

## Independent Evaluation of the GCF's Project Preparation Facility

Access the document: <https://www.greenclimate.fund/board-document/gcf-b45-05>

We appreciate the timely evaluation of the PPF, showcasing its continued importance as its scale and breadth provides a distinguishing feature from other multilateral climate funds, having delivered 122 support grants worth 72 million US dollars across 112 countries.

The need for PPF support is likely to grow as more direct access entities are accredited under the Revised Accreditation Framework, while noting that the *majority* of currently accredited DAEs still do not have a funding proposal. DAEs account for 65% of approved PPF requests and were the original intended recipients when the PPF was set up, and continue to use PPF as their primary way to understand GCF processes and develop a funding proposal. We appreciate that the Secretariat's management response agrees that DAEs should remain the primary recipients, even under a strengthened and updated PPF, which must also provide a better continuum of support across readiness and the PPF.

The PPF serves different functions for different groups of GCF partners, but it should focus on promoting equity. For example, it should provide differentiated pathways and include financing thresholds that prioritize DAEs. International access entities, who use PPF support mostly for improving the quality at entry of a funding proposal or to serve as a de-risking signal for potential co-financiers, continue to receive larger grants, indicating more leverage to negotiate scale with the Secretariat. We also appreciate the management response noting that Readiness and PPF teams are collaborating to ensure support for DAEs is complementary given the DAE window. However, the DAE share of the entire GCF portfolio has stagnated at 20%, so this dual-role of the PPF as potential enabler vs. de-risker, the trade-offs inherent in PPF prioritization and allocation, must be examined.

The high uptake of the PPF by project-specific assessment approach applicants, with only 4% of proposals but receiving significantly higher amounts than DAEs, is unjustified. The original premise of the PSAA was that some entities had timely opportunities that needed an expressway to finance without accreditation. The PSAA coupling in this way with the PPF has become a de facto backdoor to first time funding proposals before accreditation.

At the same time and unfortunately, access to the PPF is still not possible for civil society groups, Indigenous Peoples organizations, or women's organizations who are still largely excluded in the accreditation approach and not included in the PSAA-pilot; despite being at the frontline of climate action.

Noting the roster of PPF service providers has been expanded to 32, in practice just a handful of international consultancy firms are dominating funding and activities, constraining the diversity of technical and linguistic approaches and the range of expertise they provide. This overreliance on external actors with a narrow set of approaches hampers local capacity building and risks lack of understanding of localized context needed to successfully prepare for locally-led climate action or for elevating traditional and IP knowledge. This warrants review, especially of the procurement provisions that give an advantage to international firms that have made PPF support a key part of their business model. We are glad the management response speaks to looking at “broader operational and developmental outcomes, including the quality of deliverables, local expert participation, and knowledge transfer.”

Given the finding that “PPF support has not consistently translated into proposals that are better calibrated to implementation realities”, something that should be addressed with local expertise embedded from project design, success of PPF support is also not systematically tracked. Results monitoring focuses on the number of FPs that have been approved and the aggregation of promised leverage instead of tracking the quality at entry of supported FPs and as well as the results and impact of PPF-supported funding proposals under implementation. Better tracking of funding concepts abandoned after preparation would also be valuable.

We also see under Finding 4.1 that Secretariat engagement is also a key determining factor in the strength of the proposal, as well as potentially guiding proposals toward Secretariat priorities rather than realizing country priorities.

At the highest level, the PPF must not serve as a pathway for simply institutionalizing a GCF process that relies on a cadre of international consultants to deliver Secretariat preferences, moving it further away from a support facility to meet country needs and priorities.