

**GREEN  
CLIMATE  
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Independent  
Evaluation  
Unit

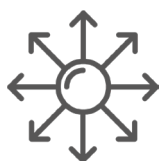


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# RAPID ASSESSMENT OF THE PROGRESS OF THE GREEN CLIMATE FUND'S UPDATED STRATEGIC PLAN

An IEU deliverable contributing to the Second  
Performance Review of the Green Climate Fund

Main report - Volume I



April 2022



GREEN CLIMATE FUND  
INDEPENDENT EVALUATION UNIT

# Rapid assessment of the progress of the Green Climate Fund's Updated Strategic Plan

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AN IEU DELIVERABLE CONTRIBUTING TO THE SECOND  
PERFORMANCE REVIEW OF THE GREEN CLIMATE FUND

VOLUME I

04/2022

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## FOREWORD

Even as I write this foreword, reports reach us of severe floods, droughts and uncharacteristically high temperatures around the globe. Unpredicted food shortages and floods in Africa, Asia and Latin America are causing climate migrants to abandon lands they have for centuries called home. Today, we are in the midst of a climate emergency that calls for concerted and urgent action.

At COP26 in Glasgow, world leaders highlighted the need for a united front, a strategy and action against climate change. Prime Minister of Barbados Mia Amor Mottley said “Our world stands at a fork in the road; one no less significant than when the United Nations was formed in 1945. But then, the majority of countries here did not exist; we exist now. The difference is we want to exist 100 years from now.” The survival of small island states hinges on climate finance and the need to limit a global temperature rise beyond 1.5°C, as set out in the Paris Agreement. A holistic and strategic approach is needed to address the biggest challenge of our times.

The United Nations defines strategic planning as the process by which an organization’s medium- to long-term goals and the resources and plans to achieve them are defined.<sup>1</sup> It is one of the most critical and challenging tasks for any organization, national or international. As stated by Patricia Espinosa, the Executive Secretary of the Secretariat of the United Nations Framework Convention on Climate Change, “We need long-term strategies to combat the challenge of climate change.”<sup>2</sup>

The Green Climate Fund (GCF), as the largest climate fund globally, set out its initial Strategic Plan to guide the GCF as a continuously learning institution to achieve its overarching objectives. Since the adoption of this Initial Strategic Plan for the Initial Resource Mobilization Period (2015-2019)<sup>3</sup>, the operating context of the GCF has evolved rapidly, the Paris Agreement has entered into effect, and the GCF has completed a successful first replenishment and developed a more substantial pipeline. The Updated Strategic Plan (USP) for the GCF's first replenishment period (2020-2023) was adopted at the 27<sup>th</sup> Meeting of the GCF Board<sup>4</sup> and builds on the initial strategic plan.

It is in this context that I introduce you to this rapid assessment of the progress of the GCF’s Updated Strategic Plan. As such, it is an IEU deliverable contributing to the Second Performance Review (SPR) of the GCF. It independently reviews the progress to date and provides projections on the delivery of the GCF strategic vision until the end of the GCF-1 programming period. The aim is to answer the questions “How far have we come?” and, “Where is there still more to be done?” It also provides insights into the USP’s policy implications, measurement and reporting. The assessment serves as an integral part of the SPR, and the main SPR report will further explore aspects and new areas of analysis that were identified through this assessment. This assessment will inform the GCF’s strategic planning for the second replenishment period.

I hope you enjoy reading this report – and are galvanized into action as a consequence.

**Daisuke Horikoshi**

Independent Evaluation Unit

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<sup>1</sup> United Nations (2012).

<sup>2</sup> Espinosa (2018).

<sup>3</sup> Decision B.12/02.

<sup>4</sup> Decision B.27/06.

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We extend our gratitude to the 2021 Co-Chairs of the GCF Board, Mr. Jean-Christophe Donnellier and Mr. José De Luna Martínez, and members and alternate members of the GCF Board as well as their advisers, for providing valuable insight and guidance. The role of the SPR is to build a reliable evidence base to help inform Board decision-making and inform the update of the Strategic Plan in the next replenishment.

The rapid assessment team would like to thank our colleagues within the GCF Secretariat, particularly Ms. Selina Wrighter, Ms. Ramona Calin and Ms. Cindy Xinying Ou, for providing data and making themselves available for interviews.

Under the guidance of Mr. Andreas Reumann, Head a.i. of the GCF Independent Evaluation Unit (IEU), this rapid assessment was achieved through collaborative efforts by the IEU and an external team of experts. The task manager for the rapid assessment was Mr. Daisuke Horikoshi, Evaluation Specialist. The IEU evaluation team also included Ms. Viktoriya Khan, Dr. Swati Saini and Ms. Asha Warsame. The external consultancy team included Ms. Leila Swan and Ms. Bruna Oliveira, led by Ms. Daniela Rey Christen. Mr. Toby Pearce edited the report, and Ms. Giang Pham designed and formatted it for publication, while Mr. Byungsuk Lee performed data quality assurance and Ms. Fatima Moussas provided valuable support on administrative matters.

All responsibility, including any errors, lies solely with the IEU, which carried out this rapid assessment. Views expressed here are not a reflection of the official views of the GCF Board, nor its members and the countries they represent.



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## ABBREVIATIONS

<b>AMA</b>	Accreditation master agreement
<b>CI</b>	Confidence intervals
<b>COP</b>	Conference of the Parties
<b>DAE</b>	Direct access entities
<b>DMA</b>	Division of Mitigation and Adaptation
<b>FAA</b>	Funded activity agreement
<b>FP</b>	Funding proposal
<b>GCF</b>	Green Climate Fund
<b>GE</b>	Grant equivalent
<b>IAEs</b>	International accredited entities
<b>IEU</b>	Independent Evaluation Unit
<b>IRM</b>	Initial resource mobilization
<b>IRMF</b>	Integrated Results Management Framework
<b>KPI</b>	Key performance indicators
<b>LAC</b>	Latin America and the Caribbean
<b>LDCs</b>	Least developed countries
<b>NAP</b>	National adaptation plan
<b>NDCs</b>	Nationally determined contributions
<b>PPF</b>	Project Preparation Facility
<b>PSAA</b>	Project-specific assessment approach
<b>PSF</b>	Private Sector Facility
<b>RFP</b>	Requests for proposals
<b>RMF</b>	Results management framework
<b>RPSP</b>	Readiness and Preparatory Support Programme
<b>SIDS</b>	Small island developing States
<b>SPR</b>	Second Performance Review
<b>TA</b>	Technical assistance
<b>ToC</b>	Theory of change
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>USP</b>	Updated Strategic Plan

# MAIN REPORT



## INTRODUCTION

### A. BACKGROUND

1. At its twenty-seventh meeting (B.27), the Board of the Green Climate Fund (GCF) adopted the Updated Strategic Plan (USP) for the first replenishment period 2020–2023 (GCF-1) in decision B.27/06. The decision includes several key points of policy guidance for the Fund, in which the Board:<sup>5</sup>

*Endorses the updated Strategic Plan [...] to guide the Board in addressing policy gaps and programming the GCF resources of the first replenishment period between 2020 and 2023 and to invest the GCF resources in paradigm-shifting climate actions in a country-driven manner. (Paragraph a.)*

*Further agrees that the GCF first replenishment programming period will strive to achieve greater impact for developing countries compared with the initial resource mobilization period, while strengthening country ownership and capacity to identify, design and implement projects and programmes.... (Paragraph i.)*

*Requests the Secretariat to update the allocation parameters and portfolio targets under the GCF initial investment framework to reflect GCF first replenishment allocation parameters and portfolio targets .... (Paragraph k.)*

*Decides to review the GCF Strategic Plan ahead of each replenishment process with a view to revising the strategic vision, if and as needed, and to update the strategic objectives and priorities for the coming replenishment cycle, taking into account evolving priorities, including guidance from the Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, and relevant reports from the Independent Evaluation Unit. (Paragraph p.)*

2. In decision B.BM-2021/11, the Board requested the Independent Evaluation Unit (IEU) of the GCF to conduct the Second Performance Review of the GCF (SPR), which includes a rapid assessment of the progress made against the GCF's USP.

### B. OBJECTIVES AND SCOPE OF THIS RAPID ASSESSMENT

3. The objective of this rapid assessment is to independently assess the progress made to date and to provide projections for the effective delivery of the GCF's USP until the end of the GCF-1 programming period. This assessment is an integral part of the SPR and thus an IEU deliverable contributing to the SPR. The main SPR will further explore aspects and new areas of analysis that are identified through this assessment.
4. The rapid assessment focuses on the progress and projections for the delivery of the USP's strategic objectives and strategic priorities, considering that in meeting these strategic objectives, the strategic priorities reflect the particular areas of attention the GCF will focus on, to underpin the strategic vision.<sup>6</sup> As such, the assessment independently examines the design, implementation and execution of the USP to date. Furthermore, the assessment provides an analysis and overview of the USP's

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<sup>5</sup> GCF (2020a).

<sup>6</sup> GCF (2020b), paragraph 2.

policy implications, measurement and reporting, which may not be considered in the Secretariat's annual progress report to the Board. In light of the above, the assessment also critically reviews the Secretariat's annual progress reports, using the reports as inputs. As described, the scope of the assessment is limited to the strategic objectives and strategic priorities. It does not include the "operational and institutional priorities" (section V of the USP), as annex II of the Secretariat's progress report contains the progress made/the current status against each target. This assessment does not include the policy review undertaken by the Secretariat, as the review was not available to the assessment team before the finalization of this report.

## C. STRUCTURE

5. This report contains three main sections, following the introduction:
  - Section I reviews the design and management of the implementation of the USP.
  - Section II examines the progress on policy work and underlying policy enablers for the effective delivery of the USP.
  - Section III analyses the progress and projections on the delivery of the USP's strategic objectives.
6. The report also provides conclusions for the SPR, based on the evidence and findings presented in this report.
7. The report contains three annexes, including:
  - Annex 1: USP assessment matrix
  - Annex 2: Full analysis of the policy enablers
  - Annex 3: Data analyses and projections

## Section I. ANALYSIS OF THE DESIGN AND MANAGEMENT OF THE USP IMPLEMENTATION

8. According to the United Nations, "...strategic planning is about understanding the challenges, trends and issues; understanding who the key beneficiaries or clients are and what they need; and determining the most effective and efficient way possible to achieve the mandate. A good strategy drives focus, accountability, and results".<sup>7</sup> A strategic plan should have a vision, a mission statement, core values, clearly defined outcomes, clarification of how accountability is established and identify key performance indicators (KPIs). Porter (1996) describes strategy based on three ideas: a position, trade-offs and fit. Islam (2018) argues strategy maps should have the following features: a strategy or mission statement, key focus areas, strategic objectives, timeline dimensions, directional arrows, and performance markers. Literature<sup>8</sup> and the approaches of comparators<sup>9</sup> agree on the value and use of a theory of change (ToC) as an integral "product" and "process" of strategic planning. Theories of change contribute by developing a definitive account of how and why an intervention is expected to achieve its intended outcomes and impact goals, based on outlining a set of key causal pathways arising from the activities and outputs of the intervention (whether at programme or project level) and the assumptions underlying these causal connections. Thus, a ToC is not considered an add-on but an integral contributor and guiding narrative through the whole cycle of intervention.<sup>10</sup>
9. The overall structure of the USP (see Figure I-1) identifies four levels – strategic vision, strategic objectives, strategic priorities, and operational and institutional priorities – where the lower levels underpin the upper levels to enable the GCF to achieve its strategic vision through the GCF-1 period.
10. **While the USP presents these key focus areas and strategic objectives, the USP does not have all the attributes and elements of a strategic plan.** One such element is the definition of a clear logical pathway from outputs through outcomes to the long-term goal, and evidence as to why these are necessary and sufficient to achieve the GCF's mandate and overall vision. Strategic objectives defined as "goals"<sup>11</sup> are without specific "outcomes" needed to deliver these goals. The USP simply states that the strategic objectives (section III of USP) are in the continuity of the initial Strategic Plan and articulate the specific goals the GCF strives towards as it seeks to deliver against its vision over the 2020–2023 programming period and replenishment cycle (GCF-1)." In meeting these objectives, the GCF has identified several strategic priorities (section IV [of the USP]) which reflect the particular areas of attention that GCF will focus on in order to underpin the Strategic Objectives."<sup>12</sup> The same could be said for the strategic priorities and the operational and institutional priorities. At times, the linkages between these are not well articulated.
11. Another element of strategic planning is a measurement framework to consistently review and adjust the implementation of the USP. While there are elements that outline performance indicators, a number of measures are not precise enough to measure whether the Fund has been successful in

<sup>7</sup> United Nations (2012).

