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# Report on the activities of the Independent Evaluation Unit

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## **Summary**

This document provides a report of the key activities of the Independent Evaluation Unit (IEU) for the period of 1 May to 30 August 2024. It reports on the IEU's outputs and achievements in line with its Board-approved work plan for 2024.

## I. Introduction

1. This report outlines the key activities and outcomes of the Independent Evaluation Unit (IEU) between 1 May and 30 August 2024. In line with the Board decision B.37/09,<sup>1</sup> the primary objectives and work plan activities of the IEU are presented in the "Independent Evaluation Unit 2024 Work Plan and Budget and Update of its Three-year Objectives and Work Plan". This activity report is organized as follows:

- (a) Section I: Introduction
- (b) Section II: Overview
- (c) Section III: Report on key activities
- (d) Supporting annexes
  - (i) Annex I: Budget and expenditure report
  - (ii) Annex II: Management Action Report on the Independent Evaluation of the GCF's Readiness and Preparatory Support Programme
  - (iii) Annex III: List of IEU publications and communications materials that were published in the reporting period
  - (iv) Annex IV: List of IEU events and engagements with stakeholders and partners in the reporting period

## II. Overview

2. Following decision B.37/09,<sup>2</sup> the GCF Board approved an overall work plan and budget allocation of USD 7,649,286 for the IEU for 2024, at its thirty-seventh meeting held in October 2023. The 2024 budget of the IEU is available in document GCF/B.37/21 Annex II.<sup>3</sup>

3. The Unit's main activities undertaken during the reporting period of 1 May and 30 August 2024 are structured around its work plan objectives as the following:

- (a) Objective 1: Undertake and deliver high-quality evaluations to the GCF Board
- (b) Objective 2: Build and deliver an evaluation-based learning, advisory, and capacity-strengthening programme
- (c) Objective 3: Engage strategically to learn, share, and adopt best practices in the climate change evaluation space
- (d) Objective 4: Strengthen and position the IEU

## III. Report on key activities

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<sup>1</sup> Decision B.37/09, <<https://www.greenclimate.fund/decision/b37-09>>

<sup>2</sup> Ibid.

<sup>3</sup> Annex II, Independent Evaluation Unit 2024 Work Plan and Budget and Update of its Three-year Objectives and Work Plan. <<https://www.greenclimate.fund/document/gcf-b37-21>>

### 3.1 Objective 1: Undertake and deliver high-quality evaluations to the GCF Board

4. As derived from the GCF Governing Instrument, the Terms of Reference (TOR) of the IEU<sup>4</sup> mandates the IEU to conduct periodic independent evaluations of the GCF's activities to provide objective assessments of the Fund's results, effectiveness, and efficiency. The types of independent evaluations include performance evaluations, thematic evaluations, portfolio evaluations, country portfolio evaluations, programmatic and project approach evaluations, and impact evaluations. The overall criteria used in independent evaluations are: relevance, effectiveness, efficiency, impact, sustainability of projects and programmes; coherence in climate finance delivery with other multilateral entities; gender equity; country ownership of projects and programmes; innovativeness in result areas; replication and scalability; and lastly, unexpected results, both positive and negative.

5. Within the reporting period, and following the Board-approved work plan, a few evaluations concluded, and further progress was made with the ongoing evaluations as described below.

#### 3.1.1. Completed evaluations.

6. **Independent Evaluation of the Green Climate Fund's Approach to and Protection of Whistleblowers and Witnesses.**<sup>5</sup> This evaluation was launched in January 2024 in line with the Board-approved 2024 work plan of the IEU, and was completed in June, ahead of B.39. The evaluation assessed the effectiveness, relevance, coherence, and sustainability of the GCF Policy on the Protection of Whistleblowers and Witnesses (PPWW). The evaluation team engaged fully with the Secretariat and the Independent Units on the finalization of the evaluation report. Based on the comments received, the evaluation team integrated feedback into the final report through a series of meetings and feedback sessions with key stakeholders, including the IIU and IRM. The IEU worked with a team of external experts to continue engaging with stakeholders through an iterative and dialogic approach. During the reporting period:

- (a) The evaluation team completed over 12 consultation meetings with Secretariat divisions, offices, and other independent units, to socialize and refine key findings, as well as present the conclusions and recommendations of the evaluation.
- (b) The Head of the IEU and the evaluation lead were invited to attend meetings of the Ethics and Audit Committee (EAC) to present the recommendations from the evaluation, in line with paragraph 74 of the Policy which outlines how the EAC shall, every three years with the support of the IIU and IEU, present a report to the Board on issues related to the implementation of the Policy along with any recommendations for changes to it.<sup>6</sup>

7. The overall conclusions of the evaluation are as follows:

- (a) *Policy relevance and coherence:* While the PPWW aligns well with the GCF's vision, strategic goals, and management direction and, in many respects, is implemented according to best practices, some areas of improvement have been identified. Specifically, linkages with and processes around the protection of whistleblowers and

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<sup>4</sup> Annex I, Decision B.BM-2021/15 <<https://ieugreenclimatefund/sites/default/files/document/updated-tor-ieu.pdf>>

<sup>5</sup> <<https://ieugreenclimatefund/evaluation/PWW2024>>

<sup>6</sup> <<https://www.greenclimatefund/document/policy-protection-whistleblowers-and-witnesses>>

witnesses need to be fully integrated into the broader GCF policy and integrity landscape.

- (b) *Operationalization of the policy:* The harmonization and integration of this policy landscape will support the clarity and understanding of – and trust in – the PPWW. Since the adoption of the PPWW, relevant guidance, standards, and manuals have been established, addressing, among other things, the process of an investigation. However, such guidance needs to be complete and consistent to ensure trust, confidence, and predictability in institution-wide arrangements, both internally and externally.
- (c) *Policy awareness and communication:* Within the GCF, regular training could provide an enabling environment, ensuring confidence and trust in procedures and decision-making. Externally, the evaluation shows that if capacity-building efforts are provided, entities' confidence in and alignment with the PPWW is greater. As a learning organization, the GCF's capacity-building and learning from other organizations' approaches go hand in hand, to ensure a sustainable approach for the future.

8. **Independent Evaluation of the GCF's Investment Framework.**<sup>7</sup> This evaluation was launched in 2023 in line with the Board-approved 2023 work plan of the IEU. It aimed to assess the relevance and effectiveness of the GCF's investment framework in fulfilling the Fund's mandate and strategic goals. The evaluation report was submitted to the GCF Board in time for B.38 in March 2024. Although the evaluation was included in the B.38 agenda, the agenda item was not opened at the Board meeting. In the reporting period, particularly during B.39 held in July 2024 in Songdo, Republic of Korea, the Board tabled the evaluation as Item 17(b) and thereafter adopted the decision B.39/17 on it. The Board took note of the findings and recommendations of the independent evaluation and the Secretariat's management response. The Board requested the Investment Committee to further consider this evaluation, including its findings and recommendations, as well as the Secretariat's response, and submit its recommendations to the Board for consideration. The Board also requested the IEU to submit a management action report to the Board no later than one year following this decision. The overarching conclusions of the evaluation are as follows:

- (a) At the institutional level, the GCF Investment Framework provides an appropriate response to the GCF mandate to promote a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development.
- (b) In general, the Investment Framework brings uniformity, consistency, and objectivity to the decisions made within and among various divisions, offices, and functions of the GCF.
- (c) The GCF Investment Framework becomes mostly irrelevant after the approval of an FP. This is due to the lack of alignment of the Investment Framework with the GCF's other frameworks, such as the Integrated Results Management Framework (IRMF) and the Risk Management Framework (RMF), that come into play after the approval of FPs.

9. **Independent Evaluation of the Green Climate Fund's Energy Sector Portfolio and Approach.**<sup>8</sup> Launched in 2023, this evaluation assessed the relevance, efficiency, suitability, effectiveness, and innovativeness of GCF's portfolio in the energy sector in achieving climate goals alongside the lessons learned from the GCF's investments. According to the Board-approved 2023 IEU Work plan, the evaluation report was finalized at the end of 2023 and was submitted to the Board in time for B.38 in March 2024, held in Kigali, Rwanda. While the

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<sup>7</sup> <<https://ieu.greenclimate.fund/evaluation/IF2023>>

<sup>8</sup> <<https://ieu.greenclimate.fund/evaluation/ES2023>>

evaluation was included in the B.38 agenda, the agenda item was not opened at the Board meeting. However, the evaluation was tabled during B.39 as Item 17(a), and the Board adopted decision B.39/16 on it. The Board recalled paragraph 60 of the Governing Instrument for the GCF and the importance of “an operationally independent evaluation unit as part of the core structure of the Fund”. It noted some Board members’ concerns with factual inconsistencies and inaccuracies in the evaluation report, and thus, invited the Board to consider the findings and recommendations and provide any comments no later than 30 September 2024. It also requested the IEU to append the response matrix of comments received to the evaluation report no later than 30 October 2024 to inform future relevant Board discussions. The key conclusions derived from the evaluation include:

- (a) As a key operating entity under the financial mechanism of the UNFCCC, the GCF has a prominent position in the climate finance landscape through its reach, size, partners, legitimacy, and modalities. However, the GCF’s goals and intended pathways in catalysing a paradigm shift in the global energy sector seem less clearly articulated.
- (b) While GCF’s programming in the energy sector shows substantial volume, reach, and use of a diverse set of financial instruments, the Fund has yet to identify and engage the right actors to support achieving strategic and coordinated programming at the country, regional, and global levels.
- (c) An enabling environment is critical for the success of climate investments, projects/programmes, and, ultimately, wider transformation in the energy sector. While the GCF has identified its importance, it remains underemphasized in the implementation of readiness and preparatory support and projects and programmes.
- (d) Given the high potential and level of development in the global energy sector, an adequate approach to risk management by the Fund is key for GCF programming. Limited operationalization of a risk framework and an observed mismatch between actual and stated risk appetite presents a challenge for GCF programming.
- (e) Generally, the result management has been underdeveloped to serve the Fund’s needs to identify and demonstrate results. Challenges include poor quality at entry, limited project/programme progress reporting and conceptual gaps in measuring the effectiveness of investments at the portfolio and project levels.

### 3.1.2. Ongoing evaluations.

10. Independent Evaluation of the Relevance and Effectiveness of the GCF’s Investments in the Latin American and Caribbean (LAC) States.<sup>9</sup> This evaluation was launched in 2024 in line with the Board-approved 2024 work plan of the IEU and is being submitted to the Board at B.40. This evaluation aims to assess the relevance and effectiveness of the GCF’s investments in the Latin American and the Caribbean (LAC) States. The evaluation has four objectives:

- (a) Assess whether the GCF’s approaches and investments have promoted the paradigm shift towards low-emissions and climate-resilient development pathways in the LAC region;
- (b) Assess the GCF’s effectiveness and efficiency in reducing the vulnerability of local communities and local livelihoods to the effects of climate change, and whether these impacts are likely to be sustained in the LAC;

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<sup>9</sup> <<https://ieu.greenclimate.fund/evaluation/LAC2024>>

(c) Identify critical success factors for the relevance and effectiveness of GCF's operations in the LAC; and

(d) Generate lessons for future operations of GCF in the region.

11. In May, the evaluation team finalized and published the approach paper of the evaluation on the IEU website. Furthermore, case study visits to 5 countries (Costa Rica, Dominican Republic, Jamaica, Ecuador, and Argentina) were conducted. In addition, stakeholder interviews, focus group discussions, and analysis of quantitative data extracted from the GCF data systems and documents were also undertaken to complement data collected through the country case studies. A report writing workshop was held to synthesize the evidence from different sources and outline the contents and structure of the report. In August, the IEU shared the draft evaluation report with the Secretariat colleagues for written feedback and undertook informal debriefing sessions with them. In the reporting period, the IEU also published online a stand-alone Special Study on REDD+ Results-Based Payments, which was undertaken as a part of this evaluation.<sup>10</sup> The final evaluation report is being submitted to the Board in time for B.40 to be held in October 2024.

12. **Independent Evaluation of the GCF's 'Health and Well-being, and Food and Water Security' Result Area.**<sup>11</sup> This evaluation was launched in 2024 in line with the Board-approved 2024 work plan of the IEU. In decision B.29/01, the Board approved the integrated results management framework, which identifies eight results areas that originate from the GCF mitigation and adaptation logic models of the initial results management framework. One of the adaptation results areas is 'Health and well-being, and food and water security (HWWF)'. The evaluation aims to examine the result area, its portfolio, and the GCF's approach to result management for this result area. The team is reviewing and assessing the suite of policies that constitute the Fund's results management framework, including the result core and supplementary indicators and potential gaps in these indicators. The final evaluation report will be submitted to the Board in time for the first Board meeting of 2025.

13. During the reporting period, the IEU concluded the data collection phase of the evaluation, including five in-person country case study visits and one virtual case study. The five case study visits were undertaken in Senegal, Tajikistan, the Republic of the Marshall Islands, Fiji, and Namibia, and the virtual case study in Grenada. These countries had been identified based on several criteria and considerations such as the maturity of HWWF result area-marked projects in the country, representation and distribution of the health and wellbeing, food (agriculture) and water security projects in the sample, and inclusion of countries with low resilience. In addition to these, the evaluation team was able to collect evaluation-relevant data and input on the margins of the GCF Regional Dialogue for the MENA region in June 2024 in Morocco. The evaluation team held internal workshops to identify and map areas for further data analysis and has held a sense-making and writing workshop in early September in Songdo together with the consultancy firm.

14. **Independent Evaluation of the GCF's Approach to Indigenous Peoples.**<sup>12</sup> This evaluation was launched in 2024 in line with the Board-approved 2024 work plan of the IEU. The evaluation aims to assess the relevance and effectiveness of the GCF's approach to and consideration of Indigenous Peoples in GCF programming. The evaluation aims to provide inputs to the review of the GCF's Indigenous Peoples Policy and other relevant policy reviews.

