

## ANNEX 1 - TERMS OF REFERENCE

### Third Performance Review of the Green Climate Fund

#### I. INTRODUCTION

##### A. Background of GCF and IEU

The Green Climate Fund (GCF) is a multilateral fund established in 2010 to support developing countries' efforts to respond to the challenge of climate change. Paragraph 2 of The Governing Instrument (GI)<sup>1</sup> states that the Fund shall contribute to achieving the objectives of the United Nations Framework Convention on Climate Change (UNFCCC). The GCF promotes a paradigm shift towards low-emission and climate-resilient development pathways in developing countries. As an operating entity of the Financial Mechanism of the UNFCCC, the GCF supports climate change mitigation and adaptation projects and programs in developing countries. The GCF also serves the Paris Agreement on climate change under Article 9, Paragraph 8 of the Agreement, and to pursue efforts to limit global temperature rises to 1.5C, and to keep it "well below" 2.0C above those recorded in pre-industrial times<sup>2</sup>.

The Governing Instrument of the GCF includes a section on evaluations, and inter alia, provides for the evaluation function and the establishment of the IEU:

*"59. There will be periodic independent evaluations of the performance of the Fund in order to provide an objective assessment of the results of the Fund, including its funded activities and its effectiveness and efficiency. The purpose of these independent evaluations will be to inform decision-making by the Board and to identify and disseminate lessons learned. The results of the periodic evaluations will be published.*

*60. To this end, the Board will establish an operationally independent evaluation unit as part of the core structure of the Fund. The head of the Unit will be selected by, and will report to, the Board. The frequency and types of evaluation to be conducted will be specified by the unit, in agreement with the Board.*

*61. Reports of the Fund's independent evaluation unit will be provided to the Conference of the Parties (COP) for purposes of periodic reviews of the financial mechanism of the Convention.*

*62. The COP may commission an independent assessment of the overall performance of the Fund, including Board performance."*

The Board established the IEU and approved its TORs at the sixth meeting of the GCF Board with the following objectives, derived from the Governing Instrument:

- a) Informing the decision-making by the Board and identifying and disseminating lessons learned, contributing to guiding the Fund and stakeholders as a learning institution, providing strategic guidance.

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<sup>1</sup> As annexed to decision 3/CP.17 presented in UNFCCC document FCCC/CP/2011/9/Add.1.

<sup>2</sup> Article 2 (a)

- b) Conducting periodic independent evaluations of Fund's performance in order to provide an objective assessment of the Fund's results and the effectiveness and efficiency of its activities; and
- c) Providing evaluation reports to the Conference of the Parties (COP) to the UNFCCC for purposes of periodic reviews of the financial mechanism of the Convention.

## **B. Background of the Third Performance Review**

At B.40, the Board of the GCF approved IEU's workplan and budget and update of its three-year rolling objectives. This workplan includes provisions for the third performance review (TPR) of the GCF in 2025-2027, subject to budget approval.

*"11. **Third Performance Review of the Green Climate Fund:** In 2025, the IEU will also launch the Third Performance Review of the GCF. The IEU has been mandated to undertake periodic performance assessment of the Fund's performance, in order to provide an objective assessment of the Fund's results and the effectiveness and efficiency of its activities as per paragraph 59 of the Governing Instrument and as per paragraph 3(c) of the Updated terms of reference of the Independent Evaluation Unit. The IEU delivered the First Performance Review in 2019, and the Second Performance Review in 2023, respectively covering the initial resource mobilization period and the GCF-1 period. In 2025, the IEU will initiate the Third Performance Review (TPR) to independently assess GCF's performance during GCF-2 and to inform the third replenishment. The performance review will assess GCF's progress in delivering its mandate as set out in the Governing Instrument. The performance review will be informed by a synthesis of previous IEU evaluations and global evidence reviews. Subject to budget approval at the last GCF Board meeting in 2024, the IEU will commence the preparation of the review in 2024, followed by the inception period in 2025. .... The TPR will be completed by the end of 2026, to align with the planning of the GCF-3 programme and replenishment period. The report of the TPR will be submitted in time for the first Board meeting of 2027. The scope of the TPR has been reduced in order to align with the Board's guidance on the reduction of the IEU budget for 2025, 2026 and 2027. The scope will be done in consultation with the Risk Management Committee and will be described in the final approach paper at the end of the inception period."*

In addition to the above guidance, the following GCF processes would be important considerations to determine the direction and timing of TPR deliverables:

**Replenishment.** The updated policy for contributions to the Green Climate Fund, as adopted by the Board in decision B.36/14, paragraph (b), identifies the following with respect to a trigger for the third replenishment process: *"GCF will initiate the next replenishment 30 months after the commencement of GCF-2 in order to allow sufficient time for the preparation and consideration of such reports and/or evaluations as may be necessary"*. The GCF Strategic Plan 2024–2027 reiterates that the third replenishment starts 30 months after the commencement of GCF-2. Therefore, the replenishment is expected to begin in mid-2026.