<sup>8</sup> Colby and Collins (2013); Harries, Hodgson and Noble (2014); Montague-Clouse and Taplin (2011); O'Connell, et al. (2019); Organizational Research Services (2004); Taplin and Rasic (2012); USAID (2016).

<sup>9</sup> Global Environment Facility (2019; 2021).

<sup>10</sup> Ibid. (2019).

<sup>11</sup> GCF (2020b), paragraph 14.

<sup>12</sup> Ibid., paragraph 2.

delivering its USP. As an example, the USP's section II indicates it seeks "to meet or exceed its [initial resource mobilization] IRM outcomes". Only USP strategic objectives "a-i", "b", "d", and "e" are associated with the IRM outcomes and results in quantifiable terms. Notably, the evaluation team was not able to assess if the targets are for cumulative performance, or for performance in the USP 2020–2023 period. Furthermore, the evaluation team was unable to assess what the GCF will consider as a "significant increase" as per the strategic objectives wording.<sup>13</sup> The following strategic objectives do not present a clear definition for success:

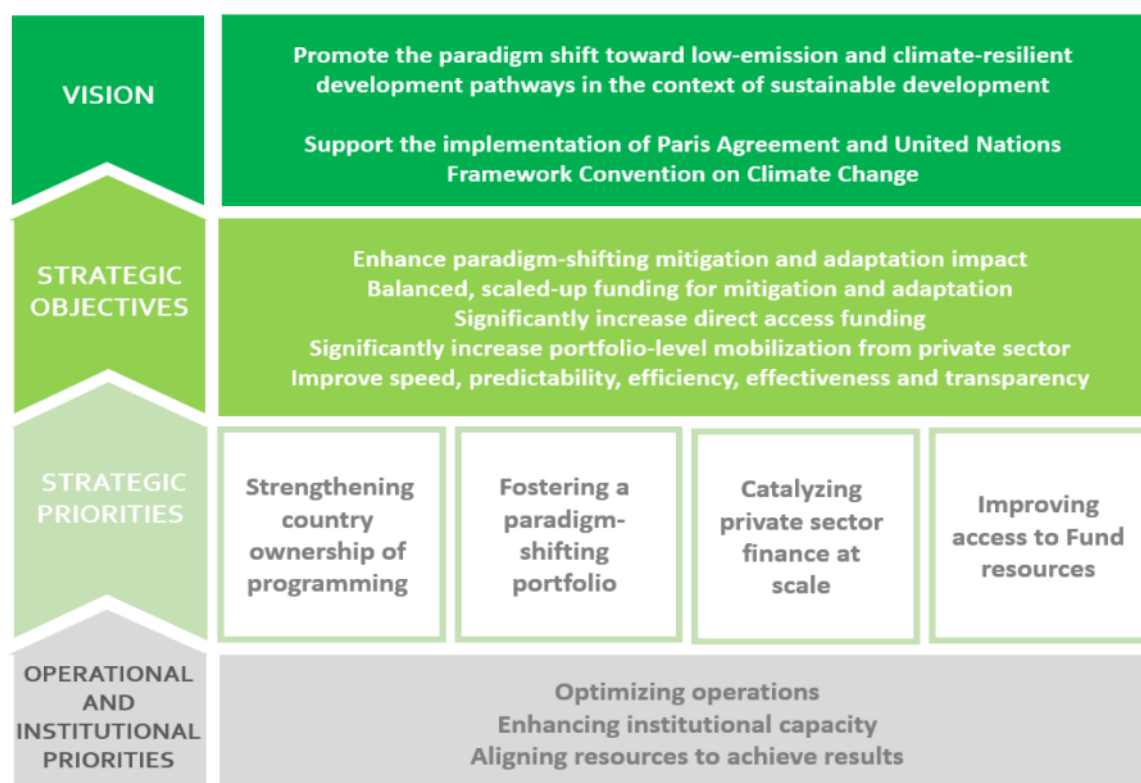
*"Support developing countries in translating their [nationally determined contributions] NDCs, [adaptation communications] ACs, [national adaptation plans] NAPs and long-term national strategies into transformational investment strategies and project pipelines informed by the goals in the Paris Agreement." (Point ii of Objective a.)*

*"Scaled up funding for ambitious projects informed by countries' adaptation needs and mitigation potential, in line with their climate plans and strategies, recognising the urgency to achieve the goals of the Paris Agreement." (Objective c.)*

*"Balanced GCF risk appetite across all results areas." (Objective f.)*

12. Annex 1 shows our assessment of the USP, which identifies strategic objectives, priorities and actions that do not clearly indicate the targets to be achieved and the measurement indicators.

**Figure I-1. Overall structure of the Updated Strategic Plan**



Source: Figure 1 of the USP.

<sup>13</sup> USP strategic objectives "d" and "e" allude to "significantly", without specifying the parameters of what would be considered significant.



13. The USP sets out “that annual work programmes over 2020–2023 will be aligned with the USP, the 2023 Board workplan, as well as the integrated results management framework [IRMF]...”<sup>14</sup>
14. **While the annual work programmes (only one annual work programme has been developed since the Board’s endorsement of the USP) and KPIs attempt to address and align with the USP priorities, there is evidence to suggest that these may not result in the overall achievement of the USP.** The KPIs were determined on the basis of commitments made by Divisions and Units within the Secretariat. However, this creates the challenge that an aggregation of divisional KPIs may not result in the overall achievement of the objective. This will be further investigated in the SPR. Annex 1 shows that the progress towards some of the strategic objectives and actions are not reported in the Secretariat’s annual progress report 2021 in detail, which illustrates the above limitations. Moreover, literature on implementation management advocates a top-down approach when managing the implementation of a strategic plan, with entities at the highest level of the organization coordinating its implementation.<sup>15</sup> This top-down approach allows for an analysis of the strategic plan and ensures its adequacy for implementation by verifying the existence of or developing an implementation plan, preparing the necessary conditions for its implementation, identifying and correcting possible mistakes and/or unforeseen implications, and monitoring the overall execution.<sup>16</sup>
15. Table I-1 and Table I-2 summarize the areas where the USP provides (or does not provide) performance indicators that allow tracking the progress, and the areas where the Secretariat reports the progress (or not). **At the level of strategic objectives, there appear to be four objectives, out of eight (including the sub-objectives), without identified measurement indicators (‘not present’)** and two with limitations in defining measurement indicators (‘limited measurement’). Furthermore, for one objective, no progress has been reported, and for three objectives, the progress reported does not necessarily correspond to an objective.
16. **At the level of strategic priorities and actions, there appear to be nine action areas out of 27 (including the sub-actions) without identified measurement indicators (‘not present’)** and four with limitations in defining measurement indicators. Furthermore, for 11 priority and action areas no progress has been reported, and for four the progress reported does not necessarily correspond to action.

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<sup>14</sup> GCF (2020b), paragraph 35.

<sup>15</sup> Rojas-Arce, Gelman, and Suárez-Rocha

<sup>16</sup> Ibid.

**Table I-1. Summary assessment of the measurement, reporting and verification and actual progress reported for strategic objectives, as per section 3 of the USP**

STRATEGIC OBJECTIVES FOR 2020–2023	MEASUREMENT, REPORTING AND VERIFICATION	PROGRESS REPORTED
(a) Greater mitigation and adaptation impact for developing countries compared with the IRM period while strengthening country ownership and capacity to identify, design and implement projects and programmes		
<i>(i) Deliver portfolio-level mitigation and adaptation results that exceed portfolio IRM results</i>	Present (implicitly or explicitly)	Progress clearly reported against the targets
<i>(ii) Support developing countries in translating their NDCs, ACs, NAPs and long-term national strategies into transformational investment strategies and project pipelines informed by the goals in the Paris Agreement</i>	Not present	Progress reported does not necessarily correspond to objective
(b) Balanced funding across mitigation and adaptation over time, as well as using minimum allocation floors as appropriate in allocating resources for adaptation, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including [least developed countries] LDCs, [small island developing States] SIDS and African States in line with the Governing Instrument, decisions of the Board and the Fund's IRM outcomes. The Board will aim for appropriate geographical balance	Present (implicitly or explicitly)	Progress clearly reported against the targets
(c) Scaled up funding for ambitious projects informed by countries' adaptation needs and mitigation potential, in line with their climate plans and strategies, recognising the urgency to achieve the goals of the Paris Agreement	Not present	Not present
(d) Significantly increased funding channelled through direct access entities (DAEs) relative to the IRM	Limited measurement	Progress clearly reported against the targets
(e) Significantly increased portfolio-level mobilization achieved through the GCF contributions to private sector projects under the [Private Sector Facility] PSF, relative to the IRM	Limited measurement	Progress clearly reported against the targets
(f) Balanced GCF risk appetite across all results areas	Not present	Progress reported does not necessarily correspond to objective
(g) Improved speed, predictability, simplified access, efficiency, effectiveness and transparency	Not present	Progress reported does not necessarily correspond to objective

Note: This table includes only a selection of the USP strategic objectives. The full list of USP strategic objectives can be found in Annex 1.A.

**Table I-2. Summary assessment of the measurement, reporting and verification and actual progress reported for strategic priorities and actions as reported in section 4 of the USP**

STRATEGIC PRIORITIES FOR 2023	KEY ACTIONS UNDER THE PRIORITIES	MEASUREMENT, REPORTING AND VERIFICATION	PROGRESS REPORTED
<b>4.1 Strengthening country ownership of programming:</b> (a) Strengthening developing countries' capacity to undertake transformational planning and programming, aligned with their NDCs, ACs, NAPs and other national climate strategies and incorporating broad-based and inclusive stakeholder engagement. (b) Ensuring GCF programming capacity and pipeline development is guided by a country-driven prioritization of the most impactful investments for countries in their respective national and regional contexts, informed by areas of high mitigation potential and adaptation needs, especially for the most vulnerable people and communities, and long-term planning aligned with the Paris Agreement. (c) Supporting national and regional DAEs to play a more prominent role in GCF programming, and channel significantly more GCF funding.	1. Refocusing GCF country programming	Not present	Progress reported
	2. Improving predictability and accessibility of support through the Readiness and Preparatory Support Programme (RPSP) and Project Preparation Facility (PPF)	Present (implicitly or explicitly)	Progress reported
	3. Building the programming and implementation capabilities of national and regional DAEs	Present (implicitly or explicitly)	Progress reported
<b>4.2 Fostering a paradigm shifting portfolio:</b> (a) Help developing countries and implementing partners design projects and programmes that support paradigm shift across eight mitigation and adaptation results areas, with a view to significantly improve the quality of projects at entry. (b) Promote projects and programmes with potential for	1. Issuing sectoral guidance for the GCF eight results areas	Present (implicitly or explicitly)	Progress reported
	2. Supporting project design and structuring	Not present	Progress reported does not necessarily correspond to action
	3. Strengthening the GCF investment framework, including:		