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<sup>10</sup> <<https://ieu.greenclimate.fund/document/special-study-redd-results-based-payment-projects-latin-america-and-caribbean-region>>

<sup>11</sup> <<https://ieu.greenclimate.fund/evaluation/HWWF2024>>

<sup>12</sup> <<https://ieu.greenclimate.fund/evaluation/IP2024>>



The evaluation is expected to contribute to an accountability, learning, and dialogue function focusing on the IPs. The primary audience of the evaluation will be the GCF Board and the Secretariat. The other key stakeholders include the GCF beneficiaries and Indigenous Peoples groups, Indigenous Peoples Advisory Group (IPAG), along with the NDAs, AEs, Active Observers, Civil Society Organisations and other entities of the GCF ecosystem.

15. In May, the evaluation team conducted an inception workshop with an expert team supporting the evaluation. With the completion of the inception phase, the evaluation team finalized drafting the approach paper in July. For data collection, the evaluation undertook its second phase of interviews with internal and external stakeholders in July and August. During the B.39 Board proceedings, the evaluation team conducted meetings with the Accreditation Panel as well. In the reporting period, country case study visits to Colombia, Paraguay, Botswana, the Philippines, and Vanuatu were completed.

16. At the end of August, the evaluation team held its first in-person workshop with the expert team. During the workshop, the evaluation team discussed the evidence and preliminary findings gathered so far, shared learnings from country case studies, and met with the Indigenous Peoples Advisory Group (IPAG) members to discuss a Theory of Change (ToC) of the GCF's approach to Indigenous Peoples. To deepen the engagement and following an utilization approach, the team also met with the Office of Sustainability and Inclusion (OSI) to discuss trends and preliminary findings. The final evaluation report will be submitted to the Board in time for the first Board meeting of 2025.

17. **Third Performance Review (TPR) of the Green Climate Fund.** The IEU is mandated to undertake periodic assessments of the Fund's performance 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 Terms of Reference of the Independent Evaluation Unit. The IEU delivered the first performance review of the GCF in 2019, and the second performance review of the Fund in 2023. These reviews covered the initial resource mobilization period and the GCF-1 period. The IEU is expected to initiate the third performance review of the Fund to independently assess the 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 during GCF-2 and will be informed by a synthesis of previous IEU evaluations and global evidence reviews. The TPR was included in the B.39 provisional agenda as item 16 "Launching the third performance review of the Green Climate Fund" but the agenda item was not opened during the meeting. Nonetheless, subject to budget approval by the GCF Board, the IEU will commence the preparation for the review in 2024 and its official inception in 2025.

18. **UNEG Peer review of the evaluation function of the GCF.** In the reporting period, the IEU continued to engage with the United Nations Evaluation Group (UNEG) regarding an external peer review of the evaluation function of the GCF by the group. The UNEG accepted the IEU's request to do this peer review and the activity was included in the UNEG work plan for 2023. However, this peer review was put on hold and was delayed due to capacity limitations in 2023. In 2024, the IEU launched the peer review, with a self-evaluation as an initial step. The peer review will conclude in mid-2025, after the completion of a second step, a review by peers from the international evaluation space. This is the first official peer review of the evaluation function of the GCF since its establishment. It will provide the IEU with inputs to make the Unit, its operations, evaluations, and methodology more robust and rigorous. A strengthened IEU will positively contribute to the results and the learning architecture of the GCF. This peer review will allow the IEU Head to review and adjust the vision and operations of the Unit as part of the evaluation function of the GCF.

19. **Quality assurance.** In line with the 2024 IEU Workplan, the IEU has launched the quality assurance of AE-led evaluations. During the reporting period, the IEU team has started developing a comprehensive quality assurance framework. This framework will include: (1) assessment criteria and rating scales for reviewing and rating the reports of AE-led evaluations; and (2) a step-by-step guidance on implementing this quality assurance system within the IEU. In the remainder of the year, the IEU will finalize this framework and conduct an initial assessment of the quality of AE-led evaluation reports that are available within the GCF to test and refine the framework. By implementing this system, the IEU aims to enhance the credibility, consistency, and overall quality of AE-led evaluations, ensuring that they meet the high evaluation standards expected by the GCF.

### 3.1.3. Impact evaluations.

20. The IEU continues to support real-time impact evaluations of GCF projects, through its Learning-Orientated Real-time Impact Assessment (LORTA) programme. This work is important because it enables the GCF to access data on the quality of project implementation and impact. LORTA enhances learning through advisory services and capacity-building in the area of impact evaluation and contributes to the global evidence in the climate space by collaborating with practitioners, academia, policymakers, and other GCF stakeholders.

21. **Preparation of impact evaluation reports:** In 2018, the Independent Evaluation Unit (IEU) started the multi-year Learning-Oriented Real-Time Impact Assessment (LORTA) programme that aims to build capacity, provide advisory services for AEs and undertake impact evaluations which consider the causality of interventions through the rigorous use of valid counterfactuals. Through rigorous empirical evidence on climate adaptation and mitigation activities, this programme provides valuable insights and generates evidence on what works. It enhances learnings related to the design, implementation and management of climate projects, real-time measurement systems and impact evaluations within the GCF ecosystem. In the reporting period, further progress was made with the existing GCF-funded projects in the LORTA impact evaluation portfolio.<sup>13</sup> Since its inception, the IEU's LORTA programme has engaged with over 90 GCF-funded project teams, all of whom have benefited from capacity-building sessions and technical assistance in conducting impact evaluations. Of these, 29 projects have been onboarded to the IEU's LORTA programme, representing approximately 10 percent of all GCF approved projects. By the end of August 2024, eight GCF-funded projects in the LORTA portfolio were in the engagement and design stage, seven GCF-funded projects were preparing their baseline, and eight GCF-funded projects were in the post-baseline stages for impact evaluations (see Table 1 for more). Like other independent evaluations, and in line with the principles for evaluations as established in the Evaluation Policy of the GCF, the IEU has produced two robust and credible<sup>14</sup> impact evaluations, one for FP002 in Malawi (April 2022) and another for FP069 in Bangladesh (March 2024). The IEU plans to complete three impact evaluations and provide insights from FP026 in Madagascar, FP034 in Uganda and FP101 in

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<sup>13</sup> Following the Board-approved Evaluation Policy of the GCF, impact evaluation is defined as *evaluation that measures the primary and secondary long-term effects of an intervention or group of interventions in a causal way. They are selected, upon agreement between an AE and the IEU or Secretariat, and conducted by the AE with technical support from the IEU or Secretariat and financially supported by the IEU budget, project budgets or the Secretariat budget.*

<sup>14</sup> The Evaluation Policy of the GCF defines principles for evaluations. All evaluations undertaken by the IEU, the Secretariat and AEs will uphold the following principles: a) Impartial, objective and unbiased; b) relevance, use and participation; c) credibility and robustness; d) measurability. The IEU continues to deploy methods to ensure these principles for evaluations.



Belize in 2025. However, the execution of impact evaluations is largely dependent on the collaboration, efforts and progress in the implementation of GCF-funded activities.

**Table 1: Status of GCF projects in the LORTA impact evaluation portfolio**

	COUNTRY/REGION	ENGAGEMENT/DESIGN	BASELINE	POST-BASELINE STAGE	RESULTS AND DISSEMINATION
1 <sup>ST</sup> COHORT (ENTERED IN 2018)	FP002 Malawi				X
	FP035 Vanuatu		X		
	FP026 Madagascar			X	
	FP062 Paraguay		X		
	FP034 Uganda			X	
	FP068 Georgia			X	
	FP072 Zambia			X	
2 <sup>ND</sup> COHORT (ENTERED IN 2019)	FP096 DRC	X			
	FP069 Bangladesh				X
	FP073 Rwanda			X	
	FP087 Guatemala			X	
	FP097 Central America	X			
	FP098 Southern Africa	X			
3 <sup>RD</sup> COHORT (ENTERED IN 2020)	FP101 Belize			X	
	FP110 Ecuador		X		
4 <sup>TH</sup> COHORT (ENTERED IN 2021)	FP172 Nepal		X		
	SAP023 Mexico		X		
	FP138 Senegal	X			
	FP060 Barbados			X	
5 <sup>TH</sup> COHORT (ENTERED IN 2022)	CN Armenia	X			
	SAP031 Brazil	X			
6 <sup>th</sup> cohort (entered in 2023)	FP179 Tanzania		X		
	FP187 Benin	X			
	FP192 Barbados	X			
	SAP021 Timor-Leste		X		

22. **Impact evaluation country visits:** The development of a comprehensive evaluation framework for the projects included field visits and consultations with local stakeholders. The following impact evaluation country visits were undertaken during the reporting period.

- (a) **Brazil:** During the IEU team’s visit to Brazil in May, several meetings with key stakeholders were held in Marajo, including government entities and local community organizations. These meetings helped secure support for the planned impact evaluation of the SAP031 project (Marajo Resiliente: Enhancing the resilience of smallholders to climate change impacts through adapting and scaling up diversified agroforestry systems in the Marajo Archipelago of Brazil). The discussions held in these meetings revealed some challenges in defining the evaluation design and outcome indicators, particularly regarding the concept of ‘resilience’ and in view of the project’s principal objectives. The discussions also highlighted the need to clarify how the project’s diversified agroforestry systems would achieve long-term resilience. Additionally, concerns were raised about the potential unintended consequences of offering credit to

rural farmers for climate adaptation, as credit is not a form of insurance. It could also potentially increase risks for farmers if they are unable to repay loans after crop losses. The evaluation team will continue to collaborate with the Fundacion Avina team to further refine the impact evaluation design and prepare for the baseline data collection, which is planned for next year.

- (b) **Tanzania:** From 27 to 31 May 2024, the IEU team travelled to Dar es Salaam, Tanzania, to design an impact evaluation for the FP179 TACATDP project (Tanzania Agriculture Climate Adaptation Technology Deployment Programme). The country visit programme included stakeholder engagements, field visits, and technical discussions to assess the feasibility of an impact evaluation. Field visits to the Morogoro region were instrumental in understanding the local agricultural context, shaping the impact evaluation design, and guiding the development of important research questions. The impact evaluation focuses on testing key hypotheses, including whether bundling insurance with loans encourages banks to extend financing for new products, value chains, and regions, and whether it leads farmers to adopt new agricultural behaviours, potentially enhancing their resilience and food security. Based on these insights, an experimental design is being developed to rigorously assess the program's impact on climate adaptation and resilience.

## 3.2 Objective 2: Build and deliver an evaluation-based learning, advisory, and capacity-building programme

### 3.2.1. Evidence reviews and syntheses.

23. The Evaluation Policy for the GCF requires the IEU to promote learning and dialogue by disseminating knowledge and lessons learned. To fulfil this mandate, the IEU consolidates and summarizes existing global evidence on climate-related topics that are relevant to the GCF. Evidence reviews are based on a structured literature search. They appraise the quality of evidence and illustrate the evidence base and gaps in a comprehensive manner. Alongside global evidence reviews, the IEU also produces syntheses and learning papers to disseminate and communicate lessons from evaluations and learnings from the climate space.

24. **Evidence reviews.** During the reporting period, the IEU has proceeded with the procurement of a firm to support the global evidence review on forest conservation. The forest conservation evidence review has been delayed due to capacity constraints, and it is expected to be completed by mid-2025. In the reporting period, the IEU published two reports in its evidence review series. The first, published in May 2024, was the final report on just transition towards low-emission, climate-resilient, and more inclusive societies in developing countries. The report presents the findings from the realist review spanning energy, agriculture and food, infrastructure, and ecosystem services. The report found common enablers for just transition interventions across all or most sectors, including robust funding and financing mechanisms, strong alignment with needs and priorities, political will and ownership, social dialogue, and stakeholder engagement. Hard and soft enablers differed across sectors. The review also found common barriers to successful just transition across all sectors, including bureaucratic and legal barriers, exclusion and unequal distribution of benefits, and technical skills that can be enhanced.

25. The second report, published in July 2024, examines and synthesizes evidence in systematic reviews focused on four market-based approaches: index-based insurance, payments for ecosystem services, results-based payments, and willingness-to-pay assessments.

The report summarises the key factors which moderate the effectiveness of each approach across different countries and contexts.

26. **Syntheses.** During B.39 held in July, the IEU organized a Board side event to disseminate the key findings of its synthesis note on access. This synthesis note, which had been submitted as part of IEU's previous activities report for B.39, contains evidence on access from various IEU products, including the evaluations looking at vulnerable countries and regional groups, the previous GCF performance reviews, and reviews of the Fund's operational modalities. About 60 people, including Board members and their advisors, Secretariat colleagues, observers, national designated authorities, and representatives of the accredited entities, attended the side event. They actively shared their feedback and comments on the content presented.

27. **Other collaborative synthesis work.** The IEU is expected to be at the forefront of methods and climate evaluation and establish itself as a global leader in the field. To enable this mandate, the IEU continues to engage in various activities in the climate evaluation space and continues to collaborate with the evaluation offices of other international organizations and climate funds. In particular, the Unit continues to contribute to the ongoing work of the Global SDG Synthesis Coalition as a Co-Chair of the Planet Pillar SDGs<sup>15</sup>, assessing and synthesizing evidence on the implementation of five SDGs, namely: clean water and sanitation; responsible consumption and production; climate action; life below water; and life on land. The IEU's work as Co-Chair of the Planet Pillar synthesis management group allows the Unit to look into how the SDGs and the GCF's Updated Strategic Plan targets are linked and identify opportunities for synergies and complementarity.

