



INDEPENDENT EVALUATION OF THE ADAPTATION PORTFOLIO AND APPROACH OF THE GREEN CLIMATE FUND¹

CONTEXT AND BACKGROUND

At B.24, the Board of the Green Climate Fund (GCF) approved the independent evaluation of the GCF's adaptation approach and portfolio, as vital part of the Independent Evaluation Unit's (IEU) 2020 work plan for delivery at B.28. The evaluation responded to the following overarching evaluation question.

How can the Green Climate Fund contribute to a paradigm shift in adaptation?

KEY FINDINGS

- 1. The GCF is uniquely positioned in adaptation to finance projects at scale with a high-risk appetite, if appropriate and consistent with country needs.** However, the GCF has not clearly defined a specific approach for adaptation programming.
- 2. Project-level interactions between the GCF and other funding agencies are not yet systematically identified nor actively pursued.** That said, there have been some attempts in the last few years to foster greater coordination at multiple levels.
- 3. For coherence and complementarity, the GCF has an opportunity to clarify its role both within and beyond adaptation finance, through:** its (i) resources dedicated to adaptation planning, (ii) convening power, and (iii) knowledge management and sharing potential.
- 4. In accessing the GCF's readiness and preparatory support (RPSP) programme for adaptation planning, requirements for proposals, capacity concerns and matchmaking with adequate delivery partners are perceived as hurdles to access.** The approval process for RPSP adaptation planning varies, with times ranging from 14 days to more than three years.
- 5. Fully attributing GCF's RPSP to concrete outcomes or assessing quality is challenging.** No outcome or impact measurement framework is operational yet.
- 6. Among the climate funds, the GCF has the strongest private sector focus and the greatest ability to scale projects.** The portfolio suggests that the GCF has not fully utilized this opportunity to date. Only one in five AEs has a private sector focus, with most of these having been accredited recently.
- 7. GCF's ability to source and support PSF adaptation projects has stalled since B.21.** Moreover, only 18 cents per every GCF dollar is generated as co-finance from the private sector across the full adaptation portfolio.
- 8. Cooperation between the GCF's Division of Mitigation and Adaptation (DMA) and the Private Sector Facility (PSF) in jointly assessing projects and identifying opportunities is taking place informally, on an ad hoc basis.**

¹Binet, Silvia, Matthijs De Bruijn, Daisuke Horikoshi, Rene Kim, Byungsook Lee, Max Markrich, Peter Mwandri, Kulthoum Omari-Motsumi, Martin Prowse and Galyna Uvarova (2021). Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund. Evaluation Report No. 9, February 2021. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea.

Opportunities exist to create an incentive structure for greater cooperation, particularly with regard to blended finance.

9. **The adaptation portfolio consists of very few programmes** (4 out of 67), and is characterized as predominantly **grant-based** (96% of committed finance in pure adaptation projects) and **with support through IAEs** (6 IAEs receive 50% of finance). There is an opportunity for the GCF to utilise results-based finance more.
10. **The GCF still has challenges reaching the most vulnerable and least ready countries.** Overall, 59 out of 154 eligible countries receive no adaptation finance from the GCF.
11. **In adaptation programming, measuring the impact of interventions is challenging.** The only Fund-level indicator currently operationalised is the number of beneficiaries. Double counting of beneficiaries is unavoidable, and it presents a key challenge for results management at the GCF.
12. In terms of the GCF result areas for adaptation, with 91 per cent coverage, **the Most Vulnerable People and Communities area acts as a chapeau and is too broad to aid learning.**
13. **The GCF currently has no systematic approach to assess depth of adaptation impacts.** The depth of impact made by adaptation interventions cannot be monitored with the current set of indicators.
14. **In contrast to mitigation, innovation in 'software' that creates new delivery models is vital,** and this is more important than technological innovation in adaptation.

KEY RECOMMENDATIONS

1. **Positioning in Adaptation Finance:** The GCF should clarify its role in and vision for climate adaptation and implement methods to enhance complementarity with other climate funds and funding agencies, and promote coherence in programming.
2. **Capacity and Adaptation Planning:** The GCF

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METHODS

The evaluation team has adopted a mixed-methods approach involving both quantitative and qualitative data collection and analysis, to inform the report's evidence-based findings. This approach has been adapted to conditions generated by the COVID-19 pandemic. Methods include an extensive document and literature review, portfolio analysis of data collected by the IEU DataLab, key informant interviews, online surveys, virtual country missions and project deep dives. Data analysis has been a key element for the evaluation, including external and internal GCF data and extensive range of stakeholder views. Two targeted short online surveys have been used to reach out to specific constituencies of the Fund, in particular NDAs and AEs. Finally, the report is complemented by country case studies and project deep dives, based on country engagements in The Gambia, Uganda, Tajikistan, Guatemala, Morocco and Namibia. Country reports have been completed for the first four countries. Country deep dives have been completed for specific projects in Kenya, Morocco, and Uganda.

should clarify RPSP for adaptation planning, address technical challenges, support matchmaking efforts and build monitoring of results of RPSP support.

3. **Scale and the Private Sector in adaptation:** The GCF should define its approach to engaging with and catalyzing finance from the private sector in GCF support and programming windows.
4. **Access and Business Model:** The GCF should respond to the urgency in adaptation by addressing policy gaps and the use of financial instruments and modalities.
5. **Results and Impact Measurement:** The GCF should address adaptation related measurement challenges to enhance active monitoring, project and Fund-level aggregation, and to facilitate learning and steering.
6. **Innovation and Risk:** The GCF should address the ongoing lack of clarity and provide guidance on its approach to innovation.



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