity gap at the IEU with the necessary urgency, and to complete and expedite the recruitment processes within the workplan and budget period of 2021, the IEU consulted with the Budget Committee on the budget re-allocation to cover the following items, as agreed in July 2021. These re-allocations have not been reflected in the table above:

- (a) Re-allocation of USD 200,000 from the full-time staff budget to the consultant budget: the IEU plans to hire short-term senior individual consultants, remote and HQ-based, who will provide the technical support to ongoing IEU evaluations and until the planned human resource recruitments have been completed.
- (b) Re-allocation of USD 152,000 from the full-time staff budget to the legal and professional services budget: the OHR requests the IEU to consider outsourcing some recruitment processes to external human resource recruitment firms. This re-allocated cost was used for the procurement of services from those firm(s).

## Appendix II: IEU's formal partnerships

<b>Partner</b>	<b>Type of partnership</b>
Busara Center for Behavioral Economics Inc.	MOU
Central American Bank for Economic Integration (CABEI)	MOU (LORTA)
Center for International Forestry Research (CIFOR)	MOU
Climate Investment Fund (CIF)	Learning partnership
Development Bank of Southern Africa (DBSA)	MOU (LORTA)
German Institute for Development Evaluation (DEval)	MOU
Global Development Network (GDN)	MOU
Government of Antigua and Barbuda, represented by the Department of Environment (DoE)	MOU
Incheon National University (INU)	MOU
International Centre for Integrated Mountain Development (ICIMOD)	MOU
International Development Evaluation Association (IDEAS)	Membership
International Union for Conservation on Nature and Natural Resources (IUCN)	MOU (LORTA)
Office of Evaluation (OED) of the Food and Agriculture Organization of the United Nations (FAO)	MOU
Rwanda Ministry of Environment	MOU (LORTA)
Seoul National University Global Research and Development Business Center	MOU
Stockholm Environment Institute (SEI)	MOU
The King Climate Action Initiative of the Abdul Latif Jameel Poverty Action Lab	MOU
University of Warwick	MOU
United Nations Evaluation Group (UNEG)	Observer
Women Organizing for Change in Agriculture and Natural Resource Management	MOU

## Appendix III: Presentations given by IEU personnel in 2021

### IEU webinars

- 2 February 2021: IEU Webinar: Findings and recommendations from the Adaptation evaluation
- 8 March 2021: IEU Webinar: Findings and recommendations from the Adaptation evaluation
- 10 March 2021: B.28 Virtual Side Event: Findings and recommendations from the Adaptation evaluation
- 11 March 2021: B.28 Virtual Side Event: The Draft Evaluation Policy of the GCF
- 12 March 2021: B.28 Virtual Side Event: Findings and recommendations from the Adaptation evaluation
- 13 April 2021: IEU Webinar on the Approach Paper of the Independent Evaluation of the GCF's approach to the Private Sector
- 14 April 2021: IEU Webinar on the Approach Paper of the Independent Evaluation of the GCF's approach to the Private Sector
- 21 April 2021: IEU Webinar on the Approach Paper of the Independent Evaluation of the GCF's approach to the Private Sector
- 27 April 2021: IEU Webinar on the Approach Paper of the Independent Evaluation of the Effectiveness of the GCF's Investments in the LDCs
- 28 April 2021: IEU Webinar on the Approach Paper of the Independent Evaluation of the Effectiveness of the GCF's Investments in the LDCs
- 3 May 2021: IEU Webinar on the Approach Paper of the Independent Evaluation of the Effectiveness of the GCF's Investments in the LDCs
- 20 May 2021: Emerging findings from the Rapid Assessment of the Green Climate Fund's Request for Proposals Modality
- 28 May 2021: IEU Webinar: Emerging findings from the Rapid Assessment of the GCF's Request for Proposals Modality
- 2 June 2021: IEU Webinar: Emerging findings from the Rapid Assessment of the GCF's Request for Proposals Modality
- 24 June 2021: B.29 Virtual Side Event: GCF's RFP Modality - What are we learning? The IEU's Rapid Assessment
- 10 August 2021: IEU Webinar: Emerging findings from the Independent Evaluation of the GCF's Approach to the Private Sector
- 11 August 2021: IEU Webinar: Emerging findings from the Independent Evaluation of the GCF's Approach to the Private Sector
- 30 September 2021: B.30 Virtual Side Event: Independent Evaluation of the GCF's Approach to the Private Sector



- 14 October 2021: IEU Webinar on the factual draft of the independent evaluation of the effectiveness of the GCF's investments in the LDCs
- 6 September 2021: LORTA Virtual Design Workshop - Webinar 1: What is LORTA
- 13 September 2021: LORTA Virtual Design Workshop - Webinar 2: Theory of Change
- 20 September 2021: LORTA Virtual Design Workshop - Webinar 3: Evaluation questions and indicators
- 27 September 2021: LORTA Virtual Design Workshop - Webinar 4: Evaluation questions and indicators for behavioural interventions
- 4 October 2021: LORTA Virtual Design Workshop - Webinar 5: Experimental Impact Evaluation
- 11 October 2021: LORTA Virtual Design Workshop - Webinar 6: Non-experimental Impact Evaluation
- 18 October 2021: LORTA Virtual Design Workshop - Webinar 7: Scale, satellite, and spatial data
- 25 October 2021: LORTA Virtual Design Workshop - Webinar 8: Timeline and budget
- 1 November 2021: LORTA Virtual Design Workshop - Webinar 9: Rapid Fire Presentations
- 30 November 2021: IEU Webinar on the emerging findings of the independent evaluation of the effectiveness of the GCF's investments in the LDCs

#### External events

- [Gobeshona Global Conference] 19 January 2021: Designing a loss and damage financing mechanism
- [Transformational Change Learning Partnership Workshop] 25 May 2021: Transformational Change and Climate Finance: Moving from Emerging Concepts to Advanced Practices
- [UN Summit Dialogue] 29 June 2021: Local and global food security shaped by Northern agriculture
- [Asian Evaluation Week] 6 September 2021: On the Road to Recovery: What can we learn from the private sector response to the COVID-19 pandemic?
- [Asian Evaluation Week] 7 September 2021: Climate adaptation: from evaluation to action
- [European Evaluation Society Online Conference] 8 September 2021: Evaluating Climate Adaptation: Conceptual Clarity, Metrics and Innovation
- [European Evaluation Society Online Conference] 8 September 2021: Evidence Gap Maps – what are they and how can we make best use of them? Early lessons
- [Adaptation Futures] 7 October 2021: The evidence gap map of adaptation and heat map of interventions in developing countries
- [Global Development Conference] 19 October 2021: Evidence curation in climate change: How do we use evidence for climate change finance and action?

- [Global Development Conference] 25 October 2021: What is the current evidence on interventions to reduce energy consumption and mitigate the effects of climate change?
- [COP26 event] 4 November 2021: Evidence-based transformative Pathways for Smallholder Farmers' Resilience to Climate Change
- [COP26 event] 4 November 2021: Engaging Private Sector Actions and Investments
- [COP26 event] 4 November 2021: Financing Wetlands Conservation and Restoration for Climate Benefits - Challenges and Opportunities
- [COP26 event] 4 November 2021: Scaling ecosystem-based adaptation in Africa
- [COP26 IEU event] 4 November 2021: Evaluating climate change adaptation and climate action: What have we learned? A dialogue with evaluators!
- [COP26 IEU event] 5 November 2021: Mobilizing the private sector for climate action: Lessons from evaluations at the GCF and other organizations
- [COP26 event] 5 November 2021: Accelerating Climate Finance Access for Nature-based Solutions in Supporting Climate, Land and Biodiversity Targets
- [COP26 event] 8 November 2021: Adaptation: From Readiness to Transformational Programs
- [COP26 event] 9 November 2021: Leveraging the use of geospatial information technology and satellite data for improved climate resilience and disaster risk management
- [COP26 IEU event] 9 November 2021: How can climate finance work better for the small island developing States (SIDS) and the least developed countries (LDCs)? Lessons from evaluation
- [COP26 IEU event] 10 November 2021: The Green Climate Fund's alternative modalities: what we have learned from evaluations
- [COP26 IEU event] 12 November 2021: GCF-IUs' joint side event at COP26: Climate Finance Accountability: Evaluation, Integrity and Redress at the GCF
- [COP26 IEU event] 12 November 2021: Evaluating climate change adaptation and climate action in the small island developing States

## Appendix IV: Communications materials produced by the IEU in 2021

### IEU Virtual Talks

- 28 January 2021: IEU Virtual Talk: Tackling Climate Change Through Digital Transformation (DX): A Look at Korean Organizations & the SNU Smart Campus
- 25 February 2021: IEU Virtual Talk: Results-based Payments: What does the evidence say?
- 25 March 2021: IEU Virtual Talk: Gender in Climate Change: Perspectives from WOCAN and GCF
- 27 May 2021: IEU Virtual Talk: The Future of Climate Bonds
- 22 July 2021: IEU Virtual Talk: Private Sector for Sustainability