28. In July and August, the IEU, together with UNEP-IEO and other members of the Planet Pillar management group (MG), organized and facilitated a few MG meetings and substantive discussions on how to look at the underlying evidence and different subsectors for the Planet related SDGs. A scoping study was concluded, in the reporting period, together with two key figures in the field with one serving as the scoping expert and the other as the subject matter expert. The SDG Synthesis Coalition is comprised of the evaluation offices of more than 46 UN and international organizations, UN Member States, and research networks. The SDG syntheses are expected to be completed in 2025.

29. **Learning papers – Evaluability study.** The IEU has continued to analyse the data for the Unit's third and fourth evaluability assessments of the GCF's funding proposals. This ongoing evaluability study series, a cornerstone of the Unit's work, assesses the quality of the GCF's funding proposals at entry. In particular, the study aims to assess the extent to which the approved GCF projects are likely to credibly measure and report on the results they claim. The assessment employs the following four lenses to investigate the potential for internal validity of funding proposals: Theory of Change (TOC), potential for measuring and reporting causal change and implementation fidelity, performance against investment criteria, and data collection and reporting credibility. The third evaluability study, in particular, assesses the risk ratings of the four main assessment areas between the Initial Resource Mobilization period (2015-2019) and the GCF-1 period (2019-2023). The third study report's finalization is being delayed largely due to capacity constraints and will be ready for publication by the first quarter of 2025. In the beginning of the year, the IEU had experienced staff turnover in the Science and Data workstream. The hiring processes were completed within the reporting period and onboarding of new staff is currently ongoing. The latest and fourth study, which includes GCF-

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<sup>15</sup> <<https://ieu.greenclimate.fund/events/ieu-at-sdg-synthesis-coalition>>

funded projects in 2024, is also being delayed due to limited capacity at the moment. The fourth study will be ready for publication as early as the third quarter of 2025.

### 3.2.2. Capacity building.

30. **IEU supports the development of evaluation capacity.** The IEU's TOR<sup>16</sup> requires the Unit to support the strengthening of the evaluation capacities of the GCF's implementing entities. The Evaluation Policy for the GCF also provides that the IEU will support the development of evaluation capacities, particularly that of direct access entities (DAEs).

31. In the reporting period, the IEU continued its work on developing and finetuning a long-term capacity-building support action plan for DAEs, which is guiding the Unit's work this year and will continue to do so beyond 2024. Furthermore, the IEU continued to refine the evaluation capacity-building training modules for AEs based on the evaluation capacity needs assessment conducted in 2023 with a focus on the GCF Evaluation Policy and Standards and the basics of evaluations. In the reporting period, the IEU has developed 2 training packages on 'Basics of Evaluation' and 'Basics of Data Collection and Analysis'. The IEU has also initiated the process of developing two other packages on 'Preparation of Evaluation Terms of Reference' and 'Undertaking Quality Assurance of Evaluation Reports' respectively. These packages are expected to build the capacity of AEs, especially DAEs, to commission evaluations for their GCF-related programming. The IEU plans to present these training packages to DAEs on the margins of the Third GCF Integrity Forum, which will take place from 5 to 7 November 2024 in Songdo.

32. The IEU's impact assessment team LORTA will host its annual impact evaluation design workshop in October in Bangkok, Thailand. The workshop aims to build the capacity of seven GCF-funded project teams, comprising three international accredited entities (IAEs) and four DAEs. During the workshop, the participants will learn about the importance of rigorous impact evaluations, what impact evaluations entail, and how theory of change, experimental and quasi-experimental research designs, and data collection methods can be applied to their respective projects, under the guidance of impact evaluation specialists.

33. **IEU's capacity for data management.** The IEU DataLab is closely monitoring improvements in internal systems and processes at the Secretariat, which the team anticipates will translate into further automation of DataLab's work. A draft data dashboard is currently being tested internally. This dashboard aims to provide access to evaluation-relevant datasets, using both internal and external data of the GCF. For the data dashboard and transparency around the data, metadata papers have been prepared. These papers provide details and clarity around the structure and accessibility of the data.

### 3.2.3. Partnerships.

34. The TOR of the IEU provides that it will establish closer relationships with the independent evaluation units of the implementing entities, and relevant stakeholders, and that it will seek to involve them in its activities wherever feasible and appropriate. Partnerships and collaboration are critical to ensure that the IEU delivers effective evaluations, contributes to its own and the GCF's learning, and builds the capacity of in-country agencies. Partners also provide the opportunity, depending on the stakeholders in question, to extend greater understanding, outreach, and uptake of IEU recommendations and, critically, to better their perceptions of the IEU.

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<sup>16</sup> Annex I, Decision B.BM-2021/15 <<https://ieu.greenclimate.fund/sites/default/files/document/updated-tor-ieu.pdf>>

35. To date, the IEU has memoranda of understanding (MoU) and agreements with 27 AEs, NDAs, universities, research institutes, government ministries, civil society organizations, multilateral and bilateral agencies, and the independent evaluation offices of AEs.

### 3.3 Objective 3: Engage strategically to learn, share, and adopt best practices in the climate change evaluation sphere

36. The IEU engages strategically to learn and share knowledge and adopt best practices in the climate change evaluation sphere. It participates in various external and internal events, produces a wide range of publications and outreach materials, regularly updates its microsite, and shares content on social media, among others.

37. Further partnerships and collaboration are critical to ensure that the IEU delivers effective evaluations, contributes to its own and the GCF's learning, and builds the capacity of in-country stakeholders. Also, IEU partners provide the opportunity to extend greater understanding, outreach, and uptake of IEU recommendations.

#### 3.3.1. Communications and Board reporting.

38. **A Board meeting side event.** In July, the IEU organized a highly engaging Board side event on the topic of access on the margins of B.39. The session, titled "Enhancing Access to the GCF: Challenges and Opportunities,"<sup>17</sup> attracted over 60 attendees and featured key discussions on the systemic challenges and opportunities in enhancing access to the Fund. The session was moderated by the Head of the IEU and included interventions from the IEU's Chief Evaluation Advisor on the Access Synthesis report, as well as a representative from the Women's Environment & Development Organization (WEDO), serving as an Active Observer. The attendees included Board members, advisors, CSOs, PSOs, NDAs, and AEs. Key discussion topics included the blind spots in GCF finance, highlighting certain countries that have yet to benefit from GCF resources. Discussions also focused on the complexity of access in the context of country ownership, the need to put greater focus on countries, and the differentiated needs of each country. A few dozens of printed copies of the Access Synthesis report were provided at the Board side event, and the high uptake of these hard copies was notable.

39. Prior to B.39 held in July in Songdo, the IEU also published and disseminated a Board-facing newsletter, informing the Board and other key stakeholders of the recent work and milestones achieved by the Unit in evaluation, learning, capacity-building and other areas.<sup>18</sup>

#### 3.3.2. Outreach and uptake.

40. **Overview of major communications and uptake products.** The IEU produces a wide range of communications products tailored to the needs of its broad spectrum of stakeholders. Such products include print and online publications, newsletters, multimedia content, and promotional materials for internal and external engagement. The IEU continues to update its microsite daily and maintain a solid presence on social media. These outreach activities and materials disseminate the IEU's evaluations, support their uptake, and serve the IEU's broader learning and advisory function. Annex II contains a list of IEU publications and communications products that were published during the reporting period.

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<sup>17</sup> <<https://ieu.greenclimate.fund/event/ieu-b39-side-event-access-gcf>>

<sup>18</sup> IEU newsletter, Issue 22. <<https://mailchi.mp/1606061b523b/ieu-newsletter-issue-14170239>>

41. **IEU microsite analytics.** During the reporting period from May to August 2024, the IEU microsite ([ieu.greenclimate.fund](http://ieu.greenclimate.fund)) continued to serve as an essential resource for disseminating insights on climate evaluation and impact studies. A significant update was the relaunch of the LORTA impact evaluation page in July, designed to improve visibility and user interaction. This redesign included the addition of new tabs such as "Projects," which offers an updated list of GCF projects that are engaged with the LORTA programme and links them directly to related IEU impact evaluations or reports. Additionally, a new feature allowing visitors to request datasets on critical topics like the impact potential of GCF-funded activities and sustainable development potential was newly introduced, enhancing the microsite's utility.

42. The microsite recorded about 6,400 active users over the period, which is about the same as the figure recorded in the previous reporting period. Engagement remained robust with a 56 per cent engagement rate and a total of 28,000 views. This marks a 4 per cent increase, which suggests deeper engagement from visitors with the web content. The "IEU Synthesis on Access in the GCF" report emerged as a particularly engaging publication during this period, attracting 247 views and 161 active users, with a high event count of 885. This indicates the highest level of substantial interactions among the IEU materials published during the reporting period.

43. The IEU continues to refine its digital presence and enhance the accessibility and functionality of its microsite and social media channels to better meet the needs of its diverse global stakeholders. These efforts ensure that the IEU evaluations and reports are not only accessible but also engaging. They also ensure that the IEU publications are able to facilitate a broader understanding and that the evaluation findings are actively utilized.

44. **Social media analytics.** The IEU's presence on multiple social media platforms enables the Unit to reach a wide range of stakeholders, including members of global evaluation networks and associations, other climate funds and international organizations, the evaluation offices of United Nations agencies, and AEs, NGOs, and academia. Social media continues to serve as an important driver of downloads of IEU's evaluation reports and other knowledge products.

(a) **LinkedIn.**<sup>19</sup> The IEU enhanced its social media strategy during the reporting period, focusing particularly on LinkedIn. A significant improvement in engagement was achieved on LinkedIn by transitioning from traditional long-text posts and unedited photos to professionally branded templates and visually engaging content formats like infographics and carousel posts. This shift led to an impressive increase in both followers and engagement levels. The LORTA-related posts, for example, consistently performed well, highlighting the audience's strong interest in project impact outcomes and updates. This strategic shift began in late June 2024 and led to a marked improvement in engagement metrics. The post on 24 July 2024, titled "The IEU is excited to share key updates and outcomes from B.39," notably garnered 3,653 impressions and achieved an impressive engagement rate of 58 per cent. This reflects the effectiveness of integrating detailed infographics that succinctly convey complex information.

(b) **X/Twitter**<sup>20</sup>. The IEU's X account continues to serve as a vital dissemination tool for the Unit's work. The platform supports the Unit's efforts by providing links to detailed content on our primary digital channels, including the IEU microsite and LinkedIn. Over this reporting period, the IEU's X account maintained a steady presence with 1,583

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<sup>19</sup> <<https://www.linkedin.com/company/gcf-eval>>

<sup>20</sup> <[https://twitter.com/GCF\\_Eval](https://twitter.com/GCF_Eval)>



followers. The posts on X achieved a total of 952 impressions, indicating the number of times that users viewed the IEU's name or content.

### 3.3.3. Learning and knowledge.

45. In a continued effort to enable and promote the uptake of evaluative evidence, foster a culture of learning, and build capacity within the GCF ecosystem, the IEU organized several learning events and exchanges as the following.

- (a) Four monthly IEU learning talks were organized in the reporting period as follows, to engage the GCF Secretariat and other independent units in an open discussion relating to IEU's work.
  - (i) May learning talk '**Coastal and Terrestrial Ecosystem-Based Management**':<sup>21</sup> The talk introduced evidence on what works at scale in restoring landscapes, from signals of success from GCF projects to global evidence covering coastal and terrestrial spaces. The presentations from a diverse panel of speakers acted as a springboard for a discussion on how the GCF can further utilize trusted evidence, to inform programming and achieve the targeted results in the Strategic Plan 2024–2027.
  - (ii) June learning talk '**Enhancing Access**':<sup>22</sup> The talk introduced the latest IEU work on 'access' and the recent work by the Secretariat on policy coherence and updates on the drafting of the revised access strategy.<sup>23</sup> It provided a platform for an open discussion on how the GCF can achieve the targeted results for access contained in the Strategic Plan 2024-2027.
  - (iii) July learning talk '**Trusted Evidence and Learning in the GCF**':<sup>24</sup> This session focused on how the GCF can use trusted evidence to inform policies, achieve portfolio targets, and, most importantly, achieve impact on the ground. The learning talk highlighted the importance of learning for the Executive Director's 50by30 vision and the Fund's Strategic Plan 2024-2027, and how the IEU is using trusted evidence from impact evaluations to enhance learning within the GCF.
  - (iv) August learning talk '**Market-based Approaches**':<sup>25</sup> This talk focused on market-based approaches for climate change adaptation and mitigation, emphasizing the role of index-based insurance and the factors influencing willingness to pay for such products. Panelists shared insights through case studies from Latin America, Africa, and Asia, highlighting the importance of private sector involvement, innovative financial mechanisms, and the need for strong policy and data infrastructure. The discussion underscored both the opportunities and challenges in scaling these market-based approaches, especially for smallholder farmers and renewable energy projects.
- (b) Each learning talk attracted a sizable gathering of participants representing the Secretariat and the Independent Units. Guest speakers and discussants included

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<sup>21</sup> <<https://ieu.greenclimate.fund/event/learning-talk-ecosystem-based-management>>

<sup>22</sup> <<https://ieu.greenclimate.fund/learningtalk-access-2024>>

<sup>23</sup> <<https://ieu.greenclimate.fund/document/access-synthesis-2024>>

<sup>24</sup> <<https://ieu.greenclimate.fund/event/learning-talk-trusted-evidence-and-learning-gcf>>

<sup>25</sup> <<https://ieu.greenclimate.fund/event/learning-talk-market-based-approaches>>

colleagues from across the Secretariat programming divisions, including the Division of Mitigation and Adaptation, as well as the GCF's Deputy Executive Director.

- (c) The IEU also took part in the **Fifth Meeting of the GCF Indigenous Peoples Advisory Group (IPAG-5)**. The discussions focused on ecosystem-based management by leveraging evidence-based practices and adaptive management and challenges in accessing GCF funding and the need for a revised access strategy. The participants spoke of the need for improving the Fund's use of evidence to enhance project impact and for effectively incorporating these findings into future programming to improve fund distribution and achieve the GCF's goals.

