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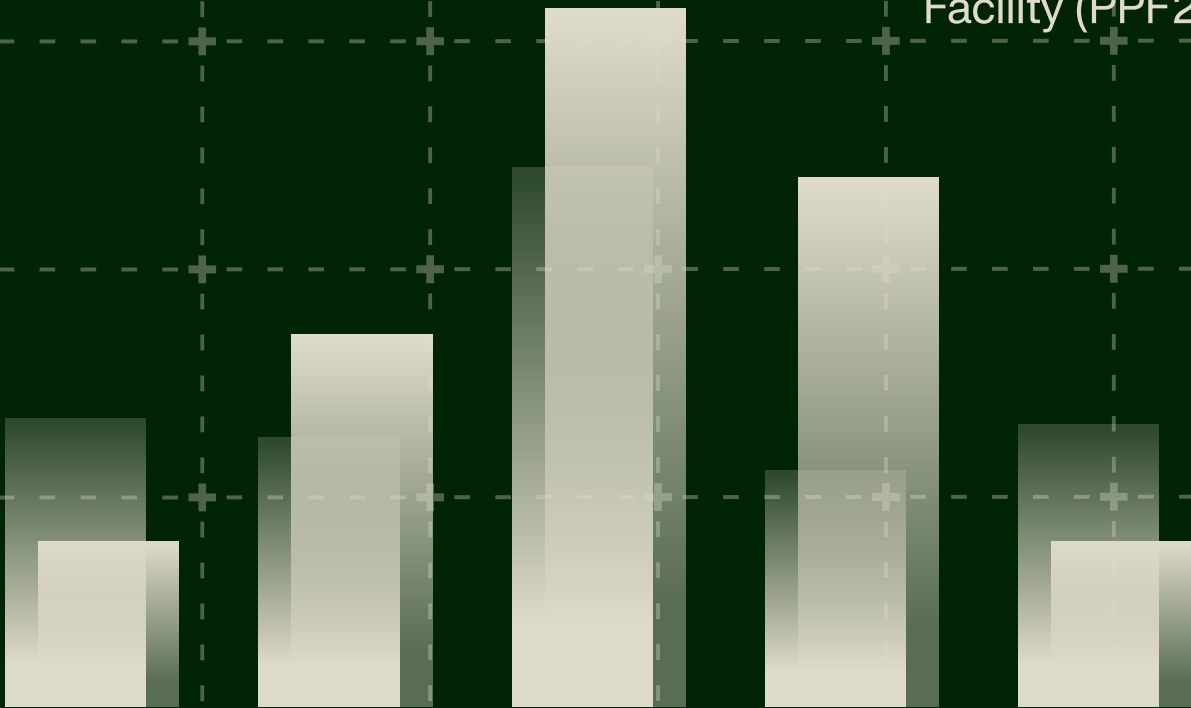
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Project Preparation Facility

Executive Summary

June 2026

Independent
Evaluation of the
Green Climate Fund's
Project Preparation
Facility (PPF2026)



GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Independent Evaluation of the Green Climate Fund's Project Preparation Facility

EXECUTIVE SUMMARY

06/2026

© 2026 Green Climate Fund Independent Evaluation Unit
175, Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea
Tel. (+82) 032-458-6450
Email: ieu@gcfund.org
<https://ieu.greenclimate.fund>

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Credits

Head of the GCF Independent Evaluation Unit: Andreas Reumann

Task manager: Marco d'Errico, Impact Evaluation Officer, Independent Evaluation Unit

Editing: Toby Pearce

Layout and design: Giang Pham

Cover design: Therese Gonzaga

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EXECUTIVE SUMMARY

INTRODUCTION

At a time when global climate finance needs are increasing while climate finance budgets are contracting, the efficient use of every available dollar has become more critical than ever. Project preparation is not a peripheral activity within climate finance: it is a strategic investment in the quality, feasibility and long-term sustainability of climate interventions. A well-designed preparation process can substantially reduce implementation risks, strengthen institutional ownership, and prevent weak proposals from advancing further in the project cycle.