### Podcasts

- 11 January 2021: 'The Evaluator' Episode 8: Waterbird conservation on an international scale
- 4 February 2021: 'The Evaluator' Episode 9: GEO6 and Freshwater
- 2 March 2021: 'The Evaluator' Episode 10: What does it take to convince farmers to buy crop insurance for climate resilience? A case study
- 30 March 2021: 'The Evaluator' Episode 11: Evaluating the GCF's Adaptation Portfolio
- 11 May 2021: 'The Evaluator' Episode 12: Addressing gender and climate change together
- 14 July 2021: 'The Evaluator' Episode 13: REDD+, Cancun Safeguards, and the GCF's pilot programme
- 22 October 2021: 'The Evaluator' Episode 14: Climate bonds Part I
- 15 November 2021: 'The Evaluator' Episode 15: Climate bonds Part II

### Videos

- 8 March 2021: Women of the IEU on International Women's Day 2021
- 5 April 2021: Spotlight: Evaluating the GCF's SIDS Portfolio
- 16 April 2021: Spotlight: Our reflections on GCF B.28
- 19 July 2021: Spotlight: The Green Climate Fund's Adaptation Portfolio
- 24 August 2021: Spotlight: The IEU's evidence reviews
- 4 October 2021: Teaser: The IEU's SAP evaluation

### Blogs

- 15 January 2021: What the Green Climate Fund can teach us about multilateral organizations
- 17 February 2021: In a race against time: Machine learning for the climate emergency
- 17 March 2021: Data Outlook: B.28, what would it mean for the GCF's portfolio?
- 26 March 2021: The overlooked role of secretariats in the success of environmental treaties

- 22 April 2021: Designing an impact evaluation in six steps
- 1 July 2021: Data Outlook: B.29, what would it mean for the GCF's portfolio?
- 4 October 2021: A sneak peek at GCF's B.30: Funding proposals, and strategy and policy items for Board discussion
- 2 November 2021: When it comes to utilising climate finance, 'how' is as important as 'how much'

#### News updates

- 14 January 2021: Does access to credit lead to the adoption of climate change adaptation? Not necessarily, says IEU and DEval report
- 22 January 2021: Announcing the new IEU Head ad interim, Mr. Andreas Reumann
- 12 February 2021: The IEU is turning 7!
- 10 May 2021: New evaluation policy to enhance Green Climate Fund's efforts to combat climate change
- 25 June 2021: Second Performance Review of the Green Climate Fund launched

#### Newsletters

- Newsletter Issue 12, January - March 2021
- Newsletter Issue 13, April - July 2021
- Newsletter Issue 14, August - November 2021
- What's New with the IEU January 2021
- What's New with the IEU February 2021
- What's New with the IEU March 2021
- What's New with the IEU May 2021
- What's New with the IEU June 2021
- What's New with the IEU July 2021

#### Briefs

- GEvalNote 09: Independent Evaluation of the Adaptation Portfolio and Approach of the Green Climate Fund
- GEvalBrief 09: Independent Evaluation of the Adaptation Portfolio and Approach of the Green Climate Fund
- GEvalNote 11: Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality
- GEvalBrief 11: Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality
- IEU Brief: Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund's Investments in the Least Developed Countries
- IEU Brief: Independent Evaluation of the Green Climate Fund's Approach to the Private Sector

## Appendix V: Progress Report on the Second Performance Review

### I. Introduction

1. In decision B.27/08, the GCF Board approved the work plan and budget of the Independent Evaluation Unit for 2021. In the same decision, the Board further requested the IEU in consultation with the Budget Committee: *“to prepare a multi-year budget and schedule for the second performance review of the GCF for consideration by the Board at its twenty-eighth meeting.”*
2. In decision B.BM-2021/11, the Board agreed to the scope of the second performance review (SPR) and approved a budget of USD 1,315,000 for it, as contained in document GCF/BM-2021/12.
3. Document GCF/B.28/07 notes that *“At every Board meeting, IEU activities reports will include an update on the progress made on the second performance review.”*<sup>1</sup>
4. This progress report provides an account of the progress made on the SPR during the period August 2021–December 2021.

**Table 1: Budget for the Second Performance Review (2021–2022), USD**

Category	2021–2022
(1) Full-time staff and consultants	[Included in the IEU's core budget]
(2) Travel	325,000
(3) Professional services	960,000
(4) Other operating costs	30,000
<b>(5) Grand total cost (2) +(3) +(4)</b>	<b>1,315,000</b>

### II. Progress report: activities and expenditure

#### 2.1 Consultations

5. In the reporting period, the IEU held consultations with different parts of the GCF Secretariat, including colleagues from the Office of the Executive Director, Division of External Affairs, Division of Portfolio Management, and the Division of Mitigation and Adaptation. These consultations were undertaken with a continued coordination between the schedule for the SPR, which takes into account planning for GCF-2, and the second replenishment of the GCF. Further the discussions with the Division of Portfolio Management allowed the SPR team to begin coordination on matters related to data. All discussions also probed the GCF colleagues on questions of interest that may be asked by the SPR.

6. The IEU consulted with the Budget Committee and informed on the progress and expenditure towards the SPR. An expenditure report was shared with the Budget committee chair and members on 15 August and 28 October 2021. Furthermore, the IEU provided progress

<sup>1</sup> Document GCF/B.28/07, para. 8.

report on the SPR annexed to the report on the activities of the IEU at B.30. The current progress report is annexed to the annual report of the IEU at B.31.

7. Throughout the reporting period, the IEU held bilateral consultations with members of the Board to discuss, among other things, any emerging questions and priorities of Board members. This standard practice allows an evaluation to remain utilization focused and aligned with the needs of the primary audience. With this, the IEU identified the following emerging areas of interest: implementation, GCF positioning for results, institutional architecture, and complementarity and coherence.

8. The IEU organized two internal workshops to plan for and discuss the SPR. These workshops were also undertaken in anticipation of the Board's consideration of the SPR packages at B.31 and after March 2022 and provided the IEU with an opportunity to collectively discuss the schedule, expectations, and planning in order to deliver a timely and high-quality SPR. A further internal discussion on the structure of the synthesis report is underway, and a discussion on evaluation questions is expected.

## 2.2 Progress on deliverables

9. In the first quarter of 2022, the IEU is expected to deliver the following to the Board: FPR management action report, Synthesis report, USP progress report.

10. **FPR management action report.** As stipulated in the Evaluation Policy for the GCF, the Board "receives management action reports prepared by the IEU". Management action reports (MAR) track the progress made in the adoption of recommendations contained in IEU evaluations. In preparing this MAR, the IEU considered the Secretariat's management response to the Forward-looking Performance Review (FPR) of the GCF (GCF/B.24/10). The MAR is shared with the Board in time for B.31.

11. **Synthesis study.** The IEU has launched a full synthesis of documents covering GCF-1, including nearly 200 reports submitted to the Board in this period. This review covers GCF documents, IEU evaluations, Secretariat reviews, the grey literature and peer-reviewed literature. The synthesis will undertake a critical review to examine the sufficiency and credibility of evidence, and will lay out the questions for the SPR. The synthesis study is expected in March 2022.

12. **USP progress report.** The USP progress report aims, among other things, to assess the progress of GCF-1 by the end of 2021 against the objectives, targets, and goals under USP, see the linkages to the Secretariat's KPIs, and project the potential fulfilment of these objectives by the end of GCF-1. To this end, the IEU has drafted an internal approach paper, launched consultations, document review, and data modelling. The report on the USP progress is expected in March 2022.

13. **SPR approach paper.** Although not part of the SPR deliverables, the IEU is drafting an approach paper that will outline the work to be undertaken in the SPR. This will include an illustration of the methodological approach, expected schedule, key evaluation questions, and an identification of country case studies. To this end, the IEU has begun consultations and document review. The Synthesis Study is expected to inform the questions. A preliminary criteria and strategy for country case studies is identified, with the pilot mission expected in February 2022.

## 2.3 Procurement and schedule of delivery

14. Following the approval of the timeline and budget of the SPR in decision GCF/BM-2021/11, the IEU and the Secretariat's Procurement Unit (DSS-PU) worked closely and collaboratively to try and conclude the SPR procurement process in September 2021.

15. Decision GCF/B.BM-2021/11 was based on document GCF/BM-2021/12, which stated that the "schedule may have to be further revised based on considerations of the results of GCF procedures, including procurement and hiring." Therefore, and based on the understanding that the SPR procurement process may conclude in the week of 18 October 2021, the IEU had engaged in discussions with the Co-chairs and the Secretariat and together have agreed upon a schedule of deliverables of SPR Package I. A memo from the Head of the IEU *a.i.* was shared with the Board on 21 October 2021.

16. This memo provided an updated schedule of the SPR, as shown in Table 2 below.

**Table 23: Updated Schedule of the Second Performance Review**

SPR packages	Contents
Package I, part 1 B.31	FPR management action report
Package I, part 2 March 2022	Synthesis report USP progress report
Package II for the last Board meeting in 2022	SPR report summary, with evidence and findings with recommendation areas
Package III for the first Board meeting in 2023	Publication and dissemination of SPR report with annexes, including findings and recommendations

## 2.4 Expenditure

During the reporting period of August to December 2021, no expenditure has been recorded.