STRATEGIC PRIORITIES FOR 2023	KEY ACTIONS UNDER THE PRIORITIES	MEASUREMENT, REPORTING AND VERIFICATION	PROGRESS REPORTED
<p>innovation, replication, scale and financial sustainability (reflecting the components of paradigm shift), as well as projects which deliver integrated mitigation, adaptation and development benefits.</p> <p>(c) Show how the risk appetite of GCF differs from other climate multilateral funds, which is to take on risks that other funds/institutions are not able or willing to take, by increasing instances in which GCF takes educated risks – to support technology development and transfer, first loss positions or participation in higher risk tranches – to demonstrate the viability of innovative approaches and deliver scale.</p> <p>(d) Reduce transaction costs and processing times, along with raising impact, by focusing stakeholders' efforts on the most promising project and programme ideas – whether small or large – aligned with the GCF investment criteria.</p>	(1) A mapping document that identifies all elements related to project and programme eligibility and selection criteria included in previous decisions, conditions imposed by the Board on funding proposals (FPs), and the Governing Instrument for the GCF	Present (implicitly or explicitly)	No progress reported
	(2) Policies on the review of the financial terms and conditions of GCF instruments and concessionality, incremental costs and full costs	Present (implicitly or explicitly)	No progress reported
	(3) Policy guidelines for programmatic approach	Present (implicitly or explicitly)	No progress reported
	(4) Guidance on the approach and scope for providing support to adaptation activities	Present (implicitly or explicitly)	No progress reported
	(5) Steps to enhance the climate rationale of GCF-supported activities	Present (implicitly or explicitly)	No progress reported
	4. Collaborating on innovation and technology	Not present	Progress reported does not necessarily correspond to action
	5. Building on the comparative advantage of the GCF of being country driven and deploying the full range of financial instruments at its disposal	Not present	No progress reported
	6. Reviewing deployment of requests for proposals (RFPs):	Present (implicitly or explicitly)	Progress reported
<p><b>4.3 Catalysing private sector finance at scale:</b></p> <p>(a) Strengthening capacity among [national designated authorities] NDAs, [accredited entities] AEs and local private sector partners to support private investments in climate activities, including supporting climate-oriented local financial systems, green banks, markets and institutions</p> <p>(b) Enabling climate transformation in key sectors</p>	1. Identifying and increasing private sector engagement potential across results areas	Not present	Progress reported does not necessarily correspond to action
	2. Strengthening engagement capacity, investment environments and climate-oriented financial system	Not present	Progress reported does not necessarily correspond to action
	3. Structuring to mobilize private sector resources at scale	Not present	No progress reported

STRATEGIC PRIORITIES FOR 2023	KEY ACTIONS UNDER THE PRIORITIES	MEASUREMENT, REPORTING AND VERIFICATION	PROGRESS REPORTED
<p>and regions in accordance with national objectives</p> <p>(c) De-risking and addressing barriers, including currency fluctuation, to mobilize private sector resources at scale for climate investments in developing countries, including a greater role in supporting climate change adaptation</p> <p>(d) Consistency with guidelines for enhanced country ownership and country drivenness, as well as ensuring a strong focus on local private sector actors, including through operational linkages between international and local actors</p>	4. Supporting private sector engagement in all developing countries, including LDCs and SIDS	Present (implicitly or explicitly)	No progress reported
	5. Enhancing the role of the private sector in adaptation	Present (implicitly or explicitly)	Progress reported
	6. Executing a private sector outreach plan	Present (implicitly or explicitly)	No progress reported
	7. Staged development of the PSF modalities	Limited measurement	Progress reported
<p><b>4.4 Improving access to fund resources:</b></p> <p>(a) Continue to build its AE network by focusing on the value-addition of AEs to delivering developing countries' programming priorities and advancing GCF strategic objectives, including keeping a strategic focus on strengthening the role of DAEs in programming, as described in section 4.1</p> <p>(b) Seek to streamline and speed up access to GCF resources and reduce the lengthy timelines involved in the current accreditation process</p>	1. Adopting a more strategic approach to accreditation		
	(1) Focus 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 build capacity for improving wider investments in line with countries' climate plans and strategies and national circumstances, in alignment with GCF strategic objectives and policies, ensuring all countries have coverage and choice of AEs to support them	Limited measurement	Progress reported
	(2) Seek to increase the share of DAEs above the IRM level, including by prioritizing accreditation of and capacity support for DAEs of countries which do not yet have a national or regional AE accredited	Present (implicitly or explicitly)	Progress reported
	(3) Strive for sufficient coverage across regions, access modalities, accreditation sizes, risk categories and financial instruments, prioritizing identified gaps in the AE network in relation to geographical, sectoral and thematic coverage and financial instrument usage, in alignment with developing countries' identified programming priorities and the GCF programming strategy	Limited measurement	Progress reported

STRATEGIC PRIORITIES FOR 2023	KEY ACTIONS UNDER THE PRIORITIES	MEASUREMENT, REPORTING AND VERIFICATION	PROGRESS REPORTED
	(4) Accredite institutions which are ready to meet GCF standards and to advance the goal of the GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development and efforts to eradicate poverty, or can work through required conditions needed to finalize their accreditation	Limited measurement	No progress reported
	(5) Inform re-accreditation decisions with an examination of AEs' performance in contributing to GCF programming results, considering [international accredited entities'] IAEs' contribution to building capacities of DAEs, and an assessment of the extent to which AEs' overall portfolios of activities beyond those funded by the GCF have evolved towards low-emission and climate-resilient development pathways	Not present	Progress reported
	2. Streamlining the accreditation process and developing alternative accreditation modalities, including a project-specific assessment approach (PSAA), through completing Board consideration of the update of the GCF accreditation framework	Present (implicitly or explicitly)	Progress reported
	3. Fostering climate mainstreaming across the GCF partnership network	Not present	No progress reported

## Section II. ANALYSIS OF POLICY ENABLERS FOR THE EFFECTIVE DELIVERY OF THE USP

17. The Board's four-year workplan for 2020–2023 established an ambitious policy development, implementation, learning and review cycle. This cycle stages the consideration of outstanding policy items and reviews in a sequence that is informed by time-sensitivity to programming and strategic priorities (GCF/B.25/Inf.13; GCF/B.27/22, Annex II). With decision B.27/06, the Board *"...endorsed the updated Strategic Plan for the Green Climate Fund: 2020-2023, [...] to guide the Board in addressing policy gaps and programming the GCF resources of the first replenishment period between 2020 and 2023 and to invest the GCF resources in paradigm-shifting climate actions in a country-driven manner"*.<sup>17</sup>
18. This section assesses the policy environment of the GCF to date. The USP states that a Secretariat review of GCF policies and frameworks, as part of the 2020–2023 Board workplan, will be realized, to better understand policy impacts, including resulting challenges or delays in implementation, gaps, and opportunities to simplify, streamline and harmonize policies. The USP envisaged that this review would be key to realizing efficiency and effectiveness gains over the medium term.
19. The evaluation team also assessed the extent to which the GCF policy architecture and its strategic planning respond to overall Conference of the Parties (COP) decisions, including guidance emanating from the United Nations Framework Convention on Climate Change (UNFCCC) workstreams, bodies and committees. For a more detailed description of the analysis and findings, please refer to Annex 2.
20. **The Board has made progress in GCF-1 on its 2020–2023 work programme but only around a tenth of the policy agenda was addressed.** The USP prioritizes the urgent closing of remaining investment policy gaps in line with the 2020–2023 Board workplan, an action that was endorsed by the Board in decision B.27/06(a). This includes prioritizing updates to policies related to project and programme eligibility and selection criteria, adaptation activities, financial terms and conditions of GCF instruments, guidance on programmatic approaches, and enhancing clarity on the climate rationale. The risk management framework was not included here. In the USP, the IEU counted commitment for action in 18 policy areas and instruments, including policies, frameworks, guidelines and strategies. There has been limited progress in the policies mentioned in the USP, with only 2 out of the 18 policies adopted by the Board – the review of the Readiness and Preparatory Support Programme (RPSP) (decision B.22/11)<sup>18</sup> and the updated IRMF (decision B.29/01). Table II-1 below illustrates the progress made in developing, adopting, reviewing and/or updating the policies in the USP.
21. There is evidence to suggest that the GCF lacks clarity on the roles and responsibilities of the Board, the Secretariat and others in operationalizing and implementing policies. The Governing Instrument tasks the Board with the responsibility of approving policies, standards and guidelines. Following

<sup>17</sup> Decision B.27/06 (a). Underlining has been added by IEU for clarity.

<sup>18</sup> The Secretariat shared with the Board (with Board item number): Revised Work Programme for the Readiness and Preparatory Support Programme, based on the review of the Readiness and Preparatory Support Programme (GCF/B.19/32/Add.01); Secretariat management response to the independent evaluation of the Readiness and Preparatory Support Programme (GCF/B.22/03/Add.01); and the Readiness and Preparatory Support Programme Strategy for 2019–2021 and Work Programme 2019 (GCF/B.22/08). With decision B.22/11, the Board welcomed the strategy of the Readiness and Preparatory Support Programme. Also, with decision B.22/10, the Board took note of the Independent Evaluation of the Green Climate Fund's Readiness and Preparatory Support Programme undertaken by the IEU, and also took note of the Secretariat's management response.



the evidence provided, there are more than 10 entities that can be given the lead responsibility in preparing policy instruments, including the Board, Co-Chairs, Board committees and three independent units, to only name a few. With this, the approval and sign-off modalities for policy instruments may vary as well. The GCF Secretariat established operational norms for the development and implementation of policies at the Secretariat-level through the GCF Secretariat's Policy Manual. The manual does so by laying out the seven-stage GCF Secretariat Policy Cycle that leads the policy process from concept, through development and adoption, and on to implementation and related monitoring and evaluation. But the manual does not overcome the lack of delegation of authority to the Secretariat for developing procedures, guidebooks and guidance for Board-approved policies. The SPR will further investigate these and other questions related to policy and whether all policy instruments require Board guidance for the development and implementation of a policy.

**Table II-1. Progress in USP policy agenda and mapping of opportunities for alignment<sup>19</sup>**

#	POLICY AREAS AND INSTRUMENTS (POLICY, FRAMEWORK, GUIDELINES)	EXPLICITLY MENTIONED IN THE USP?	LINKAGES ACROSS POLICIES IN THE USP <sup>20</sup>	IEU COMMENTARY ON PROGRESS
1	Country programme	Yes, USP para. 17(a)	2, 13, 15, 16	Finalization of guidelines for country programmes in 2021 KPIs but not further considered.
2	Readiness and Preparatory Support Programme	Yes, USP para. 17(b)	1, 3, 15, 16	RPSP approved by the Board (decision B.18/07), RPSP strategy approved by the Board (decision B.22/1); review and strengthening of readiness guidebook considered in 2021 KPIs. The updated Board workplan 2020–2023 considers 2022 RPSP strategy for 2022–2023 and 2023 review and update of the RPSP 2024–2027.
3	Project Preparation Facility	Yes, USP para. 17(b)	2, 16	2022 review of PPF and funding allocation considered in the updated Board workplan for 2020–2023. The evaluation team was not able to assess if operational guidelines for the PPF would be reviewed.
4	Sectoral guidance	Yes, USP para. 20(a)		Considered in the Board workplan for 2022. 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 & Access”, and the third batch titled “Health & 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

<sup>19</sup> The assessment reviewed all Board documentation and decisions prior to B.31 in 2022.

<sup>20</sup> The numbers on the “linkages across policies in the USP” column refer to the numbers assigned in the “#” column and their corresponding policies.



