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Management response to Independent Evaluation of the GCF's Project Preparation Facility (PPF)

Summary

This document presents the Secretariat management response to the Independent Evaluation of the GCF's Project Preparation Facility (PPF), undertaken by the Independent Evaluation Unit.

I. Introduction

1. The Secretariat welcomes the *Independent Evaluation of the GCF's Project Preparation Facility (PPF, the Facility)* and thanks the Independent Evaluation Unit (IEU) for its professionalism in conducting this first dedicated evaluation of the Facility. The Secretariat appreciates the consultative approach adopted throughout the evaluation process, including opportunities for dialogue and feedback through interviews, webinars and review of emerging findings and recommendations. In accordance with the Evaluation Policy for the GCF, the Secretariat will consider the findings and recommendations of the evaluation in its decision-making, management, operations, strategies, budgets and practices.

2. The Secretariat notes that the evaluation confirms the importance of the PPF as a valued and widely utilized instrument within the GCF architecture, supporting the development of high-quality funding proposals and country-led climate finance programming. While many findings and recommendations broadly resonate with operational experience and early thinking on potential future direction and development of PPF modalities, the Secretariat considers that certain findings would benefit from additional contextualization and clarification. The following sections present the Secretariat's overall response to the evaluation findings and recommendations, followed by responses to the specific recommendations contained in the report.

II. General Response to Findings and Recommendations

3. The Secretariat expresses its appreciation to the IEU for undertaking the first dedicated evaluation of the PPF. As the Facility reaches a decade of implementation, the evaluation provides a timely opportunity to reflect on lessons learned, achievements and opportunities to further strengthen project preparation support by the GCF. The Secretariat values the contributions of accredited entities, PSAA applicants, Board Members, partner climate funds and Secretariat staff who shared their experiences throughout the evaluation process. The findings and recommendations provide a useful evidence base to inform ongoing discussions regarding the future direction of the PPF and its contribution to GCF programming.

4. The Secretariat further notes that this evaluation complements a broader body of evaluative evidence generated by the IEU over the past decade. Findings and recommendations from evaluations related to gender, Indigenous Peoples, country ownership, environmental and social safeguards, readiness support, and climate information and early warning systems have informed the evolution of the PPF and continue to provide valuable insights for strengthening its effectiveness and strategic direction.

5. While the Secretariat broadly welcomes the evaluation and recognizes its value in informing future improvements, it considers that some findings would benefit from additional contextualization and clarification. Throughout its operation, the Facility has undergone significant evolution in response to Board guidance, operational experience, institutional reforms and the changing climate finance landscape. Accordingly, some findings should be interpreted within the context of the specific period, operational arrangements and institutional circumstances to which they relate.

6. The Secretariat further notes the importance of ensuring that portfolio-level conclusions are grounded in comprehensive evidence and informed by the diversity of experiences across accredited entities, PSAA applicants, project preparation approaches and operating contexts. While the evaluation appropriately acknowledges certain methodological limitations, the Secretariat considers that some findings may have benefited from broader triangulation of available evidence, including procurement reports for PPF service assignments, system records in the Project Review and Tracking Platform (PRTP) on revision iterations, volume and nature

of Secretariat review comments, and SharePoint records relating to document version histories, as well as grant progress and closure reports. In addition, the Secretariat notes that the diversity of stakeholders and operating contexts across the portfolio can make it challenging to generalize experiences or draw conclusions from a limited subset of stakeholders, including private sector actors, whose engagement in the evaluation was limited and represents a missed opportunity for learning. The Secretariat believes that consideration of these factors would further strengthen the robustness and nuance of the evaluation's findings.

7. The Secretariat is encouraged by several findings that align closely with operational experience. In particular, the evaluation recognizes the PPF's role as a strategic de-risking instrument that supports the development of high-quality funding proposals while helping accredited entities, PSAA applicants and partners assess project feasibility before significant additional resources are committed. The Secretariat also welcomes the finding that PPF support serves as an important institutional signal, reducing uncertainty and helping to mobilize partner engagement and co-financing during project preparation. Further, the evaluation acknowledges that the PPF contributes to strengthening capacity and familiarity with GCF processes, even where capacity-building was not originally established as a primary objective of the Facility.