**Table 34: Expenditure of budget for the Second Performance Review as of December 2021 (USD)**

Category	Approved amount	Disbursed amount <sup>2</sup>	Committed amount <sup>3</sup>	Total committed/disbursed
(1) Full-time staff and consultants	[Included in the IEU's core budget]	N/A	N/A	N/A
(2) Travel	325,000	0	0	0
(3) Professional services	960,000	0	0	0
(4) Other operating costs	30,000	0	0	0
<b>(5) Grand total (2)+(3)+(4)</b>	<b>1,315,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>2</sup> "Disbursed amount" shows paid amounts to contractors/consultants/vendors.

<sup>3</sup> "Committed amount" includes accrued and unpaid amounts to contractors/consultants/vendors.

## Appendix VI: Forward-looking Performance Review Management Action Report

### I. Introduction

1. As stipulated in the Evaluation Policy for the GCF, the Board “receives management action reports prepared by the IEU”. Management action reports (MAR) track progress made in the adoption of recommendations contained in IEU evaluations. In preparing this MAR, the IEU considered the Secretariat’s management response to the Forward-looking Performance Review (FPR) of the GCF (GCF/B.24/10).

2. Overall, the Secretariat is in agreement with the four key recommendations set out in the FPR. In addition, the Secretariat has provided a detailed response to each finding of the FPR along with management response. Of the 68 findings, the Secretariat agrees with 48 findings, partially agrees with 16 findings, and requested clarification of two findings. Moreover, the Secretariat disagrees with two findings of the FPR.

3. For each recommendation made by the IEU evaluation, this MAR provides a rating and commentary prepared by the IEU. The draft rating scale and commentary were shared and discussed with the Secretariat prior to the writing of this report. The comments provided by the Secretariat were then taken into account in the preparation of the MAR. The rating scale for the progress made on the adoption of recommendations is as follows:

- (a) *High*: Recommendation is fully adopted and fully incorporated into policy, strategy, or operations.
- (b) *Substantial*: Recommendation largely adopted but not fully incorporated into policy, strategy, or operations yet.
- (c) *Medium*: Recommendation is adopted in some operational and policy work, but not significantly in key areas.
- (d) *Low*: No evidence or plan for adoption, or plan and actions for adoption are at a very preliminary stage.
- (e) *Not rated*: Ratings or verification will have to wait until more data is available or proposals have been further developed.



## II. Forward-looking Performance Review Management Action Report

Reference No.	FPR recommendation	Management response	IEU ratings	IEU comments
<b>Overall recommendation 1</b>	<b>Strengthen criteria, business processes and implementation structures that are likely to better address differentiated developing country needs and capacities with a focus on disbursing through direct access entities (DAEs). Develop key performance indicators (KPIs) to track transparency, predictability, speed, impact and innovation.</b>			
1a	Consider revising the accreditation framework and process. Develop a strategy for accreditation that will bring in institutions that have capacities and strategies commensurate with those of the GCF and that will help it achieve its mandate and strategic plan.	In principle, the Board approved a project-specific assessment approach at B.23. Furthermore, the Accreditation Committee supported by the Secretariat has put forward some additional proposals that would further address recommendation 1a. The updated accreditation framework will be presented at B.24.	Low	In decision B.24/13, the Board decided to defer its consideration of the updated accreditation framework and the implementation arrangements and budget for the project-specific assessment approach until the twenty-fifth meeting of the Board (B.25). Subsequently, the updated accreditation framework was included in the provisional agenda for B.28 and B.29 but was not opened for discussion.  The Secretariat underscored that the Updated Strategic Plan (USP) (decision B.27/06) partially addresses the recommendation on an accreditation strategy through Strategic Priority 4.4. This priority sets out high-level directions on taking a more strategic approach to accreditation (see paras 25 and 26(a) in particular) including "focusing on selection of AEs that are best suited to support the objectives of the GCF and match the programming and project delivery capabilities needed to implement countries' programming priorities", and other parameters.
1b	Consider building a solutions-driven structure in the Secretariat that encourages a one-GCF approach and in which staff are incentivized for providing solutions and	As highlighted in the initial management response delivered at B.23, key aspects of the GCF business model are currently under Board review to make them more fit-for-purpose in response to lessons from the IRM. This includes the reviews of the accreditation	Medium	The key actions for 2020–2023 in relation to improving access to GCF resources, as identified in the USP, include: adopting a more strategic approach to accreditation; streamlining the accreditation process and developing alternative accreditation modalities, including a project-specific assessment approach (PSAA); significantly increased portfolio-level mobilization achieved through the GCF contributions to private sector projects under the PSF, relative to the initial resource

	<p>meeting the needs of countries in effective ways, including by using innovative financial solutions and leveraging other institutions for the greatest impact of GCF investments on countries' needs.</p>	<p>framework, the investment framework, modalities of the Private Sector Facility (PSF) and the results management framework (RMF).</p>		<p>mobilization (IRM); and fostering climate mainstreaming across the GCF partnership network.</p> <p>The Secretariat further underscored, that in addition to the management response, the USP capability review completed in early 2021 undertook a comprehensive internal business process diagnosis and identified an agenda of change initiatives to improve Secretariat performance. This included actions to strengthen collaboration and a solutions-driven approach (e.g. in the interdivisional review teams). These recommendations have been integrated into the Secretariat's 2022 work programme, including through the introduction of new collaboration KPIs into individual performance management development system goals.</p> <p>However, all these actions are yet to be realized as neither the PSAA nor the updated accreditation framework, nor the private sector strategy have been adopted by the Board. The Board has adopted the integrated results management framework (IRMF), at B.29.</p>
<p>1c</p>	<p>Consider incorporating processes in the business model that are sensitive to different needs of countries, entities and investments.</p>	<p>In 2019, the Secretariat has also taken a series of steps to streamline project processes to clarify the roles and responsibilities of GCF stakeholders and enhance transparency, speed, responsiveness and impact. These steps include: (i) mapping of the project cycle; (ii) review of the Secretariat's second-level due diligence; (iii) preparation of programming, operations and policy manuals; (iv) development of an internal investment criteria scoring tool to improve the</p>	<p>Medium</p>	<p>Developed through a consultative process involving the Secretariat, the independent units and GCF partners, the Secretariat launched an Operations Manual as well as a Programming Manual. The Programming Manual outlines the roles of key stakeholders throughout the project approval cycle and provides guidance on how to prepare and submit a funding proposal (FP) that meets all GCF investment criteria. The Programming Manual aims to make project origination, development, appraisal, approval, and implementation processes more transparent and predictable, as well as to simplify and accelerate access to GCF resources. The internal-facing operations manual aims to streamline, standardize, and automate operational practices to improve consistency in delivery and result tracking, and accelerate access to GCF resources for developing countries.</p>

		<p>consistency of funding proposal assessments; (v) development of web-based proposal tracking systems; and (vi) updating of a project-level results management system. The organization charts of the programming divisions have also been updated and harmonized to facilitate interdivisional cooperation.</p>		<p>The Secretariat further mentioned that as of 31 July 2021, 68 per cent of project reviews were completed in full alignment with the operations manual, thanks in part to routinization of climate impact assessments and interdivisional team kick-off meetings. The Secretariat expects these numbers will increase further with the development and eventual implementation of the appraisal manual and associated procedures.</p> <p>The Secretariat has also reported to have undertaken additional initiatives to respond better to the different needs of countries, entities and investments. The Secretariat published document GCF/B.30/Inf.11/Add.03, which, according to them aims to provide a summary of lessons learned during the implementation of the Guidelines for Enhanced Country Ownership and Country Drivenness, including stakeholders' feedback, as well as a review of best practices on country ownership in other international organizations, to identify opportunities for strengthening GCF's guidelines on country ownership and country drivenness.</p> <p>At B.30, the Board discussed the findings and recommendations of the IEU's Independent Assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme (document B.30/07) and discussed the Update of the Simplified Approval Process (document B.30/06). The Report of the Activities of the Secretariat at B.29 (document B.29/Inf.07, annex I) included a proposed GCF-1 Direct Access Entity (DAE) Action Plan, which, according to the Secretariat, aims to integrate the approaches to DAE support throughout the entire cycle, from entity nomination to project approval.</p>
1d	<p>Consider revising the investment framework and making it a true prioritization tool.</p>	<p>No direct management response to this recommendation, thus, not rated</p>	<p>Not rated</p>	<p>While there is no management response, the Secretariat has reported to have undertaken various actions to streamline and standardize the review processes and provide additional guidance for developing FPs. According to the Secretariat, it began operationalizing a rolling review process and has engaged with the independent Technical Advisory Panel (iTAP)</p>