#	POLICY AREAS AND INSTRUMENTS (POLICY, FRAMEWORK, GUIDELINES)	EXPLICITLY MENTIONED IN THE USP?	LINKAGES ACROSS POLICIES IN THE USP <sup>20</sup>	IEU COMMENTARY ON PROGRESS
				stakeholders: "Climate Information & Early Warning Systems" and "Energy Efficiency".
5	Mapping document that identifies all elements related to project and programme eligibility and selection criteria included in previous decisions, conditions imposed by the Board on FPs, and the Governing Instrument for the GCF	Yes, USP para. 20(c)	5	Considered in the Board workplan for B.29 and part of the Secretariat 2021 KPIs. Document B.29/Inf.09 named "Mapping of elements related to project and programme eligibility and selection criteria" was included as an information item for B.29 and not opened for discussion.
6	Policy on the review of financial terms and conditions of GCF instruments	Yes, USP para. 20(c)		Considered in the Board workplan for B.28 but never discussed.
7	Policy on concessionality	Yes, USP para. 20(c)		Considered in the Board workplan for B.29 and part of the Secretariat 2021 KPIs. The Policy on concessionality (document B.29/Inf.11) was included in the provisional agenda for B.29 but was not opened for discussion.
8	Policy on incremental and full costs	Yes, USP para. 20(c)		Considered in the Board workplan for B.29 and part of the Secretariat 2021 KPIs. The Policy on incremental and full cost methodologies (document B.29/Inf.10) was included in the provisional agenda for B.29 but was not opened for discussion.
9	Policy guidelines for programmatic approach	Yes, USP para. 20(c)		Considered in the updated Board workplan 2020–2023 for B.29 and part of the Secretariat 2021 KPIs. The Policy on programmatic approaches (document B.25/08) was included in the provisional agenda at B.25 but was not opened for discussion.
10	Guidelines on the approach and scope for providing support to adaptation activities	Yes, USP para. 20 (c)		The guidelines on the approach and scope for providing support to adaptation activities (document B.29/inf.12) was published as an information document for B.29, but not opened. Considered in the updated Board workplan 2020–2023 and part of the Secretariat KPIs for Office of Risk Management and Compliance. Not

#	POLICY AREAS AND INSTRUMENTS (POLICY, FRAMEWORK, GUIDELINES)	EXPLICITLY MENTIONED IN THE USP?	LINKAGES ACROSS POLICIES IN THE USP <sup>20</sup>	IEU COMMENTARY ON PROGRESS
				scheduled for any upcoming Board meeting.
11	Steps to enhance the climate rationale of GCF-supported activities	Yes, USP para. 20 (c)		Considered in the Board workplan for B.30 and part of the Secretariat 2021 KPIs. Document B.30/04 “Steps to enhance the climate rationale of GCF-supported activities” was included in the provisional agenda for B.30 but was not opened for discussion.
12	IRMF	Yes, USP para. 20(d)		The IRMF was adopted by the Board in decision B.29/01. The IEU's results management framework (RMF) evaluation was noted by the Board in decision B.22/13.
13	Overall review of RFPs and determine funding allocations for RFPs	Yes, USP para. 20(f)		Considered in the updated Board workplan 2020–2023 for B.30 but never discussed. The GCF Board has not approved any new RFP modalities since B.18.
14	GCF Private Sector Strategy	Yes, USP para. 22	1, 14, 15	Considered in the Board workplan for B.30 and part of the Secretariat 2021 KPIs for PSF with support from [Division of Mitigation and Adaptation] DMA / [Division of Country Programming] DCP / [Office of the Executive Director] OED / [Office of Risk Management and Compliance] ORMC. The Private Sector Strategy 2020–2023 has not yet been presented at a Board meeting.
15	Board workplan review of PSF modalities and further evaluate options for additional PSF modalities	Yes, USP para. 23(g)	13	Considered in the Board workplan for B.30 and the 2021 KPIs. No new PSF modalities have been adopted since B.19.
16	Updated Accreditation Framework and PSAA operationalization	Yes, USP para. 26(b)	1, 2, 3, 13	The Updated Accreditation Framework and PSAA were scheduled for discussion in 2021 in the updated Board workplan 2020–2023 and were part of the 2021 Secretariat KPIs for the Office of the Executive Director. The Updated Accreditation Framework and PSAA were included in the provisional agenda for B.28 and B.29 but were not opened for discussion.
17	Updating the Simplified Approval Process	Yes, USP para. 29(b)		The update of the Simplified Approval Process (document B.30/06) was discussed by the Board at B.30, but no decision was taken.

#	POLICY AREAS AND INSTRUMENTS (POLICY, FRAMEWORK, GUIDELINES)	EXPLICITLY MENTIONED IN THE USP?	LINKAGES ACROSS POLICIES IN THE USP <sup>20</sup>	IEU COMMENTARY ON PROGRESS
18	Human Resource Strategy	Yes, USP para. 26(f)		The GCF Board approved the Review of Secretariat capabilities to deliver increased programming and implementation in line with the USP for 2020–2023, at B.30 (decision B.30/06). The review was initially considered for B.29 in the Board workplan.

22. **The policy landscape of the GCF offers opportunities to foster greater alignment across policy areas. Given the limited process with the approval and implementation of most of the policies, these opportunities remain largely unaddressed.** With 18 policy instruments directly mentioned in the USP, the plan shows several linkages across the different policy areas and instruments. Such linkages translate into interconnections and dependencies across these policy areas on the one hand and opportunities for further alignment on the other. Table II-1 column 4 identifies some of these linkages.
23. There is evidence to suggest that **based on the current GCF policy landscape and relevant decisions at COP, six policy areas have been identified which are not being actively considered in the USP.** These include loss and damage, coherence and complementarity, adaptation, reducing emissions from deforestation and forest degradation in developing countries (REDD+), stakeholder engagement, and accreditation.
24. While such a gap may not always mean there is no operational policy governing the relevant policy area, it could also refer to a lack of strategy in the area, insufficient programming guidance and/or limited implementation of the operational policy. For example, the COP has noted that updating the Accreditation Framework and approving a PSAA are urgent remaining needs governing how the Fund considers and ultimately finances projects. Likewise, the COP has requested the Board to continue to fund activities related to loss and damage and consider the strategic workplans of the Executive Committee of the Warsaw International Loss and Damage Mechanism.<sup>21</sup> Loss and damage would need to be considered and assessed under the GCF's current investment and result framework to ensure and measure outcomes from mitigation and adaptation perspectives and to integrate loss and damage. However, the USP does not explicitly consider clarifying how the existing investment and result frameworks are to integrate a loss and damage element to ensure and promote an adequate assessment of FPs.
25. The COP has requested improvements in how the GCF engages non-governmental and private sector stakeholders (decision 7/CP.21 para. 19; decision 7/CP.20 para. 17). While the GCF has several policies setting parameters for engagement, there are no clear policies that map out how the GCF can effectively engage and promote the participation of its stakeholders, particularly for vulnerable groups. While there is a key action in the USP considering engagement with impacted people and communities, how this will be operationalized has not been fully articulated. This lack of operationalization has been noted in several IEU evaluations, and there is further room for strengthening.<sup>22</sup>

<sup>21</sup> FCCC/CP/2019/13/Add.2, decision 12/CP.25, paragraph 21.

<sup>22</sup> Asfaw and others (2019); Annandale and others (2020)



## Section III. ANALYSIS OF PROGRESS AND PROJECTIONS FOR THE DELIVERY OF THE USP

26. The analysis of quantitative targets for the USP was assessed in terms of how performance during the GCF's first replenishment 2020–2023 (GCF-1) has led to a cumulative portfolio-level value of each target. This section brings two lenses of analysis – based on the overall portfolio as well as on the performance during GCF-1 – to the present time only (B.25–B.30). The revised benchmarks as a result of the discontinuation of several projects are reflected in the graphs of this report, which provide a visual means to track the progress based on a continued adjustment. The narrative accompanying the figures is built around the original benchmarks agreed upon in the USP.
27. It is important to note that the main assumptions for these projections do not consider any major policy decisions and enablers (as outlined above), increased staffing nor other sudden capacity changes. It is also worth noting that the underlying data represent the growth of the GCF portfolio during the COVID-19 pandemic, which might be different compared to a counterfactual scenario of the absence of COVID-19 in the world. The analysis is built on the information that there will be four Board meetings in 2022 and three in 2023, with an assumption of sufficient GCF Secretariat capacity to accommodate the increased workload in 2022 related to the additional Board meeting.
28. The linear model bases projections on the underlying trend of the cumulative data on various metrics. Thus, the trend may change depending on the signal received from historical performance, as the portfolio targets are to be met over time.

### A. STRATEGIC OBJECTIVE A

Greater mitigation and adaptation impact for developing countries compared with the IRM period while strengthening country ownership and capacity to identify, design and implement projects and programmes:

- a) Deliver portfolio-level mitigation and adaptation results that exceed portfolio IRM results.<sup>23</sup>
- b) Support developing countries in translating their NDCs, ACs, NAPs and long-term national strategies into transformational investment strategies and project pipelines informed by the goals in the Paris Agreement.

29. To assess the progress and projections for delivery of this strategic objective as per the IRM results, this assessment considered the following:
  - (A)1. The GCF portfolio in relation to the tonnes of carbon dioxide-equivalent (tCO<sub>2e</sub>) reduced/avoided for each billion invested
  - (A)2. The GCF portfolio in relation to the number of beneficiaries with increased resilience for each billion invested
30. Noting that point “ii” of this strategic objective is not expressed in quantifiable terms, this assessment considered the progress and projections by examining the following:

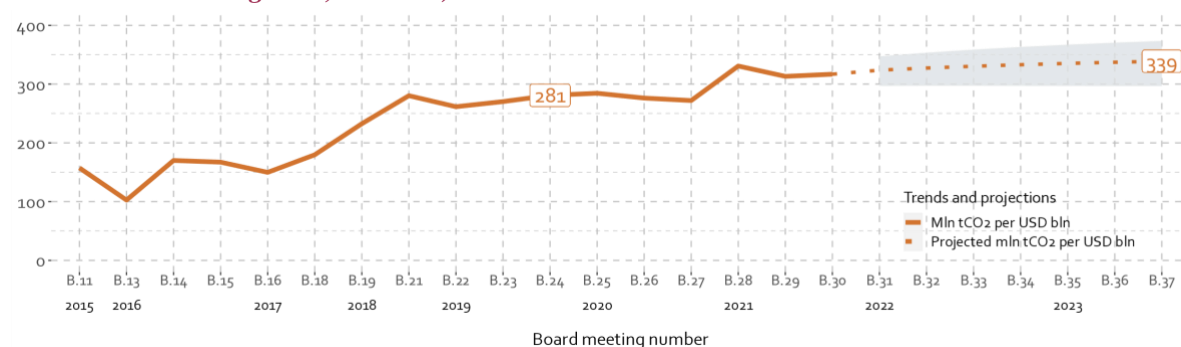
<sup>23</sup> Portfolio IRM results: 460 million tonnes of carbon dioxide-equivalent reduced/avoided for each USD 1 billion invested in mitigation; and 166 million beneficiaries with increased resilience for each USD 1 billion invested in adaptation. Note that all cited IRM figures are based on the IRM portfolio as of 31 December 2019.

- (A)3. Articulation of costed adaptation and mitigation needs in GCF eligible countries, and the percentage of funding allocated to GCF eligible countries in relation to their mitigation and adaptation costed needs
- (A)4. Funding approved and disbursed through the RPSP and the PPF, considering the central role they play in the delivery of this objective, and the overall objectives of the GCF

### (A)1 THE GCF PORTFOLIO IN RELATION TO THE TONNES OF CARBON DIOXIDE-EQUIVALENT REDUCED/AVOIDED

31. Based on performance since the adoption of the USP, **the GCF is not expected to meet or exceed the IRM results of “460 million tonnes of carbon dioxide-equivalent reduced/avoided for each USD 1 billion invested in mitigation”**.
32. Cumulative data up to B.30 (Q3 2021) shows the total portfolio achieved 317 million tCO<sub>2</sub>e/USD 1 billion invested in mitigation result areas, which can be linearly extrapolated to be 339 million tCO<sub>2</sub>e/USD 1 billion by the end of 2023 (see Figure III-1) at the average estimate. The given analysis accounts for the lapsed projects. The expected tCO<sub>2</sub>e reduced or avoided are self-reported values from the project proposals.
33. If the assessment were only to include the approved GCF-1 projects, the corresponding projected value would be 360 million tCO<sub>2</sub>e/USD 1 billion, and the actual value might be between 303 million tCO<sub>2</sub>e and 403 million tCO<sub>2</sub>e (not displayed in the graph).

