



# Independent evaluation of the Green Climate Fund's approach to the private sector

## 1. Context

Global climate finance flows have remained far lower than the amount required to maintain global temperature increases to 1.5 degrees. While public finance is pivotal in creating climate action, the private sector is also needed to combat the climate change risks in developing countries. Based on the mandate provided in the Governing Instrument, the Green Climate Fund's (GCF) Updated Strategic Plan 2020 – 2023 which was adopted by the Board at B.27 sets out the aim to more systemically and fully realize the potential of the GCF to catalyse private sector finance at scale.

As part of its Board-approved 2021 workplan, the Independent Evaluation Unit (IEU) is undertaking an independent evaluation of the GCF's approach to the private sector.

## 2. Purpose and objectives

The aim of the evaluation is to assess the relevance and effectiveness of the GCF's approach to the private sector. It will also assess the performance of the GCF on the relevant strategic priorities. The evaluation addresses the following questions:

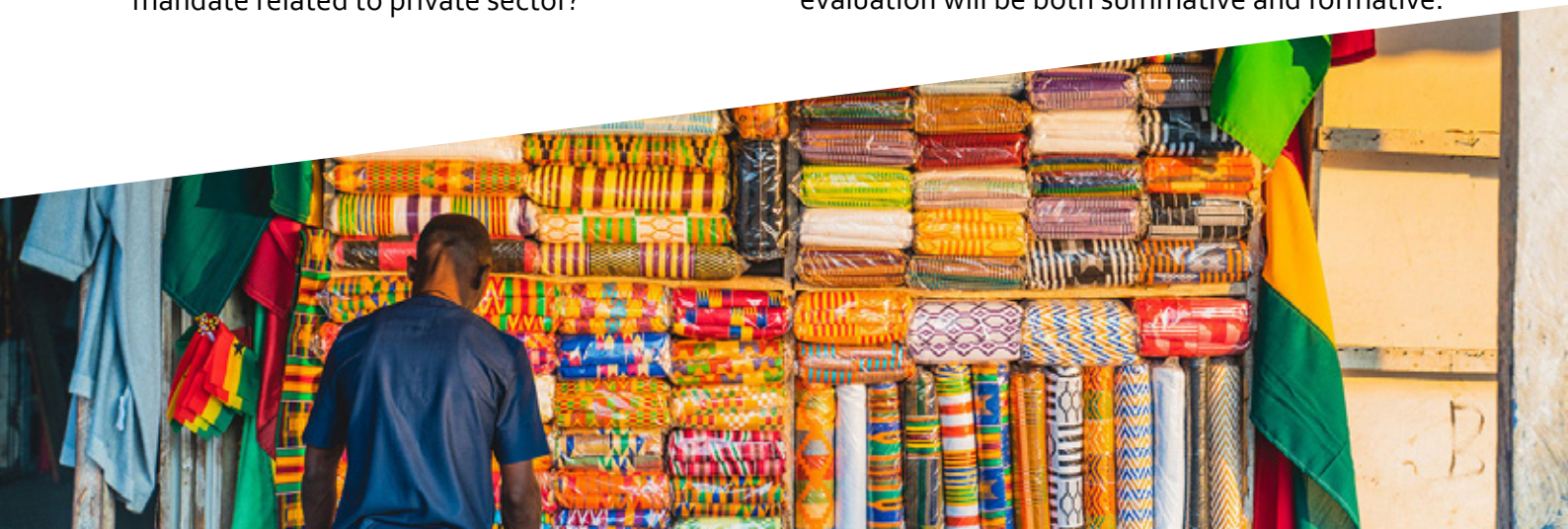
- How effective is the GCF in delivering on its mandate related to private sector?

- How effective is the GCF business model in delivering its mandate regarding the private sector?
- What are the strategic priorities of the GCF for the private sector and are these sufficient?
- What are the contents of the strategic view of the private sector? Is this necessary and sufficient?
- What is the relevance, effectiveness, efficiency, impact and sustainability of GCF's private sector projects and programmes? Are they discernible from other GCF projects?

## 3. Scope

The IEU's evaluation team, consisting of IEU staff and external consultants, will address the key questions within the broader context of GCF operational modalities, programmes and processes in the evaluation's final report.

In particular, this evaluation will inform the second performance review of the GCF, which will be undertaken in parallel but conclude later than this evaluation. Further, the evaluation is scheduled in parallel to development of the GCF strategy towards the private sector. In this way, the evaluation will be both summative and formative.



## 4. Methods

The key methods for the evaluation include:

- Review of the literature
- Review of GCF documents
- Analysis of quantitative data
- Analysis of qualitative data
- Landscape study
- Benchmarking with other organizations
- Stakeholder interviews
- Online survey
- Synthesis of previous IEU evaluations
- Country case studies

## 5. Timeline

The approach paper is finalized in April 2021. The IEU will undertake data collection and analysis in March-June 2021. The factual draft will be ready in August 2021. The IEU will share the final report of the evaluation at B.30.

At various intervals, the IEU will produce communication products to socialize emerging and final findings.

## 6. Country case studies

The IEU's evaluation team will conduct case studies in Ghana, Burkina Faso, Mongolia, Solomon Islands, Armenia and Chile. Because of the global COVID-19 pandemic, the team's country case studies will use remote methods. The IEU identified these six countries based on the following criteria:

- Geographic representation
- Diversity of financial instruments
- Funding modalities - diversity of AEs
- Inclusion of private sector projects
- Diversity of focus across projects (mitigation, adaptation and cross-cutting)
- Diversity of multi- and single country projects
- Project maturity

Country case studies are not intended as evaluation of the country's portfolio, but instead provide the evaluation an opportunity to learn from in-country experience. The evaluation team will treat all interviews and other data received during country visits as confidential. After each country visit, the team will circulate the draft case study report among relevant stakeholders for review and fact checking. The team will also include an annex on country case studies in the final evaluation report.

The IEU has requested GCF country focal points, members of accredited entities, delivery partners, and civil society and private sector organizations to support the evaluation team in identifying suitable stakeholders for interviews and assist in making appropriate introductions.

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