				<p>on the lessons learned from these pilot efforts. Engagement with iTAP also looked at Board mandates on improving the consistency of review criteria, and it covered the existing assessment modalities against the investment framework, the nature of the GCF business model as a second-level institution, and the application of GCF’s safeguarding policies in relation to FP review. Provided all these measures are taken, there is no proper prioritization tool on investment criteria in place.</p> <p>In discussions with the IEU, the Secretariat further clarified that the initial investment framework was updated as part of decision B.27/06 adopting the USP, to include an updated “Investment Strategy and Portfolio Targets” for GCF-1. According to the Secretariat, this has served to guide management and prioritization of the GCF-1 pipeline, as the Secretariat is required to consider and advance projects in alignment with the Board’s portfolio targets and allocation parameters.</p>
1e	In the longer run, lead a dialogue across the GCF ecosystem to underscore the “climate dimension” of GCF policies.	No direct management response to this recommendation, thus, not rated	Not rated	<p>While there is no management response, in October 2020, the Secretariat formulated the Climate Impact Assessment Network (C-NET) to support the integration and strengthening of climate science and climate impact assessment methods across the operations of the GCF. According to the Secretariat, C-NET is expected to support the assessment of the climate rationale component in concept notes and FPs submitted by accredited entities (AEs).</p> <p>In April 2021, the Secretariat also appointed a Lead Climate Scientist who is developing a common approach to proposal development and assessment that has started a dialogue on climate science basis across the GCF ecosystem. However, it is not clear how C-NET is leading the dialogue across this ecosystem.</p>

1f	Clarify roles and responsibilities across the GCF business model, including those of AEs and NDAs and within the Secretariat, to ensure management and delivery for greatest impact.	No direct management response to this recommendation, thus, not rated	Not rated	<p>The monitoring and accountability framework (MAF) addresses roles and responsibilities regarding accreditation, annual self-assessments, mid-term reviews, final evaluations and reaccreditation frameworks for AEs. The Secretariat reported that the MAF has been operationalized with regards to APRs, mid-term reviews and final evaluations. However, items still pending include the development of an early warning system based on risks flags (project and AE risks), the conducting of ad hoc projects checks on a yearly random basis, and the conducting of a risks-based annual review on a given number of projects and programmes. Without these, the GCF has neither control over environmental and social safeguards (ESS) compliance nor adequate information to enable it to take remedial measures.</p> <p>The Secretariat has noted that any ESS issues identified in annual performance reports (APRs) are followed up with AEs and any breaches of ESS policies are reported to the Independent Redress Mechanism, including by communities. In addition to the MAF, the Secretariat has published the programming manual to provide greater clarity to AEs and national designated authorities (NDAs) on their respective roles in the project cycle.</p>
1g	Learn from the experiences of other organizations in project management in order to advance more quickly, and focus attention on managing the current portfolio of projects for results.	No direct management response to this recommendation, thus, not rated.	Not rated	<p>According to the Secretariat, it has managed to leverage technologies to improve efficiencies across its operations in managing the current and future portfolios of projects. The Portfolio Performance Management System (PPMS) was rolled out in February 2021, and the first version is being used for the submission of both APRs and inception reports, according to the Secretariat this has worked to improve their portfolio management capacity. The PPMS was envisioned, by the Secretariat, as a GCF centralized portfolio management system to increase the efficiency of its portfolio monitoring and evaluation functions for funded activities, the Readiness and Preparatory Support Programme (RPSP), and the Project</p>

				<p>Preparation Facility (PPF). However, currently the PPMS has not fully incorporated reporting on the RPSP and the PPF.</p> <p>The Secretariat has noted that further Board guidance is needed on this matter.</p>
1h	<p>Support an active network of in-country and international CSOs/PSOs, and representatives of indigenous peoples and vulnerable communities, both financially and operationally, so they are able to provide much-needed support, voice and guidance for climate projects and investments that by themselves are likely to have repercussions for a vast cross-section of people and households in countries, with disproportionate effects on the vulnerable.</p>	<p>No direct management response to this recommendation, thus, not rated.</p>	Not rated	<p>Concerning GCF safeguarding policies, the work programme envisages the ongoing application and enhancement of the gender, indigenous peoples, and environmental and social policies. According to the Secretariat, all FPs continue to be evaluated in terms of their environmental and social risks and impacts and how those risks are planned to be avoided, minimized, or mitigated. This also includes checking that stakeholder engagement has been conducted in the development of FPs, including with civil society organizations (CSOs) and indigenous peoples. The Secretariat also recommends that activity-level grievance redress mechanisms should be developed, and that they should be readily accessible to potentially affected people and communities during project/programme implementation. However, the Secretariat has noted, that while efforts have been made through RPSP and FP programming, there is no mechanism to financially and operationally support in-country and international CSOs, private sector organizations (PSOs) and indigenous peoples.</p> <p>The Secretariat also noted that further Board guidance is needed on this matter.</p>
<b>Overall Recommendation 2</b>	<b>Develop a strategic plan that focuses the GCF on being a global thought leader and a policy influencer and establishes its niche commensurate with innovation and impact.</b>			
2a	<p>The following is a non-exhaustive list of attributes the Board could consider for the new strategic plan. The</p>	<p>A draft 2020–2023 Strategic Plan is currently being developed for consideration by the Board. This Strategic Plan builds on a clear theory of change and vision of the</p>	Medium	<p>Following the adoption of the USP at B.27, the 2020–2023 GCF strategic programming will seek to meet or exceed its IRM outcomes and strive toward the overall strategic objectives of: scaled-up funding for ambitious projects informed by countries’ adaptation needs and mitigation potential in line with their</p>

	<p>Secretariat could consider leveraging influence through building knowledge-based and policy-driven enabling environments in-country and globally. Recognize that structure and incentives induce behavior....</p>	<p>comparative advantage of GCF that is oriented toward delivering paradigm-shifting impact. This strategic planning process will consider relevant FPR recommendations and findings. It will also build upon the draft strategic programming document for the first replenishment presented at B.23, which included proposals to set (i) new strategic goals to enhance direct access, adaptation and private sector mobilized finance; (ii) a clarified approach to programming for greater impact; (iii) options to expand access modalities and diversifying instruments for innovation, leverage and impact; and (iii) leveraging and replicating knowledge. These are in line with the FPR recommendations.</p>		<p>climate plans and strategies, recognizing the urgency to achieve the goals of the Paris Agreement; significantly increased funding channeled through DAEs relative to the IRM; significantly increased portfolio-level mobilization achieved through the GCF contributions to private sector projects under the PSF, relative to the IRM; balanced GCF risk appetite across all results areas; and improved speed, predictability, simplified access, efficiency, effectiveness and transparency. The IEU's Independent Evaluation of the GCF's Approach to the Private Sector found that progress parameters against these objectives are yet to be determined as the USP sets these targets relative to the IRM; however, the USP is not ambitious enough and does not correspond to the mandate of the Fund.</p>
2b	<p>Consider informing the GCF's niche after a review of evidence, including that from science, evaluations and market assessments. The GCF should define the niches in which it will be active. This entails a careful assessment of country needs along the lines of the results areas, the</p>	<p>As part of its first replenishment and strategic programming process, the Secretariat has started the development of sectoral guidelines and strategies which will support the future programming directions of the GCF based on an analysis of the latest science, country needs and financing landscape. In addition, in February 2019 the Secretariat established a new partnership of climate experts called</p>	Medium	<p>The Secretariat has noted that it is currently undertaking consultations with key stakeholders on the sectoral guides. These guides, focused on eight results areas, seek to provide an overview and understanding of country needs and of the potential to deliver the greatest impact in support of country priorities. The Secretariat noted further that they aim to provide information on how targeted GCF investment is aligned with country priorities and how it could have the most impact for each sector, driving paradigm shift and demonstrating strong climate impact. According to the Secretariat, this sector-specific guidance aims to guide and inform the development of FPs that are of high quality, meet the GCF's investment criteria</p>



