

Annex IX: Management Action Report on the Independent Rapid Assessment of the Green Climate Fund's Request for Proposals Modality

1. Decision B.BM-2021/07 established the Green Climate Fund's Evaluation Policy (see document GCF/BM-2021/09). This Policy describes how all evaluations (or reviews or assessments) submitted by the IEU to the Board will have an official management response prepared by the GCF Secretariat (prepared in consultation with relevant GCF stakeholders) to inform Board decision-making (see paragraph 58 (g) / appendix III).
2. Management action reports are prepared by the Independent Evaluation Unit and received by the Board to provide an overview of the Board's consideration of the recommendations, respective management responses, and the status of implementation (see GCF/BM-2021/09, paragraph 28, paragraph 64 (b) / appendix I / appendix III).
3. In preparing this MAR, the IEU considered the Secretariat's management response to the Independent Rapid Assessment of the GCF's Request for Proposals Modality (GCF/B.29/08/Add.01). Decision B.30/11 invited members and alternate members of the Board to consider the findings and recommendations, and corresponding secretariat management response of the Independent Rapid Assessment of the GCF's Request for Proposals Modality alongside four other IEU evaluations. As requested in this decision, the IEU prepared a summary of views expressed by members and alternate members of the Board on each evaluation. This summary was annexed to the IEU's 2021 Annual Report (GCF/B.31/Inf.09).
4. All submissions by members and alternate members acknowledged that the findings and recommendations of the RFP evaluation serve as an important learning tool and key to a successful second phase of the RFP. Despite the shortcomings of the RFP in its initial phase, as captured in the rapid assessment, Board members saw the value of RFP as a tool for generating targeted projects and programmes and focusing investments on specific themes. Most submissions were in agreement with the evaluation's key conclusion that there is no RFP modality or mechanism per se established at the GCF, but rather four individual RFPs. Some Board members stressed that the link between the GCF's accreditation function, especially the project specific accreditation approach (PSAA), and the RFP will need to be carefully examined and the processes streamlined.
5. Of the eight recommendations of the evaluation, the Secretariat's management response agrees with 5 recommendations and partially agrees with three recommendations. The Secretariat did not disagree with any of the recommendations.
6. For each recommendation made by the IEU evaluation, this MAR provides a rating and commentary prepared by the IEU. The draft rating scale and commentary were shared and discussed with the Secretariat prior to the writing of this report. The comments provided by the Secretariat were then taken into account in the preparation of the MAR. The rating scale for the progress made on the adoption of recommendations is as follows:
 - (a) High: Recommendation is fully adopted and fully incorporated into policy, strategy, or operations.
 - (b) Substantial: Recommendation largely adopted but not fully incorporated into policy, strategy, or operations yet.

- (c) Medium: Recommendation is adopted in some operational and policy work, but not significantly in key areas.
 - (d) Low: No evidence or plan for adoption, or plan and actions for adoption are at a very preliminary stage.
 - (e) Not rated: Ratings or verification will have to wait until more data is available or proposals have been further developed.
7. In terms of the progress made with the adoption of the 8 recommendations set out in the evaluation, the rating "substantial" is given to two recommendations, the rating "medium" is given to one recommendation, and the rating "low" is given to 5 recommendations.