**Figure III-1. Projected portfolio against the IRM results (million tCO<sub>2</sub>e/USD billion in mitigation, nominal)**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

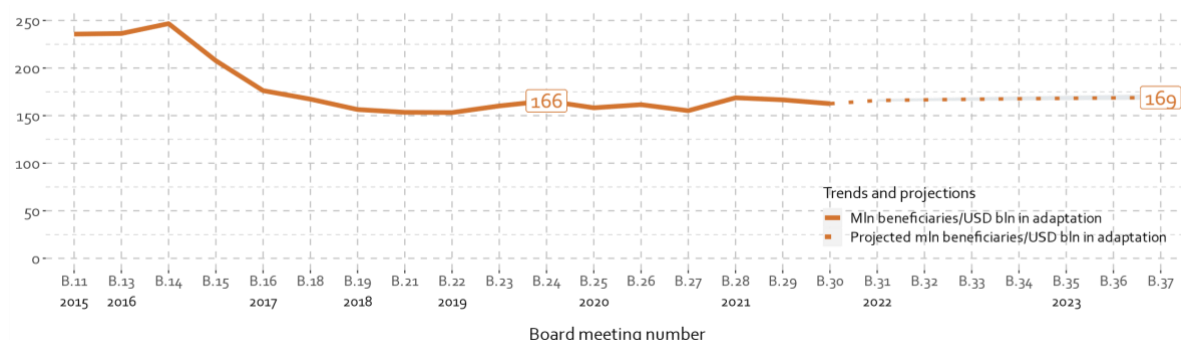
Note:

- The IRM benchmark appears different on the graph due to the adjustment of the portfolio metrics after some projects lapsed.
- The ratio uses actual and projected cumulative sum of nominal finance channelled through mitigation.
- result areas, which is representative of both mitigation and cross-cutting projects.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The underlying projections can be found in Annex 3.
- The band around the estimated line is derived from the confidence intervals (CIs) of two underlying projections.

## (A)2 PORTFOLIO IN RELATION TO NUMBER OF BENEFICIARIES WITH INCREASED RESILIENCE

34. **Based on performance since the adoption of the USP, the GCF is expected to marginally exceed the IRM results in relation to “166 million beneficiaries with increased resilience for each USD 1 billion invested in adaptation”.**
35. The IRM benchmark set in the USP for this result indicator was determined by including total beneficiaries from mitigation projects in the ratio. The benchmark ratio would be revised to 163 million (instead of 166 million) if the indicator is to be reconstructed as a ratio of beneficiaries from only adaptation and cross-cutting projects per the finance channelled through adaptation result areas. Furthermore, the evaluation team was unable to assess whether beneficiaries from cross-cutting projects come from adaptation components, which might wrongly attribute them to the adaptation results.
36. Cumulative data up to B.30 (Q3 2021) shows the portfolio achieved 162.5 million total beneficiaries from all thematic areas/USD 1 billion invested in adaptation result areas and is linearly extrapolated to be 169 million beneficiaries/USD 1 billion by the end of 2023 (see Figure III-2) at the average estimate. The lapsed projects did not affect the IRM benchmark of this indicator.<sup>24</sup> The expected total beneficiaries are self-reported values from the project proposals.
37. If the assessment were to only include the approved GCF-1 projects, the corresponding value would be 171 million total beneficiaries/USD 1 billion, where the actual value might be between 167 million and 179 million total beneficiaries (not displayed in the graph).

**Figure III-2. Projected portfolio against the IRM benchmark (million beneficiaries/USD billion in adaptation, nominal)**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

- The ratio uses actual and projected cumulative sum of nominal finance channelled through adaptation result areas, which is representative of both adaptation and cross-cutting projects.
- Total beneficiaries include both direct and indirect beneficiaries from the whole GCF portfolio.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The underlying projections can be found in Annex 3.
- The band around the estimated line is derived from the CIs of two underlying projections.

<sup>24</sup> A component of a cross-cutting project “FP026 Sustainable Landscapes in Eastern Madagascar” lapsed in June 2020, which accounted for 1.448 million total beneficiaries and GCF adaptation finance of USD 20 million. Accounting for this project, the IRM benchmark would have been 165 million beneficiaries per billion tCO<sub>2</sub>e reduced/avoided instead, as of December 2019. However, the benchmark of 166 was successfully recreated with the current active portfolio.

(A)3      ARTICULATION OF COSTED ADAPTATION AND MITIGATION NEEDS IN  
GCF ELIGIBLE COUNTRIES, AND PERCENTAGE OF FUNDING ALLOCATED  
TO GCF-ELIGIBLE COUNTRIES IN RELATION TO THEIR MITIGATION AND  
ADAPTATION COSTED NEEDS

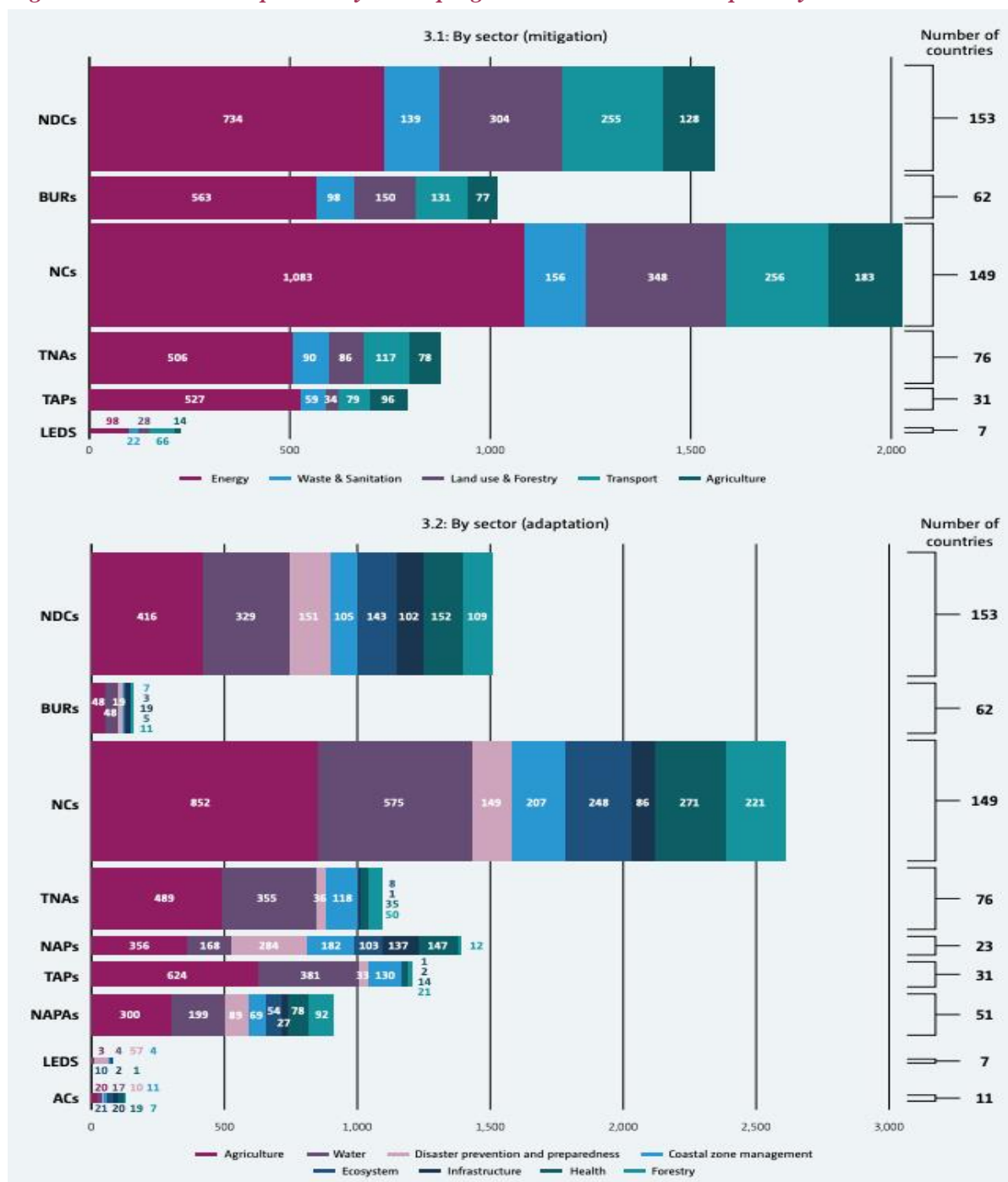
38. According to the recent report by the UNFCCC Standing Committee of Finance on the needs of developing countries, “As of 31 May 2021, NDCs from 153 Parties included 4,274 needs, with 1,782 costed needs identified across 78 NDCs, cumulatively amounting to USD 5.8–5.9 trillion up until 2030. Of this amount, USD 502 billion is identified as needs requiring international sources of finance and USD 112 billion as sourced from domestic finance.”<sup>25</sup>

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<sup>25</sup> UNFCCC (2020a), paragraph 16.



Figure III-3. Needs expressed by developing countries in national reports by sector



Source: UNFCCC, Standing Committee on Finance. First report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, Figure 3.

39. **With business-as-usual performance, the GCF is likely to meet less than 1 per cent of mitigation and adaptation costed needs from the GCF-eligible countries' NDCs. Overall, the evaluation team was unable to assess whether this level of ambition is sufficient, as there is no relevant, measurable target for the GCF set out in the USP.**
40. The mitigation costed needs in GCF-eligible countries<sup>26</sup> are USD 1.54 trillion, and the adaptation costed needs in GCF-eligible countries are USD 0.62 trillion.
41. GCF could meet 0.2 per cent of mitigation costed needs stated in the NDCs of GCF eligible countries during the IRM. This number is likely to reach **0.75 per cent** at the average estimate by the end of 2023. The actual value may fall into the interval from 0.66 per cent to 0.8 per cent with 95 per cent probability.
42. GCF could meet 0.33 per cent of adaptation costed needs stated in the NDCs of GCF eligible countries during the IRM. This number is likely to reach **0.87 per cent** at the average estimate by the end of 2023. The actual value may fall into the interval from 0.67 per cent to 1.1 per cent with 95 per cent probability.
43. The detailed finance needs per thematic area from the NDC explorer database developed by the German Development Institute supported by other partners,<sup>27</sup> is presented in Annex 3.

#### (A)4 FUNDING APPROVED AND DISBURSED THROUGH PPF AND RPSP

44. The data and projections show the Fund's financial commitments under the PPF and RPSP to be reaching USD 39.34 million and USD 482.6 million by the end of the GCF-1 period. This would be well in alignment with the USP guidance. The disbursements reached USD 21.20 million for PPF and USD 187.08 million under the RPSP by 2021, with trends forecasting these to grow up to USD 33.31 million for PPF and USD 290.41 million under the RPSP until 2023. The Fund considerably lags in disbursements, usually due to long processing time and delays in post-approval phases of funded projects.<sup>28</sup> The overall processing time under the PPF took 175 days in 2019 (median average) from PPF request to disbursements and 96 days (median average) from approval to the first disbursement. For the RPSP, the overall processing time was 172 days in 2017.<sup>29</sup>
45. The gap between the amount approved and disbursed per year has been in the same ratio since inception, indicating that disbursement is challenging to achieve for the countries under the RPSP. Also, the RPSP lacks a stringent system for monitoring and results reporting, which further makes it difficult to assess the progress of this system.
46. Projections based on the start of the GCF-1 period (i.e., from 2020) show the total amount approved and disbursed under the PPF will reach USD 21.75 million and USD 21.4 million, respectively. For the RPSP, this levels up to USD 247.6 million for approved funds and USD 206.91 million for disbursements.
47. The analysis showed growth in the overall portfolios of the two processes. The evaluation team was however unable to assess whether this level of approved and disbursed finance is sufficient to deliver the USP objectives. Also, the limited and slow disbursement rate needs to be further

<sup>26</sup> 154 GCF-eligible countries. Out of them 90 didn't indicate mitigation costed needs in their NDCs and 99 countries didn't indicate their adaptation costed needs. One country (Somalia) indicated a value for mitigation that almost equals the sum of all other countries' mitigation costed needs, and thus, was omitted.

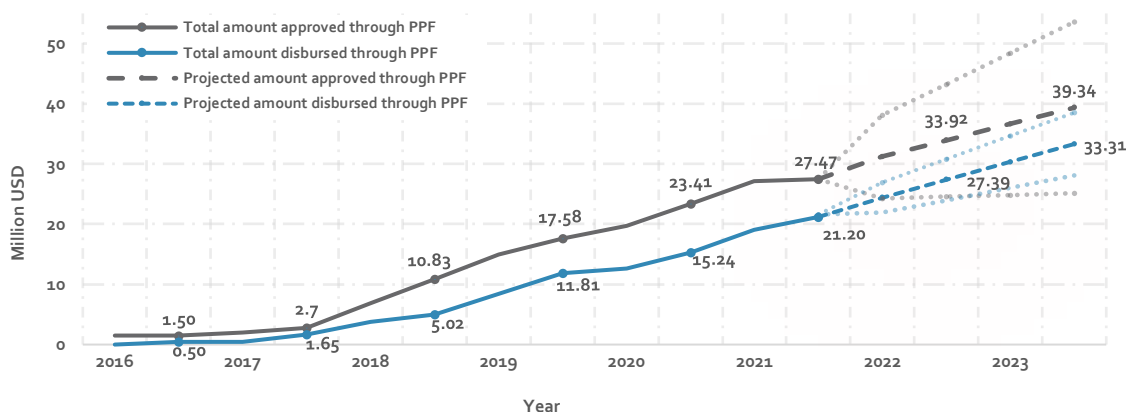
<sup>27</sup> In cooperation with the UNFCCC secretariat, the African Centre for Technology Studies (ACTS) and the Stockholm Environment Institute (SEI), and supported by the Federal Ministry for Economic Cooperation and Development (BMZ).

