



**GREEN
CLIMATE
FUND**

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GCF/B.34/Inf.10

26 September 2022

Report on the activities of the Independent Evaluation Unit

Summary

This document provides a report of the key activities of the Independent Evaluation Unit (IEU) for the period of 1 June to 31 August 2022. It reports on the IEU's outputs and achievements in line with its Board-approved work plan for 2022.

I. Introduction

1. This document reports on the key activities and outcomes of the Independent Evaluation Unit (IEU) between 1 June and 31 August 2022. The objectives and key work plan activities of the IEU are presented in the Board-approved "Independent Evaluation Unit 2022 Work Plan and Budget and Update of its Three-year Objectives and Work Plan" (see document GCF/B.30/12¹). This activity report is organized as follows:

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II. Overview

2. At its twenty-seventh meeting, the Board, by decision B.30/10,² approved an overall budget allocation of USD 6,487,012 for the IEU for 2022.

3. More information about the IEU budget for 2022 is available in document GCF/B.30/17 Annex VI.³

4. The IEU's key activities for the reporting period of 1 June and 31 August 2022 were:

- (a) Evaluations

¹ <https://www.greenclimate.fund/document/gcf-b30-12>

² <https://www.greenclimate.fund/decision/b30-10>

³ <https://ieu.greenclimate.fund/sites/default/files/document/ieu-2022-workplan-decision-b30-10-annex-vi.pdf>

- (b) Learning, advisory services, and capacity strengthening
- (c) Uptake, communications, and partnerships
- (d) Building and strengthening the Independent Evaluation Unit

III. Report on key activities

3.1 Evaluations

5. The Terms of Reference (TOR) of the IEU,⁴ as derived from the Governing Instrument, states that the IEU will conduct periodic independent evaluations of the GCF's activities to provide objective assessments of the Fund's results, effectiveness, and efficiency. Below is a list of currently ongoing evaluations.

3.1.1. Ongoing evaluations

6. **Second Performance Review of the Green Climate Fund.**⁵ The Board launched the Second Performance Review (SPR) of the GCF in decision B.BM-2021/11 on 10 June 2021.⁶ The scope of the SPR is to assess the GCF's progress during the GCF-1 programming period, specifically: (i) the GCF's progress in fulfilling its mandate and operational priorities, as outlined in the Updated Strategic Plan (USP), and (ii) the GCF's performance in promoting a paradigm shift towards low-emission and climate-resilient development pathways. During the reporting period, the IEU made progress on the following deliverables contributing to the SPR.

- (a) **Data collection:** The IEU concluded data collection from the SPR country missions during this reporting period. Where essential, the IEU members undertook travel relating to country missions in coordination with the GCF Secretariat, including the travel and the security teams, and in adherence to the Administrative Instruction on the GCF Official Travel. Hybrid or in-person missions were conducted in the following 12 countries: Rwanda, Solomon Islands, Viet Nam, the Maldives, Mauritius, Georgia, India, Bangladesh, Grenada, Peru, Kenya and Morocco. The IEU also concluded the survey containing questions on GCF's institutional architecture and performance, which was administered to the Board members, Alternate Board Members, and their Advisors. Also, after commencing the SPR data collection in April 2022, the IEU DataLab continued to examine existing data sources such as data systems maintained by the Secretariat and the IEU's in-house databases and relevant external data, including GIS data. Further, the IEU DataLab moved into the data collection and analysis phase, based on the identified priority areas such as the readiness preparatory support programme, implementation risks, and gender and social inclusion. These analyses fed in to the SPR summary report, which is another IEU deliverable for B.34. Lastly, semi-structured stakeholder interviews for data collection also continued during this reporting period. In particular, the SPR team conducted extensive interviews with members of the Board, Secretariat, AEs, NDAs, other partners and experts. In the remainder of the year, the SPR team is expected to conclude data collection efforts and continue with extensive data analysis.
- (b) **SPR substantive outputs:** The IEU is expected to produce several deliverables under the SPR. The IEU previously produced and delivered the FPR Management Action Report

⁴ Annex I, Decision B.BM-2021/15 <<https://ieugreenclimatefund/sites/default/files/document/updated-tor-ieu.pdf>>

⁵ <https://ieugreenclimatefund/evaluation/second-performance-review-spr-green-climate-fund>

⁶ <https://www.greenclimate.fund/decision/bbm-2021-11>

(MAR) and the SPR Synthesis Study. Further, ahead of B.32, the IEU prepared the following for the Board's consideration: a) the rapid assessment of the USP 2020-2021, and b) the SPR approach paper. During the current reporting period, the IEU prepared an SPR summary report to be shared with the Board in time for B.34. The summary report includes evidence and emerging finding areas with recommendation areas.

- (c) **SPR procedural outputs:** The SPR continued to produce expected procedural deliverables, including:
- (i) **Progress Report on the Second Performance Review:** The IEU submitted the Progress Report for the reporting period of April-May 2022 to the Board as Annex I of the IEU Activity Report for B.33. For the current reporting period of June-August 2022, the IEU prepared a Progress Report on the SPR, which is part of the activities report shared for B.34 and included as Annex I.
 - (ii) **Expenditure report to the Budget Committee:** The IEU submitted the Expense Report, which accounts for the progress made on the SPR and budget expenditure from April to May 2022, to the Board's Budget Committee in June 2022. For the reporting period corresponding with this IEU Activity Report, the IEU is expected to submit an expenditure report aligning with B.34.
- (d) **Engagement and uptake:** The IEU presented a summary of the rapid assessment of the USP 2020-2021 to the Board at B.33's informal consultation on updates to the USP. The IEU was also invited as an observer to the Initial Organizational Meeting for GCF-2 and the second replenishment of the GCF. At the conclusion of the meeting, it was decided that the summary report and the final report of the SPR will be on the agenda for the first and second consultation meetings respectively, in the context of the GCF replenishment.

7. **Independent Evaluation of the Relevance and Effectiveness of the GCF's Investments in the African States.**⁷ This evaluation examines the GCF's effectiveness and efficiency in reducing the vulnerability of local communities and livelihoods to the effects of climate change in the African States, and whether these impacts are likely to be sustained. According to the Board approved 2022 IEU workplan, the evaluation report will be finalized by the end of the year and submitted to the Board in time for B.35 in 2023. In the reporting period, the IEU held a series of stakeholder interviews and discussions including webinars where the key evaluation questions were discussed with the Board members and advisors. Additionally, in-person country missions to Tunisia, South Africa and Kenya were conducted as well as a number of virtual interviews with NDAs and entities in the African States. The members from the evaluation team also joined the UNFCCC Africa Climate Week 2022 in Gabon and held a wide range of consultations and interviews with the participants there to contribute further to this evaluation. As the evaluation progresses, briefs and summaries will become available on the African States evaluation page of the IEU microsite. The final evaluation report is due to be submitted at B.35 in 2023.

8. **Independent Synthesis of Direct Access in the Green Climate Fund.**⁸ The Independent Synthesis of Direct Access in the GCF aims to examine direct access in the GCF by conducting an in-depth analysis of available data and evidence, a literature review, and a synthesis of existing evaluations and analyses from the IEU and the GCF Secretariat. In the reporting period, the evaluation team finalized and published the approach paper and its two-page approach brief. It also held a workshop in June for the GCF Secretariat to discuss and further inform the policy-based theory of change for GCF's direct access. In the week following

⁷ <https://ieu.greenclimate.fund/AFR2022>

⁸ <https://ieu.greenclimate.fund/evaluation/DA2022>

the conclusion of B.33, the evaluation team also informed the Board of the evaluation approach and methods and some early data analysis findings through a Board webinar. During the reporting period, four deep dives of specific DAEs were undertaken to inform the synthesis. In addition, extensive interviews and focus group discussions were undertaken with Secretariat stakeholders and DAEs in the reporting period. Report writing is in progress, and it will be finalized by the end of the year. As the evaluation progresses, relevant briefs and summaries will become available on the Direct Access evaluation page of the IEU microsite. The final evaluation report is due to be submitted in time for B.35 in 2023.

3.2 Learning, advisory services, and capacity strengthening

3.2.1. Learning papers and evidence reviews

9. The Evaluation Policy for the GCF⁹ requires the IEU to promote learning and dialogue by disseminating lessons learned. Learning papers, working papers, and evidence reviews are important tools in fulfilling this role.

10. **Evidence reviews: Gender and behavioural change.**¹⁰ Of the two evidence reviews, the evidence review on gender was completed in partnership with the International Fund for Agricultural Development. The evidence review was also supported by the Campbell Collaboration in terms of execution. The GCF's approach to mainstreaming gender requires a strong understanding of gender issues and gender capacity, and the Fund's gender policy sets out a commitment to measure the outcomes and impacts of its activities on women and men's resilience to climate change. This evidence review summarizes existing evidence on interventions to promote women's empowerment. In this reporting period, the IEU finalised the evidence gap map, which illustrates the evidence base on interventions that promote women's empowerment, the protocol for the linked systematic review on life skills interventions, and completed the systematic review. The systematic review focuses on the ability of life skills interventions to promote the empowerment of women of all ages in terms of outcomes such as self-confidence and leadership, and in terms of access to justice, association, and social networks. The review found that life skills interventions had a significant and positive impact on women's psycho-social well-being, self-worth, attitudes towards gender issues, and self-leadership. The review also found that life skills interventions had a significant and positive impact on sexual and reproductive health and rights (SRHR), access to finance, and employment.

11. **Behavioural science.**¹¹ The second evidence review explores the evidence and effectiveness of behavioural science interventions on environmental and development outcomes in developing countries. This review was also completed in partnership with the International Fund for Agricultural Development and was supported by the African Centre for Evidence and University of Johannesburg in terms of execution of the review. During the reporting period, the IEU finalised the evidence gap map, the protocol for the systematic review and completed the systematic review. This review found that interventions that deploy feedback and reminders are an effective behavioural approach to improving human and development outcomes in developing countries. In this respect, feedback and reminders should receive particular consideration by the GCF as tools to improve intervention outcomes.

3.2.2. DataLab activities

⁹ Annex I, Decision B.BM-2021/07 <<https://ieugreenclimatefund/document/evaluation-policy-gcf>>

¹⁰ <https://ieugreenclimatefund/evaluations/evidence-reviews>

¹¹ <https://ieugreenclimatefund/evaluations/evidence-reviews>

12. The IEU's DataLab provides data-driven evidence using high-quality methods to inform IEU's rigorous evaluations. DataLab develops and maintains a repository of quantitative and qualitative data originating from the GCF systems and documents, as well as external sources.

13. **Informing evaluations.** During the reporting period, DataLab conducted data collection and analysis for the following evaluations: (i) Second Performance Review of the Green Climate Fund, (ii) Independent Synthesis of Direct Access in the Green Climate Fund, and (iii) Independent Evaluation of the Relevance and Effectiveness of the GCF's Investments in the African States.

14. **Data management and acquisition.** DataLab continued to update its own data repository. To address gaps in evidence available from machine-readable data from GCF's ICT systems, DataLab maintained and developed its own datasets to inform questions posed by the evaluation teams.

15. **Geospatial methods.** DataLab continues to pilot methodological approaches, using geospatial methods and country-level data to assess the targeting and impact of GCF's portfolio. To inform evaluations about existing spatial patterns, DataLab examined the alignment of portfolio with country vulnerabilities (e.g., water security) as well as improvements in energy access across GCF-eligible countries. DataLab is currently developing a GIS methodology manual, which delineates key approaches pertaining to the use of GIS data in IEU.

3.2.3. Capacity building

16. **IEU to support the development of evaluation capacity.** The IEU's TOR¹² requires the Unit to support the strengthening of the evaluation capacities of the GCF's implementing entities. The Evaluation Policy for the GCF also provides that the IEU will support the development of evaluation capacities, particularly of direct access entities. While several milestones were achieved by the IEU on this front, including the development of the GCF's evaluation standards in consultation with the Secretariat, some delays are expected in the capacity-building related work of the Unit due to internal capacity constraints.

17. **Capacity building.** The IEU is conducting a capacity needs assessment of DAEs of the GCF as part of its non-LORTA capacity-building efforts. In addition, the IEU is organizing internal meetings with other Independent Units of the GCF to collaborate with them and create synergies in the Independent Units' efforts toward the capacity building of DAEs. The IEU continued to actively utilize digital collaboration tools such as Microsoft Teams and Zoom to engage with partners and stakeholders and participate in various learning and capacity-building activities.

3.2.4. Learning-Oriented Real-Time Impact Assessment Programme

18. The IEU's LORTA programme¹³ continues to support real-time impact evaluations of GCF projects so that the GCF can access accurate data on the quality of project implementation and impact. In this reporting period, further progress was made with the existing LORTA portfolio of projects. Onboarding activities for the four new DAE projects - Mexico (SAP023), Senegal (FP138), Nepal (FP172), and Barbados (FP060) - continued with pre-analysis plans completed for Mexico, Nepal and Barbados and a capacity-building inception workshop initiated for Senegal. A noteworthy achievement by the LORTA team, during the reporting period, was the finalization of the impact assessment baseline reports for Zambia and Bangladesh, and

¹² Annex I, Decision B.BM-2021/15 <<https://ieugreenclimate.fund/sites/default/files/document/updated-tor-ieu.pdf>>

¹³ <https://ieugreenclimate.fund/evaluation/lorta>

summaries of these baseline reports can be found in Annex IV and Annex V of this report, respectively. In addition, the LORTA team, in July, completed the annual virtual design workshop with over 15 DAEs, one IAE, and more than 60 participants. The topics covered in this year's workshop included: the concept of an impact evaluation, how to construct outcome indicators and theories of change, how to track a project's progress real-time, and how to design an impact evaluation. Several guest speakers were invited to share their experiences in impact evaluations of climate, development and peacebuilding interventions; these speakers represented institutions such as J-PAL, International Security and Development Center (ISDC) and FAO. A limited number of GCF projects that are being implemented by those that took part in this year's workshop will be onboarded into the LORTA programme.

19. While the IEU continues to provide support to GCF-funded activities, there were also delays observed with the implementation of LORTA impact evaluation activities. Factors for these delays that were identified by the IEU and project teams include limited country engagements and data collections partially due to the slow pace of project implementation post COVID-19. Other issues observed relate to exogenous factors, such as natural disasters which are outside the control of the accredited entities, as well as the limited capacity of the entities and procurement delays in the country. More specifically, there was a relatively frequent rotation of M&E officers, which caused implementation delays. Further, as most GCF projects and the LORTA team engage with state actors, changes in local and national governments and procedures resulted in delays in subsequent project implementation and preparation and execution of impact evaluations.

3.3 Uptake, communications, and partnerships

20. Partnerships and collaboration are critical to ensure that the IEU delivers effective evaluations, contributes to its own and the GCF's learning, and builds the capacity of in-country stakeholders. Also, IEU partners provide the opportunity to extend greater understanding, outreach, and uptake of IEU recommendations. Apart from fostering partnerships, the IEU further ensures the uptake of its findings and lessons learned by engaging in external and internal events, producing a wide range of publications and outreach materials, regularly updating its microsite, and sharing content on social media, among others.

3.3.1 Partnerships

21. The IEU works with a wide range of partners.¹⁴ To date, it has Memoranda of Understanding, membership and partnership agreements with a total of 25 accredited entities, national designated authorities, universities, research institutes, government ministries, civil society organizations, multilateral and bilateral agencies, and independent evaluation offices of accredited entities. In July 2022, the IEU signed an MoU with the Caribbean Community Climate Change Center (CCCCC) and with the *Banque Ouest Africaine de Développement* (BOAD) respectively, and in August 2022, with the Land Bank of the Philippines.

3.3.2 Webinars

22. The GCF's Evaluation Policy and the IEU's TOR require the IEU to disseminate lessons learned. According to the GCF Evaluation Policy, dialogue is one of the key functions of evaluations. Webinars are an excellent channel for disseminating information, increasing awareness of the IEU's work and its relevance to the GCF, encouraging the exchange of ideas,

¹⁴ <https://ieu.greenclimate.fund/about/partners>

and fostering dialogue and learning among the IEU's global stakeholders and partners. During the reporting period, the IEU delivered the following webinars:

- (a) **'Independent Evaluation of the Relevance and Effectiveness of the GCF's Investments in the African States'** and **'Independent Synthesis of Direct Access in the GCF'** – the IEU organized a webinar for the Board, in July 2022, to introduce the two evaluations' draft approach, methods, and timelines.
- (b) **'IEU Webinar: Update on its activities and 2023 draft workplan'** – the IEU organized a webinar for the GCF Secretariat in August 2022 to inform the colleagues of IEU achievements to date and the preliminary IEU evaluation topics for 2023.
- (c) **'IEU Learning Talk: Programmatic approaches in environment and climate: what can the GCF learn from other multilateral organizations?'** – the IEU organized a learning talk in August, offering a forum for debate and discussion on programmatic approaches in environment and climate. It brought together speakers from the IEU, GCF Secretariat and also the Global Environment Facility for information sharing and knowledge exchange.

3.3.3. External events

23. **Engagement opportunities with external stakeholders:** The IEU continued with its engagement and exchange of information with external stakeholders. In June, the IEU organized a session titled "Lessons from Impact Evaluations of Climate Change Interventions" during the 2022 gLOCAL Evaluation Week, and also participated in the 14th EES Biennial Conference and two other events organized by the International Fund for Agricultural Development and Campbell Collaboration. During these events, the IEU presented key findings and lessons learned from its ongoing and recently completed evaluations. In this reporting period, necessary preparations also took place as the IEU is set to engage in the 2022 Asian Evaluation Week¹⁵ and the 2022 IDEAS Conference and Global Assembly in September¹⁶. Further, the Unit will also engage in the Wilton Park event "Transformational Change Towards a Sustainable Future" on 7 – 9 September as well as the GCF Global Programming Conference 2022 on 13 – 15 September. The IEU also began exploring potential engagement opportunities with various external stakeholders that could take place during the 27th session of the Conference of the Parties to the UNFCCC to be held in November. See Annex II for a list of IEU-organized events and IEU's engagement and participation in external events.

3.3.4. Communications products and uptake

24. **Overview of major communications and uptake products.** The IEU produces a wide range of communications products tailored to the needs of its broad spectrum of stakeholders. Such products include print and online publications, newsletters, multimedia content, and promotional materials for internal and external engagement. The IEU continues to update its microsite on a daily basis and maintain a solid presence on social media. These outreach activities and materials disseminate the IEU's evaluations, support their uptake, and serve the IEU's broader learning and advisory function. Annex III contains a list of IEU publications and communications products that the Unit published during the reporting period.

25. **IEU microsite analytics.** In the June – August 2022 period, the IEU microsite received a total of 4,650 visitors. While recording 4,650 total visitors, 4,367 were marked as engagements

¹⁵ <https://asianevaluationweek.org/>

¹⁶ <https://ideas-global.org/ideas-global-assembly-and-conference-2022/>

from ‘new users’ and 905 as engagements from ‘returning users’.¹⁷ In the preceding three-month period (March – May 2022), the microsite registered 4,954 total visitors with 4,639 being marked as ‘new users’ and 1,109 as ‘returning users’. This slight drop in traction may relate to the fact that the three ongoing IEU evaluations entered their data collection and drafting phase roughly from June 2022 onwards, which resulted in a decrease in the number of finished products that were published on the microsite in the June-August period. Meanwhile, the year-to-year user analytics for the IEU microsite has improved, with the September 2021 – August 2022 period recording 16,384 total visitors and the previous year recording 14,857 total visitors.

Table 1. Comparison of IEU microsite user data

Time period	Total visitors	New users	Returning users
1 June – 31 August 2022	4,650	4,367	905
1 March – 31 May 2022	4,954	4,639	1,109
1 September 2021 – 31 August 2022	16,384	16,275	3,219
1 September 2020 – 31 August 2021	14,857	14,445	3,288

Note: ‘New users’ are those who visited the IEU microsite for the very first time in the specified period. Meanwhile, ‘returning users’ are those who previously visited the microsite and accessed it again in the specified period. These categories are not mutually exclusive. New users who access the website more than once during the reporting period will be considered ‘returning users’ in their second and subsequent visits. As a result, the summed number of new and returning users exceeds the total visitor count.

26. Visitors predominantly used three main avenues to access the IEU microsite and publications: (i) web searches (e.g. via Google), (ii) direct URL access (e.g. via a browser bookmark), and (iii) social media (e.g. via Twitter or LinkedIn). The microsite’s most visited pages in the reporting period were the landing page, the IEU blog titled “Designing impact evaluation in six steps”, the Meet the Team page, and the Evaluations page.

27. With regards to IEU publications posted on the microsite, the Approach Paper for the Evidence Review on Behavioural Change in Developing Countries received the most traction with 212 recorded downloads. This was followed by the Approach Paper for the Independent Synthesis of Direct Access in the GCF, which was downloaded 187 times, and the Approach Paper for the Independent Evaluation of the Relevance and Effectiveness of the GCF’s Investments in the African States with 126 downloads. Earlier evaluation reports continued to be widely accessed, particularly the Report of the SPR Synthesis Study (118 downloads), the Report of the Independent Evaluation of the Relevance and Effectiveness of the GCF’s Investments in the Least Developed Countries (116 downloads), and the Report of the Rapid Assessment of the Progress of the GCF’s Updated Strategic Plan (110 downloads).

28. **Social media analytics:** The IEU’s presence on social media enables the Unit to reach a wide range of stakeholders, including members of global evaluation networks and associations, other climate funds and international organizations, evaluation offices of UN agencies, AEs, NGOs, and academia, in addition to the GCF stakeholders including the Board members.

(a) **Twitter.**¹⁸ The IEU disseminated 51 new tweets in the three-month reporting period, attracting close to 9,000 visitors. These tweets informed key stakeholders of the IEU’s

¹⁸ https://twitter.com/GCF_Eval

latest evaluation products, engagements, events, partnerships, blogs, and vacancies. Tweets also disseminated relevant information about the B.33 proceedings and discussions. Other tweets covered the IEU's presence and contribution to reputable international conferences such as the European Evaluation Society Conference, the gLOCAL Evaluation Week, and the Conference on Jobs, Innovation and Value Chains in the age of Climate Change organized by the International Fund for Agricultural Development. These received significant engagement, in particular from the evaluation offices of other international organizations, such as the Asian Development Bank and the Global Environmental Facility.