No.	IEU recommendations	Management response	IEU rating	IEU comments
Process level short-term recommendations				
1	The GCF should continue to consider RFPs as a tool for targeted project/programme generation and focus investments on specific themes. This would require clear articulation of the purpose and objectives of the RFP, and a shared understanding of the limitations of the RFP process.	Agree. RFPs can be a useful tool to fulfil specific programming objectives, such as generating project ideas and/or catalysing financing from a broader range of partners, undertaking programming with AEs that is not possible through regular channels, or focusing GCF and AEs on underserved high-impact areas of investment. For example, EDA has a specific objective to enhance direct access to GCF funding and country ownership through the devolution of decision-making on the specific projects and programmes to be funded at the national or subnational level through DAEs.	Low	<p>The Updated Strategic Plan adopted through decision B.27/06 states the GCF will undertake an overall review of RFPs and determine funding allocations for RFPs by the end of 2021. The IEU's Rapid Assessment of the GCF's RFP Modality supported this review process.</p> <p>The Secretariat underscored that it has prepared a draft document titled "Review of RFPs and Funding Allocations" during 2021-2022 (in preparation for B.30 and B.31). This document articulates the review's purpose and objectives. It also reflects on the success and limitations of the RFPs to date. Publication of the document is pending Board guidance and inclusion in a Board meeting agenda (tentatively 2023).</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
2	Regarding the selection of topics for RFPs, the GCF should follow a transparent and strategic approach to identify future topics and themes. Selection of topics for RFPs should be evidence based and have clear linkage with prior analyses. Such analyses could include, among others, a portfolio gap analysis, stakeholder analysis, market analysis and portfolio performance prediction.	Agree. Topics for RFPs issued during the remainder of the GCF-1 period should derive from the Updated Strategic Plan and be supported by one or more quantitative and/or qualitative analyses, such a portfolio gap analysis, stakeholder analysis, market analysis and portfolio performance prediction. A proposed second phase for any existing RFPs will be based on the lessons learned from the initial phase and extensive stakeholder consultations.	Low	<p>Since the publication of the management response at B.29, no new requests for proposals have been issued. Nor have any proposals been made for a second phase in existing RFPs.</p> <p>According to the Board work plan for 2020-2023, the Secretariat would prepare a review of the RFP in time for B.30 in 2021 (GCF/B.28/Inf13, Table 1, Item 34). The Secretariat acknowledged that the “Review of RFPs and Funding Allocations” has not been placed on the agenda for any recent Board meetings. However, the Secretariat stated it circulated a draft of the document in August 2021 to the Board for comments and has continued to conduct analyses and hold discussions in support of developing a draft document. The Secretariat also indicated that the draft updated ToRs for REDD+ and enhanced direct access (EDA) were included as annexes to the document.</p> <p>A draft ToR for the RfP to support climate technology incubators and accelerators was circulated to the Board for comments in November 2021 and the Secretariat aims to submit the RfP for the Board’s consideration at B.34.</p> <p>The Secretariat indicated that other new or updated RFPs are on hold until further guidance is received from the Board and may be best considered for GCF-2.</p>
3	The GCF Secretariat should consider designing a standardised RFP process based on universally recognized	Partially agree. RFPs can be a tool for delivering programming toward strategic objectives, but they are not a substitute for a comprehensive project	Low	<p>The Secretariat has clarified the role of “targeted project generation” in the RFPs’ programme cycle as part of the Programming Manual (July 2020) and the Appraisal Guidance (June 2022).</p> <p>There has been limited progress on developing bespoke templates and guidelines. For example, the Secretariat published the EDA</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	<p>good practices and on a theory of change with well-defined assumptions. The RFPs at the GCF should improve their predictability, transparency and consistency as well as incentivize the participation of the right actors.</p>	<p>origination, appraisal and implementation. GCF will continue to apply its policies and recognised good practices to all RFP programming. As for the RFPs themselves, each will have its own theory of change that may require fit-for-purpose templates or guidelines to increase predictability and transparency. For example, the REDD+ results-based payments RFP uses a customised funding proposal template, and the Secretariat has released EDA Guidelines to guide DAEs through the typical elements characterized requested by the EDA TOR.</p>		<p>Guidelines in December 2020 which were updated in November 2021 and made available in French, Spanish, Arabic and Russian. The Secretariat published the REDD+ RBP customized funding proposal (FP) template in 2017.</p> <p>The Secretariat underlined that, as noted in the management response, a standardized process and templates may not be fit-for-purpose considering each RFP's different objectives. The Secretariat further noted that the Office of the Executive Director (OED) has begun coordinating draft RFPs to be submitted for Board consultation or consideration to promote predictability, transparency and consistency. The Secretariat's Climate Policy Committee also reviews these draft RFPs.</p>