8. Finally, the Secretariat welcomes the recognition that the PPF operates at a scale, diversity and level of institutional complexity that is distinct within the climate finance landscape, reflecting the breadth of accredited entities, operating contexts and project preparation needs that the Facility supports. Collectively, these findings reinforce the continued relevance and strategic value of the PPF within the GCF programming architecture.

9. The Secretariat acknowledges several concerns identified in the evaluation that merit further consideration as the Facility continues to evolve. In particular, the Secretariat recognizes the importance of strengthening continuity across the broader GCF programming chain, including linkages between readiness support, project preparation and funding proposal development. The Secretariat also recognizes that project preparation can be undertaken through a range of delivery arrangements, reflecting differences in accredited entity capacity, project complexity, consultant engagement and operating context. While these approaches provide important flexibility, they can also create differing levels of oversight, visibility, institutional ownership and knowledge transfer throughout the preparation process. At the same time, the Secretariat emphasizes that accredited entities remain responsible for the preparation of funding proposals and accountable for the quality of submissions made to the GCF, irrespective of the support modality utilized. The evaluation appropriately highlights opportunities to further strengthen continuity across the programming chain, clarify roles and responsibilities, enhance quality assurance processes, and promote greater institutional ownership and learning throughout project preparation. The Secretariat considers these observations constructive and consistent with ongoing efforts to strengthen the effectiveness, consistency and developmental impact of the Facility.

10. Overall, the Secretariat broadly agrees with the direction of the recommendations and recognizes the opportunities they present to further strengthen coherence across the GCF programming continuum, operational effectiveness, institutional and country learning and strategic alignment of the PPF. While certain findings would benefit from additional contextualization and clarification, the Secretariat considers the evaluation a constructive contribution to ongoing efforts to strengthen the Facility and its contribution to country-led climate finance programming. The following section sets out the Secretariat's response to each recommendation and identifies areas where existing practices, ongoing initiatives and future work can further advance the objectives identified by the evaluation.

III. Response to Specific Recommendations

Recommendation	Secretariat Response
<p>1 The Secretariat should exercise coherence between the two readiness and preparatory support programmes, the PPF and the RPSP. It should create synergies between the PPF and RPSP support, based on priorities and gaps identified in country programming. In addition to this, the Secretariat should consider means to preserve continuity and institutional knowledge across the readiness support and project preparation support phases, e.g. an integrated framework for GCF support, operational guidance, and a structured coordination mechanisms.</p>	<p>Agree.</p> <p>The Secretariat agrees on the importance of strengthening coherence and synergies between the Readiness and Preparatory Support Programme (RPSP) and the Project Preparation Facility (PPF). GCF programming is country-driven, and both modalities play complementary roles in advancing countries' climate finance priorities and broader programming objectives. While the PPF focuses on preparing country-priority projects for GCF funding consideration, the RPSP supports upstream institutional strengthening, pipeline development and climate finance readiness. The Secretariat notes that stronger coherence does not imply a linear progression between the two modalities; not all readiness-supported concepts are expected to proceed to the PPF, nor do all PPF-supported projects originate from readiness support.</p> <p>The Secretariat recognizes that stronger alignment across readiness support, pipeline development and project preparation can enhance the effectiveness, continuity and strategic coherence of GCF programming. Opportunities for such integration have increased following the Secretariat reorganization in 2024, under which both RPSP and PPF were brought under the Department of Investment Services, providing common strategic oversight through the Division Director. The subsequent appointment of a single Head overseeing both modalities in 2025 has further strengthened day-to-day operational coordination, integrated planning and implementation across the two support mechanisms. These governance and management arrangements have been complemented by operational measures, including centralized financial management and other efforts to streamline processes and strengthen coherence across the programming continuum.</p> <p>Recent operational experience has further demonstrated opportunities for coordination between the two modalities. This includes collaboration in supporting Direct Access Entities through the DAE Window, where Readiness and PPF teams increasingly work together to ensure support is strategic, complementary and aligned with broader country programming priorities. Enhanced oversight of country pipelines through Regional Departments, and Liaison Officers similarly provides opportunities to consider how different GCF support mechanisms can be leveraged across the programming continuum to advance country-led programming objectives.</p>