- (b) **LinkedIn.**¹⁹ The number of followers of the IEU's LinkedIn account increased by 434 to 2,661 in the reporting period. These followers regularly interact with the IEU's content. They include, among others, the International Center for Integrated Mountain Development, the Adaptation Fund, the United Nations Evaluation Group, the United Nations Capital Development Fund, the International Fund for Agricultural Development, Mathematica, the Center for Evaluation and Development, the Commonwealth Secretariat, the International Initiative for Impact Evaluation, the Climate Investment Funds and the United Nations Environment Programme. The IEU launched 26 new posts on LinkedIn in the reporting period. The posts contained information about the IEU's latest evaluations, external and internal events, the LORTA virtual design workshop, job openings, and new blogs.

3.4 Building and strengthening the Independent Evaluation Unit

29. Based on the Evaluation Policy for the GCF and the IEU's TOR, the IEU is expected to be a global leader in climate evaluation. Accordingly, it places considerable emphasis on developing internal capacity through a wide range of training and learning opportunities.

30. **Staffing.** Within the reporting period, four staff members newly joined the IEU: an Evaluation Specialist, a Communications and Uptake Associate, a Policy and Uptake Associate and a Junior researcher. Recruitment for the positions approved by the Board in 2021 and for the vacant staff positions was still underway. The IEU's hiring will continue to fill the Board-approved 25 staff positions for 2022. The Head of the IEU position still remains unfilled. The following table outlines some IEU activities that are being delayed as a result of hiring delays and subsequent internal capacity constraints.

Table 2. IEU activities

Activities	Main outputs for the relevant time period	Anticipated delays
I. BUILD AND STRENGTHEN THE IEU		
1. IEU staffing	IEU recruitment completed	Partially delayed
2. IEU activity reports	Engagement & final report	On track
3. Evaluation standards and guidelines	Standards and guidelines completed	On track
II. UNDERTAKE AND DELIVER HIGH-QUALITY EVALUATIONS TO THE GCF BOARD		

¹⁹ <https://www.linkedin.com/company/ieu-gcf/posts/?feedView=all&viewAsMember=true>

Activities	Main outputs for the relevant time period	Anticipated delays
4. Second Performance Review of the GCF	Engagement & country case studies & summary report	On track
5. Independent Synthesis of Direct Access in the GCF	Engagement & drafting of report	On track
6. Evaluation of Relevance and Effectiveness of GCF's Investments in the African States	Engagement & drafting of report	On track
7. LORTA impact evaluations	Baseline, midline and endline reports. LORTA portfolio synthesis reports (see Annex IV and Annex V for short summaries of baseline reports)	Partially delayed
III. EVALUATION-BASED ADVISORY SERVICES, LEARNING & CAPACITY STRENGTHENING		
8. LORTA related advice	Virtual design capacity-building workshop, impact evaluation workshops, in-person project visits	Delayed
9. Capacity Building Advisory services - AEs	Evaluation capacity & evaluation standards capacity training at AE level	Delayed
10. Capacity Building Advisory services – Secretariat	Evaluation capacity training at Secretariat level	Delayed
IV. COMMUNICATIONS, BUILDING STRATEGIC PARTNERSHIPS AND ENGAGEMENT		
11. Evaluation approach, methods, findings uptake	Engagement, webinars, briefs digital & in print, and Board engagement	On track
12. IEU partnerships	Engagement & joint work	Partially delayed
13. IEU communications	Internal and external learning events	Partially delayed
14. Evidence gap maps and review papers	Gendered impact/ behavioural intervention	Delayed

31. **Internship programme.** The IEU's recruitment of interns aims to ensure both training and learning. In addition to a final report at the end of the internship, IEU interns are responsible for drafting and distributing a weekly internal report that provides an update on the tasks assigned in the previous week. As a part of the GCF internship programme, the IEU internship offers young graduates an opportunity to learn and grow by supporting the development and undertaking of evaluations for six months. The IEU's Interns Day programme allows the interns to put aside their usual day-to-day tasks and learn about other areas of the IEU's work, the GCF, or climate change. The IEU will continue to enhance the capacity of the interns to contribute to the IEU through its monthly Interns Day programme and relevant training. In July, the IEU welcomed two new interns and a third intern in the first week of August.

32. **Team retreat and training.** In July 2022, the IEU held a two-day team retreat themed around effective communication, collaboration, and team resilience. Following the retreat, the team organized several facilitated coaching sessions for the three workstreams of the Unit, through which each workstream could further discuss how to apply the techniques learned for better team resilience and effective and respectful communication and collaboration. These coaching sessions, facilitated by an external consultant, are to take place in the remainder of the year with the aim of increasing the effectiveness and cohesiveness of the workstreams.

33. **Other training.** In August, some IEU members took part in the GCF training titled 'Effective interviewing: training for hiring managers and panel members' with the aim of honing and further improving their skills in interviewing candidates for any hiring, recruitment processes. The four-hour training facilitated by an external trainer was offered several times in the month of August so that the individual participants could select the date that worked best for them.

IV. Budget and expenditure report

34. Table 3 below shows the IEU's 2022 budget and expenditure report as of 31 August 2022 in USD.

Table 3. IEU budget and expenditure report for 2022 in United States dollars (USD) as of 31 August 2022

Items	2022 budget (1)	Actual spent (2)	Committed amount as of 8/2022 (3)	Sub-total (4)=(2)+(3)	% (4) as a percentage of (1)	Remaining budget (1-4)
Staff costs	4,145,088	1,968,631	168,084	2,136,714	52%	2,008,374
Full-time staff	3,640,213	1,726,862	-	1,726,862	47%	1,913,351
Consultants & interns	504,875	241,769	168,084	409,852	81%	95,023
Travel	218,915	25,908	50,216	76,124	35%	142,791
General	218,915	25,908	50,216	76,124	35%	142,791
Professional services	1,432,500	383,598	711,104	1,094,702	76%	337,798
Legal & professional services	1,386,000	368,537	711,104	1,079,641	78%	306,359
Operating costs	46,500	15,061	-	15,061	32%	31,439
Sub-Total (IEU)	5,796,503	2,378,136	929,404	3,307,540	57%	2,488,963
Shared cost allocation	690,509	403,176	201,588	604,764	88%	85,745
Grand Total	6,487,012	2,781,312	1,130,992	3,912,304	60%	2,574,708

Annex I: Progress report on the Second Performance Review of the GCF

1.1 Introduction

1. The Board launched the Second Performance Review (SPR) of the GCF in decision B.BM-2021/11 on 10 June 2021.²⁰ The scope of the SPR is to assess the GCF's progress during the GCF-1 programming period, specifically: (i) the GCF's progress in fulfilling its mandate and operational priorities, as outlined in the Updated Strategic Plan (USP), and (ii) the GCF's performance in promoting a paradigm shift towards low-emission and climate-resilient development pathways.

2. In decision B.27/08, the GCF Board approved the work plan and budget of the Independent Evaluation Unit for 2021. Document GCF/B.28/07 notes that "At every Board meeting, IEU activities reports will include an update on the progress made on the second performance review." This progress report provides an account of the progress made on the SPR in the reporting period.

1.2 Activities under the SPR

1.2.1 Data collection

3. During the reporting period, the SPR team undertook and completed major data collection activities, as the following:

- (a) The IEU concluded data collection from the SPR country missions during the reporting period. Before the launch of each country case study, extensive planning was undertaken to engage with and obtain consent from the NDA. Each country mission was organized through a similar process, which included the organization of a launch meeting, soliciting the suggestions of the NDA on potential stakeholders to be interviewed, conducting country mission interviews with all relevant stakeholders as well as site visits where feasible. Each country mission concluded with a final debrief with the NDA. As protocol, the country case study report is also shared with the NDA for review before the IEU finalizes the report.
 - (b) Where essential and possible, IEU members undertook travel for country missions in coordination with the GCF Secretariat, including the travel and the security teams, and in adherence to the Administrative Instruction on the GCF Official Travel.
 - (c) The SPR team undertook missions either in a hybrid or in-person mode. SPR country missions covered the following 12 countries: Rwanda, Solomon Islands, Viet Nam, the Maldives, Mauritius, Georgia, India, Bangladesh, Grenada, Peru, Kenya, and Morocco. These countries, covering all GCF regions, represent a diversity of projects by type, theme, and scope as well as various AEs.
 - (d) The IEU also concluded a survey containing questions on GCF's institutional architecture and performance, which was administered to the Board members, Alternate Board Members, and their Advisors. While the survey was launched in May 2022, it was concluded in August 2022.
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- (e) After commencing the SPR data collection in April 2022, the IEU DataLab continued to examine existing data sources such as data systems maintained by the Secretariat and the IEU's in-house data. External data sources that are informing SPR include OECD climate-related data finance, other climate funds' portfolio and finance data, as well as NDC data. Analyses focused on high-priority areas, such as institutional architecture, policy considerations, finance access and disbursement, and programming. Research also covered assessment of the existing trends and patterns within sub-groups for different modalities, as well as stakeholder engagement and co-benefits. Much of data collection and analysis were finalized, and the DataLab is moving into the stage of data validation, update, and standardization.
 - (f) Semi-structured stakeholder interviews for data collection also continued in this period. In particular, the SPR team conducted extensive interviews with members of the Board, Secretariat, AEs, NDAs, other partners and experts.
4. In the remainder of the year, the SPR team is expected to conclude data collection efforts and continue with extensive data analysis. Preliminary data collection and analysis led to the preparation of the SPR summary report, which was finalized for circulation ahead of B.34.

1.3 SPR substantive outputs

5. The IEU is expected to produce several deliverables under the SPR. The IEU previously produced and delivered the FPR Management Action Report (MAR) and the SPR Synthesis Study. Further, ahead of B.32, the IEU prepared the following for Board's consideration: a) the rapid assessment of the USP 2020-2021, and b) the SPR approach paper. During the reporting period, the IEU prepared an SPR summary report to be shared with the Board in time for B.34 in October 2022. The summary report includes evidence and finding areas with recommendation areas.
6. The IEU is also on schedule to produce the final report of the SPR ahead of the first Board meeting to take place in 2023.

1.4 SPR procedural outputs

7. As a part of the SPR, the IEU is expected to produce several procedural deliverables, including:
- (a) **Progress Report on the Second Performance Review of the GCF:** The IEU submitted the Progress Report for the reporting period of April-May 2022 to the Board as Annex I of the IEU Activity Report for B.33. For the current reporting period of June-August 2022, the IEU prepared this progress report, which is part of the activities report shared for B.34.
 - (b) **Expenditure report to the Budget Committee:** The IEU submitted the Expense Report, which accounts for the progress made on the SPR and budget expenditure from April to May 2022. This report was submitted to the Board's Budget Committee in June 2022.

1.5 Engagement and uptake

8. The GCF Evaluation Standards call for evaluations to take a participatory approach. As such, the SPR team ensured that the evaluation process encouraged and enabled extensive participation of multiple stakeholders, appropriate to the stage of data collection and analysis. In particular, evaluation interviews and country missions are part of empirical data collection and are reported in the above paragraphs.

- (a) **B.33 items** – The schedule of B.33 included an informal consultation on updates to the USP. At the invitation of the Co-Chairs, the IEU presented to the Board a summary of the rapid assessment of the USP 2020-2021 during B.33 held in July.
- (b) **Initial Organizational Meeting for GCF-2** - The IEU was invited as an observer at the Initial Organizational Meeting for GCF-2. At the conclusion of this meeting, it was decided that the summary report and the final report of the SPR be on the agenda for the first and second consultation meetings for the second replenishment of the GCF, respectively.

Annex II: List of IEU events and engagements

Internal IEU events that were organized during the reporting period (June – August 2022):

- 26 July 2022: Webinar on the approach of the Independent Evaluation of the Relevance and Effectiveness of the GCF's Investments in the African States and the Independent Synthesis of Direct Access in the GCF
- 23 August 2022: Learning Talk on programmatic approaches in environment and climate to identify what the GCF can learn from other multilateral organizations
- 24 August 2022: Webinar on the Unit's update of its activities and 2023 draft workplan

External events that IEU participated during the reporting period (June – August 2022):

- 2 June 2022: gLOCAL Evaluation Week 2022 "Together, We Can Help Close the M&E Gap"
- 6 – 10 June 2022: 14th European Evaluation Society (EES) Biennial Conference "Evaluation at a Watershed: Actions and Shifting Paradigms for Challenging Times"
- 23 June 2022: International Fund for Agricultural Development conference Jobs, Innovation and Value Chains in the Age of Climate Change "Women's Empowerment for Rural Transformation"
- 28 June 2022: Campbell Collaboration event "Webinar on The Evidence Gap Map on the Effectiveness of Interventions Promoting Women's Empowerment"

External events where the IEU is expected to participate in the period of September – December 2022:

- 7 – 9 September 2022: Wilton Park event "Transformational Change Towards a Sustainable Future"
- 13 – 15 September 2022: GCF Global Programming Conference 2022 "The GCF Journey in Enabling Climate Ambition"
- 13 – 15 September 2022: Asian Evaluation Week 2022 "Reframing Evaluation for Green, Inclusive, and Resilient Recovery: Shaping the Economy Post-pandemic"
 - + Session 9: "Opportunities for transformational climate action" (organized by ADB)
 - + Session 11: "Evaluating climate finance – which influence for the institution?" (organized by EIB)
 - + Session 14: "Making climate finance and adaptation work for the small island developing States (SIDS) and the least developed countries (LDCs)? Lessons from evaluations" (organized by IEU)
- 27 – 29 September 2022: IDEAS Conference and Global Assembly 2022 "Power of Evaluation: Influencing Decision Making for a Better and More Equal World"
- 4 – 6 October 2022: CIF's Evaluation and Learning (E&L) Initiative event "Co-constructing Strategic Action for Transformational Change: Deepening collaboration through the Transformational Change Learning Partnership"
- 13 – 15 October 2022: IUCN Leaders Forum Jeju 2022 "Building Nature-positive Economies and Societies"
- 18 – 20 October 2022: What Works Global Summit 2022 "Recovery and Resilience in Crisis"

- 24 – 28 October 2022: Global Green Growth Week 2022 “Unlocking the Potential of Green Growth and Climate Finance Innovations”
- 25 – 28 October 2022: National Evaluation Capacities Conference 2022 “Resilient National Evaluation Systems for Sustainable Development”
- 7 – 18 November 2022: 27th session of the Conference of the Parties to the UNFCCC (COP27)

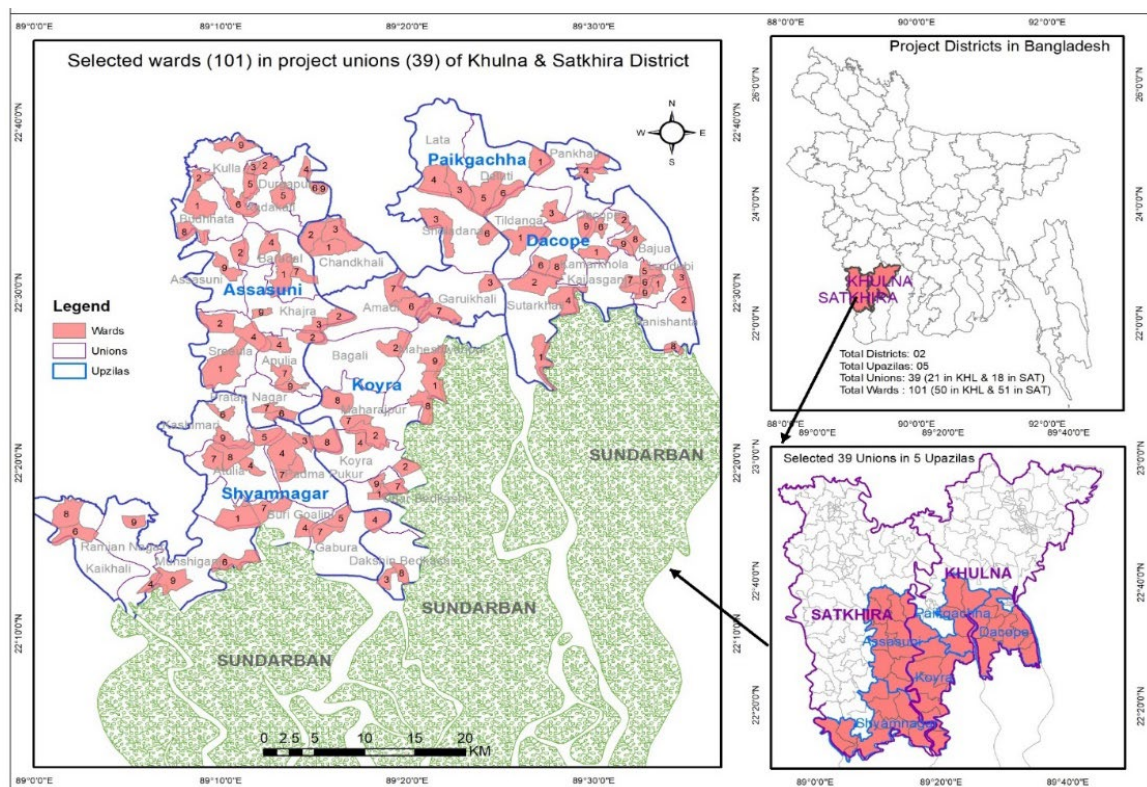
Annex III: IEU publications and communications materials

Document type	Topic
Board Report	B.33 Report on the activities of the Independent Evaluation Unit
Policy	French and Spanish Translations of the Evaluation Standards of the Green Climate Fund
Evaluation knowledge product	Approach paper for the Independent Synthesis of Direct Access in the Green Climate Fund
Evaluation brief	Independent Synthesis of Direct Access in the Green Climate Fund: Approach Brief
IEU Blog	B.33 Data Outlook: Funding proposals for Board's consideration
Evidence Review – Behavioural Science	Evidence gap map report of the evidence review on behavioural change in developing countries
Joint paper summary	Climate and Money: Dealing with 'Impact Washing' and a Case for Climate Impact Bonds
Joint paper summary	Can rigorous impact evaluations improve humanitarian assistance?
Joint paper summary	Results Based Payments for REDD+ under the Green Climate Fund: Lessons Learned on Social, Environmental and Governance Safeguards
Joint paper summary	Evaluating Climate Change Action for Sustainable Development: An Introduction

Annex IV: Summary of LORTA baseline report for GCF's FP069 'Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity' in Bangladesh'

1. The IEU's Learning Oriented Real-Time Impact Assessment (LORTA) programme²¹ incorporates state-of-the-art approaches for impact evaluations to measure results and learn about the effectiveness and efficiency of GCF-funded projects. This brief provides a quick summary of LORTA's impact assessment baseline report of GCF's project FP069 'Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity'. The purpose of the baseline report is to describe the context and the relevance of the project and impact evaluation, as well as to present the 'pre-intervention exposure' condition for the set of indicators, which will be ultimately used to measure impact.
2. The FP069 project aims to strengthen the adaptive capacities of selected households, against the impacts of climate change, through the adoption of climate-resilient livelihoods and an increase in drinking water availability. By its design, the project targets mainly women who are vulnerable to climate change induced salinity in two districts, Khulna and Satkhira, in the coastal area of southern Bangladesh. See the project location map below.