#### 3.3.4. **Engagement at evaluation and climate conferences.**

46. In line with its TOR and the GCF Evaluation Policy, the IEU regularly engages in global events, conferences, and activities. These international conferences provide the IEU with an opportunity to widely disseminate lessons learned from evaluations, engage with evaluation networks, and adopt best practices. In the reporting period, the IEU participated in the following events:

- (a) Africa LEADS (Learn.Adapt.Scale) Workshop in May 2024: Taking part in this joint impact evaluation workshop with the World Bank enabled the IEU team to broaden the dissemination of rigorous impact evaluation results, particularly within the GCF-funded energy projects, and enhance the team's capability to rigorously evaluate climate change and energy projects.
- (b) gLOCAL 2024 in June 2024: The IEU presented in two sessions at the gLOCAL evaluation week 2024 organized by the Global Evaluation Initiative (GEI) on the topic of measuring transformative change through climate action and shared valuable insights and approaches, highlighting the benefits and challenges of evaluating transformational change at the GCF.
- (c) What Works Climate Solutions Summit (WWCSS) in June 2024: The IEU presented in two sessions of WWCSS. As a co-chair of the Planet Pillar of the Global SDG Synthesis Coalition, the IEU delivered a keynote presentation introducing the coalition and its work. In a separate parallel session with a focus on policy and adaptation, the IEU presented key insights from its systematic review on behavioural science interventions for climate adaptation in developing countries. In this session, the IEU highlighted the importance of early integration of behavioural science insights and cues in project design to improve outcomes and sustainability.
- (d) Evidence to Action in July 2024: The IEU participated in a panel discussion highlighting its work on evaluating GCF adaptation projects in Africa and presented key findings from systematic reviews on women's empowerment, water management, and behavioural science, with an emphasis on their potential to improve adaptation programming.

47. In September, the IEU plans to participate in and present at the Asian Evaluation Week 2024 in Shanghai, China, and the European Evaluation Biennial Conference 2024 in Rimini, Italy. These events will provide the IEU with further opportunities to disseminate learning and knowledge from its LORTA impact evaluations and evaluation country case studies. For a complete listing of the IEU events and engagements corresponding to the reporting period, see Annex IV.

### 3.4 Objective 4: Strengthen and position the IEU

48. Based on the Evaluation Policy for the GCF, the IEU is expected to be a global leader in climate evaluation. Consequently, the Unit places considerable emphasis on hiring global talent and further strengthening its internal capacity through a wide range of training and learning opportunities.

49. **Staffing.** The IEU is expected to reach 26 staff by 2027, in accordance with the three-year rolling workplan objectives as noted previously by the Board. In line with this long-term staff goal, the Unit's reliance on external consultants and experts will be further reduced. Most components of the evaluation process, including data analysis, synthesis and country case studies will be fully internalized by the Unit's staff. In the reporting period, the IEU continued with the hiring processes for the different workstreams of the Unit. Six staff positions in data and impact evaluation were successfully filled, strengthening the capacity of the Unit for more robust and efficient evaluation. The hiring processes for two Principal Evaluation Officers and two Evaluation Data Associates was initiated in 2023 and concluded in 2024. Following the staff turnover in mid-2024, an Evaluation Data Associate and an Impact Evaluation Officer were hired. Two Evaluation Data Associates, Mr. Alejandro Gonzalez-Caro and Ms. On Ki Wong, joined the IEU in July. Thereafter, in August 2024, Ms. Elangtlhoko Mokgano joined the team as the third Evaluation Data Associate. The new Principal Evaluation Officer, Aiko Ward, is expected to join the Unit in September 2024. Savi Mull, another Principal Evaluation Officer, is expected to first join virtually in October 2024 and join the team in Songdo by November 2024. The new Impact Evaluation Officer Mr. Marco d'Errico is expected to join the Unit in late September 2024.

50. At the end of August 2024, the IEU had 18 staff. During the onboarding period of new staff, the IEU continued to strengthen its modularity by allowing staff members to take the required roles when needed. The Unit strategically used consultants to bridge capacity gaps and provide specialized services in a cost-effective manner. It is expected that the use of consultants will be further minimized as the IEU gets closer to the long-term staffing goals.

51. **Internship programme.** As a part of the larger GCF internship programme, the IEU internship provides recent graduates and young professionals with an opportunity to learn about international organizations and gain exposure to evaluations in the climate space. In addition to a final report at the end of the internship, IEU interns are responsible for drafting and distributing a weekly internal report that provides an update on the tasks assigned to them in the previous week. The IEU recruited three (3) interns for the 2024-25 intern cohort, and three (3) of the selected candidates, Beatrice Mora, Tsolmon Baatarzorig, and Melvin Moore joined the Unit in July, while one (1) candidate withdrew due to personal reasons. All interns are contracted to join the Unit for six months, with the option to extend. The IEU arranges a monthly "Interns' Day" programme that allows the interns to put aside their usual day-to-day tasks, to explore and learn about other areas of the IEU's work, the GCF, or climate change. The interns are expected to go for a bird-watching session with the East Asian-Australasian Flyway Partnership (EAAFP) in September as part of their "Interns Day" programme, to promote learning about the intersectionality of biodiversity conservation and climate action.

52. **Team workshops and retreats.** In July 2024, the IEU held a team workshop in Seoul, Republic of Korea, to take stock and reflect on the independent evaluation function and to discuss the 2025-2027 IEU work plan and potential evaluation topics. The planning for the team retreat in October is underway and is expected to focus on building a strong team culture and a harmonious and respectful work environment. This retreat will build on the discussions held in the 2023 team retreats including open communication, transparency, enhanced and

streamlined management and leadership structures, and a team environment that facilitates the growth and development of the staff members.

53. **Training.** The July team workshop also provided two training sessions on effective presentation and quantitative data visualization, respectively. The training on effective presentation covered practical sessions on storytelling techniques, knowing and connecting with the audience, things to avoid when creating presentations, preparing questions and practicing beforehand, as well as how to prepare a presentation using appropriate titles, bullets and visual aids to enhance memory retention and the clarity of ideas being communicated. The session on quantitative data visualization had a “do as you learn” segment on recognizing patterns in datasets. Additional segments were carried out on how to use various IEU colour palettes to present data, how to recognize the different types of data and how each is generally presented or visualized, as well as data presentation best practices.

54. In the reporting period, the IEU members also participated in other training opportunities, including completing the GCF mandatory eLearning courses titled ‘Prevention and Protection against Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH)’ and ‘Preventing Workplace Harassment for Employees’. Additionally, there were a few internal learning moments for the IEU team members which were organized as a segment within the weekly IEU team meetings and covered topics such as ‘Writing for Impact’. Moreover, monthly debrief sessions for IEU evaluation country visits were organized, allowing the entire IEU team to come together to catalogue the IEU country visits undertaken, and discuss the lessons learned and the input gathered from these visits.

55. In undertaking 2024 evaluations-related travel and impact evaluation-related travel within the reporting period, the Unit has continued to follow the Secretariat’s administrative guidelines related to travel. Travelers also participated in online travel safety courses with the International SOS. The travel safety training covered topics such as medical and information security, privacy, cybercrime, malaria prevention, and others.

## Annex I: Budget and expenditure report

1. The table below shows the IEU's 2024 budget and the expenditure report as of 31 July 2024 in USD.

**Table 1: IEU's budget and expenditure in January – July 2024**

Category	2024 Board approved budget, in USD	Disbursed, in USD	Disbursed, in % of the approved budget	Remaining budget, in USD
<b>Staff costs (a)</b>	<b>4,943,403</b>	<b>2,158,748</b>	<b>43.7%</b>	<b>2,784,655</b>
Full-time staff <sup>1</sup>	4,556,289	1,952,125	42.8%	2,604,164
Consultants and interns <sup>2</sup>	387,114	206,623	53.4%	180,491
<b>Travel<sup>3</sup> (b)</b>	<b>307,832</b>	<b>115,518</b>	<b>37.5%</b>	<b>192,314</b>
<b>Contractual services (c)</b>	<b>1,728,500</b>	<b>374,314</b>	<b>21.7%</b>	<b>1,354,186</b>
Legal and professional services	1,687,000	353,810	21.0%	1,333,190
Operating costs	41,500	20,504	49.4%	20,996
<b>Total (a+b+c)</b>	<b>6,979,735</b>	<b>2,648,580</b>	<b>37.9%</b>	<b>4,331,155</b>
Shared cost allocation	755,169	440,510	58.3%	314,659
<b>Grand Total</b>	<b>7,734,904</b>	<b>3,089,090</b>	<b>39.9%</b>	<b>4,645,814</b>

Note: <sup>1</sup> Staff costs include staff salaries, benefits, staff training, and development costs. It includes an allocation of USD 85,618 for the salary scale adjustments allocated using planned staff numbers.

<sup>2</sup> Consultants costs include the fees, benefits, and travel costs of consultants and interns.

<sup>3</sup> Travel costs only include travel fees and daily allowances of staff-related travel in the execution of tasks and deliverables.

2. The IEU's forecast budget expenditure by the end of the year is expected to be USD 6.74 million, reaching 87.1 per cent against the approved 2024 annual budget of USD 7.73 million. Its actual overall budget expenditure for the reporting period was 40 per cent with USD 3.09 million. The remaining budget is to be utilized as per the IEU workplan for the rest of the year. For instance, the IEU has already committed funds under contract with vendors (68 per cent of the professional services budget), and the consultants' and travel costs will be spent as planned. Staff costs will be spent according to the results of the hiring processes. Committed funds are usually disbursed midway or after completing defined milestones. Such expenditures are expected to take place later in the fiscal year.

3. By the end of 2024, the IEU will have conducted and completed 15 country case studies. Travel expenses for these case study visits will be reflected as they get completed and reported. These expenses are expected to peak during the data collection phase of the evaluations, corresponding roughly to the second and third quarters of 2024. There was no travel cost associated with the PPWW evaluation (Policy on the Protection of Whistleblowers and Witnesses), which was completed before B.39.

4. From the beginning of the year to 30 August 2024, the IEU completed seven hirings. These include two Principal Evaluation Officers, one Impact Evaluation Officer, three Evaluation Data Associates, and one researcher. Three more positions (Policy and Evaluation Specialist, Evaluation Uptake Specialist, and Operation and Administrative Assistant) are under the recruitment process and are expected to be concluded within the year. Out of the 10 new hires, only one staff member (Researcher) joined the team in February, with the rest joining the Unit

in the latter part of the year. This translates to a limited execution rate of the full-time staff budget, despite the high number of staff hired during the year. Team culture retreats, workshops, and professional training sessions for staff are being provided from the second quarter of the year onwards.

5. Regarding the consultants' costs, an HQ-based consultant was hired to temporarily replace a staff member who went on maternity leave and to provide continuity for the relevant tasks.



## Annex II: Management Action Report of the Independent Evaluation of the GCF's Readiness and Preparatory Support Programme (RPSP2023)

1. Decision B.BM-2021/07<sup>1</sup> established the Green Climate Fund's Evaluation Policy<sup>2</sup> (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 recommendations, respective management responses, and the status of implementation (see GCF/BM-2021/09, paragraph 28, paragraph 64 (b) / appendix I / appendix III). The MAR provides the Board with a first update on the status of the implementation of IEU recommendations from this evaluation. As a result, this IEU management action report contributes to accountability and transparency within the Fund.
3. In preparing this MAR, the IEU considered the Secretariat's management response to the Independent Evaluation of the GCF's Readiness and Preparatory Support Programme as detailed in document GCF/B.37/06/Add.01.<sup>3</sup>
4. The Secretariat agrees with all 15 recommendations.
5. For each recommendation made by the IEU evaluation, this MAR provides a commentary prepared by the IEU. The commentary was shared and discussed with the Secretariat prior to the writing of this report. The comments provided by the Secretariat were considered in the finalization of the MAR and in the preparation of the rating scale. The rating scale for the progress made on the adoption of recommendations is as follows:
  - (a) **High:** Recommendation is fully incorporated into policy, strategy or operations.
  - (b) **Substantial:** Recommendation is 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.
6. In terms of the progress made with the adoption of the 15 recommendations set out in the evaluation, the rating "high" is given to 3 recommendations, the rating "substantial" is given to 3 recommendations, and the rating "medium" is given to 6 recommendations, and the rating "low" is given to 3 recommendations.