**Strategic planning.** In decision B.27/06, the GCF Board decided to *"review the GCF Strategic Plan ahead of each replenishment process with a view to revising the strategic vision, if and as needed, and to update the strategic objectives and priorities for the coming replenishment cycle, taking into account evolving priorities, including guidance from the Conference of the Parties, the Conference of the Parties*

*...serving as the meeting of the Parties to the Paris Agreement, and relevant reports from the Independent Evaluation Unit.”*

Therefore, the IEU’s report on the performance review of the Fund is expected to inform the review of the strategic plan for the post-2027 period.

## II. OBJECTIVES AND EVALUATION QUESTIONS

The evaluation will consider several **key areas of inquiry**, which may be further developed and finalized well into the inception phase of the evaluation. An illustration is provided below of the areas currently expected. It is expected that the scope will be finally determined during inception, and closely with members of the GCF Board and/or a committee thereof. Further, based on past experience and given the long duration of this evaluation, some of the areas inquiry can be expected to emerge iteratively with the data collection. Therefore, a degree of flexibility is expected in the constitution of the team of experts procured through this process.

The key areas may include, but not limited to:

<i>Area of review tentatively identified and to be socialized</i>	<i>Description</i>
<i>GCF as an institution in the multilateral system and financial mechanism under the UNFCCC</i>	The evolving role of the GCF in light of the evolution of the international finance architecture and climate finance architecture. Considering developments within and outside of UNFCCC, what is the role that the GCF has filled so far in climate finance and what is the role it may fill in the future. The review will analyse the GCF’s contributions as an operating entity of the financial mechanism of the UNFCCC and how it is being viewed by other multilateral platforms. This area will evaluate how the GCF has distinguished itself from other climate funds and multilateral institutions, including the Adaptation Fund, Global Environment Facility, Fund for Responding to Loss and Damage including enhancing coherence and complementarity with other institutions, and provide an assessment of its adaptation to emerging regional and private finance mechanisms. What are the future strategic opportunities for the GCF in sectors and geographies?
<i>GCF as an organization (strategic, policy, operational)</i>	Diagnostics of the GCF including its governance, strategic frameworks (including the updated strategic plan 2024-2027), and operational efficiency. It includes evaluating the alignment of GCF policies, priorities, strategies, portfolio with its governing instrument and strategic objectives to address climate finance needs sustainably. The review will also highlight how responsive the institution is to evolving climate priorities, including the adaptation-mitigation balance and private sector innovations. Operational assessments will cover accreditation processes, risk management, and results management frameworks to ensure institutional effectiveness in delivering climate finance.  It will provide a preliminary assessment of the strategic outputs of the structural changes during GCF-2.

<b><i>Area of review tentatively identified and to be socialized</i></b>	<b><i>Description</i></b>
<b><i>GCF as a funding agency</i></b>	How is the GCF as seen from the perspective of developing countries? Performance of the GCF as a funding agency - access, information, efficiency, and influence. GCF as a convenor, facilitator, provider of finance, and enabler of climate finance. This area will assess the GCF's role as a channel for climate finance. This includes evaluating the efficiency and accessibility of its funding modalities, such as direct access and readiness programs, and the success of the Private Sector Facility in leveraging co-financing. This will involve an analysis of how effectively stakeholders—such as national designated authorities (NDAs), accredited entities (AEs), private sector, and civil society—access resources through the Fund's modalities, including direct access and readiness programs. Aside from effectiveness in leveraging co-financing, the review will cover the GCF's effectiveness as a facilitator and enabler of climate finance.
<b><i>GCF as an implementor</i></b>	The status of project implementation and independent verification of implementation will be covered in this important area. This area will review the implementation of funded projects and their alignment with approved proposal. The review will focus on the timeliness and quality of project delivery, the effectiveness of partnerships, and any challenges encountered during project execution. It will also assess the scalability and replicability of projects to determine their potential for expansion and long-term sustainability. It will further cover how implementation challenges are resolved, and what is the adaptive management of GCF projects. A question related to compliance with GCF policies will be covered in this or another suitable area of the TPR.
<b><i>GCF as a catalyst for paradigm shift</i></b>	What are the measurable impacts of the GCF? What is the GCF's role in paradigm shift? This area will assess the measurable impacts of the GCF, especially in fostering a paradigm shift toward low-emission, climate-resilient development. This will include assessing quantitative impacts (such as emissions reductions and beneficiaries reached) and qualitative impacts (such as policy influence and capacity building of NDAs and AEs in designing and implementing climate projects). Special focus will be placed on the GCF's contribution to building resilience in vulnerable communities, particularly in the LDCs and the SIDS, and the alignment of projects with national priorities and regional efforts. It will specifically cover the benefits accrued by and impacts on indigenous peoples, women, and communities.