Figure 1. Project location map



Source: Project documents (UNDP)

²¹ <https://ieu.greenclimate.fund/evaluation/lorta>

3. The project is co-financed by the GCF and the government of Bangladesh. The accredited entity for this project is the United Nations Development Programme (UNDP). Local implementing partners are the Ministry of Women and Children Affairs and the Department of Public Health Engineering.
4. Southern coastal areas in Bangladesh have become more vulnerable to seawater intrusion into freshwater due to climate change induced sea level rises and other natural occurrences.²² An increase in salinity affects groundwater which in turn has consequences for the lives of the vulnerable populations. It increases the distance to drinking water sources, reduces drinking water quality, damages crops, and decreases agricultural and aquacultural productivity. With more time spent on fetching water, the time available for households, and especially women, to spend on other activities declines, which also reduces their resilience.
5. The FP069 project plans to reduce the time spent on fetching water by constructing rainwater harvesting systems at the household, community, and institutional levels. This allows beneficiaries to reallocate time to the second part of the project, on adaptive livelihoods and income-generating activities. These income-generating activities are aimed at increasing household income, income stability and food security. The project consists of three components, but the LORTA impact evaluation focuses on 2 of the 3 interlinked components: climate resilient livelihoods and drinking water solutions. These two components target 25,425 beneficiaries for the livelihood component and 136,100 beneficiaries for the drinking water component, respectively.
6. To evaluate the impact of the project components, a clustered phase-in randomized control trial is being implemented at the union parishad (UP) level, which is the smallest rural administrative and local government unit in Bangladesh, in 2021. The climate-resilient livelihood intervention is rolled out in two phases. In the first phase, out of 39 UPs, 25 UPs will receive livelihood interventions (treatment group). To measure the impacts of the project activities, endline data will be collected on the household level of both treatment and comparison households before the start of phase 2. Upon completion of endline data collection, the project activities will be implemented in the other 14 UPs, that during phase 1 formed the comparison group. Due to the short timespan between phases 1 and 2, the impact evaluation will focus on short-term effects unless activities in phase 2 are delayed. The current short-term evaluation design makes it challenging to measure certain indicators, a potential effect takes time to observe, for example, income stability. To study the impact on income stability, through the usage of a regression model, the effect of the intervention on expected future income volatility and the impact of the livelihood component on income diversification are proposed to be estimated instead.
7. The main evaluation questions to be answered by the impact evaluation and the project's teams are:
 - (a) Do the drinking water solutions provided by the project allow beneficiaries to engage in income-generating activities?
 - (b) Do the adaptive livelihoods promoted by the project provide a sustainable means of earnings for the beneficiaries?
8. Additionally, the impact evaluation aims to answer two monitoring questions:

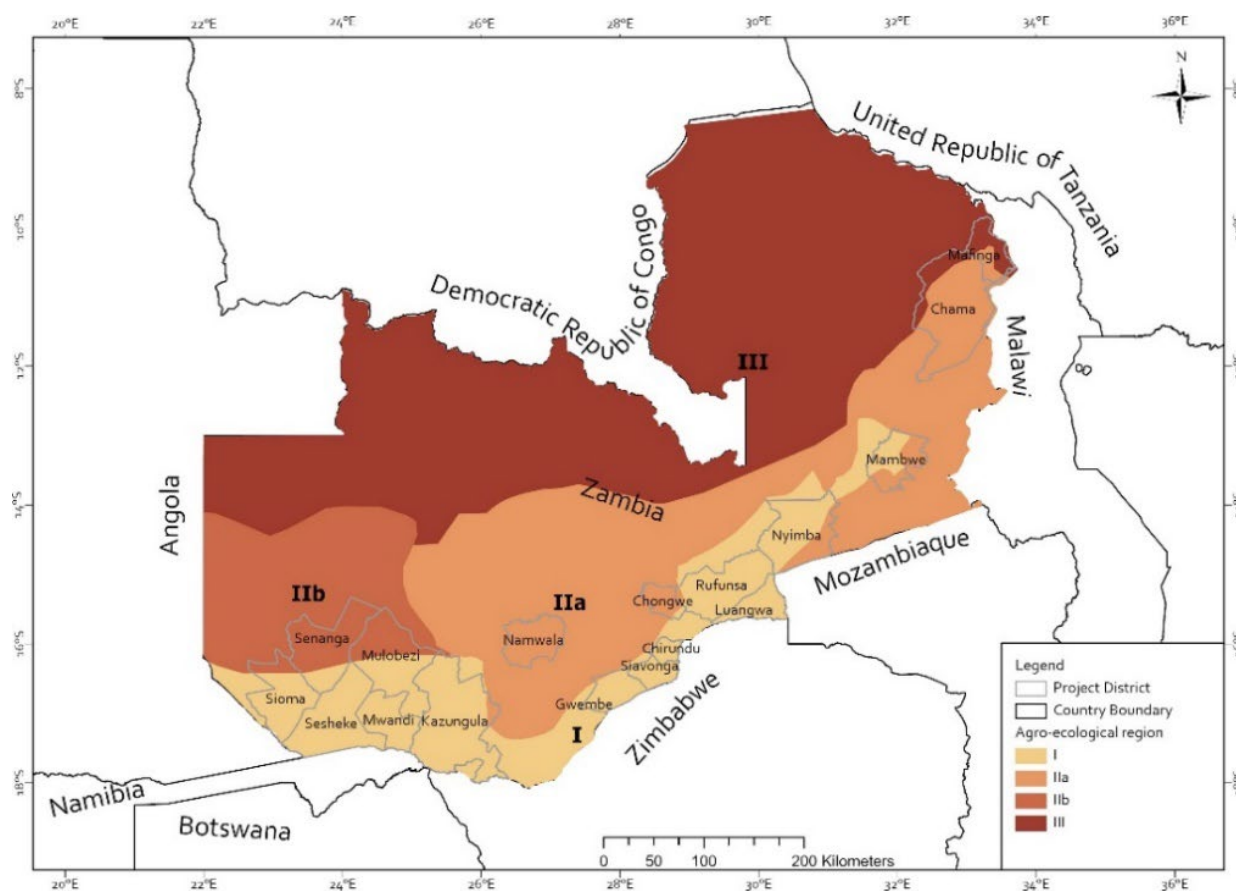
²² Mahmuduzzaman, Md., and others (2014). Causes of Salinity Intrusion in Coastal Belt of Bangladesh. International Journal of Plant Research, vol. 4, pp. 8-13.

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- (c) What drinking water solution is the most cost-effective?
 - (d) What adaptive livelihood has the largest impact on vulnerability to poverty and on income stability?
9. To answer these questions for both the drinking water and livelihood component, the project's theory of change was tailored to reflect the impact on the beneficiaries and the impact on numerous indicators will be measured, such as food security, preparedness for natural disasters, access to clean water and a woman's socio-economic status.
 10. Baseline data were collected in September and October 2021. The baseline analysis and the baseline report were jointly completed in mid-2022. The baseline sample size is 3,120 households, evenly distributed along the southern coastal areas of Bangladesh from 39 UPs. 2,000 households belong to the treatment group in phase 1, and 1,120 households to the control group, who will receive treatment during phase 2.
 11. Overall, both the treatment group and comparison group are similar before project implementation in nearly all assessed characteristics. For both groups, the variables are balanced for household characteristics, land ownership, housing, exposure to natural disasters, perception of and reasoning on insurance and the food consumption score. The latter-mentioned score is above the threshold for acceptable high food consumption but lower than the national average. Additionally, large proportions of both treatment and comparison groups have their primary water source based outside the compound, with a similar amount of time spent on fetching water, by mainly women.
 12. Some minor variability between the treatment and comparison group is presented in data from the total income received from non-agricultural wage employment and a number of households with one member being affected by a waterborne disease in the last 12 months, household access to safe shelter, a household's understanding of early warning signals, female household members belonging to a community-based group, and the age of the household head.
 13. The main income source of the target population was non-agricultural wage employment. Of female respondents, 77.8 per cent in both groups had engaged in at least one income-generating activity and mostly in livestock production. On average, a woman would decide on how to spend half of the income she was involved in generating. At least one climate-adaptive livelihood was already practiced in the majority of the households (around 80 per cent). A quarter of the households were considered moderately or severely food insecure using the Household Food Insecurity Access Scale categories. More than half of the respondents indicated that at least one household member had been affected by a waterborne disease in the 12 months before the data collection; this pointed to the need for access to cleaner drinking water.
 14. Overall, the descriptive evidence from the baseline data tends to confirm the suitability of the project activities to the context and the needs of the target population. In addition, the balance tests – to check whether treatment and comparison households are different in a systematic way – show statistically significant imbalances between the two groups in only a few characteristics, which may happen due to a chance and be further accounted for in the impact analysis when comparing the two groups at endline. Finally, when compared to the official census data of the southern regions of Bangladesh, the key characteristics of the target population are very similar, meaning that the sample chosen for an evaluation is representative of the regions where the project operates.

Annex V: Summary of LORTA baseline report for GCF's FP072 'Strengthening climate resilience of agricultural livelihoods in Agro-Ecological Regions I and II in Zambia'

1. This brief provides a quick summary of LORTA's baseline report of GCF's project FP072 'Strengthening climate resilience of agricultural livelihoods in Agro-Ecological Regions I and II in Zambia'. The purpose of the baseline report is to describe the context and the relevance of the project and impact evaluation, as well as to present the 'pre-intervention exposure' condition for the set of indicators, which will be ultimately used to measure impact.
2. The FP072 project aims to improve the resilience of smallholder farmers to climate-related shocks by addressing barriers along the agricultural value chain and is expected to reach 940,000 people in 16 districts in Zambia. The project intends to achieve this through three complementary strategies: 1) providing smallholder farmers with access to quality weather and climate-based information; 2) providing irrigation and input support to promote more resilient production and lifestyle diversification such as goats and beehives; and 3) improving access to markets and commercialization of climate-resilient commodities.

Figure 2. Map of major agro-ecological regions in Zambia (project areas in Zones I and II)



Source: Produced by IEU's DataLab and LORTA team based on project baseline data

3. The baseline survey highlighted a wide range of socioeconomic characteristics of beneficiaries and control households. A random sample of 2,508 households was

selected, consisting of 1,294 beneficiaries of goats and beehives (treatment) and 1,290 non-beneficiaries (control). The evaluation sample consists of households in which 74 per cent of household heads are male at the average age of 49, who holds two fields and four hectares of the total land on average; 81 per cent of these cultivated plots are self-owned. Almost all households grow maize. Drought-tolerant sorghum was the second dominant crop, grown by 27 per cent of the households. More than half of the households rely on their farming production as their main food source. The average number of cattle and draught cattle owned by a household was nine and five, respectively. Around 82 per cent of households have a mobile phone and 45 per cent own a bicycle.

4. The baseline data has highlighted significant differences between treatment and comparison households. The treatment and comparison groups are generally similar regarding overall household characteristics such as household size and the proportion of females as head of a household. However, many results indicate that the treatment group is wealthier than the control group. A greater proportion of comparison households rely on fishing or gathering of natural products, purchase of maize rather than more expensive products such as wheat flour and soya mince and hold smaller areas or plots of agricultural land. They also save seeds from one year to another, practice manual labour and hand hoeing for tillage, and have fewer sources of income. The agricultural practices and knowledge also vary between the two groups. The treatment farmers display slightly higher familiarity with organic and conservation agriculture practices. A greater proportion of treatment farmers belong to agricultural organizations such as Lead Farmer or Model Farmer's groups, suggesting they have better access to social capital and more frequent training. Yet, not all results support the narrative that the treatment households have more wealth, knowledge and social capital. The number of disabled family members and orphans is, on average, higher in the treatment households, and food insecurity was relatively pronounced among the treatment group.
5. There are several possible explanations for these discrepancies. One is that the SCRALA project successfully targets the more vulnerable beneficiaries. The report and the impact evaluation team found that around 60 per cent of beneficiaries claim to have already received at least one goat or beehive at the time of the baseline survey, these inputs could have had an early impact on the wealth of beneficiary households. Beehives and goats are indeed considered to impact beneficiary households quickly. Farmers typically sign an arrangement with an off-taker for beehives and commit to selling their honey within six months, i.e. generally, two harvests per year. For goats, it is also expected that female goats have offspring twice a year, thus also having a relatively quick impact on the household. The second is that the beneficiary selection caused structural differences in the treatment and control groups. The lottery to select beneficiaries was not entirely random because only the farmers who showed up at the public lottery events could participate. The participants could have a better source of information, network, or be wealthier than the average farmers to join the event. Verifying this theory requires the information of the non-selected farmers at the lottery.
6. The early distribution of alternative livelihood inputs and the lack of control group data entails amendment in the evaluation strategy. The initial design was a randomized control trial (RCT) through a public lottery. Based on the information available at the time of writing the baseline report, there could be future rounds of lotteries for upscaling purposes in the distribution of beehives. The feasibility of an RCT hinges on receiving or collecting information on the lottery losers. If RCT remains the main evaluation strategy, extension officers should collect the information during routine field visits and the next lottery. There can be spill-overs at the village level because the

selection of beneficiaries is at the individual level. Still, good record keeping of farmers' locations and variation in the distance between treatment and control farmers that comes from the random draw would allow quantifying any potential spill-overs. The two alternative strategies are also considered for this impact evaluation, which are difference-in-difference and matching, in case RCT is determined unfeasible.

7. Overall, the baseline results illustrate that the SCRALA project's beneficiaries are well targeted regarding food insecurity and vulnerability, and the alternative livelihood inputs will enhance their climate resilience within a relatively short period. The proper evaluation strategy will be chosen upon receiving more information about the timing and details of the future intervention rounds. Endline data collection is scheduled to take place in 2025.

Annex VI: Management Action Report on the Independent Evaluation of the Green Climate Fund's Country Ownership Approach

1. Decision B.BM-2021/07 established the Green Climate Fund's Evaluation Policy (see document GCF/BM-2021-09). This Policy describes how all evaluations (or reviews or assessments) submitted by the IEU to the Board will have an official management response prepared by the GCF Secretariat (prepared in consultation with relevant GCF stakeholders) to inform Board decision-making (see paragraph 58 (g)/appendix III).
2. Management action reports are prepared by the Independent Evaluation Unit and received by the Board to provide an overview of the Board's consideration of the recommendations, respective management responses, and the status of implementation (see GCF/BM-2021/09, paragraph 28, paragraph 64 (b) / appendix I / appendix III).
3. In preparing this MAR, the IEU considered the Secretariat's management response to the Independent Evaluation of the GCF's Country Ownership Approach (GCF/B.27/12/Add.01). Decision B.30/11 invited members and alternate members of the Board to consider the findings and recommendations, and corresponding secretariat management response of the Independent Evaluation of the GCF's Country Ownership Approach alongside four other IEU evaluations. As requested in this decision, the IEU prepared a summary of views expressed by members and alternate members of the Board on each evaluation. This summary was annexed to the IEU's 2021 Annual Report (GCF/B.31/Inf.09).
4. The summary text on the Independent Evaluation of the GCF's Country Ownership Approach (hereafter COA Evaluation) highlighted that Board members commonly endorsed the evaluation's recommendations about further strengthening the capacities of NDAs and national focal point, with most submissions agreeing that special attention needs to be given to private sector engagement, among other things. Some Board members also supported the idea of developing an accreditation strategy for the GCF to better guide the DAE nominations by NDAs.
5. The summary text also highlighted Board members' general endorsement of the evaluation's recommendation that country ownership needs to go beyond national governments to include civil society, private sector, NGOs, vulnerable groups, women and indigenous peoples, with better multi-stakeholder engagement commended by a number of Board members. Some Board members emphasized that the NDA should have a leadership role in facilitating multi-stakeholder engagement.
6. Other Board members expressed that the COA evaluation did not adequately reflect the sovereign aspect of country ownership, as espoused in the GCF's Governing Instrument and relevant COP decisions and GCF Board decisions. They stressed that country ownership as the recipient country's sovereign right, which is exercised through the NDAs in the context of national climate strategies, is the GCF's core principle that cannot be altered.
7. Of the 9 recommendations of the evaluation, the Secretariat agrees with 3 recommendations and partially agrees with 6 recommendations. The Secretariat did not disagree with any of the recommendations.

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

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

9. In terms of the progress made with the adoption of the 9 recommendations set out in the evaluation, the rating "substantial" is given to one recommendation, the rating "medium" is given to two recommendations, and the rating "low" is given to 6 recommendations.

No.	IEU recommendations	Management response	IEU rating	IEU comments
1a	<p>Develop a normative standard for country ownership, recalling the GCF's ambition to set a new standard among other climate and development organizations.</p> <p>In this context, the GCF should consider its business model and overall objectives (including paradigm shift) in relation to country ownership, addressing tensions and potential trade-offs.</p>	<p>Partially agree.</p> <p>The ambition of the GCF in setting a new standard of country ownership is indeed an important one. In that respect, the GCF has developed its Guidelines for Enhanced Country Ownership, which serves as the normative standard for the GCF. The guidelines cover how different stakeholders – NDAs, AEs and the Secretariat – should operate to strengthen country ownership. These guidelines are scheduled to be reviewed by the Board as part of its workplan and updated based on lessons learned. In the process of updating these guidelines, the Secretariat will present options for further strengthening country ownership throughout its operations.</p>	Low	<p>The GCF's Governing Instrument describes how the Fund will pursue a country-driven approach and promote and strengthen country level engagement at the country level through by effectively involving relevant institutions and stakeholders. Country drivenness is a core principle affirmed in decisions 08/10, 08/11, B.10/10, B.17/21 and 18/02. These earlier decisions were supplemented by decisions B.21/16 and B.23/11 which emphasized the importance of accrediting entities that advance the GCF's mandate and objectives.</p> <p>In addition, decision B.29/01 provided additional resources under the Readiness and Preparatory Support Programme for direct access entities. The IEU also notes the Country Programming Guidance published 25 January 2021.</p> <p>The Board adopted the Guidelines for Enhanced Country Ownership and Country Drivenness in annex XX to decision B.17/21. The Guidelines were adopted prior to the publication of the IEU's independent evaluation of the GCF's Country Ownership approach and were thus accounted for within the evaluation. The document covers guiding principles, the role of country programmes and structured dialogues, the role of country ownership (CO) in the GCF's operational modalities, and evaluation.</p> <p>However, as explicitly stated in paragraph 4 of the Guidelines, the document "does not attempt to provide a further definition of the concept of country ownership." Moreover, it does not address the tensions and impracticalities resulting</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				<p>from country ownership being both a principle and an outcome (as described in the investment criteria).</p> <p>The Secretariat indicated it initiated a review of the Guidelines in October 2020. The review included a survey, in-depth discussion, and a review of key documents. In 2020 and early 2021, the Secretariat consulted with NDAs, IAEs, DAEs, other stakeholders and key GCF Secretariat staff. The review was submitted to the Board at B.30 as information GCF/B.30/Inf.11/Add.03. The Secretariat underscored that the review included several recommendations to strengthen country ownership which considered stakeholder feedback and the IEU's independent evaluation of the GCF's country ownership approach.</p> <p>The Secretariat further indicated that, after B.30, it drafted a Policy Concept Note (PCN) on revising the country ownership guidelines. As of August 2022, the PCN was under review and discussion within the Secretariat. The Secretariat noted that the draft PCN includes updated guidelines to strengthen country ownership processes, an updated no-objection procedure, and stakeholder engagement guidelines.</p> <p>The IEU acknowledges that the review submitted at B.30 sets out the lessons learned during the guidelines' implementation and makes recommendations for strengthening country ownership. However, the IEU also notes the report does not address the lack of a normative standard for country ownership or the tensions found in the evaluation and highlighted in recommendation 1a.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
1b	<p>Make country ownership an eligibility condition, not a prioritization criterion for investment decision-making.</p> <p>More accountability around NoPs could help ensure that NoLs can be interpreted as a valid signal of broader country ownership.</p> <p>Drawing on the experience of other global funds, for example, the GCF could consider requiring transparent documentation of NoPs.</p>	<p>Partially agree.</p> <p>Country ownership is an essential and fundamentally important requirement for the GCF in its investment decision-making. Furthermore, country ownership is built during the design and development of projects and programmes, and thus needs to be assessed for different aspects during the different stages of the project cycle. Thus, it is more appropriate as an investment criterion than a one-time eligibility criterion, which may result in projects and programmes being eliminated prematurely.</p> <p>The Secretariat does however agree that there is room for more transparency and accountability around the no-objection process within countries. Several countries have made their no-objection procedures transparent to all stakeholders. The GCF will also make available such procedures on the country pages on its website once available from countries.</p>	Medium	<p>The Secretariat has not published the no-objection procedures on the respective country pages, including for countries that have previously submitted no-objection letters. This lack of transparency conflicts with the provisions of the initial no-objection procedures. These provisions require the Secretariat to publish the no-objection procedure (NOP) on the GCF website (Annex XII to decision B.08/10, para. 12).</p> <p>As mentioned above, the Secretariat submitted a review of the Guidelines for Enhanced Country Ownership and Country Drivenness to the Board at B.30 in information GCF/B.30/Inf.11/Add.03.</p> <p>The IEU notes that the report identified the lack of transparency of NOPs as a challenge for GCF country ownership processes (para. 21). The report indicates that “additional oversight mechanisms or guidelines are needed in country coordination structures to ensure transparency on NOP so that individual officers do not abuse power” (para. 21(a)).</p> <p>The Secretariat further indicated that the draft PCN on revising country ownership guidelines includes enhanced NOPs and stakeholder engagement. Specifically, it underscored that the updated NOP will ensure more transparency through proper documentation and increased awareness of what is approved under NOP process. The change is proposed based on best practices of the Global Fund and other multilateral financing mechanism, so that members of national climate coordination group and lead agency, the National Designated Authority (NDAs) will follow a</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				transparent process to issue NOLs. In addition, based on feedback from the countries, the NOL templates will be revised for clarity on compliance responsibilities. Once finalized, the updated NOP will be published.
1c	<p>Strengthen the approach to stakeholder engagement by reformulating definitions and principles of engagement, especially for non-state stakeholders within countries.</p> <p>GCF guidance should recognize the special space for engaging the minority, the disenfranchised and the vulnerable, because they are most affected by climate change.</p> <p>Guidance should also recognize the important role of sub-national actors. It should clearly define what is meant by terms like “civil society” and be more specific about what constitutes meaningful engagement. Tangible examples of best practices would also help. The GCF can and should set new standards in this space.</p>	<p>Partially agree.</p> <p>The Secretariat agrees that there is room for strengthening stakeholder engagement processes within countries by sharing practices across countries and updating its guidelines for stakeholder engagement, including groups most affected by climate change or activities to be funded by the GCF. Furthermore, sub-national and non-state actors have an important role to play in the stakeholder engagement processes led by GCF NDAs or focal points.</p> <p>The Secretariat is of the opinion that definitions of key concepts or stakeholder groups used by GCF represents industry best practice. Notwithstanding this, the Secretariat will consider opportunities to clarify and strengthen definitions and principles when reviewing and</p>	Low	<p>The Secretariat submitted the Review of Guidelines for Enhanced Country Ownership and Country Drivenness (GCF/B.30/Inf.11/Add.03) for the Board’s consideration under B.30 agenda item ‘Report on the Activities of the Secretariat.’ The item was not opened. The review summarizes the lessons learned from implementing the Guidelines for Enhanced Country Ownership and Country Drivenness. The review also includes stakeholder feedback and a review of other international organizations’ best practices to identify opportunities for strengthening GCF’s guidelines on country ownership and country-drivenness.</p> <p>In May 2022, the Secretariat published the Sustainability guidance note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects. The draft guidance note is not a GCF policy and is not mandatory. As its name suggests, the guidance note offers direction on meeting the requirements for stakeholder engagement and consultation outlined in GCF policies.</p> <p>The draft PCN for the updated CO guidelines outlines the requirements for robust stakeholder engagement throughout GCF’s project cycle management. It also highlights processes for robust stakeholder engagement in the NDA-led consultation and coordination meetings.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		updating the GCF's guidelines for stakeholder engagement.		
1d	<p>Promote the public release of documents</p> <p>The transparency and public release of key documents, such as CPs and APRs, is critical for public accountability, as well as to enable NDAs / focal points to provide oversight of their GCF portfolios.</p>	<p>Agree.</p> <p>The Secretariat intends to make these documents public subject to the GCF's Information Disclosure Policy. Final versions of Country Programmes are available on the GCF website in the country pages, and the APRs will also be made available on the GCF website.</p>	Low	<p>Decision B.12/35 outlined the GCF's Information Disclosure Policy regarding the information the GCF makes available to the public, either on a mandatory or optional basis.</p> <p>The Secretariat indicated that, as of August 2022, 32 Country Programmes (CPs) are available on the GCF website. Four were published in 2017, 10 in 2018, 8 in 2019, three in 2020, four in 2021, and three in 2022.</p> <p>Regarding Annual Performance Reports (APRs), the Secretariat indicated that all the 2019 and 2020 reports are on the GCF website, except for those the AEs indicate as confidential.</p> <p>The IEU notes a time lapse between the Secretariat receiving the APRs and publishing them on the GCF website. The Secretariat indicated the 2019 APRs were uploaded in September 2021, while the 2020 APRs were uploaded in May 2022.</p> <p>APRs for 2017 and 2018 are yet to appear on the website. The Secretariat noted this was due to capacity constraints.</p> <p>The Secretariat said it would send a "draft Information Disclosure Policy" to the Ethics and Advisory Committee (EAC) for review in Q4 of 2022. The Secretariat further noted that the EAC approved version will be circulated for internal and external consultation in 2023, prior to Board consideration in 2023.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
1e	<p>Encourage AEs to use country systems, such as public finance management systems, procurement systems, and results systems.</p> <p>The GCF should track progress in the use of country systems among AEs, with a goal towards increased reliance on such systems.</p>	<p>Agree.</p> <p>The GCF encourages AEs to use country institutions and their systems for the implementation of projects and programmes subject to any restrictions by the AE's own policies. In fact, the direct access modality allows the GCF itself to rely on such country systems where national entities have demonstrated their ability to comply with the GCF's financial management, procurement and results management systems. Such use can also be tracked through information reported in APRs.</p>	Low	<p>The Independent Evaluation of the Green Climate Fund's Country Ownership Approach found that the use of country systems throughout the project cycle – from design and implementation to monitoring and evaluation – is not a part of GCF guidance, nor is it systematically tracked by the GCF (p. 114). As of 22 July 2022, the APR template does not mention country systems. The explanation provided for question 2.2.5, which monitors progress on the country ownership investment criteria, does not list the use of country systems as a potential indicator. However, the Secretariat emphasized that AEs include information on the use of country systems in the narrative report within their APR. This is subject to selected verification checks by the Secretariat on the AE's portal and websites.</p> <p>On a related note, the Secretariat stated that using country institutions and their systems in projects and programmes aligns with the GCF's efforts to accelerate climate finance. The Secretariat provided several examples from ongoing projects and programmes. These include (i) strengthening existing frameworks for planning and budgeting processes at national and sub-national levels, thus ensuring vertical and horizontal alignment, (ii) mainstreaming climate-resilient approaches in public procurement processes for a particular given value chain, and (iii) strengthening innovative financing frameworks such as thematic bonds to supplement public financing with capital markets.</p> <p>The IEU underlines that the independent evaluation of the GCF's CO approach defined country systems as in-country procedures and institutions for procurement and financial</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				management, as well as recording climate finance aid in the government budget (p. 21). The IEU notes that the Secretariat referred to a different meaning of country systems and does not refer to public financial management systems.
2a	<p>Strengthen support for NDA / focal point capacity. NDAs / focal points could benefit from:</p> <p>A living handbook of responsibilities and best practices for NDAs / focal points. The initial guidance approved at B.08 is not sufficient.</p> <p>Ongoing financial support for a secretariat function in NDAs / focal points with eligibility/accountability measures in place. The evaluation has shown that NDAs / focal points are often understaffed, with many competing demands on staff. Benchmarking analysis shows that country coordination mechanisms function best when they are supported financially and with training over the long-term. The level of financial</p>	<p>Partially agree.</p> <p>The Secretariat agrees that further measures can be undertaken to enhance the capacities of NDAs or focal points. While a handbook titled “Engaging with the Green Climate Fund: A resource guide for national designated authorities and focal points of recipient countries” was developed in 2015 to reflect key Board decisions taken in the early years of the GCF, the Secretariat will update it to incorporate new roles/responsibilities foreseen for NDAs/focal points in subsequent decisions since 2015. Such an updated handbook will also include examples of good practices by different developing countries.</p> <p>Financial support is being provided to NDAs or focal points as well as DAEs through the Readiness Programme evolving to</p>	Low	<p>On 13 July 2022, the Secretariat updated NDAs, Readiness delivery partners and AEs on operational improvements to the GCF’s Readiness and Preparatory Support Programme.</p> <p>The Updated Strategic Plan (USP) for the GCF 2020 -2023 (decision B.27/06, annex VI) says in paragraph 17 that the Readiness Programme will continue supporting capacity-building for NDAs and DAEs. The USP’s strategic objective of catalysing private sector finance at scale also mentions strengthening capacity among NDAs, AEs and local private sector partners. This strengthening will support private investments in climate activities, including supporting climate-oriented local financial systems, institutions, markets, and green banks (decision B.27/06, annex I, para.21(a)).</p> <p>The Secretariat clarified that it has provided training regarding the GCF to NDAs/focal points through several avenues. These include webinars, peer-to-peer virtual learning sessions, NDA-targeted training materials such as the 2015 handbook ‘Engaging with the Green Climate Fund’, in-person training (pre-COVID-19), virtual workshops and structured dialogues. The Secretariat also provided technical assistance in the form of enhanced support for co-developing Readiness proposals and funding proposals that include public and private sector engagement.</p>

