



INDEPENDENT RAPID ASSESSMENT OF THE GREEN CLIMATE FUND'S REQUEST FOR PROPOSALS MODALITY

INTRODUCTION

A Request for Proposals (RFP) is a business document that announces a project and solicits bids or responses from qualified entities to complete it. It is a method commonly used by both public and private sector entities. The Board of the Green Climate Fund (GCF) has approved four RFPs to date:

- Pilot programme for Enhanced Direct Access (EDA) (approved by decision B.10/04 in July 2015)
- Pilot programme to support Micro-, Small and Medium-Sized Enterprises (MSME) (approved by decision B.10/11 in July 2015)
- Pilot programme for Mobilizing Funds at Scale (MFS) (approved by decision B.10/11 in July 2015)
- Pilot programme for REDD+ Results-based Payment (REDD+ RBP) (approved by decision B.18/07 in October 2017)

A fifth RFP was requested by the Board at B.18 (Oct. 2017) to support climate technology incubators and accelerators, but it was not launched.

ABOUT THE RAPID ASSESSMENT¹

This assessment aims to inform the GCF Board about the efficiency and effectiveness of the four RFPs launched. It covers the RFPs' processes from the approval of the first RFPs in July 2015 until the end of March 2021. It focuses on the following areas:

- Relevance of RFPs to GCF strategy and to country needs
- Efficiency and effectiveness of RFP implementation
- Value added of RFPs as a modality to access the GCF
- Lessons for future RFPs and other access modalities of GCF

The rapid assessment does not assess the topics addressed by these RFPs.

THE GCF'S RFP

As of May 2021, 18 projects have been approved through these RFPs, totaling USD 850 million in GCF investments. This represents 61% of the available funding for RFPs and 10% of the total number of projects approved by the GCF so far.

Table 1. GCF RFPs (as of May 2021)

RFP TYPE	FOCUS	BUDGET ALLOCATED	APPROVED PROJECTS / USD APPROVED
EDA	Enhanced devolution of decision-making on funding and project at the national or regional level	USD 200 million	2 projects / USD 30 million
MSME	Supporting MSMEs in addressing mitigation and adaptation challenges	USD 200 million (later limited to 100 million)	3 projects / USD 60 million
MFS	Unlocking private sector finance in developing countries	USD 500 million	5 projects / USD 263.4 million
REDD+ RBP	Operationalize REDD+ results-based payments and test their procedural and technical elements	USD 500 million	8 projects / USD 496.7 million

¹ Independent Evaluation Unit (2021). Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality. Evaluation Report No. 11 (June). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.



KEY CONCLUSIONS FROM THE ASSESSMENT

1. The RFPs do not address the shortcomings of the GCF business model. Their implementation failed at making the GCF more accessible to national entities and the private sector.
2. The RFPs did not provide an incentive to project proponents regarding the project cycle or accreditation.
3. There is no RFP modality and mechanism *per se* established at the GCF, but rather four individual RFPs. RFPs as a modality did not have clear objectives, and no guidance was provided on how to undertake them or extract lessons.
4. Although RFP topics were not selected systematically, the topics of the four RFPs are relevant to the GCF mandate and countries' needs.
5. The RFP operations do not reflect the available good practices, which hindered the efficiency of the processes.
6. The (implicit) objective of RFPs to help fill gaps in the climate financing landscape is not fully achieved.
7. The human and financial resources used for developing and implementing RFPs are insufficient and uneven.
8. The low number of projects approved through RFPs limits the potential impacts of the GCF in the RFP-selected areas.
9. To date, RFPs have not achieved significant outcomes due to the limited size of the current portfolio and early stages of the projects. The achievements of the RFPs will be largely limited to those of each individual project.

KEY RECOMMENDATIONS

Process level short-term

1. The GCF should continue to consider RFPs as a tool for targeted project/programme generation and focus investments on specific themes.
2. The GCF should follow a transparent and strategic approach to identify future RFP topics and themes.

3. The GCF Secretariat should consider designing a standardized RFP process based on universally recognized good practices and a theory of change with well-defined assumptions.

Modality level medium-term

4. The GCF should consider establishing the RFP as a modality institutionally. When establishing the RFP modality, the GCF Secretariat should prepare internal guidance on how to prepare RFPs.
5. The GCF Secretariat should identify an internal structure to centrally coordinate, review, and appraise the design and implementation of RFPs.

Strategic level long-term

6. The GCF should assess and clarify the purpose and use of RFPs in relation to the business model. This would clarify prevalent assumptions regarding the modality.
7. The GCF should use RFPs to emphasize its convening power in the climate finance space by focusing attention to particular topics and themes as well as emphasizing its complementarity and coherence principles.
8. The RFPs should help improve the GCF business model by providing incentives for the project proponents to come forward to participate in and increase the effectiveness of RFP as a modality.

METHODS

The rapid assessment used a mixed-methods approach to collect and analyze information from multiple sources in a short period of time. Data collection involved extensive document review, a review of past IEU evaluations, GCF portfolio and pipeline data, multiple interviews, survey of good practices on RFPs and an online survey. Data was analyzed using methods such as portfolio analysis, triangulation and deep dives on each of the four RFPs. No field visits were conducted due to COVID-19 travel restrictions, but project teams were interviewed extensively.

CONTACT THE IEU

Independent Evaluation Unit
Green Climate Fund
175, Art center-daero, Yeonsu-gu
Incheon 22004
Republic of Korea

☎ (+82) 032-458-6450
✉ ieu@gcfund.org
🌐 ieu.greenclimate.fund



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