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<sup>1</sup> <<https://www.greenclimate.fund/decision/bbm-2021-07>>

<sup>2</sup> <<https://www.greenclimate.fund/document/evaluation-policy-gcf>>

<sup>3</sup> <<https://www.greenclimate.fund/document/gcf-b37-06-add01>>

#	Recommendation	Management response	IEU Comment	Ratings
1.1	The GCF should clarify the value proposition and business case of its Readiness programme as one of its central offerings. Its role needs to be anchored within the strategic directions and modalities of the Fund overall (including the PPF, PSF, accreditation and others).	<p><b>Agree.</b></p> <p>The revised strategy for the RPSP 2024–2027 crystallises the purpose and scope of readiness support through clear focus on supporting developing countries translate their climate priorities into country-owned, high-impact climate projects and investments improving direct access to GCF resources and capacity to program and implement impactful mitigation and adaptation measures. The revised strategy aligns with USP-2, and targets enhanced countries’ ability to successfully programme and implement climate investments to attain objectives and commitments in their NDC/NAP/LTS.</p> <p>The streamlined readiness objectives outlined in the revised strategy will lay solid foundations for USP-2 programming targets pertaining to developing country support, direct access programming, climate-resilient agriculture; sustainable management of terrestrial and marine areas; low-emission climate-resilient infrastructure; clean energy; novel solutions and emerging technologies for hard-to-abate sectors; locally led adaptation action; engagement of local early-stage ventures and micro, small</p>	<p>The revised RPSP strategy 2024-2027 (GCF/B.37/17) details a country-owned and country-driven approach to attaining objectives and commitments in country nationally determined contributions (NDCs), national adaptation plans (NAPs) and long-term strategies (LTSs).</p> <p>The strategy offers up to USD 7 million per country to NDAs or focal points. This funding supports pipeline development, capacity building, policy development and strategic frameworks, with the aim of achieving coordinated climate action across government, including for country programmes.</p> <p>In addition, up to USD 3 million per country over four years can be provided to NDAs or focal points if needed beyond the initial USD 7 million. However, it is contingent upon the near exhaustion of the main envelope (with less than \$250k remaining) and must be based on a clear, justified need and demonstrable impact on NAP implementation.</p> <p>In addition, the RPSP strategy extends further support to DAEs by allocating USD 1 million per entity over four years through grants under the DAE support modality. Further, LDCs and SIDS can now receive up to USD 320,000 for direct access per country over four years.</p> <p>During the preparation of this management action report, the Secretariat outlined how it is taking steps to anchor the</p>	High

#	Recommendation	Management response	IEU Comment	Ratings
		<p>and medium-sized enterprises in climate solutions; and greater direct access to climate finance through “green” local financial institutions.</p> <p>The Secretariat is taking steps to anchor the RPSP within other modalities of the Fund, including PPF, PSF and accreditation.</p> <p>The revised strategy and its forthcoming work programme will improve upstream origination and quality of concept notes through a deep shift in country-led programme origination, providing Readiness support to NDAs and focal points from planning and prioritising climate action at a macro-economic and cross-sector level, through to supporting quality concept notes with a clear narrative for climate impact. This assistance will complement PPF support, which addresses specific, project level gaps and/or specialist expertise requirements pertaining to pre-feasibility and feasibility studies and project design; due diligence covering technical, financial, economic, legal, regulatory, environmental and social safeguards, institutional, governance, transaction structuring, and management matters; project-level indicators; pre-contract services, including revision of tender documents.</p>	<p>RPSP within other GCF modalities. This includes the Project Preparation Facility (PPF), private finance and accreditation, as well as ensuring coherence, complementarity and stakeholder partnerships, as follows:</p> <p><i>PPF Support</i></p> <p>The RPSP’s assistance will complement PPF support. Through decision B.37/22 “Project Preparation Facility: revised operating modalities, activities and funding” the Board endorsed the revised operating modalities for PPF, including an allocation of USD 90.3 million for the PPF. Decision B.37/22 detailed how up to 2.5 per cent of the PPF resource allocation can be employed for partnership-building and knowledge-sharing activities for project preparation. In this respect, the RPSP strategy 2024-2027 appears aligned with the PPF’s operating modalities.</p> <p>The degree to which the Secretariat has actively facilitated multi-stakeholder partnerships on the basis of a GCF stakeholder engagement policy could be clarified. The IEU understands that the Secretariat aims to take into account comments made on the Partnerships and Access Strategy document presented at B.39 in developing further policy proposals, following decision B.39/14.</p> <p><i>Private finance</i></p> <p>The draft document for the partnerships and access strategy (GCF/B.39/18/Rev.01) outlines how scaling up mobilization, particularly of private finance, can be partially</p>	

#	Recommendation	Management response	IEU Comment	Ratings
		<p>RPSP will also be used to further projects along the concept note-funded proposal continuum through establishing a strong cause-and-effect linkage between upstream origination anchored in the country programme, national climate strategies and the USP-2 targeted results.</p> <p>For the private sector, Readiness support will focus on building countries' awareness of the necessary policy reform and business enabling environment mechanisms that will remove barriers for home-grown innovation and for private sector-led climate investments. While GCF accreditation efforts will target direct access applicants capable of fulfilling developing countries' programming needs and addressing programming gaps within the GCF AEs network, Readiness will play a strategic role in supporting such candidates through pre- and post-accreditation processes, to enable programming. Readiness (and PPF, where relevant for funding proposal development) support can also help capitalize on complementarity potential with other climate funds, such as using CN (and PPF, in the case of funding proposal) formulation support under readiness to help design GCF</p>	<p>traced to, <i>inter alia</i>, nascent engagement between key actors. Moreover, the draft document details how the RPSP can play an important role in helping countries implement regulatory and policy environments and strengthen the capacities of private sector and financial system actors, including regulators, standard setters, national development banks and others.</p> <p>However, the draft document does not link these aims to (i) multi-stakeholder partnerships, (ii) the GCF stakeholder engagement policy, (iii) partnerships that can be built with GCF and (iv) the obligations and responsibilities of AEs, in line with the Accreditation Strategy adopted in decision B.34/19.</p> <p><i>Accreditation</i></p> <p>In terms of accreditation, the revised RPSP strategy 2024-2027 specifies that upon request from NDAs or focal points, the allocated funding to NDAs for USD 4 million per country over four years can also be used to support pre-accreditation and accreditation of candidate DAEs nominated by NDAs or focal points. This support aims to enhance climate programming and facilitate direct access to GCF funding. Additionally, the DAE support modality, which provides USD 1 million per entity over four years, includes funding for the final steps in the accreditation process to address gaps and ensure that entities meet the GCF's accreditation standards.</p> <p><i>Coherence and complementarity</i></p>	

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		<p>projects that incorporate entry points for accessing other funds and scaling up lessons learned by projects financed by other funds.</p>	<p>Regarding coherence and complementarity, the Secretariat has previously outlined the joint declaration between the four climate funds, noting that the four funds are now developing a joint action plan to implement the declaration.</p> <p>The Secretariat has previously stated that the RPSP can play a central role in the joint action plan, provided the specific role of each fund is clarified, particularly because the CIF's distinct business model needs consideration during joint planning. The IEU notes that at this stage the CIF stands outside the scope of the UNFCCC.</p> <p><i>Stakeholder partnerships</i></p> <p>The Secretariat affirmed that it is actively facilitating multi-stakeholder partnerships through the operationalization of new readiness modalities. It noted that key actions include sharing a guide for accessing readiness support for both countries and DAEs that emphasizes strong stakeholder engagement and coordination.</p> <p>The Secretariat further noted that a key step in the strategic planning of readiness support for the medium term, 2024 to 2027, is engaging and coordinating with relevant stakeholders in line with GCF best practice for stakeholder engagement. Relevant country stakeholders include ministries of finance, economy, and strategic planning, central banks, executing entities, civil society organizations, entities nominated for the project-specific assessment approach, and the private sector.</p>	

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			<p>Further, the Secretariat stated that Objective 1 of the RPSP specifically aims to enhance the capacity of NDAs and focal points to engage stakeholders in developing and implementing NDCs, NAPs, and LTS. The Secretariat explained how this approach should ensure that Objective 2 – enhancing the programming capacities of countries and DAEs to implement NDCs, NAPs, and LTS – also incorporates comprehensive stakeholder input throughout the design and delivery of climate investments. The Secretariat stated that the revised RRMF will enable it to monitor and capture results in this area, as well as assess complementarity and coherence with other players in the climate finance landscape.</p>	
1.2	<p>To effectively mobilize its strategic intent for the Readiness programme, the GCF should provide for formal, “strategic” programme leadership.</p>	<p><b>Agree.</b></p> <p>The Secretariat has made significant progress in updating its internal legal framework in relation to the RPSP which clarifies roles and responsibilities of Secretariat committees; reoriented functions to align with Divisional mandates; documented interim standard operating procedures to support business continuity; developed new systems and dashboards to support business processes, and simplification/ standardization of requirements throughout the readiness grant cycle.</p>	<p>One of GCF’s competitive advantages is its management of the world’s largest climate capacity building programme, the RPSP.</p> <p>Recommendation 1.2 of the IEU’s independent evaluation concerns the Secretariat’s leadership of the RPSP. Specifically, the IEU asked the Secretariat to clarify the degree to which GCF is providing formal, strategic programme leadership.</p> <p>However, the Secretariat’s management response suggests it may have misinterpreted the recommendation. It addresses neither the programme’s leadership nor the degree to which leading the RPSP has been strategic and formal. Instead, the response focuses on updating the</p>	Low



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		<p>Since 2022, coordinated efforts have been advanced including through the Readiness Action Plan (RAP), which appointed senior management to lead various change management initiatives. These initiatives are already being realised through key milestones on operational improvements, results, and strategic alignment.</p> <p>Going forward, the Secretariat intends to use the RPSP strategically to support GCF-wide objectives, including GCF pipeline development, accreditation and country programming, and contribution to USP-2 targeted results. This includes co-developing multi-year readiness support aligned with countries and DAEs' priorities and mobilizing cross-divisional efforts for improved country focus in GCF-2.</p>	<p>internal legal framework regarding RPSP roles and responsibilities, the Readiness Action Plan, and aligning USP2 targets with countries and DAE priorities.</p> <p>In particular, the IEU asked the Secretariat to clarify how it perceives leadership's role in the co-development of multi-year RPSP programmes at the national level, and to detail the specific steps for achieving this.</p> <p>In particular, the IEU requested the Secretariat to clarify the degree to which, in their view, leadership relates to the co-development of multi-year RPSP programmes at the national level and the precise steps through which this will be achieved.</p> <p>The Secretariat responded that by developing the readiness operational modalities, it assumes formal and strategic programme leadership, offering proactive guidance to countries and entities in the medium-term planning of readiness support programmes.</p> <p>The Secretariat explained that this is achieved through information sessions as part of a structured communications process and by issuing guides for countries and DAEs to access readiness support. These guides are intended to underscore the importance of strategically planning readiness needs and addressing capacity gaps over the medium term, making this a critical step in requesting support. Additionally, the Secretariat noted that its guides provide practical support, including co-development</p>	

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			<p>assistance and various instruments such as guiding questions and templates, all designed to help countries and DAEs with their strategic, medium-term planning and requests for readiness support.</p> <p>Moreover, the Secretariat detailed how, on 12 July 2024, it announced the availability of dedicated GCF resources through the Placement Scheme as part of the 2024-2027 readiness strategy. The Placement Scheme offers an optional resource—a GCF Placement Expert—specially trained in GCF policies and systems. These experts are available to support countries in implementing GCF activities effectively. The Secretariat explained how these experts can support strategic planning, capacity building, and other critical tasks, ensuring that GCF initiatives align with each country’s specific needs and that the new readiness strategy is implemented smoothly. This resource is designed to enhance the operational capacity of countries participating in the Readiness programme, providing on-the-ground expertise and guidance.</p> <p>The IEU reiterates that it requested the Secretariat to respond directly to recommendation 1.2, as the management response did not engage with the substance of the recommendation in a direct manner. The IEU’s rating reflects the Secretariat’s limited responses to both the recommendation and the subsequent questions.</p>	
1.3	While clarifying its value proposition	<b>Agree.</b>	The Secretariat presented an implementation action plan (GCF/B.38/Inf.15) for the delivery of the Strategic Plan for	Substantial

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	<p>in the new RPSP strategy, the GCF should rationalize its capacity to resource the Readiness programme.</p>	<p>In line with the revised strategy for RPSP 2024–2027, the Secretariat will consider the resourcing implications of the readiness strategy implementation as part of the Secretariat-wide capability review for the USP-2 implementation, in addition to the following actions:</p> <p>(1) Operationalization of country programming and multi-year, systems thinking approach to planning and deploying readiness support. Internal capacity will be strengthened through appropriate re-grouping of internal resources and the required upgrading of skills and knowledge of staff, with specific reference to country programming; strategic, medium-term planning; multi-year grant cycle administration; and monitoring and evaluation of strategic, multi-year readiness programmes against intended results and impact.</p> <p>(2) Programming divisions will work in close collaboration to deploy an all-Secretariat approach to country-led origination and programming. Readiness resources will be called upon specifically, to lay the foundation for operationalisation of USP-2.</p>	<p>the Green Climate Fund 2024–2027 (GCF/B.36/17/Rev.01) to the Board at B.38, as per decision B.36/13. The implementation action plan designates a timeline for the internal capability assessment. The plan is expected to be available in 2025.</p> <p>The IEU understands that the proposed multi-year approach to implementing the Strategic Plan for the Green Climate Fund 2024–2027 (GCF/B.36/17/Rev.01), including a preliminary timeline for resourcing matters, was already introduced to the Board as part of the Secretariat’s work programme for 2024 (Document GCF/B.37/20).</p> <p>The IEU asked the Secretariat to specify when the capability review for USP-2 implementation will be completed in 2025. The Secretariat responded that the capabilities for implementing USP-2, including the RPSP 2024-2027, are being factored into the Secretariat’s 2025-2027 multi-annual work planning and budgeting process. According to the Secretariat, this approach aligns with GCF’s broader shift from ad hoc to mid-term, multi-year resource planning.</p>	

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		<p>(3) Fit-for-purpose use of delivery partners (DP) to furnish readiness support. The Secretariat encourages NDAs (and DAEs) to select suitably qualified DP or a consortium of DPs by utilising any combination of national and international service providers based on technical merit along with the financial management capacity assessment, to undertake the capacity building work.</p>		
2.				
2.1	<p>The GCF should adopt a country-centred approach, to:</p> <ul style="list-style-type: none"> <li>- Develop a country-specific approach to understanding the paradigm shift to be facilitated by the RPSP.</li> <li>- Integrate country context into RPSP operations.</li> </ul>	<p><b>Agree.</b></p> <p>The revised strategy for RPSP 2024–2027 addresses the IEU recommendation to adopt a country-centered approach, through the following approach, actions and considerations:</p> <ul style="list-style-type: none"> <li>• A country-specific approach will support country’s NDC/NAP/LTS investment planning targeting the design of project ideas, concept notes and funding proposals that facilitate the paradigm shift in the given country context, i.e., mitigation and adaptation measures with the maximum potential for the country’s low-carbon and climate-resilient</li> </ul>	<p>The Secretariat’s management response carefully responds to each point within IEU recommendation 2.1.</p> <p>The IEU’s understanding is that the revised approach to readiness aims to better support country’s NDC/NAP/LTS investment planning targeting and integrate the country’s context more meaningfully. Decision B.17/04 mandated the Secretariat to support NDAs in developing country programmes. The IEU understands that Country Investment Plans, backed by the RPSP, will serve as the primary structuring framework for GCF’s country-driven programming moving forward.</p> <p>One area where the management response could have offered more detail is how the revised readiness strategy and associated operational modalities avoid a DP-centric view of readiness, including the expected role of service</p>	Medium