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	<p>support could, for instance, be in the form of salary top-ups. Overall, this is likely to vary among countries. The experience of other global funds has shown that these amounts do not need to be substantial but can be critical and should be paired with sustained training.</p> <p>NDAs / focal points need a clearer mandate for the oversight role they are expected to play during project implementation.</p> <p>NDAs / focal points need to be recruited, trained and supported for engaging the private sector in-country and internationally.</p>	<p>provide long-term financial support for up to 2-3 years needed to augment their capacities. The Secretariat would need to assess the benefits and risks of salary top-ups, and present it for Board consideration.</p> <p>In the meantime, the Secretariat is exploring other options such as short-term and long-term expert placements for NDAs or focal points and DAEs.</p> <p>As for the oversight role of the NDAs/focal points, this is spelled out in both the Best Practice Guidelines for Establishing NDAs/focal points as well as the Monitoring and Accountability Framework.</p> <p>The Secretariat is also stepping up its efforts to systematically train NDAs/focal points on the GCF, including on private sector engagement, and is also increasingly providing Readiness support to NDAs/focal points to strengthen their private sector engagement.</p>		<p>The Secretariat underscored that it has not assessed nor considered “topping-up” NDA salaries. This has not been considered, as this could lead to various non-compliance issues with national civil service commission laws regarding public servant salaries.</p> <p>The Secretariat indicated that in relevant and appropriate countries such as those considered SIDS and LDCs, it has encouraged NDAs/DAEs to use Readiness resources to embed long-term consultants. Consultants can provide direct support in conducting the functions GCF requires from NDA/DAE offices. Such functions may include supporting NDA coordination, developing CPs and supporting reviews of proposals for NOL processes. The Secretariat indicated that this form of capacity support to NDAs has been successful in a number of countries.</p> <p>Furthermore, the Secretariat underscored that, in addition to long-term local consultant support, the GCF Readiness grant also provides Project Management Budget and AE fee to support the NDA with project oversight, management and administrative costs, including costs for administrative staff, auditing and Project Management Unit operations.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
2b	<p>Strengthen and re-structure the Secretariat and (its divisions) by building the right incentives and opportunities for staff to provide advisory support to countries that maximizes impact on countries' climate needs and strengthens countries' ownership of GCF investments.</p> <p>The Secretariat should re-organize itself with the aim of providing the best solutions and support to countries. Countries need access to GCF representatives who have detailed knowledge of both the GCF and national and regional circumstances, and who can provide technical assistance to countries.</p>	<p>Agree.</p> <p>The Secretariat has been restructured to strengthen its support to countries. It has also further integrated country and regional managers into the teams reviewing concept notes and funding proposals to ensure greater alignment with country ownership principles, and into the teams monitoring progress during implementation. The GCF onboarding and performance management systems are also being developed to further reinforce incentives for all staff to strengthen country ownership. In addition, the Secretariat is increasing technical assistance capacity through the Readiness Programme to support the planning and project development needs of countries.</p>	Substantial	<p>GCF performance is driven by its USP, adopted by Decision B.27/06. GCF/B.31/Inf.02/Add.02 outlines the Secretariat's progress report on the implementation of the USP 2020–2023. The Secretariat's report claims the Readiness Programme now delivers more sophisticated country support interventions.</p> <p>As noted in the Management Response, the Division of Country Programming (DCP) was restructured in 2020. The June 2022 GCF Appraisal Guidance clarifies the DCP's responsibilities for coordinating and reviewing CPs. It also explains the DCP's responsibility within the project idea development phase in Stage 1 / CIC1, alongside the role of NDAs, investment criteria and sustainability appraisal.</p> <p>Additionally, the Secretariat indicated that country ownership, including engagement with NDAs, AEs and DPs, is tracked in the DCP's corporate and divisional performance indicators. The Secretariat listed the following indicators as relevant:</p> <p>KPI 1.1 "Coordinated engagement of NDAs, AEs and DPs on USP and GCF-1 programming goals." Within KPI 1.1, there are sub-KPIs that track and monitor country ownership and engagement. KPI 1.1.1. "Fund-level programming communications and guidance developed and maintained" related to the Secretariat's participation in country events. KPI 1.1.2. "10 dedicated programming engagements" is linked to participation in country-level dialogues, which involves active engagement with NDAs, including topics related to country programming.</p>

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				<p>KPI 1.2 “Number of country programmes and multi-annual entity work programmes endorsed with aligned, GCF-facing investment plans and pipelines.” This indicator includes specific targets for CPs and entity work programmes.</p> <p>The IEU notes that KPI 1.1.1 and 1.1.2. were introduced in the 2022 work programme while targets under KPI 1.2. were introduced in the 2021 work programme.</p>
2c	<p>Pursue CPs only if their purpose and clarity are developed and well communicated. GCF should develop a CP strategy that provides:</p> <p>A sound rationale and clear incentives for countries to develop CPs that explain how CPs may contribute to fostering agreement between government and non-government actors on GCF investment priorities. The CP strategy should also indicate how CPs may support paradigm-shifting and high-impact objectives of the GCF.</p> <p>An indication of the scale of resources that will be programmed by the GCF both globally and by country during</p>	<p>Partially agree.</p> <p>The development and submission of CPs forms stage 1, step 1 of the proposal approval process. Thus, the purpose of the CPs are intended to generate country-driven pipelines informing Accredited Entity Work Programmes (EWPs) for the priority pipelines to be developed into CNs and FPs, and also to inform the development of relevant RFPs. However, the lack of detailed guidelines, a flexible approach to CPs and the parallel processing of CNs and FPs while countries were still in the process of developing their CPs have not adequately served this purpose. To address this, the Secretariat has developed programming and</p>	Medium	<p>The Secretariat published the GCF Programming Manual and the Operations Manual in July and August 2020, respectively. The Programming Manual mainly targets external stakeholders and clarifies the different steps of the GCF project/programme lifecycle. In contrast, the Operations Manual is an internal document that details the processes, roles and responsibilities of the Secretariat’s units during the cycle. Both manuals identify CPs and entity work plans (EWP) as the main GCF origination channel. The Operations Manual states the need for alignment between CPs and EWPs. It identifies alignment with CPs as one element in the review of FPs by the CIC2. The Programming Manual also highlights the CPs’ objectives, including ensuring stronger country ownership, stakeholder buy-in and project prioritization in the GCF pipeline (p.8).</p> <p>The Country Programme Guidance was published in January 2021 and further clarifies the different components of a CP. Notably, the guidance encourages countries to align with the GCF’s strategic plan and related sector guidance for a given programming cycle.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	<p>its strategic plan period. Benchmarking analysis shows the importance of this in contributing to country-level planning. So far this guidance has been informally communicated which is not propitious for transparency and predictability. Clear guidance on GCF eligibility considerations, investment criteria, and funding modalities is required and should inform pipelines in CPs to help ensure they are compatible with GCF objectives. Benchmarking analysis shows that, when CP processes fall short on these points, they are not effective in identifying project ideas that are eligible for funding, especially where country stakeholder capacities are low.</p>	<p>operations manuals to clarify and reinforce the role of CPs in the project cycle and has also developed further guidance on CPs building on the initial general guidelines for country programmes provided for by the Board (decision B.08/11, annex XVII) for countries to develop CPs that will help the GCF better achieve the intended purpose of CPs.</p> <p>The scale of resources to be programmed globally will be driven by the Strategic Plan when adopted by the Board. In this context, the Board may also consider the scale of resources to be programmed by each country or groups of countries as may be appropriate.</p>		<p>The GCF's USP for 2020-2023 sets a goal of programming 40 per cent of available resources by the end of 2021 and 95 per cent by the end of 2023 (decision B.27/06, Annex VI, para. 28(a)). The plan does not consider the scale of resources programmed by country.</p>
2d	<p>Take leadership in building a 'choice- architecture' that provides the capabilities, opportunities and motivations for countries and GCF Secretariat staff to choose and</p>	<p>Partially agree.</p> <p>The development and submission of CPs forms stage 1, step 1 of the proposal approval process. Thus, the purpose of the CPs are intended to generate country-</p>	Low	<p>The Secretariat published Country Programme Guidance in January 2021. The guidance further clarified the CPs' different components. Notably, the guidance encourages countries to align with the GCF's strategic plan and related sector advice for a given programming cycle. The IEU notes that the</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	<p>use DAEs and strengthen ownership by countries.</p> <p>One key opportunity is to ask mature IAEs to co-develop and/or co-implement GCF investments jointly with nominated DAEs. GCF may generate the second opportunity through the planned GCF accreditation strategy. Among other issues, this strategy should address critical questions concerning the goal of accreditation and direct access (beyond process) as identified through this evaluation. These include whether accreditation is mainly concerned with creating a portfolio of entities that are able to manage GCF investments? Or a portfolio of entities that are climate finance ready, beyond GCF?</p> <p>The GCF should also encourage and incentivize countries and DAEs to take a more strategic approach to nominations for direct access for the medium- and longer-term future. CPs</p>	<p>driven pipelines informing Accredited Entity Work Programmes (EWPs) for the priority pipelines to be developed into CNs and FPs, and also to inform the development of relevant RFPs.</p> <p>However, the lack of detailed guidelines, a flexible approach to CPs and the parallel processing of CNs and FPs while countries were still in the process of developing their CPs have not adequately served this purpose. To address this, the Secretariat has developed programming and operations manuals to clarify and reinforce the role of CPs in the project cycle and has also developed further guidance on CPs building on the initial general guidelines for country programmes provided for by the Board (decision B.08/11, annex XVII) for countries to develop CPs that will help the GCF better achieve the intended purpose of CPs.</p> <p>The scale of resources to be programmed globally will be</p>		<p>document provides limited guidance on how to approach nominations for direct access strategically.</p> <p>The Secretariat has also clarified the process in two publications: (i) the GCF Operations Manual, published internally in August 2020 and revised in October 2020, and (ii) the GCF Programming Manual, published in July 2020.</p> <p>In the USP's 2020-23 strategic objective for strengthening country ownership programmes (decision B.27/06, annex I, para.13b), the Board says it will aim for geographical balance and equitable funding across mitigation and adaptation when determining funding allocation parameters and guidelines for the GCF-1 period. The plan does not consider the scale of resources programmed by country.</p> <p>The draft PCN on CO also recommends that IAEs increasingly partner with DAEs for proposal development, capacity building and implementation management. Such partnerships will benefit IAEs and DAEs by taking advantage of their expertise and experience. However, the PCN is still under review.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	and/or country climate finance strategies should drive the decision on the type and number of entities nominated. More clarity from the GCF on resource availability and priority focus areas would help encourage more strategic nominations.	driven by the Strategic Plan when adopted by the Board. In this context, the Board may also consider the scale of resources to be programmed by each country or groups of countries as may be appropriate.		

Annex VII: Management Action Report on the Independent Evaluation of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System

1. Decision B.BM-2021/07 established the Green Climate Fund's Evaluation Policy (see document GCF/BM-2021/09). This Policy describes how all evaluations (or reviews or assessments) submitted by the IEU to the Board will have an official management response prepared by the GCF Secretariat (prepared in consultation with relevant GCF stakeholders) to inform Board decision-making (see paragraph 58 (g) / appendix III).
2. Management action reports are prepared by the Independent Evaluation Unit and received by the Board to provide an overview of the Board's consideration of the recommendations, respective management responses, and the status of implementation (see GCF/BM-2021/09, paragraph 28, paragraph 64 (b) / appendix I / appendix III).
3. In preparing this MAR, the IEU considered the Secretariat's management response to the Independent Evaluation of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System (GCF/B.27/13/Add.01). Decision B.30/11 invited members and alternate members of the Board to consider the findings, recommendations, and corresponding secretariat management response of the Independent Evaluation of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System (hereafter ESS evaluation) alongside four other IEU evaluations. As requested in this decision, the IEU prepared a summary of views expressed by members and alternate members of the Board on each evaluation. This summary was annexed to the IEU's 2021 Annual Report (GCF/B.31/Inf.09).
4. All submissions agreed with the recommendations around giving more weight to environmental and social benefits for projects to incorporate co-benefits and counterbalance perceived risks. The recommendation concerning the need for an accreditation strategy and for reaccreditation to consider the extent to which entities have pursued co-benefits and ES performance and responsible investing principles was duly noted and appreciated.
5. Questions were raised across the submissions on how well the Integrated Results Management Framework (IRMF) integrates and reflects some of the recommendations from the evaluation and also what the next step would be in improving the GCF's ESS in view of the IRMF. Some Board members, through the submissions, requested the Secretariat to duly consider the recommendations of this evaluation when preparing a draft of the new ESS standards, also echoing the need for the standards to go beyond "do no harm".
6. Through the submissions, some Board members also noted that the evaluation would have benefitted from articulating the need for future ESS standards to incorporate requirements for conflict-sensitive analysis and considered that the topic of how best to prevent and address reprisals and retaliation was missing from the evaluation.
7. Of the 37 recommendations and sub-recommendations of the evaluation, the Secretariat's management response agrees with 29 recommendations and sub-recommendations and partially agrees with 8. The Secretariat did not disagree with any of the recommendations.

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

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

9. In terms of the progress made with the adoption of the 37 recommendations and sub-recommendations set out in the evaluation, the rating "high" is given to four recommendations, the rating "substantial" is given to four recommendations, the rating "medium" is given to 12 recommendations and one sub-recommendation, and the rating "low" is given to 12 recommendations and four sub-recommendations.

No.	IEU recommendations	Management response	IEU rating	IEU comments
TOPIC 1: Coherence of the ESS and ESMS				
1.1	The GCF's planned revision of its interim ESS standards needs to address gaps identified in this evaluation and should be customized to GCF's mandate. [Within a year].	Agree. The Secretariat agrees that the GCF's planned revision of its interim ESS standards needs to consider the gaps identified in the evaluation that is suited to its climate mandate in consultation with both internal and external stakeholders. The adoption of the new ESS has been included in the Board Workplan for 2020-2023.	High	The Secretariat completed the draft Environment and Social Safeguards Standards (ESS) in March 2022. A stakeholder consultation event took place in April 2022 with stakeholders and civil society. The Secretariat has confirmed that the final stage, Stage 3 Sharing for public consultation, has since commenced. Circulation with the Board has yet to be determined.
1.2	The GCF's planned revision of its interim ESS standards and the development of its ESMS must ensure environmental and social performance and co-benefits, as well as responsible investing principles, are integrated into the GCF's ESMS. [Within a year].	Agree. The Secretariat agrees that GCF must ensure that environmental and social performance co-benefits, as well as responsible investing principles, are integrated to the GCF's ESMS. Currently, these are embedded within various GCF policies and frameworks. Identification of co-benefits within funding proposals at the design and review stage are stipulated in the <i>initial</i> investment framework, while reporting of environmental and social performance will be covered by the draft Integrated Results Management	Substantial	The Board adopted the <i>integrated</i> results management framework (IRMF) at B.29 in decision B.29/01, Annex I. The <i>initial</i> results management framework, adopted at B.08 in decision B.08/07, advised that (i) mitigation interventions report on at least one co-benefit and (ii) the identification of adaptation co-benefits was not critical (GCF/B.07/04, para. 24). The IRMF puts more emphasis on identifying and reporting co-benefits. Notably, co-benefits must now be at the same level as the project/ programme outcomes level in the theory of change diagram submitted in section B2(a) for the proposal approval process (PAP) and D2 for the simplified approval process (SAP) (Guidance Note to support the completion of the IRMF elements of the