Recommendation		Secretariat Response
		Looking ahead, ongoing strategic planning for 2028-2031 provides an opportunity to further clarify the overall direction, complementary roles of the two modalities, strengthen coordination mechanisms and improve the tracking of support provided across the broader programming continuum.
2	<p>a. The Secretariat should articulate differentiated PPF support pathways reflecting variation in accredited entity capacity, project complexity, and operating context. The Secretariat should put particular emphasis on first-time users and entities as well as project preparation in complex and vulnerable contexts.</p> <p>b. The GCF should build a better understanding and awareness of the existence of and opportunities with the Facility both within the organization and across its stakeholders. In doing so, it should consider structured and regional dialogues, developing and implementing sector-focused project preparation strategies, and providing early orientation packages to stakeholders at country level.</p>	<p>Agree.</p> <p>2a: The Secretariat agrees on the importance of more clearly articulating differentiated PPF support pathways that reflect variation in accredited entity capacity, project complexity and operating context. While PPF support is already tailored in practice based on factors such as access modality, entity experience, institutional and technical capacity, project complexity and operating environment, there is value in making these considerations more explicit and systematic through informing the strategic direction, as well evolving operational guidance and implementation approaches. The Secretariat considers that this can largely be achieved through clearer guidance, implementation flexibility and fit-for-purpose support approaches, rather than through the creation of additional modalities or highly prescriptive pathways.</p> <p>The Secretariat recognizes that project preparation can take different forms across the portfolio, ranging from preparation that is strongly embedded within accredited entity systems and processes to approaches that rely more heavily on external technical support. These variations do not alter the accountability of accredited entities for the preparation and quality of funding proposal packages, but they do influence the type and intensity of support required throughout the preparation cycle. The Secretariat therefore sees value in further clarifying differentiated support pathways and desired institutional outcomes across these varying contexts, particularly for first-time users, entities operating in vulnerable or complex environments, and projects with heightened technical, financial, institutional or stakeholder engagement requirements.</p> <p>2b: The Secretariat agrees that continued targeted awareness raising and engagement are important to ensure that countries, accredited entities, PSAA applicants and other stakeholders understand the opportunities available through the PPF. Efforts to increase visibility and engagement are already ongoing through the United Nations Framework Convention on Climate Change (UNFCCC) climate weeks, Expos, regional dialogues, webinars, onboarding and orientation sessions, direct engagement with accredited entities, PSAA applicants and countries, and country-level discussions linked to programming priorities and pipeline development. The Secretariat also recognizes the important role of GCF Liaison Officers in raising awareness of the PPF at the country</p>

Recommendation		Secretariat Response
		level. Through their engagement with NDAs, accredited entities and country stakeholders, and their oversight of country pipelines, Liaison Officers can help identify project preparation opportunities and facilitate strategic consideration of how different GCF support mechanisms may be leveraged to advance country programming priorities, including support to Direct Access Entities where relevant. The Secretariat will continue to strengthen outreach, early orientation and knowledge-sharing activities, drawing on lessons from portfolio implementation and emerging programming priorities.
3	The Secretariat should establish a periodic review mechanism for the PPF service providers' roster, ensuring active participation, geographic and thematic coverage, linguistic diversity, and engagement patterns across service assignments. The Secretariat may also consider transparent feedback to unsuccessful bidders after each review, which could translate into a specific and correctable driver of market exclusion.	<p>Partially Agree.</p> <p>The Secretariat recognizes the importance of periodically reviewing the PPF service providers' roster to ensure that it remains fit-for-purpose strategically, operationally and developmentally. The recommendation primarily relates to the PPF Service modality and associated long-term agreement arrangements. In this regard, the Secretariat already undertakes ongoing operational and procurement oversight and recognizes the value of periodically assessing the effectiveness and composition of the roster. Such reviews may consider participation rates, concentration patterns, repeat awards, geographic and thematic coverage, linguistic diversity, barriers to entry and engagement patterns across assignments. The Secretariat also agrees that transparency supports fairness, competition and market development, and notes that contract awards and feedback to unsuccessful bidders are already provided through established procurement procedures.</p> <p>The Secretariat further considers that roster reviews should extend beyond procurement participation alone to assess broader operational and developmental outcomes, including the quality of deliverables, local expert participation, and knowledge transfer. The use and management of service providers are governed by the GCF Procurement Policy and associated long-term agreement (LTA) arrangements, which already provide for procurement oversight, periodic review and feedback mechanisms. The roster was introduced in 2020 and subsequently expanded from 8 to 32 firms in mid-2025 to strengthen expertise in infrastructure, private sector and other specialized areas, increase participation of local firms and service providers, and enhance market competition. As such, future reviews will provide an opportunity to assess whether the roster and associated procurement arrangements continue to effectively support the evolving needs of the Facility.</p>