### **III. METHODOLOGY AND APPROACHES**

The evaluation team shall adopt a utilization-focused approach and framework, ensuring that its findings are practical, actionable, and valuable for its intended users. The primary objective shall be to generate learning, inform decision-making, and contribute to overall improvement of GCF's performance. Key stakeholders identified as actual and potential users of this evaluation include the GCF Board, the Secretariat, other independent units, NDAs/FPs, CSOs/PSOs, AEs, and other delivery partners. In alignment with the

utilization-focused framework, the IEU shall engage closely with these stakeholders to ensure the evaluation is participatory, consultative, and inclusive. Emphasizing diverse modes of participation by key stakeholder representatives shall enhance the relevance and uptake of the evaluation's insights and recommendations, fostering ownership, buy-in, and shared accountability for its outcomes.

During the inception phase, and while socializing the scope of the evaluation with the Board and other stakeholders, the evaluation team shall develop a comprehensive theoretical approach and structure to guide the TPR. This may involve drawing upon or combining established evaluation frameworks, such as theory-based, realist, feminist, or other approaches suitable to the scale, complexity, and scope of the TPR's evaluation questions.

It is expected that the evaluation shall make use of several traditional methods of data collection, including interviews, country case studies, focus group discussions, surveys. It shall also make use of quantitative data extracted or collected from the GCF and other databases and raw files. Further, the evaluation shall aim to advance the methodological frontier, incorporating both traditional and innovative methods to address the unique challenges of evaluating climate finance in a dynamic global landscape.

To this end, the team contracted under these terms of reference is encouraged to propose some components that advance the methodological frontier, exploring the use of innovative methods for data collection and analysis for part of the TPR. For instance, it can be expected that the evaluation would consider the use of methods such as GIS and implementation science (for the question on implementation), foresight and forecasting (for the question related to evolution of the multilateral space and climate finance), organizational assessment (for GCF structures and processes) and other methodologies.

In terms of depth and breadth (and consequently, the scope of work), the TPR is likely to resemble the second performance review, which shall be a useful reference to this work. However, within the case studies, the IEU would explore reducing the breadth and number of case studies, in favour of depth. In practice, this may mean that number of case studies may reduce, with a deeper assessment of implementation and likely or evident impacts, among other questions. It should also be noted that the second performance review benefited from a workshop of experts working on the GCF and climate finance. Such a workshop, facilitated by the contracted team and led by the IEU, could be considered as part of the TPR. Report of the workshop is available here: <https://ieu.greenclimate.fund/event/climate-finance-workshop-2023>.

The evaluation should consist of the following four (4) phases:

***A. Stage 1: Planning***

During this phase, the IEU shall undertake initial planning for the review, including background data, preparation of budget and schedule, support for the Board's discussion and decision, and recruitment of external experts through these terms of reference. This phase shall run from December 2024 to April 2025.

***B. Stage 2: Inception Phase (approach paper):***

During this phase, the IEU shall work with the team of external experts to develop the overall approach for the TPR. The IEU shall onboard the external experts and constitute a TPR team. The team shall simultaneously undertake the following: synthesis of evidence available so far in the GCF

and IEU; planning/inception and writing of the approach paper; and extensive consultation with Board members, AEs, civil society organizations (CSOs)/private sector organization (PSOs) and others of the GCF ecosystem to inform the TPR questions. This phase shall begin in March 2025 and shall continue until October 2025.

***C. Stage 3: Data Collection and Writing***

Data for the TPR shall be collected including interviews, country visits, review of the literature, consultations, GCF internal systems, IEU DataLab, surveys and other means determined during the inception phase. Collected data shall be analyzed and reports shall be drafted for various communications. This extensive phase shall operate from October 2025 to December 2026.