No.	IEU recommendations	Management response	IEU rating	IEU comments
		<p>Framework (IRMF). The IRMF proposes a framework that would allow co-benefits to be identified and reported more systematically by AEs. Until an updated framework is adopted by the Board, the Secretariat shall be guided by the current investment and results management frameworks.</p>		<p>revised funding proposal template for PAP and SAP, Figure 3, p. 9.).</p> <p>All co-benefits listed in sections B2(a) and D2 are further elaborated in section D3 regarding ‘sustainable development potential’ in the respective FP templates for the PAP and SAP. The IRMF also introduced a new section for mapping outcomes to GCF result areas and categorizing co-benefits (see B2(b) for PAP and B2.2 for SAP).</p> <p>Further, if co-benefits are identified, corresponding indicators should be included in the FP templates’ logframe along with a baseline, means of verification (MoV), and mid-term and final targets (section E5 for PAP/ Annex 2a – section 3 for SAP). The Guidance note also explains how to differentiate between cross-cutting projects and projects with mitigation/adaptation co-benefits and includes examples from GCF-funded projects (p.8).</p> <p>However, the IRMF still does not mandate accredited entities (AEs) to report project co-benefits in their annual performance reviews (APRs). In line with the <i>initial</i> RMF’s practice, AEs are encouraged to add and monitor co-benefits under respective project/programme level logframes. The Secretariat stated that co-benefit indicators are required to be monitored and reported on in the APRs. Although the IRMF policy does not explicitly require reporting on these indicators (as indicated above).</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				The integration of considerations made by the IRMF into the GCF's ESMS are yet to be articulated.
1.3	The Secretariat should also focus on setting up operational guidance as well as reporting and monitoring systems that focus not just on environmental and social risks but also on performance and co-benefits. [Within a year].	<p>Agree.</p> <p>The Secretariat agrees in principle with the value of setting up operational guidance as well as reporting and monitoring systems that focus not just on environmental and social risks but also on performance and co-benefits. The draft IRMF proposes a framework that would allow environmental and social co-benefits to be identified and reported more systematically by AEs. Subject to adoption of this by the Board, the Secretariat could implement relevant operational guidance.</p>	Substantial	<p>As described in recommendation 1.2, under the IRMF AEs are encouraged to add and monitor co-benefits. AEs can also report co-benefits in a narrative format (Decision B.29/01, Annex I, para. 35-36). However, this is not mandatory.</p> <p>Regarding setting up operational guidance, the Secretariat published a guidance note to support the completion of the IRMF elements of the revised funding proposal (FP) template for PAP and SAP. The guidance emphasizes identifying and capturing environmental and social co-benefits in FPs.</p> <p>Additionally, the draft IRMF Results Handbook includes guidance on monitoring, reporting and communicating project results. The document notes that where co-benefit indicators have been included in the logframe, AEs should report progress against these within the APR (p.28). However, no further details are provided on how to monitor and report project/programme level results.</p> <p>The Secretariat indicated that it also plans to update the APR template with the IRMF-related reporting requirements and other changes.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
1.4	<p>The development of the new ESMS should consider:</p> <p>a) specific and tailored guidance on newly adopted ESS, clarifying how the environmental and social principles of the ESP are integrated into screenings, environmental and social assessments, and due diligence processes used by the Secretariat.</p>	<p>Partially agree.</p> <p>The Secretariat envisions that the new ESS should contain sufficient guidance on the matter so that it will not be necessary to develop additional guidance documents. However, after the Board adopts the new ESS, the Secretariat will assess whether further guidance documents are necessary. This is included in the Board Workplan for 2020-2023.</p>	Low	<p>The Secretariat has indicated that it will assess if further guidance documents may be addressed after the Board's adoption of the new ESS standards.</p> <p>The Secretariat also noted that the Revised environmental and social policy, Indigenous Peoples Policy, and the Updated Gender Policy will be reviewed on an "as needs" basis.</p>
	<p>b) specific guidance for human rights due diligence.</p>	<p>Agree.</p> <p>The Secretariat will endeavor to address this issue, and stand guided by the Board as to what is included in the new ESS to be considered by the Board.</p>	Medium	<p>The Revised environmental and social policy adopted in decision B.BM-2021/18 (and applicable to all projects from B.32 onwards) includes human rights as a guiding principle and as part of the environmental and social assessment. Consequently, all activities are screened for potentially adverse impacts on promoting, protecting, respecting, and fulfilling human rights.</p> <p>The Secretariat stated that the Board's determination will guide it on human rights considerations in the draft ESS Standards.</p>
	<p>c) a stakeholder engagement policy.</p>	<p>Agree.</p>	Low	<p>The Revised environmental and social policy adopted by the Board in decision B.BM-2021/18 includes the</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		<p>The Secretariat agrees that there is room for strengthening stakeholder engagement processes within countries and has been mandated by the Board to develop best practice options for stakeholder engagement. While the Fund has no stand-alone stakeholder engagement policy, the GCF is guided by the initial best practice options for country coordination and multi-stakeholder engagement. In addition, stakeholder engagement is one of the principles guiding how GCF will implement the ESMS. At the project-level, a GCF Guidance Note on Designing and ensuring meaningful stakeholder engagement on GCF-financed projects has been developed. The Secretariat stands guided by the Board as to the need to develop a Stakeholder Engagement Policy. Notwithstanding, the Secretariat will consider this in the development of the new ESS.</p>		<p>guiding principle of broad multi-stakeholder support and participation. The policy says this will be supported by disclosing relevant details under the GCF Information Disclosure Policy (decision B.12/35, paragraph (a)). In addition, under paragraph 12, the Secretariat is responsible for ensuring that persons, communities and countries affected or potentially affected by activities are consulted and, where required, that free, prior and informed consent of indigenous peoples is obtained (alongside access to the Independent Redress Mechanism). The GCF 'Sustainability guidance note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects' was updated and published on 1 May 2022.</p> <p>The Secretariat underscored that the Evaluation Operational Guidelines and Procedures, which are being drafted, will set out recommended steps for building stakeholder engagement at various stages of interim and final evaluations.</p> <p>However, these would serve as operational guidance and would not constitute a separate stakeholder engagement policy.</p>
	d) specific and tailored guidance for the implementation of the gender policy that in	<p>Agree.</p> <p>The Secretariat is developing an operational manual as guidance for the implementation of the updated gender</p>	Low	<p>The Board adopted the Gender Policy in decision B.24/12. As of 19 July 2022, the stated guidance for the implementation of the updated Gender Policy was not accessible internally or externally.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	turn adheres to international standards.	policy. The Secretariat agrees that this should adhere to international standards.		The Secretariat indicated that an update to the “Mainstreaming Gender in Green Climate Fund Projects” (published in 2017) has not been completed due to capacity constraints.
	e) monitoring and reporting tools, including a monitoring policy for ESS, environmental and social performance and co-benefits. [Within a year].	Agree. The Secretariat agrees with the value of establishing monitoring and reporting tools on environmental and social performance and co-benefits. It notes that it would be timely to do so after the Board’s consideration and adoption of an IRMF, at the same time as relevant guidance and templates are updated.	Low	<p>The IRMF was adopted in decision B.29/01 and came into force at B.32. The IRMF includes environmental, social and gender categories of co-benefits. The Secretariat stated that once an AE identifies a co-benefit and includes the relevant indicators, these will be monitored and reported in the APRs as part of the logframe.</p> <p>However, as described in recommendation 1.2, the IEU notes that the IRMF only encourages such reporting in APRs and further notes that the APR template still lacks the IRMF-related reporting requirements and other changes. As previously mentioned, the Secretariat anticipates completing the update by 2023.</p> <p>The Secretariat further indicated that it is planning to initiate the revision of the Programming Manual towards the end of 2022, which may include further guidance on using monitoring and reporting tools for results.</p>
1.5	The GCF should plan to deal with the capacity gap of DAEs as it develops its new ESS standards. GCF's	Agree. The Secretariat currently addresses the capacity gap of DAEs through readiness support. This is available for all DAEs	Low	One of the GCF’s RPSP objectives is the support of DAEs. However, as indicated by the IEU in its ESS evaluation, there is a lack of explicit outcome indicators for ESS capacity-building (p. 10).

No.	IEU recommendations	Management response	IEU rating	IEU comments
	<p>ESS/Sustainability Unit could learn important lessons from other agencies' experiences with direct access. [Within a year].</p>	<p>who have become accredited and must satisfy conditions related to ESS matters. DAEs may also be the beneficiaries of readiness support to help them comply with other Board-approved policies of the fund, including the new ESS standards, once it has been adopted by the Board.</p>		<p>The 2020 publication of the RPSP Guidebook includes an indicative list of activities for readiness support, presented in Annex II of the Guidebook. This list includes building the capacity of accredited DAEs regarding GCF activities related to ESS, the gender policy and action plan, and monitoring, reporting, and evaluation.</p> <p>The GCF's Executive Director endorsed the Readiness Results Management Framework (RRMF) in February 2022. It is expected to launch in Q3 of 2022 (GCF/B.33/07, Annex III, para.7). The RRMF aims to allow NDAs and other delivery partners to report the results from readiness grants, thus helping the GCF to better capture the RPSP's outcomes. Two informational webinars were held on 6 July 2022. As of 22 July 2022, the RRMF is not available internally or externally on the GCF website.</p> <p>The Secretariat stated that RRMF indicators related to DAE accreditation do not focus specifically on the ESS. It also underscored that, to secure or maintain their accreditation status, DAEs must meet GCF standards based on financial standards, EES, and gender among other requirements.</p> <p>The Secretariat also underscored that the functions of the Indigenous Peoples Advisory Group (IPAG), established in 2022, include providing advice to accredited entities, including DAEs, on GCF-financed activities affecting indigenous peoples and reviewing</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				and monitoring the implementation of the Indigenous Peoples Policy, particularly on the appropriate modality to enhance dialogue among indigenous peoples, GCF, states, accredited entities and executing entities, and other experts.
1.6	The GCF should commit to assessing the implementation of the updated gender policy to allow for improvements and revisions. [Within a year].	Agree. The updated gender policy was recently approved by the Board at B.24. More time will be needed to assess implementation, as only the funding proposals approved at B.25 onwards are expected to implement the policy. Further, the decision to revise the policy is a Board mandate as per the policy and should come from the Board.	Medium	<p>The Board adopted the GCF's Gender Policy in decision B.24/12. The decision sets out the updated gender policy and gender action plan across the Fund's investment criteria, and as an integrated measure of the social dividends of the overall portfolio.</p> <p>The Gender Action Plan 2020-2023 was also adopted in decision B.24/12. The Revised environmental and social policy was adopted in decision B.BM-2021/18 and applies to all projects from B.32 onwards. The policy revises and reaffirms GCF's commitment to addressing sexual exploitation, sexual abuse and sexual harassment. It also reaffirms the GCF's commitment to environmental and social considerations in its funded activities. The GCF's environmental, social, indigenous and gender policies are also affirmed in the Board's Updated Workplan for 2020-2023.</p> <p>The Secretariat clarified that the Board would consider the timing for the review of the Gender Policy when it updates its 2024-2027 work plan.</p>
1.7	The GCF must develop guidance for identifying co-benefits and ensure	Partially agree.	Medium	The IRMF was adopted in Annex I to decision B.29/01. Subsequently, the Guidance note to support the completion of the IRMF elements of the revised FP

No.	IEU recommendations	Management response	IEU rating	IEU comments
	these are monitored and reported with rigour and credibility. It should also consider responsible investing principles and adopt Key Performance Indicators (KPI) to guide projects on impact reporting concerning ESS. [Within a year].	<p>The Secretariat agrees with the value of developing guidance for identifying, monitoring and reporting on co-benefits. The Initial Investment Framework already recognizes the value of co-benefits within the Sustainable Development criteria. Funding proposals with co-benefits will rate high as compared with similar funding proposals without co-benefits. A further accentuation of the appeal of co-benefits will be seen in the draft IRMF, which also addresses the identification and reporting of co-benefits. However, the development of the IRMF and the guidance accompanying it may take more than a year.</p> <p>As mentioned earlier, responsible investing principles are already incorporated within GCF's policies and frameworks.</p>		<p>template for PAP and SAP was published in January 2022. In addition, the draft IRMF Results Handbook was published on 19 May 2022. These documents provide guidance on identifying and capturing information on environmental, social, economic and gender-related co-benefits.</p> <p>The Secretariat said that once an AE identifies a co-benefit, it will be incorporated into the logframe. The Secretariat further claimed that co-benefit indicators will be monitored and reported. However, as indicated above in the IEU comment for recommendation 1.2, reporting on co-benefit indicators is not mandatory but only encouraged.</p> <p>The Secretariat further underscored that the Guidance note to support the completion of the IRMF elements of the revised PAP and SAP FP template and the draft IRMF Results Handbook include guidance on monitoring and reporting project results, including co-benefits.</p> <p>The Secretariat also noted that given the Board's guidance during the IRMF's adoption and the AEs' varying capacities, it did not develop further detailed guidance as part of the Results Handbook.</p>
1.8	The GCF should develop clear guidance on the criterion of 'sustainable	<p>Agree.</p> <p>Sustainable development potential is recognized in the assessment of the investment criteria and is considered</p>	High	The GCF Programming Manual was published in July 2020. Table 20 of the manual explains each investment criterion and includes examples from existing GCF Board-approved FPs (pp. 113-116).

No.	IEU recommendations	Management response	IEU rating	IEU comments
	development potential'. [Within a year].	<p>during the assessment of the funding proposals.</p> <p>The Secretariat has developed a programming manual that provides clearer guidance on the criterion of 'sustainable development potential', which includes guiding questions and good examples of application in approved funding proposals. The programming manual is intended to be published within 2020.</p>		<p>Furthermore, the GCF Appraisal Guidance, published in June 2022, provides definitions for each co-benefit and a list of examples.</p> <p>Version 2 of the Investment Criteria Scorecard (ICS) was completed in 2020 and published on the GCF website in June 2022. Thus far, it has been implemented by the Division of Mitigation and Adaptation (DMA) and the Division of Private Sector Facility (DPSF). The tool includes questions to guide the assessment of FPs against the 'sustainable development potential' criteria.</p> <p>The Secretariat said it initially developed the tool for its due diligence process. However, while developing the GCF Appraisal Guidance, the Secretariat proposed providing the AEs with the ICS and other tools to facilitate due diligence and ensure consistent interpretation of GCF investment criteria between the AEs and the Secretariat.</p>
1.9	Set up operationalized mechanisms with other agencies such as the Global Environment Facility (GEF) and Adaptation Fund (AF) to enhance complementarity at the fund, national, and activity levels. In	<p>Agree.</p> <p>The Secretariat agrees that there is need for operationalized mechanisms for more complementarity and coherence. The Secretariat has been leading collaboration efforts with other Funds, including GEF and AF to identify opportunities for enhanced complementarity and coherence across</p>	Low	The Secretariat's Annual Update on Complementarity and Coherence, prepared for B.27 (GCF/B.27/Inf.12, Annex III) and B.30 (GCF/B.30/Inf.11/Add.04), examines the GCF's compliance with Board decision B.17/04 to strengthen complementarity and enhance coherence among operations and processes across climate finance institutions. The Secretariat held regular exchanges with other climate funds. The annual update does not specify whether these exchanges

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	developing the ESMS, the GCF should discuss opportunities for complementarity with the AF and GEF, including establishing more coordinated and holistic support for ESS from the RPSP. The GCF could also convene these agencies to explore an information-sharing system.	a range of operational activities. This has included structured efforts to collaborate and share information to successfully replicate, scale up, and align synergies in new programming, as well as a Climate Funds Collaboration Platform on Results, Indicators and Methodologies for Measuring Impact. The Secretariat also holds regular exchanges with all climate finance delivery channels and hosts annual meetings with other climate funds at the UNFCCC COPs where mutual progress and areas for further cooperation are assessed. There is potential to expand this collaboration into other areas, such as ESS. However, the Secretariat recognizes that additional resources are required to facilitate the creation of the platform and systems needed.		included discussions on the ESMS and/or holistic support for ESS. Additional comparative assessment with other climate funds were undertaken by the Secretariat during stage 1 of the development of the GCF ESS.
TOPIC 2: Process and operations				
2.1	The GCF should consider developing an accreditation strategy that aligns with the GCF's Strategic Priorities. Specifically,	Agree. The Secretariat notes that the draft updated Strategic Plan for the GCF contains strategic directions and	Substantial	The Updated Strategic Plan (USP), adopted in decision B.27/06, describes how the GCF will take a more strategic approach to accreditation. This will include developing alternative accreditation modalities such as the project specific assessment approach (PSAA).

No.	IEU recommendations	Management response	IEU rating	IEU comments
	re-accreditation should start to consider the extent to which entities have planned and realized co-benefits and climate, environmental, and social performance in their overall portfolios and recognized responsible investing principles. The GCF should ensure that the desk-based assessment undertaken during accreditation is replaced by a more robust procedure for assessing an AE's institutional capacity to monitor and report on the implementation of ESS management measures and environmental and	<p>priorities related to accreditation including:</p> <p>(a) That moving ahead both accreditation/re-accreditation should be linked to value-addition to programming and filling gaps in coverage relative to countries' programming priorities;</p> <p>(b) To increase the share of DAEs and their role in programming</p> <p>(c) To ensure reaccreditation takes into account overall portfolio performance.</p> <p>The updated Strategic Plan for the GCF also indicates that a further analysis of the AE portfolio will be done to provide evidence to inform where the strengths and gaps in coverage and capabilities are, which could then inform a Board prioritization decision.</p> <p>In addition, the Secretariat has supported the Accreditation</p>		<p>Subsequently, the Updated Accreditation framework of the GCF was adopted by the Board in Annex IV to decision B.31/06. The document included the introduction of the Project-specific assessment approach (PSAA).²³</p> <p>Decision B.31/06/annex 4 also clarifies that the Accreditation Panel shall use independent consultants or firms, under the guidance of the Accreditation Panel, to conduct its review of applications in Stage II.</p> <p>Finally, an accreditation strategy was submitted for Board consideration in document GCF/B.33/08. The document proposes a hybrid operating model with transformative programming targets and AE capacity development objectives. The document is pending the Board's approval.</p>

²³ The document also revised the scope of the review under Stage II. As per the updated framework, the stage II process (Institutional accreditation review process and decision) now only includes two steps: (1) the review of the application for accreditation to be conducted by the Accreditation Panel; and (2) the decision on the application, to be made by the Board on the basis of the outcome of the review and recommendation of the Secretariat from Stage I and the Accreditation Panel from Stage II (Step 1).

No.	IEU recommendations	Management response	IEU rating	IEU comments
	social performance. [Within a year].	Committee in its development of an updated Accreditation Framework, which includes recommended improvements to the current institutional accreditation framework and proposed the project-specific accreditation approach. The recommendations include the consolidation of technical reviews fully under the Accreditation Panel (AP) (rather than having it also partly under the Secretariat during Stage I), and that the AP shall utilize a panel of firms to conduct its due diligence. The intent of requiring the AP to utilize such firms is to not only address capacity constraints, but also to facilitate language barriers and in-person presence through firms with local/regional/global presence. Beyond this, the AP conducts site visits for applicants, however, the extent of travel is contingent upon availability of budget, extent/duration of site visits needed, etc. The updated Accreditation Framework remains under consideration by the Board and is included within the Board Workplan for 2020-2023.		

No.	IEU recommendations	Management response	IEU rating	IEU comments
2.2	Increase support available to candidate DAEs before and after accreditation to address ESS requirements through the RPSP. [Within two years].	<p>Agree.</p> <p>The Secretariat agrees to increase support to DAEs post accreditation to address ESS requirements which is readily available through readiness support. The Secretariat aims to make available training modules to build capacity and expertise of DAEs on ESS. Considerable readiness support is already available for entities prior to accreditation. This includes support for the identification and nomination of potential DAEs. The Readiness Programme also offers customized capacity assessments against the fund's accreditation framework for nominated DAEs as well as tailored capacity building support to close identified accreditation gaps for ESS and other areas. The Secretariat can provide more guidance to ensure NDAs and candidate DAEs are aware of this pre-accreditation support to increase uptake.</p>	Medium	<p>The Secretariat's B.29 Activity Report (GCF/B.29/Inf07, para. 83(b)) listed environmental and social assessments, gender, and monitoring and evaluation as options when developing DAE training modules as part of the GCF's project development implementation. However, none of the subsequent Secretariat activity reports indicate progress in this proposed capacity-building initiative. The development of ESS training modules was also included as a goal in the RPSP work programme and budget for 2022-2023 (GCF/B.33/07, para 7(d)).</p> <p>The RPSP Guidebook, published in March 2020, indicates that readiness support is available to "candidates for accreditation and those DAEs already accredited" (p.24). The indicative list of readiness support activities in Annex II of the RPSP Guidebook includes "building the capacity of accredited direct access entities in relation to the GCF activities, in areas such as ESS, the GCF gender policy and action plan, and monitoring, reporting and evaluation" (p. 42). To facilitate broader stakeholder access, the RPSP Guidebook is available in English, Arabic, French and Spanish (GCF/B.33/07, Annex III, para. 30).</p> <p>Additionally, the Secretariat foregrounded dedicated technical assistance through its roster of firms to address accreditation gaps for ESS requirements. The Secretariat also stated that it has improved awareness</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				of the RPSP resources available to Delivery Partners (DPs) in meeting the update of the ESS policies.
2.3	Track and report on RPSP support for ESS capacity for candidate DAEs. [Within two years].	Agree. The Secretariat tracks and reports capacity support provided to DAEs. To the extent possible, the Secretariat will report on the capacity support provided specific to ESS.	Low	See IEU Comment on recommendation 1.5. Further, the Secretariat stated hiring a DAE manager will assist in tracking and reporting on RPSP support for ESS capacity for DAEs.
2.4	Consider a radical surgery on the PPF, based on its poor performance, to improve the processing times and targeting of the PPF. [Within two years].	Partially agree. The Secretariat has already taken action with regards to improving the processing times of PPF. The PPF application process has been revised and simplified in April 2020. Through this new process, we expect that the overall processing time will be greatly reduced. In addition, the Secretariat is providing different access options to PPF, which include, for example, the possibility for accredited entities to be directly supported in the preparation of their projects/programmes by a roster of highly qualified firms. On targeting, the Board decided PPF should support all AEs, especially DAEs, especially for projects in the	Medium	Decision B.27/06's reference to the USP states that the Project Preparation Facility (PPF) will be used more efficiently to build lasting institutional capacity by allocating adequate and predictable resources. The Secretariat explained that the PPF processing time had been reduced to 160 days. The Secretariat stated it is pursuing different measures to further reduce processing times for PPF Funding and PPF Service modalities. These measures may include re-directing Secretariat resources towards processing a larger volume of PPF requests from DAEs and AEs (including via PSAA) in GCF-1.