<sup>28</sup> Annandale and others (2020).

<sup>29</sup> IEU (2018).

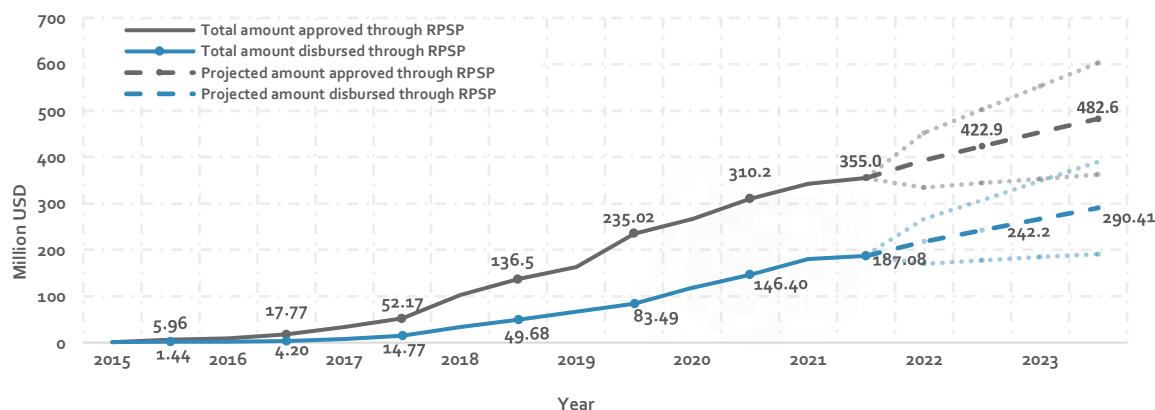
investigated under the technical assistance (TA) review to fully understand the cause and source of delays in the process.

**Figure III-4. Projections of funds approved and disbursed under the PPF**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

**Figure III-5. Projections of funds approved and disbursed under the RPSP**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analyzed by IEU DataLab.

Note: The projections are based on 2020–2021 data using linear regression.

## B. STRATEGIC OBJECTIVE B

Balanced funding across mitigation and adaptation over time, as well as using minimum allocation floors as appropriate in allocating resources for adaptation, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States in line with the Governing Instrument, decisions of the Board<sup>30</sup> and the Fund's IRM outcomes. The Board will aim for appropriate geographical balance.<sup>31</sup>

48. To assess progress and projections for the delivery of this strategic objective, this assessment considered:

<sup>30</sup> Including decision B.05/05 and decision B06/06.

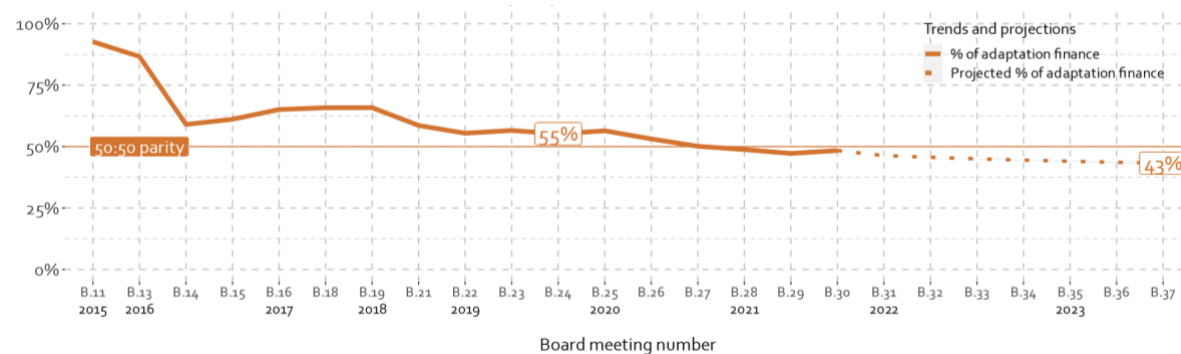
<sup>31</sup> IRM outcomes: (i) 54 per cent adaptation funding and 46 per cent mitigation funding in grant equivalent (GE) finance; (ii) 69 per cent (GE) of the adaptation allocation for countries particularly vulnerable, including SIDS, LDCs and African States; (iii) funding allocated to projects in 105 developing countries: Africa, 35 per cent; Asia-Pacific, 40 per cent; LAC, 21 per cent; Eastern Europe, 4 per cent in GE; (iv) 19 per cent (GE) allocated through the PSF.

- (B)1. Funding allocation to mitigation and adaptation to maintain 50:50 per cent balance.
- (B)2. Funding allocation to particularly vulnerable countries to maintain a minimum allocation floor of 50 per cent of adaptation funding.
- (B)3. Geographical funding allocation.
- (B)4. Funding allocated through the PSF as to ensure it exceeds 20 per cent.

### (B)1 FUNDING ALLOCATION TO MITIGATION AND ADAPTATION AS PER IRM OUTCOME

49. **Based on performance since the adoption of the USP, the GCF is expected to reduce the proportion of funding allocated to adaptation activities relative to mitigation.** This is not aligned with the USP language which calls for “Maintaining the 50:50 balance of adaptation and mitigation funding over time”,<sup>32</sup> building upon the IRM benchmark of “54 per cent adaptation funding and 46 per cent mitigation funding in grant equivalents”.
50. Cumulative data up to B.30 (Q3 2021) shows the portfolio achieved 48 per cent of funding channelled through the adaptation result areas against 52 per cent of mitigation result-area finance which is linearly extrapolated to be 43 per cent:57 per cent by the end of 2023 (see Figure III-6), at the average estimate. The given analysis accounts for the lapsed projects. The shifting trend of the portfolio in favour of mitigation is also confirmed by the projects in the pipeline.
51. If the assessment were only to include the approved GCF-1 projects, the corresponding projected value would be 37 per cent:63 per cent (not displayed in the graph).

**Figure III-6. Projected portfolio balance (balance between adaptation and mitigation commitments in GE). Percentage of adaptation commitments out of total finance**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

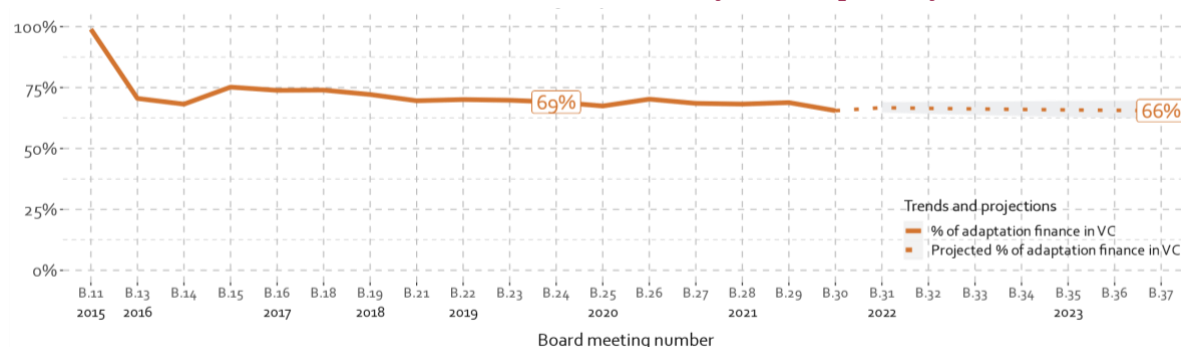
- The IRM benchmark appears different on the graph due to the adjustment of the portfolio metrics after some projects lapsed.
- The ratio uses actual and projected cumulative sum of grant equivalent (GE) finance channelled through mitigation and adaptation result areas.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The underlying projections can be found in Annex 3.
- The width of the CI is 0.6 per cent. It therefore may not be clearly visible on the graph.
- The band around the estimated line is derived from the CIs of two underlying projections.

<sup>32</sup> Decision B.27/06(i)(II).

## (B)2 FUNDING ALLOCATION TO PARTICULARLY VULNERABLE COUNTRIES AS PER IRM OUTCOME

52. **Based on performance since the adoption of the USP, the proportion of allocated adaptation funding to vulnerable countries is not expected to change relative to the IRM outcome** of “69% (GE) of the adaptation allocation for countries particularly vulnerable, including SIDS, LDCs and African States”. It is likely to persist above the minimum allocation floor of 50 per cent.
53. Cumulative data up to B.30 (Q3 2021) shows the portfolio achieved 66 per cent of adaptation funding to vulnerable countries which is linearly extrapolated to be 66 per cent by the end of the 2023 (see Figure III-7) at the average estimate. The given analysis accounts for the lapsed projects. However, the IRM benchmark falls into the interval for possible values at B.37, which indicates no significant change for this indicator. The projected value is above the “50% minimum allocation floor” target as per decision B.27/06(i).
54. If the assessment were only to include the approved GCF-1 projects, the corresponding projected value would be 63 per cent, where the actual value might be between 58 per cent and 70 per cent (not displayed in the graph).

**Figure III-7. Projected portfolio against the IRM outcome. Percentage of adaptation commitments in vulnerable countries out of total adaptation finance in GE**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

- The ratio uses actual and projected cumulative sum of GE finance channelled through adaptation result areas.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The underlying projections can be found in Annex 3.
- The band around the estimated line is derived from the CIs of two underlying projections.

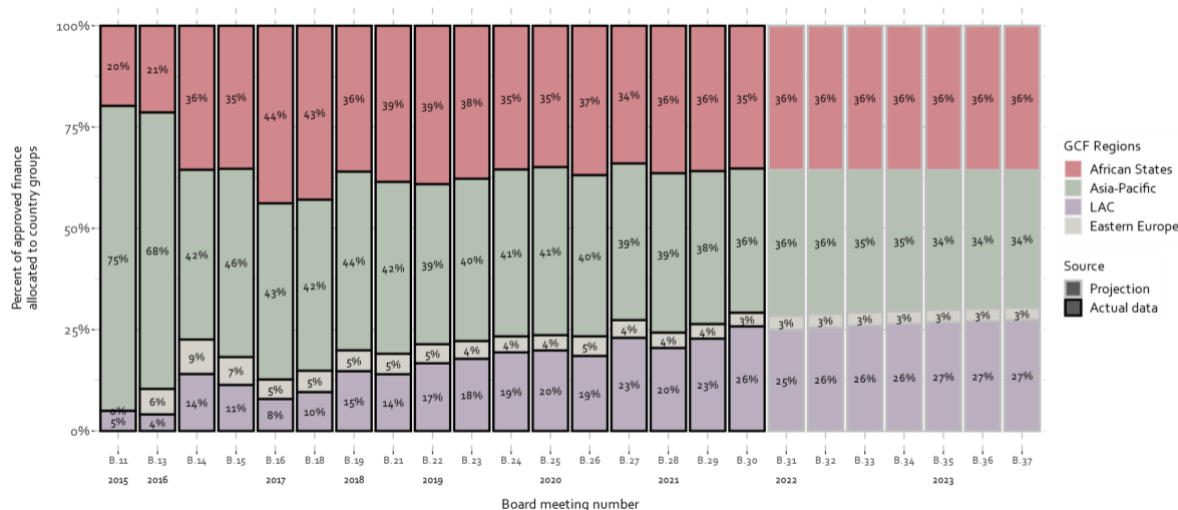
## (B)3 GEOGRAPHICAL FUNDING ALLOCATION AS PER IRM OUTCOME

55. **The GCF is expected to see a reallocation away from Asia Pacific and towards Latin America and the Caribbean (LAC) compared to the IRM outcome**, which will be following: “Funding allocated to projects in 105 developing countries: Africa, 35 per cent; Asia-Pacific, 40 per cent; LAC, 21 per cent; Eastern Europe, 4 per cent in GE” (see Figure III-8).
56. Cumulative data up to B.30 (Q3 2021) shows the change of relative percentage allocations to different GCF regions by Board meeting. The statistical tests suggest a funding reduction in Asia-Pacific from 41 per cent to 34 per cent on average, and an increase in the LAC share from 19 per cent to an average of 27 per cent towards the end of GCF-1. The given analysis accounts for the lapsed projects. There is no reference to the targets for geographical distribution in decision

B.27/06(i) regarding financial allocations; this analysis, therefore, compares GCF-1 performance with IRM outcomes.