***D. Stage 4: Communication***

The communication of the TPR shall take various formats including reports, presentations, webinars, side events at Board meetings and other GCF meetings, discussions with Board members and others, IEU learning products, etc. The reports shall be produced to align with key events in the replenishment and strategic planning for GCF-3, precise schedules for which are expected in due course. The final report shall be delivered in 2027, with various outputs planned for 2025–2027. The communication plan for the TPR shall take into account the replenishment as well as strategic planning cycles, insofar as the details are available.

**IV. STRUCTURE OF THE EVALUATION TEAM AND RESPONSIBILITIES**

The TPR team shall include the external team hired through this RFP and the IEU team. Together, the evaluation team shall be under the direction and overall leadership and responsibility of the IEU. The evaluation shall be led and managed by IEU senior staff members. It shall include members of the IEU (including the DataLab), the selected team to be contracted under the TOR, and shall also be informed by teams undertaking other concurrent IEU evaluations. IEU shall own the report, but it is co-written with the external team.

The responsibilities of the selected team shall involve finalizing the approach paper including the evaluation matrix, annotated review of documents, data needs, development and execution of data collection tools (instruments, protocols, guidelines), and the final report outline; being active part of evaluation workshops and meetings; collecting the new data required by the evaluation in the sampled countries as well as with key informants, directly as well via online tools and triangulate and validate the findings, and drafting the zero-draft and intermediate reports that shall lead to the final report including the conclusions, recommendations, Executive Summary and all annexes, and the communication products to be detailed in the approach paper.

The team shall be particularly expected to add significant value in terms of the lessons learned and the formative and summative aspects of the evaluation, overall deriving from the evidence gathered during the evaluation. A large intellectual input is expected in addition to the operational one.

Therefore, the team shall be expected to provide substantive and sectoral expertise, in areas that shall emerge as part of the inception phase. Managerially, it is expected that member(s) of the team shall

participate in virtual weekly meetings with the IEU, and these may increase in frequency close to finalization of the report. After selection, the team is expected to facilitate the constitution of an Evaluation Advisory Group (up to three members), which shall provide an external review and advisory function for this evaluation. This practice has been found to be exceptionally beneficial to recent IEU evaluations. Any compensation for the advisory group is expected to be facilitated by the contracted team.

The IEU shall take ownership of the evaluation and shall hold overall responsibility and accountability for the management and delivery of the evaluation up to and including approval of the final report. It shall provide guidance to the selected team throughout the implementation of the evaluation up to and including design, data collection, analysis, and drafting. Therefore, the IEU shall co-develop and co-write the evaluation questions, methods and reporting.

The IEU shall further facilitate access to GCF data. This shall include portfolio level data from the GCF provided by the IEU (DataLab), facilitation of interviews with GCF Board Members, staff, and other internal stakeholders, facilitation of online survey, access to GCF and IEU documents, and networks with the external stakeholders. The IEU shall also facilitate first introductions with NDA/ Focal Points, in order to launch the country missions. The IEU shall also lead review of the evaluation draft report, including facilitating discussion and management responses.

The IEU shall take overall responsibility and authority of the contents of the report. All data collected belongs to IEU and shall be transferred to IEU during the evaluation or at the end of it. An IEU task manager, under the overall supervision of Head of IEU, shall have final authority on all matters relating the evaluation and the selected firm is expected adhere to such decisions.

## **V. CONTRACTOR'S TEAM EXPERTISE**

The Contractor's team shall have strong in-team expertise and experience in evaluations at the strategic, corporate, and programme level, strategic evaluations, statistical analysis, data extraction and data analysis. Essential requirements include:

- (a) strong in-team expertise and experience in climate change evaluations.
- (b) strong expertise and experience with corporate evaluations, large scale institutional performance assessments, especially of multilateral institutions.
- (c) in-depth experience with mixed methods, in addition to pure qualitative and quantitative methods, strategic evaluations, and counterfactual methods.
- (d) at a minimum extreme familiarity with tools referring to evaluation data collection methods, such as focus group discussions, semi-structured interviews, synthesis tools, apart from quantitative capabilities as well as an ability to engage with geospatial data.
- (e) Access to country-based consultants, in case of virtual missions to countries.
- (f) The team should be able to propose and undertake innovative methods for evaluation.

Desirable qualifications include:

- (a) Experience in areas including but not limited to implementation science, institutional strategy, organizational architecture.