No.	IEU recommendations	Management response	IEU rating	IEU comments
		<p>micro-to-small size category. Currently, two thirds of the projects in PPF's pipeline and portfolio are supporting projects from DAEs to develop micro-to-small sized underlying projects.</p> <p>The Secretariat has also improved the coordination between the PPF and the Readiness Programme to ensure that there is appropriate support to DAEs/NDAs at the onset of the concept note development, which is intended to seek PPF support.</p>		
2.5	Develop a systematic result monitoring and measurement system to monitor and report the progress and outcomes of the PPF. [Within two years].	<p>Agree.</p> <p>The Secretariat currently has a system to monitor PPF pipeline and portfolio information. It is used to track individual PPF's status, progress and the final outcome, which is the submission of a funding proposal to the GCF. This system is also used for providing data to report PPF status at each Board meeting. The Secretariat continues to improve the system to reflect any new changes and requirements.</p>	Medium	<p>Since B.25, when the ESS evaluation was first submitted for the Board's consideration, the Secretariat has published updated PPF Guidelines (October 2020). According to the guidelines, AEs must report to the GCF Secretariat or the GCF's designated agent on an agreed schedule against deliverables and budget outlined in the approved PPF application (p.13). The AEs must also report all completed technical deliverables and provide interim progress and completion reports (p.13). The Secretariat uploaded templates for the Project PPF Progress Report and the PPF Completion Report to the GCF's website in June 2020. Both templates include sections titled "Reporting on Project preparation activities." These allow AEs to summarize completed PPF activities, outputs, milestones, and deliverables.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				The Secretariat stated that it maintains a dashboard to monitor aspects of the PPF pipeline and portfolio, including tracking of funding, PPF status, progress towards completing PPF deliverables, and the number of FPs delivered via PPF support. The United Nations Office for Project Services (UNOPS) provided the Secretariat with an additional dashboard. The UNOPS-developed dashboard shows the status of grant agreement negotiations, implemented activities, and submitted reports. It also provides a repository for documents relevant to reporting and monitoring progress and outcomes.
2.6	Ensure that the Secretariat continues to be engaged throughout the implementation stage of the PPF. [Within two years].	Agree. The Secretariat remains engaged throughout the implementation stage of all PPF applications, including monitoring the implementation status, continuous engagement with accredited entities, and providing additional support applying adaptive measures where required.	Medium	<p>According to the PPF Guidelines, published in October 2020, when AEs report to the Secretariat or the GCF designated agent, they use the PPF progress report template and attach their completed deliverables to the reports (p.13).</p> <p>Following the published guidelines, the Secretariat stated that it is involved in the reporting and review of PPF implementation. Reporting requirements vary based on the relevant agreements. Regarding PPF Service, the Secretariat confirmed that, along with the AE, it reviews the outputs produced by the firms to ensure alignment with GCF policies and standards.</p> <p>Regarding PPF Service, the Secretariat confirmed that, along with the AE, it reviews the outputs produced by</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				the firms to ensure alignment with GCF policies and standards.
2.7	Reviews options to increase awareness of the PPF amongst stakeholders; increase staffing. [Within two years].	Agree. The Secretariat is currently taking action to increase awareness amongst stakeholders with regards to PPF. An updated guidance on the PPF will be released in 2020, translated into French, Spanish and Arabic. Webinars and other outreach activities will also be organized to increase awareness of the PPF. Increased staffing would be helpful to make sure the Secretariat has the needed capacity to rollout PPF plans and activities.	Medium	<p>The Secretariat updated the PPF guidelines on 16 October 2020 and provided translations in French, Spanish and Arabic.</p> <p>The Secretariat also updated a range of PPF documents after the publication of the ESS evaluation in February 2020.²⁴</p> <p>Since B.28, one technical programming webinar for NDAs and DAs across Asia (see GCF/B.28/Inf.10) featured the PPF. As of 19 July 2022, no webinar resources were referenced on the GCF PPF resources page.</p> <p>The Secretariat stated it has produced and shared infographics and explainer videos with relevant stakeholders. Moreover, the Secretariat indicated it included dedicated sessions in GCF regional programming dialogues and uploaded the recordings to the GCF website's events page.</p>

²⁴ These documents include : (i) the PPF audit report template (12 July 2021), (ii) the Project Preparation Facility audit terms of reference template (12 July 2021), (iii) the Letter of Request for Change of Approved Project Preparation Facility Application (15 February 2021), (iv) the Simplified PPF Funding Application (4 September 2020), the PPF Service Application (4 September 2020), (vi) PPF Confirmation of Services letter (4 September 2020), (vii) PPF Progress Report template (22 June 2020), and (viii) Project Preparation Facility Completion Report template (22 June 2020).

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				<p>The IEU noted eight documents which have not been updated since the cover date of the management response.²⁵</p> <p>The Secretariat stated that documents not yet updated will be revised in due course, especially after any changes in the templates are approved by the Board.</p>
TOPIC 3: Project design and approval				
3.1	Strengthen the process for identifying environmental and social performance and co-benefits and ensure they are robustly assessed and reported during the due diligence process by the Secretariat. [Within a year].	<p>Agree.</p> <p>The Secretariat currently identifies environmental and social performance and co-benefits through the investment criteria under the Investment Framework of the GCF. The draft Integrated Results Management Framework (IRMF) proposes a framework that would guide AEs to identify and report environmental and social co-benefits more systematically. The Secretariat will aim to strengthen its due diligence process ensuring it is</p>	Medium	<p>The IRMF is the only policy providing further definitions for the identification of co-benefits. While the IRMF, adopted in Annex I to decision B.29/01, puts more emphasis than the <i>initial</i> RMF on capturing information about co-benefits in project FPs, the reporting of co-benefits in APRs remains optional, albeit encouraged. The GCF Appraisal Guidance, published in June 2022, clarifies the link between development co-benefits, appraisal areas and investment criteria and sub-criteria (P.15). In addition to the Appraisal Guidance, version 2 of the Investment Criteria Scorecard Tool was published in June 2022, following completion in 2020. The updated tool includes a series of questions to guide the assessment</p>

²⁵ These include: (i) the Concept Note template (28 March 2016), (ii) the Project Preparation Facility Completion Report template (22 June 2020), (iii) the Project Preparation Facility Progress Report template (22 June 2020), (iv) the PPF Confirmation of Services letter (4 September 2020), (v) the No-objection letter for the Project Preparation Facility (PPF), (vi) the Project Preparation Funding Application (26 September 2017), (vii) the Simplified Project Preparation Facility Funding Application (4 September 2020) and (viii) the Project Preparation Facility Service Application (4 September 2020).

No.	IEU recommendations	Management response	IEU rating	IEU comments
		simple yet robust, informed by the Board's decisions on the IRMF.		<p>of FPs against 'sustainable development potential' criteria. The Project Success Rating (PSR) tool was also piloted in 2021 and is expected to be fully implemented in 2022 (GCF Appraisal Guidance, p. 68). The rating tool will be used by units involved in the second line of defence of the GCF's risk control function, including the Office of Risk Management and Compliance (ORMC), to complement the reporting provided to the Climate Investment Committee 3.²⁶</p> <p>The Secretariat underscored that from 2020 the ICS has been a standard tool in appraising FPs. The Secretariat further underscored that the ICS streamlined the Secretariat's internal due diligence process, ensuring that FPs are consistently assessed against clear indicators derived from the Investment Criteria and facilitating the analysis applied by internal technical experts.</p>
3.2	<p>In developing the ESMS, the GCF should:</p> <p>a) prepare guidance for AEs and for the Secretariat on how co-benefits may be identified for the</p>	<p>Partially agree.</p> <p>Some of this is already detailed in the Initial Investment Framework, particularly the six investment criteria which the AEs have access to and must adhere to.</p>	Medium	<p>The Board adopted the IRMF in decision B.29/01. The IRMF aims to balance the number of core and supplementary indicators available for measurement. The IRMF also notes that an AE can report co-benefits in a narrative format through APRs, separately from logframes. In December 2021, the Secretariat developed a guidance note on support the completion</p>

²⁶ The rating tool includes two components that capture the social and environmental impacts of the project: (i) the transition to long-term management/ownership and (ii) an ESS score (GCF Appraisal Guidance, pp.69-70).

No.	IEU recommendations	Management response	IEU rating	IEU comments
	<p>proposed project/programme</p> <p>b) prepare guidance on how to quantify estimated co-benefits using impact indicators</p> <p>c) prepare guidance on to how to integrate co-benefit monitoring with ESS monitoring. [Within a year].</p>	<p>The Secretariat will explore the need for additional guidance on how co-benefits may be identified in funding proposals for both internal and external use after we have a better assessment and measurement of co-benefits from our results management system. At such time, the Secretariat will ensure that the guidance is simple to use.</p> <p>The Secretariat also aims to develop training modules to be organized internally and externally.</p> <p>Guidance on impact indicators to quantify co-benefits and monitoring related to ESS will also be prepared, subject to Board approval of the IRMF.</p>		<p>of the IRMF elements of the revised funding proposal template for PAP and SAP. This document provides guidance on identifying and capturing information on co-benefits in project funding proposal. This information was subsequently shared with GCF stakeholders in two webinar sessions held in January 2022. Interpretation to Spanish and French was made available to the participants.</p> <p>The Secretariat highlighted that further initiatives are happening in 2022 and 2023, such as a training module on preparing a theory of change. The Secretariat will provide the module to external users in September 2022. These modules may look at further incorporating ESS considerations in logframes. The Secretariat further highlighted that it is planning to develop topical guidance notes under the IRMF which will include ESS co-benefits.</p>
3.3	<p>The GCF should consider including equity into its guidance for 'Sustainable Development Potential'. [Within a year].</p>	<p>Agree.</p> <p>The Secretariat is currently developing a programming manual that provides clearer guidance on the criterion of 'Sustainable Development Potential' consistent with the initial Investment Framework as adopted by the Board. The IRMF also includes indicators that look at how projects promote equity for women, the poor and marginal</p>	Low	<p>In decision GCF/B.29/01/Annex 1, the IRMF refers to 'sustainable development potential' in the links between the initial investment framework and the IRMF indicators. Moreover, the GCF Appraisal Guidance (30 June 2022) locates 'sustainable development potential' within the initial investment framework. It highlights the sub-criteria of environmental co-benefits, social co-benefits, economic co-benefits, and gender-transformative development</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		groups. Further guidance will be developed subject to the Board approval of the IRMF.		<p>impact. Yet, equity is still not clearly linked to any of these sub-criteria.</p> <p>The Secretariat highlighted how the IRMF policy adopted by the Board was guided by the principles of priority and simplicity and recognized that the IRMF policy is limited in its ability to address all outstanding or pending issues concerning ESS. The Secretariat stated that in the spirit of the final Board decision, no further specific guidance was developed under the IRMF regarding promoting and monitoring equity for women, the poor and marginal groups.</p>
3.4	The GCF should ensure that MAF tools and systems are operationalized and can capture the information necessary to follow up on FAA conditions. Specifically, the GCF should operationalize the portfolio management system. [Within a year].	<p>Agree.</p> <p>The Secretariat is already working towards the operationalization of the MAF and a portfolio dashboard system that tracks AMA, FAA and disbursement conditions and stages of each project is already rolled out. An integrated portfolio performance management system is currently under development, with a rollout estimated within 2021 that will allow the Secretariat to assess implementation performance and identify early warning signals.</p>	Substantial	<p>The integrated Portfolio Management System tracks the status of the funded activity agreement (FAA) and disbursement conditions for each project, along with the fulfilment status of the Accreditation Master Agreement (AMA) conditions.</p> <p>The web-based Portfolio Performance Management System (PPMS) was first launched in January 2021 (GCF/B.28/Inf01). As of May 2022, AEs can submit the following documents via the PPMS: inception reports, annual performance reports, financial information reports, audited financial statements, and interim and final evaluation reports (GCF/B.33/Inf06, Annex 1). Modules for processing waivers and extensions are also available on the system (ibid.). Additionally, an internal risk and performance assessment form was launched in the PPMS (ibid.).</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
3.5	<p>Establish procedures for addressing active CSO observer comments on FPs related to ESS. There should be policies and procedures for engaging CSOs at the Board level and also at the project level, and all relevant FP documentation should be made public. [Within two years].</p>	<p>Agree.</p> <p>The Secretariat, in consultation with the Co-Chairs, is currently leading the review of the “Guidelines relating to the observer participation, accreditation of observer organizations and participation of active observers” for Board consideration in 2021, which can address the engagement with CSOs related to ESS at the Board level. The updated guidelines would be subject to approval by the Board and their implementation would entail additional resources related to staff and capacity building.</p> <p>The Secretariat agrees that all relevant FP documentation should be made public by the GCF in accordance with the Information Disclosure Policy. Robust implementation would entail additional resources related to staff, capacity building, and IT.</p> <p>Avenues for engagement of stakeholders are also provided in the conduct of environmental and social assessments and stakeholder consultations at the project level.</p>	Low	<p>The Guidelines relating to observer participation, accreditation of observer organizations and participation of active observers (decision B.1/13-03) were not discussed by the Board in 2021. Nor were they mentioned in the Report on the activities of the Co-Chairs for 2021 (GCF/b.31/inf.15). The Board is yet to consider the guidelines, which cover observers from civil society organizations (CSOs), private sector organizations (PSOs) and international entities. The Secretariat indicated it aims to submit the guidelines for Board consideration in 2023.</p> <p>The Secretariat underlined that it continues to make public all relevant FP documentation per the GCF's Information Disclosure Policy (decision B.12/35). The GCF Secretariat updated and published the ‘Sustainability guidance note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects’ on 1 May 2022. The guidance note is not a Fund policy nor mandatory. Further, while it explains how to meet the requirements for stakeholder engagement and consultation outlined in GCF policies, it does not provide specific guidance on liaising with observers.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
3.6	If the PPF is to continue, it must build internal (Secretariat) capacity to strengthen and build the likelihood for realizing environmental and social performance and co-benefits, while focusing on getting innovative projects ready for GCF support. [Within two years].	Agree. The Secretariat agrees that internal capacity or engaging professional services would help the Secretariat's ability to support innovative projects, subject to additional staffing and budgetary requirements, which would need Board approval.	Low	Decisions B.11/11 and B.13/21 set a maximum of USD 1.5 million for any single PPF request. The Secretariat developed the operational guidelines for the PPF in response to decision B.12/25. The Board endorsed the guidelines through decision B.13/21. Decision B.27/06's reference to the USP states that the PPF will be deployed more efficiently to build lasting institutional capacity by allocating adequate and predictable resources. However, the Revised environmental and social policy (from decision B.BM-2021/18) and the GCF Appraisal Guidance published 30 June 2022 make no reference to the PPF realizing environmental and social performance and co-benefits or getting innovative projects ready. The Secretariat underscored that the PPF guidelines affirm support for AEs developing environmental, social, and gender analysis. The Secretariat suggested that the review of co-benefits and innovation may be included in pre-feasibility studies, financial analysis, and broader contextual analysis of the project contributing to FP development.
TOPIC 4: Project implementation and results				
4.1	The RMF must be urgently updated to incorporate reporting on environmental and social impact and	Partially agree. As mentioned above, the Secretariat has already undertaken work on updating the results management	Medium	The IRMF provides 19 core and supplementary indicators to measure results at the outcome level (reduced emissions and increased resilience). The framework links each indicator to relevant Sustainable Development Goals (SDGs). Only three indicators in the

No.	IEU recommendations	Management response	IEU rating	IEU comments
	outcome level indicators. The refinement of social, environmental, economic co-benefit indicators at both Fund impact level and project/programme outcome level is currently missing. Smart co-benefit indicators would provide a better sense of how project-specific outcomes and impact indicators will be aggregated to provide meaningful measures of GCF's overall environmental and social performance. [Within a year].	framework. The draft Integrated Results Management Framework (IRMF) proposes a framework that would allow environmental and social co-benefits to be identified and reported more systematically by AEs, while retaining flexibility for projects to define indicators relevant to their activities and context. At the Fund outcome level of reduced emissions and increased resilience, the framework proposes 19 indicators which reflect elements of social, environmental, and economic co-benefits. It also facilitates AEs definition of relevant co-benefits at the project/programme outcome level. The final framework and indicators are subject to the consideration and approval of the Board.		IRMF (supplementary indicators 4.1, 4.2, and 4.3) are related to environmental outcomes, namely SDG 14 “life under water” and SDG 15 “life on land” (Decision B.29/01, Annex I, Table 1). The Secretariat’s ability to monitor the environmental and social impact of projects based on these indicators would be limited. In addition to outcome-level indicators, AEs are encouraged to identify environmental and social co-benefits under respective project/programme-level logframes, and provide indicators, means of verification and targets for each co-benefit listed. However, as explained in the IEU’s comment to recommendation 1.2, the reporting and monitoring of these co-benefits, albeit encouraged, is not mandatory.
4.2	The Secretariat should consider aligning reporting on investment criteria with RMF-related reporting. [Within a year].	Agree. The Secretariat has developed the proposal for the IRMF in alignment with the initial Investment Framework and its six criteria, including the activity-specific sub-criteria. This has been included in the Board Workplan	Medium	The IRMF was adopted by the Board and is designed to align with the two key investment criteria of the initial investment framework – paradigm shift and impact potential (decision B.29/01, Annex I). Paragraph 20(c) of the GCF USP 2020–2023 also identifies alignment with investment criteria as an objective (decision B.27.06, Annex I).

No.	IEU recommendations	Management response	IEU rating	IEU comments
		for 2020-2023. Subject to adoption of the IRMF by the Board, this could facilitate improved alignment of reporting on the investment criteria with wider reporting of results under the IRMF.		
4.3	The Secretariat needs to set-up an early warning system as part of the MAF to assist the assessment of risks related to the project ('project risk flags') and risks related to the overall performance of the AE ('AE risk flags'). [Within a year].	<p>Agree.</p> <p>The Secretariat is currently developing a portfolio performance monitoring system (PPMS) and performance indicators to determine the health of projects and categorize projects based on risks.</p> <p>Currently, the Secretariat also monitors and manages projects proactively that may encounter problems and has high risks through status report meetings where risk flags are raised and continuous monitoring and follow-ups with AEs.</p> <p>To mitigate future risks, the Secretariat has also improved its internal processes to involve relevant colleagues in the early stage of the review of proposals resulting in better preparedness and understanding of</p>	Low	<p>The initial MAF for accredited entities established the rules and procedures for monitoring programmes and projects (see document GCF/B.11/24).</p> <p>The IRMF highlights how the Secretariat will use an online PPMS to support monitoring and assessment of the implementation performance of individual projects/ programmes in the GCF portfolio (document GCF/B.29/12).</p> <p>An internal risk and performance assessment form was launched in the PPMS to better manage the collection of comments by review teams and to facilitate the analysis and reporting of implementation risks and performance (GCF/B.33/Inf06/Annex 1).</p> <p>However, inputs from the IIU's Integrity Risk Early Warning System are not directly considered. The IIU's risk ranking data from the System is not systematically available for general use, nor was it intended to be. There are discussions on the consideration of using such data for enhanced monitoring and ad-hoc reviews in the future.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		weaknesses and risks that may occur during implementation.		<p>The Secretariat stated it is developing an internal guidance document titled “Portfolio Risk and Performance Management”. In the future, the PPMS may be integrated with existing risk management systems operated by the Secretariat and the GCF independent units, so that all flagged risks are centralized and analysed within the PPMS.</p> <p>The Secretariat confirmed that, as of the 23 August 2022, the draft dashboard was in place, pending data updates which can be done after the internal assessments for the FY2021 APR reporting cycle are closed. The Secretariat stated it will continue to improve the dashboard in line with emerging lessons and the IRMF.</p> <p>The Secretariat stated the PSR scorecard is designed to facilitate the targeting of monitoring work of the Secretariat during the implementation of approved FPs. The results of the PSR scorecard will assess potential sources of risk in order to allocate Secretariat resources efficiently during portfolio management. The PSR scorecard is not intended to be included in the decision-making process during the appraisal of FPs.</p>
4.4	The Secretariat must clarify staff roles and responsibilities for monitoring and reporting environmental and	<p>Agree.</p> <p>The Secretariat has developed an Operations Manual which aims to clarify internal processes for increased efficiency and effectiveness. This may</p>	High	The Operations Manual, published in August 2020, clarifies the GCF’s internal processes and the roles and responsibilities of GCF divisions and offices across the project/programme lifecycle. The Manual states that the responsibility within the Secretariat for monitoring funded activities for performance and compliance

No.	IEU recommendations	Management response	IEU rating	IEU comments
	social performance and co-benefits. [Within a year].	also clarify roles and responsibilities of divisions and offices. The Secretariat will continue to clarify roles and responsibilities of staff which would need to be guided by management.		<p>during the implementation period lies with the Division of Portfolio Management (p. 210). Table 8 of the Manual summarizes the roles and responsibilities of the various Interdivisional Project Teams during implementation.²⁷ Notably, the ESS specialist is responsible for assessing whether the project is being implemented in line with GCF ESS Standards and policies. This is framed as a risk management role and does not clarify the ESS specialist's role in monitoring the progress made in identifying environmental and social co-benefits.</p> <p>The Operational Procedures for Monitoring (p. 226) explains that the assigned Portfolio Manager reviews the reports, focusing on key progress indicators. Based on the DPM Portfolio Specialist's assessment, other team members may be asked to review, including ESS and gender specialists.</p>
4.5	Any portfolio management system set up to operationalize the MAF should include information on AE accreditation, recent project reports,	<p>Agree.</p> <p>The Secretariat is already in the process of updating its online IT systems through the Online Accreditation System (OAS) to accommodate the application and</p>	Medium	The Secretariat launched the Digital Accreditation Platform (DAP) in early 2022 with a series of webinars and training activities for AEs. The DAP is based on improved accreditation and new re-accreditation application forms. While the DAP provides the Secretariat with a comprehensive suite of on-demand reports regarding the AE, its applicant portfolio and

²⁷ The following teams/staff are included: the PIMM team, the sector specialist (DMA), the private sector specialist (DPSF), the project lawyer (Office of the General Counsel), the finance officer (Finance), the risk specialist (ORMC), the fiduciary compliance specialist (ORMC), the environmental and social safeguards specialist (ORMC), and the gender specialist (ORMC).