Modality level medium-term recommendations				
4	<p>The GCF should consider institutionally establishing the RFP as a modality. When establishing the RFP</p>	<p>Partially agree.</p> <p>The Secretariat has taken steps to prepare internal guidance on the preparation of RFPs through update to</p>	Low	<p>RFPs are a complementary origination channel for national designated authorities (NDAs) and accredited entities (AEs) to develop project ideas through submitting proposals to RFPs approved by the Board and issued by the Secretariat. The Operations Manual, updated in October 2020, describes the</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
	<p>modality, the GCF Secretariat should prepare internal guidance on how to prepare RfPs.</p>	<p>the Operations Manual in 2020. Existing RFPs and proposed updates are being assessed and coordinated through a common interdivisional framework within the Secretariat to promote consistency, while recognizing that each RFP has its own requirements. Beyond this, it is unclear what value would be added by formally establishing an RFP modality, and such an effort could distract from efforts to refine and improve the RFPs themselves.</p>		<p>operational procedures/steps for these targeted RFPs. The Programming Manual, published 6 July 2020, reiterates much of the same information. The Programming Manual is supplemented by the GCF Appraisal Guidance, published 30 June 2022. However, this document contains limited information on RFPs beyond stating they are included in Stage 2 of the Programme Cycle (where RFPs are referred to as ‘targeted programme development’ or ‘targeted project generation’). Stage 2 of the Programme Cycle refers to ‘projects and programmes pursued through specific Board-approved TOR, RFP financing windows and other project origination platforms or initiatives besides country programmes (CPs) and entity work programmes’. However, no specific information on RFPs is given in Stage 2.</p> <p>The Secretariat underlined that the Programming Manual presents an overview of existing Board approved RFPs and includes links to the GCF website which provides resources and guidance for preparing proposals (including eligibility standards, project requirements) to be submitted through an RFP window.</p> <p>The Secretariat further emphasized that, at Stage 3 of the Programming Cycle, proposals submitted through an RFP funding window can be reviewed and appraised via the PAP or SAP modality. Therefore, in addition to the guidance for preparing proposals submitted under an RFP window, the procedures and guidelines for appraising and reviewing SAP and PAP modalities in Stage 3 of the Programming Cycle also apply to RFP proposals. The most recent guidance on the appraisal process for PAP and SAP proposals is elaborated in the GCF Appraisal Guidance, published in June 2022. The SAP Review toolkit is expected to be available by Q3 2022.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
				<p>The Secretariat also noted that the updated SAP Policy (Decision B.32/05) mandated the Secretariat to further develop the SAP programming guidelines, which will also apply to RFPs submitted under this modality.</p> <p>The IEU wishes to note that the Secretariat could amend the Programming Manual to clarify that RFP submissions enter Stage 3 of the Programming Cycle.</p>
5	<p>The GCF Secretariat should identify an internal structure to centrally coordinate, review and appraise the design and implementation of RfPs.</p>	<p>Partially agree.</p> <p>As described above, existing RFPs and proposed updates are being assessed and coordinated through a common interdivisional framework. However, because each RFP has specific technical needs, it is important for the leadership of each RFP to remain within the division in which the technical expertise resides. Additional support can be provided by centralised units within the Secretariat, such as Procurement, or externally recruited consultants as needed.</p>	Medium	<p>As confirmed by the Secretariat, (i) the OED coordinates the drafting and review of new RFPs and (ii) the Secretariat's Climate Policy Committee provides an interdivisional framework for endorsing and clearing Secretariat-led policy documents prepared for the Board's consideration, including RFPs.</p> <p>The Secretariat further stated that it has formed core teams in respective divisions with technical expertise to coordinate the Secretariat and external stakeholder engagement process in designing and implementing specific RFPs.</p> <p>The Secretariat emphasized that these teams will develop implementation plans, similar to policy implementation plans, that clarify the actions needed to implement the RFP and the indicators that will be used to track implementation. To date, no new or updated RFP has been presented and approved by the Board.</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
Strategic level long term recommendations				
