

## SYNTHESIS STUDY: AN IEU DELIVERABLE UNDER THE SECOND PERFORMANCE REVIEW OF THE GREEN CLIMATE FUND<sup>1</sup>

### BACKGROUND

In 2021, the GCF Board launched the Second Performance Review (SPR) of the Green Climate Fund (GCF). The Board requested the Independent Evaluation Unit (IEU) to submit the final SPR report at the first Board Meeting in 2023.

An early component of the ongoing SPR is an IEU report synthesizing previous IEU evaluations, GCF Secretariat documents and related external literature. This synthesis may inform the SPR's final report, including its findings and recommendations.

The IEU synthesis study has three aims:

- Gather and critically appraise information available during GCF-1.
- Update the Board on information already gleaned from the SPR by synthesizing GCF-1's key findings, conclusions and lessons.
- Identify thematic areas of the SPR that have or lack substantial evidence.

This topical brief summarizes the synthesis study's chapter on the GCF's **progress towards achieving results**.

At the end of the GCF's Initial Resource Mobilization (IRM), the IEU's Forward-Looking Performance Review (FPR) found limited evidence of the GCF achieving its goals. From the Governing Instrument, these goals include making significant impacts in climate change mitigation and adaptation and promoting a paradigm shift towards low emission and climate-resilient development pathways.

### PROGRESS TOWARDS RESULTS

Although the GCF is now implementing a substantial portion of its climate investment portfolio, the overall portfolio is still too nascent for further assessments. As of the thirtieth meeting of the Board (B.30), 76% of the portfolio was under implementation, totalling 116 projects with a value of USD 4.9 billion. However, projects approved during the IRM have progressed less than a third of

the way towards executing their implementation phase, while projects approved during GCF-1 have progressed even less. Further, as of B.30, most Private Sector Facility projects had not commenced. In addition to the portfolio's relative immaturity, project delays are slowing results delivery. COVID-19 has been a challenge during most of the GCF-1 period, compounding existing implementation challenges and affecting countries' overall development progress. The GCF portfolio has self-reported achievements in climate mitigation and adaptation impacts (not verified by the synthesis study). Currently, the Secretariat reports aggregate results for two core indicators: greenhouse gas emissions reduced or avoided over a project's lifetime (for mitigation) and direct and indirect beneficiaries (for adaptation). According to the Secretariat's 2020 annual portfolio performance report submitted at B.30, in 2020 the portfolio realized 7% of its expected mitigation impacts (50 million tCO<sub>2</sub>eq) and 16% of its expected adaptation impacts (49 million beneficiaries).

The allocation of approved GCF funding gives some indication of the upcoming types of climate results. Among results areas, energy access and power generation represented the largest share of mitigation projects under implementation in 2019 and 2021, followed by building, cities, industries and appliances. Among evaluation activities, food, health and well-being, and water security received the largest share of adaptation funding.

### PARADIGM SHIFT

Most documents reviewed for the synthesis referred to a project's potential rather than assessing projects' actual contributions to paradigm shifts. Meanwhile, many stakeholders misconstrue the concept of paradigm shift and the Secretariat's reporting of progress towards paradigm shifting pathways, which is based on accredited entities' project reports, has been vague. In the future, the Integrated Results Management Framework will measure paradigm shift against scale, replicability and sustainability (see figure I). Recent Secretariat

<sup>1</sup> This series of Topical Briefs summarize chapters two to seven of the IEU's synthesis study of the GCF's Second Performance Review.

working papers reveal a growing articulation of GCF's approaches to transformative climate action and its climate finance strategy for accelerating and scaling up transformative climate innovation.

### CATALYSING CLIMATE FINANCE

The GCF's progress in mobilizing climate finance during GCF-1 is not yet fully known. The Policy on Co-financing (decision B.24/14) clarifies definitions and principles, but the methodology to measure and report on mobilized private finance is not yet finalized. Some data are available on co-financing levels, although several studies question the GCF's ability to secure adequate co-financing. Secretariat reporting implies that co-financing projections at approval are not always reliable. And, further, the Secretariat could more closely monitor the realization of co-financing within the projects as a risk factor in the delivery of project impacts and results. A transparent and comprehensive tracking system for co-finance during implementation is not currently in place.

### EMERGING OBSERVATIONS FOR THE SPR

The synthesis study highlights the following elements that the SPR might consider exploring further.

**Results of funded activities that are further into implementation.** The SPR must gain a deeper understanding of the results of funded activities.

This could be pursued through country case study sampling that prioritizes countries with projects further advanced in their implementation. A deeper understanding could also be pursued through case study protocols that allow for site visits whenever feasible and according to international and local best practices in limiting the spread of COVID-19. For projects that have passed the midpoint of implementation, country case studies can also explore project contribution to emerging indicators of paradigm shift. The SPR could also systematically analyse available independent interim (midterm) evaluations of funded activities. These would assess delivery against intermediate outcomes that are not typically monitored at the GCF level and actual realization of co-financing.

**Results of readiness programme grants.** The GCF does not systematically assess or report the actual results of the Readiness and Preparatory Support Programme (RPSP). Therefore, barring an early evaluation of the RPSP, there is no assessment of the results or impacts of this important GCF programme. With some RPSP completion reports now available, this represents an important new source of evidence related to the reach and activities of the RPSP. The SPR may probe further questions. These might include: Which results does the RPSP report as achieved? How do these logically link to the ultimate delivery of climate results?

*Figure 1. Assessment dimensions for paradigm shift as identified in the IRMF*

	<p><b>SCALE</b> Degree to which there has been a significant increase in quantifiable results within and beyond the scope of the intervention.</p>
	<p><b>REPLICABILITY</b> Degree to which the GCF investments exported key structural elements of the proposed programme or project elsewhere within the same sector as well as to other sectors, regions, or countries.</p>
	<p><b>SUSTAINABILITY</b> Degree to which the outcomes and results of GCF investments are sustained beyond completion through the creation of a structural and financial base as well as climate resilient practices.</p>

Sources: Adapted from GCF/B.29/14, Annex I