No.	IEU recommendations	Management response	IEU rating	IEU comments
	interim/final evaluations, follow-up FAA conditions, and performance on environmental and social benefits. [Within a year].	<p>review process for new accreditation applicants as well as the submission and review of: (i) information related to accreditation conditions to address capacity gaps against GCF fiduciary, ESS and gender standards; (ii) annual self-assessments as required under MAF; (iii) mid-term review reports as required under MAF; (iv) re-accreditation application and assessment of AEs.</p> <p>The current IT systems are already used for accreditation applications and assessments, and other IT systems for managing and tracking the status of accreditation conditions. A new Digital Accreditation Platform (DAP) is under development, which will replace the current OAS.</p>		accreditation application status, the DAP is not used for conditions related to approved projects. It is also not synchronized with the iPMS and PPMS.
4.6	Improve the APR template so that it can report reliably on environmental and social impacts, outcomes, and co-benefits. [Within two years].	<p>Partially agree.</p> <p>The Secretariat already requests for this information through the current APR template which includes environmental and social outcomes and co-benefits under the section on investment criteria. In addition, a section solely devoted to ESS is built-in allowing AEs to confirm compliance of</p>	Low	<p>The IRMF highlights that "the APR template will be updated with accompanying guidance provided in the Results Handbook" (decision GCF/B.29/01/Annex I).</p> <p>The Secretariat underscored that adopting the IRMF has enhanced project compliance with ESS and gender requirements. For example, the IRMF requires gender-disaggregated data in reporting for Core 2 and its associated supplementary indicators.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		implemented activities with ESS and gender requirements. The Secretariat will continue to review and update the APR based on new realities and in consideration of the IEUs recommendation, and the Board's consideration of the IRMF.		However, the APR template is yet to be updated to reflect IRMF-related changes. The Secretariat underscored it plans to update the APR template with IRMF-related reporting and other changes by next year (2023) and that it will subsequently provide training to AEs on using the revised template.
4.7	Require AEs to promote awareness of project-level GRMs throughout the life cycle of the project and strengthen awareness-raising activities regarding the GCF Independent Redress Mechanism. [Within two years].	Agree. The Secretariat, through the GCF Environmental and Social Policy requires the AEs to establish activity-specific grievance redress mechanisms as appropriate and inform all stakeholders of and provide access to the Independent Redress Mechanism (IRM), which is also mandated to undertake outreach to raise awareness about the IRM. Nonetheless, the Secretariat will further consider initiatives towards strengthening the AE's awareness-raising activities on project-level GRMs and the GCF IRM.	Substantial	<p>The revised ESP requires AEs to “ensur[e] that accredited entities establish activity-specific grievance redress mechanisms as appropriate, cooperate with, and inform all stakeholders of, and provide access to the Independent Redress Mechanism” (decision B-BM/2021/18, Annex I, para. 12(c)). However, it does not state that AEs must promote awareness of the activity-level grievance redress mechanisms they make available.</p> <p>In May 2022, the GCF Independent Redress Mechanism Unit (IRMU) added an outreach and communications module to its online training in designing and operating grievance mechanisms. The training primarily targets GCF DAEs. The IRMU also organized 10 outreach events and 2 focus groups (GCF/B.32/Inf04, GCF/B.31/Inf05, GCF/B.31/Inf06, GCF/B.28/Inf07). The IRM has also sought to increase its accessibility by making its website available in seven languages (GCF/B.33/Inf03, para. 15(b)).</p> <p>Regarding the Secretariat, an additional question was added in the 2020 APR template (4.1.4.) to gather</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				<p>information on the steps taken during the reporting period by the project team to raise stakeholder awareness of the GCF's Independent Redress Mechanism and the AE's own grievance redress mechanism. The question was further refined in the 2021 APR template, which emphasizes the AEs' obligation to inform project beneficiaries about the IRM.</p> <p>Additionally, the Secretariat published the 'Sustainability guidance note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects' was updated and published on 1 May 2022. The Guidance note lists different approaches adopted by international finance institutions to comply with information disclosure requirements. However, grievance mechanisms are mentioned only briefly.</p>
4.8	Ensure it can carry out ad hoc checks that take into account early warning system risk flags. [Within two years].	<p>Agree.</p> <p>As noted in our response in 4.3, an early warning system which includes performance risk flag and an overall risk assessment of projects is already under development.</p> <p>In addition, the Secretariat at an advanced stage of developing an ad-hoc Procedure for Funded Activities as internal guidance on the processes and modalities for undertaking ad-hoc</p>	Low	<p>See the IEU comment on recommendation 4.3.</p> <p>The Secretariat stated that the Ad-hoc Checks Procedure has been developed and is currently under internal consultation prior to approval and operationalization.</p> <p>The Secretariat further underscored that in addition to the pending approval of the ad-hoc procedures, no project monitoring visits have been conducted by the Secretariat due to COVID-19 travel restrictions.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		checks and site visits of projects deemed to be at high-risk based on the early warning system criteria.		
TOPIC 5: REDD+				
5.1	Takes steps to evaluate the REDD+ pilot programme with a focus on examining its effectiveness and alignment with the WFR, while drawing on lessons learned from other initiatives. [Within two years].	Agree. The Secretariat agrees that steps should be taken to evaluate the REDD+ pilot programme. A mid-term evaluation has already been completed and the findings were presented at the twenty-fifth meeting of the Board.	Low	With decision B.18/07, the Board adopted draft terms of reference for the pilot programme (document GCF/B.18/06) and the corresponding scorecard. Eight projects were approved from B.22 through B.27. The GCF also continues to finance REDD+ readiness and implementation through its Readiness Programme and project cycles (PAP and SAP). Beyond the mid-term evaluation of the REDD+ pilot programme (GCF/B.25/Inf.06/Add.01), the Secretariat has not completed a final evaluation. While GCF/B.28/Inf.08/Add.04 mentions that a series of interviews were conducted with Secretariat staff, these interviews do not constitute a final evaluation. The Secretariat stated that, consistent with section VI of the TORs of the REDD+ RBP Pilot Programme, an analysis of the experience of the programme was conducted.

No.	IEU recommendations	Management response	IEU rating	IEU comments
5.2	Provide detailed guidance on Cancun Safeguards and draw on lessons learned from the ex-ante application of Cancun Safeguards on the GCF portfolio. [Within two years].	<p>Partially agree.</p> <p>The Secretariat will promote and support the application of the Cancun Safeguards through its assessment of REDD+ proposals. However, GCF will not provide any additional guidance on Cancun Safeguards to avoid any misinterpretation of UNFCCC COP decisions.</p>	Low	<p>Funding proposals submitted as part of the pilot REDD+ results-based payment programme must provide additional information on safeguards considered by the country to provide sufficient information to demonstrate that each Cancun safeguard has been addressed and respected in the full period during which results were generated (Decision B.18/07, Annex XI, para. 26). AE due diligence reports are assessed against the scorecard provided in Annex XII to decision B.18/07. The scorecard results and the country's assessment of how the Cancun safeguards were addressed and respected during the REDD+ activities provide the basis for recommending the proposal to the Board for approval (Decision B.18/07, Annex XI, para. 18.c.i.).</p> <p>The Secretariat underscored that the Cancun Safeguards are among the central elements for assessing REDD+ RBP proposals. Establishing a safeguards information system (SIS), approved by the UNFCCC, and summarizing how the Cancun Safeguards are applied are two of the essential conditions for securing RBPs (see scorecard section 1).</p>
5.3	Clarify the concept of co-benefits and strengthen guidance for their identification, monitoring, and reporting amongst	<p>Partially agree.</p> <p>The co-benefits are all other benefits than emission reductions or enhancement of carbon stocks. While it is important to understand their nature</p>	Low	<p>The Performance Measurement Framework for REDD+ results-based payments adopted in Board decision B.08/08 detailed the indicators, reporting responsibilities, and reporting frequency applicable to REDD-plus RBP projects/programmes. The Secretariat stated that the IRMF replaces both the PMF and the</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	REDD+ investments. [Within two years].	and their impact, there isn't any requirement to monitor and report them under any UNFCCC decision for REDD+ neither in the GCF Logical Framework for REDD+.		<i>initial</i> RMF and that the reporting requirements as per the IRMF are applicable to the REDD+ RBP. As outlined in our comment to recommendation 2, the IRMF clarifies the concept of co-benefits and strengthens the guidance for their identification and monitoring, while not being specific on the REDD-plus RBP pilot. The reporting on co-benefits remains only voluntary under the IRMF.

Annex VIII: Management Action Report on the Independent Assessment of the GCF's Simplified Approval Process Pilot Scheme

1. Decision B.BM-2021/07 established the Green Climate Fund's Evaluation Policy (GCF/BM-2021/09). This Policy describes how all evaluations (or reviews or assessments) submitted by the IEU to the Board will have an official management response prepared by the GCF Secretariat (prepared in consultation with relevant GCF stakeholders) to inform Board decision-making (see para. 58 (g) / appendix III).
2. Management action reports are prepared by the Independent Evaluation Unit and received by the Board to provide an overview of the Board's consideration of the recommendations, respective management responses, and the status of implementation (see GCF/BM-2021/09, paragraph 28, paragraph 64 (b) / appendix I / appendix III).
3. In preparing this MAR, the IEU considered the Secretariat's management response to the Independent Assessment of the GCF's Simplified Approval Process (GCF/B.30/07/Add.01). Decision B.30/02 took note of the Independent Assessment and its corresponding management response and "requested the Independent Evaluation Unit to submit a management action report to the Board no later than one year following the adoption of this decision".
4. Of the 9 recommendations of the evaluation, the Secretariat agrees with 7 recommendations and partially agrees with two recommendations. The Secretariat did not disagree with any of the recommendations.
5. For each recommendation made by the IEU evaluation, this MAR provides a rating and commentary prepared by the IEU. The draft rating scale and commentary were shared and discussed with the Secretariat prior to the writing of this report. The comments provided by the Secretariat were then taken into account in the preparation of the MAR. The rating scale for the progress made on the adoption of recommendations is as follows:
 - (a) High: Recommendation is fully adopted and fully incorporated into policy, strategy, or operations.
 - (b) Substantial: Recommendation largely adopted but not fully incorporated into policy, strategy, or operations yet.
 - (c) Medium: Recommendation is adopted in some operational and policy work, but not significantly in key areas.
 - (d) Low: No evidence or plan for adoption, or plan and actions for adoption are at a very preliminary stage.
 - (e) Not rated: Ratings or verification will have to wait until more data is available or proposals have been further developed.
6. In terms of the progress made with the adoption of the 9 recommendations set out in the evaluation, the rating "high" is given to one recommendation, the rating "substantial" is given to two recommendations, the rating "medium" is given to two recommendations, and the rating "low" is given to 4 recommendations.

No.	IEU recommendations	Management response	IEU rating	IEU comments
Recommendations for the GCF Board				
1a	<p>Develop a strategy for SAP while focusing on processes that accelerate and simplify the project cycle, and so respond (also) to guidelines from UNFCCC and the Governing Instrument.</p> <p>A strategy for SAP should expand (through clear and practical guidance) the scope of the SAP modality to include proposals that bring value to the GCF through, for example:</p> <ul style="list-style-type: none"> • Financing innovation of approaches and implementation modalities (i.e., early stages of proof of concept). • Proposals from countries that are engaging the GCF for the first time. • Clarity of what scale-up means in relation to the GCF mandate and most importantly how 	<p>Partially agree.</p> <p>The Secretariat welcomes this recommendation, however, it considers that the elements suggested for this strategy should be framed under an overall “SAP programming guidance” that enables AEs, and in particular DAEs, to submit high quality SAP proposals. Therefore, this would be a task fully within the mandate and the expertise of the Secretariat.</p> <p>Action: The Secretariat will develop a “SAP programming guidance”, with all the elements outlined by IEU’s 1a recommendation, as part of its 2021 delivery plan for SAP.</p>	Low	<p>Decision B.32/05 paragraph 8 (c) states that the Secretariat will develop SAP programming guidance to guide the GCF, NDAs and AEs on how to identify interventions that can (1) finance innovative approaches and implementation modalities; (2) clarify what scaling up means in the context of the SAP; (3) identify the opportunity to unlock private sector finance; and (4) promote the use of the SAP to address urgent climate change needs in developing countries, particularly in SIDS, LDCs and African States.</p> <p>The Secretariat confirmed it has developed terms of reference for a consultancy firm to support the drafting of the SAP programming guidelines under the Secretariat’s supervision.</p> <p>While the Board has mandated the development of this guidance, the process is at a preliminary stage. The IEU thus rates the progress as “Low”.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	<p>evidence from the previous experiences should be incorporated and how new evidence and learning should be collected.</p> <ul style="list-style-type: none"> Proposals that respond to urgent climate change issues, in particular from SIDS and LDCs. Focus on learning and developing evidence so projects are truly 'ready for scale up'. 			
2a	<p>Simplify the review criteria for the SAP and develop different and tailored investment criteria.</p> <p>As recommended by the FPR, several investment criteria should be considered as minimum (entry) requirements for GCF proposals. In particular, in the case of SAP modalities, key criteria that should be considered are: 'ready for scale up', implementation feasibility, innovation and climate rationale. This would enable SAP projects to be truly different, bring strong value-</p>	<p>Partially agree.</p> <p>The Secretariat agrees that innovation, implementation feasibility, scaling up potential and climate rationale are important appraisal factors for SAP proposals. They are already included in the appraisal of SAP proposal as sub-criteria under the impact potential and paradigm shift potential criteria of the GCF investment framework which applies to SAP, and their analysis can be further strengthened as</p>	Low	<p>The management response did not indicate any action that addresses the IEU recommendation to simplify the SAP's review criteria. Additionally, in GCF/B.32/05, the Secretariat underlined that the recommendation to develop tailored investment criteria was directed at the Board. The document indicates that while the Secretariat had considered trying to evaluate the potential for SAP-specific investment criteria in the GCF investment framework and related documents, these papers had their own mandate (para. 22). As best can be determined from publicly available information, the assessment was not pursued.</p> <p>The Secretariat underscored that it followed the Board's directions, as received via decision B.32/05, and consultations with the Board during the preparation of the SAP policy. The Secretariat emphasized that the Board specifically indicated all existing GCF project-related policies</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	added and address specific GCF priorities.	recommended by IEU. However, from the experience of the Secretariat in appraising PAP and SAP funding proposals, the Secretariat has not completed its own assessment to verify if a simplification of the investment criteria for SAP would lead to tangible efficiency gains the preparation and/or review of SAP projects and programmes without compromising the expected quality of the Secretariat and iTAP assessments.		will apply to the SAP, including the existing investment framework and its six investment criteria.
3a	Approve the four crucial elements of the Board decision that have not yet been implemented, namely: simplified financial terms, approvals in the absence of Board meetings, iTAP review on a rolling basis and a robust monitoring system. These features of the SAP modality decision are	Agree. The Secretariat agrees that approvals in absence of Board meetings will increase the efficiency of the approvals of the SAP projects/programmes. The Secretariat also agrees that performing the iTAP (and Secretariat) reviews on	Medium	The Secretariat outlined a proposed Update of the simplified approval process in GCF/B.32/05. The document addressed three of the four crucial elements of Board decision B.18/06 and highlighted in the IEU's recommendation 3a. The document proposed that (1) the approval of SAP funding proposals be accelerated through the introduction of no-objection approval of SAP proposals without a Board meeting, (2) the Secretariat and independent TAP review SAP funding proposals on a rolling basis, (3) the Secretariat develop SAP-specific results-based monitoring and reporting systems, based on the GCF's integrated results management

No.	IEU recommendations	Management response	IEU rating	IEU comments
	considered critical for accelerating and simplifying the project cycle.	<p>a rolling basis is an important element to ensure a meaningful reduction of the SAP approval time.</p> <p>The Secretariat considers a robust monitoring system at the SAP project/programme implementation stage, an additional safeguard that further support the simplification of the preparation and review stages of the SAP approval cycle.</p>		<p>framework. However, the Board-approved update did not include the first of these changes, reemphasizing that SAP funding proposals will be considered at Board meetings (Annex IV to decision B.32/05). Furthermore, the Update did not mention any simplification of the financial terms included in SAP funding proposals.</p> <p>In its response to this management action report, the Secretariat stated that there are no specific simplifications in the preparation or review of SAP FPs that can be achieved through a change of the financial terms for SAP compared to PAP, as decision B.09/04, which describes the Fund's financial terms, is a procedural determination on the tenure, rates, and fees that GCF applies to loans and grants.</p> <p>The IEU reemphasizes that Board decision B.18/06 on the SAP pilot scheme states that "simplified financial and other terms shall be included with the Funding Proposal" (Annex X, para. 22). It further notes that GCF/B.32/05 does not address this crucial element nor does it articulate the reason behind this omission.</p>
4a	Consider delegating authority to the Executive Director for the approval of SAP-type projects following the current experiences of authority delegation at the GCF for certain funding operations (PPF and RPSP, decisions, etc.).	<p>Agree.</p> <p>The Secretariat agrees with this recommendation on the delegation of authority to the ED for approval of SAP projects as this will have considerable efficiency gains</p>	Low	<p>The Update of the Simplified Approval Process states that the approval of SAP projects lies with the GCF Board (decision B.32/05, table 1, stage 6.1). There is no delegation of authority to the ED on this matter.</p> <p>The delegation of authority to the ED was discussed at B.28, B.29 and B.30. Consultations with Board members indicated there was not enough consensus to support this approval</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		in shortening the approval cycle.		option and thus it was not addressed in the Update of the Simplified Approval Process adopted at B.32.
Recommendations for the Secretariat				
2b	<p>Simplifying requirements – the Secretariat should:</p> <ul style="list-style-type: none"> • Enhance the clarity of guidance on review criteria with clear definition for the Secretariat and iTAP. • Better define key GCF concepts related to the SAP modality, such as climate rationale, scaling up and innovation, and clarify how to consistently demonstrate, measure and review them. • Further simplify documentation requirements for proposals, particularly from the SIDS and LDCs, and when proposals relate to urgent climate change impacts. 	<p>Agree.</p> <p>The Secretariat agrees with this recommendation and will work on providing guidance on the review criteria for SAP projects through a specific appraisal toolkit. The Secretariat is planning to further strengthen its technical assistance to SIDS and LDC countries to improve their access to SAP finance, in particular through their Direct Access Entities. However, while the Secretariat deems that further simplification on the documentation requirements for SAP proposals is still marginally feasible, it considers that such further simplification should benefit all GCF eligible developing countries and should not be</p>	Medium	<p>Since the publication of the independent assessment of the GCF's SAP pilot scheme in June 2020, the Secretariat published two technical guidelines for SAP proposals, one on Water Security (October 2020) and the other on Agriculture (February 2021). Additionally, the Secretariat compiled on the 9 existing technical guidelines in a SAP technical guidance compendium which was published in September 2021. All the included guidelines are available on the GCF website in English, French and Spanish. Additionally, the Secretariat translated the iLearn module on 'Developing GCF funding proposals for the Simplified Approval Process (SAP)' to French, Spanish and Arabic in Q3 and Q4-2020.</p> <p>The Secretariat also completed the SAP Appraisal Toolkit in November 2021 which was endorsed by the Senior Management Team in January 2022. The Toolkit was subsequently revised to be consistent with the revised SAP FP template and other IRMF-related changes. The Secretariat indicated the Toolkit would be published as an Annex to the full version of the GCF Appraisal Guidance which is expected to be published by September 2022. The IEU notes that, as of 5 July 2022, the GCF Appraisal Guidance did not include the SAP review Toolkit in Annex VII as stated. The toolkit will also be sent to all AEs and NDAs by Q4-2022.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		<p>restricted to SIDS and LDC countries only.</p> <p>Action: as recommended by IEU, the Secretariat will update in the course of 2021 the existing SAP knowledge products for the AEs (such as the SAP FP guidelines) to better clarify the guidance on GCF concepts related to the SAP modality. It will also develop as part of its 2021 plan a toolkit for the appraisal of the SAP FPs by the Secretariat and the independent TAP that, as recommended will provide clarity on review criteria.</p>		<p>As the review Toolkit is pending publication, the IEU is unable to provide an assessment of the guidance provided in the document and its alignment with recommendation 2b. However, the IEU notes that the GCF Appraisal Guidance states that the SAP review toolkit will be used to confirm the completeness of the SAP proposals. The IEU further notes that the Toolkit aims to guide the Secretariat staff and consultants towards a streamlined appraisal process. In addition, it also aims to provide clarity to the AEs of the type and quality of information that is expected in each section of the SAP CN/FP and annexes. The IEU underlines that the document is, however, not intended for use by the independent TAP. In addition, the IEU notes that it is unclear whether the SAP review Toolkit will be used by consultants contracted under Request for Proposals no. 2021/005.</p> <p>The Secretariat highlighted that decision B.32/05 mandate several actions to simplify the documentation requirements for SAP. The Secretariat stated that the SAP concept note is now optional and will be further reduced. The Secretariat also underscored that it will develop guided funding proposal templates for fast-tracking and scaling up. The Secretariat further indicated that the simplification actions listed in the SAP Update will be implemented and delivered within 12 months from Board approval (by May 2023).</p>
3b	<p>Acceleration:</p> <ul style="list-style-type: none"> • Focus on developing processes for the post-approval stages of the SAP project cycle that are 	<p>Agree.</p> <p>The Secretariat agrees with the recommendation, and it will work on the</p>	Substantial	<p>The Secretariat indicated that the SAP standard operating procedures were updated in 2020. The updated SOPs clearly define the average time required for each step of the SAP review. The Secretariat indicated that the SAP SOPs are</p>