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	<p>- Move away from a grant-by-grant and DP-centric view of readiness to a country-level view of readiness.</p> <p>- Get a better understanding of country-level climate finance needs and readiness needs.</p>	<p>sustainable development. The development of initial country programmes or updating of existing country programmes will serve as the point of origination for GCF investment and a key instrument for GCF programming that aligns with the USP-2 priorities.</p> <p>Country context is integrated into the RPSP operations by the repurposed country programme which will clearly define national context in development plans; climate change trends, projections, and vulnerabilities/potential co-benefits (sector, gender-mainstreaming, social inclusion); and climate objectives, priorities and financing needs. It will also outline an action plan for GCF financing pipeline planning and promote 'quality at entry' by fostering collaborative pipeline development among the country-recipients, GCF, and partners.</p> <p>One of the key objectives of revising the RPSP strategy is precisely to move away from the “grant-by-grant and delivery partner-centric view of readiness”. This transformation involves the implementation of key changes, including the adoption of a strategic, medium-term</p>	<p>providers in delivering RPSP activities.</p> <p>The IEU asked the Secretariat to clarify how the revised accreditation approach is engaging differently with delivery partners. Specifically, the Secretariat was asked to explain: (i) how the pre-selected partner’s window and the open call window will each overcome a DP-centric view of readiness and (ii) how the payment by results approach will operate in practice in all contexts.</p> <p><i>Overcoming a DP-centric view of readiness</i></p> <p>The Secretariat responded by stating that access to readiness follows a structured process, guided step by step by the Secretariat. A critical component of requesting readiness support is the strategic planning of readiness needs and capacity gaps over the medium term, which is carried out by the beneficiaries—countries and DAEs.</p> <p>The Secretariat explained that it empowers countries by requiring them to undertake strategic planning to identify specific areas of support, capacity gaps, and challenges over the four years. This planning provides the basis for a Country Readiness Terms of Reference (TOR) or DAE Readiness TOR, which can then be used to solicit offers from pre-qualified delivery partners or guide NDAs and DAEs in developing Direct Access Proposals.</p> <p>Additionally, the Secretariat stated that once the beneficiaries prepare the TOR, pre-qualified delivery</p>	

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		<p>approach grounded in systems thinking and holistic capacity-building planning; removing the annual cap per year for submission of readiness requests allowing for longer-term planning; improving efficiency and streamlining readiness planning through a single proposal mechanism for integrated readiness programs that provides flexibility to submit more than one proposal in the four-year period to cater for the varying conditions and needs of developing countries; clear alignment of Readiness support with country climate commitments in NDCs/NAPs/LTSs and USP-2 results; and selection of technically qualified partners for strategic planning and capacity-building through competitive tender.</p> <p>Country-level climate finance and readiness needs will be assessed through the development and implementation of climate finance plans aligned with NDCs/NAPs/LTS, including resource mobilization strategies for international and national financing sources. The Readiness support will also build on NDC/NAP/LTS investment planning process to enhance the country program, aiming to create a high-potential climate</p>	<p>partners will participate in a competitive mini-tender process to provide the best solutions for addressing country and DAE needs. The Secretariat noted that this marks a significant shift from the previous delivery partner-centric approach.</p> <p><i>Payment-by-results approach</i></p> <p>The Secretariat outlined how the Payment-by-Results Framework aims to enhance the efficiency and effectiveness of readiness utilization, and will require more resources than previously, upskilling of existing personnel, and implementation of appropriate governance and institutional processes.</p>	



#	Recommendation	Management response	IEU Comment	Ratings
		investment pipeline for the GCF that is aligned with countries' priorities.		
2.2	The GCF should update the guidance and reinforce support to countries on key considerations for the set-up and operation of country coordination mechanisms.	<p><b>Agree.</b></p> <p>The need for effective country coordination mechanisms is amplified by the strategic reorientation of readiness support to tackle wide-ranging capacity building needs in a holistic manner over a longer timeframe through the systems thinking approach and is a prerequisite for a country-centred approach. To this effect, the first objective of the revised RPSP strategy targets the country-recipients' capacity to effectively coordinate climate investment planning and execution at the sectoral, national and subnational levels, with relevant stakeholders including private sector, civil society organizations, indigenous peoples, academia, women's organizations, and other entities in line with GCF best practice for country coordination and multistakeholder engagement.</p>	<p>The IEU agrees that the first objective of the revised RPSP strategy and operational modalities is building the capacity to coordinate climate action. Indeed, 30 per cent of GCF-2's one or two multi-year funding proposals aim to contribute to NDCs/NAPs/LTSs through its broad framework, Climate Investment Plans, support an enabling environment and contribute to greening the financial sector and developing green products for MSMEs.</p> <p>The IEU asked the Secretariat to detail the precise steps through which it will forge collaborative links, overcome political risks within the countries, and ensure proper oversight of approved grants. The Secretariat responded that it would forge strong, collaborative links between country stakeholder groups by guiding them through a structured, step by step process for accessing readiness support that emphasizes the importance of strategic planning and stakeholder engagement.</p> <p>The Secretariat explained that during the strategic planning phase, NDAs and DAEs are encouraged to engage key</p>	Substantial

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		<p>The Secretariat will exert every effort on forging strong, collaborative links between various relevant country stakeholder groups, that will serve not only to coordinate the development of strategic, medium-term readiness requests, but also facilitate the oversight of approved grants in a manner that assures transparency, inclusivity, and accountability.</p>	<p>stakeholders, including government finance, economic and planning ministries, sector agencies, the private sector, and civil society organizations. The Secretariat stated that this inclusive planning process is designed to leverage diverse perspectives and foster strong, collaborative links between stakeholder groups, ensuring all relevant parties are involved in the development and implementation of climate strategies.</p> <p>To overcome existing inter-ministerial and inter-institutional rivalries over the control and use of climate funds, the Secretariat stated that it requires countries to undertake strategic, medium-term planning that aligns with national climate strategies and priorities. The Secretariat explained that by putting countries in charge of identifying their specific support needs, capacity gaps, and challenges, it is fostering a collaborative environment where all ministries and institutions work towards common goals.</p> <p>The Secretariat stated that it has introduced several mechanisms to ensure the oversight of approved grants in a manner that assures transparency, inclusivity, and accountability. The strategic planning process, which is a critical step in requesting readiness support, involves comprehensive engagement with relevant stakeholders, ensuring inclusivity from the outset. The use of pre-qualified delivery partners, selected through a transparent mini-tender process, adds another layer of accountability. Furthermore, the revised RRMF will enable the Secretariat to monitor progress and capture results achieved through</p>	

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			readiness support for setting up and operating country coordination mechanisms.	
2.3	In re-orienting the RPSP, GCF should consider the interplay of objectives and the differentiated country needs.	<p><b>Agree.</b></p> <p>The revised readiness strategy builds upon lessons learnt as well as the momentum gained in the eight years of the RPSP's operation. It acknowledges that countries' capacities have been progressively strengthened but also recognises significant variations in baseline conditions, the pace of change, and absorptive capacities depending on the context. In this respect, it is prudent to consider a 'getting ready' pathway – without necessarily applying a one-size-fits-all approach – to promote systems thinking that considers 'the entire journey', investigating capacity gaps and barriers as well as interactions and relationships between those, to help countries plan a structured readiness support action, to help them move from the baseline and onto the outcome of 'being ready'.</p> <p>To this effect, a progression pathway is</p>	<p>The revised RPSP strategy 2024-2027 considers the conclusions and recommendations from the IEU's evaluation of the Readiness Programme. It also notes the feedback from consultations with members and alternate members of the Board, NDAs, focal points, and direct access entities (DAEs), delivery partners (DPs) and active observers.</p> <p>The revised RPSP strategy details how the Secretariat has adopted a more strategic approach to address the recommendations, grounded in systems thinking and a holistic approach to planning and deploying support. This approach follows a pathway to "readiness", emphasizing increasingly strengthened and deepened capacities along a defined progression path.</p> <p>The Secretariat states that this approach will enable countries to plan their capacity-building efforts strategically while holistically assessing and addressing a multiplicity of issues.</p> <p>The DAE support modality, which provides USD 1 million per entity over four years, serves as the GCF's primary</p>	High

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		<p>outlined to reflect the evolution from basic preparedness (foundations) to learning-to-improve (optimisation), as depicted in Figure 2 below.</p> <p>The pathway is not a linear process, but rather a structured approach that takes into account loops of planning and learning that occur within and between stages and is responsive to country needs. Furthermore, to promote predictability, speed, simplicity, complementarity, volume and direct access, the objectives of the revised RPSP 2024–2027 have been streamlined from five (5) to three (3), recognising the interplay among objectives that allows for better differentiation between country needs and the use of resources in line with USP-2 targeted results.</p>	<p>channel for offering a differentiated approach that accounts for entities’ programming capacities, expertise, and experience. The modality aims to enhance DAEs’ capacities to programme, implement and report on GCF-funded activities effectively.</p> <p>In addition, the RPSP strategy 2024-27 offers a second minor channel where LDCs and SIDS can now receive up to USD 0.32 million for direct access per country over four years.</p> <p>These pathways to “readiness” reflect an approach to increasingly strengthen and deepen capacities along a clear progression path.</p>	
3.				
3.1	The GCF should curate the value proposition of the RPSP to different categories of	<p><b>Agree.</b></p> <p>The Secretariat will make a concerted effort to communicate the value proposition of the RPSP to different stakeholders. This is particularly important for</p>	The GCF’s Strategic Plan 2024-2027 (document GCF/B.36/17/Rev.01) states the Secretariat will implement a more comprehensive outreach and communications strategy to bolster GCF’s profile and enhance awareness of the GCF’s vision and results.	Medium

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	<p>stakeholders and consider tailoring the communication of such offerings through dedicated channels and forums.</p>	<p>operationalization of streamlined objectives and modalities, and in light of extending direct support for DAEs, LDCs and SIDS. The Secretariat will build upon its rich experience with organizing awareness raising campaigns, webinars, consultation processes, and workshops, whilst strengthening and fine-tuning methodologies for a comprehensive and inclusive stakeholder mapping and engagement, in line with the GCF best practice for country coordination and multistakeholder engagement to be updated as per recommendation 2.2.</p> <p>This will also include provision of regular updates and reporting to UNFCCC processes and entities, including COP and constituted bodies such as the LDC Expert Group, CTCN and TEC under the Technology Mechanism, Adaptation Committee and others.</p> <p>To communicate specific aspects of the revised readiness strategy, for example, the country programme that is re-purposed to serve as point of origination for GCF pipeline development, the Secretariat will develop and commission a methodology for sensitisation/ awareness raising campaign, effectively deploying a differentiated</p>	<p>The Secretariat has previously explained that it will implement a structured outreach campaign to support readiness in the first half of 2024. The Secretariat affirmed that the campaign would raise awareness of the role operational modalities play in readiness resources and the focus of capacity building efforts.</p> <p>The Secretariat indicated that it would launch the first stage of the campaign upon finalization of the operational modalities at B.38. The Secretariat also reconfirmed its commitment to enhancing communications with readiness stakeholders, which will be evident in the structured communications campaign.</p> <p>The IEU asked the Secretariat to clarify the steps it has taken in the structured outreach campaign for readiness in the first half of 2024.</p> <p>The Secretariat was asked to explain how these steps are (i) additional to past practices and (ii) utilize a more comprehensive outreach and communications strategy.</p> <p>The IEU also asked the Secretariat to provide more information on the update of (i) the guidelines and tools, including country programme guidelines and the readiness guidebook, and (ii) the training materials in English, Spanish, and French.</p> <p>The Secretariat explained that the readiness operationalization approach includes a strong participatory</p>	

#	Recommendation	Management response	IEU Comment	Ratings
		<p>approach and avoiding the one-size-fits all approach.</p> <p>Further, the Secretariat will continue to utilise country missions and regional dialogues that provide space to communicating the value proposition of the RPS to relevant stakeholders, including DAEs, civil society organizations, UNFCCC thematic focal points and private sector actors.</p> <p>Additionally, the Secretariat will update the guidelines and tools (e.g. country programme guideline, readiness guidebook) and training materials in three languages (English, Spanish, and French) to provide further guidance to stakeholders.</p>	<p>component, with monthly engagements involving all stakeholders. In the first half of 2024, several key steps were taken as part of the structured outreach campaign for readiness. First, the Secretariat developed the readiness engagement strategy and aligned resources to support it effectively. Second, the main readiness webpage was updated to include a schedule of monthly stakeholder engagements. Third, a soft launch in April 2024 initiated participatory operationalization, followed by ongoing monthly engagements and information sessions where feedback was collected to refine the readiness operational modalities. Further sessions are scheduled for August (completed at the time of reporting), September, October, and November 2024.</p> <p>The Secretariat outlined how updates to guidelines and tools follow a simplification and streamlining approach, resulting in shorter, more focused guidelines for readiness access and strategic, medium-term planning. To ensure broad accessibility, the materials will be in three languages – English, Spanish and French.</p>	
3.2	The GCF should continue integrating and operationalizing tools for knowledge management such as the Readiness	<p><b>Agree.</b></p> <p>The Secretariat has launched the Readiness Knowledge Bank (RKB) in 2023 to provide GCF stakeholders such as NDAs, DPs and AEs with easy access to data, information</p>	<p>The IEU is aware that the Secretariat has drafted SOPs outlining several potential approaches for improving the GCF's learning and knowledge management processes.</p> <p>The IEU is further aware that information from PPMS, IPMS, Regional Dialogues, the Open Data Library and the Readiness</p>	Low