57. If the assessment were only to include the approved GCF-1 projects, the corresponding projected values (not displayed in the graph) for African States, Asia-Pacific, LAC, and Eastern Europe would be 36 per cent, 30 per cent, 31 per cent, and 3 per cent, respectively.

**Figure III-8. Projections of regional distribution of GE**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

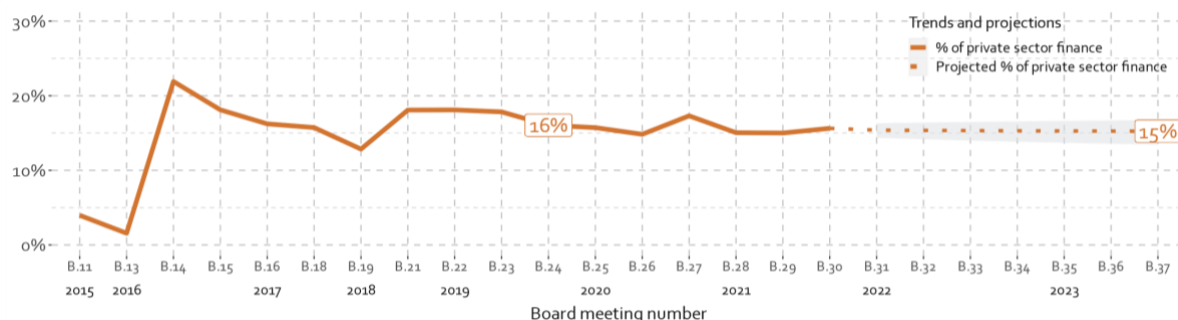
- The IRM benchmark appears different on the graph due to the adjustment of the portfolio metrics after some projects lapsed.
- The relative shares are based on actual and projected cumulative sum of GE finance channelled through individual result areas.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- 95 per cent CI was used to inform the findings of the change of relative shares at the end of GCF-1.

#### (B)4 FUNDING ALLOCATION THROUGH THE PRIVATE SECTOR FACILITY

58. **Based on performance since the adoption of the USP, the GCF is not expected to meet the USP target of “ensuring the allocation to the PSF exceeds 20 per cent” building upon the IRM outcome of “19% (GE) allocated through the Private Sector Facility”.**
59. Cumulative data up to B.30 (Q3 2021) shows the total portfolio is achieving 15.6 per cent private sector commitments out of the total approved amount in GE at B.30, which is linearly extrapolated to be on average at 15 per cent at the end of 2023, thus below the IRM outcome set in the USP (see Figure III-9). The given analysis accounts for the lapsed projects.
60. If the assessment were only to include the approved GCF-1 projects, the corresponding projected value would be 15 per cent, whereas the actual value might be between 12 per cent and 17 per cent (not displayed in the graph).



**Figure III-9. Projection of the percentage of private sector commitments out of total GCF finance in GE**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

- The IRM benchmark appears different on the graph due to the adjustment of the portfolio metrics after some projects lapsed.
- The ratio uses actual and projected cumulative sum of GE finance channelled through the private and public sectors.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The underlying projections can be found in Annex 3.
- The band around the estimated line is derived from the CIs of two underlying projections.

## C. STRATEGIC OBJECTIVE C

“Scaled up funding for ambitious projects informed by countries’ adaptation needs and mitigation potential, in line with their climate plans and strategies, recognising the urgency to achieve the goals of the Paris Agreement;”

61. This strategic objective is neither expressed in quantifiable terms nor provides the definitions of “scaled up” and “ambitious projects”. The assessment team was therefore unable to propose an assessment method.

## D. STRATEGIC OBJECTIVE D

“Significantly increased funding channelled through direct access entities (DAEs) relative to the IRM.”<sup>33</sup>

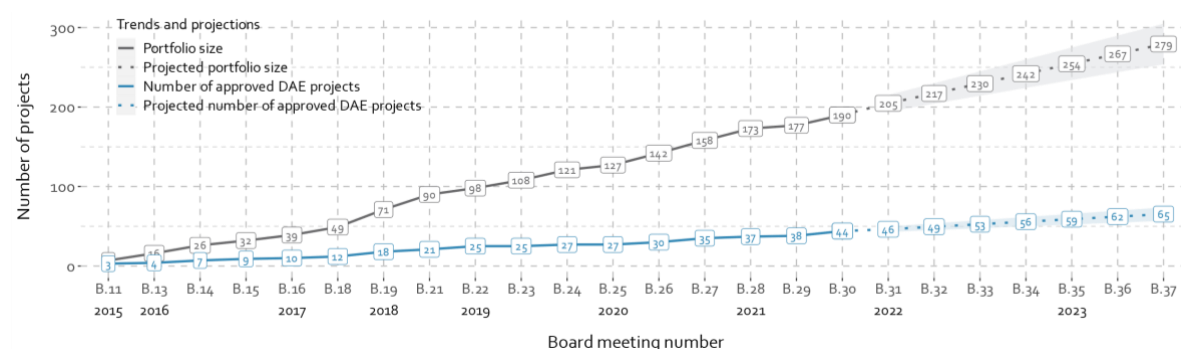
62. To assess progress and projections for delivery of this strategic objective, this assessment considered:
- (D)1. Number of DAE projects relative to the IRM
  - (D)2. Funding allocated to DAEs relative to the IRM

<sup>33</sup> IRM baseline: 14 per cent of funding in nominal terms; 27 of 124 approved projects (21 per cent).

## (D)1 NUMBER OF DAE PROJECTS RELATIVE TO THE IRM

63. **The GCF is expected to marginally increase the proportion of DAE projects in the portfolio from a baseline of “27 of 124 approved projects (21%)”.**
64. Cumulative data up to B.30 (Q3 2021) shows the GCF achieved 23 per cent (44 out of 190) of approved projects brought in by DAEs, which is linearly extrapolated to remain at 23 per cent (65 out of 279) on average until the end of 2023 (see Figure III-10). The given analysis accounts for the lapsed projects. The increase in the proportion of DAE projects is statistically significant; however, the sufficiency of the magnitude of the impact is debatable.
65. If the assessment were only to include the approved GCF-1 projects, the corresponding projected value would be 24 per cent, whereas the actual value might be between 23 per cent and 25 per cent (not displayed in the graph).

**Figure III-10. Projection of the number of projects approved through the DAE**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

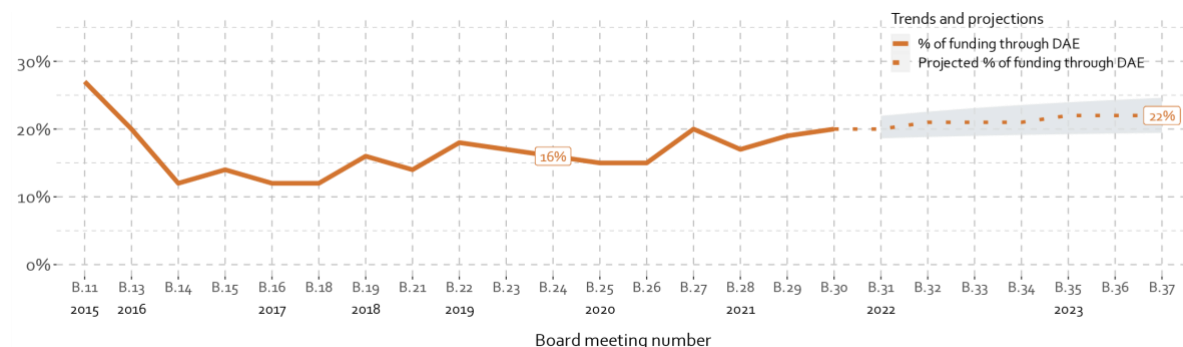
- The IRM benchmark appears different on the graph due to the adjustment of the portfolio metrics after some projects lapsed.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The bands around the estimated line are 95 per cent CI.

## (D)2 FUNDING ALLOCATED TO DAES RELATIVE TO THE IRM

66. **The GCF is expected to increase funding allocated to DAEs from a baseline of “14 per cent of funding in nominal terms”. However, the evaluation team was unable to assess whether the magnitude of the increase is to be considered “significant” as per the target.**
67. Cumulative data up to B.30 (Q3 2021) shows the GCF achieved 20.3 per cent funding through DAEs, which is linearly extrapolated to be 22 per cent until the end of 2023 (see Figure III-11) at the average estimate. The given analysis accounts for the lapsed projects.
68. If the assessment were only to include the approved GCF-1 projects, the corresponding projected value would be 25 per cent, where the actual value might be between 21 per cent and 28 per cent (not displayed in the graph).



**Figure III-11. Projection of the percentage of DAE commitments out of total GCF finance in nominal terms**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

- The IRM benchmark appears different on the graph due to the adjustment of the portfolio metrics after some projects lapsed.
- The ratio uses actual and projected cumulative sum of nominal finance channelled through DAEs and the overall portfolio.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The underlying projections can be found in Annex 3.
- The band around the estimated line is derived from the CIs of two underlying projections.

## E. STRATEGIC OBJECTIVE E

“Significantly increased portfolio level mobilization achieved through the GCF contributions to private sector projects under the PSF, relative to the IRM.”<sup>34</sup>

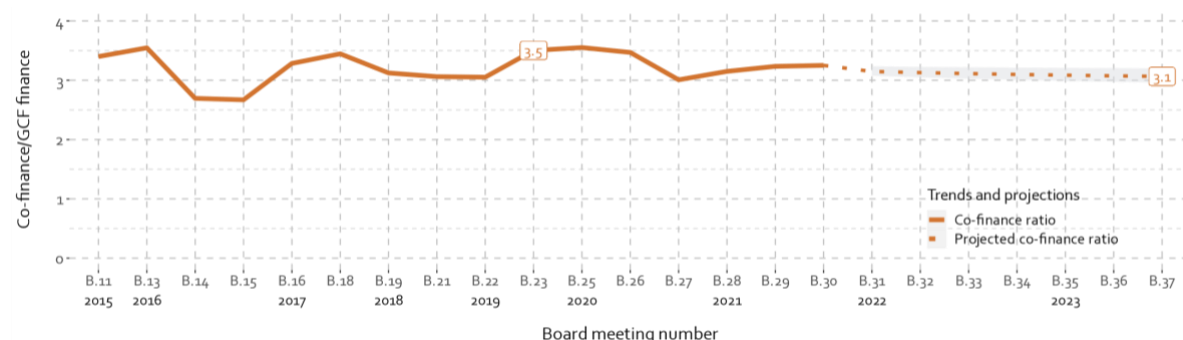
69. To assess progress and projections for the delivery of this strategic objective, this assessment considered the portfolio-level mobilization achieved through the GCF contributions to private sector projects under the PSF, relative to the IRM.

### (E)1 GCF PRIVATE SECTOR CO-FINANCING RATIO

70. **The GCF is not expected to see a significant increase of private sector co-financing from a baseline of “1:3”, rather it is forecasted to remain steady.**
71. Cumulative data up to B.30 (Q3 2021) shows a ratio of 1:3.25 at B.30, which is linearly extrapolated to be 1:3.1 by the end of 2023 (see Figure III-12) at the average estimate. The range of possible values includes the IRM benchmark, which is indicative of the likely absence of change to this indicator. The given analysis accounts for the lapsed projects. The co-financing ratio assumes the GCF can effectively secure and deliver the co-financing levels stated at the project proposal stage.
72. If the assessment were only to include the approved GCF-1 projects, the corresponding projected value would be 1:2.8, whereas the actual value might be between 1:2.7 and 1:3 (not displayed in the graph).