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	<p>SAP-ready rather than imitating PAP.</p> <ul style="list-style-type: none"> • Develop and enforce transparent and predictable business standards for every step of the SAP process. • Provide consolidated one set of comments for each CN and FP rather than providing proponents with multiple rounds of comments. 	<p>implementing the suggested actions.</p> <p>Action: this IEU recommendation will be addressed by developing specific guidance for the AEs on SAP on the post-approval stage as part of the 2021 SAP delivery plan.</p> <p>The Secretariat has revised its internal SAP standard operating procedures that more clearly define the service time expected for the processing of SAP reviews. This shall increase the transparency and business predictability of the SAP for AEs and countries. The standard operating procedures also address the expected modality to share technical feedback with the AEs in way that, as recommended by IEU, will consolidate comments in “one-go”.</p>		<p>currently being redeveloped to further streamline and simplify the review of SAP CNs and FPs.</p> <p>Additionally, the Update of the Simplified Approval Process approved by the Board in decision B.32/05 made a series of provisions for SAP-specific post-approval processes. Regarding pre-first disbursement processes, the Secretariat proposes to expedite the clearance of FAA conditions, develop clear timelines for the fulfillment of conditions related to FAA execution and effectiveness, apply standardized fiduciary and operational conditions to the extent possible, and develop standardized and fit-for-purpose post-approval templates (para. 10). According to the decision, SAP funding proposal packages are recommended to include certificates of internal approvals from the AEs, and the Secretariat should aim to execute FAAs at the Board meeting at which they are approved (or promptly thereafter) (Annex IV to decision B.32/05, para. 10).</p> <p>Furthermore, the Secretariat will also develop guidance and templates for the AEs on building a results-based monitoring and reporting system for SAP projects (Annex IV to decision B.32/05, para. 10). The Secretariat confirmed it has developed terms of reference for a consultancy firm to support the development of the results-based monitoring and reporting guidance. The Secretariat expects to proceed with the procurement of a firm over August-September 2022.</p> <p>The Secretariat stated that, as per the effectiveness and transition arrangements noted in the Update of the SAP, all</p>

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				<p>changes will be delivered within 12 months of Board approval of the policy (by May 2023).</p> <p>While there has been progress on addressing recommendation 3b, the above-mentioned post-approval templates, and monitoring and reporting guidance and templates have not yet been developed.</p>
4b	<p>Include a capacity development programme (small, and fast approval) to support DAEs on how to apply the simplified and accelerated procedures and the GCF key concepts within the RPSP or other instruments. Further strengthen current activities supported by the SAP team.</p> <p>There is a continued need to support entities when preparing proposals, particularly for new ones. The quality-at-entry of the proposals will dramatically increase if the proponents have the capacity to respond to GCF requirements, processes and concepts.</p>	<p>Agree.</p> <p>The Secretariat agrees with the recommendation, and it take action to work in coordination with RPSP to develop the suggested program, building on the knowledge products, trainings and e-learning already developed and available to AEs and NDAs for the SAP.</p> <p>Action: The Secretariat will develop as part of its 2021 delivery plan, a fully-fledged SAP capacity-building programme tailored to the needs of DAEs and work with the RPSP and its delivery partners to transfer</p>	Substantial	<p>The 2021 and 2022 Work Programmes of the Secretariat (GCF/B.27/04GCF/B.30/09, respectively) mention the following key deliverables for the Division of Country Programming:</p> <ul style="list-style-type: none"> • Develop and update knowledge products for PPF, SAP and EDA, including e-learning, technical guidelines, webinars and training events (GCF/B.27/04, para. 105). • Develop and update knowledge products for Readiness, PPF, SAP and EDA, including e-learning, technical guidelines, webinars and training events, and well as contributing formalization of learning loops for the Readiness Programme (GCF/B.30/09, para. 112). <p>Notably, the iLearn Module on Developing GCF funding proposals for the Simplified Approval Process was translated into French, Spanish and Arabic in Q3 and Q4-2020, thus enhancing its accessibility to DAEs. Webinars on the SAP were also held throughout 2022. These included a webinar which was held for AEs in early 2022 to provide further details on the SAP update. It will hold more webinars for the remainder of 2022 and in 2023.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		knowledge and expertise to DAEs.		<p>The Secretariat underscored it continued to hold bilateral meetings with AEs and NDAs regarding the SAP, and that the SAP was featured in regional dialogues during 2021 and 2022.</p> <p>However, the Secretariat clarified that its updates to knowledge products were delayed because the SAP policy was not being considered for approval by the Board in 2021. In 2022, following the approval of the Update of the SAP at B.32, the Secretariat began updating its SAP knowledge products, including the SAP Funding Proposal Guidelines (by end of 2022), SAP technical Guidelines (by end of 2022), and the SAP in Brief (Updated July 2022).</p>
5b	Take a tailored approach to the private sector. Within an SAP modality/modalities strategy, including a separate sub-strategy for attracting the private sector. The Secretariat should consider how the SAP modality/modalities are applicable to the private sector context.	<p>Agree.</p> <p>The Secretariat agrees with this recommendation.</p> <p>Action: by mid-2021, the Secretariat aims to develop specific technical guidance on SAP and the private sector.</p>	Low	<p>Decision B.32/05/Annex IV states that the Secretariat will develop a SAP programming guidance. The programming document will guide the GCF, NDAs and AEs in identifying interventions that can identify the opportunity to unlock private sector finance.</p> <p>The Secretariat indicated it has developed terms of reference for a reputed firm to support the drafting of the SAP programming guidelines under the Secretariat's supervision. The Secretariat is expected to proceed with the procurement of the firm over August – September 2022.</p> <p>While the Board decision requested the development of this guidance, the process is still at a preliminary stage. Consequently, the IEU rates the recommendation as Low.</p>
6b	Develop KPIs for GCF and Secretariat performance that	Agree.	High	The Secretariat's 2022 work programme and budget (GCF/B.30/09) included two SAP-specific KPIs, namely: (1)

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	incentivize the processing of proposals and projects through the SAP modality/modalities (i.e. intra-institutional incentives for task managers).	<p>The Secretariat agrees with this recommendation.</p> <p>Action: The Secretariat will propose SMART performance indicators in the GCF-1 workplans that can also be included in the PMDS of the relevant staff to incentivize the timely and effective processing of SAP proposals.</p>		<p>the total number and volume of SAP proposals submitted to iTAP and (2) the percentage of SAP proposals reviewed within target services standards, including concept notes and funding proposals. As indicated in GCF/B.32/05, these KPIs were intended as a baseline and will be reviewed annually (para. 11(b)). Furthermore, all approved KPIs in the annual Secretariat's work programme are reflected in the relevant Secretariat's staff annual delivery plans. Consequently, achieving the KPIs is embedded in individual and divisional annual performance evaluations (para. 49). Board decision B.32/05 further requests that starting in 2023, the Secretariat include, granular and progressively ambitious key performance indicators for the SAP, including for post-approval stages.</p>

Annex IX: Management Action Report on the Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality

1. Decision B.BM-2021/07 established the Green Climate Fund's Evaluation Policy (see document GCF/BM-2021/09). This Policy describes how all evaluations (or reviews or assessments) submitted by the IEU to the Board will have an official management response prepared by the GCF Secretariat (prepared in consultation with relevant GCF stakeholders) to inform Board decision-making (see paragraph 58 (g) / appendix III).
2. Management action reports are prepared by the Independent Evaluation Unit and received by the Board to provide an overview of the Board's consideration of the recommendations, respective management responses, and the status of implementation (see GCF/BM-2021/09, paragraph 28, paragraph 64 (b) / appendix I / appendix III).
3. In preparing this MAR, the IEU considered the Secretariat's management response to the Independent Rapid Assessment of the GCF's Request for Proposals Modality (GCF/B.29/08/Add.01). Decision B.30/11 invited members and alternate members of the Board to consider the findings and recommendations, and corresponding secretariat management response of the Independent Rapid Assessment of the GCF's Request for Proposals Modality alongside four other IEU evaluations. As requested in this decision, the IEU prepared a summary of views expressed by members and alternate members of the Board on each evaluation. This summary was annexed to the IEU's 2021 Annual Report (GCF/B.31/Inf.09).
4. All submissions by members and alternate members acknowledged that the findings and recommendations of the RFP evaluation serve as an important learning tool and key to a successful second phase of the RFP. Despite the shortcomings of the RFP in its initial phase, as captured in the rapid assessment, Board members saw the value of RFP as a tool for generating targeted projects and programmes and focusing investments on specific themes. Most submissions were in agreement with the evaluation's key conclusion that there is no RFP modality or mechanism per se established at the GCF, but rather four individual RFPs. Some Board members stressed that the link between the GCF's accreditation function, especially the project specific accreditation approach (PSAA), and the RFP will need to be carefully examined and the processes streamlined.
5. Of the eight recommendations of the evaluation, the Secretariat's management response agrees with 5 recommendations and partially agrees with three recommendations. The Secretariat did not disagree with any of the recommendations.
6. For each recommendation made by the IEU evaluation, this MAR provides a rating and commentary prepared by the IEU. The draft rating scale and commentary were shared and discussed with the Secretariat prior to the writing of this report. The comments provided by the Secretariat were then taken into account in the preparation of the MAR. The rating scale for the progress made on the adoption of recommendations is as follows:
 - (a) High: Recommendation is fully adopted and fully incorporated into policy, strategy, or operations.
 - (b) Substantial: Recommendation largely adopted but not fully incorporated into policy, strategy, or operations yet.

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- (c) Medium: Recommendation is adopted in some operational and policy work, but not significantly in key areas.
 - (d) Low: No evidence or plan for adoption, or plan and actions for adoption are at a very preliminary stage.
 - (e) Not rated: Ratings or verification will have to wait until more data is available or proposals have been further developed.
7. In terms of the progress made with the adoption of the 8 recommendations set out in the evaluation, the rating "substantial" is given to two recommendations, the rating "medium" is given to one recommendation, and the rating "low" is given to 5 recommendations.

No.	IEU recommendations	Management response	IEU rating	IEU comments
Process level short-term recommendations				
1	The GCF should continue to consider RFPs as a tool for targeted project/programme generation and focus investments on specific themes. This would require clear articulation of the purpose and objectives of the RFP, and a shared understanding of the limitations of the RFP process.	<p>Agree.</p> <p>RFPs can be a useful tool to fulfil specific programming objectives, such as generating project ideas and/or catalysing financing from a broader range of partners, undertaking programming with AEs that is not possible through regular channels, or focusing GCF and AEs on underserved high-impact areas of investment. For example, EDA has a specific objective to enhance direct access to GCF funding and country ownership through the devolution of decision-making on the specific projects and programmes to be funded at the national or subnational level through DAEs.</p>	Low	<p>The Updated Strategic Plan adopted through decision B.27/06 states the GCF will undertake an overall review of RFPs and determine funding allocations for RFPs by the end of 2021. The IEU's Rapid Assessment of the GCF's RFP Modality supported this review process.</p> <p>The Secretariat underscored that it has prepared a draft document titled "Review of RFPs and Funding Allocations" during 2021-2022 (in preparation for B.30 and B.31). This document articulates the review's purpose and objectives. It also reflects on the success and limitations of the RFPs to date. Publication of the document is pending Board guidance and inclusion in a Board meeting agenda (tentatively 2023).</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
2	Regarding the selection of topics for RFPs, the GCF should follow a transparent and strategic approach to identify future topics and themes. Selection of topics for RFPs should be evidence based and have clear linkage with prior analyses. Such analyses could include, among others, a portfolio gap analysis, stakeholder analysis, market analysis and portfolio performance prediction.	Agree. Topics for RFPs issued during the remainder of the GCF-1 period should derive from the Updated Strategic Plan and be supported by one or more quantitative and/or qualitative analyses, such a portfolio gap analysis, stakeholder analysis, market analysis and portfolio performance prediction. A proposed second phase for any existing RFPs will be based on the lessons learned from the initial phase and extensive stakeholder consultations.	Low	<p>Since the publication of the management response at B.29, no new requests for proposals have been issued. Nor have any proposals been made for a second phase in existing RFPs.</p> <p>According to the Board work plan for 2020-2023, the Secretariat would prepare a review of the RFP in time for B.30 in 2021 (GCF/B.28/Inf13, Table 1, Item 34). The Secretariat acknowledged that the “Review of RFPs and Funding Allocations” has not been placed on the agenda for any recent Board meetings. However, the Secretariat stated it circulated a draft of the document in August 2021 to the Board for comments and has continued to conduct analyses and hold discussions in support of developing a draft document. The Secretariat also indicated that the draft updated ToRs for REDD+ and enhanced direct access (EDA) were included as annexes to the document.</p> <p>A draft ToR for the RfP to support climate technology incubators and accelerators was circulated to the Board for comments in November 2021 and the Secretariat aims to submit the RfP for the Board’s consideration at B.34.</p> <p>The Secretariat indicated that other new or updated RFPs are on hold until further guidance is received from the Board and may be best considered for GCF-2.</p>
3	The GCF Secretariat should consider designing a standardised RFP process based on universally recognized	Partially agree. RFPs can be a tool for delivering programming toward strategic objectives, but they are not a substitute for a comprehensive project	Low	<p>The Secretariat has clarified the role of “targeted project generation” in the RFPs’ programme cycle as part of the Programming Manual (July 2020) and the Appraisal Guidance (June 2022).</p> <p>There has been limited progress on developing bespoke templates and guidelines. For example, the Secretariat published the EDA</p>

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	good practices and on a theory of change with well-defined assumptions. The RFPs at the GCF should improve their predictability, transparency and consistency as well as incentivize the participation of the right actors.	origination, appraisal and implementation. GCF will continue to apply its policies and recognised good practices to all RFP programming. As for the RFPs themselves, each will have its own theory of change that may require fit-for-purpose templates or guidelines to increase predictability and transparency. For example, the REDD+ results-based payments RFP uses a customised funding proposal template, and the Secretariat has released EDA Guidelines to guide DAEs through the typical elements characterized requested by the EDA TOR.		<p>Guidelines in December 2020 which were updated in November 2021 and made available in French, Spanish, Arabic and Russian. The Secretariat published the REDD+ RBP customized funding proposal (FP) template in 2017.</p> <p>The Secretariat underlined that, as noted in the management response, a standardized process and templates may not be fit-for-purpose considering each RFP's different objectives. The Secretariat further noted that the Office of the Executive Director (OED) has begun coordinating draft RFPs to be submitted for Board consultation or consideration to promote predictability, transparency and consistency. The Secretariat's Climate Policy Committee also reviews these draft RFPs.</p>
Modality level medium-term recommendations				
4	The GCF should consider institutionally establishing the RFP as a modality. When establishing the RFP	<p>Partially agree.</p> <p>The Secretariat has taken steps to prepare internal guidance on the preparation of RFPs through update to</p>	Low	RFPs are a complementary origination channel for national designated authorities (NDAs) and accredited entities (AEs) to develop project ideas through submitting proposals to RFPs approved by the Board and issued by the Secretariat. The Operations Manual, updated in October 2020, describes the

No.	IEU recommendations	Management response	IEU rating	IEU comments
	modality, the GCF Secretariat should prepare internal guidance on how to prepare RfPs.	the Operations Manual in 2020. Existing RFPs and proposed updates are being assessed and coordinated through a common interdivisional framework within the Secretariat to promote consistency, while recognizing that each RFP has its own requirements. Beyond this, it is unclear what value would be added by formally establishing an RFP modality, and such an effort could distract from efforts to refine and improve the RFPs themselves.		<p>operational procedures/steps for these targeted RFPs. The Programming Manual, published 6 July 2020, reiterates much of the same information. The Programming Manual is supplemented by the GCF Appraisal Guidance, published 30 June 2022. However, this document contains limited information on RFPs beyond stating they are included in Stage 2 of the Programme Cycle (where RFPs are referred to as ‘targeted programme development’ or ‘targeted project generation’). Stage 2 of the Programme Cycle refers to ‘projects and programmes pursued through specific Board-approved TOR, RFP financing windows and other project origination platforms or initiatives besides country programmes (CPs) and entity work programmes’. However, no specific information on RFPs is given in Stage 2.</p> <p>The Secretariat underlined that the Programming Manual presents an overview of existing Board approved RFPs and includes links to the GCF website which provides resources and guidance for preparing proposals (including eligibility standards, project requirements) to be submitted through an RFP window.</p> <p>The Secretariat further emphasized that, at Stage 3 of the Programming Cycle, proposals submitted through an RFP funding window can be reviewed and appraised via the PAP or SAP modality. Therefore, in addition to the guidance for preparing proposals submitted under an RFP window, the procedures and guidelines for appraising and reviewing SAP and PAP modalities in Stage 3 of the Programming Cycle also apply to RFP proposals. The most recent guidance on the appraisal process for PAP and SAP proposals is elaborated in the GCF Appraisal Guidance, published in June 2022. The SAP Review toolkit is expected to be available by Q3 2022.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				<p>The Secretariat also noted that the updated SAP Policy (Decision B.32/05) mandated the Secretariat to further develop the SAP programming guidelines, which will also apply to RFPs submitted under this modality.</p> <p>The IEU wishes to note that the Secretariat could amend the Programming Manual to clarify that RFP submissions enter Stage 3 of the Programming Cycle.</p>
5	The GCF Secretariat should identify an internal structure to centrally coordinate, review and appraise the design and implementation of RfPs.	<p>Partially agree.</p> <p>As described above, existing RFPs and proposed updates are being assessed and coordinated through a common interdivisional framework. However, because each RFP has specific technical needs, it is important for the leadership of each RFP to remain within the division in which the technical expertise resides. Additional support can be provided by centralised units within the Secretariat, such as Procurement, or externally recruited consultants as needed.</p>	Medium	<p>As confirmed by the Secretariat, (i) the OED coordinates the drafting and review of new RFPs and (ii) the Secretariat's Climate Policy Committee provides an interdivisional framework for endorsing and clearing Secretariat-led policy documents prepared for the Board's consideration, including RFPs.</p> <p>The Secretariat further stated that it has formed core teams in respective divisions with technical expertise to coordinate the Secretariat and external stakeholder engagement process in designing and implementing specific RFPs.</p> <p>The Secretariat emphasized that these teams will develop implementation plans, similar to policy implementation plans, that clarify the actions needed to implement the RFP and the indicators that will be used to track implementation. To date, no new or updated RFP has been presented and approved by the Board.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
Strategic level long term recommendations				
6	The GCF should assess and clarify the purpose and use of RFP in relation to the business model. This would clarify prevalent assumptions regarding the modality.	Agree. The Secretariat has taken initial steps to clarify the purpose and use of RFPs within the GCF business model through the publication of the Programming Manual and guidelines for specific RFPs. When RFPs are presented to the Board for consideration at upcoming meetings, the Secretariat will focus on ensuring each RFP includes a clear statement of its purpose and use within the GCF portfolio.	Low	<p>The GCF published its Programming Manual in July 2020. The manual summarizes the GCF's project/programme approval process for stakeholders and includes a chapter on RFPs. The GCF website provides an overview of each RFP, including information on the RFP's eligibility criteria, approved funding proposals and contact details. However, guidelines have only been developed for the EDA RFP so far.</p> <p>The Secretariat underscored that if the Board approves the draft RFP for climate technology incubators and accelerators, it plans to develop (i) an operation manual to provide guidelines for reviewing and assessing proposals and (ii) a customized CN proposal template as part of the RFP's implementation. These will add to existing guidance on the GCF website for Secretariat RFPs, including EDA guidance in multiple languages and a customized FP template for REDD+ RBP.</p> <p>There is no existing or planned additional guidance for the MFS, and MSME RFPs.</p>
7	The GCF should use RFPs to emphasize its convening power in the climate change finance space by focusing attention to particular topics and themes as well as emphasizing its	Agree. RFPs can enable the GCF to actively target resources in areas of strategic importance and provide signals in the climate finance landscape, including in areas where the GCF is	Substantial	Decision B.17/04 established the framework for strengthening complementarity and enhancing coherence with the operations and processes of other climate finance institutions. Recent reports to the Conference of the Parties (COP) to the UNFCCC highlight that 'the Secretariat continues to engage with possible AEs for the further development of an approach to support incubators and accelerators' (GCF/B.29/03; GCF/B.33/13). In addition, GCF/B.33/13 described how adopting the private sector strategy

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	complementarity and coherence principles.	looking to build on experiences from other institutions.		<p>(through decision B.32/06) will support targeting resources in strategically important areas.</p> <p>Activity reports include (i) engaging with bilateral country programmes and climate fund initiatives and (ii) liaising with the Climate Funds Collaboration Platform and the Community of Practice for Direct Access Entities (GCF/B.30/Inf.11).</p> <p>The Secretariat clarified that it developed the REDD+ RFP in collaboration with the UNFCCC. It also clarified that the Adaptation Fund's EDA experience informed EDA RFP. The development of the draft TOR for the RFP for climate technology incubators and accelerators was informed by case studies and analysis of relevant research materials, including from a 2018 collaboration between the Secretariat and the Climate Technology Centre and Network.</p>
8	The RFPs should improve the GCF business model to provide incentives for the proponents to come forward to participate in and increase the effectiveness of RFP as a modality. Such incentives may include technical support, simplifying the accreditation process, aligning reviews, and fast-tracking.	<p>Agree.</p> <p>For any new or updated RFPs, the Secretariat will review processes and procedures within its authority with an aim to improve efficiency and incentivise participation in RFPs. The Secretariat stands ready to be guided by the Board on any changes to the GCF business model that could impact the implementation of RFPs,</p>	Substantial	<p>The RFP assessment found the RFPs did not incentivize proponents regarding the project cycle or accreditation. Updates to the accreditation framework were adopted at B.31 in Annex IV to decision B.31/06. The document does not directly mention RFPs, nor does it alter the provision regarding the fast-track accreditation process (para. 131c). However, it introduced the PSAA, which aims to provide a more fit-for-purpose accreditation process.</p> <p>The Secretariat stated it hopes the PSAA pilot will provide new incentives for maturing proposals under some RFPs. For the first year of the PSAA pilot, Board decision B.31/06, paragraph (h) requested the Secretariat and iTAP to prioritize, inter alia, entities responding to requests for proposals issued by GCF, particularly EDA, MSME, and MFS. While the PSAA pilot only has enough budget to develop a limited number of proposals (10), good quality concept notes from these RFPs can be considered under this pilot. There is a</p>

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		such as project-specific accreditation.		<p>high demand for the REDD+ RBP RFP, which exhausted its funding envelope for the pilot programme ahead of schedule, leaving several proposals unfunded. The need for additional incentives is not envisaged here.</p> <p>Additionally, the Secretariat confirmed that the proposed RfP on climate technology incubators and accelerators is expected to include dedicated TA/PPF support to incentivize participation.</p>