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	<p>Knowledge Bank (RKB), to link knowledge to investment opportunities in locally relevant ways.</p>	<p>and curated knowledge from the RPSP. The RKB includes dashboards on the portfolio performance and project data and data stories which feature visualizations of readiness results and success stories, providing details on the journeys to empowerment and climate action of countries and delivery partners funded through Readiness support. The Secretariat is actively improving RKB content to connect knowledge with local-level investment opportunities and align with USP-2. Through a readiness learning loops exercise, the Secretariat identified 39 actionable interventions to strengthen knowledge flow and knowledge management practices in the RPSP in order to enhance the quality of readiness grants. 18 interventions are already in development, while 21 will be implemented throughout 2024 subject to resource allocation.</p>	<p>Knowledge Bank (RKB) feed into these processes.</p> <p>Additionally, the IEU’s understanding is that the Secretariat is using feedback from DPs and NDAs gathered through various formats and forums, including surveys and interviews, to inform the GCF’s learning and knowledge management processes.</p> <p>The IEU also recognizes the recent launch of the SOP portal for the GCF’s Green Shift. The Secretariat has previously confirmed that the SOPs on learning loops have been finalized and await formal approval.</p> <p>Further, the Secretariat stated it conducted a readiness learning loops exercise that identified 39 actionable interventions for strengthening knowledge flow and knowledge management practices in the RPSP, thereby enhancing the quality of readiness grants.</p> <p>The Secretariat’s management response outlines how 18 of these actionable interventions are already in development, while 21 will be implemented throughout 2024, subject to resource allocation.</p> <p>The Secretariat was asked to (i) clarify whether the SOPs on learning loops have been formally approved, (ii) enumerate the 18 actionable items already in development, and (iii) offer a status update on the 21 actionable items to be implemented through 2024.</p>	

#	Recommendation	Management response	IEU Comment	Ratings
			<p>In terms of the 18 actionable interventions already in implementation, the Secretariat stated: <i>“a few interventions advanced and in development, which were included as part of the study, include the development of checklists for review communicated upfront with counterparts, updated and streamlined templates, additional dashboards for readiness monitoring and extra guidance on specific items such as multi country grants.”</i></p> <p>Regarding the 21 actionable interventions planned for 2024, the Secretariat stated: <i>“Concerning the remaining recommendations, these were ended [sic] over to the team working on the implementation modalities for the new readiness strategy”</i>.</p> <p>The IEU notes the Secretariat has been unable to list the 18 actionable interventions already in development nor provide more information about the 21 actionable interventions intended for 2024 subject to resource allocation. Additionally, the Secretariat has been unable to clarify if the SOPs on learning loops have been formally approved. The IEU’s rating reflects these points .</p>	
4.				
4.1	The GCF should invest in solidifying the newly created Readiness Results	<p><b>Agree.</b></p> <p>Since its approval in February 2022, the Readiness Results Measurement Framework (RRMF) serves as a framework that enables</p>	The Secretariat was asked to detail its progress with the readiness results Handbook. Specifically, the Secretariat was asked to outline how they will dovetail and ensure coherence between the results handbook, which is under development, and the new revised RRMF, which is also under development.	Medium

#	Recommendation	Management response	IEU Comment	Ratings
	<p>Management Framework (RRMF) as a learning and accountability tool.</p>	<p>the Secretariat to periodically measure Readiness portfolio performance against the outcome and impact indicators at the portfolio level.</p> <p>To support users, the RRMF Results Handbook is being developed to assist in readiness proposal development and reporting against the RRMF, providing information about how grant output-level indicators should be aggregated at the portfolio level. It also defines outcome and impact level indicators and how the indicators could be measured and assessed.</p> <p>For a better understanding of RPSP's achievements, the Secretariat has also initiated its first Secretariat-led evaluations of RPSP's outcome and impact results against indicators defined in the RRMF, guided by qualitative aspects of the achieved results and GCF evaluation criteria: relevance, effectiveness, coherence, impact and sustainability.</p> <p>It is anticipated that this evaluation will be concluded in the first quarter of 2024.</p> <p>Following approval of the revised readiness strategy 2024-2027, the Secretariat will</p>	<p>The Secretariat was also asked to provide further information and specific time stamps regarding the progress made in assessing the RPSP's outcome and impact results against the indicators defined in the RRMF.</p> <p>Further, the Secretariat was asked to offer an update on the revision and simplification of the RRMF following approval of the revised readiness strategy 2024-2027. The Secretariat was also requested to provide an update on the formal, in-depth assessment of readiness requests and results.</p> <p><i>Readiness Results Measurement Framework</i></p> <p>The Secretariat confirmed that a draft of the new Readiness Results Measurement Framework (RRMF 2.0) based on the Readiness Strategy 2024-27 has been prepared and will be finalized once the current review by the relevant Secretariat divisions is completed.</p> <p>The Secretariat further stated that the revised RRMF is being developed through a consultative process, incorporating the lessons learned from the preparation and implementation of the previous RRMF. It has benefited from the operational modalities and feedback from internal and external stakeholders, including DPs and NDAs.</p> <p>The Secretariat outlined how associated materials, such as the indicator reference sheet, simplified results handbook, guidance notes, and training modules are being developed in</p>	

#	Recommendation	Management response	IEU Comment	Ratings
		<p>revise and further simplify the RRMF, along with undertaking a formal, in-depth assessment of Readiness requests and results, to better understand needs and to have a conclusive evidence base to inform longer-term, strategic planning and delivery of Readiness support.</p>	<p>alignment with the revised RRMF and the operational modalities and relevant elements, ensuring coherency among all components. The Secretariat emphasized that efforts have been made to ensure the materials are simple and user friendly. These materials are expected to be finalized by the end of Q3 2024.</p> <p>The Secretariat also outlined that, following the launch of the new operational modalities for the Readiness Programme, the revised RRMF will be distributed to stakeholders in Q4 2024. The Secretariat plans to provide training and workshops for the targeted users and service providers.</p> <p><i>Secretariat-led Readiness Outcome Evaluation</i></p> <p>The Secretariat detailed how the Secretariat-led Readiness Outcome Evaluation focuses on the RPSP's outcome and impact results for 2014 -2024.</p> <p>The Secretariat explained how its self-evaluation aims to assess portfolio-wide performance in terms of delivering the RPSP's anticipated outcomes and impacts. The Secretariat noted that lessons learned from the evaluation will provide valuable insights for improving the design and operations of the RPSP and RRMF 2.0. It will also help strengthen the Secretariat's internal capacity in monitoring, evaluation and learning.</p> <p>The Secretariat confirmed that a draft evaluation report has been received and feedback provided, with the final report expected in Q4 2024.</p>	

#	Recommendation	Management response	IEU Comment	Ratings
4.2	<p>The GCF should also develop mechanisms to enable rigorous, periodic assessment of the quality of RPSP grant implementation</p>	<p><b>Agree.</b></p> <p>The RRMF is already being applied in monitoring and reporting of readiness grants under implementation. Although its application in the development of new readiness proposals was launched in May 2023, the Secretariat has retro-fitted all the Readiness grants approved from 2015 to 31 December 2022 to the RRMF. Apart from the RRMF, the Secretariat has developed GCF's centralized Portfolio Performance Management System (PPMS) to increase the efficiency of GCF portfolio monitoring and evaluation functions including for the RPSP. The PPMS also helps both the GCF Secretariat and DPs to track and communicate the review and clearance process and enable NDAs to have enhanced visibility of the grants' implementation status and monitoring and evaluation processes. The Secretariat is reorienting its focus towards 'effective implementation of readiness' to demonstrate results, by</p>	<p>Document GCF/B.36/Inf.05, titled 'Readiness and Preparatory Support Programme – annual report on implementation 2022,' summarizes the progress and the results achieved by the GCF readiness grants as of 31 December 2022. The report also includes key milestones and achievements made through to April 2023.</p> <p>The IEU's understanding is that the annual report on the RPSP's implementation for 2023 has not yet been made public, necessitating reliance on slightly older documentation.</p> <p>Document GCF/B.36/Inf.05 outlines the Secretariat's efforts in refining Readiness Programme policies, guiding stakeholders, and streamlining procedures. These efforts include revising the Readiness Guidebook and readiness proposal template, operationalizing the Readiness Results Management Framework (RRMF), developing the Indicator Reference Sheet, as well as launching the Portfolio Performance Management System (PPMS) for readiness and the RKB.</p> <p>The Secretariat published the revised Readiness and Preparatory Guidebook on 5 April 2023, introducing the</p>	Medium

#	Recommendation	Management response	IEU Comment	Ratings
		<p>strengthening 'downstream engagement activities', such as capacity building of NDAs, DPs, DAEs and proactive engagement through structured implementation and policy dialogues, missions, knowledge sharing events etc. The lessons learnt from the implementation will inform upstream review and design as well as implementation monitoring. The Secretariat will report on the progress of implementing the readiness strategy 2024–2027 through the readiness results management framework, as part of the annual readiness implementation report. Whilst reporting on the progress will take place annually, evaluations to examine the results and impact being delivered through the Readiness Programme will be conducted by the Secretariat prior to the end of GCF-2 programming period.</p>	<p>RRMF. The Readiness Standards Handbook is included in the updated Readiness and Preparatory Guidebook in Annex 1.</p> <p>The Secretariat uses the PPMS to support monitoring and assessing the implementation of individual GCF projects and programmes (see document GCF/B.29/12). While the Integrated Portfolio Management System tracks the status of each project, the PPMS's responsibilities include the Project Success module and monitoring internal risk and performance assessment (GCF/B.33/Inf06, Annex 1).</p> <p>The Secretariat affirmed that both the Open Data Library and the Readiness Knowledge Bank are operational and informative. In addition, the Secretariat explained that it intends to assess the ODL and RKB to understand results and impact.</p> <p>The IEU asked the Secretariat to explain how it can access the annual readiness implementation report for 2023.</p> <p>The Secretariat responded that the annual readiness implementation report for 2023 is under preparation and will be submitted at B.40 in October 2024. Meanwhile, the portfolio status report (PSR), <a href="#">B.39/Inf. 10</a>, which covers readiness' progress up to 30 April 2024 is available online.</p> <p>The Secretariat was also asked to clarify the progress on RRMF guidance materials being developed in 2023, including RRMF training materials and the readiness results handbook.</p>	



#	Recommendation	Management response	IEU Comment	Ratings
			<p>The Secretariat was also asked to describe the progress made in developing a PPMS module designed to handle change requests that would enhance the processing of requests for extension, budget reallocation, and restructuring of the logical framework of grant activities.</p> <p><i>Portfolio Performance Management System</i></p> <p>The Secretariat responded by stating that, for the PPMS, it has completed the change request module update, the user acceptance test with the readiness Delivery Partners, UNOPS (fund agent), and portfolio management team. Supporting tutorial videos will be produced by the end of August. The module is scheduled for launch in September, pending a revision of the related SOP before and after the GCF restructuring on 9 Sep 2024. As a result, the official launch date has not been finalized.</p> <p>The Secretariat was asked to provide details on additions to the RKB since it became available on the GCF website in May 2023. In response, the Secretariat listed the RKB enhancements made since then, noting that, due to capacity constraints, the RKB could not be significantly expanded. However, two additional case studies and the update of the results data were added in 2024.</p> <p><i>Readiness Action Plan</i></p> <p>The Secretariat was asked to clarify when and how the Readiness Action Plan will be updated, how it will track the</p>	

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			<p>quality of the RPSP’s implementation, and whether an online dashboard will be implemented to track applications for and disbursement of RPSP 2024-2027 funds. The Secretariat highlighted that one of the major additions this year is the readiness key results dashboard, which displays country-level aggregated readiness results aligned with RRMF 1.0. New contents and dashboards are pending the finalization and publication of the RRMF 2.0, along with the operational modalities of the revised RPSP strategy.</p>	
5.				
5.1	<p>The GCF should introduce the tools, frameworks, and SOPs for operationalizing the new RPSP strategy in a time-bound and timely manner.</p>	<p><b>Agree.</b></p> <p>Following the Board’s decision of the revised readiness strategy, the Secretariat will update the Readiness Guidebook and SOP and streamline templates to tailor to each specific financing modality proposed under the revised strategy. The revised readiness strategy shall become effective as of 1 January 2024, for the revised modalities and funding requests to operationalize as of 1 April 2024, to account for the programming cycle of 2023 ending on 31 March 2024. Such operationalisation will be supported with appropriate guidance, templates, and forms in a timely manner.</p>	<p>The IEU welcomes the launch of the SOP portal in the GCF’s Green Shift.</p> <p>Within the portal, and under section ‘P.2 Support climate programming’, 16 separate standard operating procedures for Readiness are listed.</p> <p>The IEU welcomes the Standard Operating Procedure for the Readiness and Preparatory Support Programme (Version 2.0), which the Deputy Executive Director approved on 10 August 2023, and looks forward to the completion of the remaining SOPs.</p> <p>The Secretariat was asked to describe the preparation status of the remaining separate SOPs under section ‘P.2 Support climate programming’.</p>	Low