<sup>34</sup> IRM private sector co-financing was 1:3. Information on mobilized private finance will be compiled by the Secretariat when data becomes available through AE reporting. Portfolio-level mobilization of private finance for GCF-1 will initially be assessed in relation to the IRM private sector co-financing.

**Figure III-12. Projections of GCF private sector commitments and co-finance in USD billion nominal**



Source: Tableau server iPMS data, as of B.30 (8 October 2021), analysed by IEU DataLab.

Note:

- The IRM benchmark appears different on the graph due to the adjustment of the portfolio metrics after some projects lapsed.
- The ratio uses actual and projected cumulative sum of nominal co-finance over GCF finance.
- The analysis assumes average growth rate of the metrics during GCF-1 based on 2020 and 2021 performance (B.25–B.30).
- The underlying projections can be found in Annex 3.
- The band around the estimated line is derived from the CIs of two underlying projections.

## F. STRATEGIC OBJECTIVE F

“Balanced GCF risk appetite across all results areas.”

73. This strategic objective is neither expressed in quantifiable terms nor provides clarity on its relationship with the Risk Management Framework. Therefore, the assessment team was unable to propose a clear assessment method. The summary of relative shares of the GCF-approved financial allocation across result areas, countries and projects is presented in Annex 3.

## G. STRATEGIC OBJECTIVE G

“Improved speed, predictability, simplified access, efficiency, effectiveness and transparency.”

74. Since this strategic objective is not expressed in quantifiable terms, this assessment considered the progress and projections for the delivery of this strategic objective in accordance with the median time taken and statistical confidence for:
- (G)1. Accreditation process
  - (G)2. Project cycle
  - (G)3. Legal arrangements
  - (G)4. RPSP process
  - (G)5. PPF process

## (G)1 ACCREDITATION PROCESS

75. It is not possible to assess the speed and predictability<sup>35</sup> of the accreditation process for IAEs from their accreditation application to their Board accreditation, due to the low number of successful accreditation applications in 2020 and 2021 (just three entities).
76. For the DAEs, the same process is likely to take longer in the GCF-1 relative to the IRM, with a statistically significant time trend. The median days taken may reach 2,190 towards the end of the GCF-1 if the current time trend continues in a linear fashion. The predictability of the process is a challenge as well.
77. Nevertheless, the analysis suggests a slight reduction in the median time taken from Board accreditation to accreditation master agreement (AMA) execution for IAEs, while the average estimate of the same process for DAEs suggests no temporal change.
78. **Overall, the time taken for AMA execution suggests an improvement for IAEs during the GCF-1 period. For DAEs, the processes from application to accreditation and from accreditation to AMA execution do not have a trend of improvement. The predictability of the process is relatively much worse for the DAE. A small sample size poses some limitations to the analysis.**

## (G)2 PROJECT CYCLE

79. The overall project approval cycle is likely to remain the same or take fewer days in GCF-1 relative to the IRM. The average estimate at the end of the GCF-1 period is 216 days, with the actual median falling in the projected range from 170 to 262 days. The range is inclusive of the IRM median of 254 days.
80. **Overall, the time taken for project approval in GCF-1 is suggestive of remaining the same as in the IRM or represent a reduction. This process seems to be steady, and thus predictable, over time, relative to other processes. Another insight indicates that the median days taken in GCF-1 do not seem to be changing with time.**

## (G)3 LEGAL ARRANGEMENTS

81. The analysis suggests a reduction in the median time to process a project from Board approval to funded activity agreement (FAA) execution, but an increase in time taken for FAA effectiveness, and from FAA effectiveness until the first disbursement in GCF-1. This speaks to the introduction of a KPI on a pre-negotiated FAA for both DMA and PSF.
82. In terms of predictability, the range of values for the duration from Board approval to FAA execution is wide. The situation is much better for FAA execution to FAA effectiveness and until the first disbursement.
83. **Overall, FAA execution is likely to take less time at the end of GCF-1 relative to the IRM. FAA effectiveness and first disbursement seem to bring the opposite message. FAA execution is likely to be highly unpredictable in terms of time taken. All three processes do not seem to be changing as time passes.<sup>36</sup>**

<sup>35</sup> Some 95 per cent CI around the mean estimate is used as a measure of statistical predictability based on the historical data. The spread of data is used to compare the ranges for different processes and discuss relative predictability. Given the nature of the underlying data, statements about absolute values were avoided.

<sup>36</sup> Temporal changes were assessed based on whether the time trend is statistically significant in the linear equation.

#### (G)4 READINESS AND PREPARATORY SUPPORT PROGRAMME PROCESS

84. The time taken from RPSP grant application to approval and from approval to first disbursement is likely to decrease in the GCF-1 relative to the IRM, based on 2020 and 2021 data. The time trend is significant for the grant approval cycle only.
85. When disaggregated, the length of processes in adaptation planning seems to be on the increasing trend for grant approval. The first disbursement is not suggestive of either absolute or temporal change. Non-NAP grant approval does not suggest absolute or temporal change either.
86. **Overall, the time taken to process RPSP non-NAP grants is not likely to change at approval but is likely to take fewer days until the first disbursement. On the contrary, the median time taken for NAP grant approval is likely to increase during GCF-1. The predictability of the processes is a challenge for grant application to approval.**<sup>37</sup>

#### (G)5 PROJECT PREPARATION FACILITY PROCESS

87. The median time taken to approve a PPF grant is not likely to change during the GCF-1 relative to the IRM. Furthermore, predictability is largely an issue.
88. The duration of the process from grant approval to the first disbursement is suggestive of a slight improvement, with an average estimate of 119 days at the end of the GCF-1, compared to 149 median days in the IRM.
89. The processes do not seem to be changing with time in GCF-1.
90. **Overall, the median number of days taken for PPF processes is not likely to change much at the end of GCF-1, although greater gains of speeds may be anticipated at the first disbursement Predictability is a challenge for both grant approval and first disbursement.**<sup>38</sup>

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<sup>37</sup> In this context, 95% CI is compared to its mean value and similar measures of other processes.

<sup>38</sup> In this case predictability refers to absolute terms. The intervals are so wide that there is no economic value in them.

## Section IV. CONCLUSIONS

91. As evidenced in this assessment, effective implementation and reporting on the progress made against the USP are challenging. Monitoring the implementation of the Strategic Plan is also an important step for not only assessing the success of performed activities, results, and efficiency and effectiveness, but also informing on whether the implementation plan/execution plan should be amended, revised or updated. For this, there is a need to “establish, in advance, the relevant mechanisms for performing and coordinating the execution, monitoring and evaluation of the strategic plan.”<sup>39</sup> The evaluation team identified two key shortcomings with respect to the design and implementation management of the USP- structure and substance-which would require further assessment in the SPR. A strategic plan should clearly present the substance, expressed as the understanding of the challenges, trends and issues, in particular those of the key beneficiaries and their needs. The SPR should assess whether and how the GCF addresses key challenges, including the objectives of supporting developing countries in translating their NDCs, ACs, NAPs and other long-term strategies, scaling up funding for ambitious projects, and balanced GCF risk appetite across all result areas.
92. The policy environment in which the USP is implemented represents another potential challenge and opportunity at the same time. In analysing the progress and interlinkages across policy areas and instruments, the assessment concludes that while the Board has made progress in GCF-1 on its 2020–2023 work programme, only about 10 per cent of the policy agenda has been addressed so far. Opportunities to fully implement its policy agenda and close the policy gap remain untouched. The lack of clarity about the roles and responsibilities of different types of actors in the policy and institutional structure of the Fund hinders further successes in closing policy gaps. There are several potential areas of exploration for the SPR:
  - Policy and institutional structure: Among others, most policies related to the GCF investment framework were shared with the Board; however, none were actively considered by the Board. It remains to be seen whether an analysis of these missed opportunities in addressing policy areas and the institutional architecture could provide insights into the roles and responsibilities of the types of policy actors of the institutional structure of the Fund. Aspects of delegation of authority within the policy cycle at the GCF will have to be examined further.
  - Risk management and risk appetite: The USP neglects the consideration of risk, risk management and the articulation of the GCF's approach to risk. Further analysis of the current GCF risk management framework, and potential interlinkages to other frameworks (i.e. the investment framework), will need to be considered by the GCF.
93. While the USP addresses several areas, other policy areas were not mentioned explicitly by the USP, which may become relevant for the role of the GCF in the climate finance space in the future, in particular for COP. The SPR could provide further insights into the potential role of the GCF with respect to loss and damage, coherence and complementarity, adaptation and REDD+. The SPR could also provide insights into the areas of stakeholder engagement and accreditation for the updating of the Strategic Plan in 2023.
94. Finally, the evaluation team assessed the progress made in quantifiable terms for the strategic objectives A-G. The results per objective are summarized in Table IV-1 below.

<sup>39</sup> Ibid.

**Table IV-1. Summary of findings on progress and projections for USP delivery**

	THEMATIC AREA	BENCHMARK AREA	INITIAL OBSERVATION FROM LINEAR PROJECTION RELATIVE TO IRM BENCHMARK (IF DEFINED)*
A	Portfolio-level results (as per IRM results)	Million tCO <sub>2</sub> e/USD billion in mitigation	Not likely to meet or exceed
		Million beneficiaries/USD billion in adaptation	Likely to marginally exceed
	Translating NDCs, ACs, NAPs and long-term national strategies into transformational investment strategies and project pipelines (not expressed in quantifiable terms)	Mitigation costed needs in the NDCs of eligible countries	The GCF is likely to meet 0.75% of mitigation costed needs stated in the NDCs of GCF eligible countries by the end of GCF-1 at the average estimate
		Adaptation costed needs in the NDCs of eligible countries	The GCF is likely to meet 0.87% of adaptation costed needs stated in the NDCs of GCF eligible countries by the end of GCF-1 at the average estimate
		RPSP approved and disbursed amounts	Total portfolio and GCF-1 only likely to increase the total RPSP finance by the end of GCF-1
		PPF approved and disbursed amounts	Total portfolio and GCF-1 projections show PPF finance is likely to increase by the end of 2023
B	Balanced funding across different dimensions (as per IRM outcomes)	Themes	Likely to reduce the proportion of adaptation allocation
		Vulnerable countries	Likely to meet, but not exceed
		Geographical	Suggestive of a reduction in Asia-Pacific share and increase in LAC
		Private Sector Facility	Not likely to meet or exceed
C	Scaled-up funding for ambitious projects	N/A (not expressed in quantifiable terms)	
D	Funding channelled through DAEs (as per IRM baseline)	Number of DAE projects	Likely to exceed
		Funding allocated to DAEs	Likely to exceed
E	Portfolio-level mobilization of the GCF contributions to projects under the PSF (as per IRM)	Co-financing ratio	Likely to meet, but not exceed
F	Balanced result area risk appetite	N/A (not expressed in quantifiable terms)	
G	Improved speed, predictability, simplified access, efficiency, effectiveness and transparency	Accreditation	The median time taken is not improving for DAEs (on average), whereas there is some reduction in time taken for IAEs in AMA execution. Predictability is relatively higher for IAEs

	THEMATIC AREA	BENCHMARK AREA	INITIAL OBSERVATION FROM LINEAR PROJECTION RELATIVE TO IRM BENCHMARK (IF DEFINED)*
		Project approval cycle	Remaining the same or slight reduction in median time for the whole portfolio. However, there is no temporal trend. Overall predictability is higher relative to other processes
		Legal arrangements	FAA execution is improving, but FAA effectiveness and first disbursement are taking longer Lower predictability is observed for FAA execution. The time trend is insignificant
		RPSP processes	No change in median time taken for non-NAPs; but increase for NAPs Predictability is a challenge for the duration from grant application to approval
		PPF processes	No change in time taken for grant approval; slight reduction in time from approval to disbursement Predictability is a challenge in both processes

Note: \* The findings are relevant for the total portfolio including IRM projects, as well as for a subset of projects approved in the GCF-1 period only.



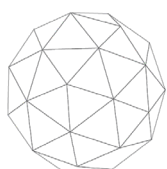


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