- (b) Team composition pays attention to considerations of gender diversity, ability to work in multiple languages, ability to travel, and responsiveness.
- (c) The team should be able to commit that they shall be able to produce a highly credible, well-written evaluation report in the budget and time period requested. The evaluation report shall be fully owned by and a product of the IEU.

In addition to the above, the following points are worth considering:

- Specialists may be needed for some of the following areas: organisational assessment, institutional accounting/budgeting and finance, project costing/ finance, implementation quality, and assessment of climate projects for results. It shall be the responsibility of the team to ensure that the inputs provided by experts go beyond currently existing knowledge and evaluative findings in previous IEU evaluations. In other words, it shall be important to develop familiarity with previous IEU evaluations and build upon them. The synthesis may provide such an opportunity.
- Given the size and duration of this evaluation, a special attention needs to be paid to data management, including ensuring security and version management of collected data. It is also important to ensure quality in data collection, and provide strict quality assurance for poor qualitative data, particularly interviews.
- The size of the proposed team is flexible; however, it is recommended that the team is large enough to cover areas of expertise, but small enough to work closely together for the duration of the review. The assessment of the team shall be based on the criteria in a part of this document.
- The team should include the flexibility to call upon additional expertise based on the needs that are to be identified during the course of the evaluation.

## VI. TIMELINE AND DELIVERABLES

A number of key outputs are expected from the TPR. These outputs shall be produced and shared with the Board and the GCF at large, so that the TPR is able to inform the replenishment as well as the review and any updates of the Strategic Plan. Based on the IEU experience, it is useful to share a synthesis report as well as a report of emerging findings to contribute to early discussions and socialization at the Board level. While these are currently proposed, the timing and the scope may undergo change in accordance with the needs and appetite of the Board. The contracted team is expected to contribute to the following deliverables.

- **Approach Paper:** The approach paper shall outline the key questions to be addressed by the review, as well as the key methodological approach for the review. It shall provide the overall intellectual and operational direction of the TPR, including details of the key outputs expected. It shall be delivered in the **fourth quarter of 2025**, subject to Board approval of this schedule and procedural matters.
- **Synthesis Report:** The performance review shall produce a synthesis of available evidence, including through IEU evaluation reports, GCF reports, and other grey and peer-reviewed literature. This shall be produced in 2025 and shall be designed to provide early inputs from the TPR. This report may include an early and rapid review of progress toward the Strategic Plan's targeted results.



- **Emerging Findings:** The performance review shall share and socialize emerging findings through webinars and side events in 2026.
- **Country case studies:** Reports of country case studies undertaken as part of the TPR.
- **Factual Report:** The factual report of the performance review shall be shared with the Secretariat at least six (6) weeks prior to final submission for review and consultation, and in the fourth quarter of 2026. This shall allow for a factual review by the Secretariat, and for the IEU to take into account the review in its own revisions. This timeline may be subject to revision.
- **Final report:** The final report shall be produced for the Board's consideration in time for the first Board meeting of 2027.
- **Communication products:** The IEU shall organize several presentations, events, and webinars to disseminate the approach of the review, as well as the emerging findings and recommendations at several stages.



**Table 6 – Deliverables for Payments<sup>4</sup>**

<b>Phase</b>	<b>Milestone Deliverables</b>	<b>Expected Date</b>
Inception	Inception meeting concluded	1-Apr-25
	Approach paper finalized	15-Sep-25
	Synthesis study finalized	1-Oct-25
Data Collection and Writing	Data tools constituted and pilot country visit concluded	31-Dec-25
	Mid-term review/ sense making of the TPR	1-Mar-26
	Country case study reports –reviewed by country stakeholders and finalized	1-Oct-26
	Emerging Findings and Factual report	1-Oct-26
	Draft of the Final report	31-Dec-26
Communication	Final report shared with the Board	28-Feb-27
	Communication products	1-Jul-27

**I. OTHER CONSIDERATIONS**

The team should include a note on their philosophy and approach to the use of artificial intelligence for this TOR and subsequently for the evaluation itself.

The evaluation shall establish an Evaluation Advisory Group consisting of experts in subject matter and senior evaluators with knowledge in evaluation methods. This advisory group shall play a consultative role in key stages of the evaluation process and provide an external review and advisory function for this evaluation. The external team is expected to facilitate the constitution of the advisory group, with guidance from the IEU.

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<sup>4</sup> Payment for mission expenses will be made at the end of all missions.