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			<p>The Secretariat was also asked to clarify the relevance of the SOPs for P.2.3.2 ‘Entity programming: regional’ and P.2.3.3 ‘Entity Programming: international’, considering entity work programmes have been discontinued.</p> <p>More broadly, the Secretariat was asked to clarify how it will operationalize the new RPSP strategy.</p> <p>The Secretariat responded that process mapping and the development of an SOP fully aligned with the 2024-2027 readiness strategy are underway. Considering the SOP for the new readiness operational modalities are being developed, the existing SOP provisions for EWPs will be retired.</p> <p>The Secretariat further stated that it is set to operationalize the new readiness strategy through a structured approach that includes several key initiatives. These initiatives involve mapping processes, roles and responsibilities within the new regionalized structure and developing SOPs to align with the new modalities of the 2024-2027 readiness strategy.</p> <p>Importantly, the Secretariat mentioned that it is extending practical support through the Placement Scheme, a resource designed to enhance the operational capacity of countries participating in the Readiness programme by providing on-the-ground expertise and guidance.</p> <p>Further, the Secretariat is developing relevant guiding documents, templates and instruments for use by readiness beneficiaries, as outlined above. The Secretariat also</p>	

#	Recommendation	Management response	IEU Comment	Ratings
			<p>explained how it provides ongoing strategic guidance to countries and DAEs through regular engagements.</p> <p>The participatory operationalization process involves actively gathering feedback during information sessions, polling countries and DAEs for their opinions and preferences, and incorporating this input into the refinement of strategies and procedures.</p> <p>The Secretariat stated that it is focusing on integrating the strategy with results management by revising RRMF.</p>	
6.				
6.1	<p>To favour an optimized and sustained impact of the Programme, particularly at country level, the RPSP should continue to invest in strengthening the capacities of NDAs and (aspiring/nominated) DAEs.</p>	<p><b>Agree.</b></p> <p>The revised Readiness Strategy targets sustainability of results through greater ownership and commitment of countries and partners in alignment with the ambition of GCF-2 programming, embedding knowledge and skills as well as institutionalising capacity building, uptake, and retention processes through its three streamlined objectives. Under Streamlined Objective 1, the revised Readiness strategy considers capacity gaps of NDAs/focal points for effective climate investment</p>	<p>The revised RPSP strategy 2024-2027 (GCF/B.37/17) details how NDAs or focal points receive grant support to enhance capacity and coordination mechanisms. The strategy also introduces a new funding window for DAEs, providing USD 1 million per entity over four years to address capacity issues when programming with GCF.</p> <p>The DAE support modality is designed to strengthen programming capacities, particularly in developing quality concept notes and funding proposals, as well as improving reporting capacities and IRMF implementation. The IEU notes that the dedicated DAE window aims to build institutional capacities by (i) utilizing revised modalities containing instruments that rely on embedding knowledge</p>	Medium

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		<p>planning and execution at all levels and capacitates candidate DAEs to play a greater role in GCF programming through both pre-/post-accreditation support. Tailored support will also be provided to developing countries that have not yet accessed GCF funding as well as SIDS and LDCs. Streamlined Objective 2 supports NDAs/focal points and DAEs to create a paradigm-shifting pipeline of climate projects. The support involves Country Programmes development/retrofit to better align with national plans, addressing capacity gaps for implementation, impact measurement and reporting, and aligning Readiness resources with 11 targeted results of USP-2. It also offers post-accreditation support to DAEs, facilitating climate integration into operation and capital market access. Streamlined Objective 3 fosters knowledge sharing and learning among NDAs, DAEs, and stakeholders to develop and implement projects in low-carbon and climate resilient development as well as enhances collaboration among developing countries on climate change issues through transboundary and regional cooperations/South-south cooperation.</p>	<p>and skills, and (ii) institutionalizing processes for capacity-building, uptake, and retention.</p> <p>The IEU notes that decision B.29/01 allocated an additional amount of up to USD 12.4 million directly to DAEs to support implementing a readiness results management framework.</p> <p>Additionally, LDCs and SIDS can now receive up to USD 0.32 million for direct access per country over four years. In this respect, the readiness strategy addresses non-financial barriers and constraints related to human and institutional capacity in LDCs and SIDS.</p> <p>The IEU also notes that the Secretariat provides capacity development support for climate programming, particularly for DAEs, through the PPF.</p> <p>The Secretariat was asked to expand on the operationalization of the 2.5 per cent of the PPF resource allocation for funding proposal development and facilitating lesson sharing among regions, countries, and AEs.</p> <p>In response, the Secretariat stated that it intends to coordinate partnership and knowledge management efforts across different workstreams, including readiness, PPF and portfolio management. The 2.5 per cent maximum allocation under PPF for partnership and learning related to project preparation will be deployed gradually and in a targeted manner, informed fully by consultations with the</p>	

#	Recommendation	Management response	IEU Comment	Ratings
			Board, NDAs and AEs throughout GCF-2.	
6.2	The Programme should be understood as playing an enabling role in building national climate finance ecosystems.	<p><b>Agree.</b></p> <p>The revised readiness strategy caters to provide support in setting up and enhancing national climate-finance ecosystems, encompassing diverse stakeholders including private sector, civil society organizations, indigenous peoples, academia, women’s organizations, and others. It extends access to climate finance beyond NDAs/focal points and DAEs, emphasising support for local financial intermediaries to engage SMEs in climate action. Under the country modality, the Secretariat will encourage developing countries to utilise the readiness support and TA to create a business enabling environment conducive to proliferation of local private sector ‘green/climate’ start-ups, micro-enterprises and SMEs, including the development of innovative ‘green/climate’ business models and technologies.</p>	<p>In decision B.22/11, the Board adopted a set of five readiness objectives, the second of which focused on Strategic frameworks to address policy gaps, improve sectoral expertise and enhance enabling environments for GCF programming. The revised readiness strategy 2024-2027 aims to ensure that by 2027, developing countries have strengthened programming capacities and enabling environments for NDC, NAP, and LTS implementation, investment planning and enhanced access to GCF resources.</p> <p>The operational modalities for readiness 2024-2027 aim to ensure that necessary programming capacities and enabling environments are in place to increase the flow of impactful, country-owned mitigation and adaptation investments, ready for funding from a variety of sources of finance, including the GCF.</p> <p>This is clearly expressed in the first of the three objectives for 2024-2027: effective climate finance coordination and sequencing for climate investment planning and execution, including strengthening the enabling environment. To this end, the readiness portfolio target is set at 30 per cent, ensuring fit-for-purpose support that lays the foundations</p>	Medium



#	Recommendation	Management response	IEU Comment	Ratings
		<p>The readiness support can also be extended to developing countries to strengthen national coordinating mechanisms with various climate finance actors such as national/regional financial intermediaries and financial sector supervisors/ regulators, with an effort to remove barriers for home-grown innovation and private sector-led climate investments.</p> <p>In addition, one of the three focus areas of the revised Readiness Strategy is to further enhance complementarity, synergy and coordination among various actors in the climate finance architecture, including AF, GEF, CIFs and bilateral and multilateral partners. This will support the enhancement of national programming capacity and further strengthen the national climate-finance ecosystems. Supporting the consultation between the NDA and other focal points of the different climate funds (GEF, AF, CIF) or UNFCCC processes (technology, adaptation, climate finance, etc.) to promote stronger national coherence can be one of key areas of focus in this regard</p>	<p>for country programming capacities and direct access.</p> <p>More specifically, the newly streamlined Objective 1 aims to address policy gaps and enabling environments, as well as support policy initiatives that create market-based mechanisms to unlock climate investments at scale. These include private sector-led climate investment and international and domestic public financial flows beyond GCF funding.</p> <p>The Secretariat has previously emphasized that the Readiness Strategy 2024-2027 aims to enhance and deepen national level engagement through more strategic, purpose-driven support. This approach includes engaging with stakeholders such as the private sector, civil society organizations, indigenous peoples, academia, women's organizations, and other entities whose operations align with GCF best practices for country coordination and multi-stakeholder engagement.</p> <p>Regarding complementarity and coherence, as outlined in the IEU's response to Recommendation 1.1 above, the Secretariat has highlighted the joint declaration among the four climate funds and explained they are currently developing a joint action plan to implement the declaration.</p> <p>The RPSP is intended to play a central role in the joint action plan. However, each fund's specific role needs refinement, particularly because the CIF's distinct business</p>	

#	Recommendation	Management response	IEU Comment	Ratings
			model needs consideration during joint planning. The IEU notes that at this stage the CIF stands outside the scope of the UNFCCC.	
7.				
7.1	The GCF should orient the new RPSP strategy to the needs of vulnerable countries	<p><b>Agree.</b></p> <p>Readiness support will continue to be extended to particularly vulnerable countries, including LDCs, SIDS, and African States, with at least 50% of Readiness resources dedicated to these countries, in accordance with decision B.08/11. Further, support will be prioritized for other vulnerable regions, especially developing countries that have not yet accessed GCF for funded activities, to cater to their specific needs around human and institutional capacities, whilst ensuring sustainability and embedding skills and capacities acquired through Readiness, to enable these countries to continuously engage with GCF and achieve their climate objectives.</p>	<p>As outlined in document GCF/B.37/17, the revised Readiness Strategy allocates up to USD 0.32 million per country for direct access by LDCs and SIDS over four years. This funding is intended to support NDAs or focal points in addressing specific human and institutional capacity challenges in LDCs and SIDS.</p> <p>The Secretariat was asked to clarify the precise operational modalities for vulnerable group of countries, SIDS, LDCs and Africa, to apply for and receive these grants. In response, the Secretariat explained that the Placement Scheme has been extended to provide targeted support to LDCs and SIDS. Recognizing the particularly severe limitations and constraints in human and institutional capacities within LDCs and SIDS, dedicated financing will be allocated for a Placement Expert. This expert, trained in GCF policies and systems, will be available to assist LDCs and SIDS in effectively implementing GCF activities. The Placement Expert will provide on-the-ground support, helping to bridge capacity and resourcing gaps.</p>	High

#	Recommendation	Management response	IEU Comment	Ratings
7.2	<p>The GCF should explore the possibility of creating RPSP requirements and processes that are adapted to vulnerable countries, where capacity challenges in developing Readiness proposals and implementing grants hinder the GCF's readiness ambitions in these countries.</p>	<p><b>Agree.</b></p> <p>This recommendation is in alignment with the USP-2 to differentiate readiness support and technical assistance to match needs and improve access, and it will be taken into consideration through the operationalization of the revised readiness strategy. Deployment of the revised strategy will include activities such as revision, simplification and translation of guidelines, templates, and forms, as well as processes and application procedures, specifically tailored to the needs of vulnerable countries. The revised readiness strategy also proposes support for LDCs/SIDS of USD 0.32 million over a four-year period under the country modality, to support NDAs or focal points that are catering for specific human and institutional capacity challenges, to enable these countries to continuously engage with GCF and fulfil their climate objectives.</p>	<p>In addition to the funding parameters outlined above, the Secretariat has previously clarified that it has collaborated with the Nationally Determined Contributions Partnership to develop high-level guidance on climate investments, as announced at COP28.</p> <p>The Secretariat has previously explained that readiness resources may support the development of investment planning as broad frameworks that mobilize climate finance from various sources beyond the GCF.</p> <p>The Secretariat affirmed this support will be provided upon request from the country, under Objective 1 of the Readiness Strategy 2024-2027.</p>	Substantial

### **Annex III: List of IEU publications and communications materials that were published in the reporting period (May-August 2024)**

<b>Document type</b>	<b>Topic</b>
Evidence review	[Realist review] Realist review on just transition towards low emission, climate resilient, and more inclusive societies in developing countries
Evidence review	[Synthetic review] Evidence Review on Market-Based Approaches to Mitigation and Adaptation
Evaluation report	Final report of the Independent Evaluation of the Green Climate Fund's Approach to and Protection of Whistleblowers and Witnesses
Evaluation product	[Approach Paper] Independent Evaluation of the Relevance and Effectiveness of GCF Investments in Latin America and the Caribbean States
Evaluation product	Special Study on REDD+ Results Based-payments Projects in the Latin America and Caribbean Region
Evaluation brief	Approach Brief: Independent Evaluation of the Relevance and Effectiveness of GCF Investments in Latin America and the Caribbean States
IEU Blog	B.39 Data Outlook: Enhancing Access for Climate Action
IEU Blog	Understanding the Evidence: What We Know About Just Transition in the Global South
IEU Blog	Accountability in Climate Action
IEU Blog	A postcard from the Caribbean
IEU Blog	Empowering women through climate adaptation: What are the next steps?
Newsletter	IEU Newsletter Issue 22
External product	[Book chapter] Opening Windows, Chapter 4: Human Dignity in Natural Resource Social Sciences Career Pathways

## Annex IV: List of IEU events and engagements with stakeholders and partners in the reporting period (May-August 2024)

Month	Event	Type
May	[IEU Learning Talk] Coastal and Terrestrial Ecosystem-Based Management	Secretariat engagement
	Africa LEADS (Learn.Adapt.Scale) Workshop	External engagement
June	[IEU Learning Talk] Enhancing Access	Secretariat engagement
	What Works Climate Solutions Summit 2024, Sessions (2): "Adaptation Policy – Evidence Synthesis" "Accelerating Progress towards the SDGs: Insights from the Global SDG Synthesis Coalition"	External engagement
	gLOCAL 2024, Sessions (2): "Measuring Transformational Change - Lessons from Climate Action" "Evaluating transformative change induced by climate mitigation and adaptation projects funded by international financing institutions"	External engagement
July	B.39 Side Event: Access in the GCF	Engagement with the GCF Board
	Evidence to Action, Round Table Panel Discussion (virtual participation): "Comprehensive adaptation strategies that can enhance resilience to climate change"	External engagement
	[IEU Learning Talk] Trusted Evidence and Learning Session: "Comprehensive adaptation strategies that can enhance resilience to climate change"	Secretariat engagement
August	[IEU Learning Talk] Exploring Market-Based Approaches: Index-Based Insurance & Willingness to Pay	Secretariat engagement
	Fifth Meeting of the GCF Indigenous Peoples Advisory Group (IPAG-5)	Secretariat engagement