	<p>associated financing needs and the availability of finance. Together these will inform in which market niches the GCF can most complement existing finance and programmes or achieve a relevant scale.</p>	<p>Communities of Practice covering fourteen areas. The GCF Community of Practice will tap the expertise of globally renowned organizations to deliver climate knowledge in support of GCF activities and will play a crucial role in driving transformative actions in support of the GCF mandate. In creating this network, GCF is leveraging cutting edge climate knowledge to increase the impact of GCF climate finance investments.</p>		<p>and are ready to be submitted for Board consideration and approval.</p> <p>The Secretariat has thus far released the updated sectoral guide consultation version (Consultation Version 1), the response matrix for the first batch of sectoral guides titled “Cities, Buildings and Urban Systems” and “Agriculture and Food Security”, the second batch of sectoral guides titled “Ecosystems and Ecosystem Services”, “Forest and Land Use” and “Energy Generation &amp; Access”, and the third batch titled “Health &amp; Well-being”, “Low Emission Transport”, and “Water Security”. After B.31, two additional guides are planned to be released for consultation among the same group of stakeholders: “Climate Information &amp; Early Warning Systems” and “Energy Efficiency”.</p>
<b>Overall Recommendation 3</b>	<p><b>Re-emphasize adaptation while recognizing (and leveraging) the role of new actors in mitigation. Strengthen the role of the private sector in an overall symbiotic ecosystem of financial instruments and modalities that enable better transparency, predictability and access for entities, and innovative solutions and global climate impact for countries.</b></p>			
3a	<p>Rationalize current allocations to mitigation and adaptation to balance them in the nominal portfolio, and specifically consider goals related to the creation and use of innovative private sector financial instruments in adaptation that are able to better serve developing country needs.</p>	<p>The Secretariat supports the objective to better balance allocations between adaptation and mitigation in nominal terms by further catalyzing private investment in adaptation. In line with the FPR, it recognizes that adaptation only accounts for 2 per cent of its private sector portfolio, and a key objective of the GCF private sector strategy for 2020–2023 will be to explore new modalities to better balance the GCF private sector portfolio. In this context it is important to recall that decision B.06/06 operationalizing the 50:50 balance mandates</p>	Low	<p>The Board adopted the USP in decision B.27/06. One of the strategic objectives of the USP is to balance funding across mitigation and adaptation over time, using minimum adaptation allocation floors as appropriate, and seeking geographical balance in line with the Governing Instrument, decisions of the Board and the Fund’s IRM outcomes. The GCF's private sector strategy for 2020–2023 has not yet been presented at a Board meeting, and no new modalities have been adopted since B.19. However, in decision B.06/06 the Board mandates that for operationalizing the 50:50 balance, the accounting is in grant equivalent and not nominal terms. Decision B.27/06 underscores the Board decision on grant equivalent calculation.</p> <p>The IEU’s Independent Evaluation of the GCF’s Adaptation Portfolio and Approach evaluation found that PSF programming has stalled since B.21. The Secretariat noted that at B.30, three of the four private sector FPs targeting adaptation</p>



		<p>accounting in grant equivalent and not nominal terms. Accordingly, the Secretariat has reported against the 50:50 mitigation: adaptation goal in grant equivalent terms so far, which, as of B.23, showed a well-balanced GCF portfolio at 48 per cent mitigation:52 per cent adaptation.</p>		<p>for an approved USD 325 million from the GCF and USD 775 million of co-financing (FP179, FP180 and FP181). According to the Secretariat, the proposals also reflect their focus on utilizing de-risking instruments to attract the private sector to adaptation as the GCF will be taking junior positions in equity funds for FP180 and FP181, while for FP179 the GCF will be providing a guarantee and a grant to pilot a parametric insurance product with local providers.</p>
3b	<p>Consider reviewing the current compliance-driven culture in the Fund and provide incentives for increased innovation.</p>	<p>Indeed, GCF has a high-risk appetite. Its risk management framework allows GCF to assume high risks through participating in junior tranches of investments and sub-debt, etc. The limits stipulated in the risk framework are not overly restrictive (e.g. limit on the amount of a single funding proposal at 10 per cent of the investible amount, thus allowing large amounts for a single funding proposal). Despite this flexibility, the Secretariat recognizes that GCF has yet to fully deploy the range of existing financial instruments to support highly innovative projects. The Secretariat has issued two requests for proposal (RFPs) for small and medium-sized entities (SMSEs) and for mobilizing funds at scale (MFS) that demonstrate the strong demand for a co-financier with a greater risk appetite. Building on the rapid organizational development</p>	Low	<p>One of the strategic priorities of the USP is to foster a paradigm-shifting portfolio and show how the risk appetite of GCF differs from those of other climate multilateral funds, which is to take on risks that other funds/institutions are not able or willing to take. The Secretariat has expressed the willingness to support countries working with AEs to choose from a flexible range of financing instruments offered by the GCF to accelerate climate action and enable greater access and impact. This includes exploring opportunities to diversify the application of non-grant instruments without compromising GCF grant financing, particularly for adaptation. The GCF will also explore new applications for results-based payments, insurance, and investment in local currency instruments. However, the IEU's rapid assessment of the GCF's request for proposals (RFP) modality (document B.29/08) noted that 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 assessments findings suggest that publication of the RFPs signalled to potential proponents that the GCF had an urgent and strong interest in filling in the portfolio gaps in such thematic areas as direct access and the private sector. Yet, no mechanism was in place to meet these expectations, which translated into a low number of approved projects despite initial high public interest.</p>

		process of GCF, the draft 2020–2023 Strategic Plan envisages a much greater use of a mix of financing instruments to scale up climate investments. In addition, obtaining comprehensive privileges and immunities for GCF would allow room for GCF to reorient its compliance-based approach.		The Secretariat noted that the initial steps have been taken, however the only examples highlighted by the Secretariat are the recently approved Project Preparation Funding applications with KDB to create a global climate technopreneurship incubator for climate technology startups, and to create a Green Guarantee Company that will help developing countries access international green bond markets with Mitsubishi UFJ Financial Group (MUFG).
<b>Overall Recommendation 4</b>	<b>Clarify and re-examine the separation of supervision and management in the GCF and consider delegating authority to the Secretariat to highlight agency, responsibility, and urgency in delivering developing country climate needs (predictably, transparently, speedily, innovatively and with impact).</b>			
4a	Consider delegating authority to the Secretariat for developing procedures, guidelines, and standards for Board-approved policies and for some investments, while taking stock of the ability of Secretariat staff to deliver these and report these appropriately and regularly.	The Secretariat agrees that clarifying matters related to delegation of authority would increase the efficiency and effectiveness of GCF operations. However, given the nature of the recommendation, the Secretariat will need to be guided by the Board for further action. The Secretariat stands ready to advise the Board on possible areas for greater delegation of authority in operational policy development and portfolio development and implementation.	Low	The Secretariat noted that they exercise delegated authority to develop operational guidance and tools on a day-to-day basis. However, the Secretariat would need to be formally delegated by the Board on any matters specified to be within Board control under the Governing Instrument, including policymaking. The Secretariat is waiting for further Board guidance on this matter.
4b	Emphasize the strong, influential and trend-setting structure of the GCF Board, but also consider current dissatisfaction in some	No direct management response to this recommendation, thus, not rated	Not rated	The Board has yet to consider these matters.

	quarters with access, transparency and the predictability of GCF decision-making processes. Support a review of processes that may help to mitigate these dissatisfactions.			
4c	Build a robust and transparent tracking, monitoring and information system that is publicly accessible and enables entities, CSO/PSOs, NDAs and other stakeholders to view the status of their proposals.	This issue has also been identified by the Secretariat and is projected to be implemented under the revised RMF currently under development and to be completed by B.24. The GCF tracking system will be implemented through the revised GCF RMF.	Medium	The IRMF was adopted by the Board in decision GCF/B.29/01. The Secretariat has indicated they plan to develop a result tracking tool which will include comprehensive guidance and tools for IRMF implementation. Also, the Secretariat has developed a web based PPMS which was rolled out in February, and the first version is being used for the submission of both APRs and inception reports. According to the Secretariat, the PPMS is expected to act as the main platform for tracking portfolio management status and performance checks and facilitates the submission of annual reports by AEs. The Secretariat envisions the PPMS as a GCF centralized portfolio management system to increase the efficiency of its portfolio monitoring and evaluation functions for funded activities. However, the developed results-tracking tools have not been fully integrated into the PPMS. The portfolio performance tracking system is not fully linked to external dashboards, meaning the PPMS is currently not accessible to CSOs/PSOs and NDAs, and other external stakeholders.
4d	Consider clarifying policy overlaps, filling policy gaps and identifying delegated authorities associated with them in the current set of GCF policies. Also consider including as a requirement in all new	The Board closed some gaps at B.22 and B.23 by approving, inter alia: the investment criteria indicators by strengthening the investment framework; the Policy on Restructuring and Cancellation through the proposal approval process; the anti-money-laundering and countering the	Medium	The Secretariat has finalized the Policy Manual, which according to the Secretariat, with the purpose to ensure that it enables the preparation of technically strong, coherent policies that can be efficiently and effectively implemented toward advancing the GCF's objectives and enhancing its climate impact. The Policy Manual includes a requirement for all new policy proposals to include an impact and implementation analysis, including impact on budget, resourcing/capacities and stakeholders. The Secretariat indicated that this analysis will be