The Project Preparation Facility (PPF) was established at the eleventh meeting of the Board in 2015, as the Green Climate Fund's (GCF) dedicated upstream instrument to support accredited entities (AEs), particularly direct access entities (DAEs), in developing high-quality funding proposals (FPs). This evaluation, which follows on from the 2020 assessment, asks whether the PPF is fit-for-purpose, as currently designed and implemented. It arrives at a particularly timely moment, as the GCF prepares the design of its third Updated Strategic Plan (USP-3) and looks to ensure that its upstream support architecture is fit for the challenges ahead.

The evaluation employed a mixed-methods, theory-informed approach to generate actionable and policy-relevant evidence on the functioning and strategic positioning of the PPF. The assessment combined five complementary evidence sources: (i) structured review of GCF Board decisions, policies, operational guidelines, portfolio reports, and previous Independent Evaluation Unit's evaluations; (ii) secondary analysis of the full PPF portfolio and project pipeline data, assessing trends, timelines, modality use and portfolio characteristics; (iii) outcome profiling of selected PPF-supported cases to examine how PPF support influenced project preparation processes, decisions and institutional behaviour; (iv) 50 semi-structured key informant interviews conducted with Secretariat staff, AEs, Board stakeholders, consultants and representatives of peer institutions; and (v) comparator benchmarking with the Global Environment facility, the Adaptation Fund and the Climate Investment Funds. Quantitative and qualitative evidence was systematically triangulated across the seven evaluation criteria. To enable fair comparison between PPF-supported and non-supported projects, a propensity score matching approach was applied, pairing projects on observable characteristics including size, risk level, sector, and entity type. Given the facility's upstream and enabling nature, the analysis focused on contribution, process quality and portfolio-level patterns; attribution of downstream climate or development outcomes to PPF support was neither attempted nor appropriate.

The PPF is a much needed and generally well-received facility. The evaluation finds that the PPF has developed into a valued and necessary instrument within GCF's upstream support architecture, with 122 approvals across 112 countries since its establishment. For many AEs, particularly first-time users, project-specific assessment approach (PSAA) applicants and DAEs with limited preparation capacity, the PPF functions as an enabling mechanism without which proposal development would not progress: a consistent message across the evidence base is that, for this group, the PPF is not a supplement to existing preparation capacity but its precondition. For more experienced entities managing complex, multi-country programmes, the facility performs a different but equally legitimate function, financing the technical depth and stakeholder engagement needed to bring ambitious concepts up to a Board-ready standard. Portfolio data support this interpretation: PPF-supported projects reach funded activity agreement effectiveness in a median of 8.4 months from FP submission, against 15.4 months for a matched comparison group, a difference of seven months suggesting that better prepared proposals may reduce friction in the review process. The PPF

also generates institutional signals that extend beyond its formal mandate – AEs report that PPF approval mobilizes co-financer engagement and sustains political commitment through what can be lengthy preparation processes. At the same time, the evaluation identifies a set of structural limitations that constrain the facility's effectiveness and equity of access. The boundary between the PPF and the Readiness and Preparatory Support Programme (RPSP) remains operationally undefined, producing fragmentation rather than continuity across the preparation pathway. Informal operating norms, including undocumented budget expectations and variable Secretariat engagement standards, disproportionately disadvantage the DAEs the facility was most centrally designed to serve. The concentration of PPF service awards among a small number of firms limits the diversity of preparation expertise available to AEs. And the monitoring architecture, despite improvements since the 2020 evaluation, still does not systematically capture preparation quality, conversion rates, or the outcomes of discontinued preparation processes. Taken together, these findings point not to a facility that has failed, but to one that has demonstrated genuine value while operating below its potential, and that is now well-positioned, as the GCF enters the design phase for its USP-3, to be reformed into a more coherent, equitable, and strategically intentional upstream support instrument.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion 1: The PPF has demonstrated meaningful contribution to project preparation across a diverse portfolio and remains a valued instrument within GCF's upstream support architecture. However, the evaluation has identified persistent structural inconsistencies in its design, governance, and coherence with related instruments that limit its effectiveness and equity of access. The evaluation finds that the boundary between RPSP and the PPF was never operationally specified, and that the two instruments have operated through parallel rather than integrated pathways. The boundary depends largely on the maturity of the concept of an FP, rather than clearly differentiated functions of the modalities. Both the RPSP and the PPF have supported activities such as feasibility studies and stakeholder consultations, elements of project design, that are functionally indistinguishable in practice. The evaluation also finds that continuity of technical support and institutional knowledge across readiness and preparatory support phases is often weak, with changes in consultants, support providers, or Secretariat focal points contributing to fragmentation in the preparation pathway.