6	The GCF should assess and clarify the purpose and use of RFP in relation to the business model. This would clarify prevalent assumptions regarding the modality.	Agree. The Secretariat has taken initial steps to clarify the purpose and use of RFPs within the GCF business model through the publication of the Programming Manual and guidelines for specific RFPs. When RFPs are presented to the Board for consideration at upcoming meetings, the Secretariat will focus on ensuring each RFP includes a clear statement of its purpose and use within the GCF portfolio.	Low	<p>The GCF published its Programming Manual in July 2020. The manual summarizes the GCF's project/programme approval process for stakeholders and includes a chapter on RFPs. The GCF website provides an overview of each RFP, including information on the RFP's eligibility criteria, approved funding proposals and contact details. However, guidelines have only been developed for the EDA RFP so far.</p> <p>The Secretariat underscored that if the Board approves the draft RFP for climate technology incubators and accelerators, it plans to develop (i) an operation manual to provide guidelines for reviewing and assessing proposals and (ii) a customized CN proposal template as part of the RFP's implementation. These will add to existing guidance on the GCF website for Secretariat RFPs, including EDA guidance in multiple languages and a customized FP template for REDD+ RBP.</p> <p>There is no existing or planned additional guidance for the MFS, and MSME RFPs.</p>
7	The GCF should use RFPs to emphasize its convening power in the climate change finance space by focusing attention to particular topics and themes as well as emphasizing its	Agree. RFPs can enable the GCF to actively target resources in areas of strategic importance and provide signals in the climate finance landscape, including in areas where the GCF is	Substantial	Decision B.17/04 established the framework for strengthening complementarity and enhancing coherence with the operations and processes of other climate finance institutions. Recent reports to the Conference of the Parties (COP) to the UNFCCC highlight that 'the Secretariat continues to engage with possible AEs for the further development of an approach to support incubators and accelerators' (GCF/B.29/03; GCF/B.33/13). In addition, GCF/B.33/13 described how adopting the private sector strategy

No.	IEU recommendations	Management response	IEU rating	IEU comments
	complementarity and coherence principles.	looking to build on experiences from other institutions.		<p>(through decision B.32/06) will support targeting resources in strategically important areas.</p> <p>Activity reports include (i) engaging with bilateral country programmes and climate fund initiatives and (ii) liaising with the Climate Funds Collaboration Platform and the Community of Practice for Direct Access Entities (GCF/B.30/Inf.11).</p> <p>The Secretariat clarified that it developed the REDD+ RFP in collaboration with the UNFCCC. It also clarified that the Adaptation Fund's EDA experience informed EDA RFP. The development of the draft TOR for the RFP for climate technology incubators and accelerators was informed by case studies and analysis of relevant research materials, including from a 2018 collaboration between the Secretariat and the Climate Technology Centre and Network.</p>
8	The RFPs should improve the GCF business model to provide incentives for the proponents to come forward to participate in and increase the effectiveness of RFP as a modality. Such incentives may include technical support, simplifying the accreditation process, aligning reviews, and fast-tracking.	<p>Agree.</p> <p>For any new or updated RFPs, the Secretariat will review processes and procedures within its authority with an aim to improve efficiency and incentivise participation in RFPs. The Secretariat stands ready to be guided by the Board on any changes to the GCF business model that could impact the implementation of RFPs,</p>	Substantial	<p>The RFP assessment found the RFPs did not incentivize proponents regarding the project cycle or accreditation. Updates to the accreditation framework were adopted at B.31 in Annex IV to decision B.31/06. The document does not directly mention RFPs, nor does it alter the provision regarding the fast-track accreditation process (para. 131c). However, it introduced the PSAA, which aims to provide a more fit-for-purpose accreditation process.</p> <p>The Secretariat stated it hopes the PSAA pilot will provide new incentives for maturing proposals under some RFPs. For the first year of the PSAA pilot, Board decision B.31/06, paragraph (h) requested the Secretariat and iTAP to prioritize, inter alia, entities responding to requests for proposals issued by GCF, particularly EDA, MSME, and MFS. While the PSAA pilot only has enough budget to develop a limited number of proposals (10), good quality concept notes from these RFPs can be considered under this pilot. There is a</p>

No.	IEU recommendations	Management response	IEU rating	IEU comments
		such as project-specific accreditation.		<p>high demand for the REDD+ RBP RFP, which exhausted its funding envelope for the pilot programme ahead of schedule, leaving several proposals unfunded. The need for additional incentives is not envisaged here.</p> <p>Additionally, the Secretariat confirmed that the proposed RfP on climate technology incubators and accelerators is expected to include dedicated TA/PPF support to incentivize participation.</p>