	<p>policies that come for Board consideration, an analysis of the repercussions on Secretariat staff, budgets and the current set of entities and investments.</p>	<p>financing of terrorism standards; and the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment The policies on prohibited practices and anti-money laundering and countering the financing of terrorism are scheduled for integration into the fiduciary standards, a process that will consolidate and streamline this related set of policies. Several policies have or are being reviewed to address matters arising in their implementation in the initial phases of GCF operationalization. For instance, reviews of the accreditation and investment frameworks and RMF are underway.</p>		<p>included in all draft policy proposals submitted to the Board in 2022.</p> <p>The Board has addressed policy gaps by adopting the following policies: the Evaluation Policy of the GCF (GCF/B.BM-2021/07); the Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (GCF/B.BM-2021/08); the Revisions to the Green Climate Fund’s Environmental and Social Policy to reaffirm the Fund’s commitment to addressing Sexual Exploitation, Sexual Abuse, and Sexual Harassment (GCF/B.BM-2021/18); the Gender Policy (GCF/B.24/12); and the IRMF (GCF/B.29/01), among others. However, many policy gaps remain, such as the Updated Accreditation Framework, which was included in the provisional agenda for B.28 and B.29 but was not opened for discussion.</p>
<p>4e</p>	<p>Consider having a regular, well-announced, predictable replenishment cycle so that the Fund can plan and prepare adequately for it. This will entail setting up internal structures for fundraising and advocacy and aligning these plans with the Fund’s schedule for informing and reporting</p>	<p>No direct management response to this recommendation, thus, not rated</p>	<p>Not rated</p>	<p>The replenishment document, Policy for Contributions to the GCF, adopted by the Board in decision B.24/02, sets out the replenishment period and the trigger to start the next replenishment process for a transparent and predictable process. Decision B.24/02 Annex I, paragraph 2 (c) and (e) defines the replenishment period and trigger/launch of the replenishment:</p> <p>2(c). Replenishment period: The GCF’s replenishment process will secure financing for the 4-year period beginning on 1 January 2020 and ending on 31 December 2023.</p> <p>2(e). Trigger for the subsequent replenishment process: The GCF will initiate the next replenishment 30 months after the commencement of the replenishment period in order to</p>

	and undertaking performance reviews.			<p>allow sufficient time for the preparation and consideration of such reports and/or evaluations as may be necessary.</p> <p>The Secretariat and IEU have already had discussions regarding the Second Performance Review starting from December 2020.</p>
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**Total recommendations = 17**

In terms of the progress made with the adoption of the 17 recommendations set out in the FPR, the rating “medium” is given to 6 recommendations, the rating “low” is given to 4 recommendations, and 7 of the 17 recommendations have not rated.

## Appendix VII: Summary of submissions by members and alternate members of the Board on five IEU evaluations

### I. Background

1. At its thirtieth meeting, the Board took decision B.30/11 relating to the evaluations completed by the Independent Evaluation Unit. In paragraph (d) of the decision, the Board invited members and alternate members of the Board to make submissions, not later than 10 December 2021, to the Independent Evaluation Unit on the:

- (a) Independent evaluation of the GCF's country ownership approach;
- (b) Independent evaluation of the GCF's environmental and social safeguards and the environmental and social management system;
- (c) Independent synthesis of the GCF's accreditation function;
- (d) Rapid assessment of the GCF's request for proposals modality; and
- (e) Independent evaluation of the GCF's approach to the private sector.

2. The Board further requested, under paragraph (e) of the same decision, the Independent Evaluation Unit to prepare a summary of submissions by members and alternate members of the Board on each of the evaluations referred to in paragraph 1 above, so that these views can be incorporated into the Board discussions and decisions on related policy items.

3. A total of nine submissions were received in response to this invitation. The submissions were received from:

- (a) Board member:
  - (i) Mr. Lars Roth on behalf of Sweden
- (b) Advisors to the Board members:
  - (i) Ms. Tanne Nørgaard Jensen on behalf of Denmark, Luxemburg and the Netherlands
  - (ii) Ms. Marine Lannoy on behalf of France
  - (iii) Ms. Christine Martel-Fleming on behalf of Canada
  - (iv) Mr. Richard Sherman on behalf of the African Group
  - (v) Ms. Saija Vuola on behalf of Finland and Switzerland
  - (vi) Ms. Victoria Situ on behalf of the United Kingdom
  - (vii) Ms. Jeanny Chong on behalf of the United States of America
  - (viii) Ms. Sara Zügel on behalf of Germany

4. A short summary of the submissions by members and alternate members of the Board, prepared by the IEU, is provided in the following section. The summary synthesizes the main points expressed by members and alternate members of the Board on each of the five evaluations and is thus divided into five sub-sections accordingly.

5. Based on the Co-Chairs' guidance, the Head of the IEU a.i. shared with the Board the compilation of Board members' views on the findings and recommendations of the five IEU evaluations on 28 December 2021. In the compilation, the submissions were presented as they had been received in their original state, with the exception of text formatting.

## II. Summary and synthesis

### 2.1 The views of members and alternate members of the Board on the findings and recommendations of the Independent Evaluation of the GCF's Country Ownership Approach (COA)

6. Most submissions contained the Board members' general endorsement of the evaluation's recommendation that country ownership needs to go beyond national governments to include civil society, private sector, NGOs, vulnerable groups, women and indigenous peoples. In this regard, the Secretariat management's expressed intention to update and share its guidelines for **better multi-stakeholder engagement** was commended by a number of Board members. Some Board members emphasized that it is the **NDA** that should have a leadership role in facilitating multi-stakeholder engagement.

7. Other Board members expressed that the COA evaluation did not adequately reflect the **sovereign aspect of country ownership**, as espoused in the GCF's Governing Instrument and relevant COP decisions and GCF Board decisions. They stressed that country ownership as the recipient country's sovereign right, which is exercised through the NDAs in the context of national climate strategies, is the GCF's core principle that cannot be altered. These members expressed their disagreement with the evaluation's findings about (1a) the GCF lacking a clear definition of country ownership and (1b) the existing policies being partially sufficient for realizing country ownership, saying that the GCF's Governing Instrument and the decision B.05/05 provide a guiding definition of and a clearly defined process for realizing country ownership. They also disagreed with the finding (1c) that the various priorities and principles within country ownership create trade-offs.

8. In contrast to the views expressed by some Board members as captured in paragraph 7 above, other members expressed their agreement with the evaluation's findings 1a-1c and questioned whether it is appropriate that country ownership is **both a guiding principle and an investment criterion for the GCF**. They agree with the finding that it does not provide operational guidance while creating tensions in decision-making. In this context, they requested that this matter be further examined, also raising that other climate funds do not have country ownership as an investment criterion.

9. The Board members commonly endorsed the evaluation's recommendations about **further strengthening the capacities of NDAs** and national focal points, including through providing support in other languages and through long-term capacity development programmes and financial support. Some concrete suggestions were brought forward to assist this. For instance, some Board members requested that the Board asks the Secretariat to **revise and update the GCF's readiness and preparatory support programme (RPSP)** to increase the country allocation cap for support to NDAs.

10. Some Board members also supported the idea of **developing an accreditation strategy** for the GCF to better guide the DAE nominations by NDAs. Noting with concern that the lengthy and complex accreditation process has discouraged DAEs, some submissions expressed support for the recommendation about matching IAEs with DAEs to incentivize IAEs to support the capacity building of DAEs. On this idea of **'twinning' the IAEs and DAEs** for proposal submission, some Board members stressed that this would need to be done carefully through a modality that is clearly understood, should the Board decide to go through with this recommendation.

11. When it comes to strengthening the capacities of NDAs, most submissions agreed that special attention needs to be given to **private sector engagement**, among other things. More specifically, the NDAs require targeted support to improve their knowledge and understanding



of private sector engagement. Some Board members are of the view that when discussing private sector engagement and the necessary capacity development for the NDAs, it needs to be specified whether these are **international or domestic private sector entities**. While generally acknowledging the need for engaging the private sector better, a few Board members pointed out that the role of private sector in adaptation has been limited, saying that this aspect should be taken into consideration for future discussions about the topic.

12. Further, a few questions were raised on the **extent to which the NDAs get consulted for the GCF's approved Private Sector Facility (PSF) projects**, saying that this was missing from the evaluation on country ownership although this was somewhat addressed in the IEU's evaluation on the GCF's private sector approach. In reference to the recent experience of some countries, some Board members raised the issue that once a PSF project is approved, the NDA's role becomes reduced, which in their view would mean not adhering to the principles of GCF's country ownership approach and thus failing to deliver on the Fund's mandate.

13. The evaluation findings about the **GCF's country programmes (CPs)** currently not delivering on their aims and bringing about a paradigm shift was also noted with concern by the Board members. While acknowledging its current shortcomings, some Board members in their submission highlighted that country-led programming has been a key priority for the GCF, also reflected in the Fund's initial strategic plan, as its objective is to ensure that the developing countries' needs and priorities are well responded to. In this context, objections were raised to the recommendation 2(c) about pursuing CPs only if their purpose and clarity are developed and well communicated. Despite their disagreement with this recommendation, these Board members acknowledged that further work is needed to ensure that CPs work optimally the way they were intended to.

## 2.2 The views of members and alternate members of the Board on the findings and recommendations of the Independent Evaluation of the GCF's Environmental and Social Safeguards (ESS) and the Environmental and Social Management System (ESMS)

14. On the ESS evaluation, its usefulness in **connecting the ESS, ESMS and the Environmental Policy of the GCF** and thereby presenting a wholesome picture was noted in the submissions. All submissions stated that the Board members concerned agreed with the recommendations around giving more weight to **environmental and social benefits** for projects to incorporate **co-benefits** and counterbalance **perceived risks**.

15. Some Board members, through the submissions, requested the Secretariat to duly consider the recommendations of this evaluation when preparing a draft for the **new ESS standards**, to be adopted in 2022 according to the "Updated workplan of the Board for 2020 – 2023". It was also echoed that the forthcoming ESS standards should **go beyond "do no harm"** and integrate environmental and social performance and co-benefits.