Recommendation		Secretariat Response
		<p>The Secretariat also notes that the PPF Service modality represents approximately 21 per cent of approved PPF requests (25 approvals), while most project preparation support is delivered through the broader PPF Funding modality. In addition, firms engaged through the PPF Service modality frequently support project preparation under the PPF Funding modality. A more comprehensive understanding of service provider participation across the full PPF portfolio would therefore provide additional context for assessing market participation, coverage and evolving operational requirements.</p>
4	<p>The Secretariat's MEL function should adopt a monitoring and knowledge management system to monitor and report on the progress and outcomes of individual grants under the Facility. This system should enable the GCF to create knowledge and learning opportunities for the Fund and its ecosystem, beyond any future systematic tracking of preparation timelines, iteration processes and outputs.</p>	<p>Agree.</p> <p>The Secretariat agrees on the importance of strengthening monitoring, learning and knowledge management for the PPF. The Secretariat further recognizes that knowledge management should extend beyond tracking preparation timelines, iteration processes and outputs across the GCF programming cycle, and should support operational learning, institutional strengthening, strategic intelligence and broader ecosystem learning across the climate finance architecture. The PPF already monitors the implementation progress of approved grants; however, portfolio monitoring and learning processes have historically been resource-intensive and more limited in their ability to generate systematic portfolio-wide insights. In response, the Secretariat is increasingly embedding knowledge management throughout the project preparation cycle through strengthened ICT systems, digitized operational processes and enhanced portfolio management tools. These efforts are intended to improve data quality, transparency, institutional memory and the ability to monitor and learn across the portfolio.</p> <p>The Secretariat also recognizes that the PPF portfolio reflects diverse project preparation contexts, including varying levels of accredited entity ownership, consultant engagement and institutional embeddedness. In this context, knowledge management can support greater accredited entity ownership, technical engagement, institutional capacity and country ownership throughout the preparation process. Beyond operational monitoring, the Secretariat is increasingly using portfolio analytics, operational experience and lessons learned to inform guidance, thematic learning and continuous improvement across the Facility, including emerging areas such as locally led climate action and other demand-driven priorities. The Secretariat further recognizes the role of the PPF not only as a project preparation mechanism, but also as a platform for partnership building, knowledge generation and broader climate finance ecosystem strengthening.</p>

Recommendation	Secretariat Response
<p>5 In the GCF-3 deliberations, the Board should consider the strategic positioning of the PPF in the operations of the GCF, to ensure that PPF is directed towards the GCF's evolving operational modal and its long-term strategic priorities. This should include consideration of the preparation needs associated with direct access, private sector, vulnerable country contexts, and complex project preparation environments.</p>	<p>Not Applicable</p> <p>As this recommendation is directed to the Board, the Secretariat does not provide a formal position on the recommendation itself. The Secretariat notes, however, that many of the themes identified are already informing ongoing implementation and early strategic thinking related to the Facility. Current PPF operations continue to evolve in response to the needs of direct access entities, private sector actors, vulnerable country contexts and increasingly complex project preparation environments. The Secretariat also recognizes the PPF's important role in de-risking project development, strengthening the quality of funding proposals and supporting access to climate finance.</p> <p>Looking ahead, future updates to the PPF modalities will be considered as part of the broader GCF-3 strategic planning process and will seek alignment with the Updated Strategic Plan, programming priorities, the Readiness Programme and the evolving climate finance landscape. In this context, the Secretariat recognizes the value of continuing to examine emerging strategic questions, including how the PPF can best support and scale innovation, technology deployment, knowledge generation and learning from project preparation experience. The Secretariat also notes the importance of understanding the positioning of the PPF within the broader climate finance ecosystem, drawing on evidence from recent portfolio analyses and landscape studies, while recognizing that any future evolution of the Facility remains subject to Board consideration and strategic deliberation.</p>