These conclusions, taken together, point to the need for a more coherent and strategically articulated upstream support system rather than incremental operational adjustments alone. As the GCF enters the design phase for its third strategic period and replenishment cycle, the Board has a timely opportunity to provide the Secretariat with a consolidated view on GCF's dedicated support programmes, articulating how the PPF, the RPSP, and related modalities should be sequenced and deployed as a coherent support system for 2028–2031. Such articulation would help define the GCF's "integrated offer" to countries, AEs and other stakeholders, clarifying the distinct but complementary roles for each instrument within the standard GCF programming and project cycle.

Recommendation 1: The Secretariat should exercise coherence between the two readiness and preparatory support programmes, the PPF and the RPSP. It should create synergies between the PPF and RPSP support, based on priorities and gaps identified in country programming. In addition to this, the Secretariat should consider means to preserve continuity and institutional knowledge across the readiness support and project preparation support phases, for example, an integrated framework for GCF support and operational guidance, and a structured coordination mechanism.

Conclusion 2: Through its historical development, the PPF has taken on different forms and formats, and has in practice addressed different concerns of AEs. The PPF serves a population of AEs whose institutional capacities, levels of GCF familiarity, and project preparation needs vary considerably. The evaluation finds that the preparation challenges faced by AEs cluster around three interacting dimensions: the capacity of the entity, the complexity of the project being prepared, and the context in which preparation takes place. These factors shape both the type of preparation support required and the extent to which entities are able to navigate GCF processes independently.

In practice, the PPF performs different functions for different users, and misses the distinction between fundamental support to qualify for an FP on the one hand, and improving quality at entry of an FP, on the other. For some entities, particularly first-time users, PSAA applicants and DAEs with limited preparation capacity, the facility functions as an enabling mechanism without which project development may not progress. For others with established preparation systems, prior GCF experience, responsibility for complex preparation processes, or for scaling climate responses in particularly vulnerable contexts, the PPF functions more as a proposal-enhancing or de-risking instrument, helping finance the technical work needed to bring a viable concept to the FP stage. The current operational architecture does not systematically account for this heterogeneity: broadly similar procedural requirements and engagement modalities apply across entities whose situations differ in ways that are directly relevant to the kind of support they need.

Undocumented operational norms, including informal budget expectations and variable levels of Secretariat engagement, compound these structural differences and further contribute to uneven preparation experiences across the portfolio. In particular, DAEs, the entities the PPF was most centrally designed to serve, are disproportionately disadvantaged, and thus such informal norms may translate into an equity concern. Recognizing and formalizing differentiated preparation pathways is considered a missed opportunity to improve both the relevance and equity of the PPF as a support instrument.

Recommendation 2a: The Secretariat should articulate differentiated PPF support pathways reflecting variation in AE capacity, project complexity, and operating context. The Secretariat should consider an automatic mechanism for which, once eligibility requirements are met with concept note recommendation and subject to prioritization criteria consistent with the PPF funding envelope, PPF support should be triggered on demand.

Recommendation 2b: The GCF should build a better understanding and awareness of the existence of and opportunities with the facility, both within the organization and across its stakeholders. In doing so, it should consider structured and regional dialogues, developing and implementing sector-focused project preparation strategies, and providing early orientation packages to stakeholders at country level.