16. The recommendation concerning the need for an **accreditation strategy** and for **reaccreditation** to consider the extent to which entities have pursued co-benefits and ES performance and responsible investing principles was duly noted and appreciated. Across the submissions, questions were raised on how well the recently adopted **Integrated Results Management Framework (IRMF)** integrates and reflects some of the recommendations from the evaluation and also what the next step would be in improving the GCF's ESS in view of the IRMF.

17. Through the submissions, some Board members also noted that the evaluation would have benefitted from articulating the need for future ESS standards to incorporate requirements for **conflict sensitive analysis**, which will enable taking precautionary measures



to avoid possible unintended negative effects of GCF investments. The topic of how best to prevent and address **reprisals and retaliation** was also seen missing from the ESS evaluation. Furthermore, more detailed information was requested on the recommendation concerning “structured efforts to collaborate and share information to successfully replicate, scale up, and align synergies in new programming”, and the one concerning the idea of a “Climate Funds Collaboration Platform on Results, Indicators and Methodologies for Measuring Impact”.

18. One submission in particular was structured around the recommendations of this evaluation that the Secretariat management “partially agrees” with, as contained in the Secretariat’s management response to the findings and recommendations of this evaluation. In this submission, it was requested that the Board be updated on the process moving forward. Several questions were also raised in the submission, including whether the GCF is actively considering a **standalone ESS stakeholder engagement policy** and a related guidance note and how the GCF’s programming manual will include the **criteria for sustainable development potential**.

### 2.3 The views of members and alternate members of the Board on the findings and recommendations of the Independent Synthesis of the GCF’s Accreditation Function

19. The Board members welcomed the findings and recommendations of this synthesis overall as well as the corresponding Secretariat management response, saying that improving the **accreditation function** is a key priority for the GCF. **The excessive time and cumbersome effort** it takes for candidates to be accredited may discourage many best-suited potential applicants from applying. The fact that **many DAEs have not submitted FPs** with the GCF also needs to be addressed promptly within the accreditation strategy, given the resources invested by the GCF to accredit these entities. The Board members also commonly noted with concern the evaluation finding that the accreditation process is not meeting the needs and objectives of the GCF.

20. In this context, the submissions underscored the need to **strengthen the governance structure** for accreditation, clarify its **strategic role**, and critically address the **mission overload**. Further, it was emphasized that the GCF’s accreditation, programming capacity and pipeline development related to the private sector needs to be driven and informed by a “country-driven prioritization” of financial, capacity-building, and technology development and transfer needs, which is also a finding from the independent evaluation of the GCF’s private sector approach (F5). **Linking accreditation with the RFPs**, they also observed that: (a) accreditation continues to pose challenges to the implementation of RFPs; and (b) the lack of efficiency and incentives and the existing accreditation challenges largely explain the small size of the GCF’s RFP portfolio.

21. Several Board members, through the submissions, voiced that the **Updated Accreditation Framework (UAF) must be adopted** as promptly as possible to ensure that accreditation fully contributes to the objectives, priorities and principles as defined in the GCF’s Governing Instrument and the Updated Strategic Plan (USP). These submissions also included the views that the UAF needs to be seen as part of the GCF’s Accreditation Strategy (to be developed) and that the adoption of UAF is necessary also in view of the eight entities that would need to be re-accredited in 2022. Adopting the UAF is also expected to help avoid “first come first serve” practices. They also endorsed the recommendations of the evaluation around making the strategic role of accreditation clearer, providing **clear guidance for institutional performance** (performance indicators and milestones), and examining the **alignment between project pipeline, results and portfolio** during accreditation and re-accreditation processes.

22. Most Board members, through the submissions, called for a **comprehensive accreditation strategy** that focuses on improving the efficiency of the accreditation process. Some members, in particular, requested the **Secretariat to prepare such accreditation strategy** in an open, inclusive and transparent manner through engaging with the Board, AEs, observers and NDAs in consultations, and to present the strategy for the Board's consideration and adoption no later than B.32/B.33. Such strategy should specify the relevant portfolio targets, performance indicators and milestones, the number of accredited DAEs and their access to the Fund's resources. Further, the Board members expressed their support for the following recommendations from the synthesis, in particular: incentivise capacity-building and alignment with the GCF mandate within the accreditation function (R2), strengthen the Accreditation Panel (R1d), and improve monitoring and reporting by the AEs on performance and results and their alignment with the GCF's mandate (R2a).
23. The Board members also emphasized that the accreditation strategy (to be developed) should also specify what is needed for the **re-accreditation process**. For instance, it should ensure that (R2b) the re-accreditation assessment of AE's portfolio is based on clear, transparent and predictable criteria that are communicated to applicants and potential AEs and (R2c) provide guidance to International accredited entities (IAEs) to support the capacity-building of direct access entities (DAEs). As also discussed in paragraph 20 above, the accreditation strategy should be designed to also improve the accreditation component of the GCF's RFP modality and enhance the provision of pre- and post-accreditation support, in particular for DAEs.
24. Findings and recommendations from other IEU evaluations that are relevant to the topic of accreditation were also mentioned and cross referenced in some submissions on this topic, including the independent evaluation of the GCF's private sector approach and the independent evaluation of the relevance and effectiveness of the GCF's investments in the SIDS. For instance, some Board members are of the view that the GCF's accreditation strategy (to be developed) needs to promote the participation and accreditation of **micro-, small- and medium-sized enterprises (MSMEs)** in all developing countries, including the LDCs, SIDS and African States; and this is a finding from the independent evaluation of the GCF's private sector approach (F7). (See section II-5 for a summary of the submissions on the independent evaluation of the GCF's private sector approach.)
25. Some Board members also underscored that accreditation needs to ensure **country ownership** which, in their view, has not been sufficiently addressed. Thus, they called for paying closer attention to this matter and reflecting country ownership in the accreditation strategy that needs to be developed. They further emphasised that the GCF needs to focus more **on AEs that are best suited** to support the objectives of the GCF, including the GCF-1 programming targets agreed at B.27. Further, they stressed the importance of the **PSAA**, saying that it is an opportunity for developing countries, prospective partners and the Fund to target specific results areas or gaps in the GCF programming objectives, especially in the case of the **RFPs** on Enhanced Direct Access (EDA), MSMEs, and mobilising funds at scale (MFS). In this context, they called for the urgent approval of the PSAA by the Board.
26. They also generally accepted the idea of providing incentives for IAEs to contribute to building the capacities of DAEs, including through **twinning arrangements between the IAEs and DAEs**, and bringing clarity to the target portfolio mix and size, based on a cost-effective analysis. These were emphasised as key aspects to be taken into consideration in the process of formulating the upcoming strategy on accreditation.
27. While noting with appreciation the Secretariat's management response that generally welcomes and agrees with the recommendations from this synthesis, one submission in particular requested the **Secretariat to provide 'suggested actions' for the recommendations** provided in the evaluation that are actionable by the Board. The submission noted that to date, there has not been a response from the Secretariat on these, and that it

would be good for the Board to see concrete suggestions from the Secretariat on how the Board can respond to these recommendations.

## 2.4 The views of members and alternate members of the Board on the findings and recommendations of the Rapid Assessment of the GCF's Request for Proposals (RFP) modality

28. On the RFP evaluation specifically, all submissions acknowledged that the evaluation findings and recommendations serve as an important learning tool and **key to a successful second phase of the RFP**. Despite the shortcomings of the RFP in its initial phase, also captured in the rapid assessment, the Board members saw the value of RFP as a tool for generating targeted projects and programmes and focusing investments on specific themes. They were hopeful that the RFP could improve significantly through acting upon the lessons learned from its first phase, the findings and recommendations from this evaluation, and extensive stakeholder consultations.

29. In particular, most submissions were in agreement with the evaluation's key conclusion (C3) that there is **no RFP modality or mechanism per se** established at the GCF, but rather four individual RFPs. The lack of a RFP modality or mechanism is seen as the root cause of the RFP's shortcomings and the underutilization of the RFPs, with the exception of the REDD+ results-based payment RFP. In this regard, some Board members stressed that future RFPs must consider the operational requirements to meet the potential demand and endorsed the recommendations about (R4) establishing the RFP as a modality and (R5) creating a central structure within the Secretariat to coordinate, review and appraise the design and implementation of RFPs. One submission also endorsed R4, saying that it will help reduce the number of individual RFPs and can improve coordination between accredited entities and project owners. However, it was also requested that the IEU clarify what it means to institutionally establish the RFP as a modality and explain how it would look in real life in comparison to the current set up of the RFP. The same submission also requested that the IEU clarify how the (R7) GCF's potential partnership with other relevant institutions and activities could help improve the RFP process as a whole.

30. Some Board members stressed that the **link between the GCF's accreditation function, especially the project specific accreditation approach (PSAA), and the RFP** will need to be carefully examined and the processes streamlined. Acknowledging the evaluation's finding that the effectiveness of RFPs has been significantly curtailed by accreditation constraints, it was requested by a few Board members that the Board considers launching the PSAA soon. However, some reservations were also expressed on this idea, including that the draft PSAA does not seem to specify the types of projects and programmes, including areas of innovation and the corresponding results and impact that the Board wishes to prioritize.