Conclusion 3: The expansion of the PPF service providers' roster from 8 to 32 entities addressed a recognized constraint on market access and diversity. The evaluation finds, however, that roster size and active market participation are analytically distinct: available evidence indicates that a relatively small number of service providers account for the majority of service engagements, and that concentration does not yet appear to have been substantially reduced by the expansion, though the evaluation acknowledges that the time frame since the roster reform is limited and the full effect has yet to materialize. The evaluation further finds that accumulated familiarity with GCF preparation requirements, review expectations, and Secretariat processes creates compounding advantages for incumbent service providers, reinforcing repeated engagement patterns over time. While this

concentration provides continuity and institutional knowledge in some preparation processes, it may also constrain the diversity of technical approaches, reduce the range of expertise available to AEs, and create barriers to entry for firms without prior GCF experience. Repeated concentration of contracts among a small number of incumbent service providers may give rise to competition risks, in addition to limiting competition and diversity. Both warrant attention and are grounds for review. Service providers registered on the roster but not responding to requests for proposals contribute nominally to diversity without materially affecting competition or quality. Maintaining a roster whose registered composition more closely reflects active participation and operational coverage, would strengthen the service modality and support more meaningful diversity across geographic, thematic and linguistic areas.

Recommendation 3: The Secretariat should establish a periodic review mechanism for the PPF service providers' roster, ensuring active participation, geographic and thematic coverage, linguistic diversity, and engagement patterns across service assignments. The Secretariat may also consider transparent feedback to unsuccessful bidders after each review, which could translate into a specific and correctable driver of market exclusion.

Conclusion 4: The evaluation recognizes that the PPF supports different types of preparation journeys, as established in Conclusion 2, and that different pathways give rise to different definitions of success. A strengthened monitoring architecture must both close existing data gaps and incorporate pathway-specific measures of success, so that performance assessment is meaningful and credible across the full range of use and influence of the Facility. The evaluation identifies substantive gaps in the PPF's monitoring and knowledge management infrastructure. Tracking of discontinued preparation of FPs is not systematic, co-financing records are incomplete, and key performance indicators reported to the Board have shifted across cycles in ways that constrain comparability across years. The evaluation also finds limited systematic tracking of preparation timelines, iteration burdens, and the extent to which PPF support contributes to improved preparation quality or progression towards FP approval.

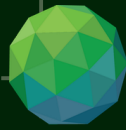
These gaps limit the GCF's capacity to assess whether the PPF is functioning effectively across different preparation contexts, not because the underlying evidence is unavailable, but because the systems required to capture and aggregate it systematically have not been established. The evaluation further notes that concerns regarding monitoring and strategic performance assessment were identified in the PPF evaluation in 2020. As differentiated preparation pathways emerge within the PPF, monitoring systems will also need to distinguish between different forms of preparation success across those pathways. Strengthening the monitoring architecture is therefore a missed opportunity and a prerequisite for evidence-based strategic management of the facility.

Recommendation 4: The Secretariat should establish a systematic monitoring and knowledge management framework, with clear milestones and timelines, to report on the progress and outcomes of individual grants under the facility. This system should enable the GCF to create knowledge and learning opportunities for the Fund and its ecosystem, beyond any future systematic tracking of preparation timelines, iteration processes and outputs.

Conclusion 5: The GCF has undergone significant institutional change, including reforms related to operational efficiency, regionalization, revised accreditation approaches, and the introduction of the PSAA. These changes are creating new preparation realities and new categories of users whose preparation needs are not yet systematically reflected in the current design and deployment of the

PPF. The evaluation finds that the Facility already functions differently across AE types, project contexts, and preparation challenges, but that this differentiation has evolved operationally rather than through explicit strategic positioning. As the Board and Secretariat develop the strategic direction for USP-3, the PPF has the opportunity to become a more intentionally deployed upstream instrument, capable of supporting different preparation objectives across different institutional and country contexts. To realize this potential, the use of the PPF will require clear strategic positioning and more explicit prioritization aligned with the Fund's evolving objectives and operational realities and priorities. This strategic positioning should build explicitly on the differentiated preparation functions identified in Conclusion 2, translating operational heterogeneity into deliberate design choices for the next programming cycle.

Recommendation 5: In the GCF-3 deliberations, the Board should consider the strategic positioning of the PPF in the operations of the GCF, to ensure that PPF is directed towards the GCF's evolving operational model and its long-term strategic priorities. This should include consideration of the preparation needs associated with direct access, the private sector, vulnerable country contexts, and complex project preparation environments.



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