31. In considering future RFPs, one submission brought forward a concrete suggestion of the Board looking into **pilot programmes tailored to existing DAEs**, such as a pilot programme on local currency lending with the existing DAEs that are public sector development finance institutions (DFIs) that engage with local financial intermediaries. Another submission emphasized that the **selection of new topics for RFPs** would need to be evidence based.

32. While acknowledging the steps already taken by the **Secretariat** to address some of the shortcomings of the RFPs, the Board members called on the Secretariat to conduct a portfolio gap analysis and improve linkages between the overall RFPs' strategies and the needs of the Fund, based on the result of such analysis. It was also requested that the Secretariat look for **ways to better incentivize the uptake of RFPs** compared to the initial resource mobilization period, including through getting the PSAA off the ground.

33. One submission in particular called on the Secretariat to more clearly present options in future Board meetings under relevant policy items how it intends to implement the recommendations from this evaluation and drastically **'reform' the RFPs**. Further, it was requested that the Secretariat take further steps to ensure better coherence and complementarity between the existing RFPs. Another submission called on the Secretariat to update the Board on what would be the next step for the **REDD+ results-based payment RFP**, which was the one successful RFP of the existing four and exhausted its funding envelope.

34. Another submission highlighted two areas that the evaluation could have addressed more strongly: (a) the RFP procedure to submit concept notes rather than full funding proposals and the lack of clarity regarding the access to PPF resources, and (b) **to what extent the Secretariat and relevant Committees are adhering to the agreed ToRs of RFPs**, especially that of the MSME RFP. Specifically on the latter point (b), the submission indicated that as per the decision B.10/11, paragraph (d), the Secretariat had been asked to present to the Board the terms of reference for a request for proposal for entities to manage the MSME pilot programmes; however, this had not been done accordingly. With this provision, the submission emphasized that the Board's intention had been to find **external entities that are able to manage the MSME** pilot on behalf of the GCF and identify those that are not yet accredited but could potentially be considered for such a role, as per the decision B.10/11.

## 2.5 The views of members and alternate members of the Board on the findings and recommendations of the Independent Evaluation of the GCF's Approach to the Private Sector

35. The Board members welcomed this evaluation and expressed their agreement with most of its recommendations. In particular, they expressed their endorsement for the evaluation's key recommendations about: enhancing the **speed and transparency** of GCF operations including accreditation and project approval processes (R2), focusing more on the **enabling environment**, and looking for ways to improve the participation of **MSMEs and local financial intermediaries** (R5). While endorsing the recommendation about strengthening the SMEs, some Board members sought clarity from the IEU on the implications of considering this as a strategic priority among other priorities of the Fund.

36. Several Board members agreed with the key recommendation (R1) that the GCF needs to be more **risk-taking** with the aim to **catalyse investment** in transformative adaptation and mitigation action, rather than only a **high-leverage** fund that aims to maximize the quantity of **co-investment**. However, other members were of the view that being a high-risk fund and being a high-leverage fund are non-contradicting targets that are equally important for the GCF. Another submission stated that it is the job of the Board to clarify that **there needs to be a balance** between the two (high-risk and high leverage); and what that balance should be is also up to the Board to discuss and decide on, the submission emphasized.

37. On the **USP's current emphasis on leverage ratios**, some Board members observed that this was contradictory to the GCF's objective to promote a paradigm shift and that it reflects an approach by some contributors to 'limit' their contributions and exposure to the GCF. They stressed that this would limit the Just Transitions in developing countries and hamper global efforts to address climate change. They urged the Secretariat to address the following issues within the Fund's **investment related policies**: namely, the low-risk appetite of the GCF's private sector portfolio, limited concessional financing, the GCF's private sector projects targeting similar themes and regions (as other funds and institutions), and the use of financial instruments with low targeting of the private sector. In addressing these issues, it was suggested that the Board clarify the Fund's risk appetite as well as the types of financial



instruments and business models that can help improve the economics of private sector adaptation or cross-cutting projects.

38. The evaluation's finding that the GCF's **accreditation portfolio** is not in line with the priorities and mandate of its **private sector approach** was noted with concern by many. In particular, the Board members acknowledged that the GCF's lengthy and cumbersome accreditation and project approval processes are one of the main obstacles for effective private sector engagement. In this context, the Board members requested that the relevant findings and recommendations of this evaluation, as well as those of the IEU's accreditation synthesis (see Section II-3), be integrated and reflected in a forthcoming **accreditation strategy** of the Fund, the **UAF** and the **PSAA**, and also in updating the **draft Private Sector Strategy**. Some Board members requested that the Board promptly adopt a decision on accreditation, UAF and PSAA.

39. One submission in particular called on the Secretariat to more strongly consider and **integrate the evaluation's recommendations in a holistic manner**, saying that the Secretariat management response to this evaluation showed a narrower scope; rather than looking at the smaller parts such as the UAF, designing of RFPs and blended finance opportunities for the LDCs and the SIDS, the submission emphasized that the Secretariat needs to provide clearer ideas and suggestions for how to implement the evaluation's recommendations within the **broader Private Sector Strategy and the Secretariat programming** for private sector projects.

40. When **updating the draft Private Sector Strategy**, some Board members requested that the Secretariat **resolve the areas of concern** that are highlighted in the evaluation's key findings. These areas of concern include a low level of maturity of private sector projects in general; low levels of engagement of the current PSF entities with many of them not submitting proposals; the lengthy PSF project cycle that is not private sector friendly nor responsive; the PSF not sufficiently delivering on its mandate to promote the participation of local private sector actors and financial intermediaries. Another area of concern expressed by these Board members is the concentration of private sector funding in just few international entities and MDBs; and they requested the Secretariat to clarify the **low levels of engagement of the private sector entities** and why these entities are not submitting proposals. In addition, they requested the Secretariat to present remedial options to ensure enhanced accreditation and submission of FPs by local private sector actors in developing countries. It was also requested that the Secretariat clarify the reasons for the **low levels of disbursement** to private sector projects and, in dealing with the countries, to consider their national circumstances, the maturity, and capacities of the local private sector.

41. The Board members generally observed that private sector considerations need to be included in all GCF policies, as per the evaluation's recommendations. One example of this could be to indicate **how RPSP could be utilized for local small businesses** (R4). Some called for hastening the **PSAA** and addressing the complex challenge of accrediting DAEs in order to promote the **participation of more local private sector entities and financial intermediaries** (R5). While acknowledging the **high transaction costs** of engaging local authorities and entities due to size and capacity, some Board members noted that doing so could have greater benefits with regards to the efficiency and effectiveness of project implementation. In this context, it was emphasized that the GCF partner with and work through a range of intermediaries such as bilateral development agencies and local entities with a domestic footprint.

42. Furthermore, they commonly endorsed the need for a **policy on concessionality**, expanding and scaling up the use of **innovative financing instruments**, targeting **early-stage technologies**, and clarifying the **overall objectives of the PSAA** to focus on and address private sector needs and the IRMF guidelines. Most Board members expressed in the submissions that they expect the Secretariat to revise all drafts regarding concessionality and present them for the Board's consideration.

43. Regarding the **Private Sector Advisory Group (PSAG)**, some members saw value in re-constituting the group and stated that they would welcome an opportunity for the Board to consider **how the PSAG could fit within the GCF's Private Sector Strategy** and complement the PSF. On the other hand, some members disagreed with the evaluation's finding that the PSAG had been effective and requested the IEU to clarify why the role of PSAG was not included in the evaluation's recommendations, when the evaluation found PSAG to have been effective. Some Board members also observed that the GCF could benefit from the recommendations of this evaluation, especially in the light of the discrepancies between the GCF's stated priorities to focus on adaptation, DAEs, private sector, the vulnerable country groups such as the least developed countries (LDCs), the small island developing States (SIDS), and African States, whilst the portfolio seems to indicate that the countries are seeking funding mostly for mitigation intensive results areas.

44. The Board members also expressed their support for the recommendations (R6) around **diversifying financial instruments** and enabling increased **private sector investment in adaptation**, particularly in the LDCs and the SIDS. For this, they endorsed the idea of enhancing the GCF's institutional and organisational capacity on adaptation and reviewing investment criteria, monitoring templates and indicators for adaptation and cross-cutting projects. Also, they supported the idea of aligning the GCF's adaptation investment criteria and indicators with the **Intergovernmental Panel on Climate Change (IPCC) definitions of adaptation**, vulnerability, climate risks and exposure. They also agreed with the idea of designing Secretariat-level KPIs that support private sector projects in the SIDS and the LDCs.

45. The Board members, through the submissions, requested the Secretariat to present to them a proposal on the development of **additional metrics to measure the catalytic impact of interventions** and the **revision of the RPSP strategy**, in implementing the recommendations of this evaluation. It was also emphasized that the Secretariat assist the Board in looking into how the GCF can more effectively **channel finance to MSMEs** and consider how this can be incorporated into the work of the Secretariat and the Board.

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